MOROCCO



COUNTRY ASSESSMENTS

HIGHLIGHTS

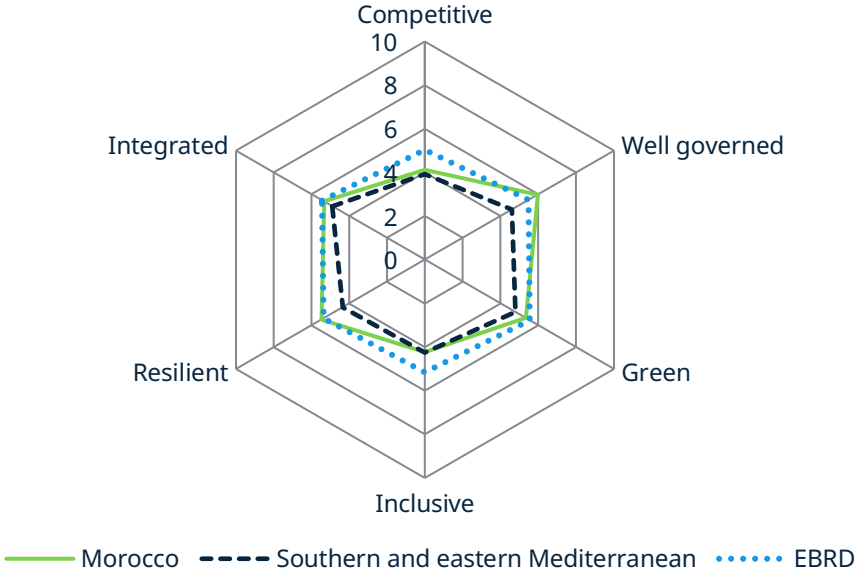
- **Economic fundamentals are robust despite a slight slowdown.** Real gross domestic product (GDP) grew 4.6 per cent year on year in the first quarter of 2026, down from 5.0 per cent in the same quarter the preceding year. Inflation remained low, averaging 0.5 per cent in the first half of 2026, despite an increase in global energy prices.
- **Fiscal consolidation continues to put debt on a downward path.** Higher tax receipts have helped contain the fiscal deficit, which was 3.4 per cent of GDP in 2025, in line with the budget target. Public debt is projected at 65.8 per cent of GDP in 2026, down from 66.6 per cent in 2025. Morocco's Eurobond issuance in May 2026 was well received by the market and two times oversubscribed.
- **Reforms are progressing steadily at state-owned enterprises (SOEs).** Efforts have focused on improving corporate governance structures and controls, as well as corporatising key SOEs by professionalising boards, introducing International Financial Reporting Standards (IFRS) and implementing stronger performance management. Morocco is undertaking an extensive public investment programme through SOEs ahead of co-hosting the 2030 FIFA World Cup.

For more information about country macroeconomic developments, please consult our latest Regional Economic Prospects report.

KEY PRIORITIES FOR 2027

- **Accelerate energy diversification to reduce economic exposure to external price shocks.** Integrating renewable energy capacity would enable greater decarbonisation of coal-dependent electricity generation and strengthen energy security.
- **Prioritise SOE reform to improve fiscal and operating performance.** Governance reforms in line with the country's State Shareholding Policy and New Development Model would mitigate fiscal risks and improve operating performance amid an extensive public investment drive. Advancing the transformation of commercial public establishments into public limited companies, introducing comprehensive privatisation rules and identifying entities for privatisation are key priorities for 2027.
- **Implement labour-market reforms to improve inclusion and boost job creation.** Such reforms would improve the economy's record on job creation and enable higher rates of participation among women and young people.

ASSESSMENT OF TRANSITION QUALITIES (1-10)



For more on reforms and transition qualities, see Chapter 5 of the Transition Report 2026-27.

KEY REFORMS AND POLICY DEVELOPMENTS[1]

Organic Budget Law and fiscal reform

- The revised Organic Budget Law introduced a new fiscal rule based on a medium-term debt anchor, expanded the scope of the budget to include administrative public entities and reinforced parliamentary oversight.
- The government strengthened the medium-term fiscal framework to include climate-related fiscal risks, while a new public financial management framework promotes climate, gender and territorial inclusion in budgeting.

1 From the fourth quarter of 2025 to October 2026.

SOE reform and State Shareholding Policy

- Implementation of the State Shareholding Policy continued, with board professionalisation, the appointment of independent directors, IFRS consolidation, the establishment of specialised committees and the introduction of a performance management system.
- Reforms at key SOEs progressed, including the conversion of the National Office of Hydrocarbons and Mines into a joint stock company and the transfer of electricity distribution roles from the National Office of Electricity and Drinking Water to 12 regional multiservice companies.

Banking resolution and non-performing loan market reform

- Parliament approved a new banking law in May 2026, establishing a bank resolution regime with an authority chaired by the governor of Bank Al-Maghrib.
- Reforms to establish a secondary market for non-performing loans advanced, with Bank Al-Maghrib issuing a circular in December 2025 that introduced a new category of "sensitive" loan and the government finalising a law to facilitate non-performing loan sales.

Monetary policy and inflation-targeting transition

- Bank Al-Maghrib continued to transition to an inflation-targeting regime. It refined macro-forecasting tools and introduced interbank foreign-currency swaps and overnight index swaps to improve foreign-exchange market liquidity.
- Bank Al-Maghrib announced its intention to set an inflation target while maintaining its exchange-rate band as an intermediate step towards a fully fledged inflation-targeting framework.

Green transition

- A decree enabling the self-consumption of renewable energy came into force in June 2026, setting up regulatory frameworks differentiated by project size and allowing producers to sell up to 20 per cent of their output to the national grid.

Economic inclusion

- The government launched a Charter for Very Small Enterprises to improve access to finance. It introduces a unified small-business scoring system and uses Bank Al-Maghrib's refinancing facilities.
- Modernisation of the National Employment Agency has involved widening access to its job-placement programmes, strengthening its monitoring and coordination capacity, digitalising its services and expanding its regional network.