Responding to the Coronavirus Crisis
Update on Morocco (12/11/20)

Key short-term priorities
Implement reforms to advance digital transformation; improve banks’ lending portfolio; and promote trade integration and global value chains

EBRD Policy Comparator

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Economic channels of disruption
Tourism, private consumption, shipping
• Recession in Europe will dampen Moroccan growth, in addition to a sharp decline in tourism and lower commodity prices.
• At the same time, the negative impact of the virus on China’s production of phosphate may benefit Morocco, the world’s second largest producer of phosphate.
• The authorities also decided to regulate prices and control the distribution channels of facemasks and hydro alcoholic gels.
• The authorities plans to sustain recovery and employment by mobilizing MAD 120 billion in credit guarantees to firms and creating “Fund for Strategic Investment”

Crisis response measures to date
A special fund, interest rate cuts, and payment delays
• BAM called on credit institutions to suspend all distribution of dividends or shareholder profits for the 2019 financial year
• A $1bn special fund (financed by the government and by tax deductible voluntary contributions from public and private entities) to cover the costs of upgrading medical facilities and support businesses and households.
• Reduce the maximum variation thresholds applicable to financial instruments listed in Casablanca Stock Exchange to reduce volatility.

Selected crisis impact indicators
EBRD GDP growth outlook
- 2020: -5.0%
- (Sep 2020)
- 2021: 3.5%

Survey of household economic confidence
- 60.6
- (Q3 2020)
- (down 5.0 points q/q)

Casablanca stock market (MASI)
- 10,574
- (11 Nov 2020)
- (down 13% YTD)

Committed external assistance
- WB: $323mn emergency grants and loan restructuring
- IMF: $3bn under PLL to limit social and economic impact, support reserves, and mitigate BOP pressures
- AMF: $328mn to support Morocco’s public finances, external financial position and meet emergency needs
- AfDB: €382mn for effective health response improved social protection
- EU: €450mn to support funding for the health sector

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To learn more about EBRD’s support to Morocco visit: https://www.ebrd.com/morocco.html