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Morocco

Food Service - Hotel Restaurant Institutional

2018

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Report Highlights:

In 2018, the United States and Morocco negotiated terms for U.S. poultry market access, which could be an opportunity for U.S. exporters to target the food service sector. In 2017, U.S. exports of consumer-oriented agricultural products to Morocco totaled \$38 million, a 72% increase from 2016. Best prospects include dairy products; seafood; dried fruit and tree nuts; pulses; rice; prepared fruits and vegetables; flour mixes and baked goods; confectionary, including chocolate and cocoa; popcorn; sauces and condiments; and alcoholic and non-alcoholic beverages, including coffee. Beef and processed eggs have strong potential if market access barriers are removed.

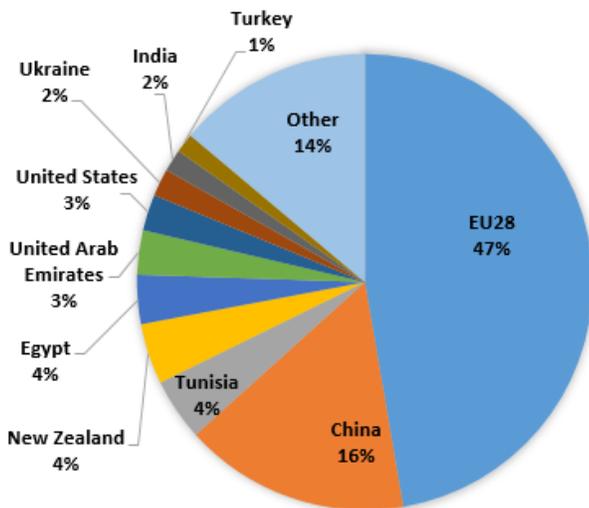
Market Fact Sheet: Morocco

Executive Summary

Morocco's food service market is growing at 4-6% annually and was valued in 2017 at \$3.1 billion with the fastest growing categories being quick-service and full-service restaurants. In 2017, U.S. exports of consumer-oriented products to Morocco totaled \$38 million.

Imports of Consumer-Oriented Products (2015-2017 Average Imports)

Morocco imported \$1.4 billion worth of consumer-oriented agricultural products in 2017. The United States faces stiff competition from the European Union.



Sources: Office des Changes

Strengths	Weaknesses
US-Morocco FTA	Distance and lack of shipping lines
Opportunities	Challenges
U.S. beef, poultry, almonds, prunes, and pulses fit well with traditional Moroccan dishes	Erosion of U.S. preferences vis-a-vis Morocco's FTAs with the EU and Arab League; EU-like import requirements.

Quick Facts CY 2017

Imports of Consumer-Oriented Food

Products:

\$1.4 billion

Top 10 Best Products

- Poultry
- Sauces & Condiments
- Prunes & Raisins
- Beer, Wine, & Spirits
- Chocolate & Confectionary
- Seafood
- Pulses
- Tree Nuts
- Rice
- Cheese

Food Trade (U.S. billion) 2017

Food Exports	\$4.6
Food Imports	\$5.7
Food Service Sales	\$3.1

Top 6 QSR Chains in Morocco

- McDonalds
- Pizza Hut
- Domino's Pizza
- KFC
- Burger King
- Pomme de Pain

GDP/Population 2017

Population (*millions*): 35.7
 GDP (*billions USD*): \$111
 GDP per capita (*USD*): \$3,252

Sources: [World Bank](#), [Morocco Office des Changes](#), [Morocco Haut Commissariat au Plan](#), [Central Intelligence Agency \(CIA\)](#), [IMF World Economic Outlook](#), FAS Rabat office research.

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SECTION I. MARKET SUMMARY

Morocco's food service market is growing at 4-6% annually and was valued at \$3.1 billion in 2017 with the fastest growing categories being quick-service and full-service restaurants. Morocco's food service industry is most developed in Casablanca (commercial center) and Marrakech (tourism).

Table 1: Food Service Establishments and Consumer Sales, 2012-2017

	2012	2013	2014	2015	2016	2017
Food Service Units	52,372	53,146	54,600	54,333	54,934	55,452
Transactions	1,365	1,387	1,413	1,434	1,455	1,473
Food Service Sales, Million US\$	\$2,477	\$2,615	\$2,753	\$2,894	\$3,019	\$3,155

Source: [Euromonitor](#).

Restaurants

- Quick-service (QSR) and pizza food service establishments, including Pizza Hut, Dominos, McDonalds, Burger King, and KFC, now have a strong presence in Morocco's in major cities (e.g., Casablanca, Rabat, Marrakech, and Tangier) while Chili's, Starbucks, Cinnabon, and Papa John's have recently entered one or more cities and are fast expanding.
- French style bakeries and cafes are inseparable from Moroccan food culture and daily lifestyle. French and Spanish cuisines are the most popular among sit-down restaurants with alcoholic beverages often being available in such establishments.
- Most non-QSR restaurants close entirely for the month of [Ramadan](#); however, select upscale restaurants do open for the evening breaking of the fast, and of those, most replace their *a la carte* menu with buffets. Ramadan 2019 dates (May 6- June 3).

Table 2: Food Service Distribution, 2015-2017.

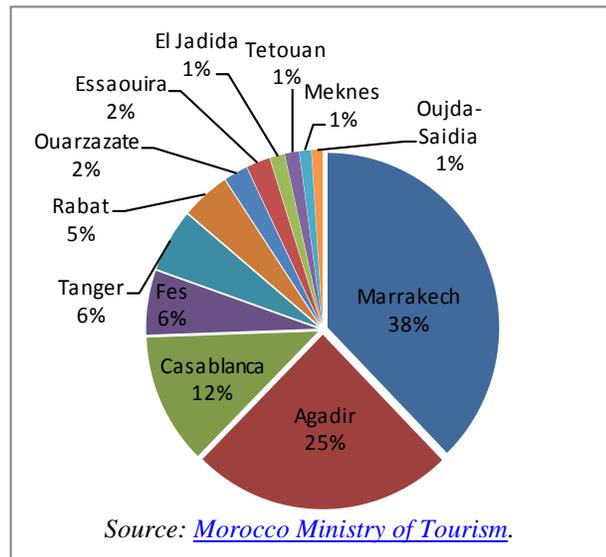
Categories	Number			Service Style, 2017			
	2015	2016	2017	Eat-in	Home Delivery	Take-away	Drive-Through
Quick Service Restaurants: Asian (95), Pizza (141), Ice Cream (164), Burger (256), Fish (233), Chicken (373), Middle Eastern (518), Bakery Products (724), Other (881)	3,185	3,299	3,385	53%	6%	38%	2%
Full Service Restaurants: Latin American (63), Asian (130), Pizza (186), European (209), Middle Eastern (808)	1,321	1,354	1,397	88%	6%	5%	-
Street Stalls/Kiosks	30,749	31,165	31,525	9%	-	91%	-
Cafés/Bars	18,898	18,929	18,955	95%	-	4%	-

Source: [Euromonitor](#)

Hotels

- Morocco's upscale lodging options where imported food are most likely to be present include primarily a mix of European and Moroccan hotel chains and followed by a small set of independent operators.
- In 2017, the total nights spent in tourist accommodation establishments, registered a strong increase of 15% building on an increase during the same period of 2016 (18.3% for non-resident tourists and 7.4 % for residents).
- Two tourist destinations, Marrakech and Agadir, generated 63% of the total nights in 2017.

Figure 1: Hotel Beds by City, 2017



- 11.35 million foreign tourists visited Morocco in 2017, up 10% from 2016; this growth concerns the main issuing markets (France, Spain, and Germany) while the emerging markets such as China and Russia recorded strong growth due to a removal of visa requirements.
- The Ritz-Carlton is constructing a resort in Tamuda Bay, Marriott is planning to open a resort near Agadir in 2019, and Hilton is planning to open its first hotel in Casablanca in 2021 followed by a hotel in Rabat scheduled to open in 2022. These developments could open opportunities for U.S. consumer oriented products and other products catering to high-end tourists.

Institutional (Catering)

- [Newrest Rahal](#) Maroc and [SODEXO](#) are estimated to account for over 80% of the catering market, Newrest being the leader.
- Catering peaks during the summer (May-August) when the festivities tend to concentrate.
- Most catered meals are Moroccan-style, including lamb, beef, poultry, dried fruits and nuts, spices, tea, coffee, and sugar, but requests for western-style buffets are growing.
- Sales to airline catering total \$42 million. Imported food may access this segment with significant exceptions to the normal set of rules.

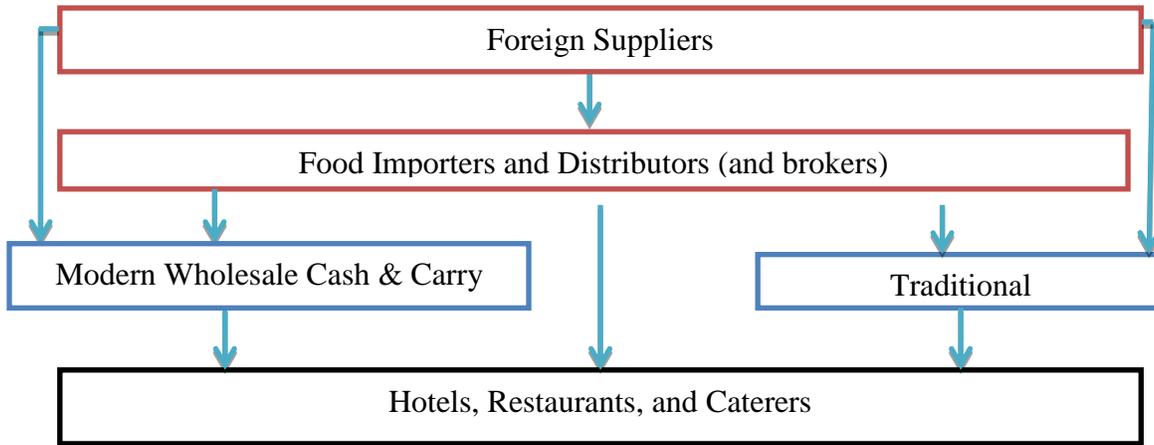
Table 3: Advantages and Challenges Specific to the Moroccan Food Service Market

Advantages	Challenges
Expanding number and geographic coverage of international QSRs and sit-down restaurants	Still limited market penetration outside Casablanca and Marrakech
Expanding tourism driving hotel development, which in turn drives supply chain investment to access high-quality, safe ingredients.	Very limited number of importers and distributors active in this market segment
Some U.S. ingredients (e.g., beef, poultry, almonds, prunes, and pulses) fit well with traditional Moroccan cuisine	French cuisine owned or inspired cafes, bakeries, restaurants, and hotels dominate the landscape and Moroccan mindset
Tolerance of alcohol consumption	Market access for U.S. beef, processed eggs.

SECTION II. ROAD MAP FOR MARKET ENTRY

The network of importers and distributors in this market segment is very limited and many establishments have established supply chain investments and relationships in Europe that are unlikely to change. Some traditional importers and wholesalers provide credit (1-3 months) to hotels and restaurants. While there is little cross-over of importers/distributors among food service and retail, some independent hotels and restaurants do rely on large retailers to source ingredients. For additional information, see the [Morocco Exporter Guide](#).

Figure 4: Distribution Chains for Hotels and Restaurants in Morocco



Source: FAS/Rabat

SECTION III. COMPETITION

Table 5: Morocco Imports of Select Consumer-Oriented Food Products

Commodity	Product	Average of 2015-2017 (world) Thousands USD	Average of 2015-2017 (USA) Thousands USD	U.S. Market Share (%)	U.S. Duty	Top Suppliers
Meat And Edible Meat Offal						
0201/02	Meat Of Bovine Animals	\$ 26,073	\$ -	0%	0*	AUS, ARG
0203	Meat Of Swine (Pork), Fresh, Chilled Or Frozen	\$ 290	\$ -	0%	0	EU
0207	Meat & Ed Offal Of Poultry, Fresh, Chill Or Frozen	\$ 984	\$ -	0%	0	BRA, EU
Fish, Crustaceans & Aquatic Invertebrates						
0302	Fish, Fresh Or Chilled (No Fillets Or Other Meat)	\$ 18,167	\$ -	0%	0	EU
0303	Fish, Frozen (No Fish Fillets Or Other Fish Meat)	\$ 20,997	\$ 23	0%	0	EU
0306	Crustaceans Live Frsh Etc Smoked/Cooked Flours	\$ 80,615	\$ -	0%	0	EU
Dairy Products						
0401	Milk And Cream, Not Concentrated Or Sweetened	\$ 4,180	\$ -	0%	0	EU
040210	Milk & Crm, Cntd, Swt, Pawdr, Gran/Solids, Nov	\$ 8,339	\$ 844	10%	0	EU
0405	Butter And Other Fats And Oil Derived From Milk	\$ 82,873	\$ 1,118	1%	0	NZL, EU
0406	Cheese and Curd	\$ 72,588	\$ 2,113	3%	0	EU
0409	Honey, Natural	\$ 4,166	\$ -	0%	0	CAN
Edible Vegetables & Certain Roots & Tubers						
070190	Potatoes, Except Seed, Fresh Or Chilled, Nesoi	\$ 188	\$ 11	6%	0	EU
0703	Onions, Shallots, Garlic, Leeks Etc, Fr Or chilled	\$ 21,236	\$ -	0%	0	EU
0710	Vegetables (Raw Or Cooked By Steam Etc), Froze	\$ 533	\$ 17	3%	0	EU
0713109920	Peas for Human Consumption	\$ 6,421	\$ 59	1%	0	CAN
0713339010	Common kidney Bean, Except seed	\$ 5,804	\$ 700	12%	0	EGY
0713409090	Lentils except seed	\$ 26,569	\$ 306	1%	0	EU
Edible Fruit & Nuts; Citrus Fruit Or Melon Peel						
080211/12	Almonds	\$ 2,490	\$ 1,442	58%	0*	EU, USA, SAU
080221/22	Hazelnuts	\$ 382,123	\$ -	0%	0	EU, TUR
080231/32	Walnuts	\$ 11,438	\$ 6,924	61%	0	CHL, USA
080250-52	Pistachios	\$ 1,198	\$ 931	87%	0	USA, IRN, EU
0802900010/85	Pecans	\$ 129	\$ 26	20%	0	USA, EU, TUN
080620	Grapes, Dried (Incl. Raisins)	\$ 684	\$ -	0%	0	TUR, IND
080810	Fresh Apples	\$ 5,594	\$ 18	0%	0	EU
080820/30	Fresh Pears	\$ 16,321	\$ -	0%	0	EU
081320	Prunes, Dried	\$ 305	\$ -	0%	0	EU
Coffee, Tea, Mate & Spices						
0901	Coffee, Coffee Husks Etc, Substitutes With Coffee	\$ 98,132	\$ 10	0%	0	IDN, GIN
090210/30	Green and Black Tea in Pkg Nov. 3 kg	\$ 199,501	\$ 58	0%	0	CHN, EGY, EU
0904-0910	All Spices, Crush or Ground	\$ 20,440	\$ 39	0%	0	EU
Cereals						
1006	Rice	\$ 4,579	\$ 221	5%	0	EU
Milling Products; Malt; Starch; Inulin; Wht Gluten						
1101	Wheat Or Meslin Flour	\$ 137	\$ -	0%	0	EU, CHN
Oil Seeds And Oleaginous Fruits; Miscellaneous grain, seed and fruits, Industrial or Medicinal Plants; Straw and Fodder						
1206	Sunflower Seeds, Whether O Not Broken	\$ 7,645	\$ 983	13%	0	EU
Animal Or Vegetable Fats, Oils Etc. & Waxes						
150790	Soybean Oil Refined And Fractions Not Modified	\$ 124	\$ -	0%	0	EU, EGY
151620	Vegetable Fats & Oils/Fractions Hydrogenated Etc	\$ 37,903	\$ 15	0%	0	UAE, MYS
Edible Preparations of Meat, Fish, Crustaceans, Etc.						
1601	Susages, Similar Prdt Meat Etc Food Prep Of These	\$ 194	\$ -	0%	0	EU
1602	Prepared Or Preserv Meat, Meat Offal & Blood N	\$ 8	\$ -	0%	0	EU, BRA
1604	Prep Or Pres Fish, Caviar & Caviar Substitutes	\$ 7,428	\$ 85	1%	0	SEN, EU
1605	Crustaceans, Mollusc Etc. Prepared Or Preserved	\$ 248	\$ -	0%	0	EU, UAE
Sugars And Sugar Confectionary						
170191	Cane/Beet Sugar, Refined, Solid, Added Flav/Color	\$ 37	\$ -	0%	0	EU, BRA
1704	Sugar Confection (Incl White Chocolate), No Coco	\$ 12,792	\$ 50	0%	0	EGY, EU
Cocoa And Cocoa Preparations						
1805	Cocoa Powder, Not Sweetened	\$ 12,784	\$ -	0%	0	EU
1806	Chocolate & Other Food Products Containing Coc	\$ 38,625	\$ 85	0%	27**	UAE, EU
Prep Cereal, Flour, Strach Or Milk; Bakers Wares						
1902	Pasta, Prepared Or Not; Couscous, Prepared Or N	\$ 13,709	\$ 2	0%	0	EU, CHN
1905	Bread, Pastry, Cakes Etc, Comm/Wafers, Emp Caps	\$ 34,413	\$ 171	0%	0	TUR, EU
Prep Vegetables, Fruit, Nuts Or Other Plant Parts						
2002	Tomatoes Prep/Preserved	\$ 10,712	\$ -	0%	0	EGY, EU
200410	Potatoes, Prep/Pres, Frozen	\$ 15,944	\$ -	0%	0	EGY, EU
2005	Vegetables (Excl. Tomatoes, Mushrooms, and	\$ 12,552	\$ 252	2%	0	EU
2007	Jams Fruit Jellies, Marmalades, Etc., Cooked	\$ 4,746	\$ 3	0%	0	UAE
2008	Fruits, Nuts Etc Prepared Or Preserved Nesoi (ex. Peanuts, Citrus Fruits, Cranberries)	\$ 10,344	\$ 740	7%	0	EU
2009	Fruit Juice Nt Frtfd W Vit/Mnl Veg Juice No Spirit	\$ 10,844	\$ 228	2%	0	EGY, EU
Miscellaneous Edible Preparations						
2103	Sauces & Prep; Mixed Condiments, Mustard Flour	\$ 14,697	\$ 611	4%	0	EU
2105	IceCream And Other Edible Ice, With Cocoa Or nc	\$ 4,343	\$ -	0%	0	EU, TUR
210690	Food Preparations Nesoi	\$ 57,417	\$ 1,875	3%	0-27**	EU
Beverages, Spirits and Vinegar						
2201/02	Water	\$ 10,332	\$ 395	4%	0	EU
2204	Wine Of Fresh Grapes, Grape Must Nesoi	\$ 16,655	\$ 149	1%	0	EU
220830	Whiskies	\$ 15,968	\$ 1,806	11%	0	EU
220840	Rum And Tafia	\$ 536	\$ 218	41%	0	USA, EU
220850	Gin And Geneva	\$ 1,136	\$ -	0%	0	EU
220860	Vodka	\$ 10,088	\$ -	0%	0	EU

* Subject to Tariff-Rate Quota

** fully phased out in 2023

Sources: Global Trade Atlas, FAS/Rabat

SECTION IV. BEST PRODUCT PROSPECTS

Products present in the market that have good sales potential:

- Dairy Products (Cheese)
- Almonds, Pistachios, Walnuts
- Spirits

Products not present in significant quantities but which have good sales potential:

- Poultry
- Rice
- Pulses
- Prunes, Raisins, Cranberries
- Apples
- Canned Fruit and Vegetables
- Frozen Food, including Potatoes and Seafood
- Frozen Yogurt and Ice Cream Mixes
- Flour Mixes
- Baked Goods
- Confectionary, including Chocolate and Cocoa
- Popcorn
- Sauces and Condiments
- Non-alcoholic Beverages, including Coffee
- Wine and Beer

Products not present because they face significant barriers:

- Beef – no market access
- Processed Eggs – no market access

SECTION V. POST CONTACT AND FURTHER INFORMATION

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