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Report Name: Retail Foods

Country: Morocco

Post: Rabat

Report Category: Retail Foods

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Report Highlights:

The U.S.-Morocco Free Trade Agreement (FTA) is the only U.S. FTA on the African continent and offers advantages to exporters seeking to do business in Africa. In 2020, U.S. exports of retail-related products to Morocco totaled $111 million. Post has identified limited volumes of U.S. seafood, chocolates, sauces, and spirits available on select Moroccan retail shelves. Best prospects include almonds, pistachios, protein concentrates, food preparations, cheese, rice, seafood, beer, spirits and liqueurs, sauces and condiments. As per the U.S. Morocco FTA, tariffs were phased out entirely on U.S. almond and tree nuts in January 2020. Almonds now represent the largest growth category in U.S. food exports to Morocco. Morocco's retail food sector has remained stable during the coronavirus outbreak.

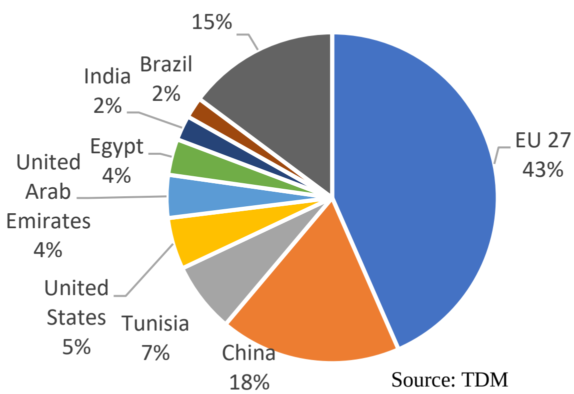
Market Fact Sheet: Morocco

Executive Summary

Morocco, a U.S. Free Trade Agreement partner, is a price-sensitive market that does not showcase significant quantities of U.S. food and beverages in the retail sector. In 2020, U.S. exports of retail-related products to Morocco doubled, reaching $111 million. Morocco imports limited volumes of U.S. pre-packaged chocolates, seafood, sauces, and spirits. However, a surge in U.S. almond exports is leading growth in the retail-oriented trade.

Competition for Imported Retail Food Products (2018-2020 Average Imports in Million $)

The European Union is Morocco's primary trading partner, and the source of over 43 percent of Morocco's retail food imports. Morocco imported $1.4 billion worth of retail-related food products in 2020. The United States faces stiff competition from the European Union.



Source: TDM

Strengths/Weaknesses/Opportunities/Challenges	
Strengths	**Weaknesses**
Morocco is one of the fastest growing economies in North Africa.	*Distance and lack of shipping lines.*
Opportunities	**Challenges**
US-Morocco FTA provides opportunities to use Morocco as a platform to reach Africa at large.	*Erosion of U.S. preferences vis-à-vis Morocco's FTAs with the EU, Arab League.*

Quick Facts CY 2020

Imports of Consumer-Oriented Food Products:

- $2 billion from the World
- $ 127 million from the United States

Top 10 Best Products:

- Tree Nuts
- Oilseeds
- Dairy Products
- Food Preparations
- Fats & Oils
- Sweeteners & Confectionary
- Chocolate
- Poultry and Beef
- Specialty wheats
- Vegetables

Food Trade (U.S. billion) 2020:

Food Exports- Agricultural and Related Products total (2020)	$6.4
Food Imports- Agricultural and Related Products total (2020)	$7.2
Food Service Sales	$3.3

Top Morocco's Retailers:

- Marjane Holding (Marjane and Acima)
- Label'Vie (Carrefour, Carrefour Market, and Atacadao)
- Ynna Holding (Aswak Salam)
- BIM Stores SARL (BIM)
- Akwa Group (Minibrahim)

Top 6 QSR Chains in Morocco:

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

GDP/Population 2020:

Population *(millions)*: 36
GDP *(billions USD)*: $113
GDP per capita *(USD)*: $3,139

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

In 2020, Morocco's food retail market represented 13.5 percent of GDP. The Casablanca-Rabat corridor accounts for about 50 percent of all modern retailers. Marjane Holding (Marjane and Marjane Market) and Label'Vie (Carrefour, Carrefour Market, and Atacadao) are Morocco's leading modern food retailers with other notables including Ynna Holdings (Aswak Salam) and the Turkish small format discounter BIM.

Recent Trends & Upcoming Events in Retail

- ✓ U.S. almond exports represent the largest opportunity for retail growth, following the January 2020 removal of the tariff rate quota, which opened the market completely to U.S. almonds and other tree nuts at zero duty.
- ✓ As the coronavirus pandemic pushed more grocery shoppers online, some supermarkets adapted with new or improved online sales platforms.
- ✓ In July 2020, Marjane Holding launched its e-Commerce platform which allows customers to shop from a selection of 6,000 items at store prices with stocks updated in real time.
- ✓ Marjane has signed a partnership with Glovo to ensure home delivery of food and consumer oriented products such as fruits and vegetables, dairy products, bakery, groceries, and hygiene products.
- ✓ U Express supermarket opened in Casablanca. U Express is a cooperative of French retailers chaired by Dominique Schelcher.
- ✓ Marjane Holding, Morocco's retail distribution leader, leads hypermarkets in Morocco with a 57 percent value share in 2020, followed by Label'Vie groupe,
- ✓ Marjane and Carrefour continue to invest in new outlets across the country. The increase of shopping malls in larger cities is also contributing to the growth of hypermarkets in the country.
- ✓ The Turkish discount chain BIM announced the sale of a 35 percent minority share of its subsidiary in Morocco, BIM Stores SARL, to Blue Investment Holding, affiliated with British private equity fund Helios Investment Partners.
- ✓ The 4rd International Exhibition of Food & Drinks «SIAB EXPO MAROC » is scheduled to take place from November 24-27, 2021 in Casablanca. This date remains in question due to the status of the coronavirus outbreak.
- ✓ Peak sales occur during Ramadan, which will take place on or about April 2-May 2, 2022.
- ✓ Food retail is a small but growing opportunity for U.S. exporters to take advantage of the U.S.-Morocco Free Trade Agreement (FTA).
- ✓ Despite the effects of the Covid-19 pandemic, Morocco's food retailing sector has remained stable.

In response to COVID-19, supermarkets in Morocco were required to implement safety measures for their personnel, facilities, and shoppers. New requirements include temperature screening, hand sanitizer stations, and mandatory use of face masks. Supermarkets also regularly clean shopping carts and surfaces, and enforce social distancing by placing signs throughout the store and at the cashier lines.

The Ministry of Industry estimates traditional channels account for 80 percent of grocery retailing. Industry sources anticipate modern, large-scale distribution will support 30 percent of national consumption by 2025. This estimate is supported by changing demographics, urbanization, and the evolution of the consumers' purchasing behaviors, which should create additional opportunities for imported food products.

Moroccan Retail: Advantages and Challenges

Advantages	Challenges
Growing perception that supermarkets offer safer and cheaper products.	Supply chain: (1) Retailers have leveraged past and present foreign investment into Moroccan retail by U.S. competitors (Europe, Turkey) and (2) U.S. multi-national food companies have regional production.
The supermarket sector continues growing.	Market size: 35 million Moroccans, 10-15 percent of which can afford to buy imported products.
Increased acceptance of packaged food.	Entry fees for new products.

Number of Grocery Retail Outlets by Channel in Morocco

Outlet	2015	2016	2017	2018	2019	2020*
Modern Grocery Retailers	2,099	2,231	2,365	2,450	2,568	2,580
- Convenience Stores	188	205	221	238	240	242
- Discounters	280	332	391	450	455	460
- Forecourt Retailers	1,258	1,308	1,345	1,385	1,395	1,400
-- Chained Forecourts	69	105	133	160	162	164
-- Independent Forecourts	1,189	1,203	1,212	1,221	1,231	1,241
- Hypermarkets	66	68	69	70	71	75
- Supermarkets	307	317	333	488	492	498
Traditional Grocery Retailers	239,846	240,569	241,429	242,292	243,092	243,350
- Food/Drink/Tobacco Specialists	40,367	40,781	41,172	41,567	41,610	41,650
- Independent Small Grocers	165,809	166,053	166,401	166,750	166,810	166,860
- Other Grocery Retailers	33,670	33,753	33,856	33,959	34,049	34,085

Source: Euromonitor, Industry website Trade source, *Estimate

Hypermarkets are typically not within walking distances of residential areas and feature parking for up to 1,000 cars. They stock over 17,000 SKU in food items which account for 40-50 percent of total sales. As a result, retailers aggressively promote their products.

- Marjane is especially aggressive in advertising.
- Atacadao positions itself between a hypermarket and a discounter, targeting lower-income consumers, professionals, and small retailers, including through offering bulk purchase discounts.
- Aswak Assalam has reduced its number of stores.

Retailer Name	Ownership	Est. Turnover, $Mill, 2020	Est. # of Outlets, 2020	Locations	Purchasing Agent type
Marjane	**Moroccan**: SNI Group	$1,100	Marjane**:** **38** Marjane market: **51**	Casablanca, Rabat, Sale, Marrakech, Meknes, Taza, Tanger, Agadir, Kenitra, Mohamedia, Safi, Tetouan, Oujda, Saidia, Nador, Fes, Khouribga, Beni Mellal, Kelaat Es-Sraghna, Saleh, Al Hoceima, Fkih Ben	Imports Direct and Buys from Importers
ATACADÃO	**Moroccan:** Label'Vie95% **French:** Carrefour-5%	$300-350	**11**	Casablanca, Meknes, Fes, Marrakech, Mohammedia Rabat, Agadir, Oujda, Tanger	Imports Direct via Label'Vie and Buys from Importers
Carrefour		$66-90	**11**	Casablanca, Fes, Rabat, Marrakech, Sale, Meknes, Tanger	
أسواق السلام aswak assalam	**Moroccan:** Ynna Holding	$150-200	**14**	Rabat, Marrakech, Agadir, Tanger, Casablanca Mohammedia, Kenitra, Emara, Oujda, Essaouira	Imports Direct and Buys from Importers

Source: Industry websites

Supermarkets, Discounters, and Convenience Stores are located in or within walking distance of medium to high-income neighborhoods and compete for urban consumers with traditional mom-and-pop shops and open-air markets. They are much smaller than hypermarkets but have a minimum of 20,000 ft², 3 to 6 registers, and feature limited parking space.

- ACIMA stocks at least 5,000 items
- Carrefour Market stocks around 10,000 products, including 4,000-5,000 food items. Carrefour carries specialty products like pork and alcohol.
- Discount food outlets such as BIM, which opened in 2009, have grown in popularity, followed by relative new-comer Costcutter. Label'Vie addresses the deep-discount market segment through its Atacadao stores – see above.
- Morocco has only independent convenience stores.

Retailer Name	Ownership	Est. Turnover, $Mill, 2020	Est. # of Outlets, 2020	Locations	Purchasing Agent type
Marjane market	**Moroccan:** SNI Group	N/A	51	Casablanca, Rabat, Tanger, Marrakech, Fes, Safi, Khouribga, Beni Mellal, Temara, El Jadida, Berrechid	Imports Direct via Marjane and Buys from Importers
Carrefour market Label'Vie	**Moroccan:** Label'Vie-95% **French:** Carrefour-5%	$538	45	Casablanca, Mohamedia, Rabat, Meknes, Kenitra, Marrakech, Fes, Agadir, Sale, Khemissat, Settat, El Jadida, Temara, Safi	Imports Direct via Label'Vie and Buys from Importers
BIM	**Turkish:** Groupe Birlesik Magazal A.S	$59	516	Casablanca, Rabat, Sale	Import Direct
Costcutter	**British**	N/A	1	Marrakech	n/a
U express	**French**	N/A	2	Casablanca, Rabat	Imports Direct
Other Small Supermarkets (≥ 3 registers, >25000 ft²)	Local – private	$50-100	37	Casablanca, Rabat, Agadir	Buys from Importers
Other Large Grocery Stores (Self-service, ≥ 1 register, < 2000 ft²)	Local -private	$100-150	285	Casablanca, Marrakech, Rabat, Agadir	Buys from Importers

Source: Industry website

Gas-marts are 500 to 3,300 ft², typically feature one electronic register, and typically supply convenience foods. They areoften located along highway rest stops connecting Morocco's major cities. Stores are usually expensive and carry some imported convenience items, like snack foods, beverages, and confectionary.

Retailer Name	Est. # of Outlets 2019*	Location	Purchasing Agent
Afriquia Mini-Brahim (Managed by Maroshop)	29	Casablanca, Marrakech, Agadir, Meknes, Fes, Settat	Buys from Importers
Shell Gas Stations (Select Shop)	26	Casablanca	Buys from Importers
Mobile Gas Stations on the Run developed by Exxon	16	Casablanca, Rabat, Marrakech	Buys from Importers

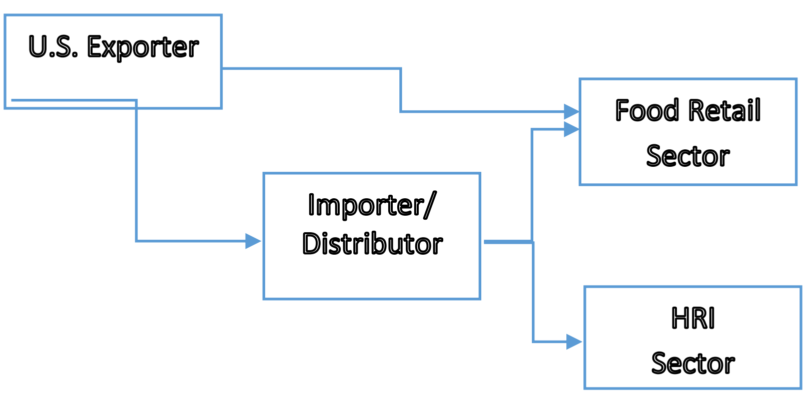
Source*:* Industry Websites, *No official data is available from the Moroccan Ministry of Commerce and Industry

Traditional Markets - "Mom & Pop" Small Independent Grocery Stores

Imported products are not well positioned in this market segment. This category includes an estimated 45,000 grocery stores that are not in the above categories. Their size varies from less than 200 ft² to 1,000 ft². These shops have limited financial resources and are typically managed by one person. In cities, these stores may have a refrigerator. A very small number have ice cream freezers. Convenience, proximity, and consumer credit based on personal relationships with their customers are their strongest assets. Mom-and-pop stores are supplied via multiple distributors, wholesalers, and sometimes larger retailers.

SECTION II. ROAD MAP FOR MARKET ENTRY

In addition to working with the central purchasing platforms of large, modern retailers for high volume and/or private label orders, new products can also be introduced through the handful of established importers that directly supply modern retailers. Exporters may be able to meet Moroccan food retailers and their importers at SIAL (Paris), ANUGA (Germany), ALIMENTARIA (Spain), or Gulfood (Dubai). U.S. exporters are invited to contact AgRabat@fas.usda.gov to facilitate introductions.



SECTION III. COMPETITION

Category	HS	Description	Avg Imports, 2018-20			U.S. Duty	MFN Duty	Foreign Competitors
			World	USA	%			
Meat & Poultry	0201/0202	Beef, Chilled/Frozen	$27,037,920	$14,043	0.0%	0%/200%[1]	200%	Aust, EU
	0207	Poultry, Chilled/Frozen	$1,475,955	$142,498	10%	0%100%[1]	100%	EU, Tuni, Braz
Fishery Products	0302/0304	Fish, Chilled/Frozen	$24,260,132	$37,765	0.2%	0%	10%	EU, UK
	0306	Crustaceans	$85,446,446	$1,340	0.0%	0%	40%	EU, Cand, AR
	0307	Molluscs	$35,416,930	$405,923	1.1%	0%	10%	EU, Chin
Dairy	0406	Cheese	$108,029,836	$1,835,765	1.7%	0%	25%	**US,** EU, Tuni
Vegetables	0710	Vegetables, Frozen	$725,175	$23,583	3.3%	0%	25%	EU, **US,** Egt
Fruits & Nuts	080211/ 080212	Almonds	$44,136,597	$42,020,417	95%	0%	40%	**US,** EU
	080250/ 080251	Pistachios	$4,515,469	$2,419,295	53.6%	0%	2.5%	**US,** Iran, EU
	080410	Dates	$163,761,318	$2,175	0.0%	0%	40%	Tuni, UAE,
	080620	Raisins	$12,012,382	$0	0.0%	0%	30%	India, Turk, Uzb
	080810	Apples, Fresh	$5,035,554	$40,517	0.8%	0%	40%	EU, Aust, **US**
	080820/ 080830	Pears, Fresh	$30,618,221	$0	0.0%	0%	40%	EU, Arg, Chile
	081320	Prunes, Dried	$64,475	$0	0.0%	0%	30%	EU
Coffee, Tea, Spice	0902	Tea	$216,629,852	$89,880	0.0%	0%	32.5%	Chin, India
	0904-0910	Spices	$50,231,773	$67,142	0.1%	0%	2.5%	Braz, VT, EU
Cereals	1006	Rice	$26,830,352	$2,810,305	10.5%	0%	2.5%	Thai, India, **US**
Oils	150910	Olive Oil, Virgin	$13,057,871	$0	0.0%	0%	40%	EU, Tuni
Meat Products	1602	Meat & Poultry, Prep/Pres	$14,538,970	$208	0.0%	0%	40%	EU, Braz
	1604	Fish, Prep/Pres	$18,447,208	$54,501	0.3%	0%	40%	Sengl, EU
Confection	170490	Sugar Confection (not gum; no cocoa)	$12,436,342	$67,502	0.5%	0%	25%	EU, Turk, Chin
Chocolate	1806	Cocoa Food Prods (e.g., Chocolate)	$66,057,837	$267,349	0.4%	0%	17.5%	EU, UAE, **US**
Cereal Products	190120	Mixes & Doughs	$2,737,677	$4,456	0.2%	0%	10%	UAE, EU, **US**
	1904	Cereal Food Preps by Swelling/Roasting	$17,365,395	$18,527	0.1%	0%	10%	EU, Tury, Chin
	1905	Bread, Pastry, Cakes, Wafers, etc.	$85,639,396	$2,310,662	2.7%	0%	40%	EU, Tury, Egt
Fruit, Nut & Veg Products	200190	Prep/Pres Veg/ (not pickles)	$590,971	$1,229	0.2%	0%	40%	EU, Chin
	200290	Tomato Paste	$11,316,818	$0	0.0%	0%	40%	EU, Egt, Chin
	2005	Prep/Pres Veg, Not Frozen	$16,559,095	$74,301	0.4%	0%	40%	EU, Chin
	2008	Prep/Pres Fruit/Nuts (not juice nor jams)	$12,898,590	$470,442	3.6%	0%	40%	EU, Egt, Thai
Food Products	2103	Sauces & Condiments	$33,798,497	$773,713	2.3%	0%	40%	EU, Egt, Chin
	210610	Protein Concentrates	$6,180,364	$4,744,980	76.8%	0%	10%	**US,** EU
	210690	Food Preparations	$84,090,643	$3,083,937	3.7%	0%	10%	EU, Tuni, **US**
Beverages, Vinegar	2202	Non-alcoholic bvg	$23,232,326	$17,129	0.1%	0%	40%	EU, UAE
	220300	Beer	$8,605,372	$2,434,175	28.3%	0%	49%	EU, Mex, Rus
	2204	Wine	$27,943,267	$143,865	0.5%	0%	49%	EU, **US,** Rus
	2208	Spirits & Liqueurs	$36,749,674	$3,516,733	9.6%	0%	49%	EU, **US,** Rus
	220900	Vinegar	$1,779,434	$0	0.0%	0%	40%	EU, Chin
Petfood	230910	Dog & Cat Food	$16,489,612	$0	0.0%	0%	2.5%	EU, Turk
Ess Oils	3301	Essential Oils	$1,786,130	$151,500	8.5%	0%	25%	EU, Chin

[1] *Subject to Tariff-Rate Quota, see 2021 GAIN*

SECTION IV: BEST PRODUCT PROSPECTS

Products present in the market that have good sales potential:

- Tree nuts, including almonds

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

- Prunes, Raisins, Cranberries
- Rice
- Pulses
- Apples
- Canned Fruit and Vegetables
- Dairy Products
- Frozen food, including Seafood
- Breakfast Cereals
- Food Preparations
- Confectionary
- Snack Foods, including Popcorn, Cookies, and Crackers
- Health and Diet Products
- Sauces and Condiments
- Dog and Cat Food
- Wine, Beer, Spirits
- The Moroccan market recently opened to U.S. poultry and beef, including beef livers and premium U.S. beef.

Products not present because they face significant barriers:

- Organics – labeling

SECTION V. KEY CONTACTS AND FUTHER INFORMATION

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Attachments:

No Attachments