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Morocco

Retail Foods

Limited Opportunities for Select Items

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Report Highlights:
Morocco, a U.S. Free Trade Agreement partner, is a price-sensitive market that, to date, has not showcased a significant volume of U.S. food and beverages in the retail sector. In 2018, U.S. exports of retail-related products to Morocco totaled $36 million. Post has identified only scant volumes of U.S. tree nuts, seafood, sauces, and spirits available on select Moroccan retail shelves. Best prospects include: almonds, pistachios, protein concentrates, food preparations, cheese, rice, seafood, beer, spirits & liqueurs, sauces & condiments.

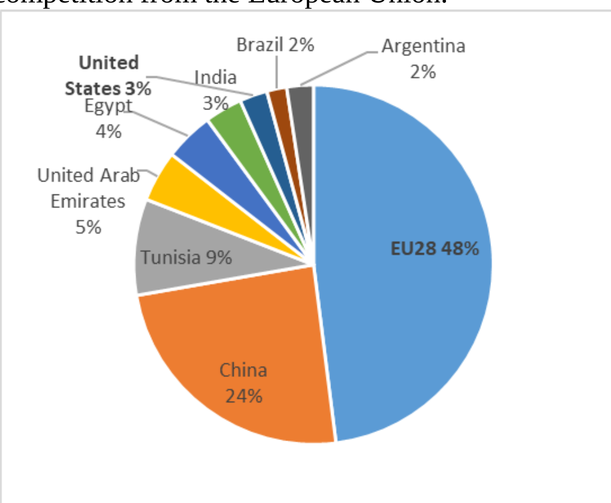
Market Fact Sheet: Morocco

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 th retail sector. In 2018, U.S. exports of retail-related products to Morocco totaled $36 million. At present, Post has identified only scant volumes of U.S. pre-packaged tree nuts, seafood, sauces, and spirits available on select Moroccan retail shelves.

Imports of Retail Food Products (2016-18 Average Imports)

Morocco imported $1.4 billion worth of retail-related food products in 2018. The United States faces stiff competition from the European Union.



Sources: Office des Changes

Quick Facts CY 2018

Imports of Retail-Related Food Products:
$1.4 billion

Top 10 Best Retail Products

- Protein Concentrates	- Cheese
- Food Preparations	- Almonds
- Wine & Spirits	- Pistachios
- Rice	- Beer
- Sauces & Condiments	- Seafood

Food Trade (U.S. billion) 2018

Food Exports	$4.6
Food Imports	$5.7
Food Retail Industry	$13.3

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)

GDP/Population 2018

Population *(millions)*: 35.7
GDP *(billions USD)*: $121.4
GDP per capita *(USD)*: $3,196

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

Strengths	Weaknesses
Expanding volumes through and coverage of modern distribution channels and retail outlets	Distance and lack of shipping lines
Opportunities	**Challenges**
US-Morocco FTA provides preferential market access	Erosion of U.S. preferences vis-à-vis Morocco's FTAs with the EU and Arab League; EU-like import requirements

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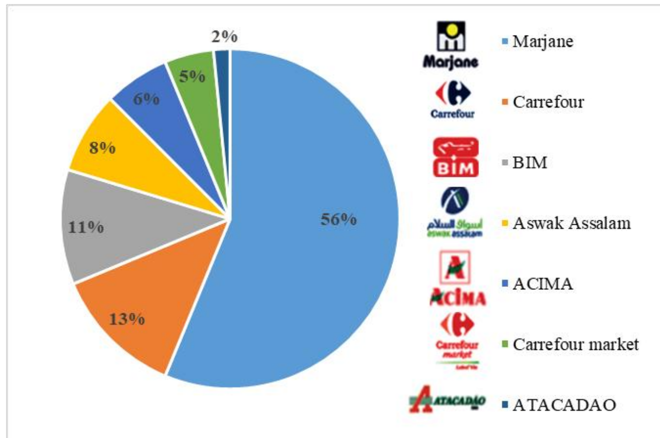
SECTION I. MARKET SUMMARY

In 2018, Morocco's food retail market represented 13% of GDP. The Casablanca-Rabat corridor accounts for about 50% of all modern retailers. Marjane Holding (Marjane and Acima) and Label'Vie (Carrefour, Carrefour Market, and Atacadao) are Morocco's leading modern food retailers with other notables including Ynna (Aswak Salam) and BIM.

Recent Trends & Upcoming Events in Retail

- ✓ Opening of the first U Express supermarket in Rabat square, U Express is a cooperative of French retailers chaired by Dominique Schelcher.
- ✓ Marjane Holding leads hypermarkets in Morocco with a 56% value share in 2018, followed by Label'Vie groupe,
- ✓ Label'Vie intends to continue its development program with the opening this year of 16 new points of sale, nearly 30,000 m² of additional sales area. This expansion covers the 3 business segments: "Carrefour", "Carrefour Market" and "Atacadao"
- ✓ Label'Vie launch their own payment cards, allowing customers to buy food products and not pay until the end of the month,
- ✓ The 3rd International Exhibition of Food & Drinks «SIAB EXPO MAROC » takes place November 13-16, 2019
- ✓ Peak sales occur during Ramadan, which will take place on/about May 5-June 4, 2019.

Company Shares of Retailing in Morocco



Source: Industry websites; sunergia.

While the Ministry of Industry estimates traditional channels still account for 80% of grocery retailing, industry sources anticipate modern, large-scale distribution will support 30% 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.

Morocco's Ministry of Industry introduced the Rawaj Vision 2020 program in 2007, which aimed to modernize distribution and supply chains and boost the sector's contribution to GDP from 11% to 15%. To achieve this, the plan called for the development of 600 supermarkets and hypermarkets, as well as 15 malls and 15 outlet stores.

Advantages and Challenges Specific to the Moroccan Retail Market

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.
Expanding volumes through and coverage of modern distribution channels and retail outlets.	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

Grocery Retail Outlets by Channel in Morocco, Number

Outlet	2013	2014	2015	2016	2017	2018
Modern Grocery Retailers	1,861	1,976	2,099	2,231	2,365	2,450
- Convenience Stores	155	169	188	205	221	238
- Discounters	165	226	280	332	391	450
- Forecourt Retailers	1,193	1,217	1,258	1,308	1,345	1,385
-- Chained Forecourts	48	50	69	105	133	160
-- Independent Forecourts	1,145	1,167	1,189	1,203	1,212	1,221
- Hypermarkets	54	63	66	68	69	70
- Supermarkets	291	299	307	317	333	488
Traditional Grocery Retailers	237,705	238,712	239,846	240,569	241,429	242,292
- Food/Drink/Tobacco Specialists	39,505	39,940	40,367	40,781	41,172	41,567
- Independent Small Grocers	165,131	165,412	165,809	166,053	166,401	166,750
- Other Grocery Retailers	33,069	33,360	33,670	33,753	33,856	33,959
Total Grocery Retailers	239,563	240,656	241,950	242,818	243,794	244,774

Source: Euromonitor

Hypermarkets have large parking lots that can fit up to 1,000 cars but are not often within walking distance. They stock over 17,000 SKU in food items and are believed to account for 40-50 percent of total sales. This category is aggressive in promoting their products. They publish monthly brochures and occasional flyers where the importers 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, 2017**	**Est. # of Outlets, 2018**	**Locations**	**Purchasing Agent type**
Marjane	**Moroccan**: SNI Group	$1,100	**38**	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'Vie-95% **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	**8**	Casablanca, Fes, Rabat, Marrakech, Sale, Meknes, Tanger	
أسواق السلام aswak assalam	**Moroccan:** Ynna Holding	$150-200	**13**	Rabat, Marrakech, Agadir, Tanger, Casablanca Mohammedia, Kenitra, Emara, Oujda, Essaouira	Imports Direct and Buys from Importers

Source: Industry websites; Maroc1000

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

- ACIMA is stocks at least 5,000 items
- Carrefour Market carries stocks around 10,000 products, including 4,000-5,000 food items, including 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, 2018	Est. # of Outlets, 2018	Locations	Purchasing Agent type
ACIMA أسيما	**Moroccan:** SNI Group	$163	42	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%	$184	70	Casablanca, Mohamedia, Rabat, Meknes, Kenitra, Marrakech, Fes, Agadir, Sale, Khemissat, Settat, El Jadida, Temara, Safi	Imports Direct via Label’Vie and Buys from Importers
بيم BIM	**Turkish:** Groupe Birlesik Magazal A.S	$211	375	Casablanca, Rabat, Sale	Import Direct
Costcutter	**British**	N/A	1	Marrakech	n/a
Other Small Supermarkets (≥ 3 registers, >25000 ft²)	Local – private	$50-100	35	Casablanca, Rabat, Agadir	Buys from Importers
Other Large Grocery Stores (Self-service, ≥ 1 register, < 2000 ft²)	Local -private	$100-150	280	Casablanca, Marrakech, Rabat, Agadir	Buys from Importers

Source: Industry Websites; Maroc1000

Gas-marts are 500 to 3,300 ft² with one electronic register and carry mostly convenience foods, often located in or along highway rest stops connecting Morocco’s major cities. Stores are usually expensive and carry some imported convenience items, including snack food, beverages, and confectionary.

Retailer Name	Est. # of Outlets 2017*	Location	Purchasing Agent
Afriquia Mini-Brahim (Managed by Maroshop) ميني براهيم MINIBRAHIM	27	Casablanca, Marrakech, Agadir, Meknes, Fes, Settat	Buys from Importers
Shell Gas Stations (Select Shop)	25	Casablanca	Buys from Importers
Mobile Gas Stations on the Run	16	Casablanca, Rabat, Marrakech	Buys from

developed by Exxon			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 226 ft^2 to 1,000 ft^2. These shops have limited financial resources and are typically managed by one person. In cities, these stores may have a refrigerator and a very small number have ice cream freezers. Convenience, proximity, and credit offered to the final consumer are their strongest assets. To reach small mom-and-pop stores, products can go through multiple distributors or wholesalers and sometimes larger retailers.

SECTION II. ROAD MAP FOR MARKET ENTRY

In addition to working with central purchasing platforms of large, modern retailers for high volume and/or private label orders, often the best way to introduce new products is through the handful of established importers, which still supply the majority of imported food products to 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 may contact AgRabat@fas.usda.gov to facilitate introductions.

SECTION III. COMPETITION

Category	HS	Description	Avg Imports, 2016-18			US Duty	MFN Duty	Foreign Competitors
			World	USA	%			
Meat & Poultry	0201-0202	Beef, Chilled/Frozen	$32,124,525	$0	0.0%	0%/200%[1]	200%	Aust, EU
	0207	Poultry, Chilled/Frozen	$826,460	$0	0.0%	0%100%[1]	100%	EU, Tuni, Braz
Fishery Products	0302-0304	Fish, Chilled/Frozen	$58,826,792	$283,245	0.5%	0%	10%	EU, UK
	0306	Crustaceans	$78,942,118	$1,340	0.0%	0%	40%	EU, Cand, AR
	0307	Molluscs	$25,491,139	$601,183	2.4%	0%	10%	EU, Chin
Dairy	0406	Cheese	$87,274,586	$1,908,430	2.2%	0%	25%	**US,** EU, Tuni
Vegetables	0710	Vegetables, Frozen	$680,671	$25,784	3.8%	0%	25%	EU, **US,** Egt
Fruits & Nuts	080211-080212	Almonds	$6,762,718	$5,233,343	77.4%	0%/40%[1]	40%	**US,** EU
	080250-080251	Pistachios	$1,698,387	$1,239,841	73.0%	0%	2.5%	**US,** Iran, EU
	080410	Dates	$126,783,565	$1,232	0.0%	0%	40%	Tuni, UAE, Egt
	080620	Raisins	$3,188,157	$0	0.0%	0%	30%	India, Turk, Uzb
	080810	Apples, Fresh	$5,726,779	$21,411	0.4%	0%	40%	EU, Aust, **US**
	080820-080830	Pears, Fresh	$21,966,153	$0	0.0%	0%	40%	EU, Arg, Chile
	081320	Prunes, Dried	$331,642	$0	0.0%	0%	30%	EU
Coffee, Tea, Spice	0902	Tea	$211,646,968	$28,201	0.0%	0%	32.5%	Chin, India
	0904-0910	Spices	$54,942,010	$96,819	0.2%	0%	2.5%	Braz, VT, EU
Cereals	1006	Rice	$11,290,796	$1,354,478	12.0%	0%	2.5%	Thai, India, **US**
Oils	150910	Olive Oil, Virgin	$19,960,867	$144,863	0.7%	0%	40%	EU, Tuni
Meat Products	1602	Meat & Poultry, Prep/Pres	$10,456,383	$0	0.0%	3.3%	40%	EU, Braz
	1604	Fish, Prep/Pres	$11,930,717	$127,875	1.1%	0%	40%	Sengl, EU
Confection	170490	Sugar Confection (not gum; no cocoa)	$8,584,710	$64,613	0.8%	0%	25%	EU, Turk, Chin
Chocolate	1806	Cocoa Food Prods (e.g., Chocolate)	$46,935,079	$179,452	0.4%	0%	17.5%	EU, UAE, **US**
Cereal Products	190120	Mixes & Doughs	$2,317,563	$14,028	0.6%	0%	10%	UAE, EU, **US**
	1904	Cereal Food Preps by Swelling/Roasting/etc.	$14,106,296	$17,249	0.1%	0%	10%	EU, Tury, Chin
	1905	Bread, Pastry, Cakes, Wafers, etc.	$50,319,858	$174,357	0.3%	0%	40%	EU, Tury, Egt
Fruit, Nut & Veg Products	200190	Prep/Pres Veg/Fruit by Vinegar (not pickles)	$697,376	$23,491	3.4%	0%	40%	EU, Chin
	200290	Tomato Paste	$10,113,833	$0	0.0%	0%	40%	EU, Egt, Chin
	2005	Prep/Pres Veg, Not Frozen	$14,378,317	$203,400	1.4%	0%	40%	EU, Chin
	2008	Prep/Pres Fruit/Nuts (not juice nor jams)	$11,248,050	$510,976	4.5%	0%	40%	EU, Egt, Thai
Food Products	2103	Sauces & Condiments	$19,169,238	$686,725	3.6%	0%	40%	EU, Egt, Chin

	210610	Protein Concentrates	$4,732,554	$3,308,357	69.9%	0%	10%	**US,** EU
	210690	Food Preparations	$67,123,254	$2,913,043	4.3%	0%	10%	EU, Tuni, **US**
Beverages, Vinegar	2202	Non-alcoholic Beverages	$14,925,306	$218,295	1.5%	0%	40%	EU, UAE
	220300	Beer	$5,776,740	$1,759,022	30.5%	0%	49%	EU, Mex, Rus
	2204	Wine	$22,785,800	$176,114	0.8%	0%	49%	EU, **US,** Rus
	2208	Spirits & Liqueurs	$34,473,017	$2,751,360	8.0%	0%	49%	EU, **US,** Rus
	220900	Vinegar	$1,657,452	$7,463	0.5%	0%	40%	EU, Chin
Petfood	230910	Dog & Cat Food	$9,361,118	$81,130	0.9%	0%	2.5%	EU, Turk
Ess Oils	3301	Essential Oils	$1,566,859	$126,978	8.1%	0%	25%	EU, Chin
[1] *Subject to Tariff-Rate Quota*								

SECTION IV: BEST PRODUCT PROSPECTS

Products present in the market that have good sales potential:

- No U.S. packaged food or beverages are present in significant quantities in the market.

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

- Almonds, Pistachios, Walnuts
- 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
- Beef and poultry meat

Products not present because they face significant barriers:

- Organics – labeling

SECTION V. KEY CONTACTS AND FUTHER INFORMATION

For additional information, see the Morocco Exporter Guide

Marjane Group
Route de Bouskoura (c.t.1029), commune de Aïn Chock - 20150 Casablanca
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Label Vie/Carrefour
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