

Jean-Charles Damblin - Executive Director, CCI Morocco



The pragmatic decision making of Morocco's national leadership gives me cause for economic optimism

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Looking back on 11 years of business experience in Morocco, Jean-Charles Damblin of the country's French Chamber of Commerce and Industry (CCI) is more optimistic than ever about the business opportunities that Morocco presents. Although the USA recently overtook France as Morocco's largest foreign investor, Damblin suggests that there are still plentiful fields - including healthcare - in which French companies can make a real impact in Morocco.

Could you introduce the French Chamber of Commerce and Industry (CCI) and the interests you represent here in Morocco?

CCI Morocco is part of the CCI France International network and is a 110-year-old private non-profit association with 115 employees and around 4,000 member companies. We work to support both Moroccan and French businesses, as well as businesses of other nationalities which sometimes seek our assistance for their development in Morocco.

Our work ranges from providing basic information to conducting studies, membership services and training, including via our business school where we train post-Baccalaureate students and working professionals. We operate a business centre, assist start-ups, and conduct market research across various sectors as an authorized service provider for Business France and Team France Export. We have a mediation center; manage memberships; organize events, inaugurations, and exhibitions on

behalf of third parties; and also, uniquely, manage industrial parks.

In essence, CCI Morocco provides end-to-end support for companies from a range of sectors and origins from initial idea to market. For instance, we have helped companies conduct market research, assisted them in their establishment in Morocco, provided accommodation in our industrial parks, and even organized their inauguration events.

As part of our efforts to promote investment, our trademark 'Economic Days' initiative acts as a platform for exchange between Moroccan and French companies. Events have been held in Dakhla, Laayoune, and Essaouira, Paris, Marseille, Lyon, Toulouse, displaying our commitment to cover the entire Moroccan territory. On this note, we have ten delegations in Morocco: Oujda, Fez, Meknès, Tangier, Rabat, Casablanca (the headquarters), Marrakech, Agadir, Laayoune, Dakhla, and soon Goulmim.

Our aim is to connect people with common interests, so they can trade, agree on deals, and discuss investments. We are pro-investment and work to facilitate connections across the value chain. In biotechnology, for example, we have many partners such as ABA Technology and MASClR, investment strategy, and many others.

The USA is now the largest investor in Morocco, overtaking France, and accounts for 27 percent of total foreign direct investment compared to France's 17 percent. What has caused this shift and what are the main sectors driving it?

It was recently announced that France, in terms of pure foreign trade, has a trade deficit with Morocco because the automobile and aerospace sectors weigh heavily. French companies can send unassembled spare parts to Morocco at a certain value for the value to then be added here.

Today, Morocco's top exporter to France is the automotive sector, amounting to EUR 1900 million annually, followed by agricultural products and aerospace.

The deficit is now narrowing because French exports to Morocco, which were once at EUR 470 million, have become EUR one billion: mainly in cereals due to droughts in Morocco and related issues.

In terms of investments in Morocco, France has been the leader for years, but the United States has recently overtaken us.

Today, Spain is Morocco's top trading partner. There was a loss of position in 2012 for France, going from being the top partner due to aluminium rims and gearbox components for automobiles which no longer come from France but from Spain.

Morocco's GDP is growing at around 3.1 percent, are you optimistic about the country's direction of travel in economic terms?

In my eleventh year in Morocco, I have really felt the country's development. When I arrived in 2011, the country was already progressing, with the Grand Casablanca tramway being put in place that year.

There has been a significant evolution in terms of infrastructure. In 2017, the Tangier-Casablanca TGV line inauguration eased trade, replacing what was previously a complicated road route. There is now a highway project from Tiznit to Laayoune, as well as the expressway to Dakhla, not to mention the expansion of the country's airports.

In terms of investment, there is a particularly important investment policy in Morocco, if a company makes a request to a CRI, which depends of the AMDIE (Moroccan Agency for Investment and Export Development); it has 36 to 48 hours to respond to it.

There are also new instruments, such as the Basher for investments, an incentive that companies that want to invest in Morocco can use. The state offers up to 30 percent subsidies to companies that meet certain criteria such as parity within the company, the region in which it settles, the number of jobs created, and its sector of activity.

Additionally, the Moroccan regions are empowered to take decisions quickly and pragmatically, creating a positive environment for investments.

Finally, the pragmatic decision making of Morocco's national leadership gives me cause for economic optimism. This was shown during the COVID pandemic and continues to be seen in the rollout of compulsory health insurance. Additionally, in a country where agriculture represents 13 percent of GDP but where there are issues with lack of rain, measures such as the new 'water highway' connecting the Gharb and Doukkala region show this economic pragmatism.

In what parts of the healthcare and life science industry value chain do you expect to see Morocco have most success in the coming years?

Morocco has a role to play in invasive and non-invasive medical devices as well as in consumables, which are already being manufactured here due to investment incentives. We know very well that some products are complicated to manufacture in Europe due to cost and that they are already being manufactured in Asia. The idea would be to bring part of this production for Europe to Morocco, at distances and transit times of 24 to 48 hours.

The concept of medicinal sovereignty is much discussed in Europe but does not necessarily have to mean that production takes place within Europe itself. It could be in a friendly neighbouring country like Morocco that is able to provide sufficient supply. This could enable European investors, if they invest in joint ventures, independently, with Moroccan partners to manufacture medical devices in Morocco for Europe but also for the African market. There are sub-Saharan African countries and neighboring countries that may need these products but do not have all the infrastructure necessary to accommodate investors, nor the security and stability that Morocco provides.

How is the healthcare represented within CCI?

In the Chamber, the healthcare sector is represented through the 150-member 'Health Club,' led by Pierre LABBE, CEO of EuraPharma. It operates under the auspices of the French Embassy but is under the Chamber's coordination and its purpose is to organize meetings connecting various industry representatives – from pharma to medtech, construction, air conditioning, and many more – with Moroccan healthcare professionals. They gather once a month or every two months to exchange information on various developments related to Universal Health Coverage (CSU) or product availability.

This is where we might learn that a certain number of beds will be manufactured in Morocco by 2030 because the Association of Clinics is represented in the club. It also allows French procurement centers represented in it to present their activity and show how Morocco can benefit from investments by French companies.

What are the questions, issues and challenges these members raise when they come together?

In the last two years, Morocco has been so active on healthcare issues that it is no longer dealing with legal problems or obstacles related to the sector. The focus is more on topics such as how to deliver medication effectively, as in the case of pharmaceuticals against the backdrop of the

universal health coverage rollout.

Can you give any examples of any key projects or initiatives that the CCI is undertaking in the healthcare space?

Several projects are currently underway, not only because there is a willingness from the ministries and AMDIE to engage in them, but also because there are financial incentives to encourage them.

The Economic Day is an example of promotion. I believe there is a very promising Franco-Moroccan project that could involve French medical health sovereignty, and Morocco could play an important role in French investments. The Chamber could get involved by reaching out to the right contacts, business leaders and decision-makers to lay the groundwork to welcome in such investments in Morocco.

Have you seen French pharma firms increasing or decreasing their manufacturing footprint in Morocco?

Regarding the Maghreb region in general, there may be a withdrawal from some countries, which is due to instability and uncertainty about regulatory changes. However, thanks to the political stability, we are fortunate to not have to deal with such issues. The big challenge will be ramping up production to cover the increasing proportion of the Moroccan population covered by health insurance.

Some international investors may perceive the concept of sovereignty as nationalism or protectionism; how would you reassure the international community on this point?

In public tenders in Morocco, there is a preference for national products, which could be perceived as protectionism. However, if foreign businesses want to come to Morocco to invest and create jobs, doors will be open to them, as this remains a welcoming country with pragmatic leadership that recognizes the importance of foreign exchange inflows. Our Chamber alone has launched four industrial parks, with a fifth one currently being established, and has created 25,000 jobs.

What is your final message to the international investment community?

This message goes out to all international investors and decision-makers, not only French ones. Morocco is not just Marrakech. It's a country where investment dynamics and infrastructure have evolved massively over the past 20 years and things now move quickly here.

The entire investment and company creation process is now digitalized, for example, and companies can be approved in a day. There is a lot planned; like the announcement that Morocco is launching investment projects up to EUR 10 billion in important fields such as green hydrogen in the Goulemime-Oued Noun region. The road ahead is mapped out and we can be confident in Morocco's bright future.

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