

Required Report: Required - Public Distribution

Date: October 14, 2021

Report Number: MO2021-0020

Report Name: Food Service - Hotel Restaurant Institutional

Country: Morocco

Post: Rabat

Report Category: Food Service - Hotel Restaurant Institutional

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Report Highlights:

Morocco's hotel, restaurant and institutional industry (HRI) experienced an unprecedented shutdown due to state of health emergency measures related to COVID-19. Morocco's HRI industry is struggling due to a drop-off in tourism and COVID-19 measures that restricted restaurant dining in 2021. Implementation of the U.S.-Morocco Free Trade Agreement (FTA) resulted in the phase-out of many tariffs for consumer-oriented products in 2020.

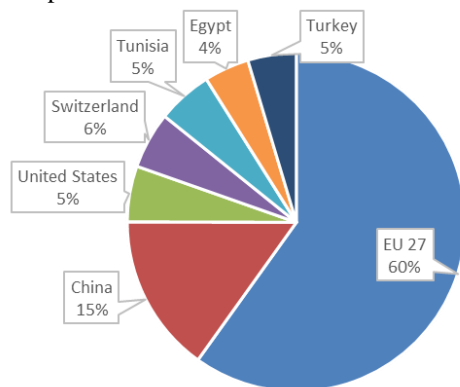
Market Fact Sheet: Morocco

Executive Summary

Morocco's food service industry continued to struggle due to a drop-off in lower tourism and COVID-19 curfew that restricted restaurant dining in 2021. In 2020, U.S. exports of consumer-oriented products to Morocco totaled \$127 million, a 92 % increase from the previous year due to the phase out of tariffs for consumer-oriented products.

Imports of Consumer-Oriented Products (2018-2020 Average Imports)

Morocco imported \$2 billion worth of consumer-oriented agricultural products in 2020. The United States continues to face strong competition from the European Union.



Sources: Office des Changes

Food Service Industry

In 2020, Morocco's food service industry was greatly affected by social distancing measures in the fight against coronavirus. Industry sources report that sector revenue fell by 50 % compared to the previous year. Morocco's food service industry is most developed in Casablanca (commercial center) and Marrakech (tourism).

Food Retail Industry

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. 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.

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:

- Poultry, beef
- Seafood
- Sauces & condiments
- Pulses
- Cheese
- Rice
- Food preparations
- Tree nuts
- Beer, win, and spirits
- Chocolate and confectionary

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 6 QSR Chains in Morocco:

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

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 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.

Moroccan Market Advantages and Disadvantages

Strengths	Weaknesses
Morocco is one of the fastest growing economies in North Africa.	Distance and lack of shipping lines. Freight disadvantage.
Opportunities	Challenges
US-Morocco FTA provides access in Morocco and 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,

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SECTION I. MARKET SUMMARY

Morocco's food service industry continued to struggle through significantly lower tourism activity and COVID-19 measures that restricted restaurant dining in 2021. All restaurants and institutional in the country were required to close their doors by 9 p.m. (20:00 GMT) every evening. Industry sources report that sector revenue fell by 50 % during the second quarter of this calendar year. As per the U.S.-Morocco FTA, several tariffs for U.S. agricultural exports fell to zero in 2020 (See Table 4). Prior to COVID-19, Morocco's food service market grew at 4-6 % annually and was valued at \$3.3 billion. Its fastest growing categories were quick 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, 2015-2020

	2015	2016	2017	2018	2019	2020
Food Service Units/Outlets	1,324	1,358	1,392	1,430	1,469	1,455
Transactions (1,000)	21,260	21,967	22,752	23,531	24,368	16,438
Food Service Sales, Million U.S.\$	464	485	512	540	567	377

Source: [Euromonitor](#). Food service industry

Table 2: Advantages and Challenges Specific to the Moroccan Food Service Market

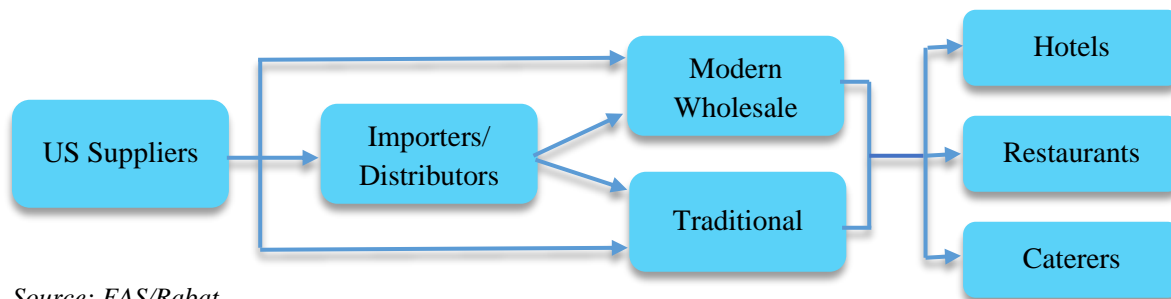
Advantages	Challenges
Morocco remains a desirable location for international QSRs and sit-down restaurants growing their international presence	Still limited market penetration outside Casablanca and Marrakech
The Moroccan economy relies heavily on tourism and hotel development, which in turn drives supply chain investment and demand for high-quality, safe ingredients	Very limited number of importers and distributors active in this market segment
U.S. ingredients like beef, poultry, almonds, prunes, and pulses fit well with traditional Moroccan cuisine	French-style cafes, bakeries, restaurants, and hotels dominate Morocco's food service industry
Tolerance of alcohol consumption	Morocco's HRI industry faces an unprecedented decline due to COVID-19

A. Market Entry Strategy

The network of importers and distributors in this market segment is limited, with a strong concentration of established supply chain investments and relationships in Europe. Many established 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. U.S. exporters that want to enter the Moroccan market must comply with local regulations for imported products to avoid problems when importing products. For further information on these regulations, please refer to [FAIRS Report](#).

B. Market Structure

Figure 1: Distribution Chains for Hotels and Restaurants in Morocco



Source: FAS/Rabat

Restaurants

- Quick-service (QSR) and pizza food service establishments, including Pizza Hut, Dominos, McDonalds, Burger King, and KFC, have a strong presence in major Moroccan cities (e.g., Casablanca, Rabat, Marrakech, and Tangier), while Chili's, Starbucks, Cinnabon, and Papa John's are present in one or more cities.
- French style bakeries and cafes are inseparable from Moroccan food culture and lifestyle. French and Spanish cuisine are popular restaurant formats and alcohol is served.
- 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 2022 dates are April 2- May 2.
- Moroccan restaurants increasingly relying on third party delivery services like [Jumia food](#) and [Glovo](#).

Table 3: Forecast Full-Service Restaurants by Category: Units/Outlets 2015-2020

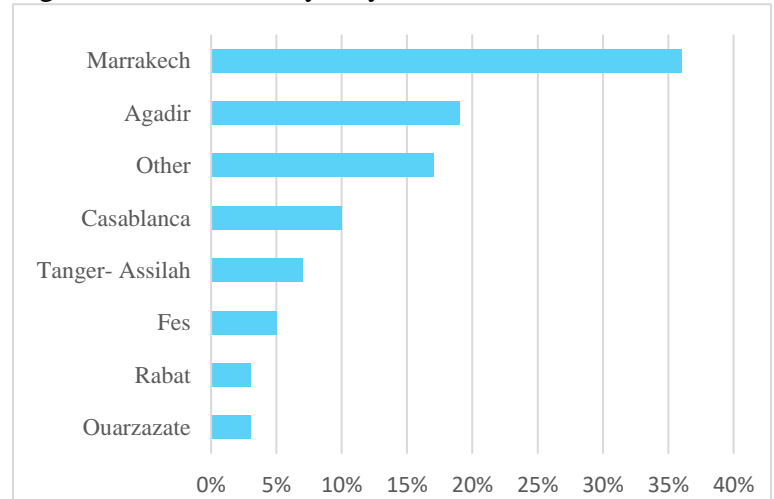
Outlets	2015	2016	2017	2018	2019	2020
Asian Full-Service Restaurants	102	114	127	142	157	154
- Franchise	20	20	20	21	22	22
- Independent	82	94	107	121	135	132
European Full-Service Restaurants	196	202	207	212	216	213
- Franchise	34	37	39	41	43	42
- Independent	162	165	168	171	173	171
Latin American Full-Service Restaurants	53	57	60	63	66	64
- Franchise	2	3	3	3	3	3
- Independent	51	54	57	60	63	61
Middle Eastern Full-Service Restaurants	795	801	808	817	828	826
- Franchise	37	38	39	41	43	43
- Independent	758	763	769	776	785	783
Pizza Full-Service Restaurants	178	184	190	196	202	198
- Franchise	39	41	42	43	44	43
- Independent	139	143	148	153	158	155
Full-Service Restaurants	1,324	1,358	1,392	1,430	1,469	1,455

Source: [Euromonitor](#)

Hotels

- Moroccan upscale lodging that features imported foods include a mix of European and Moroccan hotel chains, as well a few independent operators.
- In 2020, the total nights spent in tourist accommodation establishments registered a 70 % decrease from 2019. See [link](#).
- Two tourist destinations, Marrakech and Agadir, generated 22 % of the total number of nights spent by travelers in 2020.

Figure 2: Hotel Beds by City, 2020



Source: [Morocco Ministry of Tourism](#).

- In 2020, visitors to Morocco reached 6.9 million foreign tourists, about 72 % down from 2019 due to COVID-19 restrictions on international travel.
- Morocco relaunched [Operation Marhaba](#) in June of this year, an annual initiative that facilitates the return of Moroccans residing abroad for summer vacation. In 2020, Morocco suspended the operation due to the COVID-19 pandemic.
- Although Morocco is taking measures to re-open to tourism and business travelers, many cities and businesses face COVID-19 related closures and curfews. Government continues to impose a night curfew, and movement between several cities is limited.

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 wedding season and festivals 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.
- Prior to the COVID-19 outbreak, the industry was relatively stable. The industry consists mainly of medium and large companies that have been operating in this sector for several years ago.

SECTION III. COMPETITION

Table 4: Morocco Imports of Select Consumer-Oriented Food Products

Commodity	Description	Average of 2018-2020 (World)	Average of 2018-2020 (USA)	U.S. Market Share based on Average of 2018-2020 (%)	U.S. Duty	Top Suppliers
Meat and Edible Meat Offal						
0201	Meat Of Bovine Animals, Fresh Or Chilled	\$667	\$0	0%	0% *	AUS,ARG
0202	Meat Of Bovine Animals, Frozen	\$27,037,253	\$14,043	0%	0% *	EU
0203	Meat Of Swine (Pork), Fresh, Chilled Or Frozen	\$255,872	\$0	0%	0%	EU
0207	Meat & Ed Offal Of Poultry, Fresh, Chill Or Frozen	\$1,475,955	\$142,498	10%	0% *	BRA,EU
Fish, Crustaceans & Aquatic Invertebrates						
0302	Fish, Fresh Or Chilled (No Fillets Or Other Meat)	\$19,219,582	\$2,719	0%	0%	EU
0303	Fish, Frozen (No Fish Fillets Or Other Fish Meat)	\$43,443,100	\$646,397	1%	0%	EU
0306	Crustaceans Live Frsh Etc Smoked/Cooked Flours Etc	\$85,446,446	\$1,340	0%	0%	EU
Dairy Products						
0401	Milk And Cream, Not Concentrated Or Sweetened	\$6,605,379	\$0	0%	0%	EU
040210	Mlk & Crm,Cntd,Swt,Powdr,Gran/Solids,Nov 1.5% Fat	\$15,477,977	\$2,021,270	13%	0%	EU
0405	Butter And Other Fats And Oils Derived From Milk	\$78,310,611	\$1,409,924	2%	0%	NZL, EU
0406	Cheese And Curd	\$108,029,836	\$1,835,765	2%	0%	EU
0409	Honey, Natural	\$7,154,376	\$543	0%	0%	CAN
Edible Vegetables & Certain Roots & Tubers						
070190	Potatoes, Except Seed, Fresh Or Chilled, Nesoi	\$372,330	\$184,801	50%	0%	EU
0703	Onions, Shallots, Garlic, Leeks Etc, Fr Or Chilled	\$16,708,063	\$0	0%	0%	EU
0710	Vegetables (Raw Or Cooked By Steam Etc), Frozen	\$725,175	\$23,583	3%	0%	EU
0713109920	Peas	\$6,769,655	\$489,074	7%	0%	CAN
0713339010	Dry Beans	\$12,306,684	\$564,111	5%	0%	EGY
0713409090	Lentils	\$34,145	\$29	0%	10.8%	EU, CAN
Edible Fruit & Nuts; Citrus Fruit or Melon Peel						
080211	Almonds, Fresh Or Dried, In Shell	\$88,227	\$85,985	97%	0%	EU, USA
080212	Almonds, Fresh Or Dried, Shelled	\$44,048,370	\$41,934,432	95%	0%	EU, USA
080221	Hazelnuts Or Filberts, Fresh Or Dried, In Shell	\$15,064	\$0	0%	0%	EU, TUR
080222	Hazelnuts Or Filberts, Fresh Or Dried, Shelled	\$1,060,779	\$0	0%	0%	EU, TUR
080231	Walnuts, Fresh Or Dried, In Shell	\$30,666,340	\$10,103,631	33%	0%	CHL, USA
080232	Walnuts, Fresh Or Dried, Shelled	\$33,003	\$18	0%	0%	CHL, USA
080251	Pistachios, Shelled, Fresh Or Dried	\$4,515,469	\$2,419,295	54%	0%	EU, IRN
0802900010	Pecans	\$72,879	\$62,548	86%	0%	USA, IRN
0802900085	Pecans, other	\$4,687	\$0	0%	0%	EU
080620	Grapes, Dried (Including Raisins)	\$12,012,382	\$7	0%	0%	EU
080810	Apples, Fresh	\$5,035,554	\$40,517	1%	0%	EU
080830	Pears, Fresh	\$30,618,221	\$0	0%	0%	EU
Coffee, Tea, Mate & Spices						
0901	Coffee; Coffee Husks Etc; Substitutes With Coffee	\$107,591,293	\$5,274	0%	0%	IDN, GIN
090210	Green Tea Nt Fermt'd In Packg Content Nov 3Kg	\$16,255,441	\$7,556	0%	0%	CHN, EGY
090230	Black Tea Fermt'd & Partly Fermt'd Tea,Packg 3Kg	\$883,020	\$4,885	1%	0%	EU
0904	Pepper, Genus Piper; Genus Capsicum Or Pimenta	\$22,622,447	\$197	0%	0%	EU
0910	Ginger, Saffron, Tumeric, Thyme, Bay Leaves Etc.	\$27,609,326	\$66,944	0%	0%	EU
Cereals						
1006	Rice	\$26,830,352	\$2,810,305	10%	0%	EU
Milling Products; Malt; Starch; Inulin; Wht Gluten						
1101	Wheat Or Meslin Flour	\$184,725	\$108	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 Or Not Broken	\$8,241,862	\$397,094	5%	0%	EU
Animal Or Vegetable Fats, Oils Etc. & Waxes						
150790	Soybean Oil, Refined, And Fractions, Not Modified	\$2,319,240	\$108	0%	0%	EU, EGY
151620	Vegetable Fats & Oils/Fractions Hydrogenated Etc	\$33,851,148	\$10,707	0%	0%	UAE, MYS
Edible Preparations of Meat, Fish, Crustaceans, Etc.						

1601	Sausages, Similar Prdt Meat Etc Food Prep Of These	\$426,794	\$10,986	3%	0%	EU
1602	Prepared Or Preserv Meat, Meat Offal & Blood Nesoi	\$14,538,970	\$208	0%	0%	EU, BRA
1604	Prep Or Pres Fish; Caviar & Caviar Substitutes	\$18,447,208	\$54,501	0%	0%	SEN, EU
1605	Crustaceans, Molluscs Etc. Prepared Or Preserved	\$3,254,145	\$0	0%	0%	EU, UAE
Sugars And Sugar Confectionary						
170191	Cane/Beet Sugar, Refined, Solid, Added Flav/Color	\$39,568	\$83	0%	8.8%	EU, BRA
1704	Sugar Confection (Incl White Chocolate), No Cocoa	\$19,505,677	\$68,447	0%	10.8%	EGY, EU
Cocoa And Cocoa Preparations						
1805	Cocoa Powder, Not Sweetened	\$14,692,050	\$5,780	0%	0%	EU
1806	Chocolate & Other Food Products Containing Cocoa	\$66,057,837	\$267,349	0%	0%	UAE, EU
Prep Cereal, Flour, Starch Or Milk; Bakers Wares						
1902	Pasta, Prepared Or Not; Couscous, Prepared Or Not	\$13,737,448	\$1,699	0%	0%	EU, CHN
1905	Bread, Pastry, Cakes Etc; Comm Wafers, Emp Caps	\$85,639,396	\$2,310,662	3%	0%	TUR, EU
Prep Vegetables, Fruit, Nuts Or Other Plant Parts						
2002	Tomatoes Prepared Or Preserved Nesoi	\$11,727,626	\$0	0%	0%	EGY, EU
200410	Potatoes, Prepared Etc., No Vinegar Etc., Frozen	\$24,352,068	\$727	0%	0%	EGY, EU
2005	Vegetables Nesoi Prepared Etc Nesoi, Not Frozen	\$16,559,095	\$74,301	1%	0%	EU
2007	Jams, Fruit Jellies, Marmalades Etc, Cooked	\$5,913,756	\$21,631	0%	0%	UAE
2008	Fruit, Nuts Etc Prepared Or Preserved Nesoi	\$12,898,590	\$470,442	4%	0%	EU
2009	Fruit Juice Nt Frtfd W Vit/Mnl Veg Juice No Spirit	\$10,206,943	\$3,751	0%	0%	EGY, EU
Miscellaneous Edible Preparations						
2103	Sauces & Prep; Mixed, Mustard Flour Etc	\$33,798,497	\$773,713	2%	0%	EU
2105	Ice Cream And Other Edible Ice, With Cocoa Or Not	\$6,112,738	\$0	0%	0%	EU, TUR
210690	Food Preparations Nesoi	\$84,090,643	\$3,083,937	4%	10.8%	EU
Beverages, Spirits and Vinegar						
2201	Waters, Natural Etc, Not Sweetened Etc; Ice & Snow	\$7,881,845	\$345	0%	0%	EU
2202	Waters, Sweetened Etc & Oth Nonalc Beverages Nesoi	\$23,232,326	\$17,129	0%	0%	EU, TUR
2204	Wine Of Fresh Grapes; Grape Must Nesoi	\$27,943,267	\$143,865	1%	0%	EU
220830	Whiskies	\$17,524,498	\$2,629,894	15%	0%	EU
220840	Rum And Tafia	\$674,406	\$268,961	40%	0%	USA, EU
220850	Gin And Geneva	\$1,719,180	\$0	0%	0%	EU
220860	Vodka	\$12,974,532	\$19,415	0%	0%	EU

SECTION IV. BEST PRODUCT PROSPECTS

Products present in the market that have good sales potential:

- Almonds, Pistachios, Walnuts
- Dairy Products (Cheese)
- Bread, Pastry and Cakes
- Food Preparations
- Spirits

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

- Poultry, Beef
- Rice
- Pulses
- Prunes, Raisins, Cranberries
- Apples
- Canned Fruit and Vegetables
- Frozen Food, including Potatoes and Seafood

- Frozen Yogurt and Ice Cream Mixes
- Flour Mixes
- Confectionary, including Chocolate and Cocoa
- Popcorn
- Sauces and Condiments
- Non-alcoholic Beverages, including Coffee

Product Not Present Because They Face Significant Barriers:

- Meat of Sheep and goat, no market access
- Meat of swine (Pork), no market access

SECTION V. POST CONTACT AND FURTHER INFORMATION

For questions or comments regarding this report, or assistance exporting to the Moroccan market, please contact the Foreign Agricultural Service in Rabat. Importer listings are available from the Foreign Agricultural Service for use by U.S. exporters of U.S. food and agricultural products.

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Attachments:

No Attachments