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Prepared By: Mohamed Fardaoussi

Approved By: Robert Wright

Report Highlights:

The hotel, restaurant and institutional industry (HRI) experienced an unprecedented shutdown due to State of Health Emergency measures related to COVID-19. Under the U.S.-Morocco Free Trade Agreement (FTA), a large number of tariffs for consumer-oriented products were phased out in 2020.

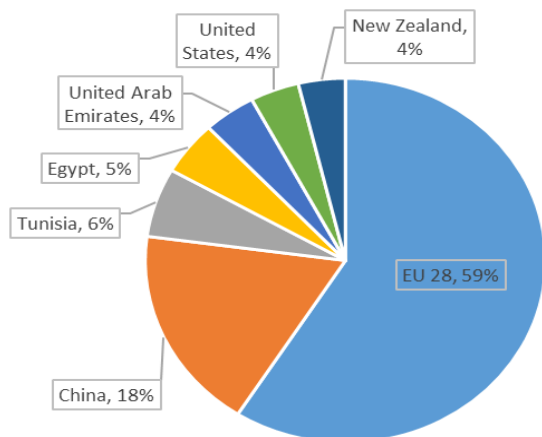
Market Fact Sheet: Morocco

Executive Summary

Morocco's food service industry has been greatly affected by social distancing measures in the fight against coronavirus. Industry sources report that sector revenue fell by 50 percent during the second quarter of this calendar year and could lead to 65-80 percent decline in 2020 compared to the previous year. In 2019, U.S. exports of consumer-oriented products to Morocco totaled \$72 million, a 17 percent increase from the previous year.

Imports of Consumer-Oriented Products (2017-2019 Average Imports)

Morocco imported \$1.7 billion worth of consumer-oriented agricultural products in 2019. The United States faces stiff competition from the European Union.



Sources: Office des Changes

Strengths	Weaknesses
US-Morocco FTA	Freight disadvantage
Opportunities	Challenges
U.S. beef, poultry, almonds, prunes, and pulses fit well with traditional Moroccan dishes	Morocco lowered tariffs on goods from many origins, eroding preferences under the U.S.-Morocco FTA. This includes corn and soy.

Quick Facts CY 2019

Imports of Consumer-Oriented Food

Products:

\$1.7 billion

Top 10 Best Products

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

Food Trade (U.S. billion) 2019

Food Exports	\$5.3
Food Imports	\$2
Food Service Sales	\$3.3

Top 6 QSR Chains in Morocco

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

GDP/Population 2019

Population (*millions*): 36

GDP (*billions USD*): \$119

GDP per capita (*USD*): \$3,345

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

Contact:

Agricultural Affairs Office
 U.S. Embassy Rabat, Morocco
 Tel: (212-53) 763-7505
 Fax: (212-53) 763-7201
 Email: AgRabat@fas.usda.gov
 Web: <https://www.fas.usda.gov/regions/morocco>

SECTION I. MARKET SUMMARY

In 2019, prior to COVID-19, Morocco's food service market was growing 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). The COVID-19 crisis brought Morocco's tourism and food service industries to a stand-still from April until September 2020. Although Morocco re-opened borders to business and tourism travelers in September 2020, an economic rebound in 2021 is uncertain. Many hotels remain closed, and localized curfews and lockdowns prevent the food service market from fully re-opening. As per the U.S.-Morocco FTA, several tariffs for U.S. agricultural exports fell to zero in 2020. Table 5 of this report summarizes consumer-oriented product tariffs.

Table 1: Food Service Establishments and Consumer Sales, 2014-2019

	2014	2015	2016	2017	2018	2019
Food Service Units	53,599	54,335	54,936	55,449	55,964	56,524
Transactions	1,413	1,434	1,455	1,473	1,491	1,523
Food Service Sales, Million US\$	2,7416	2,8373	2,9106	3,0139	3,0821	3,3054

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

Table 2: 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 drives 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
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

SECTION II. ROAD MAP FOR MARKET ENTRY

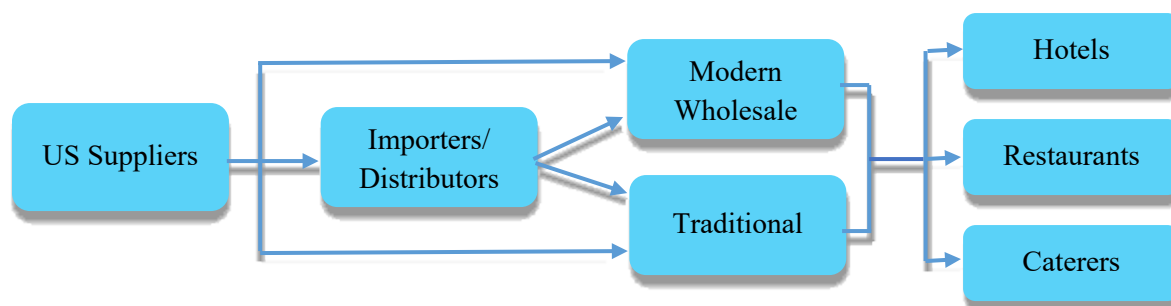
A. Market Entry Strategy

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.

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 2: 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 2021 dates are April 12- May 11.

Table 3: Forecast Full-Service Restaurants by Category: Units/Outlets 2019-2024

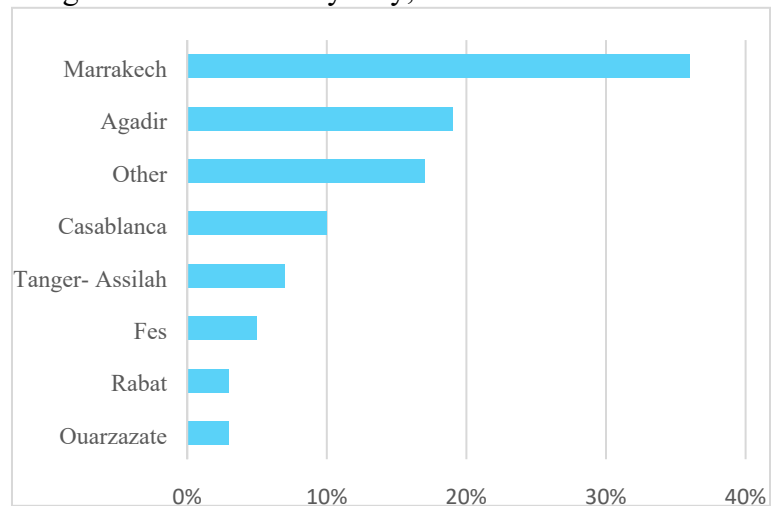
Outlets	2019	2020	2021	2022	2023	2024
Asian Full-Service Restaurants	157	159	162	164	166	166
- Franchise	22	22	22	22	22	22
- Independent	135	137	140	142	144	144
European Full-Service Restaurants	216	220	220	221	223	224
- Franchise	43	44	44	44	45	45
- Independent	173	176	176	177	178	179
Latin American Full-Service Restaurants	66	67	67	68	69	70
- Franchise	3	3	3	3	3	3
- Independent	63	64	64	65	66	67
Middle Eastern Full-Service Restaurants	828	840	852	861	874	883
- Franchise	43	45	47	48	49	50
- Independent	785	795	805	813	825	833
Full-Service Restaurants	1,469	1,493	1,510	1,524	1,544	1,557
- Independent	158	162	163	164	165	166
Pizza Full-Service Restaurants	202	207	209	210	212	214
- Franchise	44	45	46	46	47	48

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 2019, the total nights spent in tourist accommodation establishments registered a 5% increase over 2018. See [link](#).
- Two tourist destinations, Marrakech and Agadir, generated 55% of the total number of nights spent by travelers in 2019.

Figure 3: Hotel Beds by City, 2019



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

- In 2019, visitors to Morocco reached 12.9 million foreign tourists, up 6% from 2018. This is led by tourists from Italy, France, and Germany.
- Morocco will host the 24th General Assembly of the United Nations World Tourism Organization (UNWTO) in 2021 due to its recognized leadership in the tourism industry.
- Although Morocco is taking measures to re-open to tourism and business travelers, many cities and businesses face COVID-19 related closures and curfews. Casablanca restaurants close at 6 PM, and as of September 2020, many Moroccan hotels had not resumed operations.

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.
- Sales to airline catering totaled \$42 million in 2019. Imported food may access this segment with significant exceptions to the normal set of rules.

SECTION III. COMPETITION

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

Commodity	Description	Average of 2017-2019 (World)	Average of 2017-2019 (USA)	U.S. Market Share based on Average of 2017-2019 (%)	U.S. Duty	Top Suppliers
Meat and Edible Meat Offal						
0201	Meat Of Bovine Animals, Fresh Or Chilled	\$758	\$0	0%	0%*	AUS,ARG
0202	Meat Of Bovine Animals, Frozen	\$32,643,688	\$954	0%	0%*	EU
0203	Meat Of Swine (Pork), Fresh, Chilled Or Frozen	\$280,134	\$0	0%	0%	EU
0207	Meat & Ed Offal Of Poultry, Fresh, Chill Or Frozen	\$1,254,478	\$54,669	4%	0%*	BRA,EU
Fish, Crustaceans & Aquatic Invertebrates						
0302	Fish, Fresh Or Chilled (No Fillets Or Other Meat)	\$22,622,920	\$725	0%	0%	EU
0303	Fish, Frozen (No Fish Fillets Or Other Fish Meat)	\$40,118,627	\$663,644	2%	0%	EU
0306	Crustaceans Live Frsh Etc Smoked/Cooked Flours Etc	\$83,665,143	\$1,340	0%	0%	EU
Dairy Products						
0401	Milk And Cream, Not Concentrated Or Sweetened	\$6,553,668	\$0	0%	0%	EU
040210	Mlk & Crm,Cntd,Swt,Powdr,Gran/Solids,Nov 1.5% Fat	\$13,738,331	\$2,277,722	17%	0%	EU
0405	Butter And Other Fats And Oils Derived From Milk	\$88,010,259	\$2,337,690	3%	0%	NZL, EU
0406	Cheese And Curd	\$97,882,494	\$2,173,528	2%	0%	EU
0409	Honey, Natural	\$5,471,149	\$292	0%	0%	CAN
Edible Vegetables & Certain Roots & Tubers						
070190	Potatoes, Except Seed, Fresh Or Chilled, Nesoi	\$298,047	\$99,689	33%	0%	EU
0703	Onions, Shallots, Garlic, Leeks Etc, Fr Or Chilled	\$19,940,716	\$0	0%	0%	EU
0710	Vegetables (Raw Or Cooked By Steam Etc), Frozen	\$764,818	\$28,616	4%	0%	EU
0713109920	Peas	\$4,128,375	\$163,512	4%	0%	CAN
0713339010	Dry Beans	\$10,083,342	\$313,967	3%	0%	EGY
0713409090	Lentils	\$62,540	\$31	0%	16.4%	EU, CAN
Edible Fruit & Nuts; Citrus Fruit or Melon Peel						
080211	Almonds, Fresh Or Dried, In Shell	\$65,647	\$63,885	97%	0%	EU, USA
080212	Almonds, Fresh Or Dried, Shelled	\$16,457,467	\$14,622,091	89%	0%	EU, USA
080221	Hazelnuts Or Filberts, Fresh Or Dried, In Shell	\$27,244	\$0	0%	0%	EU, TUR
080222	Hazelnuts Or Filberts, Fresh Or Dried, Shelled	\$607,251	\$0	0%	0%	EU, TUR
080231	Walnuts, Fresh Or Dried, In Shell	\$25,279,144	\$10,350,952	41%	0%	CHL, USA
080232	Walnuts, Fresh Or Dried, Shelled	\$92,092	\$61,750	67%	0%	CHL, USA
080251	Pistachios, Shelled, Fresh Or Dried	\$2,231,355	\$1,674,793	75%	0%	EU, IRN
0802900010	Pecans	\$25,753	\$16,071	62%	0%	USA, IRN
0802900085	Pecans, other	\$4,919	\$0	0%	0%	EU
080620	Grapes, Dried (Including Raisins)	\$6,016,287	\$0	0%	0%	EU
080810	Apples, Fresh	\$5,261,885	\$40,517	1%	0%	EU
080830	Pears, Fresh	\$29,686,272	\$0	0%	0%	EU
Coffee, Tea, Mate & Spices						
0901	Coffee; Coffee Husks Etc; Substitutes With Coffee	\$108,903,172	\$9,586	0%	0%	IDN, GIN
090210	Green Tea Nt Fermtd In Immed Packg Content Nov 3Kg	\$30,584,240	\$7,440	0%	0%	CHN, EGY
090230	Black Tea Fermtd & Partly Fermtd Tea, Packg Nov 3Kg	\$852,293	\$6,617	1%	0%	EU
0904	Pepper, Genus Piper; Genus Capsicum Or Pimenta	\$19,500,219	\$201	0%	0%	EU
0910	Ginger, Saffron, Tumeric, Thyme, Bay Leaves Etc.	\$24,789,877	\$76,348	0%	0%	EU
Cereals						
1006	Rice	\$17,447,490	\$2,432,683	14%	0%	EU
Milling Products; Malt; Starch; Inulin; Wht Gluten						
1101	Wheat Or Meslin Flour	\$183,784	\$70	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	\$5,037,045	\$846,676	17%	0%	EU
Animal Or Vegetable Fats, Oils Etc. & Waxes						
150790	Soybean Oil, Refined, And Fractions, Not Modified	\$1,116,504	\$417	0%	0%	EU, EGY
151620	Vegetable Fats & Oils/Fractions Hydrogenated Etc	\$38,896,909	\$11,501	0%	0%	UAE, MYS
Edible Preparations of Meat, Fish, Crustaceans, Etc.						
1601	Sausages, Similar Prdt Meat Etc Food Prep Of These	\$298,914	\$10,986	4%	0%	EU
1602	Prepared Or Preserv Meat, Meat Offal & Blood Nesoi	\$13,594,192	\$208	0%	0%	EU, BRA
1604	Prep Or Pres Fish; Caviar & Caviar Substitutes	\$14,017,423	\$98,822	1%	0%	SEN, EU
1605	Crustaceans, Molluscs Etc. Prepared Or Preserved	\$1,925,262	\$0	0%	0%	EU, UAE
Sugars And Sugar Confectionary						
170191	Cane/Beet Sugar, Refined, Solid, Added Flav/Color	\$41,289	\$187	0%	4.1%	EU, BRA
1704	Sugar Confection (Incl White Chocolate), No Cocoa	\$18,107,193	\$70,093	0%	16.4%	EGY, EU

Cocoa And Cocoa Preparations						
1805	Cocoa Powder, Not Sweetened	\$14,394,814	\$2,025	0%	0%	EU
1806	Chocolate & Other Food Products Containing Cocoa	\$53,694,311	\$229,427	0%	0%	UAE, EU
Prep Cereal, Flour, Starch Or Milk; Bakers Wares						
1902	Pasta, Prepared Or Not; Couscous, Prepared Or Not	\$13,356,109	\$1,497	0%	0%	EU, CHN
1905	Bread, Pastry, Cakes Etc; Comm Wafers, Emp Caps Etc	\$65,441,173	\$903,404	1%	0%	TUR, EU
Prep Vegetables, Fruit, Nuts Or Other Plant Parts						
2002	Tomatoes Prepared Or Preserved Nesoi	\$10,847,589	\$0	0%	0%	EGY, EU
200410	Potatoes, Prepared Etc., No Vinegar Etc., Frozen	\$24,085,538	\$727	0%	0%	EGY, EU
2005	Vegetables Nesoi Prepared Etc Nesoi, Not Frozen	\$15,608,727	\$193,191	1%	0%	EU
2007	Jams, Fruit Jellies, Marmalades Etc, Cooked	\$5,489,872	\$12,442	0%	0%	UAE
2008	Fruit, Nuts Etc Prepared Or Preserved Nesoi	\$11,466,650	\$238,263	2%	0%	EU
2009	Fruit Juice Nt Frfrd W Vit/Mnl Veg Juice No Spirit	\$11,632,509	\$48,863	0%	0%	EGY, EU
Miscellaneous Edible Preparations						
2103	Sauces & Prep; Mixed Condiments, Mustard Flour Etc	\$25,359,784	\$763,941	3%	0%	EU
2105	Ice Cream And Other Edible Ice, With Cocoa Or Not	\$6,004,277	\$0	0%	0%	EU, TUR
210690	Food Preparations Nesoi	\$74,778,381	\$3,306,383	4%	16.4%	EU
Beverages, Spirits and Vinegar						
2201	Waters, Natural Etc, Not Sweetened Etc; Ice & Snow	\$6,284,562	\$345	0%	0%	EU
2202	Waters, Sweetened Etc & Oth Nonalc Beverages Nesoi	\$17,252,981	\$164,780	1%	0%	EU, TUR
2204	Wine Of Fresh Grapes; Grape Must Nesoi	\$26,785,811	\$191,694	1%	0%	EU
220830	Whiskies	\$18,177,397	\$2,349,939	13%	0%	EU
220840	Rum And Tafia	\$688,817	\$260,735	38%	0%	USA, EU
220850	Gin And Geneva	\$1,626,698	\$0	0%	0%	EU
220860	Vodka	\$13,058,144	\$19,415	0%	0%	EU

Sources: Trade Data Monitor, FAS/Rabat, *Products subject to Tariff Rate Quota (TRQ)

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, 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
- Baked Goods
- Confectionary, including Chocolate and Cocoa
- Popcorn
- Sauces and Condiments
- Non-alcoholic Beverages, including Coffee

Product Not Present Because They Face Significant Barriers

- Meat of swine (Pork), no market access

SECTION V. POST CONTACT AND FURTHER INFORMATION

Agricultural Affairs Office

Phone: (212-53) 763-7505

Fax: (212-53) 763-7201

Email: AgRabat@fas.usda.gov

Web: <https://www.fas.usda.gov/regions/morocco>

Attachments:

No Attachments