Required Report: Required - Public Distribution **Date:** June 30, 2020

Report Number: MO2020-0014

Report Name: Retail Foods

Country: Morocco

Post: Rabat

Report Category: Retail Foods

Prepared By: Mohamed Fardaoussi

Approved By: Robert Wright

Report Highlights:

Morocco's retail food sector has demonstrated stability during the coronavirus outbreak, and continues to procure imported goods. 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 2019, U.S. exports of retail-related products to Morocco totaled $57 million. Post has identified only limited volumes of U.S. tree nuts, 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 & liqueurs, sauces & condiments.

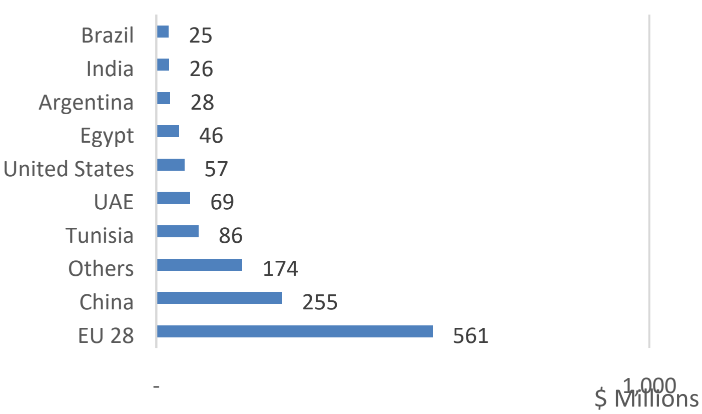
Market Fact Sheet: Morocco

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 the retail sector. In 2019, U.S. exports of retail-related products to Morocco totaled $57 million. Post has identified only limited volumes of U.S. pre-packaged tree nuts, chocolates, seafood, sauces, and spirits available on select Moroccan retail shelves.

Competition for Imported Retail Food Products (2017-19 Average Imports in Million $)

The European Union is Morocco's primary trading partner, and the source of over 42 percent of Morocco's retail food imports. Morocco imported $1.3 billion worth of retail-related food products in 2019. The United States faces stiff competition from the European Union.



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 2019

Imports of Retail-Related Food Products:
$1.3 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) 2019

Food Exports	$4.4
Food Imports	$5.5

Top Moroccan 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 (2019)
Population *(millions)*: 35.7
GDP *(billions USD)*: $120
GDP per capita *(USD)*: $3,370

Sources: Morocco Office des Changes, Morocco Haut Commissariat au Plan, World Bank

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, Morocco's food retail market represented 13.4 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

- ✓ Despite the effects of the coronavirus outbreak, Morocco's food retailing sector has remained stable. Food retail remains a good opportunity for U.S. exporters to take advantage of the U.S.-Morocco Free Trade Agreement (FTA).
- ✓ Due to Moroccan social distancing measures, many people have stopped eating out. Consumers are increasingly buying food products from their local supermarket.
- ✓ During the coronavirus pandemic grocery retail stores cut hours. Most regions of Morocco returned to normal shopping hours in late June, however this may change depending on the status of the outbreak.
- ✓ As the coronavirus pandemic pushed more grocery shoppers online, some supermarkets adapted with new or improved online sales platforms.
- ✓ Marjane Holding, Morocco's retail distribution leader, leads hypermarkets in Morocco with a 56 percent value share in 2019, followed by Label'Vie groupe,
- ✓ 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.
- ✓ Marjane has rebranded its Acima chain as Marjane Market in an attempt to compete with the Turkish small format discounter BIM and Carrefour/Label'Vie.
- ✓ 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 4rd International Exhibition of Food & Drinks «SIAB EXPO MAROC » is scheduled to take place from November 4-7, 2020 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 12-May 11, 2021.

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	2014	2015	2016	2017	2018	2019
Modern Grocery Retailers	1,976	2,099	2,231	2,365	2,450	2,568
- Convenience Stores	169	188	205	221	238	240
- Discounters	226	280	332	391	450	455
- Forecourt Retailers	1,217	1,258	1,308	1,345	1,385	1,395
-- Chained Forecourts	50	69	105	133	160	162
-- Independent Forecourts	1,167	1,189	1,203	1,212	1,221	1,231
- Hypermarkets	63	66	68	69	70	71
- Supermarkets	299	307	317	333	488	492
Traditional Grocery Retailers	238,712	239,846	240,569	241,429	242,292	243,092
- Food/Drink/Tobacco Specialists	39,940	40,367	40,781	41,172	41,567	41,610
- Independent Small Grocers	165,412	165,809	166,053	166,401	166,750	166,810
- Other Grocery Retailers	33,360	33,670	33,753	33,856	33,959	34,049

Source: Euromonitor, Industry website Trade source

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, 2019	Est. # of Outlets, 2019	Locations	Purchasing Agent type
Marjane	**Moroccan**: SNI Group	$1,300	**39**	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	**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

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, 2019	Est. # of Outlets, 2019	Locations	Purchasing Agent type
marjane market	**Moroccan:** SNI Group	N/A	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%	$318	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	$50	516	Casablanca, Rabat, Sale	Import Direct
Costcutter	**British**	N/A	1	Marrakech	n/a
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 2017*	Location	Purchasing Agent
Afriquia Mini-Brahim (Managed by Maroshop)	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 developed by Exxon	16	Casablanca, Rabat, Marrakech	Buys from Importers

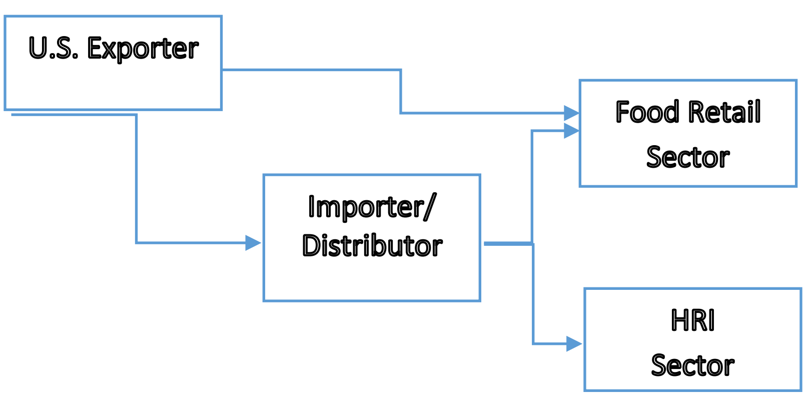
Source*:* Industry Websites, *No official data is available from the Moroccan Ministry of Commerce and Industry

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, 2017-19			US Duty	MFN Duty	Foreign Competitors
			World	USA	%			
Meat & Poultry	0201/ 0202	Beef, Chilled/Frozen	$32,644,446	$954	0.0%	0%/200%[1]	200%	Aust, EU
	0207	Poultry, Chilled/Frozen	$1,253,979	$54,669	4.4%	0%100%[1]	100%	EU, Tuni, Braz
Fishery Products	0302/ 0304	Fish, Chilled/Frozen	$28,435,905	$42,694	0.2%	0%	10%	EU, UK
	0306	Crustaceans	$83,665,143	$1,340	0.0%	0%	40%	EU, Cand, AR
	0307	Molluscs	$33,328,667	$533,387	1.6%	0%	10%	EU, Chin
Dairy	0406	Cheese	$97,882,494	$2,173,528	2.2%	0%	25%	**US,** EU, Tuni
Vegetables	0710	Vegetables, Frozen	764,818	28,616	3.7%	0%	25%	EU, **US,** Egt
Fruits & Nuts	080211/ 080212	Almonds	16,523,114	14,685,975	89%	0%	40%	**US,** EU
	080250/ 080251	Pistachios	2,231,355	1,674,793	75.1%	0%	2.5%	**US,** Iran, EU
	080410	Dates	150,912,793	1,413	0.0%	0%	40%	Tuni, UAE, Egt
	080620	Raisins	6,016,287	$0	0.0%	0%	30%	India, Turk, Uzb
	080810	Apples, Fresh	5,261,885	40,517	0.8%	0%	40%	EU, Aust, **US**
	080820/ 080830	Pears, Fresh	29,686,272	$0	0.0%	0%	40%	EU, Arg, Chile
	081320	Prunes, Dried	144,239	$0	0.0%	0%	30%	EU
Coffee, Tea, Spice	0902	Tea	222,389,347	59,413	0.0%	0%	32.5 %	Chin, India
	0904-0910	Spices	44,289,981	76,549	0.3%	0%	2.5%	Braz, VT, EU
Cereals	1006	Rice	17,353,041	2,432,683	14.0%	0%	2.5%	Thai, India, **US**
Oils	150910	Olive Oil, Virgin	16,825,875	26,953	0.2%	0%	40%	EU, Tuni
Meat Products	1602	Meat & Poultry, Prep/Pres	13,593,797	208	0.0%	0%	40%	EU, Braz
	1604	Fish, Prep/Pres	14,017,423	98,822	0.7%	0%	40%	Sengl, EU
Confectio n	170490	Sugar Confection (not gum; no cocoa)	10,507,758	68,484	0.7%	0%	25%	EU, Turk, Chin
Chocolate	1806	Cocoa Food Prods (e.g., Chocolate)	53,688,221	229,427	0.4%	0%	17.5 %	EU, UAE, **US**
Cereal Products	190120	Mixes & Doughs	2,591,977	5,585	0.2%	0%	10%	UAE, EU, **US**
	1904	Cereal Food Preps by Swelling/Roasting/et c.	15,866,936	20,654	0.1%	0%	10%	EU, Tury, Chin
	1905	Bread, Pastry, Cakes, Wafers, etc.	65,440,328	903,404	1.4%	0%	40%	EU, Tury, Egt
Fruit, Nut & Veg Products	200190	Prep/Pres Veg/Fruit by Vinegar (not pickles)	731,049	1,544	0.2%	0%	40%	EU, Chin
	200290	Tomato Paste	10,494,102	$0	0.0%	0%	40%	EU, Egt, Chin
	2005	Prep/Pres Veg, Not Frozen	15,608,727	193,191	1.2%	0%	40%	EU, Chin
	2008	Prep/Pres Fruit/Nuts (not juice nor jams)	11,466,637	238,263	2.1%	0%	40%	EU, Egt, Thai
Food Products	2103	Sauces & Condiments	25,359,784	763,941	3.0%	0%	40%	EU, Egt, Chin
	210610	Protein Concentrates	6,836,895	5,207,139	76.2%	0%	10%	**US,** EU

	210690	Food Preparations	74,777,162	3,306,383	4.4%	0%	10%	EU, Tuni, **US**
Beverage s, Vinegar	2202	Non-alcoholic Beverages	17,246,077	164,780	1.0%	0%	40%	EU, UAE
	220300	Beer	7,693,480	2,157,492	28.0%	0%	49%	EU, Mex, Rus
	2204	Wine	26,785,811	191,694	0.7%	0%	49%	EU, **US,** Rus
	2208	Spirits & Liqueurs	37,224,856	3,095,645	8.3%	0%	49%	EU, **US,** Rus
	220900	Vinegar	1,711,240	16	0.0%	0%	40%	EU, Chin
Petfood	230910	Dog & Cat Food	11,742,027	23,896	0.2%	0%	2.5%	EU, Turk
Ess Oils	3301	Essential Oils	1,678,633	125,768	7.5%	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

Marjane Group
Route de Bouskoura (c.t.1029), commune de Aïn Chock - 20150 Casablanca
Phone : (+212) 529 02 1000
Website: http://www.marjane.co.ma/

Label Vie/Carrefour
Angle Av Mehdi Ben Barka et Av, Annakhil Espace les Lauriers- Hay Riad
Phone: (+212) 537 56 9595
Website: http://www.labelvie.ma/

Aswak Essalam - YNNA Holding
233, boulevard Mohamed V, Casablanca
Phone: (+212) 523 30 6600
Website: www.aswakassalam.com

BIM
Direction Centrale Parc LOGISTICA, Route 3000, Bloc C9-C12, Quartier Industriel Ain Harrouda, Mohammedia.
Phone. : (+212) 522 67 9292
Website : http://www.bim.ma

Agricultural Affairs Office
U.S. Embassy Rabat
Tel: (212-53) 763-7505
Fax: (212-53) 763-7201
Email: AgRabat@fas.usda.gov

AGRAD - Moroccan Retail Association
Adresse : 6, Rue El Mortada, Quartier Palmier, Casablanca
Phone: (+212) 522 25 1135
Fax: (+212) 5 2 25 6345

Minister of Industry, Investment, Trade Quartier administratif, Rabat, Maroc.
Phone: +(212) 537 76 5227
Website: http://www.mcinet.gov.ma

Moroccan Customs
Avenue Annakhil, Rabat
Phone: (+212) 080 1007000
Website: http://www.douane.gov.ma

National Office of Food Safety (ONSSA)
Avenue Hadj Ahmed Cherkaoui, Agdal - Rabat
Phone: (+212) 537 67 6500
Fax: (+212) 537 68 2049
Website: http://www.onssa.gov.m

Attachments:

No Attachments