Morocco

Retail Foods

2018

Report Highlights:
Morocco, a U.S. Free Trade Agreement partner, is a price-sensitive market that to-date has not yielded significant quantities for U.S. food and beverages in the retail sector. In 2017, U.S. exports of retail-related products to Morocco totaled only $23 million while Post identified only scant volumes of U.S. tree nuts, seafood, sauces, and spirits available on select Moroccan retail shelves. Best prospects include: seafood, beer, wine & spirits, almonds, pistachios, dried fruit, food preparations, protein concentrates, cheese, chocolate & confectionary, and dog & cat food.
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 for U.S. food and beverages in the retail sector. In 2017, U.S. exports of retail-related products to Morocco totaled only $23 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 (2015-17 Average Imports)

Morocco imported $1.0 billion worth of retail-related food products in 2017. The United States faces stiff competition from the European Union.

Quick Facts CY 2017

Imports of Retail-Related Food Products: $1.0 billion

Top 10 Best Retail Products

- Beer, Wine & Spirits - Cheese
- Food Preparations - Almonds
- Protein Concentrates - Pistachios
- Dog & Cat Food - Dried Fruit
- Chocolate & Confectionary - Seafood

Food Trade (U.S. billion) 2017

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Exports</td>
<td>$4.6</td>
</tr>
<tr>
<td>Food Imports</td>
<td>$5.7</td>
</tr>
<tr>
<td>Food Retail Industry</td>
<td>$13.3</td>
</tr>
</tbody>
</table>

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 2017

- Population (millions): 35.7
- GDP (billions USD): $111
- GDP per capita (USD): $3,252

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

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

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

Sources: Office des Changes
SECTION I. MARKET SUMMARY

In 2017, Morocco’s food retail market represents 12% 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

✓ Coviran, a Spanish group intends to enter Morocco in 2018 in Tangier and open a second store in Tetouan before the end of June 2019.
✓ Marjane, Label’Vie, and Ynna are focused on opening new outlets, including extending their reach to second-tier cities, including Taza, Beni-Mellal, Fquih, Ben Salah, Al Houceima, Kalaat, Sraghna, and Larache.
✓ Online grocery epicerie.ma has been renamed in marketplus.ma following the launch of physical supermarket “Market”
✓ The 2nd International Exhibition of Food & Drinks «SIAB EXPO MAROC » takes place November 21-22, 2018
✓ Peak sales occur during Ramadan, which will take place on/about May 5-June 4, 2019

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, supported by changing demographics, urbanization, and the evolution of the consumers’ purchasing behaviors, which should in turn create additional opportunities for imported food products.

In 2007, Morocco’s Ministry of Industry introduced the Rawaj Vision 2020 program, 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

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing perception that supermarkets offer safer and cheaper products.</td>
<td>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.</td>
</tr>
<tr>
<td>Expanding volumes through and coverage of modern distribution channels and retail outlets.</td>
<td>Market size: 35 million Moroccans, 10-15 percent of which can afford to buy imported products.</td>
</tr>
<tr>
<td>Increased acceptance of packaged food.</td>
<td>Entry fees for new products</td>
</tr>
</tbody>
</table>

Grocery Retail Outlets by Channel in Morocco, Number

<table>
<thead>
<tr>
<th>Outlet</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
</table>

Source: Ministry of Industry, Investment, Trade and the Digital Economy
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.

<table>
<thead>
<tr>
<th>Retailer Name</th>
<th>Ownership</th>
<th>Est. Turnover, $Mill, 2016</th>
<th>Est. # of Outlets, 2017</th>
<th>Locations</th>
<th>Purchasing Agent type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marjane</td>
<td>Moroccan: SNI Group</td>
<td>$1,059</td>
<td>38</td>
<td>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</td>
<td>Imports Direct and Buys from Importers</td>
</tr>
<tr>
<td>Atacadao</td>
<td>Moroccan: Label'Vie (95%) French: Carrefour-5%</td>
<td>$300-350</td>
<td>11</td>
<td>Casablanca, Meknes, Fes, Marrakech, Mohammedia Rabat, Agadir, Oujda, Tanger</td>
<td>Imports Direct via Label’Vie and Buys from Importers</td>
</tr>
<tr>
<td>Carrefour</td>
<td></td>
<td>$66-90</td>
<td>7</td>
<td>Casablanca, Fes, Rabat, Marrakech, Sale, Meknes, Tanger</td>
<td></td>
</tr>
<tr>
<td>Aswak Assalam</td>
<td>Moroccan: Ynna Holding</td>
<td>$150-200</td>
<td>13</td>
<td>Rabat, Marrakech, Agadir, Tanger, Casablanca Mohammedia, Kenitra, Emara, Oujda, Essaouira</td>
<td>Imports Direct and Buys from Importers</td>
</tr>
</tbody>
</table>

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 popular in Morocco, 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.

<table>
<thead>
<tr>
<th>Retailer Name</th>
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<th>Est. # of Outlets, 2017</th>
<th>Locations</th>
<th>Purchasing Agent type</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACIMA</td>
<td>Moroccan: SNI Group</td>
<td>$163</td>
<td>42</td>
<td>Casablanca, Rabat, Tanger, Marrakech, Fes, Safi, Khouribga, Beni Mellal, Temara, El Jadida, Berrechid</td>
<td>Imports Direct via Marjane and Buys from Importers</td>
</tr>
<tr>
<td>Carrefour Market</td>
<td>Moroccan: Label’Vie-95%</td>
<td>$184</td>
<td>51</td>
<td>Casablanca, Mohameda, Rabat, Meknes, Kenitra, Marrakech, Fes, Agadir, Sale, Khemissat, Settat, El Jadida, Temara, Safi</td>
<td>Imports Direct via Label’Vie and Buys from Importers</td>
</tr>
<tr>
<td></td>
<td>French: Carrefour-5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BIM</td>
<td>Turkish: Groupe Birlesik</td>
<td>$211</td>
<td>335</td>
<td>Casablanca, Rabat, Sale</td>
<td>Import Direct</td>
</tr>
<tr>
<td></td>
<td>Magazal A.S</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costcutter</td>
<td>British</td>
<td>N/A</td>
<td>1</td>
<td>Marrakech</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Other Small Supermarkets (≥ 3 registers, >25000 ft²)
- Local – private
- $50-100
- 30
- Casablanca, Rabat, Agadir
- Buys from Importers

Other Large Grocery Stores (Self-service, ≥ 1 register, < 2000 ft²)
- Local -private
- $100-150
- 270
- 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.
<table>
<thead>
<tr>
<th>Mobile Gas Stations on the Run developed by Exxon</th>
<th>16</th>
<th>Casablanca, Rabat, Marrakech</th>
<th>Buys from Importers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shell Gas Stations <em>(Select Shop)</em></td>
<td>25</td>
<td>Casablanca</td>
<td>Buys from Importers</td>
</tr>
</tbody>
</table>

*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 ft² to 1,000 ft². These shops have limited financial resources and are typically managed by one person. The consumer often cannot help himself in this store because the goods are behind a counter. Many of these stores in the cities have a refrigerator and a very small number have ice cream freezers. Convenience, proximity, and credit 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 even 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

<table>
<thead>
<tr>
<th>Category</th>
<th>HS</th>
<th>Description</th>
<th>Avg Imports, 2015-17</th>
<th>US Duty</th>
<th>MFN Duty</th>
<th>Foreign Competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>World</td>
<td>USA</td>
<td>%</td>
<td>0%/200%</td>
</tr>
<tr>
<td>Meat &amp; Poultry</td>
<td>0201-0202</td>
<td>Beef, Chilled/Frozen</td>
<td>$26,073,578</td>
<td>$0</td>
<td>0.0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>0207</td>
<td>Poultry, Chilled/Frozen</td>
<td>$984,858</td>
<td>$0</td>
<td>0.0%</td>
<td>0%</td>
</tr>
<tr>
<td>Fishery Products</td>
<td>0302-0304</td>
<td>Fish, Chilled/Frozen</td>
<td>$45,605,379</td>
<td>$141,682</td>
<td>0.3%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>0306</td>
<td>Crustaceans</td>
<td>$80,615,535</td>
<td>$0</td>
<td>0.0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>0307</td>
<td>Molluscs</td>
<td>$19,415,942</td>
<td>$617,482</td>
<td>3.2%</td>
<td>0%</td>
</tr>
<tr>
<td>Dairy</td>
<td>0406</td>
<td>Cheese</td>
<td>$72,588,744</td>
<td>$2,113,55</td>
<td>1</td>
<td>2.9%</td>
</tr>
<tr>
<td>Vegetable Products</td>
<td>0710</td>
<td>Vegetables, Frozen</td>
<td>$533,396</td>
<td>$17,462</td>
<td>3.3%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>080211-080212</td>
<td>Almonds</td>
<td>$2,490,410</td>
<td>$1,442,99</td>
<td>57.9%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>080250-080251</td>
<td>Pistachios</td>
<td>$1,179,943</td>
<td>$931,360</td>
<td>78.9%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>080410</td>
<td>Dates</td>
<td>$106,350,04</td>
<td>$700</td>
<td>0.0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>080620</td>
<td>Raisins</td>
<td>$684,183</td>
<td>$49</td>
<td>0.0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>080810</td>
<td>Apples, Fresh</td>
<td>$5,594,478</td>
<td>$18,355</td>
<td>0.3%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>080820-080830</td>
<td>Pears, Fresh</td>
<td>$16,321,387</td>
<td>$0</td>
<td>0.0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>081320</td>
<td>Prunes, Dried</td>
<td>$305,796</td>
<td>$0</td>
<td>0.0%</td>
<td>0%</td>
</tr>
<tr>
<td>Coffee, Tea, Spice</td>
<td>0902</td>
<td>Tea</td>
<td>$203,692,74</td>
<td>$59,946</td>
<td>0.0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>0904-0910</td>
<td>Spices</td>
<td>$34,168,225</td>
<td>$51,290</td>
<td>0.2%</td>
<td>0%</td>
</tr>
<tr>
<td>Cereals</td>
<td>1006</td>
<td>Rice</td>
<td>$4,579,729</td>
<td>$221,787</td>
<td>4.8%</td>
<td>0%</td>
</tr>
<tr>
<td>Oils</td>
<td>150910</td>
<td>Olive Oil Virgin</td>
<td>$11,871,285</td>
<td>$144,863</td>
<td>1.2%</td>
<td>0%</td>
</tr>
<tr>
<td>Meat Products</td>
<td>1602</td>
<td>Meat &amp; Poultry, Prep/Pres</td>
<td>$8,132,264</td>
<td>$483</td>
<td>0.0%</td>
<td>6.7%</td>
</tr>
<tr>
<td></td>
<td>1604</td>
<td>Fish, Prep/Pres</td>
<td>$7,428,678</td>
<td>$85,318</td>
<td>1.1%</td>
<td>0%</td>
</tr>
<tr>
<td>Confection</td>
<td>170490</td>
<td>Sugar Confection (not gum; no cocoa)</td>
<td>$6,814,130</td>
<td>$48,973</td>
<td>0.7%</td>
<td>0%</td>
</tr>
<tr>
<td>Chocolate</td>
<td>1806</td>
<td>Cocoa Food Prods (e.g., Chocolate)</td>
<td>$38,625,086</td>
<td>$85,998</td>
<td>0.2%</td>
<td>0%</td>
</tr>
<tr>
<td>Cereal Products</td>
<td>190120</td>
<td>Mixes &amp; Doughs</td>
<td>$2,009,599</td>
<td>$17,290</td>
<td>0.9%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>1904</td>
<td>Cereal Food Preps by Swelling/Roasting/et.</td>
<td>$12,211,137</td>
<td>$15,680</td>
<td>0.1%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>1905</td>
<td>Bread, Pastry, Cakes, Wafers, etc.</td>
<td>$34,414,410</td>
<td>$171,261</td>
<td>0.5%</td>
<td>0%</td>
</tr>
<tr>
<td>Fruit, Nut &amp; Veg Products</td>
<td>200190</td>
<td>Prep/Pres Veg/Fruit by Vinegar (not pickles)</td>
<td>$662,601</td>
<td>$22,263</td>
<td>3.4%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>200290</td>
<td>Tomato Paste</td>
<td>$10,460,088</td>
<td>$0</td>
<td>0.0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>2005</td>
<td>Prep/Pres Veg, Not Frozen</td>
<td>$12,552,322</td>
<td>$252,194</td>
<td>2.0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>Prep/Pres Fruit/Nuts</td>
<td>$10,344,299</td>
<td>$740,003</td>
<td>7.2%</td>
<td>0%</td>
</tr>
</tbody>
</table>
### 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

**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

**Products not present because they face significant barriers:**
- Beef – market access
- Poultry – market access
  - Organics – labeling

### SECTION V. KEY CONTACTS AND FURTHER INFORMATION

For additional information, see the [Morocco Exporter Guide](http://www.marjane.co.ma/).

**Marjane Group**
Route de Bouskoura (c.t.1029), commune de Aïn Chock - 20150 Casablanca
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**Aswak Essalam - YNNA Holding**
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Phone: (+212) 523 30 6600
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Fax: (+212) 537 68 2049
Website: http://www.onssa.gov.ma