

# BOEING SUCCESSFUL SOURCING ECOSYSTEM IN MOROCCO



- Memorandum of Understanding signed 2016/27/9 by BCA former CEO Ray Conner and The Kingdom of Morocco (KoM).
- The Kingdom of Morocco, as part of the MoU, will provide a variety of critical parts to the Boeing production system with good quality and on-time delivery performance.

120

SUPPLIERS

8,700

JOBS<sup>2</sup>

\$1bn

ECONOMIC IMPACT<sup>1</sup>

1. Yearly expected exports, in-country direct and indirect revenues created  
Sources: Institutional sites, AMDIE

2. Expected number of direct jobs



“ This MoU has been a great success as we have been able to integrate 11 suppliers including 2 that supply Boeing directly. These early successes have demonstrated that the Kingdom of Morocco offers excellent value for money and sets it apart from many other countries. We believe that together we can meet the challenges of global aviation and support the long-term growth objectives of both Morocco and Boeing. Stan Deal, President & CEO Boeing Commercial Airplanes ”

# PILATUS PC12- ASSEMBLY TO BE COMPLETED IN MOROCCO



- *Pilatus Aircraft and Sabca Maroc have signed a contract for the assembly of PC12- aerostructures in Casablanca.*
- *The first fuselage and wing structure assembled at the new Sabca facility will be ready for delivery by the end of 2022.*
- *The training required will be completed in collaboration with IMA.*



“ *Pilatus trusted us after an international competition, in which we were able to demonstrate that Sabca Maroc was the most competitive, the most qualified in terms of quality, work capacity but also confidence, motivation of the teams and their ability to achieve this goal.* ”

*Thibauld Jongen, CEO, SABCA*

# TALENTED PEOPLE YOU CAN RELY ON

## HIGHLY TRAINED WORKFORCE

### SPECIALIST TECHNICIANS AND OPERATORS

- Ad hoc training programs jointly developed with investors to address industry specific needs (e.g. soft skills with, middle management training)
- Subsidized by the government



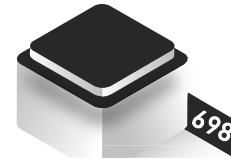
### AERONAUTICS ENGINEERS TRAINED IN MOROCCO AND ABROAD

- **2,500 engineers** to be trained per year in Moroccan specialized engineering schools
- A growing number of partnerships with **leading international universities**



## COMPETITIVE PRODUCTION COSTS

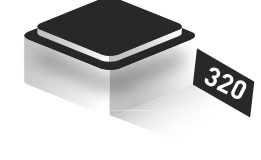
Cost, Morocco, \$/ months



ASSEMBLY/FABRICATION



MECHANICS



QUALITY CONTROL

**TURNOVER RATE IS LESS THAN 5%**

*Our Spirit Casablanca site is strategically important to us. It provides a very competitive cost base, a highly skilled workforce, it gives us access to a very strong ecosystem and it is ideally located logistically for our customers in the UK and Europe and for other destinations around the world. Scott Mclarty, SVP Spirit Aerosystems*



# PROXIMITY AND FREE OF DUTIES ACCESS TO MAJOR AEROSPACE MANUFACTURING HUBS

## Easy access to a USD +60 bn market



SOURCE: TRADEMAP



FRANCE

- 1st worldwide market: USD 15.1 bn imports in 2019
- 2 days transportation by land
- Free Trade Agreement (EU)



UNITED STATES

- 2nd worldwide market: USD 20.3 b imports in 2019
- 10 days transportation by sea
- Free Trade Agreement



GERMANY

- 3rd worldwide market: USD 8.2 b imports in 2019
- 3 days transportation by land
- Free Trade Agreement (EU)



UNITED KINGDOM

- 5th worldwide market: USD 5.6 b imports in 2019
- 3 days transportation by sea
- Association Agreement, with free of duties access



CANADA

- 6th worldwide market: USD 5.3 b imports in 2019
- 10 days transportation by sea

# YOUR WORLD-CLASS FACILITY READY IN LESS THAN 12 MONTHS

## MIDPARC CASABLANCA FREE ZONE



## TFZ (Tanger Free Zone), MELLOUSSA



## NOUACEUR AEROPOLE



## INDUSTRIAL PARKS: HAD SOUALEM, SAPINO, CFCIM



15.3.2022 / 1495

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# A COMPREHENSIVE INCENTIVE PACKAGE AVAILABLE

## Direct Capital Expenditure Subsidies for investment in aeronautics

Direct Capital Expenditure Subsidies for aerospace activity, based on investment's level, added value and job creation.

## Tax incentives & Industrial Acceleration Zones advantages

One stop shop services for customs and administration requirements.

## Free on-demand training

On-demand and tailor-made training: Workers are trained in advance, to meet the start-of-production schedule.



# THE FUTURE OF AVIATION WILL BE MADE "WITH" MOROCCO

## 2025 AMBITION

- Reinforce existing capabilities with a focus on : Engineering, MRO

- Develop new ecosystems: Space, Interiors, Engine, Composites

- Export revenue x2,5

- Decarbonization of operations



# MOROCCO



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# AUTOMOTIVE INDUSTRY

**OCTOBER 2021**

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# WHY INVEST IN MOROCCO'S AUTOMOTIVE INDUSTRY ?

## A THRIVING AUTOMOTIVE CLUSTER...

- **1<sup>st</sup>** passenger car producer in Africa
- **2<sup>nd</sup>** exporter to the EU of new vehicles
- **+250** international suppliers and **60%** integration rate
- **700,000 cars** Installed capacity in 2021



## ...THANKS TO DIFFERENTIATING COMPETITIVE ADVANTAGES

- **Morocco's** geostrategic location, provides an **easy access to main markets**
- **Free Trade Agreements** with more than 50 countries
- **14km from Europe** ; 1# sea connectivity in Africa
- **Well-trained and competitive workforce**
- **World-class industrial zones**



## ...WITH A VISION TO TACKLE THE INDUSTRY'S FUTURE CHALLENGES...

- Targeting **80% of integration rate by 2023**
- **1,5 million cars** production
- **Full decarbonization** of production
- This will result in a positioning as **most competitive** platform worldwide...
- ...and attract **new categories of players** in the already comprehensive ecosystem



# AUTOMOTIVE INDUSTRY AT A GLANCE

**60%**

Integration rate

**75**

75 global destinations of exports

**8,3B\$**

8,3 billion \$ automotive exportations

**700K**

Installed capacity

**250**

More than 250 companies already installed

**220K**

More than 220k jobs in the sector



# SUCCESS STORIES : RENAULT GROUP

## Renault Group

**2** sites

**500K**  
installed capacity

**5** models  
manufactured

**Zero** emission  
factory

Already **1,02€ Bn** per  
year in sourcing from  
Morocco and a new  
agreement to raise it  
to **2,5€ Bn** per year



LODGY



SANDERO STEPWAY



SANDERO



DOKKER



LOGAN

# SUCCESS STORIES : STELLANTIS

STELLANTIS

1 site

200K  
installed capacity

3 models  
manufactured

Already **1,2€ Bn**  
per year in sourcing  
from Morocco and a new  
agreement to raise it to  
**3€ Bn** per year

## Africa Technical Center

- More than **4000 engineers within the ecosystem**
- Specialized team in **electronic architecture**
- Dedicated teams for **powertrain and chassis** with skills in perceived **quality and style**

Opel Rocks-E



Peugeot 208



Citroën Ami

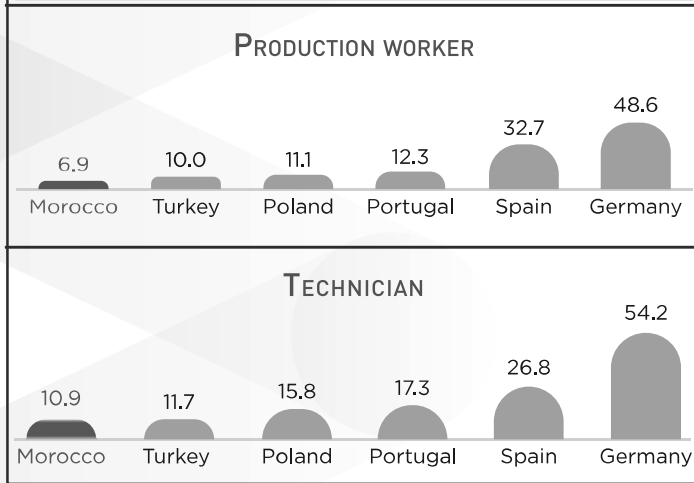


# MULTIPLE ADVANTAGES OF THE MOROCCAN PLATFORM

## HIGHLY TRAINED LABOR

- **15.000 engineers** graduating each year in Moroccan specialized engineering schools
- **Tailor-made training modules** co-developed with industrialists to address industry-specific needs

### MEDIAN TOTAL ANNUAL COMPENSATION (PER EMPLOYEE IN USD K)



Source: Mercer - Labor costs benchmark - 2018

## ACCESS TO MARKETS

Total market surpassing  
**40 million cars**

- **European Union** 
  - 18 400 new cars market
  - Free trade agreement
  - 1 day transportation
- **NAFTA** 
  - 20.300 new cars market
  - Free trade agreement with the US
  - 5 days transportation
- **Middle East - North Africa** 
  - FTAs with Turkey, UAE and Egypt
  - 1-3 days transportation
- **Western Africa** 
  - market with high growth potential
  - 1-3 days transportation

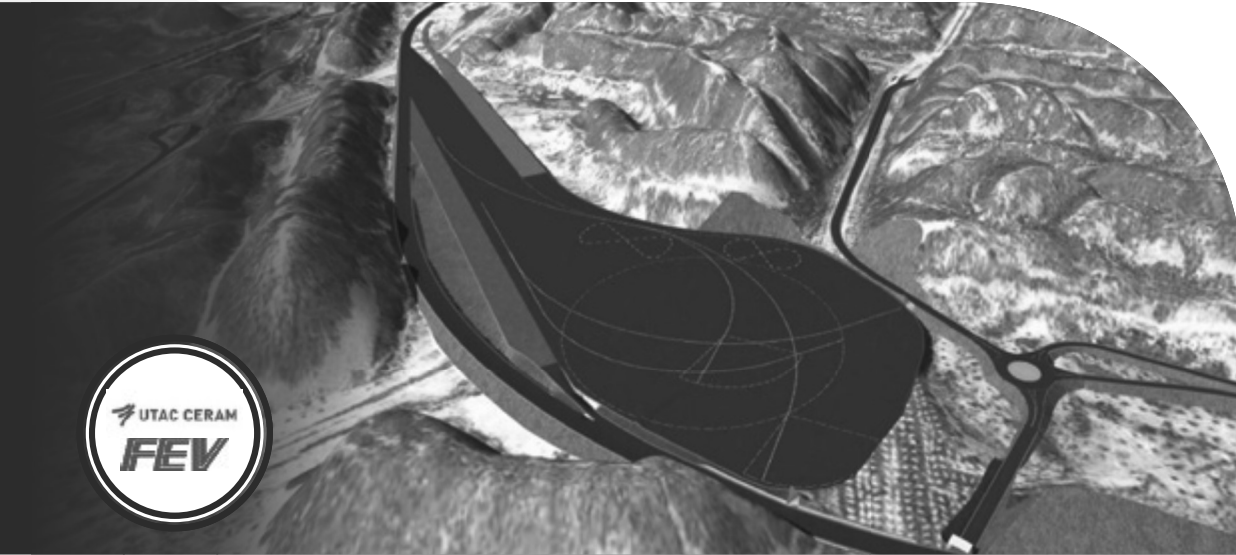
## INFRASTRUCTURE



**AUTOMOTIVE INDUSTRY**

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# ENGINEERING AND R&D CAPACITIES, FROM DESIGN TO MANUFACTURING



The Automobile Test Center will allow Morocco to be autonomous in terms of validation and homologation of parts and vehicles.

- **1st** test center in Africa
- **A competitive** cost of services
- **4km test track** unique in Europe and in Africa

## Cetiev 2.0

The Technical Center for Vehicle Equipment Industries is equipped with high technologies technical installations, to be able to carry out physical tests related to automotive development activities (electrical/electronic, mechatronic, acoustic and vibration tests, etc.)



Collaboration with universities to co-develop modules with industrialists to address industry-specific needs



# MAKE MOROCCO THE MOST COMPETITIVE AUTOMOTIVE PRODUCTION HUB BY 2023

Known as one of the most competitive hubs in the world, Morocco is aiming to become the most attractive automotive platform worldwide by 2023



**Low carbon** production using local renewable energies



More **local integration** to reach out **80%**

Competitive production costs and **highly skilled** labor force



**Attractive logistic costs** at the crossroad of continents





# MORE LOCAL INTEGRATION AS A COMPETITIVE LEVER FOR AUTOMOTIVE ECOSYSTEMS

## > Raw material suppliers



PLASTIC  
Polypropylene



PLASTIC  
Polyethylene



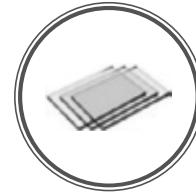
ALUMINIUM  
(1<sup>st</sup> fusion)



SCRAPS  
METAL



ALUMINIUM  
(2<sup>nd</sup> fusion)

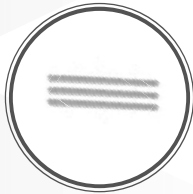


FLOAT

## > Raw material processors



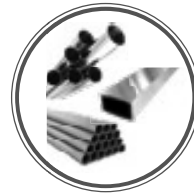
Flat Steel



Long Steel



Bar Turning



Pipes



Fondry



Stamping



Injection



Blow Molding



Technical  
Painting



Chrome Plating



Fixings



New commodities to be developed to improve the local integration rate from

**60% to 80%**



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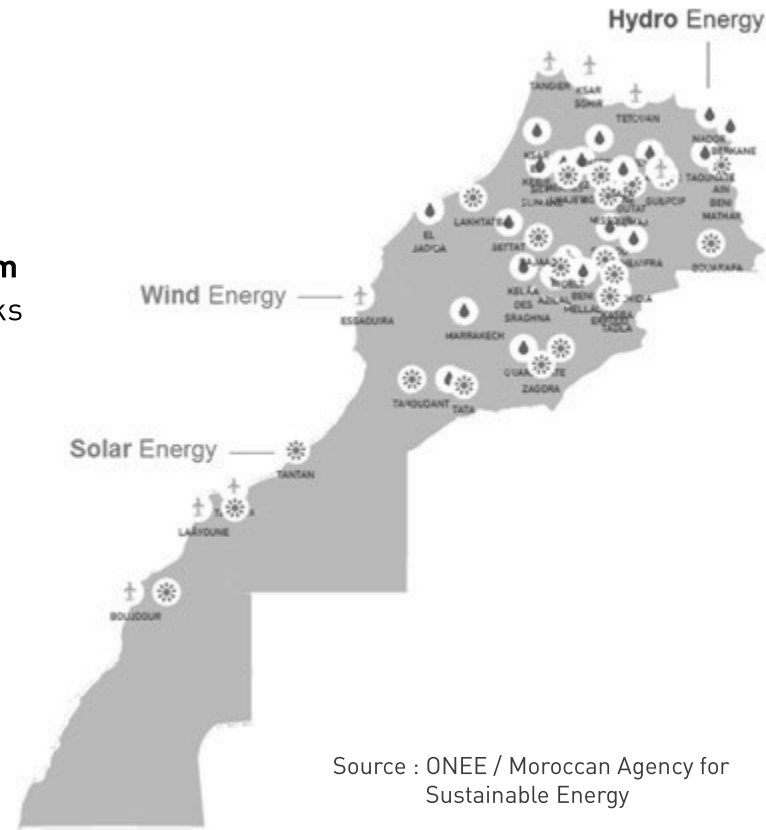
# CARBON FREE ZONES AND HIGHLY COMPETITIVE RENEWABLE ENERGY

Morocco's Renewable Energy Projects Map

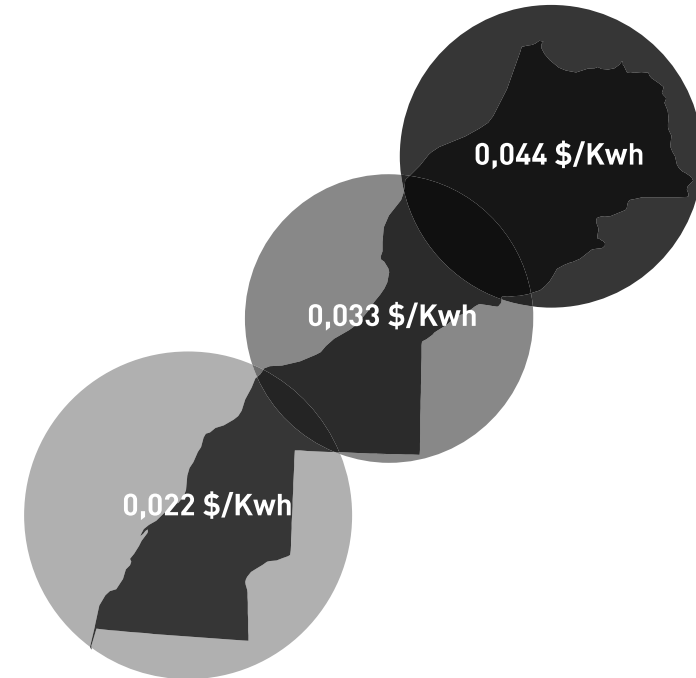
Morocco wind-PV mix production cost

**52%** energy mix by 2030

Morocco will get 52% of its electricity from renewable energy sources by 2030, thanks to an ambitious plan with a strong Royal vision to increase the share of renewable energies in the energy mix



Source : ONEE / Moroccan Agency for Sustainable Energy



# MOROCCO



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# AGRI-FOOD INDUSTRY

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# MOROCCO: A PLATFORM TO SOURCE, TRANSFORM & EXPORT



## DYNAMIC AND DIVERSIFIED AGRICULTURAL UPSTREAM...

- **Easy access to local sourcing** thanks to a well developed **agricultural upstream** and **Additional raw materials** at reach with short lead times
- **Innovative , Green & structured** upstream

## ...A TRANSFORMATION PLATFORM WITH UNIQUE **COMPETITIVE ADVANTAGES**

- **Agri-food industry: good overall performance** (2100 companies, High Added value,...), with **real investment & export opportunities**
- **Competitive platform** : best cost offer, modern infrastructure & Connectivity,..
- **Attractive set of Government incentives:** tailored government support, Tax free zones & Agropoles



## ...ALLOWING TO ADDRESS **DYNAMIC LOCAL AND EXPORT MARKETS...**

- **Short Lead Times & FTA'S** facilitate access to major food markets : EU, UK , US , AU & GCC
- **Success stories:** MONDELZ, BEL, NESTLE



# EASY ACCESS TO LOCAL SOURCING THANKS TO A WELL-DEVELOPED AGRICULTURE UPSTREAM

## Annual prod. (2019-2020, tons)

	Cereals	Soft wheat	<b>1 770k</b>
		Barley	<b>645k</b>
		Durum wheat	<b>790k</b>
	Sugar	Sugar beet	<b>3 630k</b>
		Sugar cane	<b>790</b>
	Forage crops		<b>14 460k</b>
	Citrus	Orange, clementine...	<b>1 780k</b>
	Olives		<b>1 400k</b>
	Fruits & Vegetables		<b>7 190k</b>
	Meat	Poultry	<b>710k</b>
		Red meat	<b>600k</b>
	Milk		<b>2,6bn litre</b>

Source: Ministry of Agriculture, Fisheries, Rural Development, water and Forest



High **diversity** of soil and climates over the Moroccan territory



Over **650 varieties** of fruits & vegetables with remarkable organoleptic properties



**Additional raw materials** at reach with short lead times