

Morocco

Roadblocks stunt innovation, but entrepreneurs find ways to work in North Africa

Morocco ranks as a Modest Innovator for policies that hamper innovation across a range of areas.

Consider the sharing economy. Though local and national transport ministry officials have called Uber “illegal,” the ridesharing service continues to operate in Morocco. Short-term rentals must comply with the same rules as conventional hotel accommodations, placing undue burdens on individual operators, and hosts face the threat of fines if their guests are unmarried.

Morocco’s emerging tech scene has received a similarly cold shoulder. A 2015 law subjects drones to licensing requirements and import taxes under the pretext of security and privacy concerns. Officials can seize any unauthorized drone imports. Self-driving vehicle technology is neither being tested nor developed, and there are no signs of efforts to nurture the industry.

One promising sign for Moroccan entrepreneurs: The country has some of the most affordable fixed broadband, at an average monthly cost of \$23.98 (adjusted for purchasing power parity). While broadband speed has a long way to go, bringing the country’s grade in the category down to a ‘C+’, affordable access is a positive step.

Another bright spot: it’s easy to start a business in the country. Morocco’s new business entry rate of just over 1.5 per 1,000 people places it in the top 15 on the Scorecard, on par with several Innovation Champions. Government-funded “technoparks” aim to offer more incubation spaces for startups.

Sources: (Yahoo) (The Moroccan Times) (Telegraph)

WHAT DID WE DO RIGHT?

Though the Moroccan people have an average broadband speed of only 5 mbps, they enjoy an average monthly internet cost of just over \$20.

WHAT CAN WE DO BETTER NEXT YEAR?

Morocco can pass laws to support the testing of self-driving vehicles, improve disappointing levels of personal and political freedom, and reduce their 31 percent corporate tax rate, one of the highest on the Scorecard. The country can also clarify its rules on ridesharing services and ease restrictions on drones.

Diversity	F
Freedom	D
Broadband	C+
Human Capital	C
Tax Friendliness	D
R&D Investment	C-
Entrepreneurial Activity	C
Drones	D
Ridesharing	D
Short-Term Rentals	C
Self-Driving Vehicles	F
Environment	C-



R&D Investment

Morocco spends less than one percent of its GDP on research and development, one of the lowest rates on the Scorecard, leaving plenty of room for improvement.



Human Capital

When it comes to the percentage of STEM degrees awarded in the country, Morocco is on par, but only 7.4 percent of its workforce is highly-skilled.



Entrepreneurial Activity

A new business entry rate of just over 1.5 new ventures per 1,000 people lands Morocco in the top 15 of the Scorecard.



Tax Friendliness

At 31 percent, the country’s corporate tax rate is among the highest in the world. Morocco also taxes streaming services.

TANGIER

Morocco is making a concerted effort to expand the country’s footprint across several industries and attract investment from a new crop of international players. Newly established “technoparks” will cluster businesses and foster growth in everything from aeronautics to information technology.

The first of the technoparks opened on the outskirts of Casablanca in 2001, and another followed in 2012 just outside Rabat. Five years later, a third was established in the port city and industrial center of Tangier.

The Tangier park, like its predecessors, offers a space for up-and-coming businesses to grow, with a focus on new information and communication technology organizations. Low rents, tax incentives and improved technological infrastructure are part of the park’s plan to facilitate the growth of new ventures.

And Tangier has garnered additional international attention with the announcement of a \$10 billion investment over 10 years to develop a new industrial and technology center just outside city limits. The project, which will be funded by Chinese group Haite, BMCE Bank of Africa and the Moroccan government, aims to generate 100,000 jobs in specialized sectors including telecommunications, aeronautics and renewable energy.

Sources: (Morocco World News) (Daily Maverick) (Reuters)



A series of “technoparks” scattered around Morocco are part of a government-led initiative to foster entrepreneurial activity in the country. The technopark outside Tangier was established in 2017 with a focus on information and communication technology organizations, offering low rents and tax incentives to ease growing pains for up-and-coming companies.