المركز الجهوي للاستثمار
طنجة - تطوان - الحسيمة
CENTRE RÉGIONAL D'INVESTISSEMENT
TANGER - TÉTOUAN - AL HOCEIMA

"Once you are **here**, you are **everywhere**!"

INVESTANGIER
TANGER . TETOUAN . AL HOCEIMA

PERCEPTION OF **THE BUSINESS CLIMATE**

TANGIER – TETOUAN – AL HOCEIMA REGION

With the support of:

IFC International Finance Corporation
WORLD BANK GROUP

SUMMARY

CONTEXT

The regional investment center of Tangier-Tetouan-Al Hoceima region has conducted a study in collaboration with the IFC within the framework of a partnership agreement signed with the International Finance Corporation (IFC) on investors' perception of the business climate in the region. This study, funded by the IFC and put into effect by an independent specialized engineering consultant’s office, revolves around the following axis:

Axis 1

Perception of the Business Climate

Axis 2

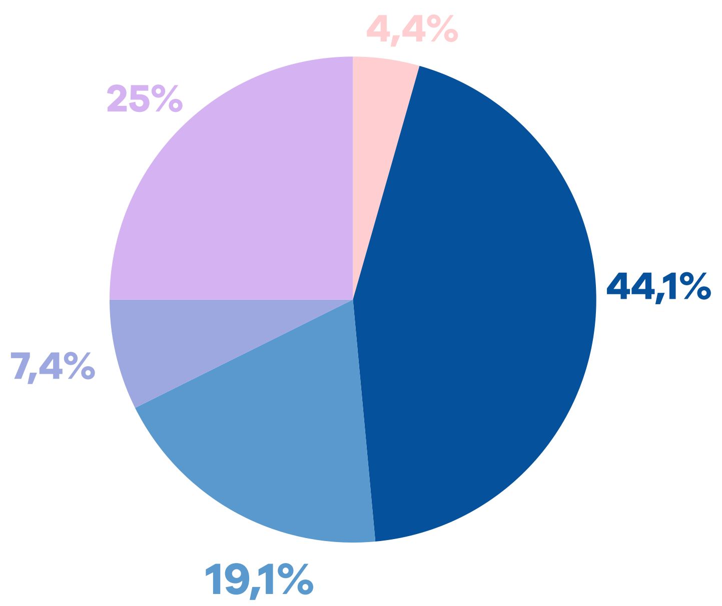
Level of satisfaction and interaction regarding the services provided by CRI TTA

Axis 3

Stakeholders' Perception of the Business Climate

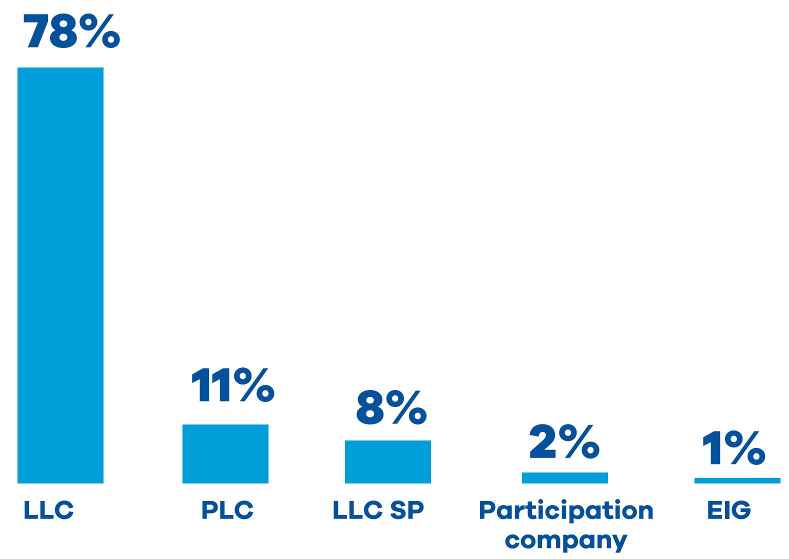
SURVEYED PROFILE

Activity sectors



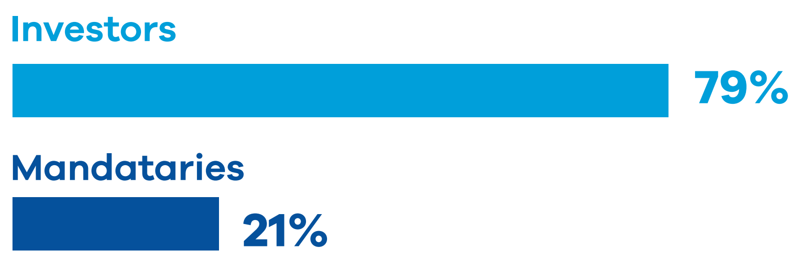
- Textile
- Construction & Civil Engineering
- Other Industries
- Agro-industry
- Miscellaneous

Legal forms



Target

135 Repondents



MAIN RESULTS

88%
Anticipate an expansion of their investment in the region

79%
Plan a new investment in the region

53%
Have reinvested in expanding their activities

40%
Reinvested in the launch of new services or products

51%
Have in import activities

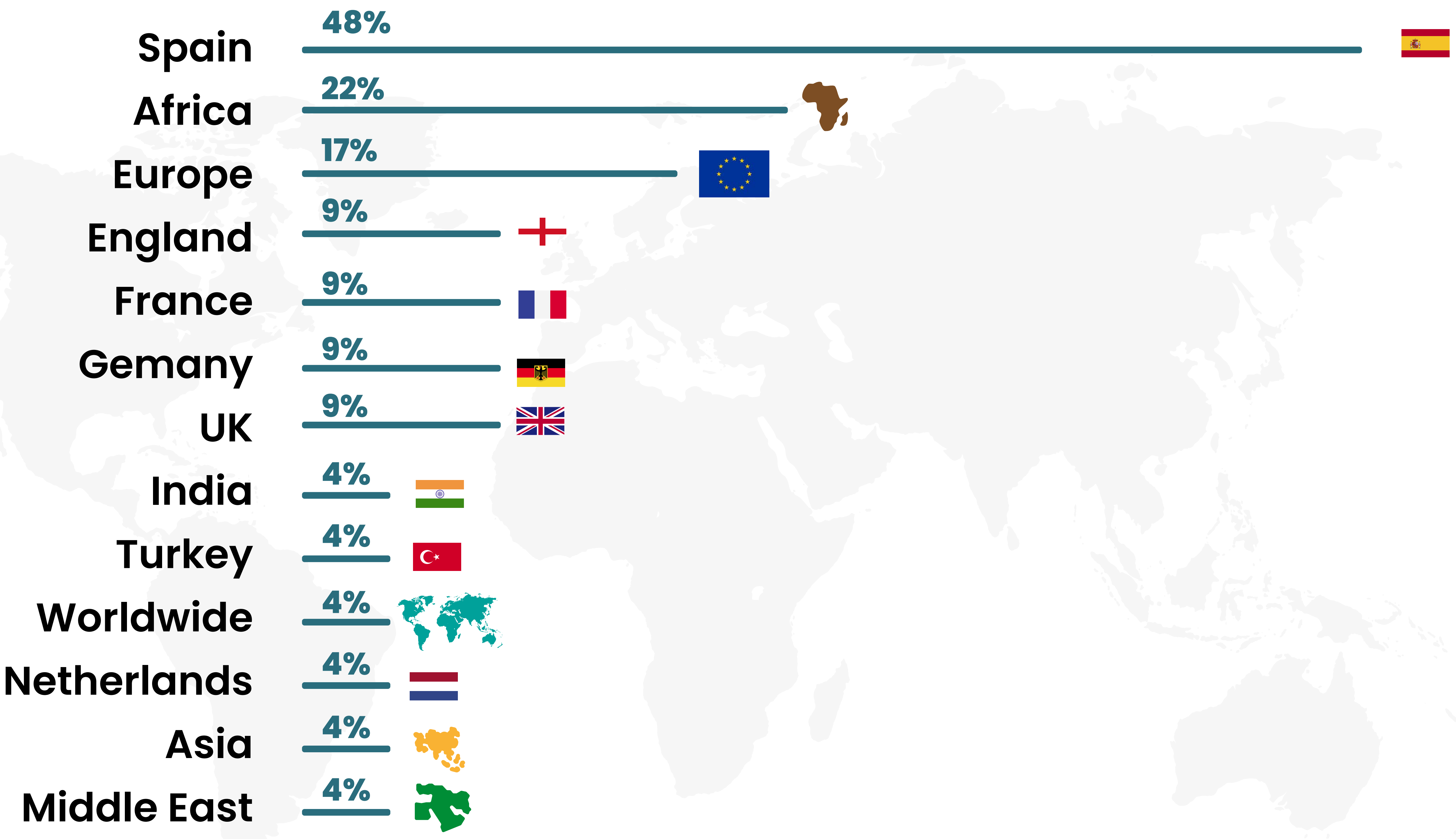
90%
Stated that they would like to source more locally

74%
Supply locally

34%
Use renewable energie

41%
Use waste recycling

Main Destinations of Regional Exports

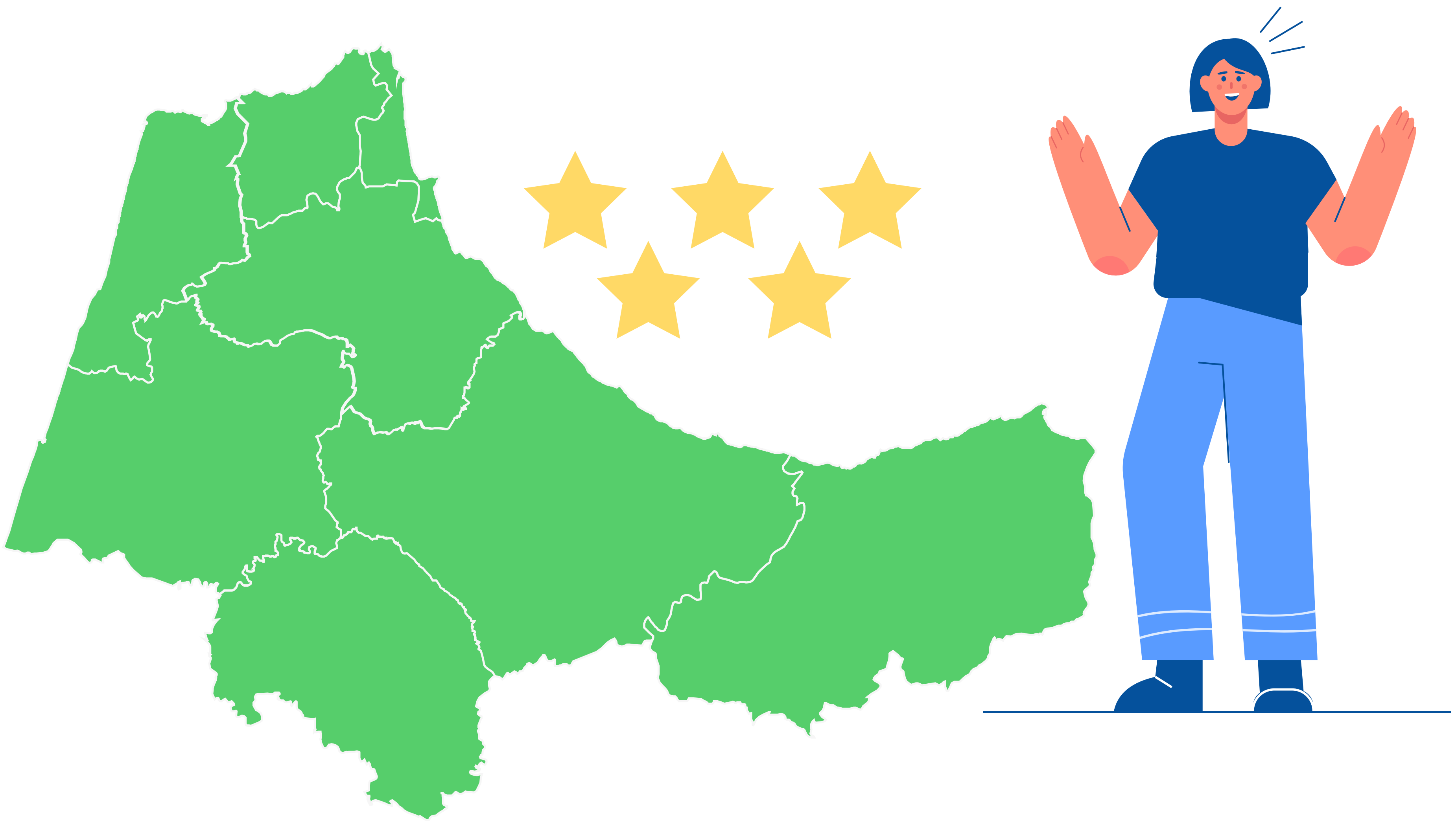


AXIS 1

INVESTORS' PERCEPTION OF THE BUSINESS CLIMATE IN THE REGION

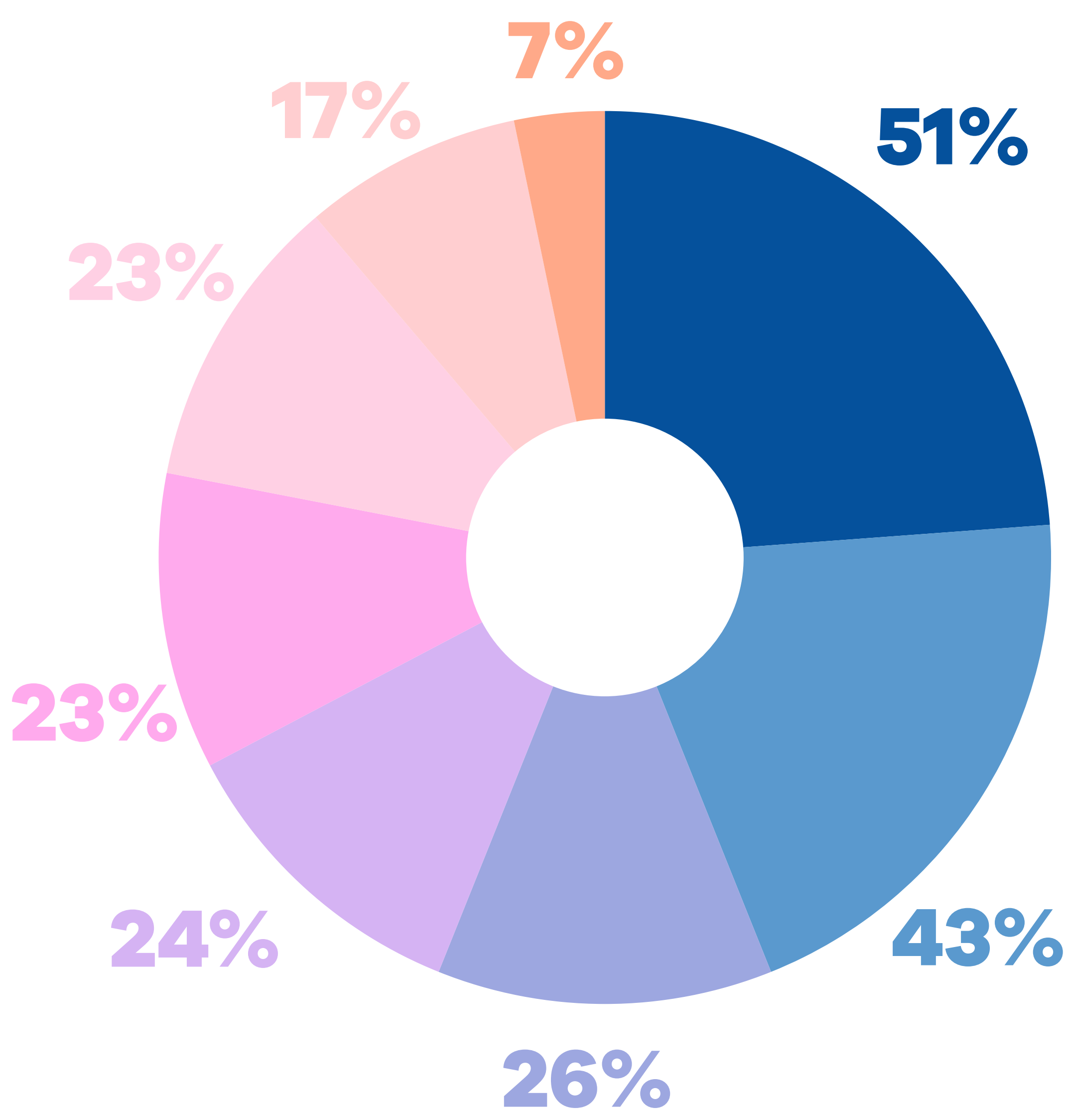
92%

of the companies are satisfied with their set up in the Tangier-Tetouan-Al Hoceima region



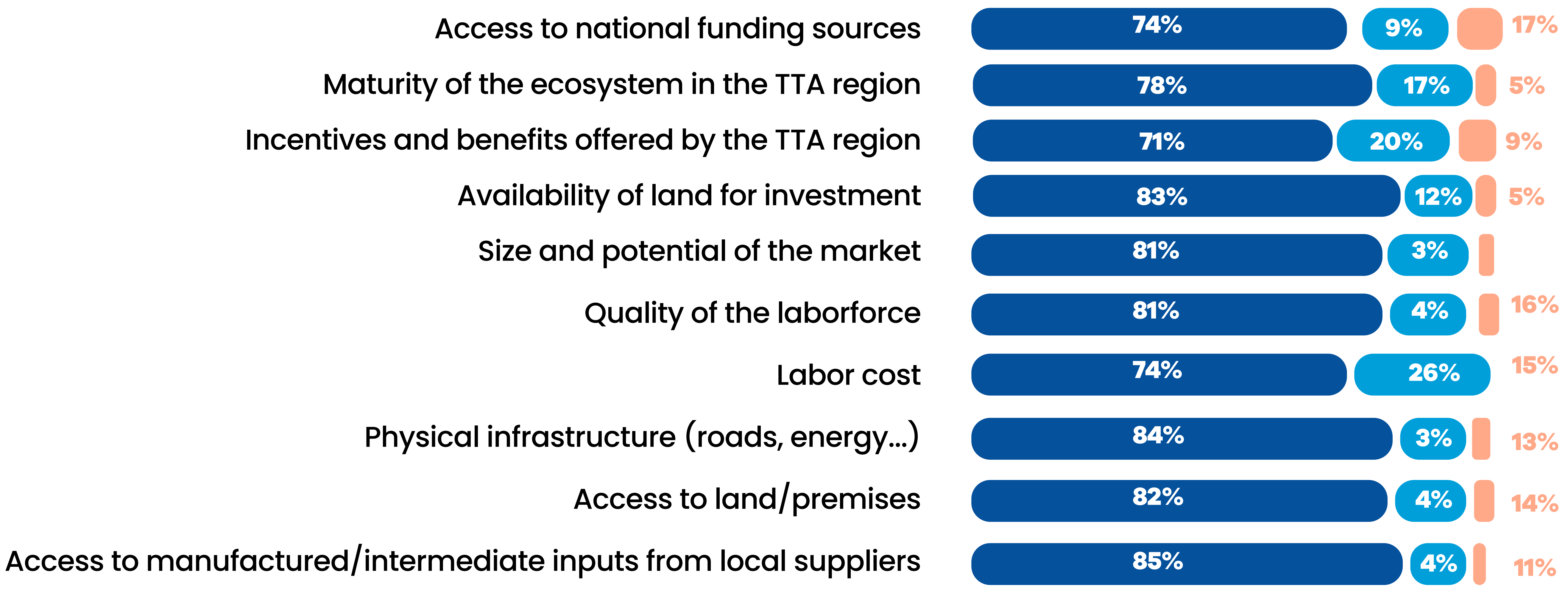
Reasons for business set up in the region

1. Geographical Location and Ecosystem Maturity

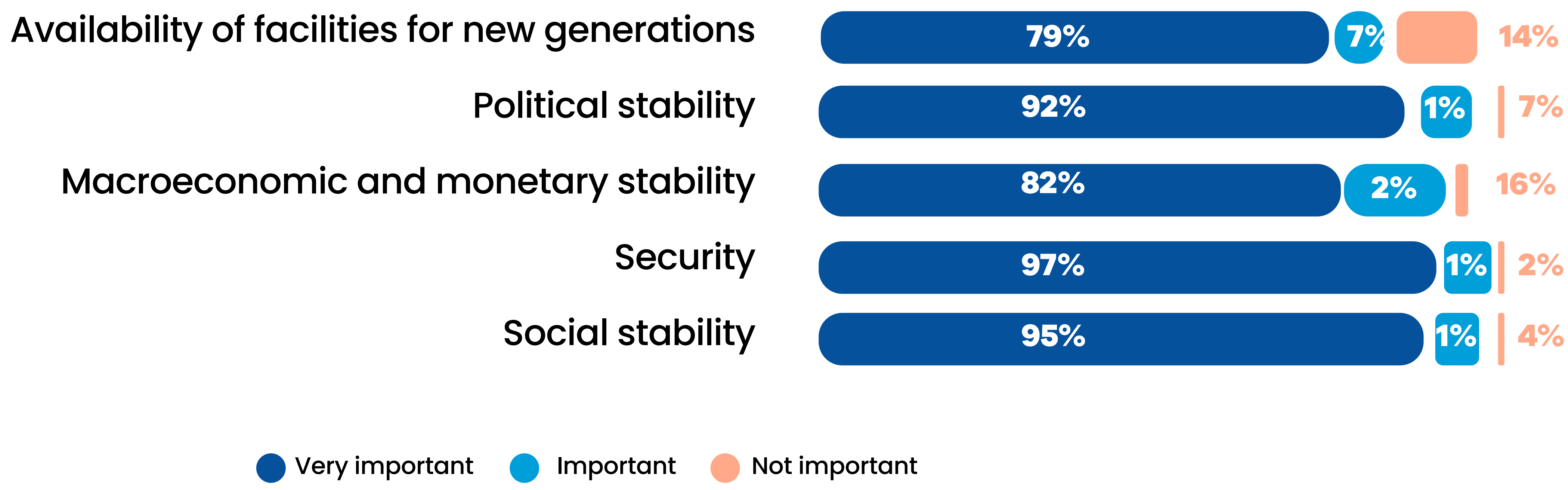


- I am native to the region
- Proximity to European markets
- Access to specific raw materials/resources
- Available skilled labor force
- Network of potential companies or partner
- Opportunity for local market growth
- Modern transportation infrastructure (ports, airports...)
- Attractive tax incentives

2. Economy / cost



3. Business Environment



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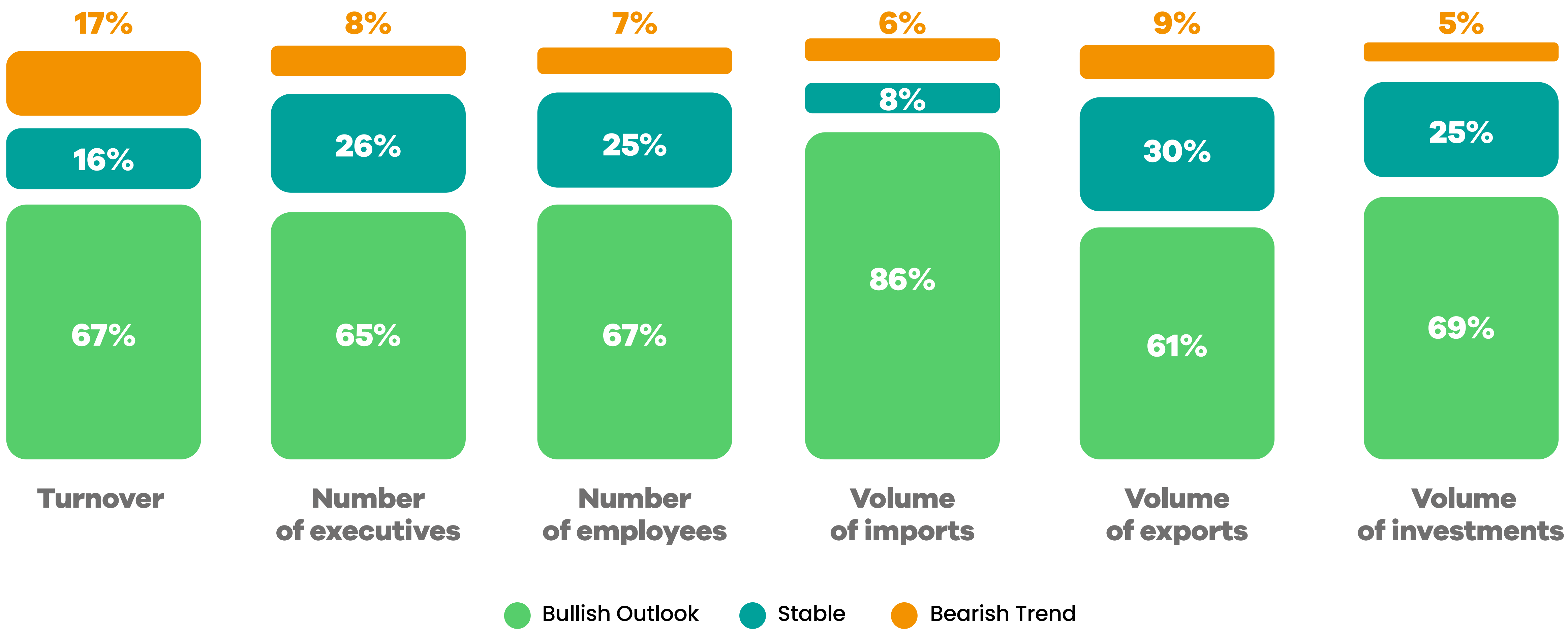
Trends and Growth Prospects of Businesses in the Region

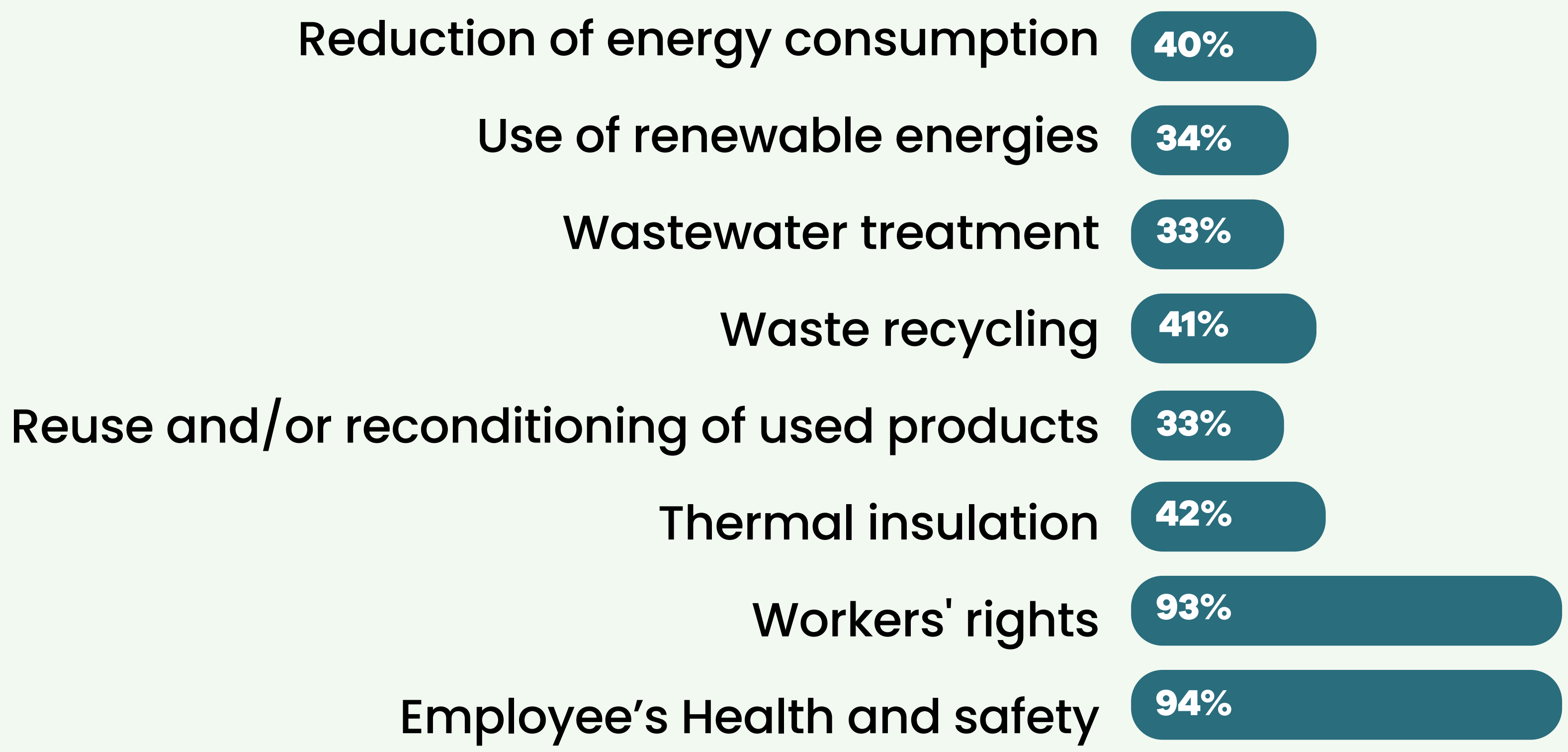
82% of surveyed consider the current situation of their companies satisfactory

...with optimistic growth prospects at all levels.



Sustainable Development & Social Initiatives

More than 9 out of 10 companies have taken corporate social responsibility initiatives. However, less than 40% have taken initiatives in terms of sustainable development.



AXIS 2

LEVEL OF SATISFACTION AND INTERACTION REGARDING THE SERVICES PROVIDED BY CRI TTA

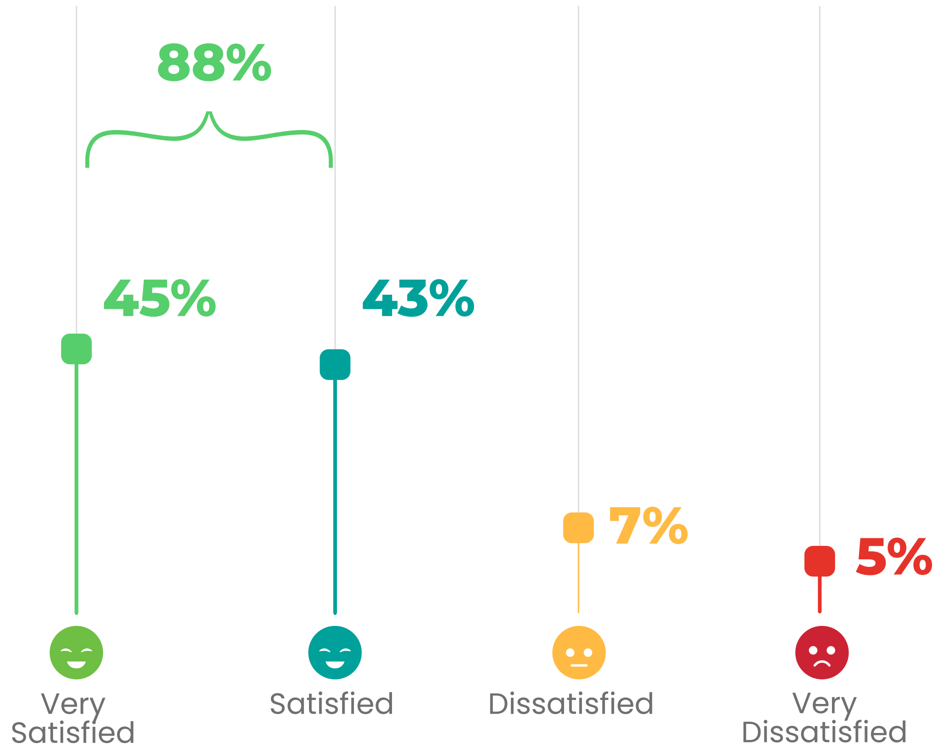
Overall satisfaction level regarding the experience with the CRI

90% of companies revealed being satisfied with their relationship with CRI TTA

1. Acts related to urban planning permits & licences

88%

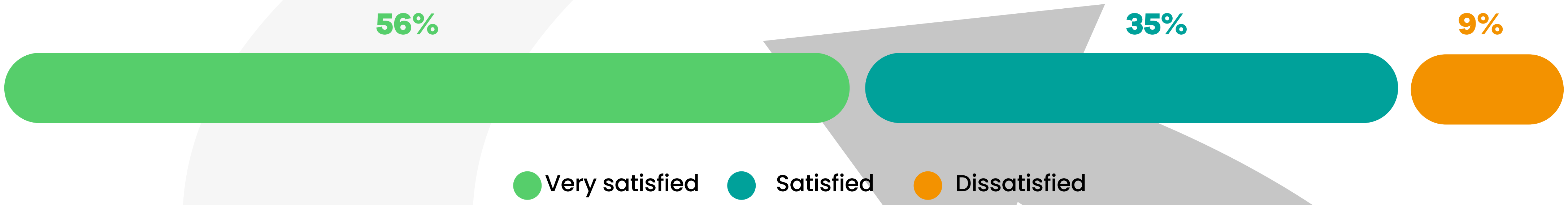
of companies report being satisfied with the procedure regarding urban planning permit requests.



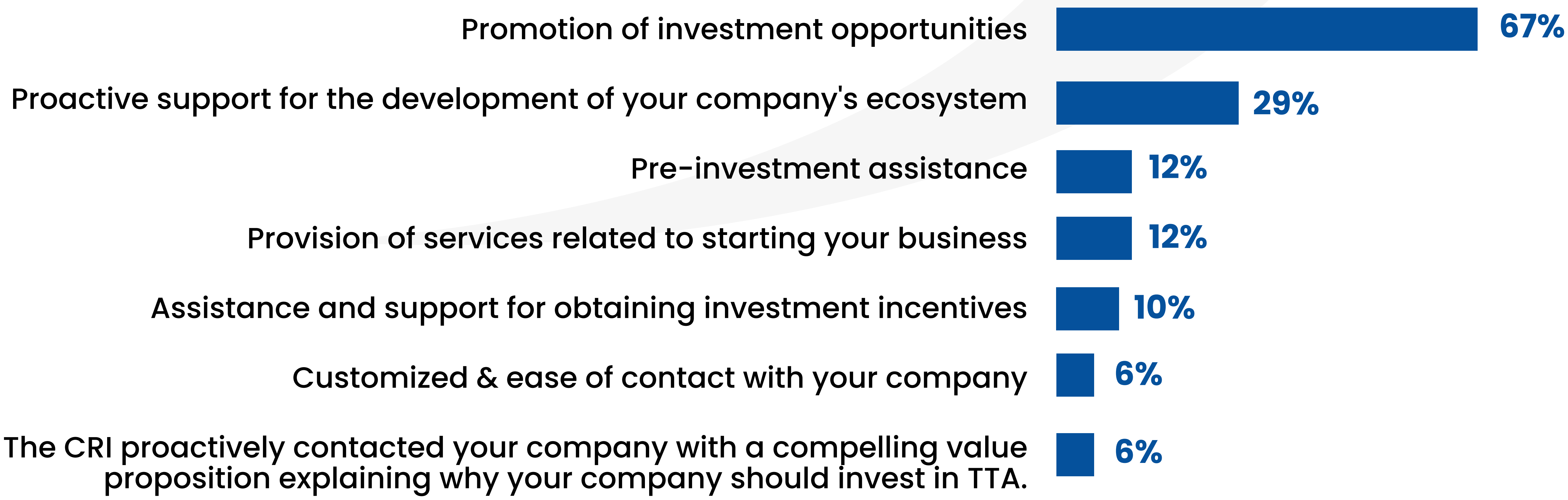
2. Pre-Investment Support

91%

of the surveyed stated they are satisfied with the support provided by the CRI



Main Support axis Perceived by Investors



3. Environmental Impact Assessment

100%

All companies stated that they were satisfied with the environmental impact assessment procedure.

4. Access to Land

80% of the companies reported being very satisfied with the CRI's support in accessing land.

5. Incentives/Subsidies

100% All companies surveyed on this aspect confirmed being very satisfied with the assistance of CRI TTA in accessing state incentives and subsidies related to investment.

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As part of the main support mechanism provided for in the framework law 03-22 forming the Investment Charter

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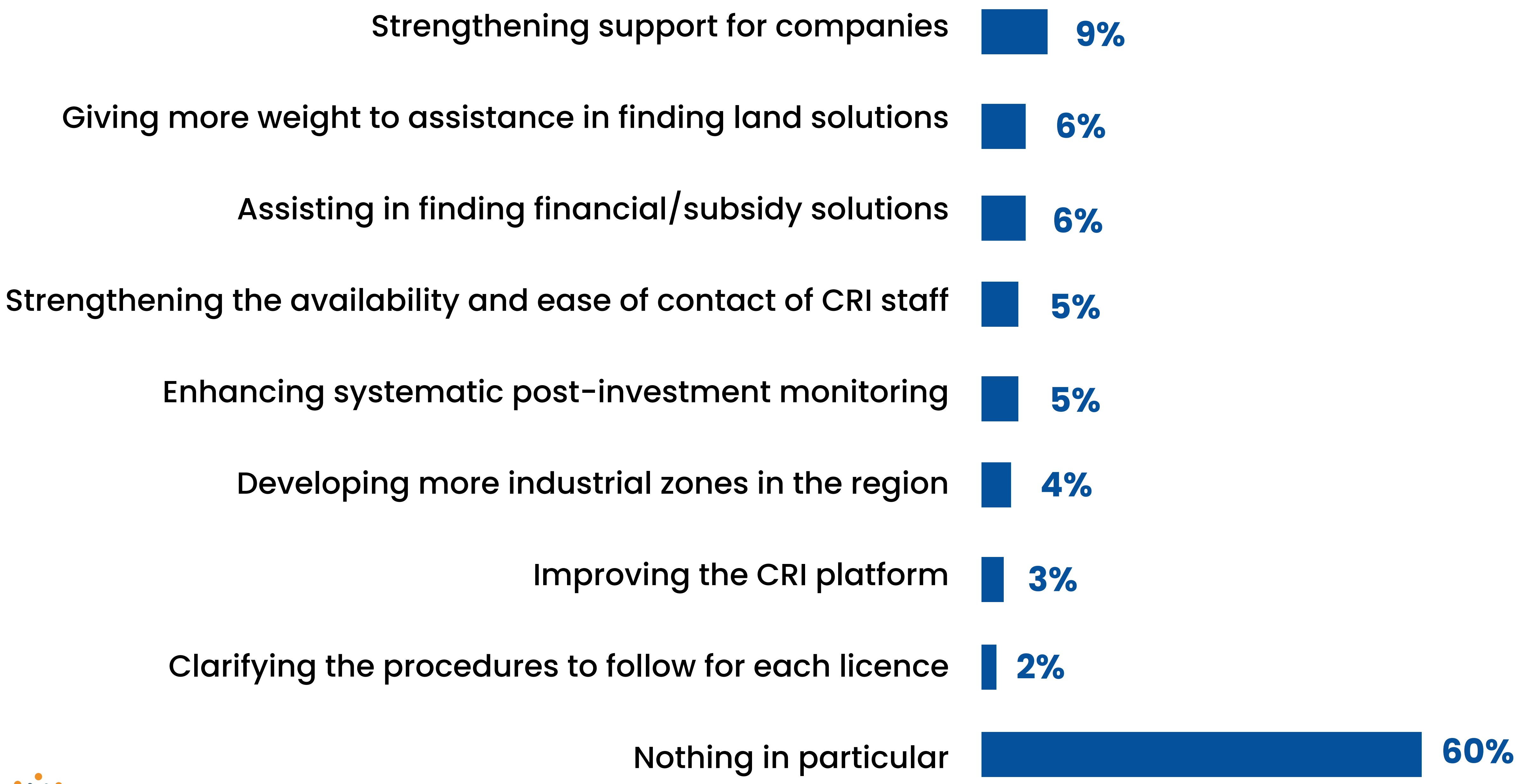
6. Expectations Regarding the CRI



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AXIS 3

STAKEHOLDERS' PERSPECTIVE OF THE BUSINESS CLIMATE

PERCEPTION OF THE BUSINESS CLIMATE IN THE TTA REGION

1. Perception of Efforts Made to Attract Foreign Direct Investment (FDI)

94% respondents consider the policies implemented by regional actors to improve the attractiveness of the TTA region effective and relevant.

2. Perception of the Effectiveness of State Efforts to Improve the Attractiveness of the Region

Legal and fiscal framework

Secure and attractive legal framework;

Specific tax regimes

Support & incentives

Support and training

Grants, funds, incentives, & assistance

Reception and logistics infrastructure

Ports

Highways

Airports

Economic and industrial activity zones

Training and HR

Universities
OFPPT
ANAPEC
Cities of Trades and Skills
Private educational institutions

3. Main improvement areas to activate to further enhance the business climate of the region and attract more FDI

Administrative

Continuing the simplification of administrative procedures, especially those related to urban planning authorizations. Continuing the dematerialization of procedures. Urban planning that is more favorable to investment.

Communication

Mobilizing more resources for the promotion of territorial offerings at regional, national, and international levels.

Logistics

Strengthening the supply of land for industrial, tourism, and economic use, especially in Tangier. Improving mobility and traffic management. Reducing logistics costs (road, maritime transport, etc.)

Support

Consolidation & convergence of programs supporting young entrepreneurs.

Training & HR

Strengthening the offer of professional training. Implementation of an incentive framework for research and development.

PERFORMANCE IN TERMS OF ENVIRONMENT AND ENERGY EFFICIENCY

All stakeholders surveyed are aware of the major issue represented by environmental protection and the new constraints of international markets. However, except for multinational companies which are somewhat more committed in this regard, a number of constraints still prevent the adoption of these practices by all companies.

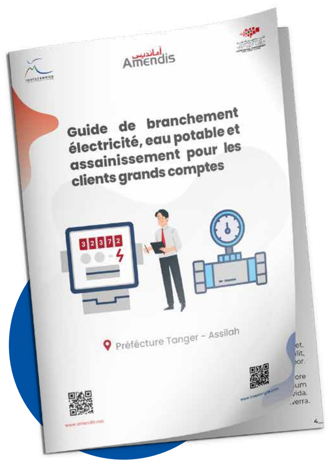
Insufficiency of resources

Absence of an effective support system

Absence of a proactive approach to implementing environmental policies

Insufficiency of environmental control mechanisms

Lack of environmental awareness



Electricity, drinking water, and sanitation connection guide for large clients

PERCEPTION OF THE RELATIONSHIP WITH CRI TTA

100% All stakeholders interviewed maintain a very good and close relationship with CRI.

All stakeholders interviewed are aware of the crucial and central role of CRI in the development of investments in the region. The CRI is considered a pivot of local economic development, ensuring various tasks including territory promotion, investor support, and mediation between stakeholders.

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VARIOUS POINTS OF CONTACT WITH CRI TTA

Various points of contact between stakeholders and CRI TTA have been mentioned, involving information exchange, support for business creation, ongoing development projects, or on-site monitoring.

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Information sharing, promotion, and territorial planning
Sharing documentation, strategic planning, and implementation of national strategies at the regional level; workshops, business meetings, Doing Business events, trade shows, economic events, data exchange...

Business setup
Supporting investors during the process of creating their companies

Pre-investment project support
Guidance, advice, investor journey, and incentive mechanisms; Investment opportunities, financing needs, regulations...

Monitoring project progress on the ground
Support for investors, monitoring the progress of project valuation;
Monitoring investment agreements

The Unified Regional Investment Commission (CRUI)
Participates as a member of the commission for the examination and review of investment projects in the region

Summary

Business climate

The Tangier-Tetouan-Al Hoceima region is widely perceived as offering a very favorable business climate for investment, with potential mainly concentrated in industry, tourism, and agriculture.

The region strongly attracts FDI thanks to state efforts such as favorable taxation, as well as significant development of infrastructure and logistical and human resources, particularly in the industrial sector.

Environmental performance and trends

Despite a growing trend towards adopting ecological practices, the environmental issue is not yet considered a priority by businesses at the regional level. Many measures aimed at protecting the environment are implemented by various stakeholders, including managing household and industrial waste, wastewater management, developing renewable energies, and environmental impact studies (EIS). The transition to environmental practices for businesses is mainly hindered by financial challenges and a lack of awareness and/or support.

Relationship with the CRI

The relationship with the CRI is very positive for all stakeholders, who believe its role in investment development is major thanks to quality support services for project owners, leading to their final realization, making it a true one-stop shop for investment.

However, some areas for improvement have been mentioned, mainly concerning the multiplicity of actors in certain procedures and delays in issuing final acts related to urban planning permits, in order to strengthen the CRI's role as a one-stop shop and to continue the decentralization process of project authorization decision-making at the regional level.

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