



AUTOMOTIVE INDUSTRY

OCTOBER 2021



WHY INVEST IN MOROCCO'S AUTOMOTIVE INDUSTRY ?

A THRIVING AUTOMOTIVE CLUSTER...

- **1st** passenger car producer in Africa
- **2nd** 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

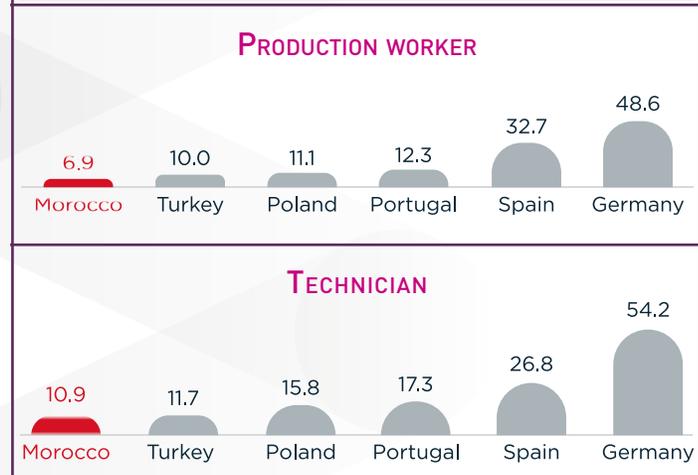


MULTIPLE ADVANTAGES OF THE MOROCCAN PLATFORM

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**

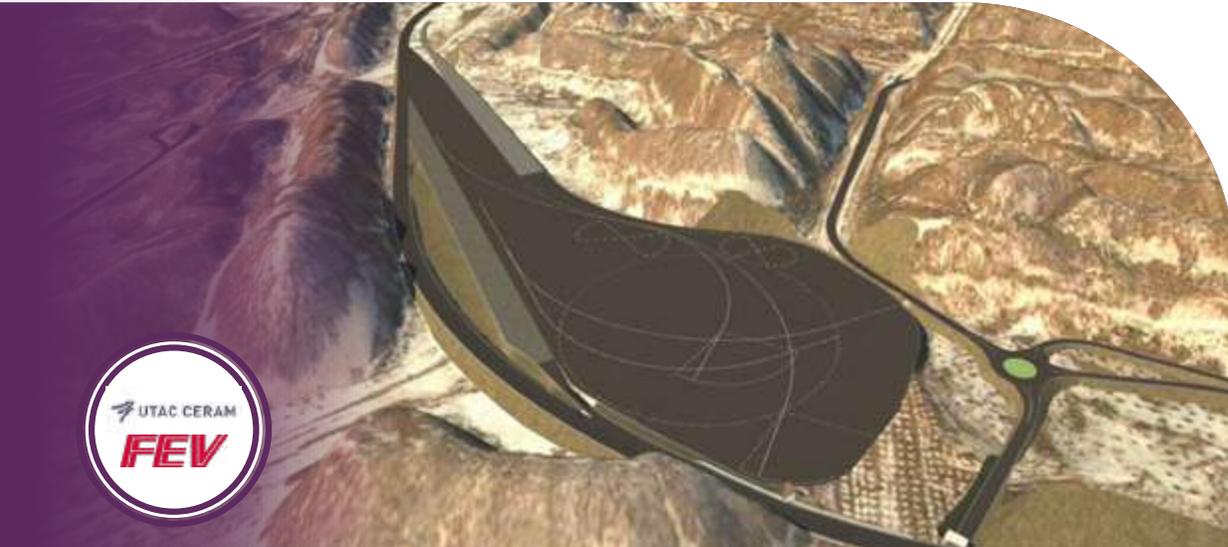
- **European Union** 
 - 18 400 new cars market
 - Free trade agreement
 - 1 day transportation
- **NAFTA** 
 - 20.300 new cars market
 - Free trade agreement with the US
 - 5 days transportation
- **Middle East - North Africa** 


 - FTAs with Turkey, UAE and Egypt
 - 1-3 days transportation
- **Western Africa** 
 - market with high growth potential
 - 1-3 days transportation

INFRASTRUCTURE



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
(1st fusion)



SCRAPS
METAL



ALUMINIUM
(2nd fusion)



FLOAT

> Raw material processors



Flat Steel



Long Steel



Bar Turning



Pipes



Fondry



Stamping



Injection



Blow Molding



Technical
Painting



Chrome Plating



Fixings



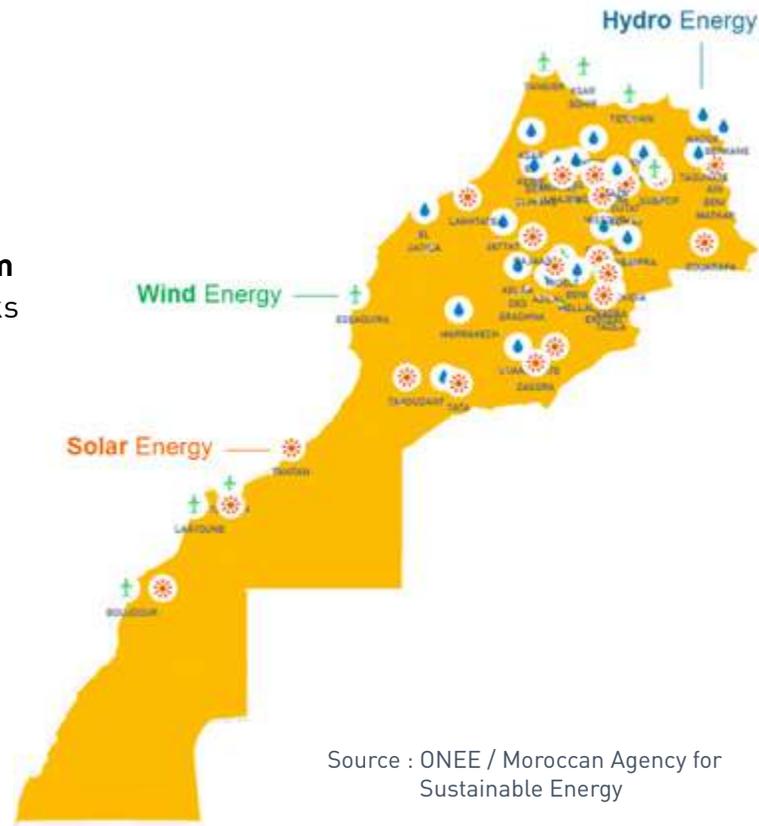
New commodities to be developed to improve the local integration rate from

60% to 80%



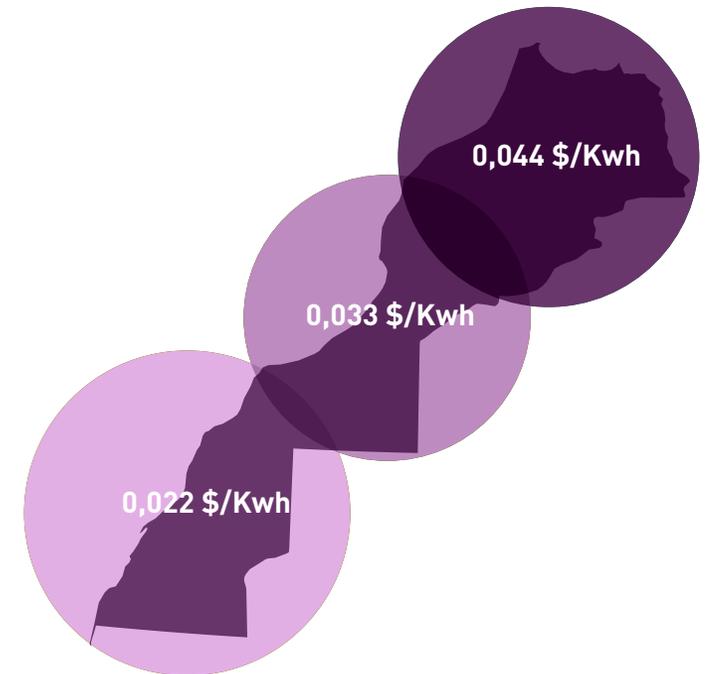
CARBON FREE ZONES AND HIGHLY COMPETITIVE RENEWABLE ENERGY

Morocco's Renewable Energy Projects Map



Source : ONEE / Moroccan Agency for Sustainable Energy

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

MOROCCO



INVEST AND EXPORT