
IBRD/IDA Operations

Introduction

A decade ago, Morocco initiated a sweeping program of macroeconomic stabilization and structural adjustments, which has led to very high Gross National Product (GNP) growth since the start of the 1990's. The Moroccan authorities have made considerable efforts to accelerate the privatization process, and have been punctual in honouring post-rescheduling debt obligations. The increased confidence of the international financial community and the rapid increase of direct foreign investment in Morocco are testimony to the success of these measures. Morocco shows every sign of continuing its path towards economic prosperity.

With all these reforms taking hold, Morocco now finds itself well positioned to commence the next phase of its economic development. The stage is now set for the country to improve the standard of living of its citizens and to reduce poverty. Reforms are necessary to remove market distortions and increase Morocco's overall efficiency. This in turn will pave the way for sustained, private sector-led growth. Ultimately, this economic growth will enable the country to achieve poverty reduction and human resource development, two areas in which Morocco lags considerably behind similar countries.

As the country pursues its reforms, it is fortunate enough to do so against a backdrop of political stability and a public understanding of the importance of these measures. Morocco is poised to continue its strides towards a liberalized economy and enhanced development.

Country Assistance Strategy

The World Bank's strategy for Morocco will closely mirror the objectives of the Moroccan government, and is based upon six pillars.

(1) Reforming and adjusting consolidation

If Morocco is to compete with other dynamic countries, it will need to consolidate macroeconomic balances and accelerate the pace of its incentive and structural reforms. More particularly, Morocco will have to heighten its efforts to balance its deficit, to bring its taxation system in line with