

Venture Capital

# Opportunities in Morocco

**M**orocco's business culture has changed dramatically over the past decade. Old connections and networks no longer exist and a new generation of Moroccan investment operators are approaching business development in ways that are more in tune with international practices. This new open-minded attitude embraces the services of foreign shareholders to start up or develop business in a number of emerging sectors. Venture capital in Morocco is now seen as the key to driving growth in its changing economy, one that is confronted daily by globalization and the opening up of its markets to the world.

For Morocco, the real value of this financial sector lies in its network of links with local industry and in its ability to accurately assess the value of projects which fall outside the traditional sectors favored by banks. This network can provide valuable information for Canadian companies investigating the Moroccan investment market or scouting for partners.

## A brief history of banking in Morocco

A decade ago the banking environment in Morocco was stable and very protected, operating within a patchwork, outmoded regulatory framework. In recent years however, globalization, the technological revolution and deregulation have led to profound changes.

Morocco's 24 banks have responded by diversifying their products and refocusing on new sectors. All the credit institutions have created their own mutual funds, open-ended investment companies, open-end funds and insurance products, as well as diversifying their savings products and credit operations.

Of these banks, 18 are foreign-owned to some degree. Foreign investment in Moroccan banks is

set to increase because local banks will need more capital to finance their acquisitions and because the ongoing privatization of Moroccan banks will open up opportunities for foreign operators. La Caisse Desjardins du Quebec recently signed such an agreement with BCP, the Moroccan national bank, for the transfer of remittances of Moroccans residing in Canada.

## Venture capital in Morocco

Venture, or investment, capital is new to Morocco. However, this sector is now seeing a rise in demand for investment funds as well as the proliferation of specialized corporations, a response largely due to the requirement for capital by Moroccan companies seeking to modernize. Moroccan investment capital operators maintain a first-rate relational network with local industry and for this reason can provide valuable information on business opportunities as well as advice about penetrating the Moroccan market. It is therefore recommended that Canadian firms planning major projects in Morocco make use of their advice in this regard, especially if financial engineering is being considered locally.

## Top ten venture capital operators

- ASMA Invest
- Capital Finance
- CapitalInvest
- Casablanca Finance Group
- Faisal Finance Maroc
- (La) Financière Capitale
- Mediterranean Finance
- Moussahama
- Société maroco-émirienne de développement (SOMED)
- UPLINE INTERNATIONAL

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