

Summary

2007 Statistics

- Arrivals
- Overnight Stays
- Income Earned

Investments

Products

- Azur
- Extending Plan Azur
- Mada'In
- TH ODRT
- Biladi
- Niche & Rural

Promotion / Marketing

Air transport

Training

- Hotelier Human Resources contract main points 2008-2012

Responsible tourism

Vision 2020

Preface

The tourism sector is one of the most important investment vectors and job creation in our country. It also drives economic development which in turn directly contributes up to an 8% increase in the GDP and 12% directly and indirectly.

Many indicators points towards the fact that every hotel room added allows the creation of at least one permanent job and an additional distant related 4 jobs. This has been a challenge facing the current tourism industry in morocco.

This dynamic is enabled by the implementation of the vision 2020 strategy, initiated by **His majesty the king Mohamed VI** on January 10th 2001 in Marrakech.

The tourism sector has been benefiting of a well laid out plan over several years, offering a clearer vision to tourism operators and a slew of partners, and also engaging all parties involved around a well planned strategy.

The government has shown determination to give a continuous priority to this sector with support, structure and development.

If priority were given to the conception of a complete tourism offer the past few years, certain products such as (Plan Azur, Mada'In, Biladi, Niche & Rural), the stakes today would have been quality driven with an emphasis on customer service, hosting excellence as well as a focus on training. All in the goal of improving the tourism experience in Morocco as a whole.

Passage from the Royal Address at the 7th tourism round table held in Fes

It is not enough to implement modern infrastructures, no modern how modern they may be, to succeed in tourism development.....

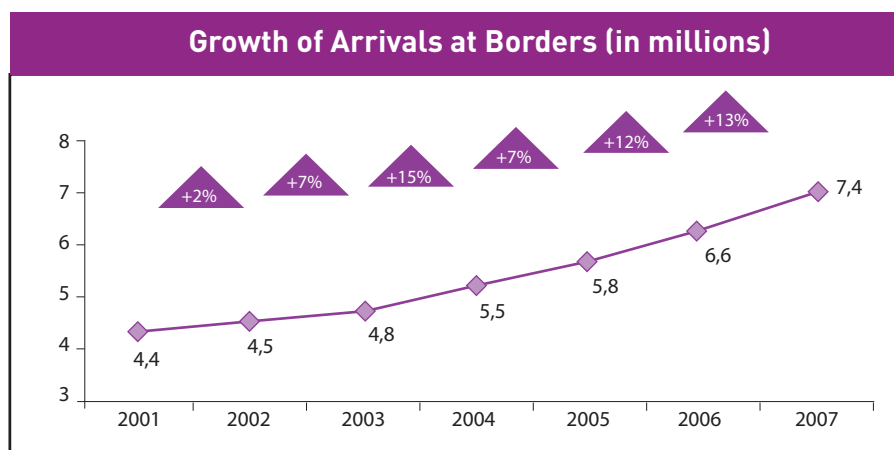
Eventually, the burden rests on the men and women who perform daily within the industry, by the quality of their job training as well as good human resources management.. It also rests on leadership quality within the industry by implementing detail oriented practices to answer to the market seeking tourism products in morocco

Besides the summary of the vision 2020, the 8th tourism round table will also tackle product quality through effective job training, effective human resources management and leadership management.

Touristic performances at the end of 2007

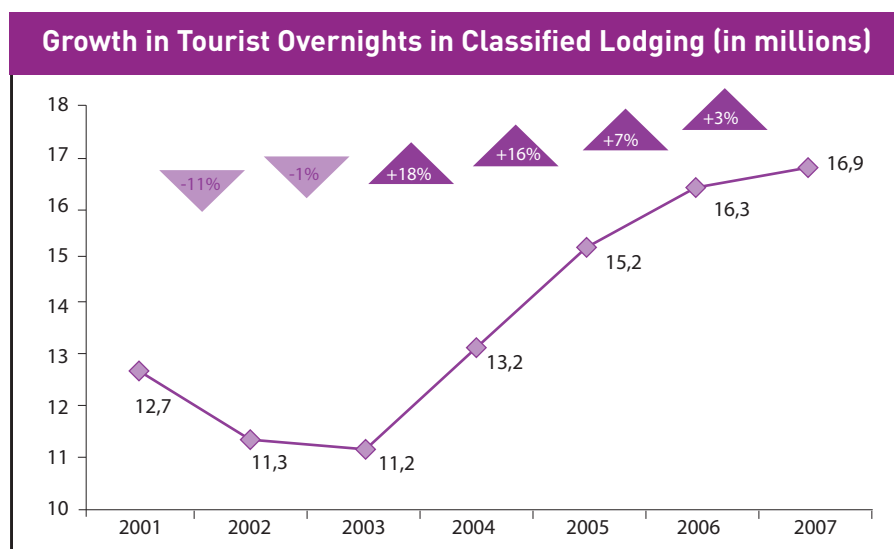
2007 Tourist Arrivals

7,4 millions tourists visited morocco in 2007 with an increase of 13% versus 2006 et + 69% versus 2001



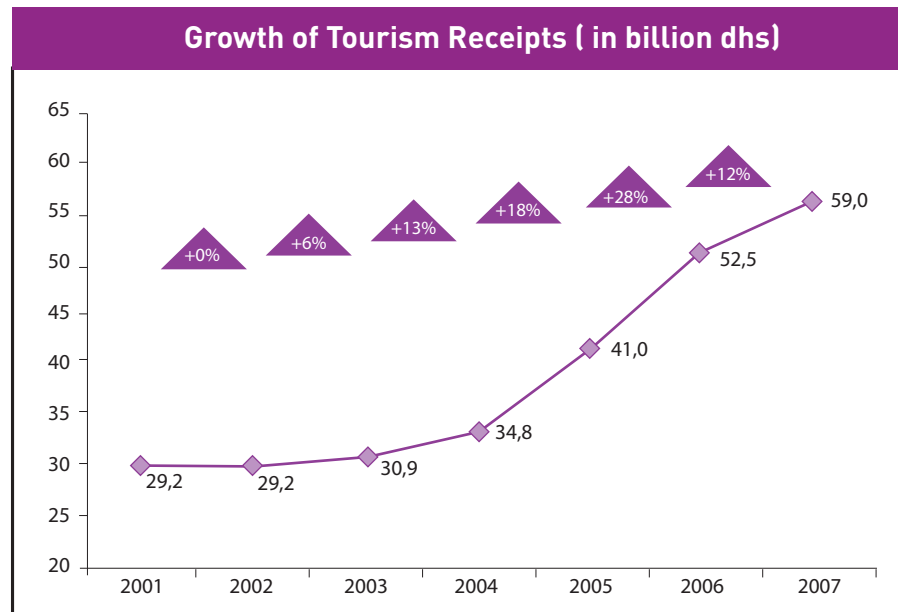
2007 Overnight Stays

The overnights volume realized at the end of 2007 in classified tourist housing establishments registered a growth of + 3% versus 2006: 16.9 million overnight stays and +33% versus 2001.



2007 Tourism Receipts

The statistics demonstrated a 12% growth with 59 billion of Dirhams.



Furthermore, bed capacity reached 143,000 beds in 2007 with +7% of growth versus 2006.

Investments

Morocco witnessed a surge in tourism investments in 2007. Vision 2010's initiative to offer investors a secure business environment in Morocco has attracted large international hotel chains such as Fairmont, Raffles, Marriott, Campbellgray, Intercontinental, Hyatt Park, Mandarin Oriental and Beachcomber.

The investment surge has added 23,000 beds to Morocco at international standards and represents a global investment of 26.7 billion Dhs.

For 2008 Morocco sees no end to the upward trend. In addition, new niche markets have emerged such as vacationing residential real estate, initiated by the European Union and the French group Pierre & Vacances.

In May 2008 Morocco enacted a new law concerning vacation residences to structure this new niche market and encourage the creation of new hosting products.

This law regulates the rights and obligations of different participants in the market: promoters, buyers and managers.

A new fiscal structure, proposed by the tourism department, will be enacted in the upcoming finance law of 2009.

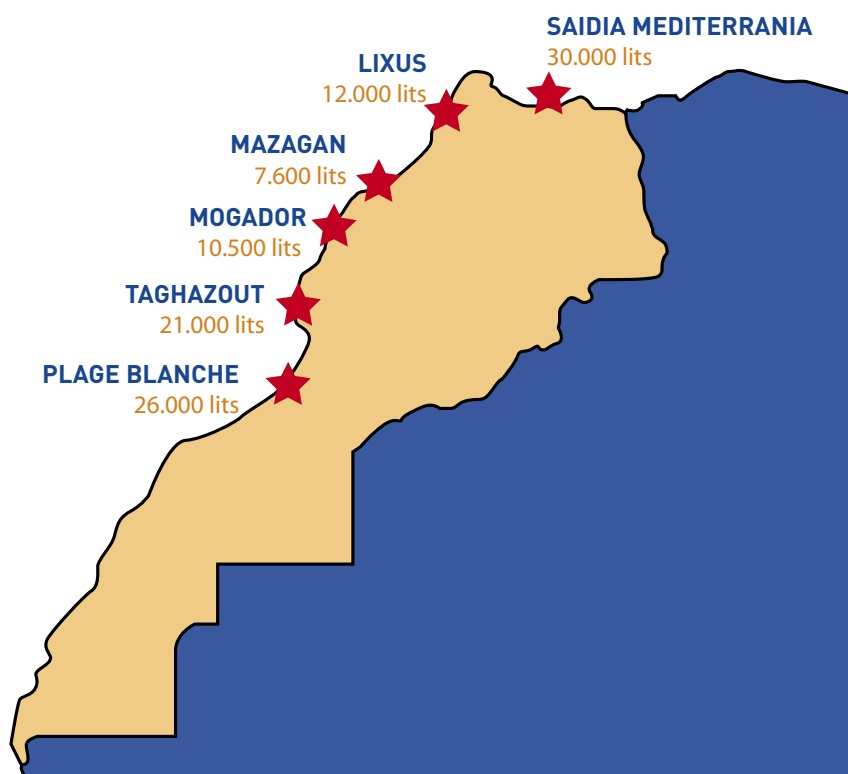
The product

Plan Azur

Morocco has developed a program, named Plan Azur, to create new resorts in its 6 priority regions: Saïdia (Oujda), Lixus (Larache), Mazagan (El Jadida), Mogador (Essaouira), Taghazout (Agadir) and Plage Blanche (Guelmim). This plan will add approximately 110,000 beds, of which 70,000 are expected to be completed by 2010.

Plan Azur's strategic approach is to create new generation resorts in a consistent manner throughout the targeted regions. It is Morocco's first plan to aggressively develop the room product to accommodate the expected surge in tourists. Experience from previous projects has helped shape the new plans. This includes not only general planning but also specific landmarks including construction deadlines.

All the seaside resorts planned within the Azur plan have been assigned to well-known conglomerates. Projects are progressing continuously including the last, "Plage Blanche," launched in September 2007.



Port Lixus

This site is located near the archeological site of a Phoenician city. Port Lixus. As a wellness, health and nature resort, it will offer guests a large array of amenities including wildlife and nature, fitness, golf, hunting, as well as horse riding to visit Lixus, Larache, etc.

Port Lixus	
Developer	Thomas & Piron / l'Atelier / Orco
Land size	461 Ha
Capacity	12,000 beds
Total investment	6 billion Dhs (535 million Euros)
Construction start date	February 2006
Initial Opening	2010
Completion	End of 2015

Mazagan

Mazagan resort is located 80 km south of Casablanca close to the largest international airport in Morocco.

The resort targets local and foreign tourists interested in water sports, recreation and fitness, offering them a plethora of amenities and incentives.

Mazagan	
Contractor	Resort Co
Developer	Kerzner/Istitmar/CDG/Somed/ MAMDA MCMA
Land size	504 Ha
Capacity	8.000 beds
Total investment	6,3 bilion Dhs (562 million Euros)
Construction start date	2007
Initial opening	2009
Completion	2018

Essaouira Mogador

Essaouira – rich heritage and land of art and sports – completes Morocco’s golden tourism triangle along with Marrakech and Agadir. Located near the international airport of Essaouira, the new Mogador resort will offer an exotic destination that provides both comfort and high-end services.

Mogador	
Developer	Thomas & Piron / Accor/ Colbert Orco
Land Size	580 Ha
Capacity	10,500 Lits
Total investment	6.8 Milliards Dhs (606 million Euros)
Construction start date	2006
Initial opening	2010
Completion	2012

Taghazout

Taghazout is located 15km north of Agadir, a major beach destination in Morocco. Visitors can get there via the al Massira international airport of Agadir about 40km from Taghazout.

Taghazout targets a high-end clientele, offering authentic interior design along with a great beach and Atlas Mountain views.

Taghazout	
Developer	Taghazout Resort
Investors	Colony Capital / Satocan / Lopesan
Land Size	620 Ha
Capacity	21,000 beds
Total investment	20 billion Dhs (1.78 billion Euros)
Project start date	January 2007
Initial opening	2010
Completion	End of 2016

Plage Blanche

Plage Blanche is located 250 km south of Agadir, in the midst of sand dunes. It is close to Guelmim and its airport. An ecological park of 250km², 42 km from the beach, is a major attraction for this resort.

Plage Blanche	
Contractor	FADESA
Land size	695 Ha
Capacity	30,000 beds
Total investment	10 billion Dhs (892 million Euros)
Construction start date	2008
Initial opening	2012
Completion	End of 2016

Saïdia Mediterrania

This is considered a new generation beach resort facing the Mediterranean. Saïdia Mediterrania is 40 km from Saïdia and less than a 40-minute drive from the Oujda international airport. It is a 2-hour flight from major European capitals.

This resort will offer entertainment, golf, water sports, a private marina and tours to the outback.

Saïdia Mediterrania	
Contractor	FADESA
Land size	713 Ha
Capacity	17,000 beds
Total investment	12 billion Dhs (1.07 billion Euros)
Construction start date	April 2004
Initial opening	2009
completion	2009

Extending Plan Azur

The success of PLAN AZUR and investor confidence in Vision 2010 have led the way to the planning of new resorts, called "Azur Extension."

Oued Chbika

Located 50 km southwest of Tantan where the Chbika River meets the ocean, it is a remarkable site with great beaches and fine sand dunes.

The renovation of the site was signed in September 2007 under the presidency of His Majesty the King Mohamed VI.

Oued Chbika	
Contractor	ORASCOM
Land size	1,500 Ha
capacity	10,000 beds
Investment	6 billion Dhs (524 million Euros)

Cala Iris

Located on the north east coast of Morocco on the Mediterranean coast, this site is 84 km away from Al Hoceima. It offers magnificent views of seashore and sandy beaches.

Besides Oued Chboka, Carla Iris has attracted the interest of investors on a large scale. The agreement to develop this zone will be signed in 2008 with the contractor selected from a public bidding offer process: the consortium CDG Développement / Palmeraie Développement / BMCE Group.

Cala Iris	
Contractor	CDG Développement / Palmeraie Développement / BMCE Group
Land size	339 Ha
capacity	7,100 Beds
Global investment	6 billion Dhs (524 million Euros)

Tamuda Bay

Tamuda Bay is a new beach resort on the Mediterranean with a mix of calm beaches, an Andalusian lifestyle and the natural beauty of the Rif Mountains. It will add more than 5,000 beds to this Mediterranean region.

Urban and cultural tourism: Plan Mada'in

In addition to all the previous plans mentioned, Vision 2010 also enforces product offerings based on existing tourism establishments. This plan targets cultural destinations such as Fez, Marrakech, Ouarzazate and Casablanca, as well as coastal resorts Tangier, Tetouan and Agadir with tourist regional development plans.

These programs cover more than 10 years, and outline specific goals for each destination in terms of capacity and overnight stays as well as appropriate public and private funding. This plan forecasts the creation of more than 75,000 new beds.

PDRT for different Destinations

Besides Fez and Casablanca's PDRT's, which were signed respectively in 2005 and 2006, Agadir's PDRT was signed in 2007.

Fez: Culture and authenticity

The 2005 PDRT positions the city as a city break based around the concept of "Living Museum of the Millennium" – an authentic cross-cultural and spiritual destination.

The action plan forecasts an increase of total capacity within and outside the city to triple from 602,000 stays to over 1,880,000 predicted for 2015.

Current capacity will increase from 5,880 beds to 10,400 by 2015 creating 13,500 permanent jobs.

City plans to upgrade historical neighborhoods have been completed. Current projects are in place for the Medressas of Attarine and Cherratine, within the development plan of the historical medina.

Casablanca: business and leisure

The PDRT signed in 2006 defines Casablanca as a great business destination suitable, with some reconfiguration, for urban short breaks .

By 2012 it will be a multi-purpose destination with a new cruise port, for business or pleasure alone or a combination of both. The PDRT will also offer a varied range of hotel choices for conventions and tradeshow.

The PDRT foresees an increase from 1.2 million nights to 3 million by 2012, from 10,850 beds to 20,000 by 2012m creating 30,000 new jobs.

IBIS and Novotel hotels are already open under the project Casa City Center and a third, Sofitel, is in construction with a capacity of 15,000 beds. The Casablanca Marina will begin construction in 2009, and the crafts center in the Hassan II Mosque will be completed by September 2008.

Agadir: Future Beach Resort

The PDRT signed in 2007 positions Agadir as the next major beach destination, with modern infrastructure, world class beaches and a rich landscape offering diverse activities from sports and leisure to health and wellness services.

It is predicted that the capacity will increase to 1,200,000 in 2015 from an initial 5000000 adding 26,660 beds to reach 60,000 by 2015. This doesn't make sense. How can something increase downward from a higher figure?

The global initiative for Agadir requires 37 billion dh in new investment. For Agadir, in the ambition to grow the seashore hotel capacity, two hotels are already operational with a capacity of 1,350 beds. In addition three five-star hotels will open in 2008 and 2009 with a total capacity of 1,680 beds. Within the same initiative, the marina project has been inaugurated in 2007 including a commercial zone of over 137 suites expanding over 8500m², a mall of 25000m², a movie theatre and a nightclub. The coastline project is in its final phases.

New tourist zone of Ouarzazate: Mansour Lake City

The tourism development plan for Ouarzazate Zagora has been initiated under the signature of his majesty the King Mohamed VI, with a total size of 374 Ha allocated to the Palmeraie consortium, Thomas & Piron and BMCE Bank.

The project Mansour Lake City will create 8 high end theme hotels with a total capacity of 3,652 beds, an 18 hole golf course, a convention center, a water park, water activities, media city, as well as restaurants and shops. It will also house residential villas with a capacity of 8,444 beds, of which 2,030 under hotel management with a private investment of 5.4 billion dhs, creating 2,000 jobs.

The Biladi Plan

Vision 2010 also targets internal tourism development with the creation of 8 new tourist zones with attractive prices for national tourists. Each station requires a range of investment between 250 et 450 million dirhams and will create 200 to 500 new jobs with the addition of 2000 to 5000 beds between residences and camping grounds. Three zones have been allocated to developers such as Imi Ouaddar à Agadir (CGI), Sidi Abed à El Jadida et Ifrane (CMKD).

In Ifrane, Biladi Plan will develop over 30 hectares with an investment of 350 MDH, creating 5800 beds under His Majesty Mohamed VI.

Close to El Jadida, the Sidi Abed resort will be developed under 40 hectares with a capacity of 4500 beds and an investment of 450 MDH.

North of Agadir, Imi Ouaddar will be developed over 36 hectares on the coast with a capacity of 5500 beds and an investment of 400 MDH.

The renovation agreement of Imi Ouaddar and Sidi Abed was signed respectively in May and June 2008 in the presence of the prime minister.

The Niche & Rural Plan

Vision 2010 also targets rural and niche areas to balance the global development initiative and create dynamic enrichment around all tourism products at a regional level, partnering ministerial departments, elected officials and professionals.

Development of Niche Tourism Products

Many sectors have been identified: water sports, hunting and game, amateur fishing, skydiving, as well as plans to develop proper infrastructure and good branding.

Rural Tourism through “Tourist Welcome Zones”

The strategy for developing rural tourism is based on the concept of “Tourist Welcome Zones” with a “Window on the Country” in the county seats and elements of welcome including information, lodging (B&Bs, inns and camping), organized activities (festivals, crafts, etc.), tourist circuits, environment and historic buildings, gastronomic products, promotion and marketing, training, etc.

Thus, a series of TWZ has been created across several regions of the Kingdom, notably Azilal, Chefchaouen, Ifrane and Imouzzar Ida Outanane. Under niche tourism, three new agreements have been signed for the development of cruise business in the ports of Safi, Agadir and Casablanca. Safi was the last to be signed, in May 2007.

Three partnership agreements were signed in April 2008 covering the “Desert and Oasis” TWZ of Errachidia, Ouarzazate and Zagora for several projects in restructuring and developing tourism with a budget of 120 million dh over four years.

Promotion

The Moroccan National Tourist Office is the image promoter of Morocco. Its main objective is to identify the main source markets to better understand the profile and the consumer buying process in targeting the growth of Morocco's worldwide tourism market share.

The worldwide tourism sector underwent major changes in 2007:

- Tour operator mergers and restructuring
- Emergence of low cost carriers
- Internet development as an information and distribution channel, emergence of new destinations,
- Restructuring of travel agencies.

The Moroccan National Tourist Office is addressing these changes with the following strategies:

- Visitor segmentation
- Conquest of new markets,
- Branding approach,
- Multichannel distribution
- Enhancement of loyalty and positive visitor experience, the main priority for the coming years

Since 2004, the MNTTO has conducted a study of the top four markets (Germany, England, Italy and Spain) aiming to outline the profile and behavior of incoming clients from these markets

In 2007, the MNTTO launched a study of additional markets, i.e., France, Belgium and Holland, to:

- Identify major tourism trends and their impact on Morocco as a tourist destination
- Split up these markets into operational segments
- Obtain a real and complete image of distribution over the seven markets

This research has yielded interesting results about European market segments. Seven segments were identified and targeted for triennial marketing plans to increase the Moroccan market share. In parallel, the MNT0 focused 3 main workshops:

Product :

- Launch of new cultural destinations through new point to point air connections (Fez in Spain, Ouarzazate in France and in Belgium);
- Preparation of new seaside resorts (Tetouan et Saïdia);

Distribution :

- Presence reinforcement of the distribution in Italy, Netherlands and Germany
- Presence reinforcement in virtual TO through Expedia and Last minute
- E-learning program reinforcement over the travel agencies

Markets :

- Conquest of Russia and Poland
- Presence enhancement in USA and Middle East
- Preparation of potential new markets such as Japan and China

The MNT0 has also adopted a new, targeted communications approach using mass media, TV shows, events, public relation and newspapers to promote and enhance vectors of the Moroccan image

Air transport

The aviation industry registered some important statistics in 2007.

Marking a historic milestone, the 10- million passenger mark was reached in 2007, less than 4 years following the 5.2 million passengers registered in 2003.

Along with the 17% increase in air traffic that Morocco registered in 2007, worldwide traffic set a new record.

In Morocco, more than 150 domestic daily flights were added in 2007, boosting increases at local airports:

- Casablanca : +17 % (from 2.6 to 4.9 million pax) ;
- Marrakech : +27% (from 1.1 to 2.8 million pax) ;
- Agadir : +13% (from 0.7 to 1.1 million pax) ;
- Fes : +44% (from 0.06 to 0.26 million pax) ;
- Tangier : +13% (from 0.17 to 0.29 million pax) ;
- Oujda : +16% (from 0.13 to 0.24 million pax).

This trend continues with an 18% increase in March.

Foreign carriers operating in Morocco have increased from 22 in 2003 to 44.

Atlas-Blue and Jet4you, the Moroccan low cost carriers launched respectively in 2004 and 2006, have increased their service at the same rate.

Jet4you started with 1 aircraft and now has 5 in service since May. In 2007, Jet4you flew more than 500,000 passengers.

Atlas-blue started with 6 aircraft and is currently operating with 11 aircraft focused mainly on Marrakech. It carried more than 1.3 million passengers in 2007.

RAM and Atlas-Blue have seen a combined yearly average increase of 18% from 4.2 million passengers in 2003 to 8.1 in 2007.

These results confirm the success of the strategy of the Open Sky initiative enacted by the EU-headed equipment and transport ministry in 2004, which was signed in December 2006. However, these results would not have been as impressive if it were not for Vision 2010.

Both the dynamics of tourism promotion in Morocco and the efforts by the ONDA via infrastructure improvement of national airports have increased air travel efficiency. RAM in particular has benefited from these factors, and thus has made a positive contribution to the overall progress of national air travel and tourism growth.

Present efforts by all national tour operators and airlines will continue to play a major role in the development of Morocco's tourism

Training

Many structural projects have been initiated to accommodate the soaring expansion of the tourism sector from the perspectives of quality and quantity.

Quantity: the sector's hosting capacity has been significantly optimized between 2001 and 2008.

- **Professional Training** : Efforts have allowed a 200% increase in trainees
- **Management Training** : L'Institut Supérieur International du Tourisme (ISIT) in Tangier, the major training platform for tourism professionals, has expanded to absorb an additional 33% in new enrollments between 2001 and 2008, with a 25% increase in graduations.

From a quality perspective, many initiatives have been launched:

- Re-engineering of training programs to match current practice.
- ISIT has established new middle management training modules to address new training challenges for the schoolyear 08-09. These modules will affect hotel and food operational management and tourism management.

Finally, a hospitality human resources agreement formalizing a shared global strategy to go in parallel with job creation for 2008-2012 has been initiated.

Based on recent investment in the tourism sector, the need for nearly 62,000 graduates has been projected.

While the global initiative will fulfill the overall demand, local initiatives need to be enacted to fulfill niche market segments.

Hotel sector human resources contracts were enacted by :

- Tourism department (TD)
- Department of Professional Training (DRT)
- Professional training & Employment Promotion Office (PTEPO)
- Postgraduate Educational Department (PED)
- National Agency for the promotion of Skills and Employment (NAPSE)
- City Halls of Marrakech Tensift Al Haouz, Tangiers-Tetouan, Oriental Region and Souss Massa Draa
- National Tourism Federation (NTF)

Based on a collaborative effort, this initiative will affect the hotel sector initially but will expand to other tourism activities.

These initiatives will be focused on 4 critical regions on the short term: Marrakech Tensift El Haouz, Tanger-Tétouan, l'Oriental and Souss Massa Draa.

The initiatives also affect:

- Engaging all the enacted initiatives around one common objective
- Structuring all parties logistically
- Creation of a follow up structure and quality control

Major efforts can be the following:

→ **Scope wise :**

- Optimization of training capacity
- Regional targeted training by sector

→ **Quality wise :**

- Enactment of new management capabilities
- Involving professionals in pilot training programs
- Reinforcement of communication modules related to attitudes and behaviors and the use of the new communication techniques.
- Establish a training program targeting trainers and coaches considering attractive incentives for them.
- The development of employee training in middle and top management

→ **Reinforcement of sector attractiveness**

- Development of a HR quality chart
- Development of competencies by training categories
- Communications targeting young employees about career perspectives.

Responsible Tourism

With sustainable development playing a vital role in international public and private sector strategies as well as client expectations, Morocco is giving increasing attention to the subject in its own tourism development strategy. Thus at the end of 2006, several public and private sector partners were enrolled in Moroccan Committee for Responsible Tourism.

The Moroccan Committee for Responsible Tourism

The MCRT, operating within the Tourism Observatory, monitors tourism development strategy to ensure that it reconciles ecology as well as economy, environment and development, openness to international exchange while protecting social and cultural identities.

These values are inscribed on the responsible tourism charter, a guideline for the MCRT in particular and for the sustainable development of Moroccan tourism. The charter articulates three vectors that compose the overall mission of the MCRT:

- Preservation of Moroccan culture, values, traditions and identity
- Protection of the environment
- Mobilization for the economic and social tourism development vector

The MCRT's activities target both Moroccan and international tourism professionals alike, as well as organizations and tourists.

First Report of the MCRT

In 2007, the MCRT launched several projects in at least one of its three missions. These projects concerned assisting in the development and promotion of ecological and socio-economic tourist products, the training of participants and communications with tourists and tour operators in principal source markets.

In terms of product, several activities have been put in place for identifying and promoting products that can be developed and marketed by tourism professionals with a strong contribution to local populaces, notably:

- The Welcoming Tourist Areas
- "Green" Trails
- Rural Tourism Projects (micro-credit)
- Cooperative projects

A partnership agreement for the protection of the Marrakech Palmeraie was also signed between the MNTD and the Mohammed VI Foundation for the Protection of the Environment.

In terms of training, the MCRT has organized sensitivity workshops for Moroccan tourism professionals to facilitate sharing expertise and right practices.

In terms of communication, the MCRT has focused on creating a sensitivity campaign for domestic and foreign tourists, using different tools including distribution of a responsible traveler's guide for distribution by tour operators in France, Germany and the UK, as well as at airports.

2007 Partners in the Moroccan Initiative for Responsible Tourism

Since the 2006 launch of Responsible Tourism, several tour operators, hotel groups and airlines have signed the Moroccan Charter for Responsible Tourism.

- **Tour operators and hotel groups:** Atalante, Club Aventure, Club Med, Accor, FRAM, Jet Tours, Nouvelles-Frontières, Voyageurs du Monde, Studiosus, Federation of British Tour Operators.
- **Airlines:** In signing the Moroccan Charter for Responsible Tourism Royal Air Maroc offered its support in sensitizing its passengers to the ethical values of responsible tourism.

Vision 2020

Vision 2010 has brought Morocco significant growth in the tourism sector, where it has seen a surge in investments for travel infrastructure, air transport and tourism marketing. This surge is most evident with the rise in arrivals with 7.4 million visitors in 2007, a 12 percent increase.

To continue the momentum, Morocco will extend its vision to the year 2020. Vision 2020, led by both the tourism department and the national tourism federation, requires the involvement and contribution of all organizational entities in both public and private branches.

Vision 2020 has been developed to sustain and expand the achievements of Vision 2010 with the emphasis on quality tourism product versus quantity. The initiative will implement a development plan for each tourist region to ensure a targeted approach for each region.

This vision will reflect international demand and competition, and it will focus on meeting and exceeding the standards for a sustainable and responsible tourism. While increasing our tourism product, Morocco aims to also preserve our natural, patrimonial and cultural resources.

The 2020 Vision yard will be executed by a multidisciplinary group gathering the Tourism Department, the ONMT and the National Federation of Tourism; and it will be supervised by Booz Allen Hamilton International Cabinet, selected in response to the international invitation tender launched in December 2007.

A steering committee has been established since the launch of the 2020 study. In addition to the craft industry and tourism department, this committee is composed of ministerial departments such as interior, economics and finances department, equipment and transport, habitat, urbanism and land settlement, energy, mines, water and environment, the plan high commissariat, the water and forests commissariat. The private sector is represented by the general confederation of Moroccan firms, the FNT and the tourism observatory.