



## Casablanca Finance City Your Gateway to Africa

July 2013

### Editorial

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Richard Attias, Executive Chairman  
of Richard Attias and Associates

#### About CFC Authority

CFCA, formerly Moroccan Financial Board, is a public-private partnership dedicated to positioning Casablanca as a regional financial center and a premier gateway into African markets for multinationals, financial institutions and professional services firms. CFCA is empowered by law with the overall management and promotion of Casablanca Finance City.

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In this second edition of the Casablanca Finance City Newsletter, we have chosen to shed light on the thriving Morocco-Africa cooperation with a special focus on a brotherly country: Gabon.

As the gateway to Greater North West Africa, one of CFC's objectives is to foster regional financial integration in Africa. His Majesty King Mohamed VI's determination to nurture the on-going South-South cooperation remains an unwavering support to our endeavour. At the occasion of His official trip to three African countries during the second fortnight of March, H.M. the King of Morocco has renewed his commitment to inter-African relations. His visit to Senegal, Ivory Coast, and Gabon has especially resulted in agreements in various socio-economic fields - for example in the areas of technology and information systems with Gabon, or in the protection of fisheries and aquaculture with Ivory Coast, or in the sectors of mining, hydrocarbon, electricity and renewable energy with Senegal.

Concerning the Moroccan-Gabonese bilateral relations, they have grown stronger since the Gabonese Independence in 1960. His Excellency Gabonese President Ali Bongo praised these relations and recalled that the "conditions gathered by Gabon to clear (...) the business environment, coupled with the creation of the Moroccan-Gabonese business council, will, no doubt, help to carry out the agreement projects."

Furthermore, as part of the Emerging Gabon Plan, the country has been welcoming the Moroccan support in key areas such as agriculture, fishing, education, health and tourism. Our "Under the Radar" section gives a more comprehensive understanding of Gabon's recent economic developments.

CFC has also co-hosted and participated in several key events over the past three months as detailed in our CFC News section. We are confident that the clear strategies and reforms agreed upon will give a strong impetus to the respective fields moving forward.

As for our interview section, we have naturally chosen to invite Richard Attias, a proud Moroccan citizen, and friend of Gabon, where he recently held the second edition of the New York Forum Africa under the High Patronage of H.E. President Ali Bongo.

I wish you a good read and please feel free to let us know how we can further support your investment projects in the GNWA region.

Best wishes,

**Said Ibrahimy,**  
Chief Executive Officer of CFCA



### The Climate Investment Funds (CIF) gave on May 3<sup>rd</sup>, 2013 the go-ahead to the most ambitious Concentrated Solar Power program in the world

Countries hosting the plan are Algeria, Egypt, Jordan, Libya, Morocco and Tunisia. The plan aims to create 1,120 megawatts of energy from Concentrated Solar Power. The plan will receive USD 660mn from the CIF's Clean Technology Fund and is expected to leverage USD 5bn from other financing sources.

Source : African Development Bank Group

### OCP world's first phosphates producer opens its own commodities trading floor

The objective is not to generate more liquidity through arbitrage opportunities but rather to reinforce the group's protection against financial risks, optimize cash flow management, and enable better use of cash pooling of the different branches.

Source : L'agence Ecofin

### Masraf Al Rayan is in final stages of due diligence to buy Libyan lender

The Qatari Islamic bank Masraf Al Rayan is in final stages of the deal. It is in the stage of signing an MoU and obtaining approval from major stakeholders that are Libya and Qatar.

Source : Gulfbase.com

### Singapore agribusiness giant Olam International has formed a JV with Japan's Sanyo Foods to manufacture and distribute instant noodles in and from Nigeria

A USD 20 million deal where Sanyo Foods acquires a 25.5% stake in Olam's instant noodles business in Nigeria. The JV will manufacture and distribute instant noodles in Nigeria and across Sub-Saharan Africa.

Source : Singapore Business Review

### Majid Al Futtaim (MAF), UAE-based conglomerate, is in advanced talk to buy Egypt's largest supermarket chain

MAF has concluded due diligence on the acquisition deal of the Mansour Group's retail business: the Metro chain (40 outlets) and discount grocery store Kheir Zaman (30 stores). The group is for sale since last year and is worth between USD 200mn to USD 300mn.

Source : Reuters

### IFC expands its investments in infrastructure in Senegal

IFC is committed to helping Senegal meet its needs for energy and infrastructure, facilitate trade, and promote food security. Its portfolio in Senegal currently amounts to USD 91mn. IFC's strategy is to increase private capital invested in core infrastructure projects by facilitating public-private partnerships.

Source : Mena Report

### Ooredoo withdraws bid for Vivendi's Maroc Telecom

Qatar-backed telecom group Ooredoo has withdrawn its bid for Vivendi's 53% stake in Maroc Telecom, leaving rival Gulf operator Etisalat as the remaining bidder. Ooredoo's withdrawal ends a battle between two of the largest Middle East telecom operators for a prize asset that would have boosted both of their footprints in north and sub-Saharan Africa.

Maroc Telecom offers fixed-line, mobile and Internet services in the kingdom and is one of Africa's top telecom firms, with units in Burkina Faso, Gabon, Mali and Mauritania.

Source : Reuters

### Accor Group plans to build 25 hotels in Tunisia

Mr. Abderrahmane Belgat, Managing Director of Accor in charge of special projects in the Middle East and Africa region, announced the group's intention to build 25 hotels in Tunisia in the next 10 years. Accor is currently present in 92 countries and manages 4200 hotel units and more than 500,000 hotel rooms.

Source : African Manager

### Attijariwafa Bank is planning to expand to Benin, Niger, and also to other Portuguese and English speaking countries

Small businesses financing needs are the segment targeted by the bank for its expansion in the continent. The expansion is encouraged by the factors such as Bank account penetration growth that varies between 5 and 8% in the region, as well as middle class growth that is currently at 300 million and expected to double by 2030.

Source : La Nouvelle Tribune

### Two investment clubs have been created and launched on May 7<sup>th</sup>, 2013 in Ouagadougou

The objective is to promote financial and stock exchange culture in the West African economic and monetary union (UEMOA), and familiarize companies with different financing options. The UEMOA currently counts 6 investment clubs all of which created in 2013.

Source : APANEWS

### First Bank of Nigeria discloses its intention to expand operations to 11 African countries during the World Economic Forum

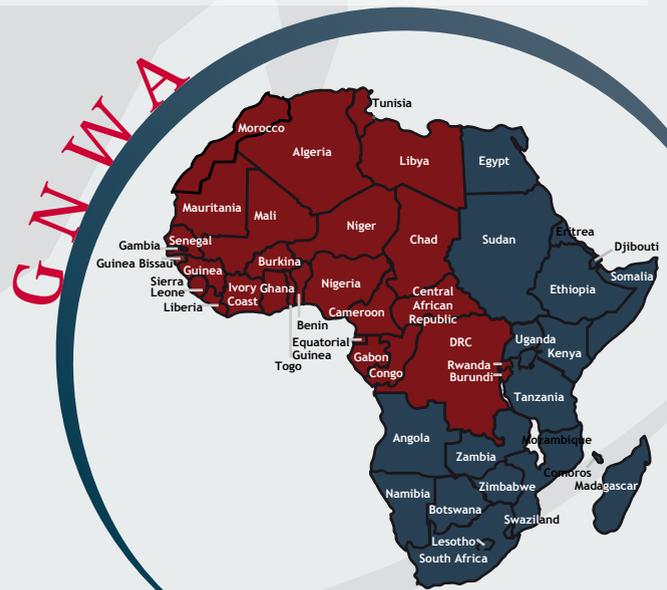
The 119-year-old bank targets the West African countries. With 700 branches and 7 million customers in Africa, the bank targets a listing elsewhere as a medium to long-term strategy. The expansion will be financed with a USD 500mn euro bond and no greenfields will be performed.

Source : All Africa

### MSCI : Morocco moving to the Frontiers Market Index

Equity Index provider MSCI decided to reclassify Morocco's status from Emerging Market to Frontier Market during its latest annual review. This reclassification will be effective in November 2013. This news is deemed positive by numerous market participants considering that Frontier Markets, thanks to their strong GDP growth, positive demographic profile, low debt burden and relatively low correlation to developed markets, are a great place to invest for those who have both a long term horizon and wish to see capital and income growth. Moreover, Moroccan equities are looking increasingly attractive after having underperformed in recent years.

Source : Reuters/The National





## Overview

The democratic process in Gabon has come a long way since its independence from France in 1960. In 1990, significant political reforms have been instigated including the introduction of a new constitution and a multi-party system, and the decentralisation of the budgetary process. Today, Gabon is led by Ali Bongo, head of the Gabonese National Party. Gabon is considered among the most stable countries in West Africa. In that regard, it can play a strategic role in promoting peace in the region.

It also appears among the African nations making the continent the next investment frontier. Enjoying high reserves of natural resources, a young population, and a strategic location in West Africa, the Gabonese republic aims at becoming an emerging economy by 2025. The country has taken important steps to materialise this ambition.

With a GDP of USD 16.8bn in 2012, Gabon is the 21st largest African economy. It is also a resource-rich country. With oil production amounting to 242 thousand barrels a day in 2012, or 2.6% of total African production, it is the 9th largest oil producer in Africa and the 37th in the world. The sector contributes 46% to GDP and 84% to exports.

Manganese is the main mining activity contributing 3% to GDP and 7.8% to exports making Gabon the 2nd largest exporter of manganese in Africa preceded by South Africa.

As to forestry, the country enjoys a forest cover of 22 million hectares. In 2012, timber represented 2.6% of GDP and 4.7% of exports. The advancements in local transformation have increased processed timber exports by 16% in 2011.

The tertiary sector in Gabon is the largest employer in the country. In 2011, it represented more than 35% of GDP, where retail trade and hospitality services dominated the sector.

In 2012, increases in oil prices along with Africa Cup of Nations investments in infrastructure helped the economy grow at 6.1%. As such, Gabon is one of the fastest growing countries in Africa, outpacing the region's average growth rate of 5.5%.

Inflation in 2012 was 2.7%. It is expected to remain at the same level in 2013 given moderate import prices and stable administered prices that represent a large component of the CPI.

With continued increases in oil prices, Gabon is expected to grow at around 6% in 2013, where economic activity is mainly supported by timber, mining, and public investments. In order to sustain such growth, Gabon has increased 2013 public budget to USD 6.5bn, up from USD 6.3bn in 2012.

In 2012, Gabon had a budget deficit of only USD 148mn representing 0.8% of GDP. With heavy investments related to Emerging Gabon Strategy, the budget deficit is expected to grow to USD 482mn or 2.8% of GDP that is forecasted by the IMF at USD 17.7bn in 2013.

### General Information

Capital city	Libreville
Official Languages	French (official) and 5 local languages
Area	267,668 Sq km
Coastline	885 km
Population	1.6 million
Currency	Central African CFA franc
Time zone	West Africa Time GMT+1 hour

### Macroeconomic indicators (2012)

GDP (official exchange rate)	USD 16.8bn
GDP (PPP) - per capita	USD 17,300
GDP composition by sector	
Agriculture	4%
Industry	60%
Services	36%
FDI	USD 728mn
GDP growth rate	6.1%
Inflation rate	2.7%
Unemployment rate	21%
Labor force	756,200
CPI (2013)	120
Country risk profile rating	B
Business Climate Assessment	C
S&P Credit Ratings	BB-
Human Development Index	106

### Monetary Data

Exchange rate reserves	USD 2.4bn
Central bank lending rate	3%
Market Cap (31/12/2012)	USD 439,158,940
Currency conversion rate	USD 0.002 (last 12-month average)
Bank account penetration rate among 15+ year-olds (2011)	18.9%

### Natural Resources

Oil Reserves	2 billion bbl
Oil Production	244,000 bbl/d
Arable lands	3,238 Sq Km

### Trade/ FDI

Imports	USD 3.5bn
Exports	USD 10.8bn
FDI	USD 728.0mn

### Infrastructure

Total Road Length	9,170 km
Annual airports traffic (2010)	410,000 international passengers
Container port traffic	6 million tons
Paved Roads Length	937 km
Investments in transportations	USD 13bn until 2016

### National Account

National expenditures	USD 4.3bn
Public debt (% of GDP)	16.4%
Public debt	USD 2.8bn

Source: Coface, CIA Factbook, OBG, WB





## Emerging Gabon

The Gabonese Government has instigated the 2010–2016 Strategic Plan Gabon Emergent (PSGE), a strategic reform and investment plan expected to raise capital budget to above USD 2.4bn until 2017, an increase of about 300% compared to 2009.

The investment plan targets projects in the entire nation and is built around three main pillars

- Gabon Vert or Green Gabon: aims at building a sustainable economy around the rich forest, agricultural lands, and large coastline.
- Gabon Industriel or Industrial Gabon: aims at developing high added-value products locally and boost the national trade balance.
- Gabon des Services or Services Gabon: aims at shaping the country into a hub for financial services, green growth, tertiary education and health.

As to the PSGE investment plan, it targets several key sectors over a 5-year period. Among these:

- Mines and Hydrocarbons: measures include launching new deep-sea oil fields production and investing in more sophisticated technology. The plan also aims at realising the potential of Mines and Hydrocarbons industry by 2016.
- Wood and Forest Economy Plan: it aims at developing Special Economic Zones for wood-processing and creating industrial and logistical infrastructures.
- Electricity Plan: Projects include the construction of hydroelectric dams and natural gas thermal power plants with the aim of doubling the country's energy production capacity to 1000 MW.

Other sectors targeted by the PSGE investment plan are fisheries, agriculture and farming, state reform and modernisation, as well as the business climate.

## Bilateral Relations between Morocco and Gabon

Gabon is the 10th largest customer and the 3rd largest African supplier of Morocco.

Bilateral trade relations between Morocco and Gabon are governed by a Trade and tariff Agreement signed in 1974, which will be revamped in the aftermath of ongoing negotiation.

The two countries have signed multiple economic and trade cooperation agreements that cover key strategic sectors such as: Investment promotion and protection, double taxation, promotion and development of SMEs, fisheries and agriculture, industry, mining, but also health, civil protection, and technology and information systems.

The latest Morocco–Gabon agreements include:

- May 2008: Entry into force of the non-double taxation signed in Libreville in 1999
- July 2009: An agreement regarding air transportation and a bilateral technical cooperation in the field of transportation, signed in Rabat
- March 2010: Five cooperation agreements in the fields of vocational training, energy, mining, environment and tourism, signed in Tangier
- May 2010: agreement dedicated to strengthening partnership relations in the field of electricity signed in Libreville between The National Federation of Electricity and Electronics (Fenelec) and the Group of Companies and Water Works Power of Gabon (GETEC)
- July 2011: Signature of five cooperation agreements in the field of vocational training, signed in Casablanca
- June 2012: Signature of a protocol of cooperation between Maroc Export and the Agency of Gabon for Export Promotion (APEX) to promote trade relations between the companies and economic organisations of the two countries in accordance with the legislation in force in their respective countries, signed in Libreville
- March 2013: Six cooperation agreements signed in Gabon during HM King Mohamed VI's visit to Libreville. These agreements target the areas of security, healthcare, the environment, and information technology.

Other agreements are still in the negotiation phase between the two countries. These include a cooperation project between the Chambers of Commerce of the two countries, as well as a trade and tariff convention that will replace the 1974 agreement.





The Moroccan Private Equity Association (AMIC) and Casablanca Finance City co-hosted a seminar in Casablanca on March 27<sup>th</sup>. The event brought together numerous participants including government officials, local and international private equity players, the Emerging Markets Private Equity Association (EMPEA), law professionals, and the Casablanca Stock Exchange. Discussions were centred on identifying the necessary tools to improve the regulatory, tax and legal frameworks of the private equity business in Morocco and in the region.



The Ministry of Economy and Finance organised a two-day National Tax Seminar in Skhirat from April 28<sup>th</sup> to April 29<sup>th</sup>. The event was an opportunity to exchange ideas in order to provide a new impulse to the national tax system in adequacy with the country's political, social and economic developments, around 4 main themes: tax and equity, tax and competitiveness, tax administration and end-user expectations, and local tax. Apart from Casablanca Finance City, delegates included parliamentary institutions, several administrations, private sector professionals, advisory bodies and unions. The main outcome of the seminar consisted in a detailed roadmap of short and long term actions to implement and insure successful tax reform.



Morocco's Capital Markets Authority (AMMC) signed an MoU with COSUMAF, the supervisory committee of the economic and monetary community of Central Africa, on April 19<sup>th</sup>. Among other things, this partnership was done in the context of the South-South cooperation promoted by Casablanca Finance City.



The Moroccan association of asset management firms and investment funds (ASFIM) organised a Private Debt seminar on May 23<sup>rd</sup> in partnership with Casablanca Finance City. This aimed at discussing the challenges faced by the Private Debt sector in Morocco in benchmark with international markets, as well as the industry's outlook. The seminar was attended by local and international financial experts, and private sector professionals.



Casablanca Finance City was amongst the exhibitors and speakers at the City Week 2013 forum held in London from April 22<sup>nd</sup> to April 24<sup>th</sup>. The international financial services forum was attended by representatives from across the global financial sector sphere including senior politicians, regulators and financial practitioners, to debate the challenges faced in restoring growth in the global economy during a series of workshops. During the Africa panel, Mr. Said Ibrahim, CEO of the Moroccan Financial Board, and Mr. Karim Hajji, CEO of the Casablanca Stock Exchange, presented the Morocco's competitive advantages as a buoyant economy and regional financial hub, whilst emphasizing the opportunity offered by the City UK partnership in the context of developing the capital and derivatives markets.



Casablanca Finance City organised a side event during the African Development Bank's (AfDB) 48<sup>th</sup> annual meetings held in Marrakech from May 27<sup>th</sup> to May 31<sup>st</sup>. Invitations to this session were jointly addressed by Mr. Nizar Baraka, Minister of Economy and Finance, Mr. Abdellatif Jouahri, governor of Morocco's Central Bank, and Mr. Said Ibrahim, CEO of Casablanca Finance City. The high-profile audience included central bank governors, government officials, and private sector professionals. During this session, Mr. Ibrahim shared his thoughts about how regional financial integration is key to ensuring sustainable growth in Africa. Closing remarks were delivered by Mr. Nizar Baraka, who further emphasised Morocco's willingness to foster South-South partnerships in the continent.



Casablanca Finance City organised a client event on June 20<sup>th</sup>. This reunion was the occasion to gather CFC status holding companies, hand them their CFC status certificates and update them about the new developments pertaining to the Casablanca Finance City value proposition.

## Upcoming Events



### Super Return Emerging Markets

To be held in Geneva from June 24<sup>th</sup> to June 27<sup>th</sup>, 2013

June 2013



### Paris EUROPLACE International Financial Forum

Two-day event to be held in Paris from July 10<sup>th</sup> to July 11<sup>th</sup>, 2013

July 2013

For further information about the above events, please contact us.



### 3 Questions to...

## RICHARD ATTIAS



*Richard Attias is the world's top community builder for the "thinking elite". Over the last two decades, he has built a matchless reputation for helping nations, organisations and corporations catalyse the global exchange of ideas.*

*He has developed some of the most influential gatherings including the World Economic Forum in Davos; the Clinton Global Initiative; the Middle East Peace Summit in Jordan; the Dalian Economic Summit in China; and the signature of the General Agreement on Tariffs and Trade (GATT) in Marrakech, and most recently the Asia-Pacific Economic Cooperation (APEC) Summit in Hawaii in November, 2011.*

*Attias is also the founder and chairman of The New York Forum, an annual invitation-only forum for global CEOs, economists and business leaders to share ideas and provide recommendations for new business models in a post-crisis world.*

*Richard Attias is a global citizen, born in Fez, Morocco.*

#### What do you think about the Greater North West Africa economic and financial potential?

The GNWA region has indisputable potential. First, Africa is a high-growth continent with immense opportunities. The GNWA region also benefits from a strategic geographical location at less than one hour from the South of Europe and five hours from the North American continent, and lies at the center of international relations and flows of businesses.

Thanks to its political stability, it has become a first class economic and financial hub at a time where stability is extremely rare, and volatility is growing.

#### The New York Forum Africa is about recognising Africa's economic potential and transforming its opportunities into action plans. Could you describe your success story in Africa?

Since its first edition in June 2012 in Libreville, Gabon, the NYF Africa has proved to be an exceptional platform broadcasting ongoing projects in Africa. In the week following its announcement, more than one hundred Asian, American, and European leaders subscribed. The high-level panel confirmed my personal conviction: Africa is now completely taking charge of its destiny thanks to the vision and determination of numerous leaders.

The African continent has become « the place to be ».

The challenge is now to transform these opportunities into reality. Because it is NYF Africa 2013's priority, it will also include young entrepreneurs and actors of the new economy. They are, in my view, the engine of Africa's future.

#### You were born in Morocco; what do you like most about it today?

Everything seduces me! I have a deep attachment to my country. The vision of His Majesty the King Mohamed the Sixth, his foresight, and his love for the Moroccan people are unique. They are essentially what makes us proud to be Moroccan.

“ The African continent has become « the place to be » ”

