



## Casablanca Finance City Your Gateway to Africa

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### 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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### Editorial

Financial integration is key to building a strong and sustainable growth in Africa. Due to its minimal capital investment and low political costs, it stands as one of the most efficient and prolific forms of integration. In addition to being cost effective, it is an easily implementable and expeditious operation. Mature financial markets allow for broader access to international capital and investment as well as superior allocation of funds. Furthermore, integration promotes financial transparency and enhances corporate governance. This, in turn, highlights the importance of promoting the need for common structures in Africa. At a Sciences Po Conference on African convergence held June 11 last year, billionaire, philanthropist Mo Ibrahim suggested initiating a regional stock market. The creator of the African Governance Index also advocated free circulation of people within the continent.

Donald Kaberuka, President of the African Bank of Development (AfDB), suggested; "we should not only think in terms of blocks within Africa, but also start to work actively towards the integration between these blocks."

All indicators point towards a more inclusive Africa; with a continental integration built upon numerous ongoing regional initiatives. Morocco will instrumentally contribute to fostering a financial alliance, however its contributions alone will not be sufficient without the joint efforts of relevant countries.

We are in consensus with Mr. Kaberuka's belief that African countries in the GNWA region have strong fundamentals. Tunisia for example, has shown resilience in the tourism and manufacturing industries, thus featured in our "Under the Radar" section.

I hope you have an inspiring read, and I invite you to contact us for support in your potential investment endeavors in the GNWA. CFC is precisely committed to creating a reliable ecosystem for foreign investors. In fact, to date, more than fifty CFC status holders trust us, and our community is growing steadily. You too are most welcome to join us.

Best wishes,

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



**Morocco's King strengthens strategic partnership with Tunisia, draws roadmap for broader Maghreb integration**

The King and President Merzouki chaired the signing of 23 bilateral agreements on issues including economic development, renewable energy, the environment and financial markets. The King emphasized the importance of strengthening such bonds of cooperation to build a strategic partnership that is a win-win for both nations and opens prospects for broader regional integration.

*Source: The Moroccan American Center for Policy (MACP)*

**Morocco's Saham Finances buys 66% of Rwandan insurer Corar-AG**

Moroccan insurance company Saham Finances has bought a 66% stake in Corar-AG Ltd, the third-largest insurance provider in the Rwandan market.

The move is the latest expansion by Saham Finances in Africa and follows last year acquisition of the second-largest insurer in Angola, AG Angola Seguros SA. The group has subsidiaries in 19 African countries through its two subsidiaries Colina and Mercantile.

*Source: Reuters*

**Morocco raises 1bn euro bond on international market**

Morocco has raised one billion euros on the international market in a 10 year bond at 3.5 percent. The bond marks the kingdom's "return" to the Euro market and involves British, French, German, Gulf Arab and other investors. The 3.5 percent loan rate is less than that obtained on the dollar market in 2012-2013, highlighting the confidence in Morocco's economic and political stability.

*Source: AFP*

**Ivory Coast to issue \$500 mln eurobond on July 7**

Ivory Coast will issue a planned \$500 mln eurobond on July 7 in the United States and Britain, marking the West African nation's first venture onto the international capital market since a 2011 default. The world's top cocoa producing nation chose Citigroup, BNP Paribas and Deutsche Bank to market the bond.

*Source: Reuters*

**Carlyle Launches \$698m Africa Fund**

US-listed investment manager, Carlyle, has set off a fund devoted to investing in sub-Saharan Africa, with \$698 million already raised. The fund would focus on investments in the consumer, logistics, financial services and telecommunications sectors.

*Source: Bloomberg*

**First Bank of Nigeria acquires ICB West Africa**

First Bank of Nigeria (FBN) announced the complete acquisition of International Commercial Bank (ICB) Financial Group Holdings West Africa, after finalising the deal for ICB Senegal. The acquisition will strengthen First Bank's position as one of the largest retail banking institutions as well as the largest corporate financial institution in sub-Saharan Africa – with the exception of South Africa.

FBN began the acquisition last year in a complete take-over of ICB Gambia, ICB Ghana, ICB Sierra Leone and ICB Guinea from ICB Financial Group Holdings West Africa.

*Source: Ventures Africa*

**Globeleq Acquires Cameroon Generation Assets**

Globeleq, the leading independent power generation company in sub-Saharan Africa, has completed the acquisition of majority interest in more than 300 MW of generation capacity in Cameroon. With the addition of these assets, Globeleq has more than 1.2 GW in operation or under construction in five countries in sub-Saharan Africa.

*Source: Globeleq*

**BCX acquires 30% stake In Nigerian AppZone**

JSE-listed Business Connexion Group (BCX) has strengthened its hold in Nigeria by acquiring 30 percent of financial IT service provider, AppZone Limited to enable it to provide cloud-based solutions to the monetary sector. The transaction will enable Business Connexion expands its reach in Africa's largest economy as well as expand its cloud strategy across the African market.

*Source: Ventures Africa*

**Tingo Eyes acquires 51% Stake in Nigerian Telco for \$25 mln**

Tingo Mobile has expressed interest in acquiring a 51 percent stake in Lagos-based Mass Telecom Innovation Nigeria Plc (MTI) for \$25 million as it bids to develop rural broadband technology in Nigeria. Once purchased, MTI will be rebranded but will remain listed on the Nigeria bourse. The acquisition will help MTI reach out to the mass market.

*Source: Ventures Africa*

**ECP's Central Africa Growth Sicar exits Oragroup**

The Central Africa Growth Sicar (CAGS) fund, managed by pan-African private equity firm Emerging Capital Partners (ECP), announced it has successfully exited its stake in Oragroup, the Togo-based, regional commercial banking holding company with operations spanning twelve countries in West and Central Africa. The exit represents 2.2x CAGS' initial investment.

*Source: Emerging Capital Partners*

**Standard Bank to expand services to francophone Africa**

South Africa's Standard Bank says it plans to extend it's services to francophone countries in Africa, citing the investment boom it perceives the sub-region would soon experience, with its mineral wealth and economic growth sure to attract foreign investors. Standard Bank has put plans in motion to enter the UEMOA region. The bank also plans to expand further into six nations of the CEMAC, which include the Central African Republic, Cameroon, Republic of the Congo, Chad, Gabon and Equatorial Guinea.

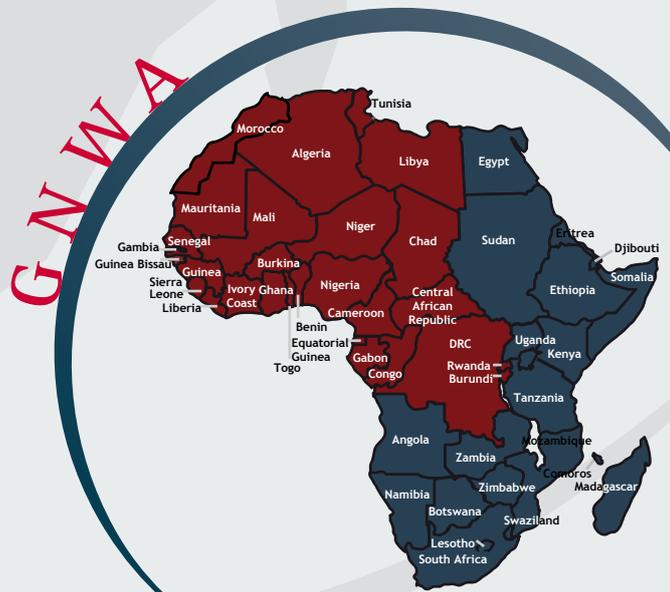
*Source: Ventures Africa*

**Etisalat to sell West African subsidiary for \$650m**

UAE-based telecom giant, Etisalat has agreed to sell its West African subsidiary, Atlantique Telecoms, to its Moroccan affiliate, Maroc Telecoms for \$650 million.

Etisalat believes the deal will allow it to gain expert knowledge in the region. Maroc Telecom's operations within the francophone region including Gabon, Mali, Mauritania and Burkina Faso are providing healthy returns, posting a combined 9.5 percent revenue increase.

*Source: Ventures Africa*



### A promising securitization reform

In a strong drive to modernize and strengthen its financial sector, Morocco conducted over the last decade major reforms that resulted in considerable improvements as legal and regulatory frameworks considered as benchmarks in the region. These gradual developments are aiming at developing financial inclusion, enhancing long-term savings and corporate access to financing, strengthening governance and supervision, and finally deepening capital markets.

As part of its efforts to reinforce securitization's role in the financial sector and align it with the best international practices, Moroccan authorities introduced the bill N° 119-12 amending and supplementing the law N°33-06. This state of the art regulation has been adopted on January 2013 by the House of Representatives and published on September 2013. The bill defines the securitization legal framework by:

- Extending the list of originators to include the State and its subdivisions, banks, insurance companies, financial institutions, companies, entities established as funds, OPCs, trusts or partnerships. These originators are eligible whether based in Morocco or abroad.
- Enlarging the scope of eligible assets beyond receivables: tangible, intangible, movable, immovable assets, commodities, receivables resulting from an existing or future contract...
- Opening new securitization operations: purchase, transfer, lending, temporary acquisition, synthetic securitization...
- Improving FPCTs legal regime: constitution, form duality (securitization schemes "FT" or securitization companies "ST"), protection against insolvency, bankruptcy remoteness status...
- Enhancing securitization attractiveness: favorable taxation regimes, technical reserves, prudential rules...

The bill also provides a complementary set of alternative financial instruments. It allows for the issuance of different types of debt securities as Islamic sukuk certificates (sukuk al ijara, sukuk al moudaraba) or future assets (salam, istisna). In addition, the bill establishes a fiscal transparency principal.

Finally, these developments enhance Morocco's attractiveness, and help establish Casablanca as a regional gateway and financial hub. The kingdom remains strongly committed to its irreversible and positive change process and continues to rely on political stability coupled with strong macroeconomic assets to accelerate structural adjustments. In this perspective, wide and ambitious reforms are under way: pension system, subsidies mechanisms restructuring, BAM's new status, OPCM/OPCVI/OPCC reforms, to name a few.





### Overview

Tunisia covers 163 610 km<sup>2</sup>, which makes of it the smallest country of the Maghreb. As of 2013, its population was estimated at 10.9 million, 66% of which is urban. Its principal natural resources are oil, phosphates, iron ore, lead, zinc, salt and its arable soils.

Tunisia has been in transition since President Zine al-Abidine Ben Ali was ousted in January 2011 marking the beginning of the Arab Spring. The moderate Islamist Ennahda party governed since October 2011 but two years later agreed to hand over power to an interim government of independents until the adoption of a new Constitution and the appointment of a new government in early 2014.

Tunisia recorded a 2.6% growth in 2013, below the 2012 level of 3.7% mainly due to a fragile social and political context as well as economic difficulties in the European Union, its main economic partner. However, key sectors of tourism (with 2% growth) and export industries (with 6% growth) showed strong resilience, aided by the depreciation of the dinar. Employment also registered a slight amelioration, with the unemployment rate declining from 17% in Q3 2012 to 15.7% in Q3 2013. Growth is likely to accelerate in 2014 and 2015 given the sustained development of manufacturing industries, services and the dynamism of the agricultural sector. As for domestic demand, consumption and investment are expected to go up to 5%. The current account deficit is likely to decrease through the recovery of tourism and the economic rebound.

Tunisia has a diverse, market-oriented economy, with important agricultural, mining, tourism, and manufacturing sectors. The Tunisian economy is dominated by services (59.4% of GDP) and industry (31.2%). The agricultural sector accounts for 9.4% of GDP and plays a significant role in the Tunisian economy with regards to the export share of processed agricultural products.

In 2013, the manufacturing sector recorded an average growth of 2.5%. The growth was drawn mainly by the good performance of textile (+3.7%), engineering and electrical sectors, which are export oriented, as well as by the chemical industries (+4.2%). The manufacturing sector, and especially the offshore manufacturing, is expected to grow thanks to the projected 2014 rebound in the European Union. Non-manufacturing sectors exhibited a modest growth of 2% given the slowdown in the oil and gas sector (-1%). The mining sector, in comparison, registered strong performance.

Trade services grew by 4.1% in 2013 thanks to the dynamism of telecommunications (+9.7%), financial services (+5%) and transport (+3.8%). The weight of the services sector could be more important in the Tunisian economy provided that it addresses a series of challenges such as the decline in standards of hotel infrastructure and greater investments oriented toward the information technology and communications sector. Non-market services registered 3.5% growth, accounting for 18% of GDP due to an expansionary fiscal policy adopted by public authorities.

Tunisia has numerous sectors offering significant development potential such as local transformation of products usually exported non manufactured (e.g. hydrocarbons, agricultural products), or the development of niche segments (e.g. technical textiles) with high value added. In this context, many challenges should be overcome starting with improving the doing business, strengthening industrial capacities and logistical infrastructure, reforming the education sector and fighting corruption.

Efforts are made to address these challenges such as the creation of business incubators, chambers of commerce... and will accelerate the economic recovery.

### General Information

Capital city	Tunis
Official languages	Arabic
Area	163 610 km <sup>2</sup>
Population	10.918 Million
Currency	Tunisian dinar
Time zone	UTC + 1

### Macroeconomic Indicators

GDP (Current USD)	\$ 47.439 billion
GDP (PPP)	\$ 108.43 billion
GDP (PPP) per capita	\$ 9.931.664
GDP composition by sector	
Agriculture	9.4%
Industry	31.2%
Services	59.4%
FDI- Net inflows	\$ 1.554 billion (2012)
GDP growth rate	2.6%
Inflation	6.1%
Unemployment rate	16.7%
Labor force	3.974 million
CPI	77
Country risk assesment	B
S&P credit ratings	"B in August 2013 Withdrawn since"
Human Development Index	0.712

### Monetary data

Reserves of foreign exchange and gold	\$ 8.113 billion
Central bank lending rate	4.50%
Market cap	\$ 9.208 billion (Apr. 2014)
Currency conversion rate	0.594 \$ (June 2014)
Bank account penetration	53%

### Natural Resources

Crude oil (annual production)	22.03 million bbl
Crude oil (estimated reserves)	450 million barrels
Gaz (annual production)	2.87 billion NM3
Phosphate (annual production)	3.3 million tons

### Trade/ FDI

Imports	\$ 24.95 billion
Exports	\$ 17.46 billion
Stock FDI	\$ 33.634 billions

### Infrastructure

Total road lenght	19.418 Km (2011)
Paved road lenght	14.816 Km (2011)
Railways	2.167 Km
Airports	12

### National Account

National expenditures	\$ 15.8 billion
Public debt (% GDP)	44.4%
Public debt	\$ 21.06 billion

Source : The World Bank, IMF, CIA factbook, UN Data, S&P, Coface





## Focus: the tourism industry

Tourism is a major part of Tunisia's economy, and the country relies heavily on it as a source of foreign currency for capital formation. The tourism industry accounts for 7.3% of Tunisian GDP in 2013; represents 5.2% of the exports of goods and services and ensures nearly 400.000 direct and indirect jobs (12% of total employment).

Over 6.3 million tourists visited Tunisia in 2013, an increase of 5.3% compared with 2012. Tourism revenues are also up 1.7% compared with 2012, exceeding 3.4 billion US dollars in 2013. Still, the sector has not recovered to pre-2011 revolution levels. Beyond the country's security situation, many challenges need to be addressed to develop the tourism industry:

- Adaptation to the increased demand for cultural, medical, ecological, adventure and exploration tourism. These types of touristic activities are more profitable, and less sensitive to seasonal changes.
- Focus on new emerging markets such as Asia and South America in order to diversify its tourism revenues, and go beyond the over reliance on European tourists, who account currently for 80% of Tunisia's visitors.

In this context, public authorities embarked on structural reforms and implemented a new tourism plan in August 2013 opening new markets – notably in the Persian Gulf and Asian countries – while keeping a focus on the traditional European market. The new plan includes a change in priorities for organising the sector, diversifying the tourism product and the use of new technologies in marketing.

## Bilateral relations between Morocco and Tunisia

His Majesty King Mohammed VI and Tunisian President, M. Moncef Marzouki, chaired on 30 May 2014 the signing ceremony of 23 bilateral agreements.

These agreements cover various economic, social and security aspects, and open up broad prospects of cooperation for the Maghreb integration. They address new areas of cooperation, including renewable energy, the environment, financial markets, and the promotion of human rights and involve the private sector. They also include an agreement relating to regional integration and co-development and another covering a draft protocol of cooperation between the Casablanca Stock Exchange and the Tunis Stock Exchange.





CFC participated to the Super Return Emerging Markets held in Amsterdam, June 24-27. The event was an opportunity to meet, network and exchange ideas with the best private equity firms investing in emerging markets. The meeting gathered more than 300 delegates.



The Africa convergence network and Casablanca Finance City, in collaboration with Science Po Alumni, organised a Sciences Po Conference in Paris, this June 11th, under the theme "Morocco, an engine of financial convergence in Africa?". The panel included high-level participants such as Messrs Mo Ibrahim, Donald Kaberuka, and Moustafa Niasse. Influential financial players involved in the African integration were also present.



CFC was part of the China Africa Investment meetings held in Rabat on June 24. The event was organised by BMCE Bank in collaboration with the China-Africa Joint Chamber of Commerce and Industry. It was the first edition of a series of BtoB meetings on the theme "China Africa Investment". Numerous Chinese and African businessmen were present, as well as high-level Moroccan participants. The ambition of these meetings is to foster a more inclusive and equitable partnership between the second largest economy in the world and the African continent. Morocco is expected to play a leading role in promoting these co-development partnerships.



CFC organized the Workshop on Securities Lending and Borrowing held in Casablanca on June 20th. The seminar studied the operationalization and development perspectives of securities lending in the Casablanca financial market. Representatives of the AfDB, World Bank, BRVM, CISI and EBRD were among the attendees.



CFC participated to the IIF Spring meeting held in London, from June 4 to 6. The meeting gathered influential members of the global financial community, including world leading bankers, policymakers, and investors.



At the Morocco-Russia Forum held in Moscow on June 9 and 10, CFC participated to the panel "Morocco, gateway to Africa". The debates addressed the numerous strategic partnership opportunities by sector between the two countries. Were present at the conference: Moroccan ministers, the President of the Russian Chamber of Commerce, the President of Arab-Russian Chamber of Commerce, the President of CGEM, and the co-President of Morocco-Russia business council.



CFC organized the CISI workshop in 29th of April. The interactive CFC-CISI workshop addressed the issue of ethical and professional conduct. Bank of Morocco, CDVM, Casablanca Stock Market, Maroclear, and professional associations were among the attendees.



Casablanca Finance City attended the Ambassador's lunch in Monaco held on April 10th. Organised by the chamber of Economic Development of Monaco, the lunch showcased investment opportunities in Morocco with a focus on the financial sector and the role of Casablanca Finance city.



On the sidelines of King Mohamed VI' visit to Tunisia, CFC participated to the Economic Forum Morocco-Tunisia in Tunis on May 29th. The meeting aimed at creating synergies for future growth and employment.



On April 12th, CFC participated to a business lunch in Chicago organized in partnership with the Illinois Chamber of Commerce.

## Some of the upcoming events...



**Les Rendez-vous de Septembre**  
to be held in Monte Carlo, September 11th, 2014

<http://www.rvs-monte-carlo.com/>



**GAIF Conference Egypt**  
to be held in Sharm El Sheikh from September 1 to 4, 2014

<http://www.gaif2014.com/>



**African Singapore Business Forum,**  
to be held on August 27 and 28 Aout.  
During the Country Breakout Session,  
Mr. Ibrahim will present Morocco

<http://www.asbf.sg/>

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



## Cultural Section

### Cultural News in Morocco

*« Politics can be reinforced by music, but music has a power that defies politics. »*

Nelson Mandela

In the last decade, Morocco has developed a rich and distinctive cultural and art scene. From festivals celebrating Morocco's artistic patrimony and positive values of tolerance and peace, to a striking contemporary art scene with a growing worldwide reputation.

The past quarter was the "Festival Season". It opened late March with Jazzablanca, featuring Patti Smith and Ibrahim Maalouf among others. It was followed by Mawazine, a Pop Rock yearly music event, notorious for inviting prime music icons from both the East and the West. In early June, the Fes Festival of World Sacred Music explored the vast repertoire of sacred music and rhythms created across the globe, and in late June, 500 000 people attended the Gnaoua Festival of Essaouira, a repertoire of ancient African Islamic songs and rhythms.

## Some of the upcoming events...

### Tislit Festival



The Fourth Tislit Festival (the Bride in Amazigh) will take place in Aïn Cheggag on August 22-24 under the theme « Union of Cultures ». The festival promotes the artistic and cultural patrimony of the region as well as its sustainable development issues.

### Women of Salé International Movie



The Eight edition of the Women of Salé International Movie Festival will be held on September 22-28. Twelve full-length movies dealing with the condition of women will be shown. 2014 will be the year of Lebanon.

### Year of Morocco at Louvre Museum



It is the Year of Morocco at Louvre Museum in Paris, France. « From Idrisid to Marinid: Morocco founder of empires." The never-seen-before exhibition tells the history of Medieval Morocco. The event runs from October 9 2014 to May 1st 2015 and will showcase the richness and diversity of Moroccan civilization. The program is placed under the High Patronage of both the French President and the King of Morocco.

### Morocco in a thousand colors



The Arab World Institute (IMA) in Paris will host, from 23 September 2014 to 11 January 2015, the unprecedented event "Morocco in a thousand colors." It will be the largest multidisciplinary exhibition in France ever dedicated to Morocco. It will honor many facets of Moroccan creativity, such as plastic arts, design, cinema, cartooning, architecture, cinema, dance, theater, literature, crafts, and living arts.



## 4 Questions to...

### Donald Kaberuka



Donald Kaberuka is the President of the African Development Bank Group (AfDB). He is currently serving his second five-year term. He was elected in 2005, becoming the seventh President of the Bank Group since its establishment in 1963. Before joining the African Development Bank, Mr. Kaberuka had a distinguished career in banking, international trade and development and government service. A national of Rwanda, he was the country's Minister of Finance and Economic Planning between 1997 and 2005.

Mr. Kaberuka was educated at universities in Tanzania and Scotland. He holds a PhD in Economics from Glasgow University.

#### 1/ What do you think of the economic and financial potential of the Greater North West Africa (GNWA)?

Africa gained new momentum since the early 2000s. The continent registered sustained economic growth at more than 6% during the last decade despite different international crisis - the food crisis, the financial crisis, and the European debt crisis. The impetus will continue in 2014 with a 6.2% growth rate. The growth was built on new fundamentals which is particularly encouraging. Consumption and private investments have now a bigger role, and Africa's progressive integration in the global value chains is accelerating. Here, I think job creation, a necessary part of the African economic transformation, constitutes the main challenge.

Regarding North Africa, the average global growth rate reaches 2.5% in 2013. We remain very confident despite the political transition that occurred in Egypt and Tunisia under specially tough conditions. We know the fundamentals are solid. However, the region needs to restore its confidence and reassure both foreign and national investors.

#### 2/ As the Head of the African Bank of Development, and a strong advocate for the intra-African cooperation, what is your vision to further the integration in the GNWA?

I am a great believer in the creation of a single African market. We should not only think in terms of blocks within Africa, but also start to work actively towards the integration between the blocks. The goal being to foster exchanges from north to south and from east to

west, for a stronger Africa. Here, I would like to applaud what the well-implanted Moroccan companies are doing in the GNWA region.

#### 3/ Casablanca Finance City is aimed at fostering regional financial and economic integration by aggregating the GNWA opportunities in a single platform. What is your opinion of this initiative?

We can only welcome the creation of such a platform in Morocco. For those who know how much the Bank is committed to regional integration, our institution can only promote the creation of internationally reputed regional financial centres in Africa. Every effort should now be made to adhere to international standards and norms fitted to guarantee the success and competitiveness of such centers.

“ CFC is aimed at fostering regional financial and economic integration by aggregating the GNWA opportunities in a single platform ”

#### 4/ You are a great friend of Morocco, what do you like most about the Kingdom?

Morocco is the Bank's biggest customer, and the Bank remains its leading financial sponsor. Morocco is a country that has shown age old open-mindedness and entrepreneurial spirit. These are two extremely valuable qualities when Morocco positions itself as a hub for the rest of Africa. The Kingdom not only supports investors showing interest in our continent, but it also includes the continent in the international markets. Finally, it is worth noting the significant convergence between the reforms and development policies deployed in Morocco and the key components of the ten-year strategy of the Bank at an African level. The exemplary nature of the partnership between the Kingdom of Morocco and the AfDB is the best concrete illustration of this convergence.

