

**FOR  
AGENDA**

SM/14/27  
Supplement 1

January 27, 2014

To: Members of the Executive Board

From: The Secretary

Subject: **Morocco—Staff Report for the 2013 Article IV Consultation—Informational Annex**

The attached informational is being issued as a supplement to the staff report for the 2013 Article IV consultation with Morocco (SM/14/27, 1/24/14), which is tentatively scheduled for discussion on **Friday, January 31, 2014**. Unless an objection from the authorities of Morocco is received prior to the conclusion of the Board's consideration, the document will be published. Any requests for modifications for publication are expected to be received two days before the Board concludes its consideration.

Questions may be referred to Mr. Dauphin (ext. 39705), Mr. Kalonji (ext. 37306), and Ms. Garcia Martinez (ext. 37265) in MCD.

Unless the Documents Section (ext. 36760) is otherwise notified, the document will be transmitted, in accordance with the procedures approved by the Executive Board and with the appropriate deletions, to the WTO Secretariat forthwith; and to the African Development Bank, the Arab Monetary Fund, the European Commission, the Islamic Development Bank, and the Organisation for Economic Cooperation and Development, following its consideration by the Executive Board.

This document, together with a supplement providing an informational annex, will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities. The supplement, which is not being distributed in hard copy, will also be available in the Institutional Repository; a link can be found in the daily list (<http://www-int.imf.org/depts/sec/services/eb/dailydocumentsfull.htm>) for the issuance date shown above.

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# MOROCCO

## STAFF REPORT FOR THE 2013 ARTICLE IV CONSULTATION— INFORMATIONAL ANNEX

January 24, 2014

Prepared By

The Middle East and Central Asia Department  
(in Consultation with Other Departments)

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## RELATIONS WITH THE FUND

(As of January 2014)

### Membership Status

Joined April 25, 1958; Article VIII

### General Resources Account

	SDR Million	Percent Quota
Quota	588.20	100.00
Fund holdings of currency	517.75	88.02
Reserve position in Fund	70.45	11.98

### SDR Department

	SDR Million	Percent Allocation
Net cumulative allocation	561.42	100.00
Holdings	245.37	43.70

### Outstanding Purchases and Loans

None

### Latest Financial Arrangements (In millions of SDR)

Type	Date of arrangement	Expiration Date	Amount Approved	Amount Drawn
PLL	08/03/2012	08/02/2014	4,117.40	0.00
Stand-by	01/31/1992	03/31/1993	91.98	18.40
Stand-by	07/20/1990	03/31/1991	100.00	48.00
Stand-By	08/30/1988	12/31/1989	210.00	210.00

### Projected Payments to Fund

(SDR million; based on existing use of resources and present holdings of SDR):

	Forthcoming				
	2014	2015	2016	2017	2018
Principal					
Charges/interest	0.40	0.41	0.41	0.41	0.41
<b>Total</b>	<b>0.40</b>	<b>0.41</b>	<b>0.41</b>	<b>0.41</b>	<b>0.41</b>

## Exchange Rate Arrangement and Exchange System

Morocco maintains an exchange system that is free of restrictions on the making of payments and transfers on current international transactions. However, Morocco maintains certain restrictions relating to Iraq and the Federal Republic of Yugoslavia (Serbia and Montenegro), pursuant to UN Security Council Resolutions. These are subject to notification to the Fund in accordance with Decision 144 (52/51). The exchange rate is freely determined in the interbank foreign exchange market, which was created in 1996. Bank Al-Maghrib (BAM) intervenes in the market to maintain the exchange rate within its target range, defined around a fixed central rate. Morocco has a conventional peg arrangement. The current exchange rate of the Moroccan dirham is pegged to a basket of currencies comprising the euro and the U.S. dollar, with respective weights of 80 percent and 20 percent. BAM fixes daily rates for the rated currencies on the basis of variations on the value of the basket. Rates for most currencies quoted in Morocco are established on the basis of the daily dirham-euro rate and the cross rates for those currencies in relation to the euro in the international exchange markets. As of January 7, 2014, the SDR/dirham exchange rate was SDR 1=MAD 12.62.

## Article IV Consultation

Morocco is on the standard 12-month cycle. The last Article IV consultation was concluded by the Executive Board on February 1, 2013. The discussions for the 2013 consultation were held in Rabat and Casablanca during December 5–19, 2013.

## Technical Assistance

MCM	Peripatetic visits—Accounting, internal rating and bank supervision	2007–09
MCM	Stress Testing and Macroprudential Analysis.	January 27–February 2, 2009
STA	National Accounts Statistics	April 19–30, 2009
FAD	Recent Revenue Developments: Analysis and Implications to Fiscal Policy	September 22–October 5, 2009
STA	Monetary and Financial Statistics	March 1–March 11, 2010
MCM	Stress Testing and Macroprudential Analysis	February 9–February 18, 2011
STA	Monetary and Financial Statistics	March 30–April 12, 2011
LEG	Anti-Money Laundering / Combating the Financing of Terrorism (AML/CFT) Diagnostic and Legislative Drafting	January 17–21, 2011 and September 26–30, 2011
LEG	AML/CFT Supervision	May 28–June 6, 2012
MCM	Strengthening Macroprudential Analysis.	June 21–29, 2012
FIN	Safeguards assessment mission	October 16–24, 2012
MCM	Diagnostic assessment of capital markets in Morocco (jointly with the Arab Monetary Fund and G8 Deauville Partnership Initiative for Local Currency Capital Market Development in the MENA region)	March 5–14, 2013

LEG	AML/CFT Supervision	March 3–15, 2013
FAD	Transfer Pricing mission	April 1–12, 2013
MCM	Local government sukuk market	June 2013
FAD	Implementation of budgetary reforms and OBL preparation	July 8–18, 2013
MCM	Macro-economic modeling	September 11–26, 2013
LEG	AML/CFT Supervision	November 3–16, 2013

### FSAP update

The latest update of the Financial Sector Assessment was performed in November 2007. The findings were discussed with the authorities during the May 2008 Article IV mission and discussed by the Board on July 23, 2008. A new FSAP mission is expected to take place in the second half of 2014.

### Resident Representative

None

## RELATIONS WITH THE WORLD BANK GROUP

### JMAP Implementation, FY13

As of December 16, 2013

Title	Products	Provisional timing of missions	Expected delivery date
<b>A. Mutual Information on Relevant Work Programs</b>			
Bank work program in next 12 months	a. Development Policy Lending on:		
	• Microfinance Development Project		FY14
	• Accountability and Transparency		FY14
	• Inclusive Green Growth		FY14
	• Second Competitiveness		FY15
	• Financial Sector		FY14
	• Second Skills and Employment		FY14
	• Solid Waste Sector 4		FY15
	b. P4R Lending on:		
	• Urban Transport Project P4R		FY15
• Integrated Risk Management Project		FY15	
• Health Sector Support		FY15	
c. Investment Lending:			
• Second Rural Roads Project AF2		FY14	
• Rural Water Supply		FY14	



IMF work program in next 12 months	TA mission LEG AML/CFT Supervision TA mission STA Open Data Platform for data reporting to STA Staff Visit TA mission MCM Exchange Rate TA mission on macro-economic modeling FSAP mission	January 13-25, 2014 January 23-29, 2014  Spring 2014 Spring 2014 First half 2014 Autumn 2014	
<b>B. Requests for Work Program Inputs</b>			
Fund request to Bank	Developments on subsidies and pension reforms  Developments on decentralization	As needed  As needed	
Bank request to Fund	Assessment of macroeconomic stance and prospects  Request for assessment letters to DPLs  Data sharing	Semiannual (and on ad hoc basis if requested) At least 4 operations predicted Ongoing	Following Article IV and staff visits
<b>C. Agreement on Joint Products and Missions</b>			
Joint products in next 12 months	Continuous close coordination on the reform agenda	Ongoing	

## STATISTICAL ISSUES

As of January 7, 2014

<b>I. Assessment of Data Adequacy for Surveillance</b>	
<b>General:</b> Data provision is adequate to conduct effective surveillance.	
<b>National accounts:</b> Real sector data are adequate for surveillance.	
<b>Government finance statistics:</b> Fiscal data are adequate for surveillance.	
<b>Balance of payments statistics:</b> External sector data are adequate for surveillance.	
<b>Monetary and financial statistics:</b> They are adequate for surveillance.	
<b>II. Data Standards and Quality</b>	
Morocco has been a SDDS subscriber since December 2005.	The results of a data ROSC mission were published in April 2003 (Country Report No. 03/92).

Morocco—Table of Common Indicators Required for Surveillance  
(As of December 31, 2013)

	Date of latest observation	Date received	Frequency of Data <sup>7</sup>	Frequency of Reporting <sup>7</sup>	Frequency of publication <sup>7</sup>	Memo items	
						Data Quality – Methodological soundness <sup>8</sup>	Data Quality – Accuracy and reliability <sup>9</sup>
Exchange Rates	12/31/13	12/31/13	D	D	D		
International Reserve Assets and Reserve Liabilities of the Monetary Authorities <sup>1</sup>	12/21/13	12/28/13	W	W	W		
Reserve/Base Money	11/30/13	12/21/13	M	M	M	LO, O, LNO, LO	LO, LO, O, O, LO
Broad Money	11/30/13	12/21/13	M	M	M		
Central Bank Balance Sheet	11/30/13	12/21/13	M	M	M		
Consolidated Balance Sheet of the Banking System	11/30/13	12/21/13	M	M	M		
Interest Rates <sup>2</sup>	12/31/13	12/31/13	D	D	D		
Consumer Price Index	11/30/13	12/20/13	M	M	M	O, LO, O, O	LO, LO, O, O, O
Revenue, Expenditure, Balance and Composition of Financing <sup>3</sup> – General Government <sup>4</sup>	2012	01/30/13	A	A	A	LO, LNO, LO, O	O, O, O, O, LO
Revenue, Expenditure, Balance and Composition of Financing <sup>3</sup> – Budgetary Central Government	11/30/13	12/20/13	M	M	M		
Stocks of Central Government and Central Government-Guaranteed Debt <sup>5</sup>	Q3, 2013	12/31/13	Q	Q	Q		
External Current Account Balance	Q2, 2013	12/01/13	Q	Q	Q	LO, LO, LO, LO	LO, LO, O, LO, LNO
Exports and Imports of Goods and Services	10/30/13	12/01/13	M	M	M		
GDP/GNP	Q3, 2013	1/5/14	Q	Q	Q	LO, LNO, LO, LO	LNO, LO, O, O, LNO
Gross External Debt	Q2, 2013	12/31/13	Q	Q	Q		
International Investment Position <sup>6</sup>	2012	06/30/13	A	A	A		

<sup>1</sup> Any reserve assets that are pledged or otherwise encumbered should be specified separately. Also, data should comprise short-term liabilities linked to a foreign currency but settled by other means, as well as the notional values of financial derivatives to pay and to receive foreign currency, including those linked to a foreign currency but settled by other means.

<sup>2</sup> Both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes, and bonds.

<sup>3</sup> Foreign and domestic financing by instrument (currency and deposits, securities, loans, shares, and other accounts payable)

<sup>4</sup> The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.

<sup>5</sup> Including currency and maturity composition.

<sup>6</sup> Includes external gross financial asset and liability positions vis-à-vis nonresidents.

<sup>7</sup> Daily (D), Weekly (W), Monthly (M), Quarterly (Q), Annually (A); Irregular (I); Not Available (NA).

<sup>8</sup> Reflects the assessment provided in the data ROSC published on April 4, 2003, and based on the findings of the mission that took place during January 16–30, 2002, for the dataset corresponding to the variable in each row. The assessment indicates whether international standards concerning concepts and definitions, scope, classification/sectorization, and basis for recording are fully observed (O), largely observed (LO), largely not observed (LNO), or not observed (NO).

<sup>9</sup> Same as Footnote 8, except referring to international standards concerning source data, statistical techniques, assessment and validation of source data, assessment and validation of intermediate data and statistical outputs, and revision studies.