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BUSINESS CLIMATE SURVEY FOR SWEDISH COMPANIES IN MOROCCO 2025

A REPORT FROM TEAM SWEDEN IN MOROCCO

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FOREWORD

Morocco has emerged as a dynamic and reform-oriented economy in recent years. The country has launched several major reforms and made significant investments in areas such as infrastructure, healthcare, gender equality, and the overall business climate. Today, Morocco ranks as the seventh-largest economy in Africa and holds the third position in both Africa and the MENA region in terms of business climate competitiveness.

The upcoming 2030 FIFA World Cup, which Morocco will co-host alongside Spain and Portugal, is expected to further accelerate the pace of reforms and infrastructure development, reinforcing the country's position as a strategic hub for trade and investment.

Sweden and Morocco share a long-standing and steadily growing economic relationship. In January 2025, Swedish exports to Morocco reached SEK 287 million, marking a 6.94 per cent increase from the previous year. Over the past five years, bilateral trade has grown at an annualised rate of 5.14 per cent. Key Swedish exports include sawn wood, kraft paper, and cars, while Sweden imports insulated wire, processed crustaceans, and citrus fruits from Morocco.

Several Swedish companies are already established in Morocco, operating in sectors such as telecommunications, energy, and transport. Morocco offers a compelling value proposition for Swedish businesses, combining high engineering quality, competitive labour costs, and geographic proximity to Europe and Sweden.

This Business Climate Survey was developed by and for the local Swedish business community in Morocco, in collaboration with Business Sweden. It aims to provide insights into the country's attractiveness for Swedish companies, identify challenges, and explore ways to address them. We extend our sincere gratitude to the participating companies and respondents who contributed to this report.

This is the first time the Business Climate Survey has been conducted in the Moroccan market, offering a valuable baseline for future assessments. In 2025, the survey gathered responses from 18 Swedish companies of varying sizes and sectors operating in Morocco. Data collection took place between February and March 2025.

We hope this report will serve as a useful resource for all companies interested in the Moroccan market. By reflecting the perspectives of Swedish firms already operating in the country, it complements broader macroeconomic analyses and statistical data. As always, Business Sweden and the Embassy of Sweden in Morocco remain committed to supporting Swedish companies in exploring and expanding their presence in Morocco.



**H.E. Mr. Jörgen
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Ambassador of Sweden
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**Anthonia Adenaya
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+18 respondents in Morocco

Current business climate

72%

of Swedish companies view the business climate as good or very good

Industry turnover

83%

of Swedish companies expect their industry turnover to increase

Future investments

50%

of Swedish companies plan to increase their investments slightly or significantly in the next 12 months

Globally valued success factors

1. Product & Staff Development
2. Collab-/feedback from clients
3. Cost efficiency

Brand Sweden

95%

of Swedish companies abroad consider Brand Sweden beneficial for business

Local conditions with high satisfaction

1. Infrastructure
2. Personal Safety
3. Suppliers

Local conditions with least satisfaction

1. Digitalisation
2. Corporate taxation
3. Customs

Environmental considerations

73%

of respondents believe environmental considerations are a factor in their customers' purchasing decisions

Corruption

13% of Swedish companies have been exposed to corruption, mainly from private counterparts

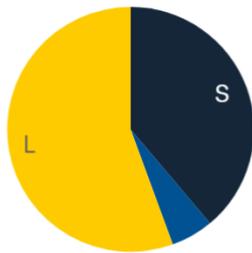
Human rights violations and labour rights abuse

No human rights violations and/or rights abuse cases have been reported in Morocco by Swedish companies

ABOUT THE SURVEY

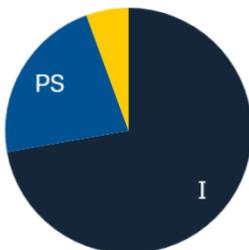
Most surveyed SE companies are large, industrial, and long-established in Morocco

SIZE OF COMPANIES



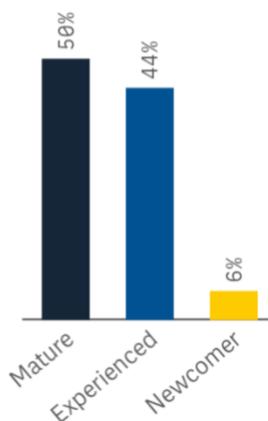
NOTE: Global employees. Large >1000. Medium 250-1000. Small 0-249

MAIN INDUSTRY



NOTE: Industrial 72%. Professional services 22%. Consumer 6%.

AGE OF COMPANIES



NOTE: Mature (-2003). Experienced (2004-2019). Newcomer (2020-)

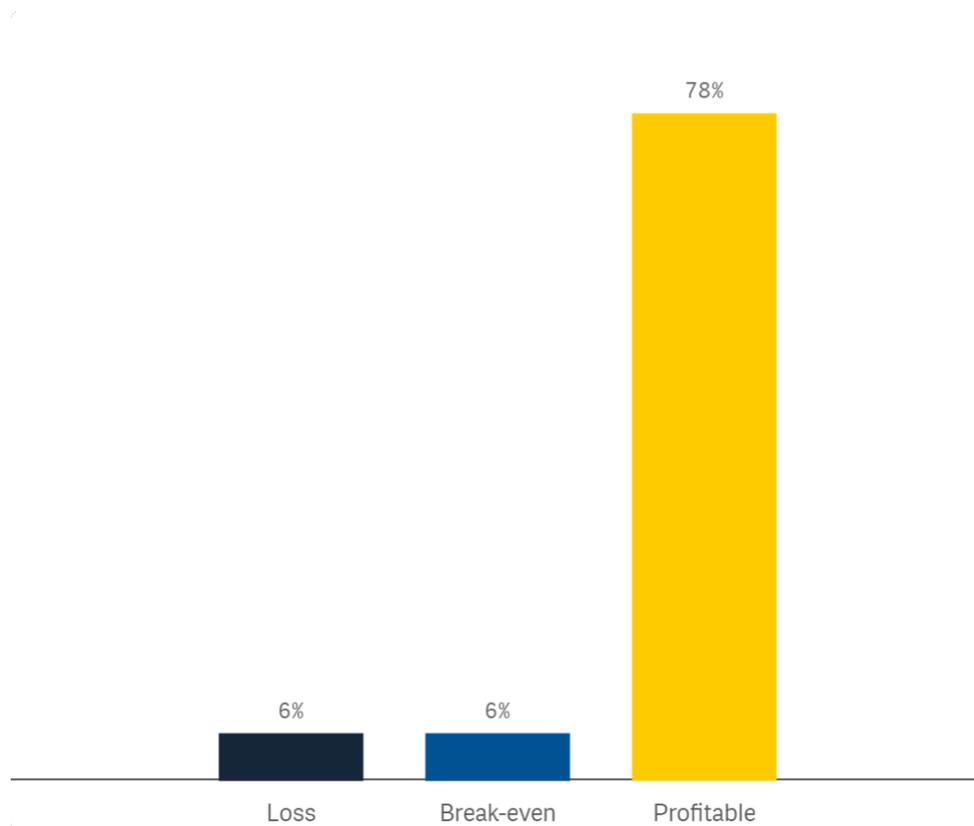
ECONOMIC OUTLOOK

Financial performance remains strong among Swedish companies in Morocco

Swedish companies in Morocco reported solid financial performance in 2024, with 78 per cent operating profitably. Medium-sized firms stood out with full profitability, while large and small firms showed more mixed results. Losses and break-even outcomes were reported only among large firms, suggesting that scale does not always shield against financial challenges.

Across sectors, consumer companies were the most profitable, while industrial firms showed slightly more pressure, with a small share reporting losses or break-even results. Mature and experienced firms performed strongly, while all newcomer firms expressed uncertainty.

HOW WOULD YOU DESCRIBE YOUR COMPANY'S FINANCIAL PERFORMANCE IN MOROCCO IN 2024?



NOTE: The number of respondents for this question was 18. "Don't know/Not applicable" responses are included but not shown in the figure.

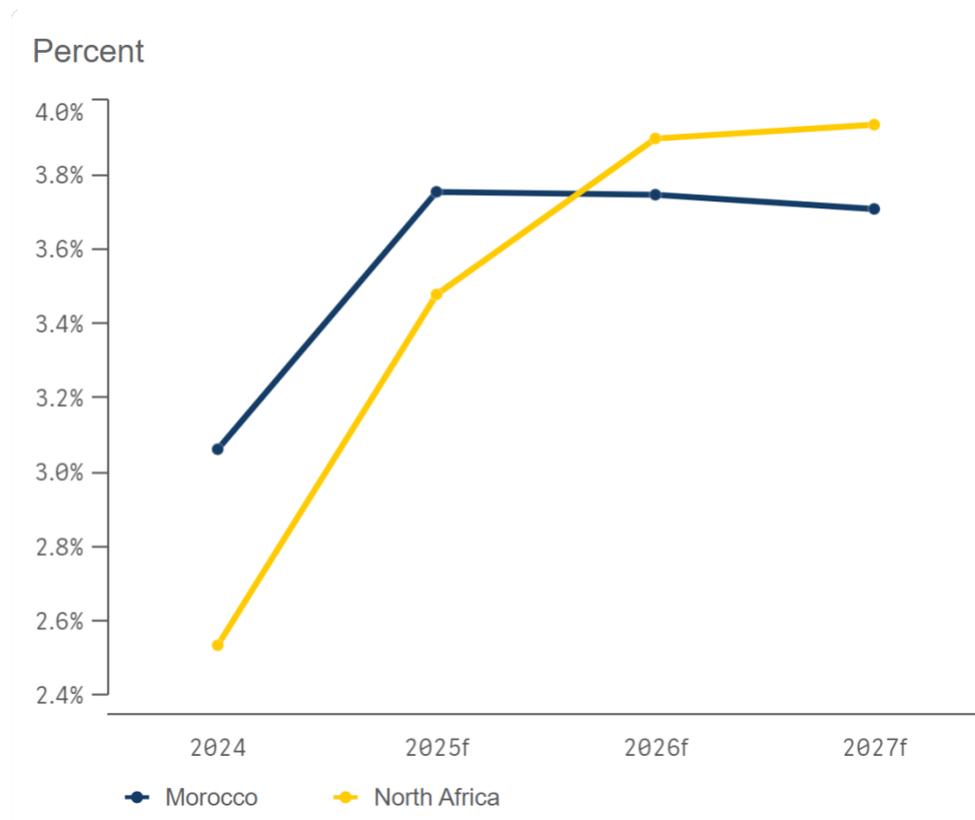
SOURCE: Business Climate Survey for Swedish companies in Morocco 2025.

Morocco maintains steady growth as North Africa accelerates

The Moroccan economy is expected to remain solid in 2025 and 2026 as weather conditions alleviate the drought that severely affected the agricultural sector in 2023 and 2024. Real GDP is projected to grow at 3.8 per cent in both 2025 and 2026, driven by resilient domestic demand and the performance of the tourism and industrial sectors.

While Morocco continues to offer a stable and attractive business environment, the broader North African region – starting from a lower economic base – is projected to grow at a faster pace, potentially surpassing Morocco's growth rate by 2027. This signals a narrowing economic gap and a shift in regional growth dynamics, highlighting the importance of understanding Morocco's evolving position within a more competitive North African landscape.

PROJECTED GDP GROWTH IN MOROCCO



NOTE: Constant prices.

SOURCE: Oxford Economics 25 February 2025

“ The mining and construction equipment sectors are developing strongly in the mid-term, and require high standards technologies with low emissions, digitalisation and automation aspects to support the economic development.

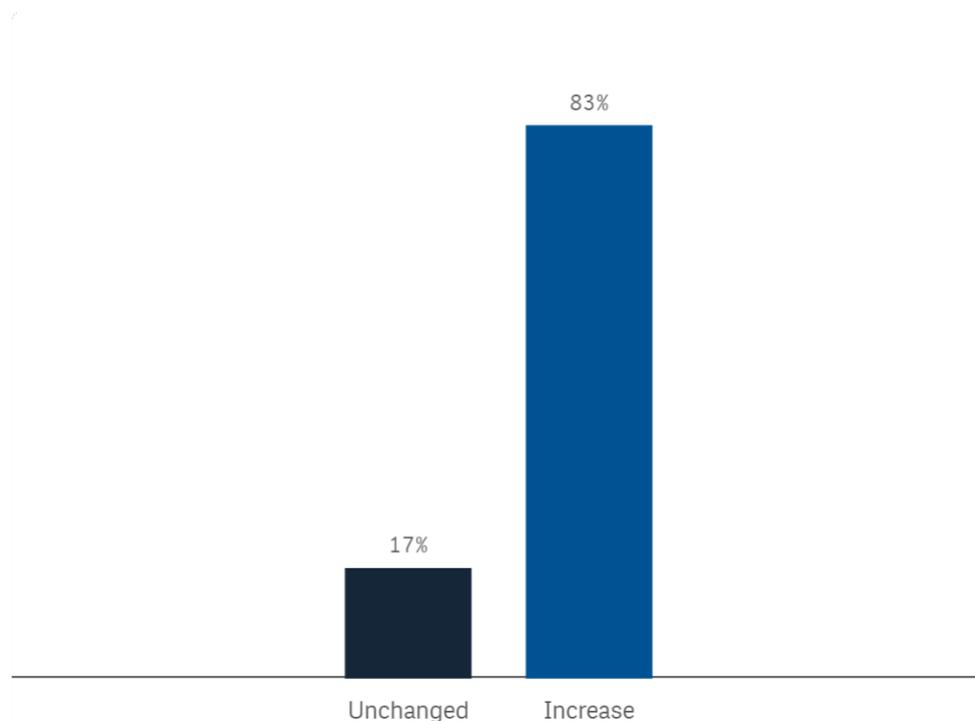
Survey respondent,
Mining and construction

Strong optimism among Swedish companies for turnover growth in Morocco for the next 12 months

Swedish companies in Morocco remain broadly optimistic about turnover prospects, with 83 per cent expecting growth over the next twelve months. This confidence is especially strong among medium and large firms, many of which anticipate either steady or significantly improved performance. In contrast, small firms are more reserved, with a notable share expecting no change—likely reflecting more limited resources or exposure to market volatility.

Sector and maturity breakdowns reinforce this trend. Consumer-focused companies are unanimously positive, while industrial and professional services firms show more varied expectations. Among mature and experienced firms, the majority foresee growth, suggesting that operational stability and market familiarity are key drivers of confidence. Meanwhile, all newcomer firms expect turnover to remain unchanged, indicating a more cautious stance as they navigate early-stage challenges.

COMPARED TO THE DEVELOPMENT IN THE PAST 12 MONTHS, WHAT ARE YOUR EXPECTATIONS FOR THE COMING 12 MONTHS FOR YOUR INDUSTRY IN MOROCCO REGARDING TURNOVER?



NOTE: The number of respondents for this question was 18. “Don’t know/Not applicable” responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Morocco 2025.

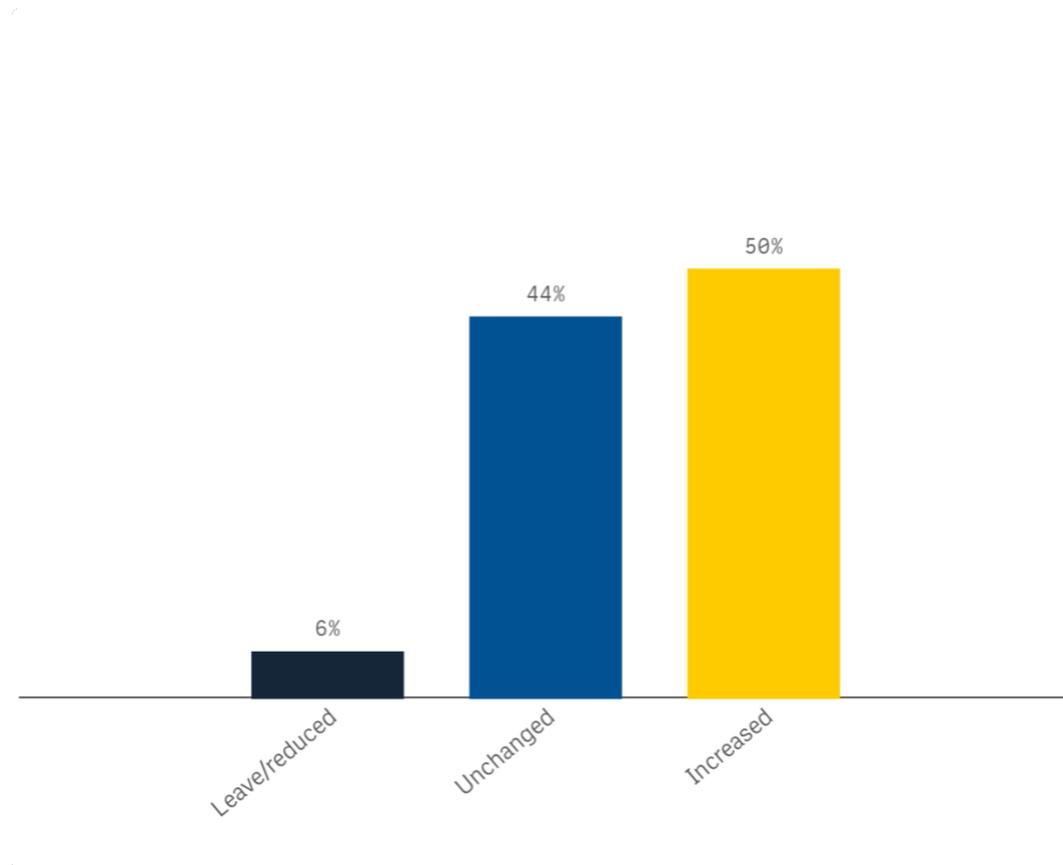
Investment momentum builds as half of companies plan to expand in Morocco

Swedish companies operating in Morocco are showing a strong and stable investment outlook. Half of the surveyed firms plan to increase their investments over the next year. Only six per cent anticipate a reduction, highlighting a generally confident business environment. Medium companies are the most bullish, with all planning to expand, while nearly 50 per cent of large firms and 43 per cent of small firms also intend to invest more. Sector-wise, industrial and professional services lead

the way, with over half of the companies in each planning to boost investments. In contrast, the consumer sector is more cautious, with all respondents maintaining current levels.

Experience in the Moroccan market also plays a key role in shaping investment strategies. A striking 88 per cent of companies with several years of experience plan to increase their investments, while newcomers are taking a more measured approach, with all opting to maintain their current investment levels. Overall, the data paints a picture of a market characterised by growth potential tempered by thoughtful risk management.

WHAT ARE YOUR COMPANY'S INVESTMENT PLANS FOR THE COMING 12 MONTHS IN MOROCCO, COMPARED TO THE PAST 12 MONTHS?



NOTE: The number of respondents for this question was 18. "Don't know/Not applicable" responses are included but not shown in the figure.

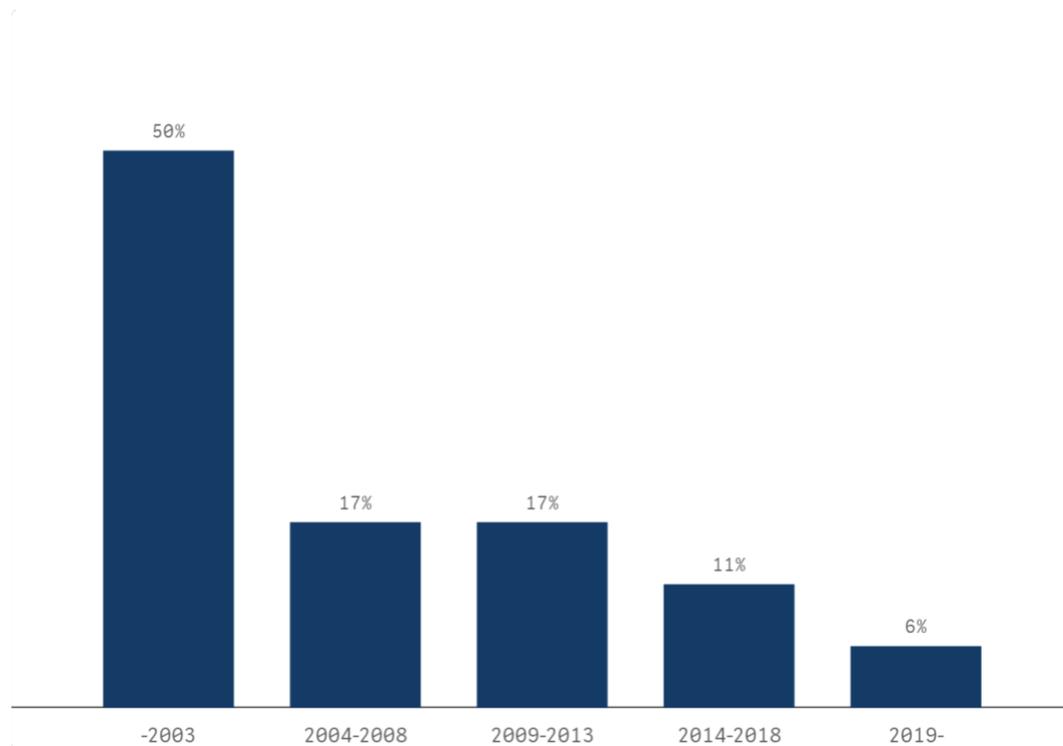
SOURCE: Business Climate Survey for Swedish companies in Morocco 2025

THE MARKET

Established roots and industrial diversity define Swedish businesses in Morocco

The Swedish business footprint in Morocco is both deep and diverse. Half of the companies established operations before 2003, reflecting a long-term engagement. The automotive sector dominates, representing nearly 28 per cent of firms, followed by metals, packaging, and telecom. Despite this industrial spread, all surveyed firms operate with fewer than 250 local employees, indicating a lean operational model. This combination of strategic sector focus, cautious scaling, and experience-driven investment signals a calculated yet confident approach to growth in the Moroccan market.

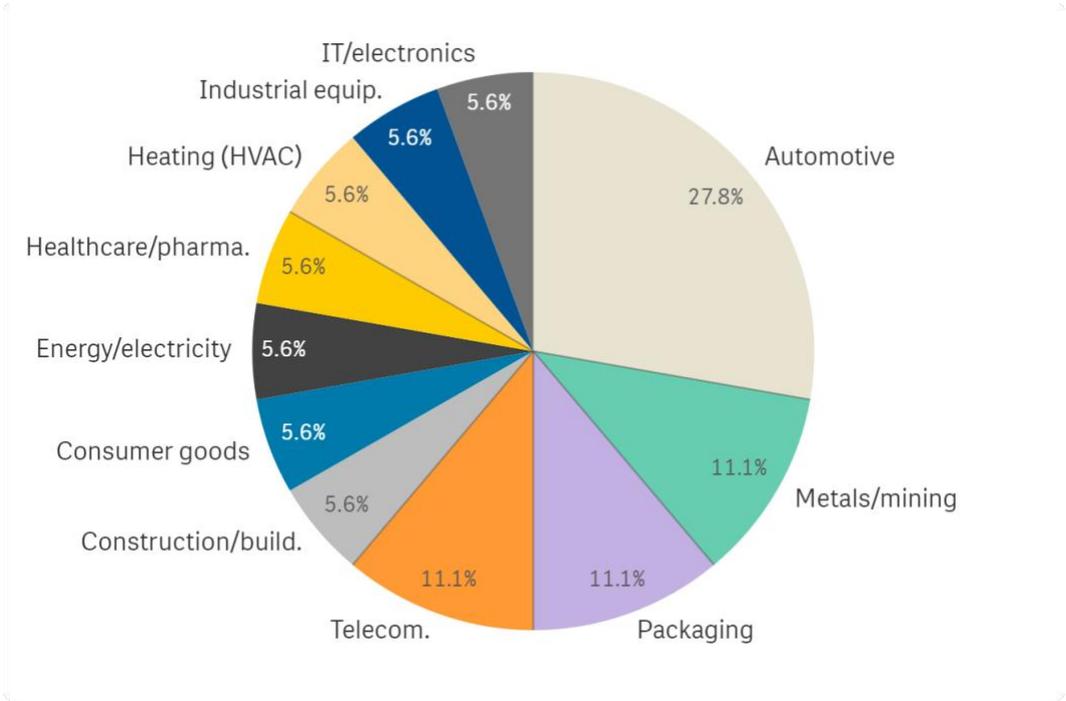
IN WHAT YEAR DID YOUR COMPANY ESTABLISH OPERATIONS IN MOROCCO?



NOTE: The number of respondents for this question was 18. "Don't know/Not applicable" responses are included but not shown in the figure.

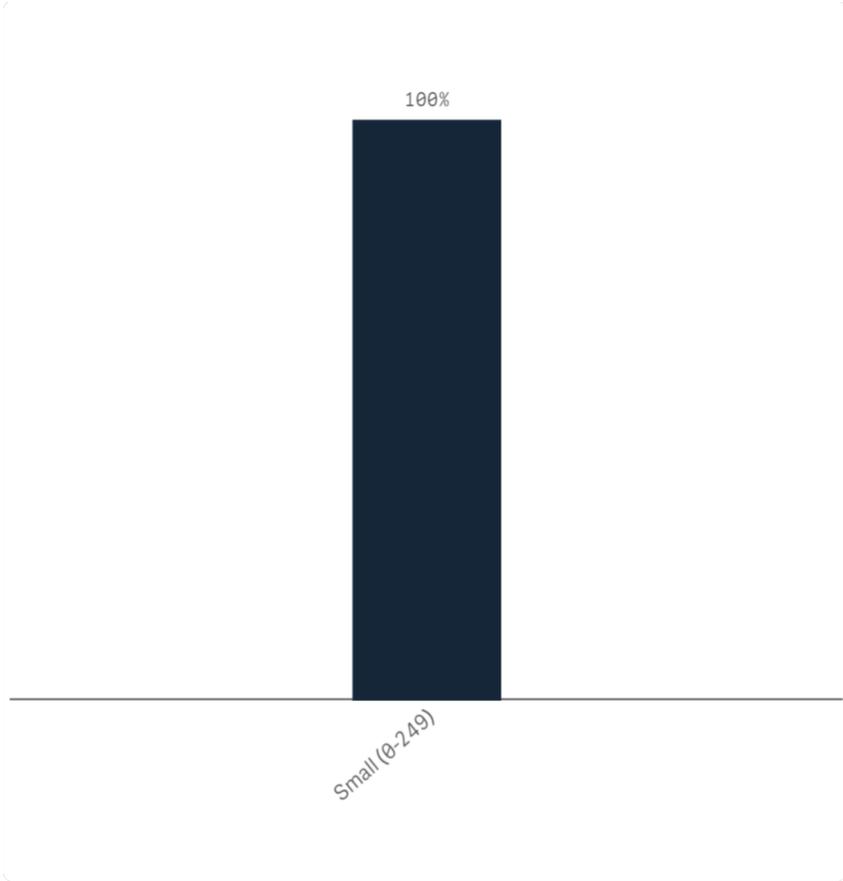
SOURCE: Business Climate Survey for Swedish companies in Morocco 2025.

WHAT IS YOUR COMPANY'S MAIN INDUSTRY IN MOROCCO?



NOTE: The number of respondents for this question was 18. "Don't know/Not applicable" responses are included but not shown in the figure.
SOURCE: Business Climate Survey for Swedish companies in Morocco 2025.

SWEDISH FIRMS' LOCAL NUMBER OF EMPLOYEES IN MOROCCO IN 2025



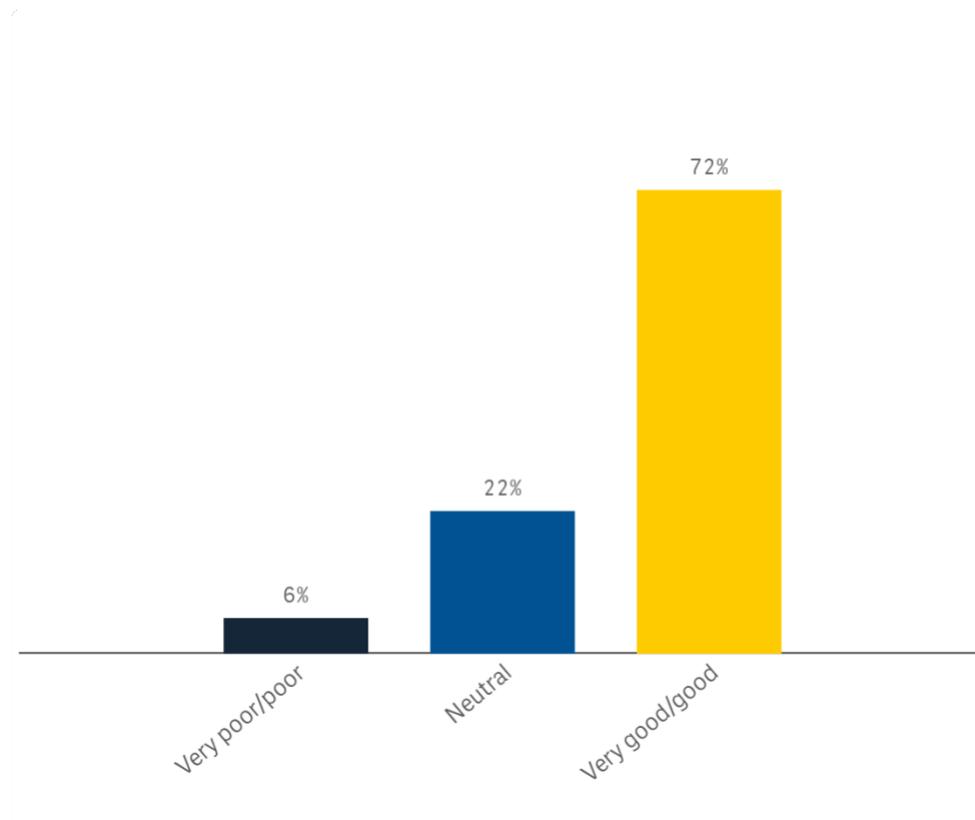
NOTE: The number of respondents for this question was 18. "Don't know/Not applicable" responses are included but not shown in the figure.
SOURCE: Business Climate Survey for Swedish companies in Morocco 2025.

Confidence grows among established firms while newcomers navigate early challenges in Morocco

Swedish companies in Morocco report a broadly positive view of the business climate, with 72 per cent rating it as good or very good. This optimism is strongest among large firms (80 per cent) and those with a long-standing presence in the country (100 per cent of mature companies). In contrast, newcomers express significant concern, with all rating the climate as poor. Medium-sized firms appear more cautious, with 100 per cent describing the environment as neutral. Sector-wise, the consumer industry stands out with unanimous positivity, while professional services show a more mixed outlook, reflecting sector-specific challenges.

These insights suggest that confidence in Morocco's business environment is closely tied to company size, sector, and market experience. Larger and more established firms are thriving, likely due to deeper integration and familiarity with local dynamics. Meanwhile, newer entrants and service-oriented businesses may be navigating early-stage hurdles or regulatory complexities.

HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN MOROCCO?



NOTE: The number of respondents for this question was 18. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Morocco 2025.

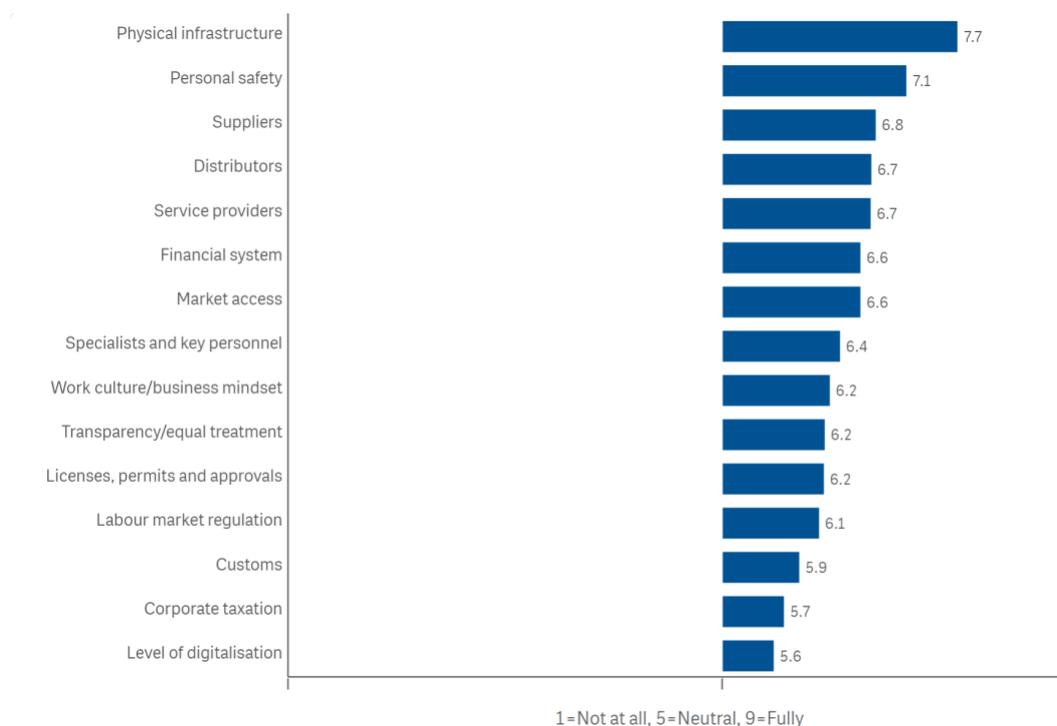
Operational strength meets regulatory strain in Morocco's business landscape

Swedish firms in Morocco generally view the country's business environment as supportive, particularly in terms of infrastructure and personal safety, which received the highest satisfaction ratings of 7.7 and 7.1 out of 9, respectively. These scores reflect a strong foundation for operational

continuity and physical security. Core business enablers such as suppliers, distributors, and service providers also performed well, with ratings around 6.7–6.8, indicating a dependable local ecosystem.

However, the outlook becomes more cautious when it comes to regulatory and institutional factors. Areas like customs, corporate taxation, and digitalisation received lower scores – ranging from 5.6 to 5.9 – suggesting that administrative complexity and digital infrastructure are seen as barriers to efficiency. Similarly, labour market regulation, licensing, and transparency hover around neutral satisfaction levels. These trends point to a dual reality: while Morocco offers a solid operational base, Swedish companies see clear opportunities for improvement in governance, digital readiness, and regulatory streamlining to better align with international business expectations.

HOW WELL DO THE FOLLOWING CONDITIONS MEET THE NEEDS OF YOUR COMPANY IN MOROCCO?



NOTE: The number of respondents for this question was 18.
SOURCE: Business Climate Survey for Swedish Companies in Morocco 2025.

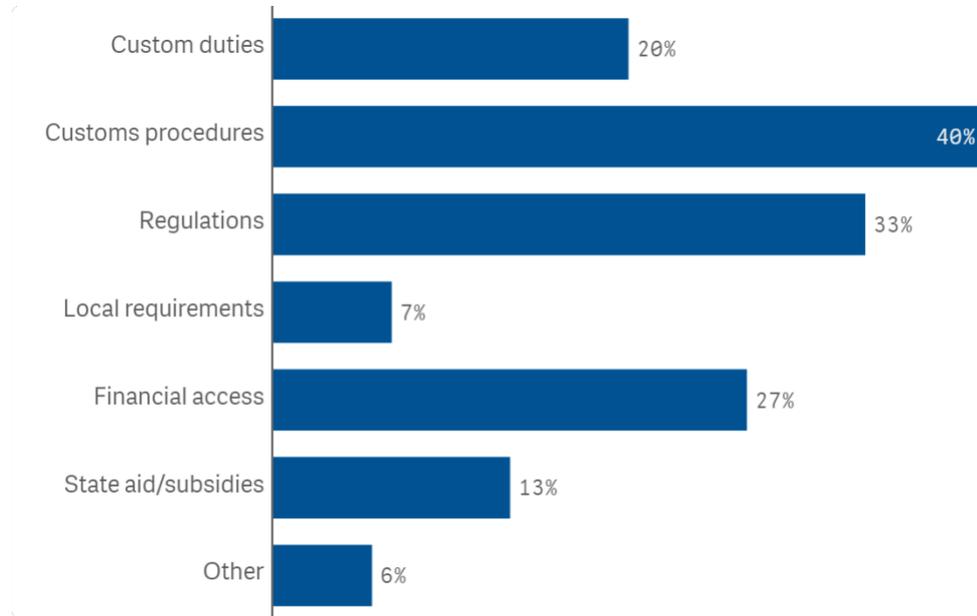
Customs and regulations lead as key trade barriers for Swedish companies in Morocco

Swedish companies in Morocco report that customs procedures (40 per cent), regulatory hurdles (33 per cent), and customs duties (26 per cent) are the most significant trade barriers negatively affecting their operations. Access to finance (27 per cent) and issues related to state aid or subsidies (13 per cent) also pose challenges, though to a lesser extent. These findings highlight the need for streamlined border processes and regulatory clarity to support smoother trade flows and operational efficiency.

For instance, Swedish companies have reported specific regulatory and procedural challenges that increase operational complexity and costs. One such barrier is the requirement for product labelling in both French and Arabic for cosmetics and foodstuffs – unlike in the EU, where English labelling is generally sufficient. This necessitates additional investment in specialised packaging tailored to the Moroccan market. Other notable obstacles include the need for certificates of conformity, strict

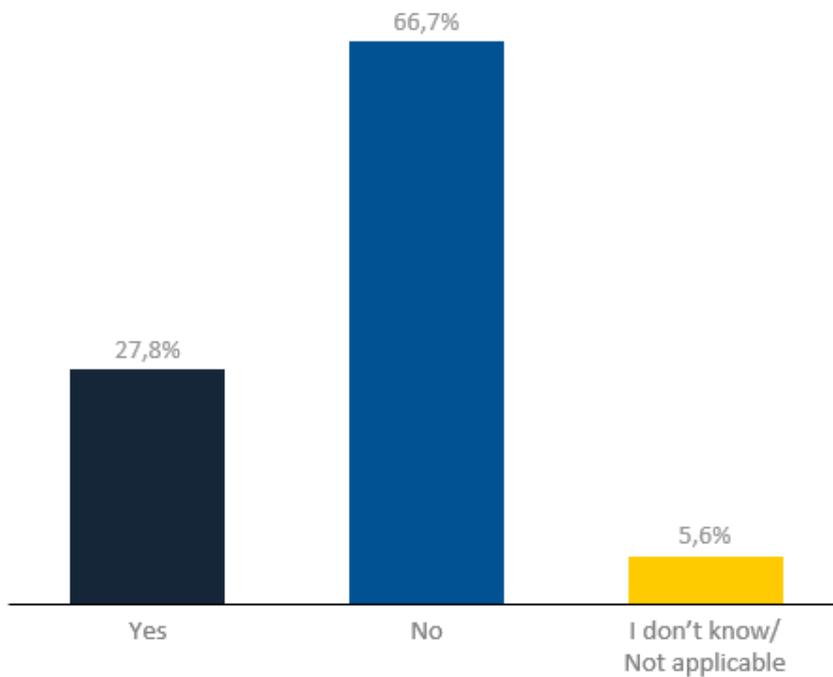
transfer pricing and currency regulations. These requirements not only create administrative burdens but also hinder the efficiency and flexibility of cross-border operations.

HAS YOUR COMPANY IN THE PAST YEAR ENCOUNTERED TRADE BARRIERS IN MOROCCO WITH A NOTICEABLY NEGATIVE IMPACT ON OPERATIONS, IN ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 18.
 SOURCE: Business Climate Survey for Swedish Companies in Morocco 2025.

ARE YOU IMPACTED BY COUNTRY-SPECIFIC STANDARDS IN MOROCCO THAT DIFFER FROM EUROPEAN STANDARDS?



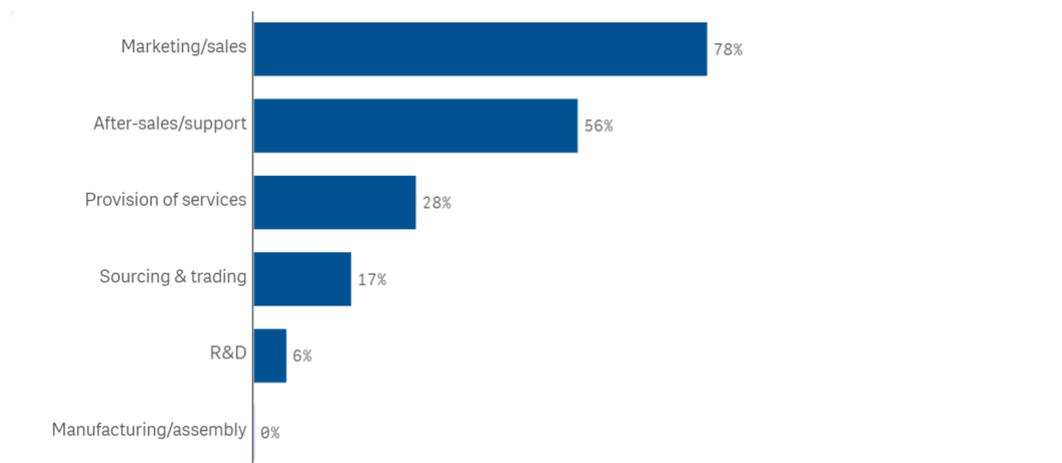
NOTE: The number of respondents for this question was 18.
 SOURCE: Business Climate Survey for Swedish Companies in Morocco 2025.

HOW SWEDISH COMPANIES SUCCEED IN MOROCCO

Operations of Swedish companies in the Moroccan market

Swedish companies operating in Morocco are predominantly focused on commercial and service-oriented activities. A large majority (78 per cent) are engaged in marketing and sales, underscoring the importance of market presence and customer outreach. After-sales support is also a significant area, with 56 per cent of firms providing services to maintain customer satisfaction. Service provision is reported by 28 per cent of respondents, while 17 per cent are involved in sourcing and trading activities. Only a small fraction (six per cent) of companies conduct research and development (R&D) in Morocco. Notably, none of the surveyed firms are engaged in manufacturing or assembly operations, indicating a limited industrial footprint in the country.

OPERATIONS OF SWEDISH FIRMS IN THE MARKET



NOTE: The number of respondents for this question was 18. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Morocco 2025.

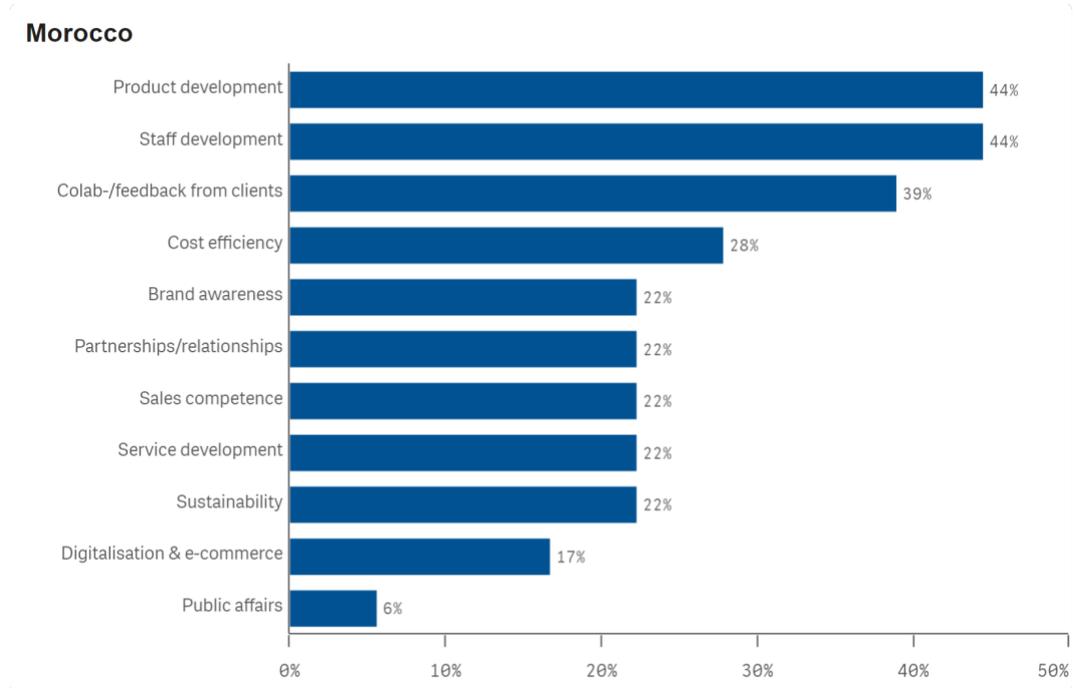
Building competitiveness through Innovation, talent, and customer-centric strategies

Swedish companies in Morocco emphasise several strategic areas to maintain their competitiveness. Product and staff development stands out as the most important, each cited by 44 per cent of respondents, reflecting a strong focus on innovation and investing in human resources. Many firms also value collaboration and feedback from clients, highlighting the importance of staying attuned to customer needs.

Cost efficiency is another notable factor, though slightly less emphasised. A range of other areas—including brand awareness, partnerships, sales competence, service development, and sustainability—are also considered important by a portion of the companies, indicating a diverse set of strategies. Digitalisation and public affairs are mentioned less frequently, suggesting they are currently lower priorities for most firms.

Overall, the findings suggest that Swedish businesses in Morocco are prioritising adaptability, customer engagement, and internal capabilities to stay competitive in the market.

TO DATE, WHICH OF THE FOLLOWING AREAS HAVE BEEN IMPORTANT IN MAINTAINING COMPETITIVENESS IN MOROCCO?



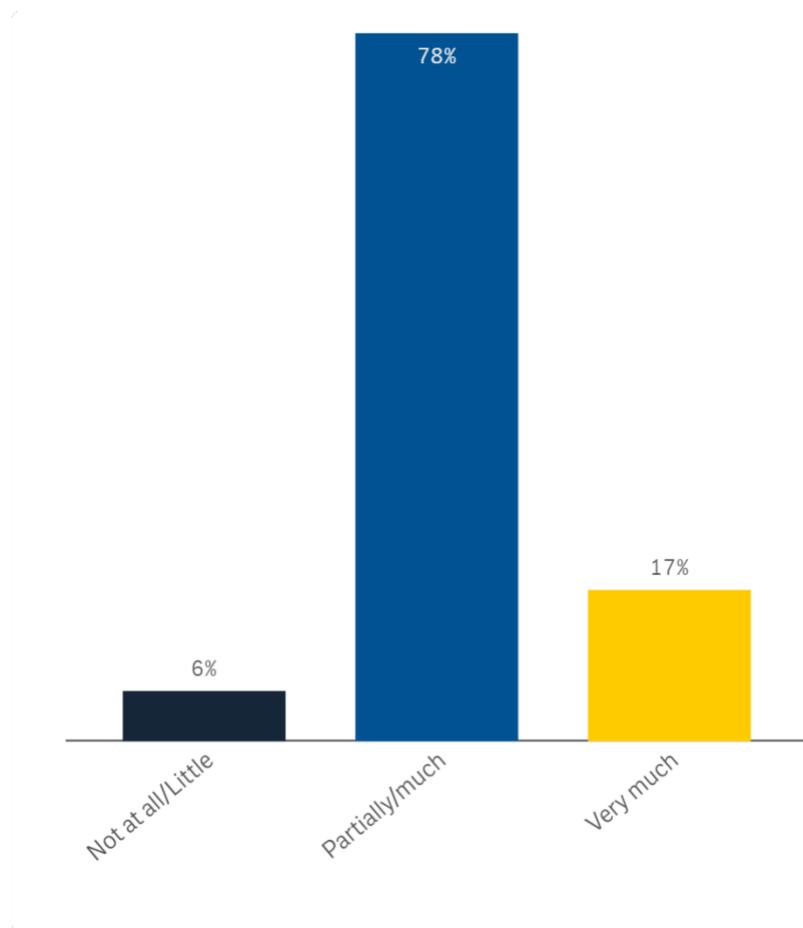
NOTE: The number of respondents for this question was 18. "Don't know/Not applicable" responses are included but not shown in the figure.
 SOURCE: Business Climate Survey for Swedish companies in Morocco 2025.

The Swedish brand enhances the market standing

The Swedish brand is widely perceived as an asset among Swedish companies operating in Morocco. According to the survey, 78 per cent of respondents believe the brand contributes either partially or significantly to their business, while 17 per cent report a very strong contribution. Only a small minority of six per cent see little or no benefit.

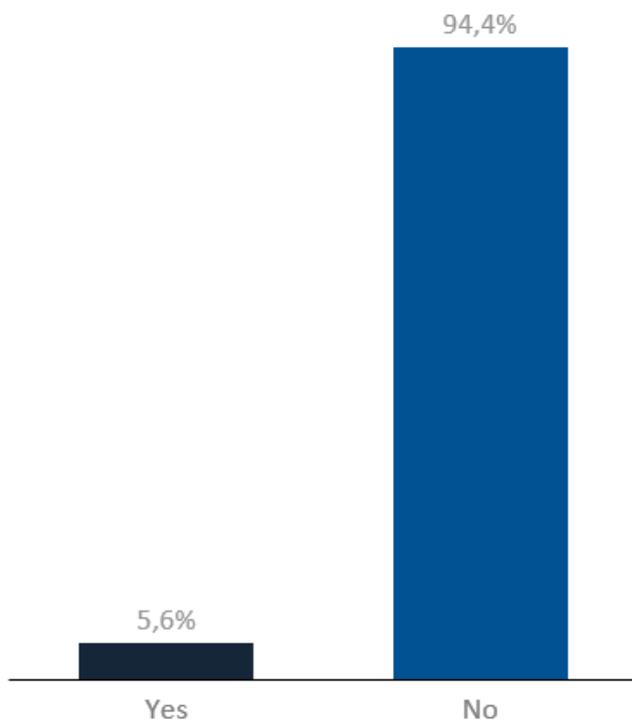
The perceived value of the Swedish brand varies by company profile. Medium-sized firms show the strongest appreciation, with all reporting a positive impact. Small firms also value the brand, while large firms are more divided. Consumer and professional services companies consistently recognise the brand's benefit, though mostly at a moderate level. Industrial firms show mixed views. Mature companies are more likely to report a strong contribution, while newcomers tend to see only partial benefits. This suggests that the brand's value increases with time and market experience.

TO WHAT EXTENT WOULD YOU ESTIMATE THAT THE “SWEDISH BRAND” CONTRIBUTES TO YOUR BUSINESS IN MOROCCO?



NOTE: The number of respondents for this question was 18. “Don’t know/Not applicable” responses are included but not shown in the figure.
 SOURCE: Business Climate Survey for Swedish companies in Morocco 2025.

HAVE YOU EXPERIENCED DISCRIMINATION IN ANY WAY FOR BEING AN INTERNATIONAL COMPANY WITH SWEDISH CONNECTIONS?



NOTE: The number of respondents for this question was 18. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Morocco 2025.

ACTING SUSTAINABLY

Environmental aspects are partially considered by customers in purchasing decisions

Morocco faces serious environmental challenges such as water scarcity, desertification, and extreme weather, all intensified by climate change. As a semi-arid country, it is particularly vulnerable to rising temperatures and reduced rainfall, which threaten agriculture, a vital sector for both the economy and employment. Coastal areas are also at risk from sea level rise, affecting infrastructure and tourism.

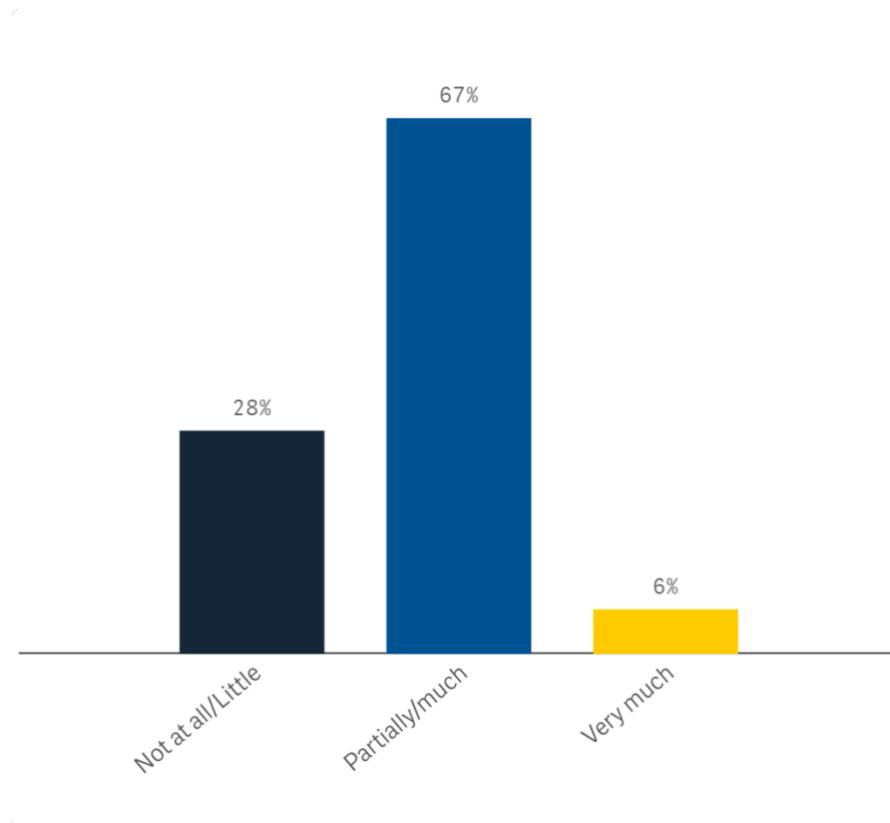
These environmental pressures strain natural resources and deepen social inequalities, especially in rural areas reliant on subsistence farming. They also pose economic risks, including food insecurity and the need for costly adaptation—making sustainability a national priority.

In response, Morocco has emerged as a regional leader in sustainability. The country has made bold commitments to reduce its environmental footprint and promote long-term resilience. One of its most notable achievements is the large-scale investment in renewable energy. With a national target to produce 52 per cent of its electricity from renewable sources by 2030, Morocco is focusing heavily on solar and wind power to reduce its dependence on imported fossil fuels. These efforts not only mitigate environmental risks but also position Morocco as a key player in the global transition to clean energy.

Most Swedish companies in Morocco believe that customers in their industry consider environmental aspects to some extent when making purchasing decisions. According to the survey, 67 per cent of respondents said customers consider these aspects "partially" or "much," while only six per cent believe they are considered "very much." However, 28 per cent feel environmental factors are given little or no attention.

Perceptions vary depending on company size, sector, and market experience. For example, consumer-oriented firms tend to see greater customer interest in sustainability, while industrial and professional services firms report more mixed views. Similarly, mature companies are more likely to perceive limited customer focus on environmental aspects, whereas newcomers are more optimistic. These differences suggest that expectations around sustainability are still evolving in the Moroccan market and may depend on both the nature of the business and its stage of market integration.

TO WHAT EXTENT DO CUSTOMERS IN MOROCCO CONSIDER ENVIRONMENTAL ASPECTS OF A PRODUCT OR SERVICE IN THEIR PURCHASING DECISION?



NOTE: The number of respondents for this question was 18. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Morocco 2025.

“ Morocco faces several sustainability challenges across various sectors, including water scarcity, energy dependency, agricultural sustainability, waste management, and biodiversity conservation. These challenges stem from both natural limitations and rapid urbanisation, with climate change exacerbating many of the issues. However, Morocco also has potential strategies to mitigate these risks.”

Survey respondent,
Mining and construction

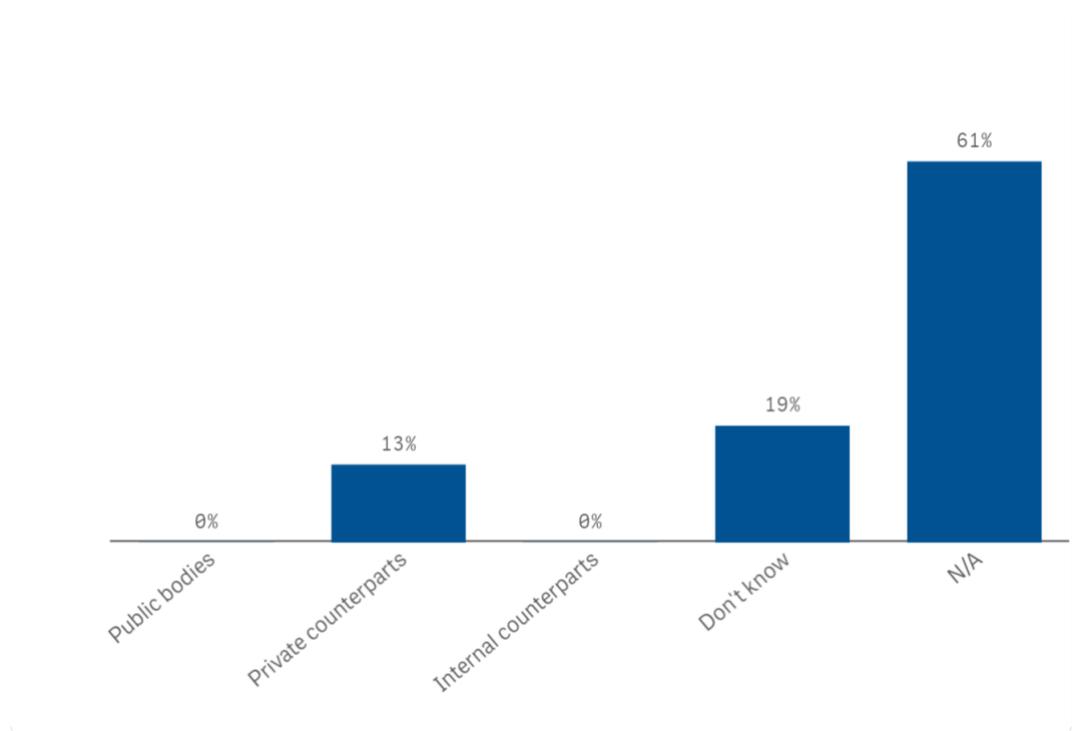
Limited corruption exposure reported by Swedish companies in Morocco

Morocco has implemented several key measures, including the adoption of a Public Services Code to enhance transparency in public administration, simplification of administrative procedures, and new public procurement regulations to improve oversight of government contracts and spending. In 2025, the country's anti-corruption efforts received international recognition with its re-election to the Executive Committee of the International Association of Anti-Corruption Authorities (IAACA).

Most Swedish companies surveyed in Morocco reported minimal direct exposure to corruption, with 61 per cent indicating it was not applicable and only 13 per cent citing issues with private counterparts. Medium-sized firms stood out, as all reported exposure through private entities, unlike small and large companies. Sector-wise, no direct exposure was reported across Professional Services, Consumer, or Industrial sectors, though Professional Services showed more uncertainty, with 25 per cent responding “Don’t know.” Only companies with intermediate experience (“Experienced”) reported exposure (29 per cent via private counterparts), while both “Mature” and “Newcomer” firms reported none.

Nevertheless, Morocco’s 2024 Corruption Perception Index score of 37 highlights broader national concerns that may not be fully reflected in company-level reporting.

HAS YOUR COMPANY IN MOROCCO BEEN EXPOSED TO CORRUPTIONSUCH AS, BUT NOT LIMITED TO, ATTEMPTS OF BRIBERY OR FRAUD IN CONTACTS WITH ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 18. “Don’t know/Not applicable” responses are included but not shown in the figure.
 SOURCE: Business Climate Survey for Swedish companies in Morocco 2025.

CORRUPTION PERCEPTION INDEX 2024

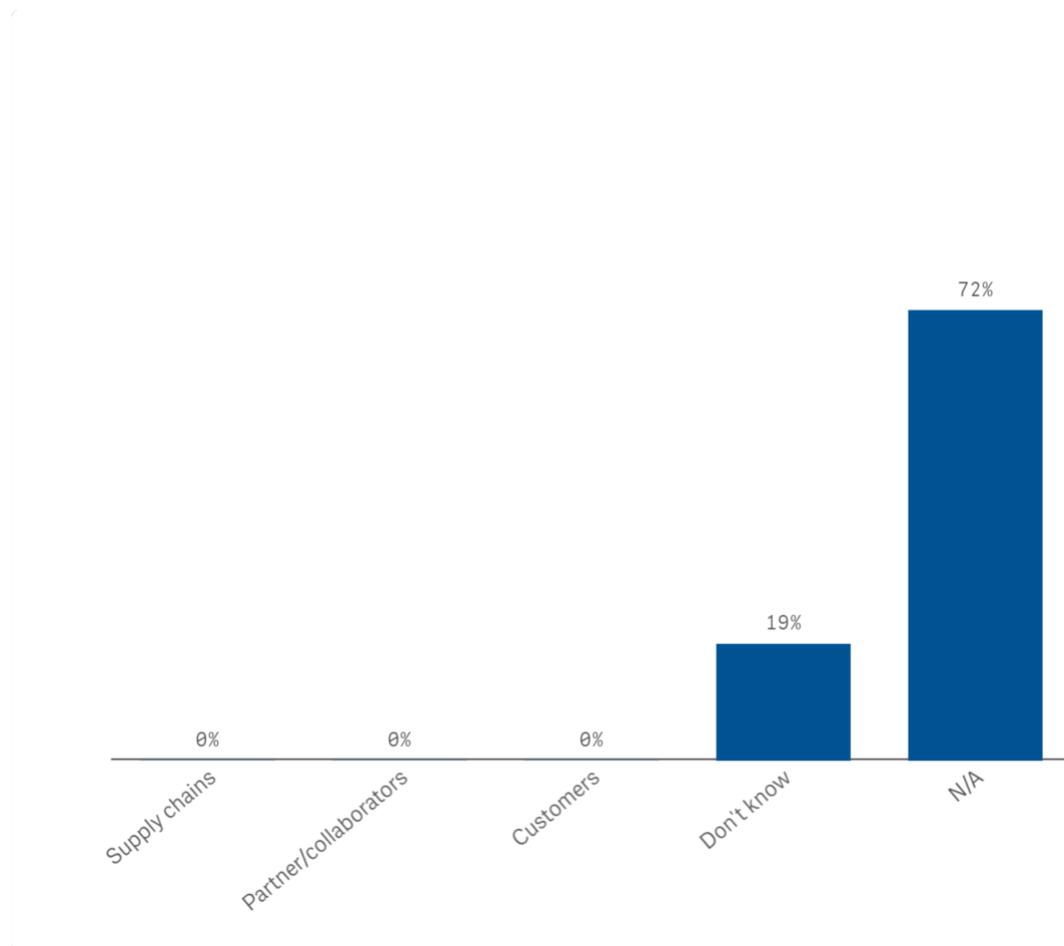


NOTE: Score changes 2012 - 2024
 SOURCE: Transparency International.

No reported human or labour rights violations, with consistency across all company types

The 2025 Business Sweden Climate Survey for Swedish companies in Morocco reveals that no respondents reported experiencing human rights or labour rights violations in their supply chains, among partners or collaborators, or with customers. This trend holds consistently across company sizes, sectors, and levels of market experience.

HAS YOUR COMPANY IN MOROCCO ENCOUNTERED ANY FORM OF HUMAN RIGHTS VIOLATIONS AND/OR LABOUR RIGHTS ABUSE IN CONTACTS WITH ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 18. Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Morocco 2025.

CONTACT US

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