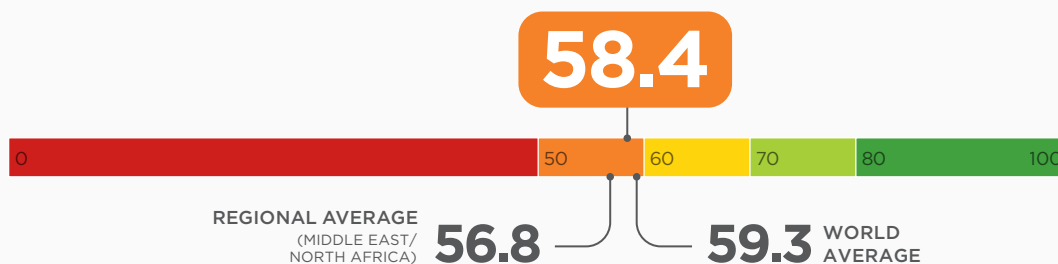


MOROCCO

Morocco's economic freedom score is 58.4, making its economy the 97th freest in the 2023 *Index*. Its score is 0.8 point lower than last year. Morocco is ranked 7th out of 14 countries in the Middle East/North Africa region, and its overall score is approximately the world average.

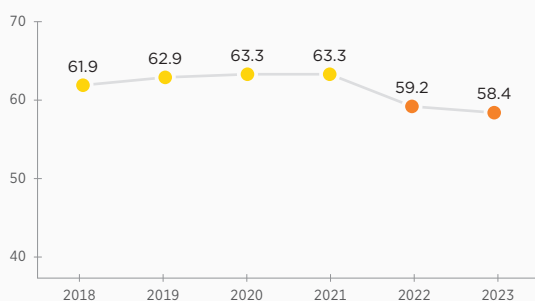
Morocco's gradual but notable progress is due partly to economic reforms that have encouraged private-sector dynamism. Competitiveness has improved, and the productive base has diversified. Some challenges, however, will require deeper institutional reforms. The labor market is not flexible, and much of the labor force remains marginalized in the informal sector.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -4.4

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
37.3 million

GDP (PPP):
\$308.6 billion
7.2% growth in 2021
5-year compound
annual growth 2.2%
\$8,497 per capita

UNEMPLOYMENT:
9.3%

INFLATION (CPI):
1.4%

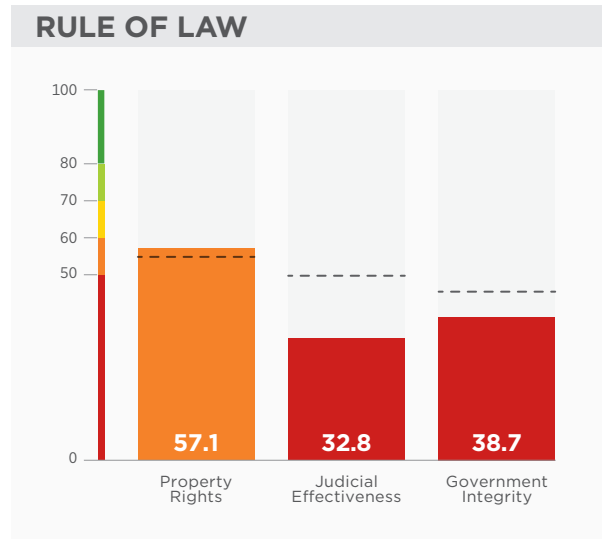
FDI INFLOW:
\$2.2 billion

PUBLIC DEBT:
68.9% of GDP

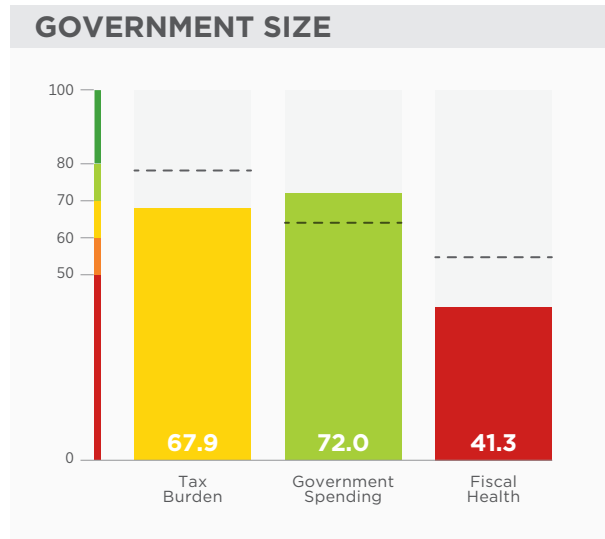
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: A constitutional monarchy with an elected parliament, Morocco has been a key Western ally in the fight against Islamist terrorism. Aziz Akhannouch is prime minister, and King Mohammed VI remains chief executive and a key stabilizing influence. The 1991 U.N.-monitored cease-fire between Morocco and the Polisario Front in the Western Sahara broke down in November 2020 after the Front resumed its armed struggle with Morocco. A December 2020 peace agreement with Israel led to U.S. recognition of Moroccan sovereignty over the Western Sahara and should facilitate the normalization of trade, investment, technological cooperation, and tourism between Israel and Morocco.

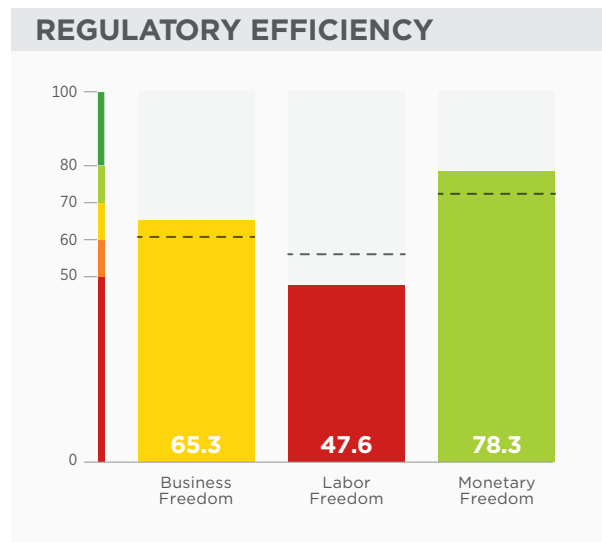
12 ECONOMIC FREEDOMS | MOROCCO



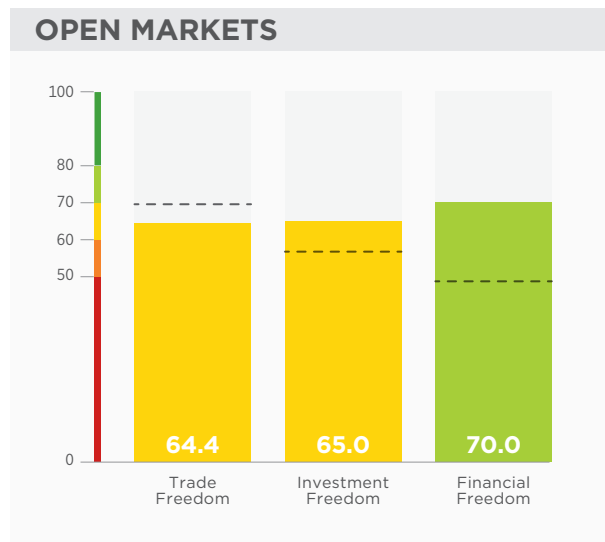
The overall rule of law is weak in Morocco. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 38 percent and 31 percent. The tax burden equals 28.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.5 percent and -5.5 percent of GDP. Public debt equals 68.9 percent of GDP.



Procedures for establishing and registering private enterprises have been further streamlined. The cost of completing licensing requirements is still relatively high. Labor market rigidity continues to discourage dynamic job growth. Monetary stability has been maintained with relatively modest inflation.



The trade-weighted average tariff rate is 12.8 percent. Foreign and domestic investors are generally treated equally under the law. The competitive financial sector continues to grow and offers a range of financing options. The stock exchange does not restrict foreign participation.