



**United Nations  
Conference  
on Trade and  
Development**

Distr.  
LIMITED

TD/B/COM.2/L.24/Add.4  
13 March 2007

Original: ENGLISH

---

TRADE AND DEVELOPMENT BOARD  
Commission on Investment, Technology  
and Related Financial Issues  
Eleventh session  
Geneva, 8–14 March 2007  
Agenda item 10

**DRAFT REPORT OF THE COMMISSION ON INVESTMENT,  
TECHNOLOGY AND RELATED FINANCIAL ISSUES ON  
ITS ELEVENTH SESSION**

Held at the Palais des Nations  
from 8 to 14 March 2007

Rapporteur: Mr. Edward Brown (United Kingdom)

**INVESTMENT POLICY REVIEW OF MOROCCO**  
(Agenda item 5)

*Chairperson's summary*

1. The consideration of the Investment Policy Review (IPR) of Morocco took place on 9 March 2007. The UNCTAD secretariat began by thanking Morocco for its exemplary performance in terms of investment promotion, stressing that it had become one of the most attractive investment destinations in Africa. The secretariat then explained the main features of the review, which described investment policy efforts as well as the need to diversify investment flows with a view to making them less volatile and more sustainable. The secretariat then briefly presented the review's main recommendations: modernization of the legal and institutional framework for investment (drafting of investment, tax and trading codes); establishment of a national investment promotion agency; preparation of strategies for the promotion and targeting of foreign direct investment (FDI) in the sectors identified by the "Plan Emergence"; and reinforcement of the national innovation system in order to attract investments in higher-value-added sectors. In conclusion, the secretariat noted that the review's recommendations were consistent with Morocco's development policy.

2. In his opening remarks, the Prime Minister of Morocco thanked the UNCTAD secretariat for the excellent quality of the review and underlined the importance of the recommendations for his country. He then explained the advantages of the investment promotion policy, which was geared to modernizing infrastructure and the investment framework, identifying priority sectors for the country and reforming the educational system. Also, he stressed how important it was for Morocco to participate in regional free trade agreements conducive to FDI. In conclusion, he stated that his country was prepared to implement the review's recommendations with the assistance of UNCTAD and development partners.

3. The delegations as a whole noted the quality of the IPR from both an analytical and a forecasting perspective, underscoring the relevance of the practical recommendations put forward. They welcomed the fact that UNCTAD's proposals were consistent with the current situation in Morocco, a country which, following courageous reforms, was now achieving concrete and encouraging results in attracting investments. All delegations also stressed the importance of the report's recommendations for sustaining that momentum, in particular through the constant improvement of the investment framework. Lastly, they underscored the importance of regional free trade agreements as a tool for effective investment promotion, particularly with regard to relations between Morocco and the European Union (EU) as well as South-South relations.

4. Many delegations expressed their appreciation for the high priority given to the legal and institutional framework for investment, the constant improvement of which required not only purely legal reforms but also a comprehensive, innovative approach that included training, research and development.

5. Numerous delegations also noted that the measures proposed were designed to strengthen ties between the Government and private investors, thereby reinforcing public-private partnerships. In that connection, the delegations stressed the need to set up a national investment promotion agency that was financially and operationally independent.

6. The representative of the EU expressed the hope that the measures proposed in the plan of action would be applied as a whole, and emphasized their interrelated nature. The EU welcomed the reforms undertaken by Morocco while underscoring the importance of the challenges that remained (tax system, competition, intellectual property, and so forth). In that respect, the EU was prepared to study the recommendations set out in the report and to assist the Moroccan Government in modernizing the legal and institutional framework for investment.

7. Some delegations stressed the need to provide greater security for the jurisdictional regime in connection with efforts to liberalize FDI, especially from the tax standpoint. In that respect, one delegation pointed out that systematically cutting corporate and personal income taxes was not mandatory for attracting investments.

8. Representatives of the private sector noted that on the whole, the IPR reflected investors' concerns and that implementing its recommendations would surely facilitate matters for investors in Morocco. They also emphasized the need to create a network of sub-contracting firms via the introduction of an investment-seeking policy geared to small and medium-sized enterprises. Those same participants further called for an investment policy for the rural world. In that respect, one private entrepreneur described the potential benefits of the proposed measures for the rural sector, particularly in terms of employment, and urged all private-sector actors operating in rural areas to consider such measures.

9. The consideration of the IPR for Morocco was particularly rewarding. In the course of the discussions, it became clear that the proposed recommendations enjoyed broad support among the participants, leading to converging views. The delegations expressed the hope that the recommendations proposed in the report would indeed be implemented, in particular the measures pertaining to the legal (Code of Investments) and fiscal framework. They also hoped that technical assistance would be available to guide and assist the Government in implementing investment reforms and strengthening its capacity for innovation.

10. Many delegations appealed to donors to help UNCTAD and the Government of Morocco implement the IPR's recommendations.

\* \* \* \* \*