

MOROCCAN BUSINESS TRAVEL NEEDS MORE INVESTMENT



The Moroccan foreign exchange office's statistics show that the revenues from international business travel in the country amounted to 3.2 MMDH (about \$US 350 000) in 2017, or barely 4.4% of the total tourist revenues of 71.9 MMDH (about \$US7.8M). The reason for the low profits of the sector is the lack of infrastructure and weak demand.

After launching new airlines, the tourism revenues rose from 64.2 billion dirhams in 2016 to 71.9 MMDH in 2017, a remarkable increase of 12%. **However, the breakdown of this revenue between leisure travel and business travel shows a surprising difference.**

Out of the 71.9 MMDH of tourism revenues collected in foreign currencies, 68.7 MM were spent by travelers who came for leisure and only 3.2 MM by visitors who came for business reasons. Leisure tourism therefore generates 95% of the total revenue and business travel less than 5%.

Large specialized cities generate 15% to 20% of their MICE revenues.

"To host major international trade fairs, we need exhibition centers worthy of the name, whereas we only have the small congress center in Marrakech (capacity of 3,000 people). It is not by welcoming 2000 people 3 or 4 times/year that Morocco can be qualified as a business tourism destination".

"Even if everyone here thinks that Marrakech is the Mecca of seminars, congresses, incentives..., this is not at all the case. This is explained first of all by the fact that we are not (yet) a real industrial power (GDP of 110 MM\$/year) and that Morocco does not have the required infrastructure for business tourism".

"Just in Paris, there are several exhibition parks (Bourget, Versailles...) not to mention the congress centers (Porte Maillot...). In Morocco, there is not yet an infrastructure capable of receiving 10,000 visitors because our industrial dimension is limited".

With the industrial acceleration plan (PAI) which is making Morocco a world automobile power, the country will be obliged to invest in infrastructure. They will welcome, for example, various automotive parts suppliers who want to equip existing manufacturers such as Peugeot or Renault or others who will, in the future, relocate their production to the Kingdom.

This strategic choice, which will boost tourism revenues and business tourism, will have to be made by the Head of Government or by the ministries concerned by the ongoing industrialization.

One of the first projects is a new congress center in Agadir which will cost 1.4 MMDH (about \$US 150 000). The venue is planned to open in 2019.

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