

# HOTEL INVESTMENT IN MOROCCO INCREASES



Foreign hotel investment in Morocco is expected to increase significantly in 2024. Recent statistics show that hotel investments in the country rose 7% in the year's first half, reaching \$409 million.

According to official data, the government of Morocco actively supports the tourism industry through various programs, generating about 2.5 million jobs and contributing \$10.5 billion in foreign exchange. The country's political and social stability sets it apart as a reliable and secure destination in the region. **The tourism sector represents a significant source of foreign exchange for Morocco, along with exports, industry, and direct investment.**

In 2023, Morocco opened 135 new hotel units with a total investment of \$780 million. This figure is expected to increase in the coming years due to the pressing need for new facilities, especially after the country won the bid to host the 2030 World Cup.

According to the Ministry of Tourism, Morocco has 4,742 classified hotel establishments. 471 were opened in the last four years, representing an 8% increase, which is double of the amount recorded in the previous period.

Despite the challenges of the pandemic, the number of classified hotel rooms in Morocco saw a significant increase, from 64,400 in 2012 to 121,000 in 2022. More than 150 hotel brands operate in the market, surpassing only South Africa with approximately 430 brands and Egypt with 300. The market is estimated to need between 20,000 and 30,000 new rooms to meet the growing tourist demand.

Experts believe that hotel investment in the first half of 2024 was positive but still insufficient. However, the sector has the growth potential, especially with the support of government programs such as the Investment Charter, Go Tourism, and Cap Hospitality. A double-digit increase in investment is expected by the end of this year.

Morocco welcomed 7.4 million tourists in the first half of this year, marking a 14% increase compared to the previous year's numbers. The country recorded a record 14.5 million visitors last year. There is a need for a significant increase in hotel investment, at least 15% this year, to promote Morocco as a tourist destination, and attract 26 million foreign tourists by the end of the decade. Strengthening the hotel offerings is essential to achieve these goals.

The government is working on expanding the hotel industry and developing the entertainment sector. One of their initiatives is the Go Tourism program, which aims to support establishing and growing 1,700 tourism enterprises with investments totaling \$70 million. This program provides financial and technical support to entrepreneurs in the tourism sector, thereby fostering growth and innovation. Additionally, the Cap Hospitality program has been introduced to facilitate the renovation of 25,000 hotel rooms, with a committed investment of \$400 million. This program aims to improve the country's hotel accommodations' quality and standards, thereby enhancing the overall tourism experience.

Through these programs, the government plans to provide interest-covered loans to tourist accommodation companies seeking to refurbish their facilities. The funds are expected to cover investments ranging from \$290,000 to \$10 million (DH3 million to DH100 million), with a repayment period of up to 12 years.

The main goal is for hotels in Morocco to be prepared for upcoming events such as the African Nations Cup 2025 and the World Cup 2030. These events are expected to attract many visitors, and the hotel industry plays a crucial role in ensuring their comfortable stay and overall experience. Hotels must offer tourists a unique experience, influencing their decision to revisit the country. Morocco aims to attract approximately 17.5 million tourists by 2026, especially as it prepares to host major sporting events and international conferences.

Recent reports indicate that sizeable Spanish hotel groups are expanding their presence in Morocco to capitalize on the country's booming tourism industry, which set new records in 2023. **Barceló, RIU, Iberostar, and Meliá, each already operating 18 hotel establishments in Morocco, are exploring opportunities for further expansion to leverage the growth in the country's tourism sector.** Additionally, the Spanish group Hotusa plans to construct three new hotels in Morocco by 2026. The first of these hotels, Eurostars Casa Anfa, is expected to open next autumn in the new center of Casablanca. The other two properties, Eurostars California and X-Zarqtoni, will open between the end of this year and the middle of next year.

These three hotels, boasting 251 rooms, will significantly enhance the region's tourism offer, positioning it as one of the prime destinations for visitors, especially international tourists. Moreover, the US-based Radisson Group is gearing up to expand its hotel investment in Morocco to operate 25 hotels by 2030.

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