



Morocco

Morocco: Current Path

Jakkie Cilliers

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Chart 2: Population structure in Current Path, 1990-2043

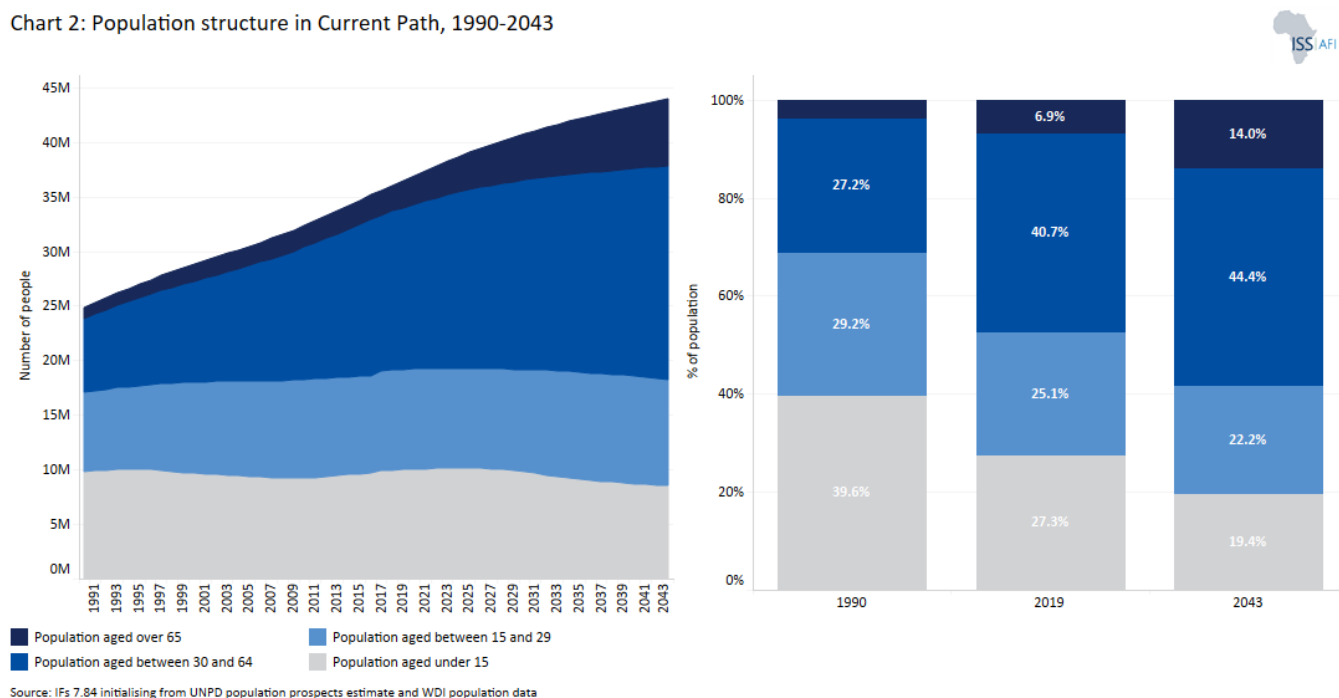


Chart 2 presents the population structure to 2043 in the Current Path.

In 1990, Morocco had a population of 24.8 million people. By 2019 it had increased to 36.5 million. The country is going through the third stage of the demographic transition, which is characterised by low death rates and diminishing birth rates due to economic progress, improvements in women's status and education, as well as access to contraception. In 2019, Morocco's average total fertility was 2.4 births per woman, down from 4.4 births per woman in 1990. Morocco will likely reach replacement-level fertility of 2.1 births around 2028. By that time, the country's total population will be 40.11 million.

With a median age of 28.4 years in 2019, Morocco is still relatively young, albeit with the fourth oldest population on the continent, and has entered a favourable window of demographic opportunity, reflected in steady economic growth since the government is investing in education and health to further benefit from its growing labour force. Only Tunisia has a higher median age in North Africa. The median age for the North Africa region in 2019 was 26.4 years.

Over time, Morocco's population age structure has shifted: in 2019, 51% of the population was younger than 30 years, compared to 69% in 1990. By 2043, only 41% of the population will be younger than 30. The share of the population that is 65 years and older, on the other hand, has increased from 4% in 1990 to 7% in 2019 and will account for 14% of the population by 2043. By then, 43.9 million people will live in Morocco.

In 2019, the average life expectancy for Moroccans was 75.4 years, ranking fourth highest in North Africa. On the Current Path, life expectancy will increase to 79.1 in 2043.

Chart 3: Population distribution map, 2022

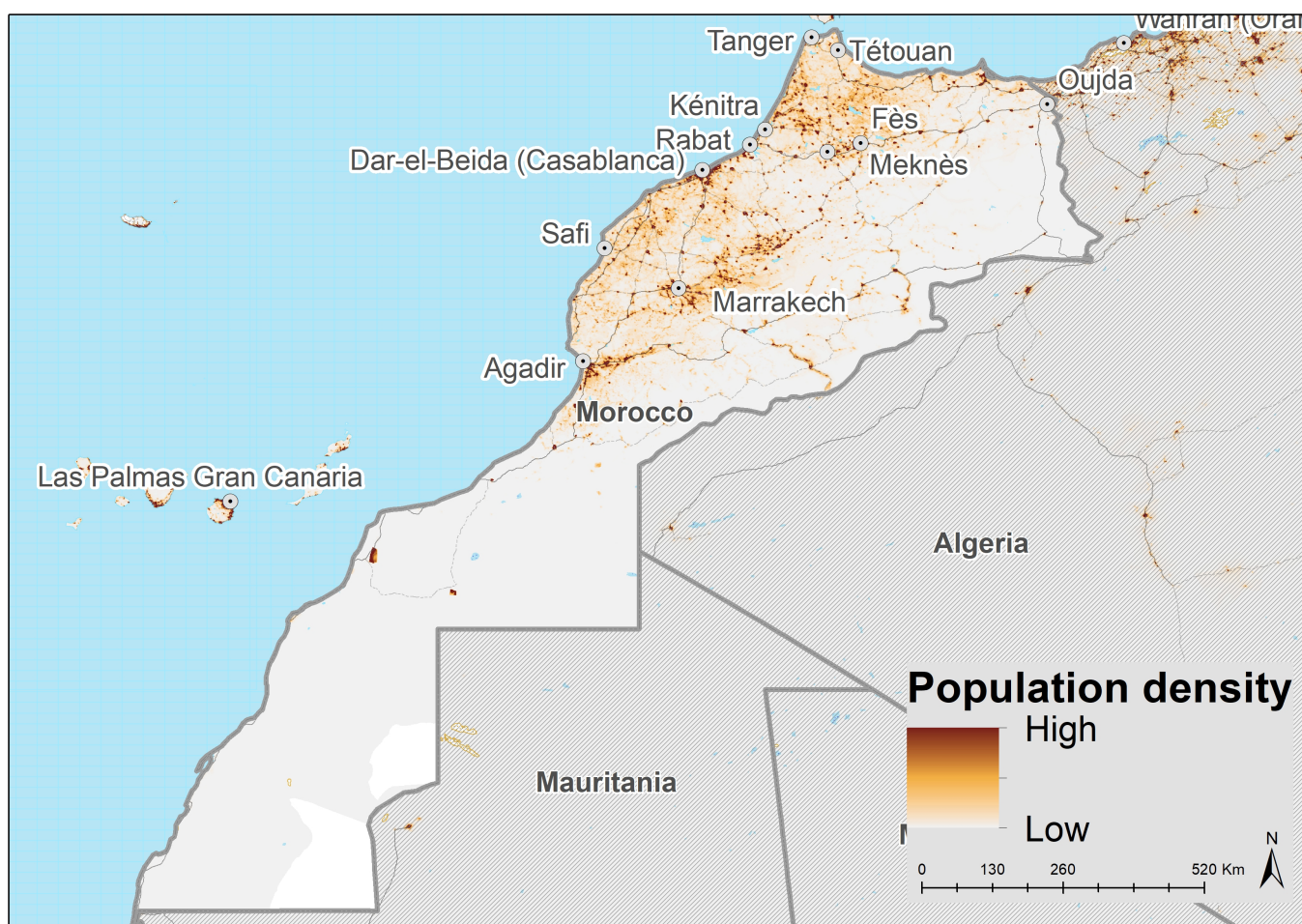


Chart 3 presents a population density map.

In 2019, 63% (23 million) of Morocco's population was considered urban, set to increase to 72.6% (31.9 million) in 2043. Its large arid interior means that the majority of Morocco's population live to the west of the Atlas Mountains. This large range protects much of the country from the effects of the Sahara Desert. Casablanca is the country's largest city and commercial and financial hub. Rabat, the political capital, is home to about 1.4 million citizens. Other major cities include Tangier, Fez and Marrakech.

Much of the southern provinces are scarcely populated.

Contrary to most other Maghreb countries, Morocco has adopted a more welcoming approach to migrants, although tensions remain in a country that is itself a significant generator of migration to Europe and retains strict security-driven migration laws on its statute books. The centrepiece of Morocco's migration policy is its 2014 National Strategy on Integration and Asylum that guarantees access to public services for all regular migrants, and even some benefits for the unregistered. Morocco has cultivated links with African countries to its south, boosted by its targeted provision of aid, university opportunities and investments. Senegalese citizens can enter Morocco visa-free, and represent the largest slice of African migrants registered in the country.

Morocco has also run two large-scale "regularisation campaigns", in 2014 and 2017, to register irregular and undocumented migrants. These resulted in more than 50 000 people – mainly from Mali, Niger and Burkina Faso –

achieving formal status.

Chart 4: GDP (MER) in the Current Path, 1990-2043

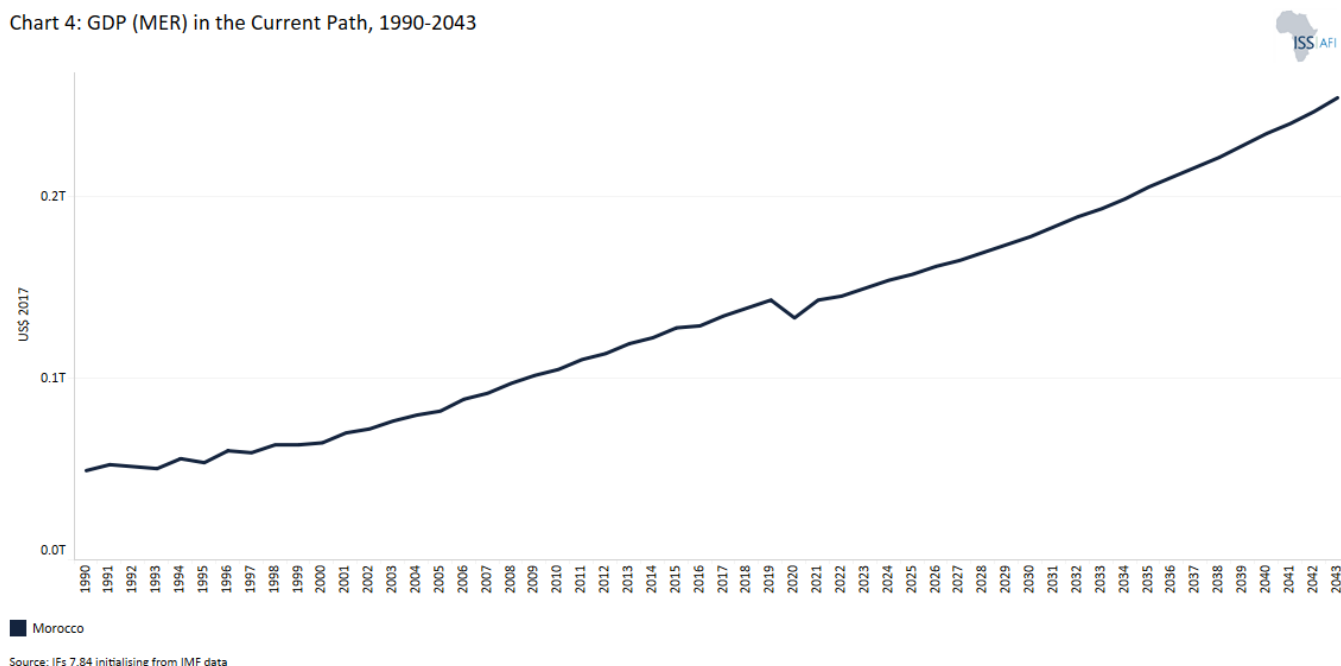


Chart 4 presents the size of Morocco's economy from 1990 and includes a forecast to 2043, including the associated growth rate.

Between 1990 and 2019, Morocco's GDP increased almost threefold from US\$48.64 billion to US\$133.4 billion; at this point, it was the fifth largest economy in Africa, behind only South Africa, Nigeria, Egypt and Algeria. However, Morocco experienced a sharp economic deceleration in 2022 due to domestic and international shocks – a drought and high commodity prices. By 2043, the country's GDP will have expanded to US\$253.4 billion but, largely because of its slower population growth compared to most other African countries, will have slipped down to be the 11th largest. However, it will retain its position as the African country with the 13th highest GDP per capita. In addition to its large, working-age population and associated investments in education, health and ICT, Morocco is opening its economy up to allow for greater private sector participation and investment. Competitiveness has improved, and its productivity base has diversified. However, Morocco struggles with an inflexible labour market; a substantial component of its labour force is in the informal sector, not the formal sector. Located on the periphery of the European Union, Morocco's economic success has largely been built on low-cost manufacturing of food, textiles and other goods that benefited from its trade agreement with the EU. Lately, its focus has switched to higher-value goods, such as in the pharmaceutical, aerospace and automotive sectors, working with international partners to build integrated supply chains. Here, improvements in national infrastructure, such as the new port of Tanger Med, have complemented its geographic advantage. It is now the largest container port in Africa. Improved road and rail infrastructure within Morocco has also made it easier for manufacturers nationwide to access the port. The result is rapid growth in Morocco's automotive export sector, with Renault and Stellantis the largest investors. Exported vehicles now contain an average of 63% Moroccan-made components. Rabat is now banking on the growing demand for electric vehicles to drive growth in the industry, including investment in an electric battery plant, microchip plant and use of Morocco's cobalt reserves.

Public companies have played a large role in Morocco's economy, although less in recent years. Founded in 1920, the OCP Group (OCP S.A.) (formerly Office Chérifien des Phosphates, Office of Moroccan Phosphates) occupies an exceptional position, claiming it represents 5% of Morocco's GDP. OCP is majority-owned by the state (95%), with sole access to more than 70% of the world's phosphate reserves and almost a third of the world's phosphate product market.

Chart 5: Size of the informal economy, as % of GDP and % of total (non-agriculture) labour, 2019-2043

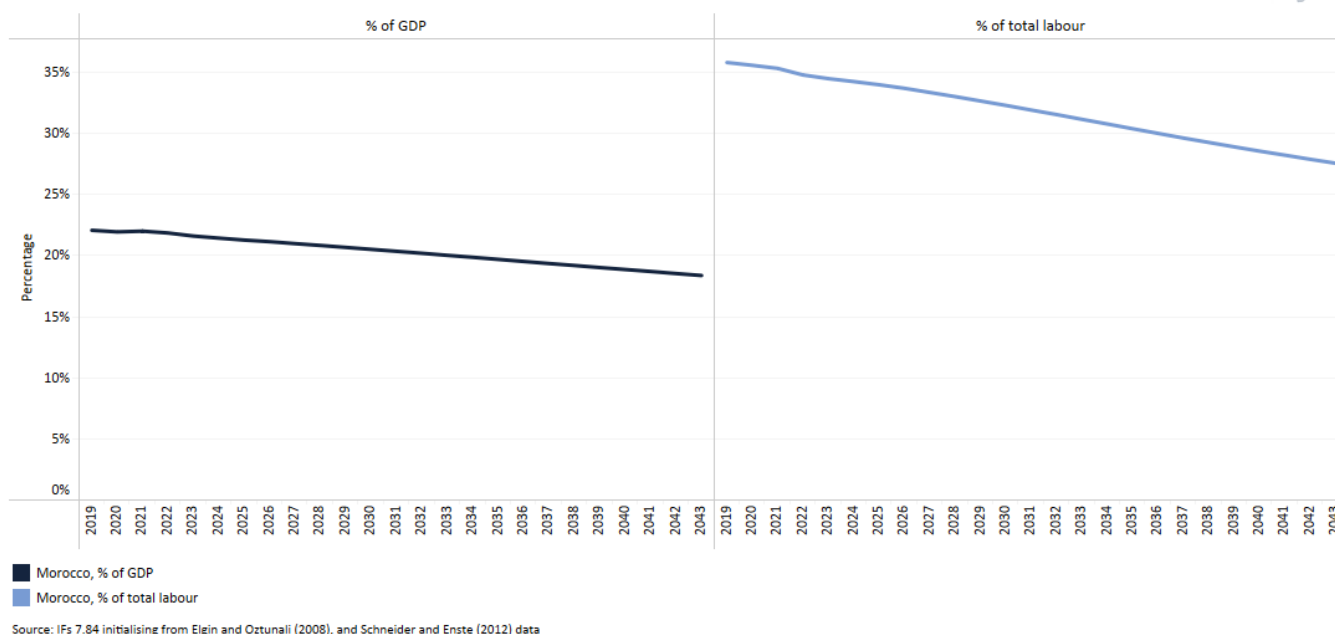


Chart 5 presents the size of the informal economy as a per cent of GDP and in absolute terms, as well as the per cent of the non-agriculture labour force involved in the informal economy.

Also, see Chart 33 that presents the impact of the Combined scenario on the informal sector.

Estimations and data on the informal sector are often unreliable and must be treated carefully. Researchers generally distinguish between the shadow and informal economy. According to the ILO, the informal economy refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements. Where data is not available, our modelling estimates the size. Note that the ILO definition of employment in the informal economy excludes the agricultural sector.

According to the Central Bank of Morocco the informal economy as a portion of the formal economy has declined since 2009 to roughly 30% of GDP in 2018. These results suggest that the strategies implemented by national authorities since the early 2000s to improve the institutional, economic and financial environment have been effective. However, the persistence of important shadow (illegal) activities requires additional structural reforms particularly those related to education, the judiciary system, tax policy and the labour market.

Similar to the situation in other countries, Morocco's informal sector burdens the formal economy because of low contributions to tax revenues and its generally lower productivity. According to the [government](#), labour productivity in the formal sector is 3.7 times higher than in the informal sector. By 2043, the contribution of the informal sector to the country's GDP will fall to 18% (US\$46.56 billion) and government estimates that it deprives the economy of US\$3.4 billion annually, particularly in the agriculture sector.

In 2019, 36% of Morocco's non-agriculture labour force, approximately 2.4 million people, worked in the informal sector. This will drop to 28% by 2043 (3 million people) by 2043.

The [government](#) estimates that up to two-thirds of Moroccan jobs were in the 'grey economy'. A 2022 World Bank report confirms these findings, with up to 77% of employment informal (total, i.e. including the agricultural sector) and it argues

that an important reason is that the dominance of state-owned enterprises that receive favourable treatment and are exempt from the competition laws that apply to the private sector, squeeze out **job creation**. Typically, those workers are vulnerable to losing their jobs/income and lack pensions or health insurance.

The latter rate is significantly lower than the lower-middle-income average in Africa and the female share of labour in **Morocco** is low with less than 5% of companies led by women compared to a global average for lower-middle-income countries of 20%.

Chart 6: GDP per capita in Current Path, 1990-2043

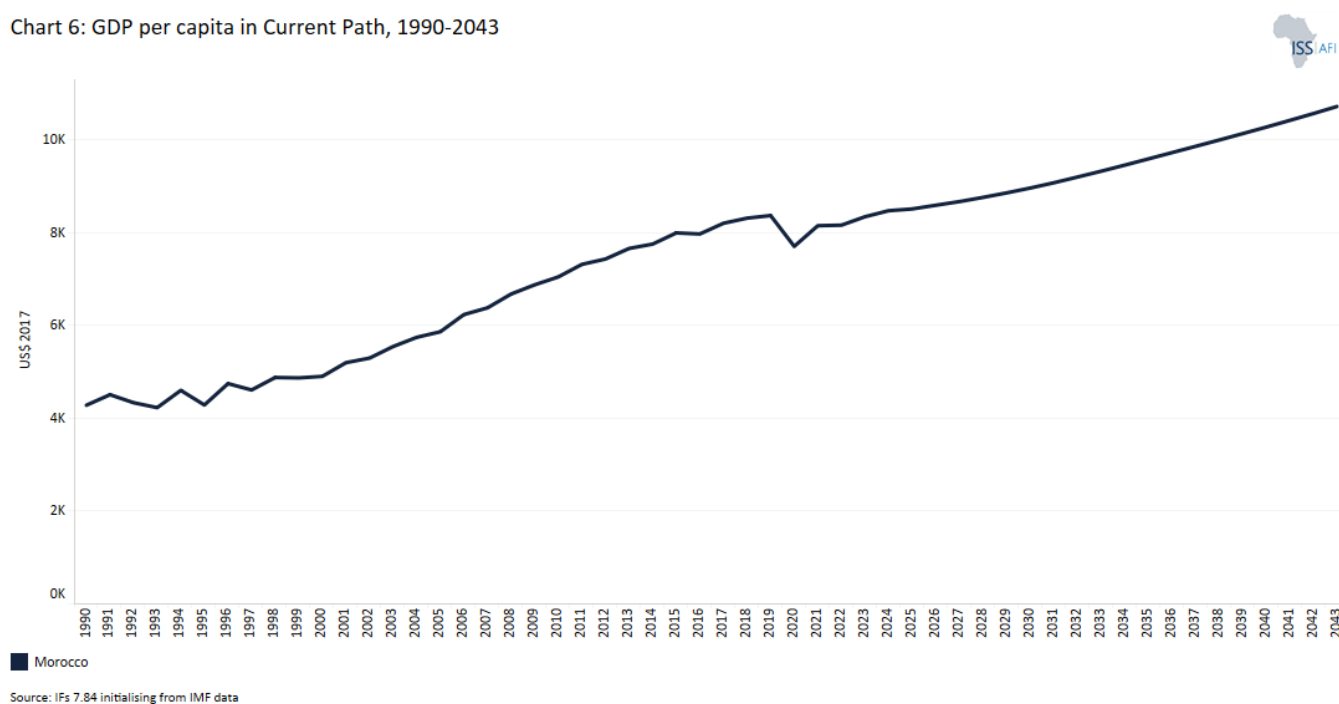


Chart 6 presents the average GDP per capita from 1990 and includes the Current Path to 2043.

In 2019, Morocco's GDP per capita (US\$8 368) was the 13th highest in Africa and ranked 6 out of 23 Africa's lower-middle-income countries. On the Current Path, Morocco's per capita income will increase to US\$10 718 by 2043, but because of slower population growth compared to most other lower-middle-income countries will still be the African country with the 13th highest GDP per capita in Africa.

Chart 7: Extreme poverty in Current Path as % of population and numbers, 2019-2043

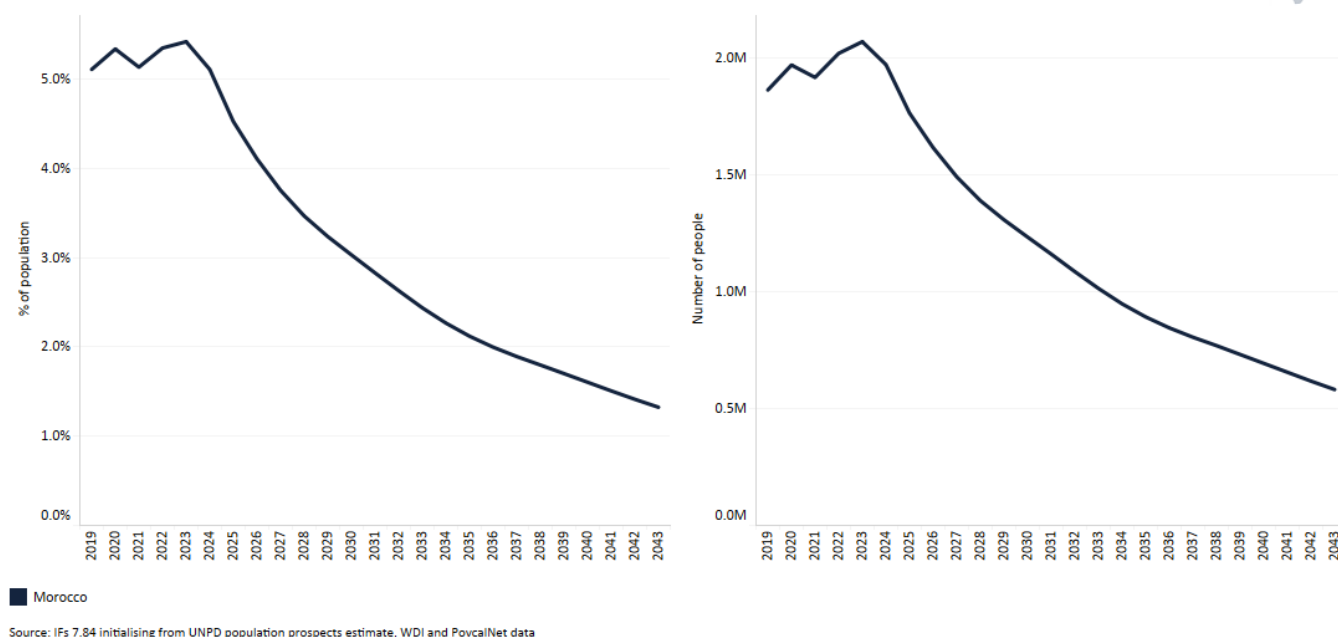


Chart 7 presents the number of people living in extreme poverty, also expressed as a per cent of the population.

In 2015, the World Bank adopted US\$1.90 per person per day (in 2011 prices using GNI) to measure progress towards achieving Sustainable Development Goal (SDG) 1 of eradicating extreme poverty. In 2022, the World Bank updated the US\$1.90 to US\$2.15 in 2017 constant dollars. They are:

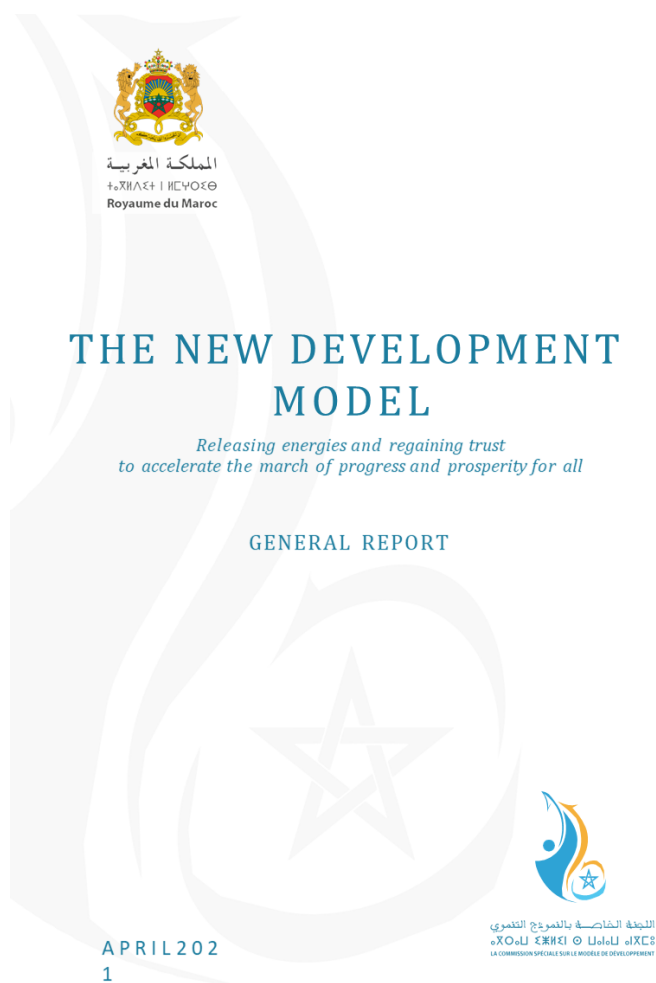
- US\$3.20 for lower-middle-income countries, now US\$3.65 in 2017 values.
- US\$5.50 for upper-middle-income countries, now US\$6.85 in 2017 values.
- US\$22.70 for high-income countries. The Bank has not yet announced the new poverty line in 2017 US\$ prices for high-income countries.

This website still uses US\$1.90 and US\$3.20.

In 2019, 211 000 Moroccans lived below the US\$1.90 poverty line and 1.9 million below US\$3.20. This equals 0.6% and 5.1% of the population and is significantly below the average poverty rate for Africa's lower-middle-income economies, behind only Algeria, Tunisia and Mauritius. Over time, the share of Moroccans living in extreme poverty will further decrease. In the Current Path, only 34 000 Moroccans will live below US\$1.90 and 582 000 will live below the US\$3.20 poverty line in 2043 — this is equivalent to only 0.08% and 1.3% of the population.

The country's mountainous areas, steppes and arid south are home to most of the poorest Moroccans. The most vulnerable groups include smallholders, people engaged in artisanal fishing, landless people, rural wage earners, unemployed young people and women.

Chart 8: National Development Plan of Morocco



The New Development Model, April 2021

King Mohammed VI established a Special Commission in November 2019 to review the state of play of the Kingdom's development and to sketch the guidelines for the future. The Commission's mandate calls for a review that is i) strategic, focusing on identifying and resolving systemic problems; ii) global and integrated, apprehending development through its various dimensions; iii) prospective, taking stock of mid-long-term evolutions of the national and international contexts; and finally, iv), and citizen-centred. The subsequent general report *The New Development Model* was published in April 2021 with a vision to 2035 and includes four priority areas, each listing key strategic choices:

1. A productive and diversified economy that creates added value and quality jobs;
2. Enhanced human capital that is better prepared for the future;
3. Opportunities for all and a stronger social bond;
4. Resilient territories, anchorage points for development.

The report concluded with various levers of change that included transformative projects to launch the new development model and a national compact for development. The transformative projects comprised digital technology, administration, financing, diaspora, and international partnerships.

According to The New Development Model, the country '... suffers from constantly growing water stress. ... [that] poses a

direct threat to the country's economic, environmental, and social balances, particularly in arid and semi-arid regions and those whose income depends heavily on water resources.' To this end, the Model proposed the reorganisation of the water sector, introduced a pricing system to reflect the real price of water, established a National Water Management Agency, and proposed various measures to conserve and protect supply including reuse.

Water is already a large constraint on expanding agricultural production with the result that the country is increasingly looking at desalination but progress is difficult without a solution to its domestic energy shortages.

Shortly before the publication of the New Development Model, the government released the [National Drinking Water Supply and Irrigation Program](#) (PNAEPI) 2020-2027 to accelerate investment in the water sector, to strengthen the supply of drinking water and irrigation and ensure resilience to climate hazards and disruptions.

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About the authors

Dr Jakkie Cilliers is the ISS's founder and former executive director. He currently serves as chair of the ISS Board of Trustees, head of the African Futures and Innovation (AFI) programme at the Pretoria office of the Institute, and is an extraordinary professor at the University of Pretoria. His 2017 best-seller *Fate of the Nation* addresses South Africa's futures from political, economic and social perspectives. His three most recent books, *Africa First! Igniting a Growth Revolution* (March 2020), *The Future of Africa: Challenges and Opportunities* (April 2021), and *Africa Tomorrow: Pathways to Prosperity* (June 2022) take a rigorous look at the continent as a whole.

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