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RELEASE

Merchandise trade, balance of payments and international investment position statistics, 1st Quarter 2020

Morocco's foreign trade statistics and international accounts, in particular, the quarterly balance of payments and international investment position accounts, are published according to the forms and the timetable enacted by the Special Data Dissemination Standard (NSDD), of which the Advance Release Calendar (ARC) is posted on both 'Office des Changes' and International Monetary Fund websites.

In the context of the global health crisis Covid-19, those publications which cover the provisional accounts at the end of march 2020 are released according to the ARC to honor Morocco's commitments in the field of external sector statistics thanks to the digitalization and telecommuting efforts made essential in this context.

In this regard, the "Office des Changes" would like to thank all of its reporting institutions and partners, in particular the banks and business.

Thus, for the first three months of 2020, the evolution of the main foreign exchange indicators is as follows:

- [Merchandise trade balance](#)

In the first three months of 2020, both imports and exports of goods decreased.

Imports went down by 4,3% or -5,3 billion dirhams (118.4 billion dirhams in 2020 instead of 123,7 billion dirhams a year earlier). similarly, exports declined by 10,5% or 8 billion dirhams (68,3 billion dirhams in 2020 against 76.3 billion dirhams in 2019).

Thus, the trade deficit reached 50.1 billion dirhams in the first three months of 2020 instead of 47.3 billion dirhams a year earlier and the import coverage ratio is 57.7% against 61.7% in the in 2019.

- [Current account balance](#)

The results of the balance of payments for the first quarter of 2020 show an increase in the deficit in the current account of 42% or -9.8 billion DH against -6.9 billion DH at the end of March 2019.

This development can be explained as much by the increase of deficits in trade in good (-3.1 billion DH) and primary income (-0.4 billion DH) as by the decline in the surplus of secondary income (-0.5 billion DH), despite the improvement in the services surplus by 1.1 billion DH.

In addition, the volume of current transactions recorded a decrease of 10.7 billion DH as a result of the Covid-19 health crisis, which stood at 251.8 billion DH against 262.5 billion DH at the end of March 2019 and 255.3 Bn DH at the end of March 2018. This decline in current transactions occurs for the first time due to the simultaneous fall in current receipts (-6.8 bn DH) and current expenditure (-3.9 bn DH).

- [International investment position](#)

The net international investment position improves to -728,3 billion dirhams at the end of March 2020 from -765,5 billion dirhams at the end of December 2019, reflecting decreases in financial liabilities (-18.9 billion dirhams) and increases in financial assets (+18.2 billion dirhams).

The reduction of financial liabilities is attributed to the decreases recorded in direct investment liabilities (-26.5 billion dirhams), and Portfolio investment (-3.2 billion dirhams). On the other hand, the "other investments" liabilities increased by DH 10.4 billion.

The growth in financial assets is explained by the increase in reserve assets (7.8 billion dirhams) and in "other investments" assets (+6.8 billion dirhams) as well as in direct investment assets (+2.3 billion dirhams)

Detailed data of international accounts are available (in French) on the 'Office des Changes' website (www.oc.gov.ma).

Merchandise Trade Balance

In Millions of Dirhams

Years	January-March				
	2016	2017	2018	2019*	2020*
Total Transactions	155.477	172.801	190.675	199.996	186.665
Imports CIF	96.486	108.601	119.429	123.667	118.381
Evolution (%)	+5,6	+12,6	+10,0	+3,5	-4,3
Exports FOB	58.991	64.200	71.246	76.329	68.284
Evolution (%)	+5,9	+8,8	+11,0	+7,1	-10,5
Balance	-37.495	-44.401	-48.183	-47.338	-50.097
Evolution (%)	5,1	18,4	8,5	1,8	5,8
Coverage ratio (%)	61,1	59,1	59,7	61,7	57,7

(*) provisory data

BALANCE OF PAYMENTS **FIRST QUARTER 2020***

<i>* Provisory Data (millions dirhams)</i>			
CURRENT ACCOUNT BALANCE	Credits	Debits	Balance
Goods and services	101 309,2	125 815,6	-24 506,4
Goods	57 699,5	103 939,8	-46 240,3
General merchandise on a balance of payments basis	57 496,0	103 939,8	-46 443,8
Net exports of goods under merchandising	176,5	-	+176,5
Nonmonetary gold	27,0	-	+27,0
Services	43 609,7	21 875,8	+21 733,9
Manufacturing services on physical inputs owned by others	3 520,0	3,0	+3 517,0
Maintenance and repair services n.i.e.	591,1	112,0	+479,1
Transport	7 199,5	9 086,3	-1 886,8
<i>Sea transport</i>	2 777,9	5 767,3	-2 989,4
<i>Air transport</i>	3 264,0	2 259,0	+1 005,0
<i>Other modes of transport</i>	1 138,3	989,6	+148,7
<i>Postal and courier services</i>	19,3	70,4	-51,1
Travel	17 162,6	4 173,8	+12 988,8
<i>Business</i>	772,3	403,9	+368,4
<i>Personal</i>	16 390,3	3 769,9	+12 620,4
Construction	1 055,5	1 181,5	-126,0
Insurance and pension services	346,7	123,0	+223,7
Financial services	221,9	315,3	-93,4
Charges for the use of intellectual property n.i.e.	57,9	468,4	-410,5
Telecommunications, computer, and information services	3 922,5	1 135,6	+2 786,9
Other business services	8 082,7	2 196,6	+5 886,1
Personal, cultural, and recreational services	249,8	67,8	+182,0
Government goods and services n.i.e.	1 199,5	3 012,5	-1 813,0
PRIMARY INCOME	1 335,3	3 290,5	-1 955,2
Investment income	1 232,2	3 282,8	-2 050,6
<i>Direct investment</i>	718,5	1 982,9	-1 264,4
<i>Portfolio investment</i>	3,9	-	+3,9
<i>Other investment</i>	9,7	1 299,9	-1 290,2
<i>Reserve Assets</i>	500,1	-	+500,1
Other primary income	103,1	7,7	+95,4
SECONDARY INCOME	18 284,7	1 661,1	+16 623,6
Public	288,6	292,9	-4,3
Private	17 996,1	1 368,2	+16 627,9
CURRENT ACCOUNT BALANCE	120 929,2	130 767,2	-9 838,0
CAPITAL ACCOUNT	-	-	-
Net lending (+) / net borrowing (-)			-9 838,0
Financial account	Net acquisition of financial assets	Net incurrence of liabilities	Balance
DIRECT INVESTMENTS	1 419,0	4 816,0	-3 397,0
Equity and investment fund shares	1 573,0	3 943,0	-2 370,0
Debt instruments	-154,0	873,0	-1 027,0
PORTFOLIO INVESTMENTS	800,0	-1 315,2	+2 115,2
Equity and investment fund shares	800,0	566,0	+234,0
Debt securities	-	-1 881,2	+1 881,2
FINANCIAL DERIVATIVES	-471,2	-778,4	+307,2
OTHER INVESTMENTS	2 940,1	902,4	+2 037,7
Other equity	1 675,9	-	+1 675,9
Currency and deposits	2 982,5	155,5	+2 827,0
Loans	-55,0	-595,3	+540,3
Trade credit and advances	-1 663,3	1 342,2	-3 005,5
Other accounts receivable/ payable	-	-	-
RESERVE ASSETS	-4 171,4	-	-4 171,4
Total assets/liabilities	516,5	3 624,8	-3 108,3
Net lending (+) / net borrowing (-)			-3 108,3
NET ERRORS AND OMISSIONS			+6 729,7

INTERNATIONAL INVESTMENT POSITION End of march 2020*

<i>* Provisory Data (millions dirhams)</i>			
	Assets	Liabilities	Net position
Direct investment	62.331,6	613.150,9	-550.819,3
Equity and investment fund shares	57.310,0	552.077,6	-494.767,6
Direct investor in direct investment enterprises	57.310,0	552.077,6	-494.767,6
Debt instruments	5.021,6	61.073,3	-56.051,7
Direct investor in direct investment enterprises	5.021,6	61.073,3	-56.051,7
Portfolio investment	10.957,1	109.587,3	-98.630,2
Equity and investment fund shares	10.020,7	28.921,5	-18.900,8
Deposit-taking corporations, except the central bank	1.068,4	11.408,5	-10.340,1
Other sectors	8.952,3	17.513,0	-8.560,7
<i>Other financial corporations</i>	2.648,5	832,2	+1.816,3
<i>Nonfinancial corporations, households, and NPISHs</i>	6.303,8	16.680,8	-10.377,0
Debt securities	936,4	80.665,8	-79.729,4
Deposit-taking corporations, except the central bank	571,8	1.122,8	-551,0
General government	-	51.291,0	-51.291,0
Other sectors	364,6	28.252,0	-27.887,4
<i>Other financial corporations</i>	364,6	-	+364,6
<i>Nonfinancial corporations, households, and NPISHs</i>	-	28.252,0	-28.252,0
Financial derivatives (other than reserves) and employee stock options	456,5	477,4	-20,9
Other investment	84.413,5	424.487,7	-340.074,2
Other equity	4.311,1	-	+4.311,1
Currency and deposits	54.523,3	49.261,8	+5.261,5
Central bank	1.831,1	3.304,1	-1.473,0
Deposit-taking corporations, except the central bank	49.497,2	45.957,7	+3.539,5
Other sectors	3.195,0	-	+3.195,0
<i>Other financial corporations</i>	1.011,7	-	+1.011,7
<i>Nonfinancial corporations, households, and NPISHs</i>	2.183,3	-	+2.183,3
Loans	624,1	304.180,6	-303.556,5
Deposit-taking corporations, except the central bank	624,1	4.322,1	-3.698,0
General government	-	116.261,0	-116.261,0
Other sectors	-	183.597,5	-183.597,5
<i>Other financial corporations</i>	-	632,6	-632,6
<i>Nonfinancial corporations, households, and NPISHs</i>	-	182.964,9	-182.964,9
Trade credit and advances	24.955,0	63.276,0	-38.321,0
Other sectors	24.955,0	63.276,0	-38.321,0
<i>Nonfinancial corporations, households, and NPISHs</i>	24.955,0	63.276,0	-38.321,0
Special drawing rights	-	7.769,3	-7.769,3
Other accounts receivable/payable	-	-	-
Reserve assets	261.208,0	-	+261.208,0
Monetary gold	11.523,7	-	+11.523,7
Special drawing rights	7.443,3	-	+7.443,3
Reserve position in the IMF	2.039,2	-	+2.039,2
Other reserve assets	240.201,8	-	+240.201,8
TOTAL ASSETS/LIABILITIES	419.366,7	1.147.703,3	-728.336,6