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RELEASE

Merchandise trade, balance of payments and international investment position statistics, June 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.

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

- Merchandise trade balance

Both imports and exports of goods decreased at the end of the first half of 2020.

Imports dropped by 16,5% or -41,3 billion dirhams (209.3 billion dirhams in 2020 instead of 250.5 billion dirhams a year earlier). Similarly, exports went down by 17,7% or -26.4 billion dirhams (122.4 billion dirhams in 2020 against 148.8 billion dirhams a year earlier).

Thus, the trade deficit reached 86.8 billion dirhams in the first six months of 2020 instead of 101.8 billion dirhams a year earlier and the import coverage ratio is 58.5% against 59.4%.

- Current account balance

The results of the balance of payments for the first half of 2020 show a decrease in the deficit of the current account by 30.4% to 18.5 billion DH against -26.6 billion DH a year earlier.

This situation can be explained by the reduction of the deficits of trade in goods (-14.3 billion DH) and the primary income by 2.7 billion DH despite the decrease in services surplus by 8.8 billion DH. The surplus of secondary income has remained stable (-0.1 billion DH).

Thus, the current account went down by 87.9 billion DH due to the impact of Covid-19 reflecting a decrease in both receipts (-39.9 billion DH) and expenses (-48 billion dirhams).

- **International investment position**

The net international investment position decreased to -733,9 billion dirhams at the end of June 2020 from -727,4 billion dirhams at the end of March 2020, reflecting increases in both financial liabilities (+32.8 billion dirhams) and financial assets (+26.4 billion dirhams).

The rise of financial liabilities is explained by the increases recorded in “other investment” (+25,7 billion dirhams) and in direct investment liabilities (+11.6 billion dirhams). whereas, Portfolio investment decreased (-4,4 billion dirhams).

The growth in financial assets is due to the increase in reserve assets (+31,1 billion dirhams) and the decrease in “other investments” assets (-5,3 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-June				
	2016	2017	2018	2019	2020*
Total Transactions	320.683	345.925	384.985	399.332	331.672
Imports CIF	203.630	220.046	241.484	250.547	209.255
Evolution (%)	+5,5	+8,1	+9,7	+3,8	-16,5
Exports FOB	117.053	125.879	143.501	148.785	122.417
Evolution (%)	+3,6	+7,5	+14,0	+3,7	-17,7
Balance	-86.577	-94.167	-97.983	-101.762	-86.838
Evolution (%)	+8,2	+8,8	+4,1	+3,9	-14,7
Coverage ratio (%)	57,5	57,2	59,4	59,4	58,5

(*) provisory data

BALANCE OF PAYMENTS

FIRST SEMESTER 2020*

<i>* Provisory Data (millions dirhams)</i>			
CURRENT ACCOUNT BALANCE	Credits	Debits	Balance
Goods and services	172 920,8	219 780,9	-46 860,1
Goods	105 390,8	184 121,4	-78 730,6
General merchandise on a balance of payments basis	104 969,0	184 121,4	-79 152,4
Net exports of goods under merchandising	372,8	-	+372,8
Nonmonetary gold	49,0	-	+49,0
Services	67 530,0	35 659,5	+31 870,5
Manufacturing services on physical inputs owned by others	5 466,0	6,0	+5 460,0
Maintenance and repair services n.i.e.	1 077,4	201,0	+876,4
Transport	12 204,1	15 871,2	-3 667,1
<i>Sea transport</i>	5 377,7	10 612,7	-5 235,0
<i>Air transport</i>	4 632,5	3 203,3	+1 429,2
<i>Other modes of transport</i>	2 162,4	1 935,9	+226,5
<i>Postal and courier services</i>	31,5	119,3	-87,8
Travel	21 857,8	5 503,5	+16 354,3
<i>Business</i>	983,6	506,1	+477,5
<i>Personal</i>	20 874,2	4 997,4	+15 876,8
Construction	1 491,0	1 649,6	-158,6
Insurance and pension services	616,2	254,1	+362,1
Financial services	522,3	660,4	-138,1
Charges for the use of intellectual property n.i.e.	78,3	937,9	-859,6
Telecommunications, computer, and information services	7 521,4	2 146,9	+5 374,5
Other business services	13 267,7	3 666,5	+9 601,2
Personal, cultural, and recreational services	366,7	134,5	+232,2
Government goods and services n.i.e.	3 061,1	4 627,9	-1 566,8
PRIMARY INCOME	3 055,4	9 798,1	-6 742,7
Investment income	2 864,4	9 782,1	-6 917,7
<i>Direct investment</i>	1 416,3	5 387,6	-3 971,3
<i>Portfolio investment</i>	71,2	1 610,9	-1 539,7
<i>Other investment</i>	12,3	2 783,6	-2 771,3
<i>Reserve Assets</i>	1 364,6	-	+1 364,6
Other primary income	191,0	16,0	+175,0
SECONDARY INCOME	37 755,4	2 663,6	+35 091,8
Public	2 426,6	407,7	+2 018,9
Private	35 328,8	2 255,9	+33 072,9
CURRENT ACCOUNT BALANCE	213 731,6	232 242,6	-18 511,0
CAPITAL ACCOUNT	-	-	-
Net lending (+) / net borrowing (-)			-18 511,0
Financial account	Net acquisition of financial assets	Net incurrence of liabilities	Balance
DIRECT INVESTMENTS	2 464,0	8 242,0	-5 778,0
Equity and investment fund shares	2 640,0	6 842,0	-4 202,0
Debt instruments	-176,0	1 400,0	-1 576,0
PORTFOLIO INVESTMENTS	1 274,0	-3 439,0	+4 713,0
Equity and investment fund shares	1 274,0	-467,6	+1 741,6
Debt securities	-	-2 971,4	+2 971,4
FINANCIAL DERIVATIVES	-995,5	-1 413,2	+417,7
OTHER INVESTMENTS	-567,2	38 940,4	-39 507,6
Other equity	1 686,4	-	+1 686,4
Currency and deposits	-50,6	432,3	-482,9
Loans	-302,3	37 033,2	-37 335,5
Trade credit and advances	-1 900,7	1 474,9	-3 375,6
Other accounts receivable/ payable	-	-	-
RESERVE ASSETS	31 960,7	-	+31 960,7
Total assets/liabilities	34 136,0	42 330,2	-8 194,2
Net lending (+) / net borrowing (-)			-8 194,2
NET ERRORS AND OMISSIONS			+10 316,8

INTERNATIONAL INVESTMENT POSITION

End of June 2020*

<i>* Provisory Data (millions dirhams)</i>			
	Assets	Liabilities	Net position
Direct investment	63 418,8	624 586,6	-561 167,8
Equity and investment fund shares	58 460,0	561 453,0	-502 993,0
Direct investor in direct investment enterprises	58 460,0	561 453,0	-502 993,0
Debt instruments	4 958,8	63 133,6	-58 174,8
Direct investor in direct investment enterprises	4 958,8	63 133,6	-58 174,8
Portfolio investment	11 318,0	104 970,6	-93 652,6
Equity and investment fund shares	10 408,0	28 690,9	-18 282,9
Deposit-taking corporations, except the central bank	1 042,3	10 059,4	-9 017,1
Other sectors	9 365,7	18 631,5	-9 265,8
<i>Other financial corporations</i>	3 024,1	1 060,4	+1 963,7
<i>Nonfinancial corporations, households, and NPISHs</i>	6 341,6	17 571,1	-11 229,5
Debt securities	910,0	76 279,7	-75 369,7
Deposit-taking corporations, except the central bank	560,5	1 029,7	-469,2
General government	-	47 842,0	-47 842,0
Other sectors	349,5	27 408,0	-27 058,5
<i>Other financial corporations</i>	349,5	-	+349,5
<i>Nonfinancial corporations, households, and NPISHs</i>	-	27 408,0	-27 408,0
Financial derivatives (other than reserves) and employee stock options	276,6	519,1	-242,5
Other investment	79 119,3	450 202,3	-371 083,0
Other equity	4 304,1	-	+4 304,1
Currency and deposits	50 075,3	48 748,9	+1 326,4
Central bank	998,7	3 455,8	-2 457,1
Deposit-taking corporations, except the central bank	45 762,7	45 293,1	+469,6
Other sectors	3 313,9	-	+3 313,9
<i>Other financial corporations</i>	977,8	-	+977,8
<i>Nonfinancial corporations, households, and NPISHs</i>	2 336,1	-	+2 336,1
Loans	660,9	332 669,6	-332 008,7
Central bank	-	28 754,5	-28 754,5
Deposit-taking corporations, except the central bank	660,9	5 201,1	-4 540,2
General government	-	121 065,0	-121 065,0
Other sectors	-	177 649,0	-177 649,0
<i>Other financial corporations</i>	-	622,5	-622,5
<i>Nonfinancial corporations, households, and NPISHs</i>	-	177 026,5	-177 026,5
Trade credit and advances	24 079,0	61 277,0	-37 198,0
Other sectors	24 079,0	61 277,0	-37 198,0
<i>Nonfinancial corporations, households, and NPISHs</i>	24 079,0	61 277,0	-37 198,0
Special drawing rights	-	7 506,8	-7 506,8
Other accounts receivable/payable	-	-	-
Reserve assets	292 263,6	-	+292 263,6
Monetary gold	12 232,6	-	+12 232,6
Special drawing rights	7 191,8	-	+7 191,8
Reserve position in the IMF	1 970,3	-	+1 970,3
Other reserve assets	270 868,9	-	+270 868,9
TOTAL ASSETS/LIABILITIES	446 396,3	1 180 278,6	-733 882,3