

Kingdom of Morocco



Ministry of Economy, Finance
and Administration Reform

Annual report 2019

KINGDOM OF MOROCCO
C U S T O M S
A N D E X C I S E
A D M I N I S T R A T I O N



المملكة المغربية
إدارة الجمارك
والضرائب
غير المباشرة

CUSTOMS AND EXCISE ADMINISTRATION



EXTRACT OF HIS MAJESTY'S SPEECH

[...]

Dear Citizens,

Revamping the nation's development model is not an end in itself. Rather, it is a gateway to a new era – one into which, with God's help, I intend to take Morocco.

It is a new phase, whose distinguishing features will be responsibility and the pursuit of a comprehensive take-off.

[...]

Our main ambition is for Morocco to join the ranks of developed nations.

Nevertheless, the new era we are about to enter is fraught with internal and external challenges to which we must rise. They include the following in particular :

- ▶ Firstly : the challenge of enhancing trust and consolidating achievements : this is the recipe for success and a condition for fulfilling our ambitions. It concerns trust among citizens and trust in the national institutions that bring them together. It is about having faith in a better future.
- ▶ Secondly, the challenge of avoiding isolation, especially in some sectors which require openness towards international experiences. This is a gateway to economic development and progress. It makes it possible for Moroccan businesses and operators to hone their competitive skills.

[...]

- ▶ Thirdly, the challenge of accelerating economic development and enhancing institutional efficiency : the aim is to build a strong, competitive economy by continuing to incentivize private entrepreneurship, in addition to launching new programs for productive investment and creating more jobs.

This requires greater institutional efficiency and a change in the mindset of those in charge.

The public sector needs an immediate three-dimensional revolution : a revolution in simplification, a revolution in efficiency and a revolution in ethical standards.

I have already drawn attention, in the past, to the need to change and revamp work methods, and to show diligence and innovation in the management of public institutions.

[...]

Therefore, there must be a final break with such negative attitudes and conduct ; we must uphold the values of hard work, responsibility, merit and equal opportunity.

[...]

EXTRACT OF THE SPEECH OF HIS MAJESTY KING MOHAMMED VI, MAY GOD GLORIFY HIM,
ON THE OCCASION OF THE 20TH ANNIVERSARY OF THE SOVEREIGN'S ACCESSION TO THE THRONE
OF HIS GLORIOUS ANCESTORS

TETOUAN, JULY 29, 2019





MESSAGE
FROM
NABYL
LAKHDAR
DIRECTOR-GENERAL

2019 will undoubtedly remain the year during which Moroccan Customs switched to zero paper, i.e., year 1 of full **digitalization**.

This radical change has transformed the relationship between the customs officer and the economic operator or his representative. Once a **physical** relationship, it has now become an essentially **virtual** one.

This new procedure has spared **operators** costly and unnecessary trips, but equally allowed **customs officers** to work in a more serene environment.

In 2019, key **performance indicators** improved thanks to the mobilization of all the customs officers to whom I would like to extend my congratulations.



Revenue collected reached **MAD 103.7 billion**, setting a new record.

The reform of **tobacco taxation** made it possible to both increase related revenues (+ 6%) and to reduce cigarette consumption (-12%) in our country.

The **controls** carried out, of all types, allowed the collection of **additional duties** in excess of **MAD 3 billion**.

The fight against **smuggling** marked a turning point with the closing down of **Tarakhal 2** (corridor used by peddlers at **Bab Sebta**).

The management of the **temporary admissions of foreign registered vehicles** has been completely restructured. Its integration into the BADR system allows now for better controls and more simplified formalities for travelers, whether Moroccans residing abroad or foreign tourists.

Furthermore, and since **building Customs capacities** to better serve citizens and companies has always been a top priority for the CEA, several capacity-building actions have been successfully carried out in 2019.

Thus, less than 30 months after the launch of its construction works, the Benslimane **Customs Training Institute** opened its doors in October 2019 to new classes of national and foreign trainees. It now spearheads the modernization of customs and the development of its human capital.

Our ability to manage **disputes** more swiftly but also more serenely, has been greatly enhanced thanks, in particular, to the systematic management on our information system of all phases of a dispute.

The **simplification of procedures** has become for CEA a permanent quest. In 2019, this drive extended to the process of goods unloading without customs presence at SCAs, the automation of refund management, the digitalization of tryptic forms, the generalization of the dematerialization of applications for certificates of origin...

We have also worked extensively with our key partners to improve cross-function procedures by simplifying them, digitalizing them or even simply abandoning them when they became irrelevant.

The present activity report details these many achievements by zooming in on **regions**. It also contains a **statistical notebook** which will apprise you of the main indicators in terms of foreign trade, revenue, disputes...

I wish you a great reading.



SUMMARY



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OVERVIEW

OF FACTS AND HIGHLIGHTS

RECORD REVENUE

MAD 103.7
billions
of dirhams

Customs achieve record high revenues. The Customs and Excise Administration (CEA) collected MAD 103.7 billion in 2019, thus breaking its previous record of MAD 100.8 billion in 2018.



DIGITALIZATION

CUSTOMS CLEARANCE PROCESS

Challenge met and objective achieved: the full digitalization of the customs clearance system in Morocco has become a reality since January 1st, 2019. Exit paper. Place to digitalization for both the economic operator and the customs agent. This progress makes it possible to raise Moroccan customs services to higher levels of modernization and efficiency.



TEMPORARY ADMISSION OF PASSENGER VEHICLES



January 1st, 2019 marked the beginning of a new era with the cancellation of temporary admission forms for passenger transport means (D16bis- D16ter). From now on, travelers to Morocco (Moroccans of the World and foreign tourists) are no longer required to make a customs declaration of their vehicles registered abroad. Digitalization is now the norm of the day. An automated device allows the processing of vehicles on the BADR system and a card to be issued for the needs of driving on the Moroccan territory.

INTERNATIONAL ROAD TRANSPORT

Further building on this, another digitalization project was implemented in 2019 : the project of the declarations (labelled as tryptic forms «D17» and «D20») for the temporary admission and export of commercial vehicles used in international road transport. This measure was taken in favor of the professionals in the transport and logistics sector.



A NEW CUSTOMS TRAINING INSTITUTE

At the dawn of its 45th anniversary, the Customs Training Institute (CTI) moved to Benslimane and took up residence on a newly developed 10-hectare campus.

It is at this new site, fitted out with theoretical and practical training infrastructures, as well as with educational and sports facilities, that the CTI opened its doors in October 2019, offering its national and international student-trainees a conducive environment for learning and for campus life.



MULTIPLE EXCHANGES AROUND THE COMPANY

The CEA considers it its duty to reach out to companies. It is in a spirit of exchange and partnership that appointments were given to them and their representatives in 2019 on various occasions.

Cycle of meetings with the **economic counsellors** of the embassies accredited to Morocco.

14 - 15 February 2019

Lunch-debate with the members of the **Belgian-Luxembourg Chamber of Commerce**.

19 March 2019

Forum of the members of the **French Chamber of Commerce and Industry in Morocco**.

28 March 2019

Meeting of CEA and the **General Confederation of Moroccan Enterprises**, Tangier - Tetouan - Al Hoceima Chapter.

03 April 2019



A WIDE RANGE OF PARTNERSHIPS

5 AGREEMENTS
AND FRAMEWORK
AGREEMENTS WERE
CONCLUDED IN 2019

03 june 2019

Signing of a cooperation agreement between Customs and CNSS.

August 2019

Conclusion of a partnership agreement between CEA, FOODEX, ONSSA, PORTNET and ANP on the generalization of PORTNET services to export control processes.

10 september 2019

Signing of a framework agreement between Customs and the Federation of Consumer Goods Distribution Businesses «TIJARA 2020».

22 october 2019

Signing of a new convention on the fiscal marking system for the control of certain goods subject to domestic consumption taxes (DCT).

22 november 2019

Signing of the framework agreement on the development of the Souss-Massa Export Processing Zone (Haliopolis Park).



SURVEYS

CEA leads investigations

Its motto : towards better knowledge of customers-users and their expectations in order to offer better services.

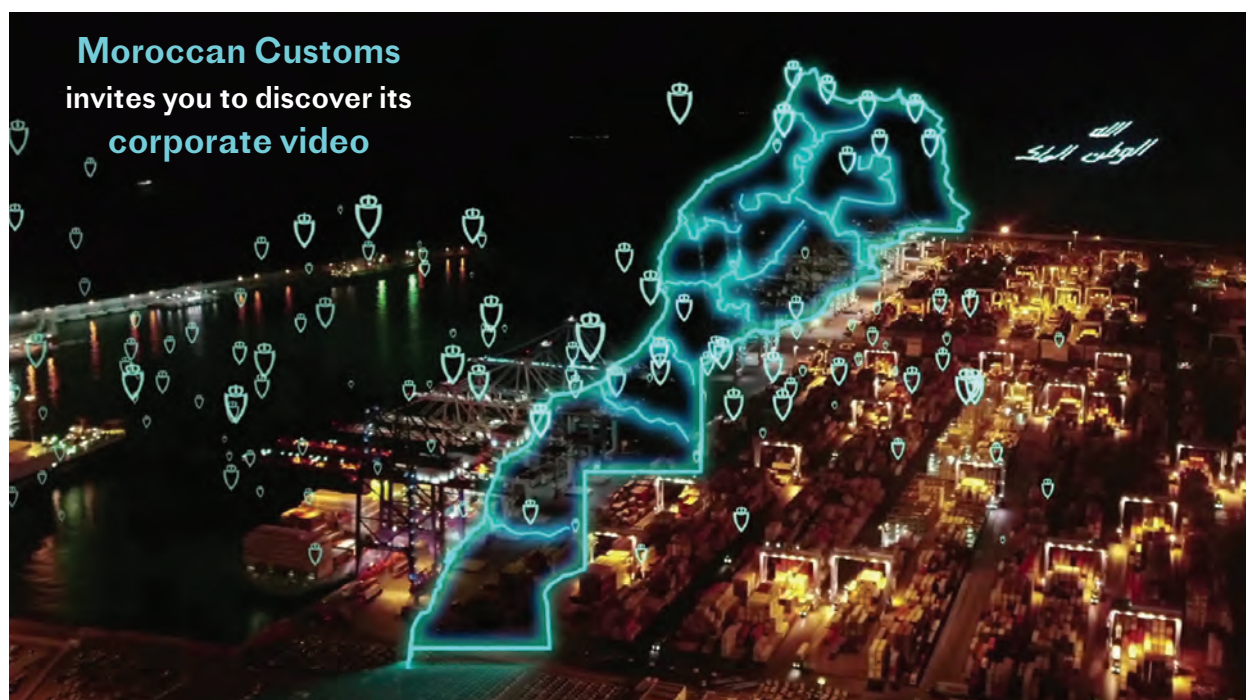
Two surveys were carried out in 2019 : one relating to the electronic support system set up by the CEA, and the other relating to online services made available to economic operators.



CORPORATE FILM

CEA began 2019 with the broadcasting of an institutional film that reflects its singularity and the diversity of its actions and areas of intervention.

Online and posted on social networks, this digital presentation of Customs is available in French and Arabic, as well as with English and Spanish subtitles.



French
version



Arabic
version



English
version



Spanish
version



CUSTOMS REVENUE CONSOLIDATION



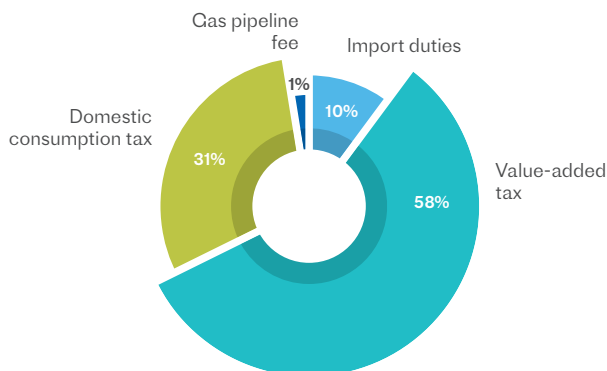
Maintaining its upward trend, customs revenues collected* during the 2019 financial year stood at MAD 101.1 billion. Revenues established reached MAD 103.7 billion, exceeding the 2018 performance by 3%. Collected customs budget revenues posted an increase of 3,1% to stand at MAD 94.6 billion. Apart from the gas pipeline fee, all duties and taxes collected by the CEA recorded a positive progression.

In 2019, Value Added Tax represented 58% of the total amount of budgetary revenues, followed by domestic consumption tax at 31%, then import duties (10%).

Over the past five years, VAT has accounted for 57% of budget revenue and has grown by about 4% in average. Domestic consumption tax also continued on its upward trend with an average annual increase of 4,6% and an average share of budget revenue of 31%.

Despite the fluctuations recorded (-5,2% in 2017 and +10,8% in 2018), import duty revenues posted a positive average increase of 4,7% over the past 5 years.

Breakdown of budgetary revenues by heading



(*) Since January 1st, 2019, the Customs and Excise Administration has been recording its revenue in collected duties in accordance with the provisions of article 32 of the organic law relating to the Finance Act.

INCREASING REVENUES

VAT revenues have increased by 3%, reaching MAD 56.1 billion against MAD 54.7 billion in 2018. This performance is attributed to the near-stagnation of VAT

revenues on energy products, offset by a 3% increase in VAT on other products, or + MAD 1.5 billion.

Evolution of customs revenue by heading (2018/2019)

HEADING (in million Dhs)	Established duties			Collected duties
	2018	2019*	Var in %	2019**
Import duties (ID)	9 501	9 575	1%	9 365
Domestic consumption tax (DCT) of which :	28 318	29 900	6%	29 381
▸ DCT on energy products	15 736	16 616	6%	16 266
▸ DCT on manufactured tobacco	10 820	11 335	5%	11 210
▸ DCT on other products	1 763	1 949	11%	1 905
Value Added Tax (VAT) of which :	54 654	56 079	3%	54 366
▸ VAT on energy products	9 879	9 822	-1%	9 589
▸ VAT on other products	44 775	46 257	3%	44 777
Gas pipeline fee	1 538	1 011	-34%	1 011
TOTAL BUDGET REVENUES	94 521	97 069	3%	94 625
Revenues allocated to Special Treasury Accounts	5 646	5 875	4%	5 746
Revenues transferred to other institutions	672	715	6%	682
TOTAL CUSTOMS REVENUES	100 839	103 658	3%	101 053

* 2019 revenues in established duties were calculated exclusively for the purposes of comparison with 2018.

** Since January 1st, 2019, the Customs and Excise Administration has been recording its revenue in collected duties in accordance with the provisions of article 32 of the organic law relating to the finance act.

Revenues collected through the gas pipeline fee amounted to MAD 1 billion, down 34,2% compared to 2018. This result is attributed to the 45.7% drop in volume, mitigated by a 6.4% price increase.

DCT posted an increase of 6% compared to the previous year, mainly as a result of the good performance of all the headings under this tax. Thus, DCT on manufactured tobacco increased by 5% or

+MAD 515.3 million compared to the previous year, particularly as a positive result of the tobacco-related tax reform.

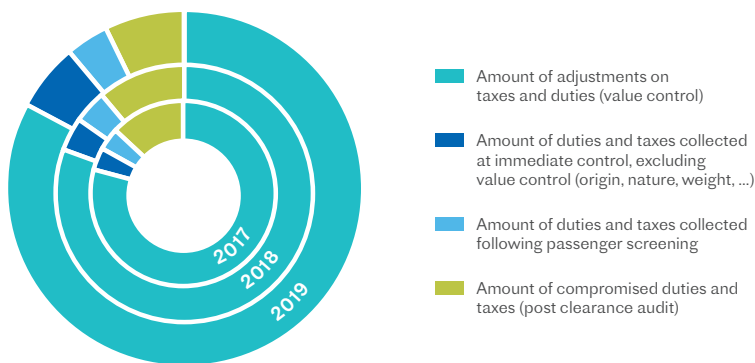
For DCT on energy products, and despite the fall in international prices, these revenues increased by 6% compared to 2018 thanks to the increase in cleared volumes.

ADDITIONAL REVENUE THANKS TO CONTROLS

By strengthening the various types of control and by relying on electronic data interchange with the Administration's main partners, the additional revenue collected reached MAD 3.6 billion in 2019. Adjustments following value control constitute the main source, representing 82%.

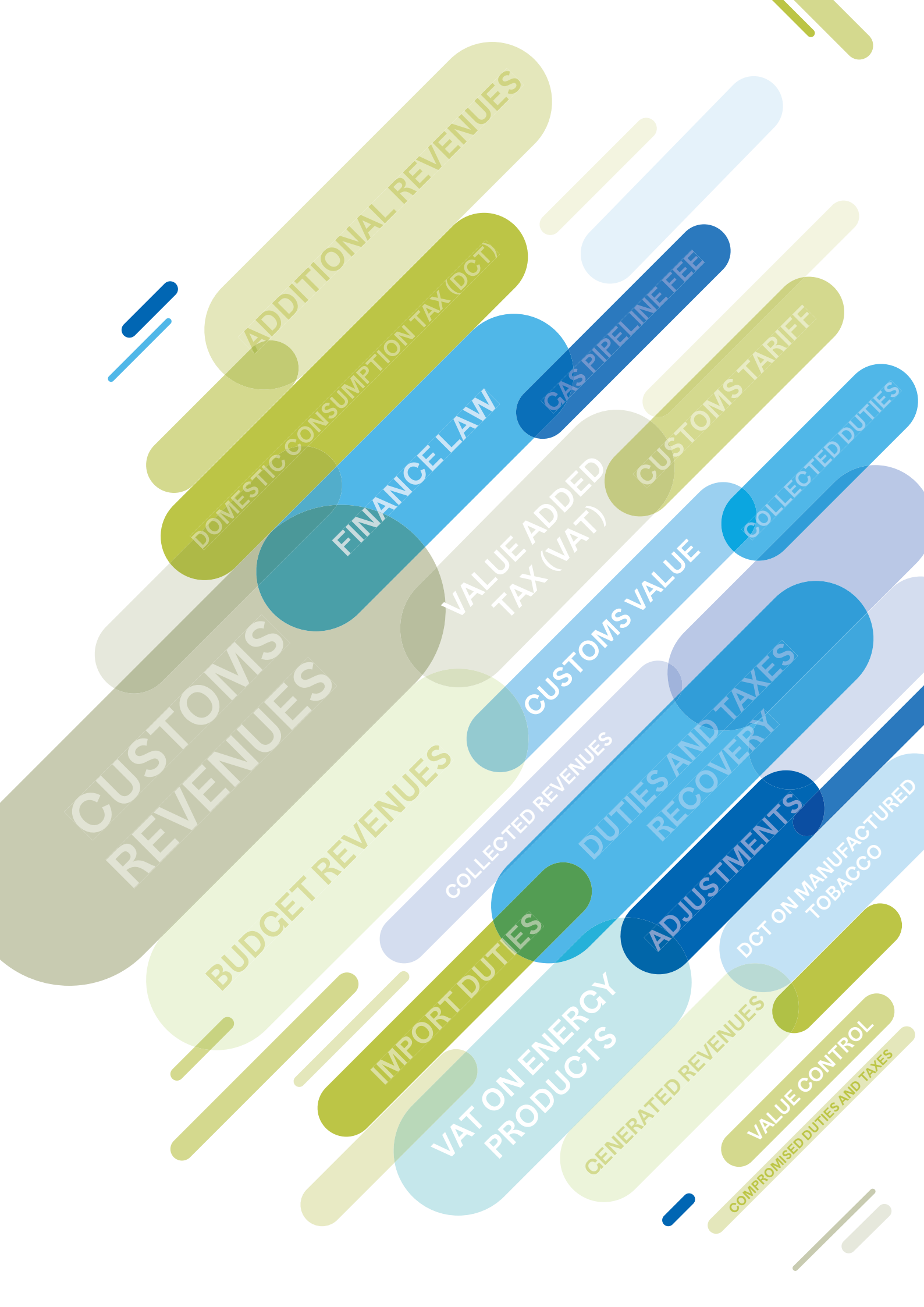
Revenues generated following immediate control, excluding value control, represent 5.5% of all additional revenues.

Progression of additional revenues by type of control (2017-2019)



At the root of these important results was the active involvement of customs agents, but also the combined effect of several modernization and control-strengthening actions, the most important of which are :

- ▶ The recovery of customs duties on Royalties which resulted in the collection of MAD 450 million for 2019 and for the last non statute-barred four years ;
- ▶ Effective cooperation between the CEA and the General Directorate of Taxes which made it possible to collect more than MAD 155 million ;
- ▶ The fight against currency trafficking at the various border points and which resulted in the seizure of currency equivalent to more than MAD 129.9 million, against MAD 92.6 million in 2018.



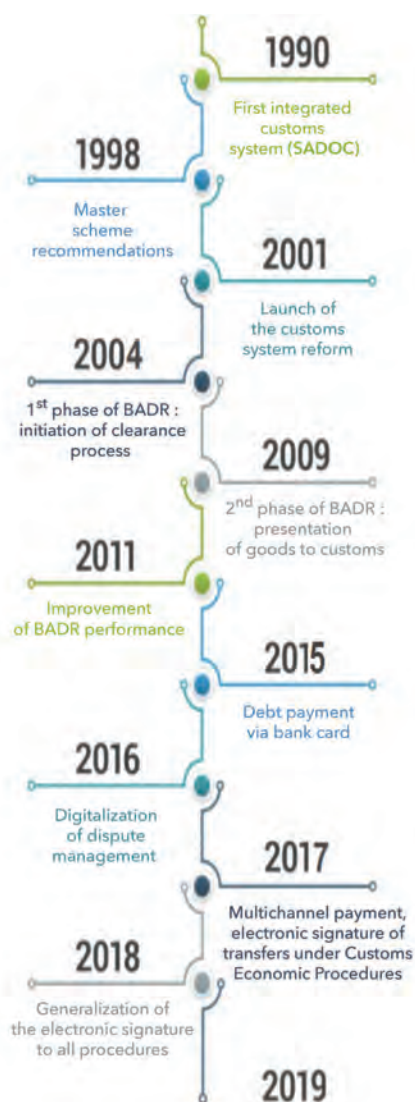


FACILITATION AND DIGITALIZATION

After almost thirty years of opening up to economic operators and a continuous process of improvement and digitalization, the customs IT system has embarked on a new era in 2019, one of full digitalization.

2019 marked the completion of the digitalization of the customs clearance circuit in Morocco. From January 1st, 2019, the CEA could indeed take pride in having «pulled along» the majority of the foreign trade ecosystem role-players in its process of digital transformation.

This great leap forward was indeed much-awaited considering the many advantages it holds, particularly in terms of facilitation. The launch of «paperless» customs clearance was preceded by the gradual implementation of the relevant legal, procedural and technical prerequisites.



Fully digitalized SGD circuit

DIGITALIZATION OF IMPORT AND EXPORT CUSTOMS CLEARANCE

Cessation of physical depositing in all customs procedures

January 1st, 2019 represents a milestone in the annals of Moroccan Customs. The total digitalization of the customs clearance circuit resulted in a generalization of the cancellation of the physical deposit of the declaration in detail and its associated documents to all customs procedures, after having covered in 2018 transfer procedures.

This flagship measure will improve the conditions of customs clearance, help reduce costs and delays in foreign trade operations and heighten transparency in the processing of customs operations.

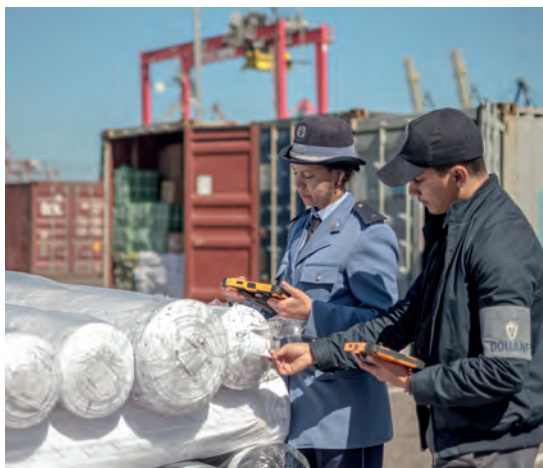
Mobile customs : tablets for faster processing

Intent on speeding up the goods clearance process, CEA deployed a mobile version of its BADR clearance system in January 2019.

Equipped with touchpads, customs officers on the

ground now have secure access to BADR's functionalities even outside the office. This allows them to process declarations (control, settlement, release, etc.) in real time, thus speeding up customs clearance.

MAIN FUNCTIONS POSSIBLE THROUGH TABLET USE

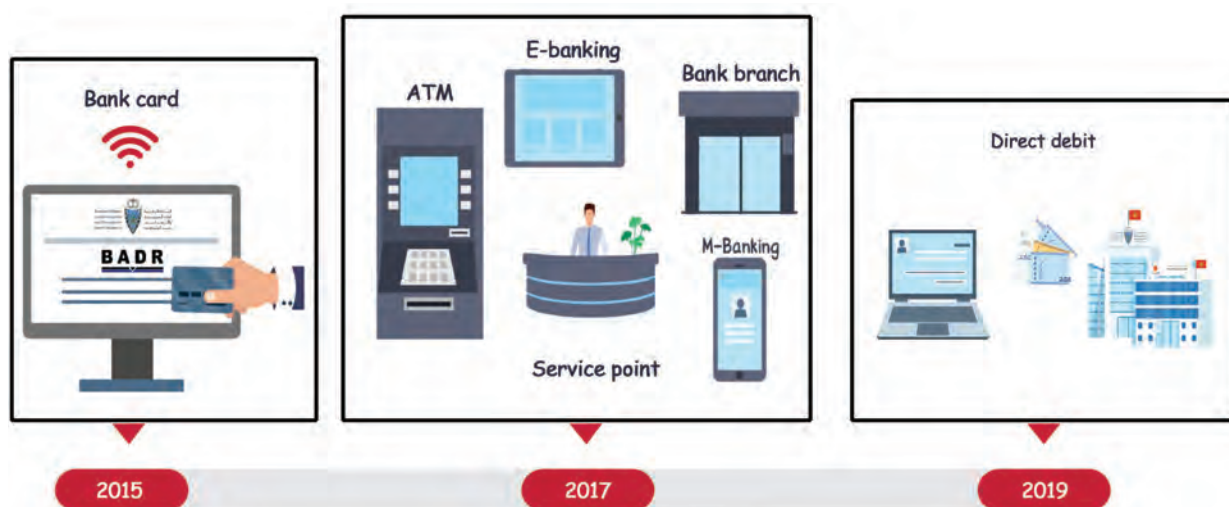


- ▶ Consultation of the declaration
- ▶ Adjustment of the declaration
- ▶ Immediate control
- ▶ Value treatment
- ▶ Goods recognition and counting on import (weighing, removal of goods against inventory)
- ▶ Goods recognition and counting for export (attribution of the mention «Checked, for boarding»)
- ▶ Verification visit recognition
- ▶ Liquidation
- ▶ Issuance of release

Direct debit payment: a new channel available to operators

Customs have broadened the range of electronic payment methods available to both economic operators and private individuals. After payment through Electronic Data Interchange, credit card, e-banking, m-banking, at a bank branch, via ATMs or at a local service point, a new electronic payment medium called «Direct Debit» was introduced in 2019.

Created within the framework of a three-party agreement between the CEA, the General Treasury (TCR) and the company «Maroc Traitement des Transactions», this new method enables users to pay customs debts by debiting the total amount owed directly from the operator's bank account, at any time, in real time and in total security.



Expanding the digitalization of applications for certificates of origin

The process of digitalizing certificates of origin pertaining to exports of products of Moroccan origin, initiated in 2018 after a successful pilot project carried out with the Russian Federation's Customs, was gradually expanded in 2019 to other countries bound to Morocco by a preferential treatment agreement.

The electronic submission of applications for certificates of origin (CO) was thus implemented from mid-April 2019 for certificates issued within the framework

of the Generalized System of Preferences, agreements with Arab countries and agreements concluded with the EU, EFTA, Turkey and the countries signatory of the Agadir Agreement.

The digitalization of CO applications is a step forward aimed at saving exporters' time, minimizing the risk of error or rejection, and reducing the number of trips to customs offices.



Extending digitalization to certificate of origin applications

Improving customs declarations

Summary Declaration

Since October 1st, 2019, and in a drive to implement a global control system focused on anticipating the customs clearance of goods and thus accelerating their release from customs premises, transporters are required to indicate in their summary declarations certain data, in particular the four-digit HS tariff heading of the goods.

Export declaration

To facilitate trade between the signatory countries of the Agadir Agreement (Egypt, Jordan, Tunisia

and Morocco), a Memorandum of Understanding was concluded in 2016 for electronic connection and data interchange between these countries.

In application of this memorandum and for any import declaration originating from one of these countries, the declarant is required, since January 1st, 2019, to enter on the BADR system the references of the declaration used for the export of his goods. Cross-checking the data from the two declarations facilitates both customs control and the customs clearance of the imported products.

DIGITALIZATION OF THE DECLARATION OF TEMPORARY ADMISSION OF VEHICLES

Temporary admission of passenger vehicles : procedure digitalized

Seeking to bridge the time required for travelers to clear customs, the CEA has introduced a new computerized procedure for the temporary admission (TA) of foreign-registered passenger vehicles as of January 1st, 2019.

The corresponding paper-based declarations (D16 bis and D16 ter) have been scrapped in favor of a verbal declaration made by the traveler. The identifying elements of the vehicle, presented on board the ships or on land upon arrival in Morocco, are entered into the BADR system and processed by a customs officer. The latter prints and delivers to the traveler a card to allow the vehicle to travel in the national territory and to be discharged on exit abroad.





Road transport : the paper-based declaration cancelled

More than a year after the implementation of the new computerized procedure of simplified declarations for the temporary admission and export of commercial vehicles (known as tryptic «D17» and «D20») and the possibility for transporters to continue using the «paper» channel, a decision was taken to fully scrap the paper channel and make the digitalized procedure compulsory with effect from October 1st, 2019. During this transitional period, carriers that were not yet ready for the new procedure were allowed to continue using the manual procedure. Intent on successfully carrying out this operation, and to encourage carriers to adhere to the new procedure, Customs initiated an awareness campaign by :

- ▶ Training 260 employees from transport companies
- ▶ Supporting and assisting 150 transport companies

More than
90.000
Tryptic declarations
electronically
recorded

More than
800
Operators
have resorted
to this module

More than
21.000
Commercial
vehicles were
processed on BADR

NEW SERVICES AND FACILITIES OFFERED TO OPERATORS AND INDIVIDUALS

Digital refund requests and automated credit notes

The digitalization of claims refund and credit notes is yet another asset added to the CEA's digital package.

CEA has enriched its BADR customs clearance system with a new function allowing the operator or his representative to file a reimbursement application online (instead of filing it with the competent customs department), to cancel applications not yet processed, and to consult those already in the system.

Follow-up options are also offered to operators allowing them to regularly monitor the progress of their applications online.

Furthermore, and in order to complete the process of automating refund claims, a module dedicated to «Credit Notes» was placed online in December 2019. It allows the automated exchange of these notes with the Kingdom's General Treasury (TGR) : each credit note issued (all expenses included) is automatically sent to the TGR for onward transfer to the relevant bank accounts.



Certificate of commencement of activity issued by EDI

Forging ahead with its action of digitalizing documents required for import, the CEA proceeded in 2019, in consultation with the General Directorate of Taxes, to the replacement of the certificate of commencement of activity that gives right to VAT exemptions by electronic data interchange on the eligibility of importers for this exemption.

In practical terms, when registering declarations for the import of capital goods along with a request for exemption, the BADR system automatically checks the operator's eligibility for this exemption in order to authorize or not the registration of the declaration.

Digitalized occasional declaration for foreign diplomats

Back in 2007, the Administration had introduced a system of preferential taxation for the customs clearance of vehicles belonging to diplomatic and consular missions and their accredited personnel in Morocco.

This regime, which was previously managed manually, was incorporated into the BADR system. Thus, for the customs clearance of these vehicles, an occasional declaration is entered with the application of a 75% reduction over the vehicle value when new in the case of vehicles that stayed in Morocco for at least four years, and 50% for those having stayed for a period of at least one year.

This new declaration, implemented during December, was centralized at the Rabat office.



SUPPORT OF COMPANIES

Driven by determination to contribute to the Kingdom's development, the CEA supports the national economic fabric by simplifying customs formalities and strengthening its capacity to listen and forge partnerships.

Within this framework, several measures, procedures and innovative actions have been carried out in close consultation with private and public sectors and operators.

UNLOADING WITHOUT CUSTOMS PRESENCE FOR OPERATORS CERTIFIED SAFETY-SECURITY

As part of the strengthening of customs and business partnership relations, the CEA has for several years been running a program of classifying companies for the benefit of economic operators that meet well-defined criteria, allowing them to be granted a wide range of facilitation options.

To further strengthen these relations of mutual trust, the Administration has granted in 2019 a new facilitation to the operators of Stores and Clearance Areas (SCAs) carrying the «Security - Safety» label. This facilitation allows them to unload, without the presence of customs services, imported goods and transport them under the transit regime to their premises outside legal business hours.



THE INTERNATIONALIZATION OF MSMES FURTHERED BY THE «EASY EXPORT» PROGRAM



Easy Export is a government program concluded with the Universal Postal Union to which the CEA has contributed, along with other organizations, with the objective of supporting Micro, Small and Medium Enterprises (MSMEs) by enabling them to export easily and at lower costs and to access international markets through the postal network of Barid Al Maghrib.

After an first phase initiated in 2015 for the benefit of dressmaking artisans and the implementation in 2016 of a simplified procedure in favor of self-entrepreneurs operating internationally, a new initiative was taken in 2019 in the Marrakech region for the

benefit of more than thirty operators. This has resulted in more than 300 export operations.

A MEASURE TO REINFORCE THE ATTRACTIVENESS OF THE INDUSTRIAL ACCELERATION ZONES

During a one-year test period, companies operating in Industrial Acceleration Zones (IAZs, formerly free zones) had been authorized in 2018 to sell their finished products on the local market within the limit of 15% of their export turnover.

In view of the recorded encouraging results, this measure was applied again in 2019.



THE INSTITUTIONALIZATION OF RELATIONS WITH PROFESSIONAL ASSOCIATIONS CONTINUES

Conscious that progress is achieved through the ability to listen and to share, the CEA is committed to consolidating its ties with its partners. The Administration gives body to its partnership approach through the conclusion of conventions and framework agreements with professional associations, in the form of sector-specific roadmaps that take into account their particular concerns in the area of customs.

Thus, a new framework agreement was concluded in 2019 with «Tijara 2020», the Federation of Consumer Products Distributors. Signed in September, the agreement aims primarily to train the Association's

members on digitalization and the Authorized Economic Operator program. It also seeks to contribute to employment generation in this sector, improve the competitiveness of producers and establish a customs environment conducive to the development of investment in the sector.

In the same vein, the 2019 financial year was marked by the organization and/or participation in more than forty meetings with representatives of the professional world, mainly geared towards the implementation of simplification measures engaged in favor of the business community.



PUBLIC-PUBLIC PARTNERSHIP AT THE SERVICE OF CONTROL AND FACILITATION

The CEA has also established new agreements with its institutional partners.

With CNSS

A new partnership was forged in 2019 through a cooperation agreement signed on June 3rd with the National Social Security Fund. This agreement lays the foundations for broad cooperation aimed in particular at developing information and data interchange, joint approval of operators, facilitation of administrative procedures and coordination in the area of audit and recovery of public debts.



With export control bodies

Additionally, Customs and the main port activity stakeholders [the National Ports Agency, Morocco Foodex Autonomous (Establishment for Export Control and Coordination), the National Office for Food Safety and the company Port-Net SA] have also agreed, by signing a partnership agreement in August 2019, to extend the services of the «PortNet» one-stop shop at export control.



A SURVEY TO ASSESS THE SATISFACTION OF ECONOMIC OPERATORS

Placing customer-user satisfaction at the heart of its quality drive, Customs conducted a survey among economic operators in December 2019 by direct mailing and via its Internet portal. The aim of the survey was to assess their degree of satisfaction with the online services made available to them, namely :

- ▶ The BADR electronic customs clearance system ;
- ▶ The ADIL Online Assistance in Customs Clearance of Import Goods ;
- ▶ The application allowing the follow-up of accounts subscribed under Customs Economic Procedures (CEP) ;

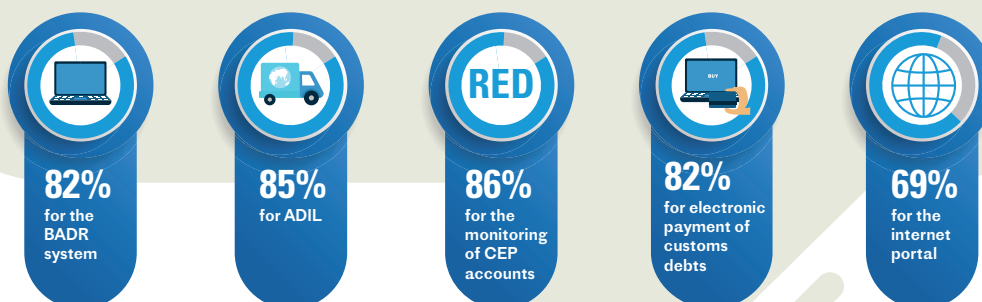
- ▶ The Customs debts electronic payment channels ;
- ▶ The internet portal.

The main objectives underpinning this action were to identify the profiles of clients using the Customs' online services, measure the effectiveness and relevance of these services, establish the reasons for customer satisfaction or dissatisfaction, identify actions to improve the evaluated e-services and collect information about new expectations that are yet to taken into consideration.

Survey carried out from 28 November to 8 December 2019 with the participation of 2.302 economic operators

81%

OF RESPONDENTS WERE GENERALLY SATISFIED WITH THE ONLINE SERVICES DEDICATED TO THEM





TECHNOLOGY-BASED CONTROL

Faced by the increase in volumes of commercial transactions between Morocco and its partners, and in order to prevent and combat the various forms of fraud, Customs continued in 2019 to develop its smart control mechanisms, by acquiring the technological instruments commensurate with the volume and pace of trade, and by strengthening its data analysis and processing capacities.

IMPLEMENTING DISTANCE CONTROL MECHANISMS

The digitalization of the customs clearance process has brought with it a new challenge with regard to controlling commercial operations. In fact, apart from the physical inspection of goods, all control actions are now based on electronic documents that customs inspectors and officers have to check without physical contact with the declarants. This has given rise to the concept of «tele-monitoring», which is fully embodied by SCDs that are automatically accepted as conform (thus obviating the need for physical verification).



In addition, an Operational Supervision Station was set up within the General Directorate. It ensures 24/7 monitoring through cameras located in sensitive areas or areas likely to experience fraudulent attempts. Operating with state-of-the-art technology, the supervisors working in this station intervene remotely to direct local managers to act in such a way as intercept fraudsters, but also secure and facilitate the passage of people, goods and transport means.

USING DATA TO DETECT FRAUDULENT ATTEMPTS

Continually engaged in its daily work of processing and analyzing data collected from the customs information system and from partner databases, the National Targeting Unit is stepping up its efforts to identify and target suspicious flows.

Thus, during 2019, this Unit's interventions covered several sectors of activity, including pharmaceuticals, maritime fishing, textiles and clothing, agricultural, motor vehicles, fuels and food processing.

Several cases of commercial fraud were exposed, including false declarations of species, origin or value, as well as certain breaches of economic customs regimes or unwarranted benefits from duty-free privileges.

ANALYZING DATA TO STRENGTHEN POST-CLEARANCE AUDITS

CEA is constantly endeavoring to reconcile facilitation and control by making the passage through customs zones more fluid and favoring post-clearance audits. The latter consists in targeting sectors presenting fraud risks, based on data analysis and processing.

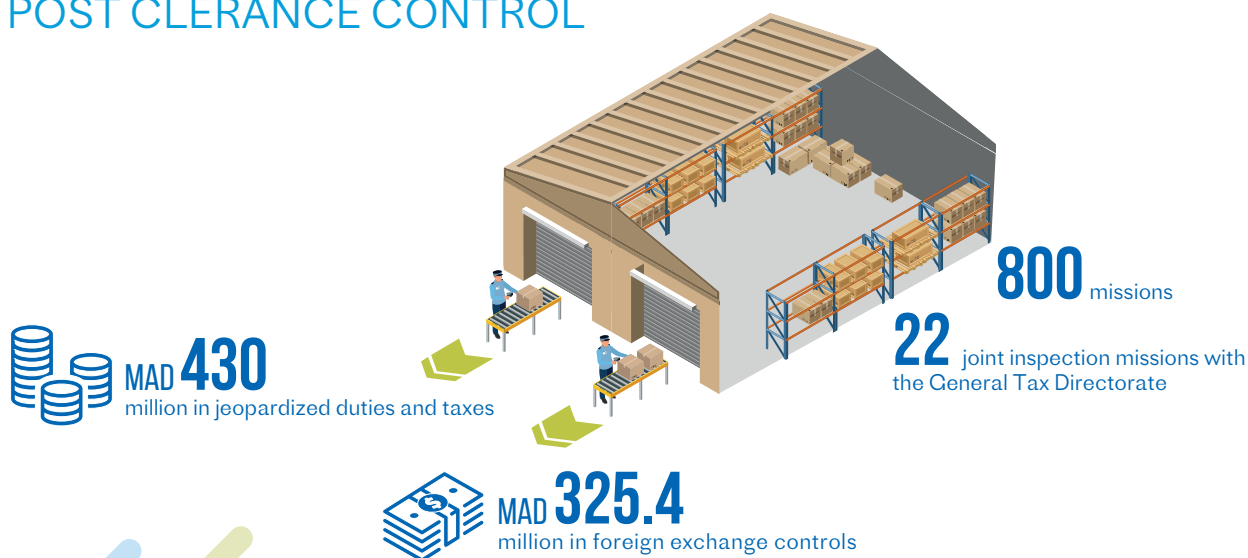
In 2019, 800 post-clearance audit missions were carried out and made it possible to identify a potential of jeopardized duties and taxes valued at MAD 430 million. In the same context, the audit pertaining to foreign exchange regulations resulted in a total amount of MAD 325.4 million in fines.



Similarly, this year registered the implementation of the national control plan, involving all regional services in charge of investigations, and targeting two activity sectors.

Furthermore, an application called «Investigation Management» was deployed within the BADR system. It centralizes all data relating to investigative missions and post-clearance audits, from their initiation to their closure.

POST CLEARANCE CONTROL



HARNESSING TECHNOLOGY TO FIGHT AGAINST UNDER-INVOICING

The fight against under-invoicing is part of the customs efforts to support economic activity and combat unfair competition, through an anticipatory and preventive approach.

In order to track down this fraud, CEA uses assessment indicators that automatically detect cases of under invoicing. These indicators are expanded and updated regularly, in consultation with professional associations

and operators in different economic sectors. Thus, 345 indicators were updated in 2019 and 309 new ones introduced.

Data use, along with the vigilance of customs officials, has made it possible to re-evaluate the equivalent of MAD 10.7 billion in value, generating MAD 2.9 billion in additional revenue.

EXPOSING FRAUD THROUGH ELECTRONIC DATA INTERCHANGE

CEA endeavors to create mechanisms for the coordination and exchange of information with other agencies involved in the fight against fraud. This cooperation drive is aimed in particular at increasing the effectiveness of joint controls and improving the collection of State revenue.

In 2019, electronic data exchanges with the General Tax Directorate resulted in the processing of more than 196 cases, which in turn resulted in the recovery of MAD 155 million, compared to MAD 128 million in 2018.

MANAGING TRAVELER-RELATED RISKS THROUGH TARGETING

The Administration targets travelers to be screened on the basis of a prior data analysis. In 2019, 29 million travelers crossed the various border points, compared to 33.1 million in 2018. The controls carried out

gave rise to 11 421 contentious cases resulting in the collection of MAD 135.8 million in duties and taxes and MAD 56.9 million in fines.



USING SCANNERS FOR GREATER FLUIDITY

The CEA is increasingly resorting to non-intrusive control mechanisms (scanners).

The 31 baggage scanners and 20 others dedicated to the control of HGVs, containers and vehicles allow customs to make the passage through customs more fluid and reduce the overall control time.

To ensure an optimal use of these scanners, 537 customs officers assigned to the checkpoints equipped with scanners benefited from 52 training sessions in 2019.



FIGHT AGAINST ILLEGAL TRAFFICKING

Whether it is drugs, contraband cigarettes, currency trafficking, smuggled goods, counterfeiting or money laundering, Customs actively contributes to dismantling criminal networks of all types throughout the Kingdom. To this end, it is strengthening its human and material resources and improving its intervention techniques while further developing its cooperation with national and international security bodies.



THE FIGHT AGAINST SMUGGLING

The unfaltering commitment of the various brigades throughout the Kingdom in their fight against smuggling resulted in 2019 in the seizure of various goods estimated at MAD 585 million (excluding drugs and transport means).

In addition, the various searches and interventions of the National Customs Brigade at warehouses and roads resulted in the seizure of smuggled goods consisting mainly of fabric, clothing and second-hand goods, for an estimated total value of MAD 100 million.

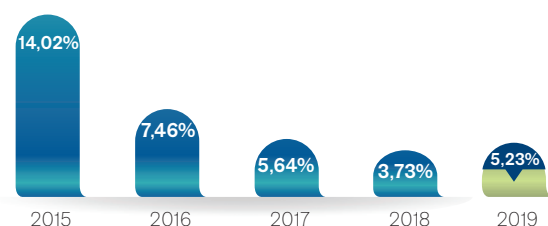


FIGHT AGAINST ILLEGAL DRUGS AND CIGARETTE TRAFFICKING

The results of the 6th study on the prevalence of contraband cigarette in 2019 reveal a 5.23% penetration rate of smuggled cigarettes in the domestic market compared to 3.73% in 2018, 5.64% in 2017 and 7.46% in 2016.

The 1.5 point increase from 2018 to 2019 was driven by recent price increases of cigarette packages sold formally at the national level. Nevertheless, the rate of 5.23% remains very low compared to what is recorded in many other countries.

Rate of prevalence of smuggled cigarettes





Seizures of drugs and cigarettes

In 2019

CANNABIS



119 TONS

Canabis resin against
19,2 in 2018

CIGARETTES



13,5 MILLIONS

Cigarettes against
36 in 2018

HARD DRUGS



63 GRAMS

of hard drugs against
132,4 in 2018

PSYCHOTROPIC DRUGS



680 000 UNITS

(Ecstasy, amphetamines, Rivotril, ...) against **836 808** in 2018

FIGHT AGAINST CURRENCY TRAFFICKING AND MONEY LAUNDERING



2019 was marked by the registration of 10 056 currency declarations at the various border points against 8 040 declarations in 2018, for a total amount in foreign currency of MAD 1.6 billion.

In terms of foreign exchange offences, foreign currency seizures carried out throughout the various border points amounted to MAD 129.9 million against MAD 92.6 million in 2018.

FIGHT AGAINST COUNTERFEITING

Customs services are engaged every day in a fight against counterfeiting, a real scourge affecting several sectors and undermining consumers, business competitiveness and the national economy. In 2019, customs intercepted about 700 000 counterfeit articles.

The administration also received and processed requests for the suspension of the release of goods suspected of being counterfeit. 689 applications were filed with CEA in 2019 against 619 in 2018.



FIGHT AGAINST THE PROLIFERATION OF PLASTIC BAGS

The active participation of Customs in the implementation of Law 77-15 resulted in the seizure in 2019 of 95.66 tons of smuggled plastic bags, an increase of more than 150% compared to 2018 (37.2 tons). The total quantity of seizures since the entry into force of the said law reached 207.2 tons.



CUSTOMS TAXATION

To strengthen Morocco's exportable supply and preserve the viability of national production, CEA focused in 2019 on the modernization of customs taxation by implementing several amendments within the framework of the project of finance law for the year 2020.

STRENGTHENING TAX EQUITY AND PROMOTING FAIR COMPETITION

Combating all forms of commercial fraud represents a priority for Customs. In this respect, and as in previous years, CEA enforced in 2019 trade defense measures, instruments established by the WTO to

counter unfair trade practices induced by dumping and massive imports of products that undermine the national production.

4 TRADE PROTECTION MEASURES

<p>COPYBOOKS FROM TUNISIA</p> <p>DEFINITIVE ANTIDUMPING DUTY</p> <p>15.69% and 27.71% depending on exporter</p> <p>Until 03.01.2024</p> <p>ANTIDUMPING MEASURE</p>	<p>LAMINATED WOODEN PANELS</p> <p>ADDITIONAL DUTY</p> <p>MAD 1.6/kg</p> <p>Until 19.09.2022</p>	<p>HOT-ROLLED SHEETS</p> <p>PROVISIONAL DUTY</p> <p>25%</p> <p>200 days Until 09.05.2020</p>	<p>IRON OR STEEL TUBES AND PIPES</p> <p>PROVISIONAL ADDITIONAL DUTY</p> <p>25%</p> <p>200 days Until 30.06.2020</p>
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SAFFGUARD MEASURES

Post-clearance audit of proofs of origin

The system of post-clearance audit of the proofs of origin implemented within the framework of administrative cooperation with partner countries enabled

the verification of 1415 proofs of origin in 2019, compared to 1201 in 2018.

VERIFICATION OF PROOFS OF ORIGIN



1415 proofs of origin were verified in **2019** against **1201** in **2018**



Export

380 proofs were verified in **2019** against **234** in **2018**, i.e. an increase of **7%**



Import

1035 proofs of origin were verified at import in **2019** against **967** in **2018**, i.e. an increase of **38%**

TARIFF RATIONALIZATION

Resolutely committed to supporting the competitiveness of the national economy, Customs has adopted new provisions at the level of the Customs Tariff, seeking

mainly to reduce the import duty applicable to certain inputs and correct tariff distortions between raw materials and finished products.

Reduction of the import duty applicable to sterile eggs



In order to encourage the establishment of local production units for the development of an avian influenza vaccine and thus support the development of the poultry industry, a minimum rate import duty of 2.5% is now applied to sterile eggs.

Known as «SPF» or «EMPS», these sterile eggs, used in the development of a vaccine against avian influenza in Morocco and representing up to 40% of the production costs of the vaccine, were subject to an import duty of 40%. This taxation

impacted the price of imported eggs and risked compromising the project of manufacturing the vaccine in Morocco.

Reduction of import duties on Enoxaparin

CEA corrected in 2019 a tariff distortion to which Enoxaparin was subject by applying a minimum 2.5% import duty rate regardless of its condition (raw material or finished product).

Previously, Enoxaparin, the raw material used in the production of injectable anticoagulants, was subject to an import duty of 17.5%, while finished products based on this material were subject to an import duty of 2.5%.



Reduction of import duties on non-assembled and unboxed electricity meters

Seeking to develop local production, a minimum import duty rate of 2.5% is now applied to non-assembled and unboxed electricity meters.

Under the common law system, unboxed electricity meters in parts were subject to an import duty of 25%, the same as meters imported in an assembled state, which was likely to disadvantage the national industry of electric meter assembly.

MODERNIZATION OF DOMESTIC CONSUMPTION TAXES (DCT)

Elimination of the definition of dark tobacco cigarettes

Cigarettes made from dark tobacco are defined as those containing at least 80% dark tobacco. This definition was designed to ensure a transparent application of DCT quotients which vary depending on whether the cigarettes are made from dark tobacco or from other types of tobacco.

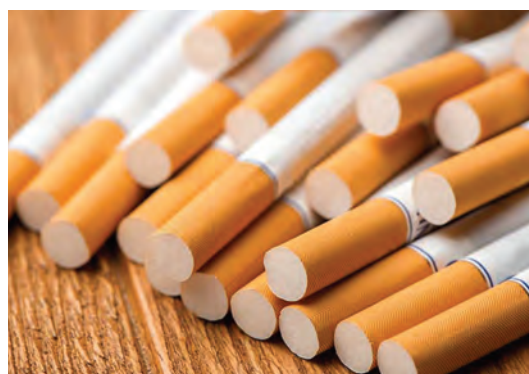
The 2017 Finance Law provided for a gradual alignment, over a period of three years, of the DCT quota applicable to cigarettes made from dark tobacco to the one applied to cigarettes made from other types of tobacco.

As this alignment had been fully achieved by January 1st, 2019, Customs removed the distinction between the two types of cigarettes and now applies the same DCT rate to both.

Tax increase on manufactured tobacco

In a drive to mobilize additional revenue for the General State Budget, the 2019 Finance Law provided for the following increases :

- From the minimum collected of 567 to 630 dirhams/1000 cigarettes under DCT on cigarettes ;
- The minimum tax burden from 53.6% to 58% on the selling price including all taxes and excluding the cost of the tax marking applied to cigarettes ;
- The minimum tax collection from MAD 350 to MAD 450/1000 grams under DCT on tobacco for hookahs (Muassel).



Revision of taxes applied to non-alcoholic beverages containing sugar

As part of the fight against the negative effects of sugar consumption on health, the 2019 Finance Law has provided for a 50% increase in the DCT quotas applicable to malt extract drinks and non-alcoholic, flavored and sugar-containing beverages listed in Table A-I of Article 9 of the related Dahir.

PRODUCT	REFERENCE	DCT INCREASE
Flavored waters and sugar-added cold drinks	I-a and I-d of the table	From MAD 30 to 45/hl
Flavored waters and sugar-added cold drinks	I-b and I-e of the table	From MAD 10 to 15/hl
Beverages containing malt extracts	I-f of the table	From MAD 83 to 124.5/hl

In addition, the ICT quotients for energy drinks were increased from MAD 500 to 600/hl.

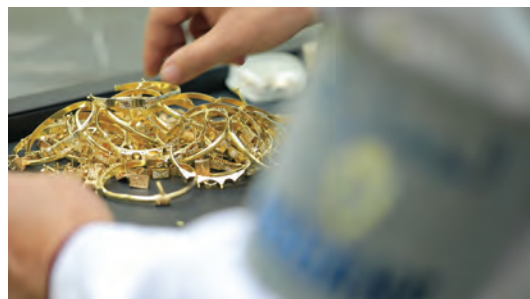
MODERNIZATION OF MANAGEMENT METHODS OF PRECIOUS METAL GUARANTEES

Adoption of a fourth method of testing precious metal articles

Since the control of precious metals is an integral part of Customs mandate, items in platinum, gold and silver imported or manufactured locally must be presented to the customs guarantee offices to be tested and to ensure that their precious metal content is in conformity with the legislation in force in Morocco.

Within this framework, three testing methods of the said items were provided for, namely: cup, touchstone and wet testing.

As these three traditional testing methods are time-consuming and not without risk to the testing agents, CEA introduced a new testing method based on the use of a spectrometer.



Introduction of the use of hallmarks by jewelers

Motivated by the desire to modernize the precious metals sector, CEA introduced the use of the hallmark by jewelers. Thus, in consultation with the professionals of this sector, Customs now authorizes artisan jewelers to affix a hallmark identifying the precious metal items they produce.

The hallmark is the personal signature of the craftsman who fashions the precious metal work. Its importance lies in the fact that it allows the traceability of the work and guarantees its authenticity while making the craftsmen accountable for the origin of their products and for their precious metal content.





INTERNATIONAL COOPERATION

In order to adapt to the new economic situation resulting from the emergence of a new geography of international trade and the intensification of interdependencies between the world's different regions, Customs has set about rethinking and diversifying its international cooperation activities.

Several imperatives underlie and motivate this new partnership dynamic :

- ▶ Promote bilateral cooperation with all the countries featuring on Morocco's diplomatic agenda ;
- ▶ Contribute to the implementation of regional integration projects to better protect the country's economic interests and diversify its partnerships and investment opportunities (AfCFTA, AUDA and projects arising from the Agadir Agreement) ;
- ▶ Integrate into the WCO's Customs International Network Project which aims to establish a secure and efficient information exchange among WCO members.

RELATIONS WITH INTERNATIONAL ORGANIZATIONS

Strengthening relations with WCO

2019 witnessed an active participation of CEA in the work of the main bodies and organs of the World Customs Organization (WCO).





CONFERENCE - WORKSHOP	DATE	LOCATION
National Training Workshop on the application of Strategic Trade Control Enforcement (STCE)	18 - 21 March 019	Rabat
Regional workshop on the role of customs in border security	01 - 04 April 2019	Tunis
Regional transit workshop	23 - 25 April 2019	Amman
1 st WCO public conference on the future of the Harmonized System	02 - 03 May 2019	Brussels
Global experience-sharing workshop on the WCO inward and outward processing procedures	22 - 24 May 2019	Brussels
1 st global WCO conference on communication strategies	08 - 09 October 2019	Brussels
UPU global conference on « Cross-Border Cooperation in the Era of Electronic Commerce »	26 - 28 November 2019	Xiamen (Chine)
Regional training workshop on the use of data analysis in risk management	01 - 05 December 2019	Doha

With regard to the coordination of actions to combat fraud and crime on a global scale, Moroccan Customs participated, with other customs partners and specialized international organizations, in various joint operations coordinated by the WCO, namely :

- Operation JUBILARIAN aimed at identifying tax evasion opportunities associated in particular with the misuse of the ATA carnet in the flow of air passengers ;
- Operation SESHAI on the monitoring and control of cross-border timber movements ;
- Operation DEMETER on the fight against cross-border illegal consignments of waste and hazardous substances ;
- Operation THUNDERBALL to combat wildlife crime and trade.

Cooperation within the WTO framework

In connection with WTO rules for ensuring transparency in trade between its members, Morocco participated in the examination of the key measures to ensure compliance with the obligations laid down by this organization.

In light of these commitments, CEA expressed its opinion, particularly on the following aspects :


- The improvement of transparency in the field of non-preferential rules of origin ;
- The trade policy review mechanism for trade and trade-related measures ;
- Technical assistance and capacity-building needs for the implementation of category C, which commitments were notified by Morocco on April 19th, 2018 under Article 16 of the WTO Trade Facilitation Agreement (TFA).

Relations with other international organizations

2019 was also marked by CEA's participation in the work initiated by other international organizations involved in world trade management.

Thus, on October 10th, 2019, Customs participated in the proceedings of the 14th meeting of the Standing Committee for Economic and Commercial Cooperation of the Islamic Cooperation Organization (OIC), held in Turkey, and which focused on the improvement of transit trade in the Organization's Member States.

CEA also took part in the first national workshop on trade in services in Morocco, organized in Casablanca by the Foreign Trade Department, in partnership with UNCTAD and UNDP.



CEA IS ATTENTIVE TO ITS INTERNATIONAL ECONOMIC ENVIRONMENT

Cycle of meetings for Morocco-based economic counsellors

As a key player in trade facilitation, business climate improvement and investment promotion, Customs continued in 2019 its policy of opening up to its international economic environment.

Thus, in partnership with the Department of Foreign Affairs, CEA organized on 14 and 15 February 2019 a series of information meetings in favor of the econo-

mic counsellors of embassies accredited to Morocco, given the importance of their role in boosting economic cooperation between the Kingdom and their countries of origin.

This important meeting was attended by the officials in charge of economic and commercial affairs attached to the embassies of more than 60 countries. They seized this opportunity to exchange views with the Moroccan customs officials on issues of common interest.



CUSTOMS MEETS THE DIPLOMATIC CORPS ACCREDITED ABROAD

The Director General of Customs and Excise Administration, Mr. Nabyl LAKHDAR, met, on July 3rd, 2019 at the Ministry of Foreign Affairs and Cooperation, with Morocco's Ambassadors abroad, newly appointed by His Majesty the King, May God glorify him.

The meeting provided an opportunity to highlight CEA's action in its regional and international dimension and its dynamism within international organizations, including WCO and WTO.

It was also an opportunity to apprise Moroccan diplomats of the current issues in international customs cooperation, as well as expectations regarding the various trade and customs agreements.

Through this meeting, Customs reaffirmed its readiness to accompany Moroccan embassies in their economic diplomacy drive and relations with Moroccans residing abroad.

CONSOLIDATING PARTNERSHIPS

During 2019, Customs took several steps to establish a solid and fruitful cooperation base with its traditional partners. It also initiated cooperation

actions with other customs bodies in order to diversify its partnerships and avail of new opportunities to share expertise.

PARTNERS	TYPE OF COOPERATION	ACTIONS ACHIEVED	DATES	VENUE
UNITED KINGDOM	2 nd strategic dialogue session	<ul style="list-style-type: none"> ▶ Updating the 1994 legal instrument serving as a basis for mutual administrative assistance ▶ Conclusion of a preliminary exchange agreement protocol ▶ Establishment of a joint working group dedicated to customs issues 	17 September 2019	Rabat
RUSSIA	▶ Cooperative actions within the framework of the Moroccan-Russian Intergovernmental Joint Commission	<ul style="list-style-type: none"> ▶ Adoption of a protocol on the exchange of documents and information relating to customs valuation ▶ Ongoing finalization of a protocol on cooperation, information exchange and mutual assistance in matters related to origin ▶ An opportunity to attend the 40 professional events and share experiences with nearly 2300 persons from the business world 	2019	Rabat
	▶ International customs forum organized by the Russian Federal Customs Service and hosted by the World Trade Center		24 – 25 October 2019	Moscow
SPAIN	2 nd session of the bilateral working group on goods customs clearance at the Nador commercial port	▶ Discussion of modalities of implementing the customs procedures to be put in place	10 June 2019	Tangiers
CHILE	1 st session of the joint bilateral commission	<ul style="list-style-type: none"> ▶ Conclusion of a mutual administrative assistance agreement ▶ Signing of a protocol for the preliminary exchange of information 	27 May 2019	Rabat
SERBIA	2 nd session of the joint commission	<ul style="list-style-type: none"> ▶ Conclusion of a mutual administrative assistance agreement ▶ Ongoing examination of a protocol for the advance information exchange 	06 March 2019	Rabat

CAPITAL HUMAN

Human resources represent CEA's most important capital. Building their capacities is a permanent priority in view of the growing challenges they are called upon to meet. The diversity and sensitivity of the customs professions entail that staff must be mobilized to act on a daily basis, put to the best use their knowledge and expertise, remain dedicated and display a deep commitment to the Administration.

In order to enhance the value of its action and mobilize its skills, CEA set in motion in 2019 a set of measures to support the professional development of its staff and ensure their deep commitment to the new performance requirements.

BUILDING UP THE WORKFORCE TO SUPPORT MISSION DEVELOPMENT

As CEA's missions continue to evolve and expand, the need for human resources capable of coping with these changes becomes apparent year after year, particularly in those sectors dedicated to securing control chains and combating smuggling.

Thus, and with a view to bolstering the brigades, 206 grade 3 (scale 6) administrative assistants were recruited in 2019, representing a 4% increase in staff numbers.



ANTICIPATING FUTURE NEEDS IN SKILLS BY USING WORKFORCE, EMPLOYMENT AND SKILLS FORECAST MANAGEMENT (GPEEC)

To better anticipate changes in various jobs and professions and to support its future skill requirements, the CEA uses GPEEC tools to better match available profiles to the requirements of its strategy and objectives.

In this context, the individual assessment interview introduced in 2012 makes it possible to combine the professional aspirations of customs staff (geographical mobility, change of structure or job, qualification, career...), with the changes undergone by the customs environment, in particular the acceleration of dematerialization and digitalization of procedures, the growth of customs activity and the wider decentralization.

4635



evaluation
interviews
conducted, of which :

468 interviews at the CA

4167 interviews in regions



PREPARING FOR SUCCESSION

To guarantee that the necessary skills are available in a timely manner in order to ensure continuity of services in the event of retirement or mobility changes, the Administration has implemented a «Succession Preparation» process for middle management positions.

2019 was marked by the preparation of a pool of future operational managers consisting of : 17 authorizing officers, 22 receivers and 14 heads of subdivisions.

A support and development plan was also drawn up to prepare 29 women for the position of «Director», filling positions of responsibility as heads of departments and similar positions.



ENHANCING CUSTOMS OFFICERS' KNOW-HOW THROUGH TRAINING TO FULFILL THEIR FULL POTENTIAL

Training is a priority in CEA's strategy as the Administration remains conscious that preparing for tomorrow's jobs and the new environment demands are key to its long-term performance. Whether for new recruits or existing staff, several actions have been initiated to make training accessible to the largest numbers, facilitate apprenticeships, support the implementation of the strategy, and prepare tomorrow's leaders.

2019 was marked by the launch of the 2019-2020 training cycles at the new training site located in Benslimane. The new Customs Training Institute opened its doors on October 18th, 2019, to the promotion of the new 456 young recruits who joined the nine-month initial training which alternates military and customs components and is designed to provide them with basic operational skills.



DIGITALIZATION OF TRAINING

CEA tends to reinforce training through short educational video clips dealing with specific training themes and lasting no more than 5 minutes.

In 2019, 2 educational video clips on themes related to «Goods Inspection» and «Ecor» were designed and produced.

The international cycle is also being conducted for the first time on the new campus, benefiting 45 inspectors from 16 African countries and Haiti for a period of nine months.

In addition to these two flagship courses, there is a national course for staff who were re-graded as part of the inspection process, designed to update their know-how of the customs profession and prepare them to carry out their new duties, as well as refresher courses that are part of the ongoing training for the staff of both CEA and partner organizations.



PERSONAL TRAINING ACCOUNT

Guaranteeing the right to training and making it accessible to as many customs officers as possible were the main drivers behind the establishment of a personal Training Account.

Launched online on October 1st, this new service allows each customs officer to manage the training options available to him or her in order to strengthen his or her professional and personal capacities, prioritize his or her needs and map out his or her career path. An annual allocation of a minimum of 5 days of training, which can be accumulated, is allocated to each officer.



Line managers and training management services are required to provide staff members with their training days' allocation in as streamlined a manner as possible.



CULTIVATING ETHICAL AND MERITOCRACY VALUES AND IMPOSING PENALTIES ON CODE OF CONDUCT BREACHES

In 2019, as an encouragement and in recognition of merit, CEA granted awards to deserving officers, particularly for their role in important operations conducted as part of the fight against smuggling and drug trafficking.

On the other hand, and with a view to addressing the professional failings noted and strengthening the capacities of regional officials and managers in this area, a reference guide to disciplinary cases was drawn up in 2019.

In the same vein, and to further uphold ethics, a new version of the Code of Conduct was updated and distributed to all staff members, urging them to adhere to compliance with its provisions.



158

awards, including :

89 cheers and 69 congratulatory notes,

176

against 176 sanctions

1770 

Agents promoted
to higher grades
or scales

127 

Officers
redeployed

82 

Senior
positions
filled

421 

Agents redeployed
under geographical
mobility

GOVERNANCE AND SERVICE QUALITY

CEA has made it an imperative to offer better quality services and meet the expectations of operators and citizens, adopting an approach that favors attentiveness and consultation, making structures accountable, an optimal use of available resources and a better communication with the various customers, aiming to achieve a greater public efficiency.



STAYING ON THE COURSE OF PROACTIVE COMMUNICATION

In 2019, CEA finalized its institutional communication system by collecting the opinions and reactions of its client-users through online surveys. This process was an addition to the social networks of Facebook and Twitter, launched in 2014, and the internet portal.

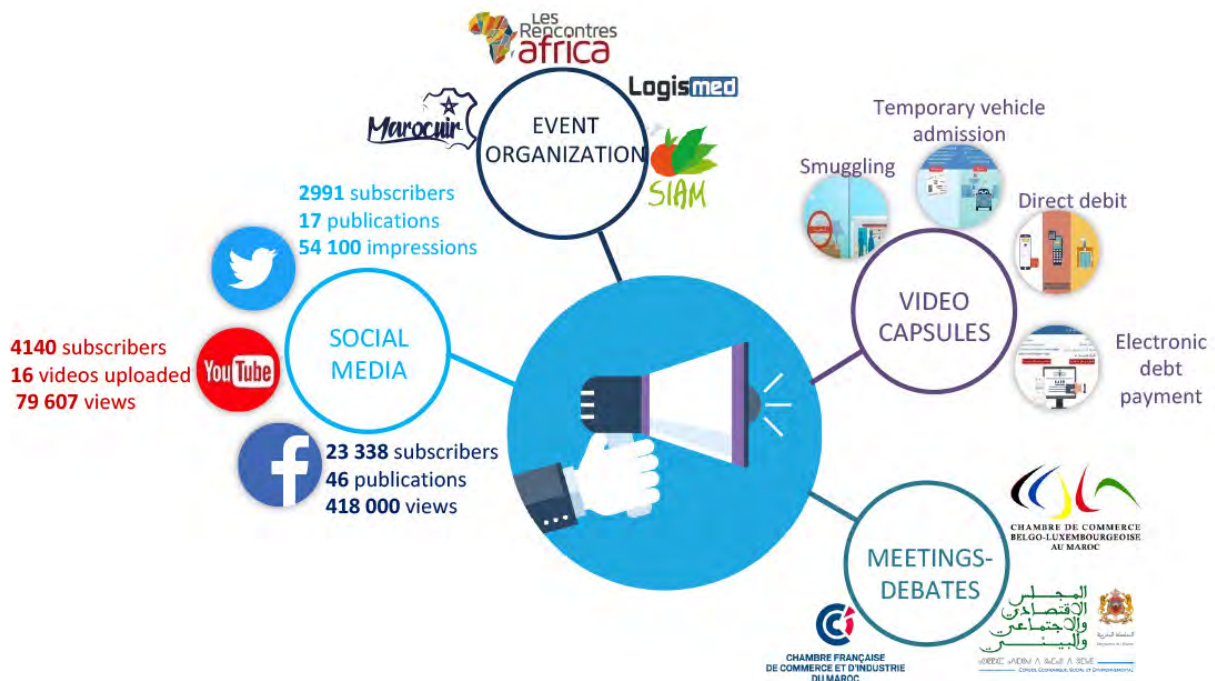
Furthermore, and to ensure the widest exposure for procedures, CEA commissioned the production and distribution of 3 video capsules in 2019 on current or particularly important topics, namely smuggling, temporary admission of vehicles, online payment of customs debts, including through the new channel called «direct debit».

In the same vein, and with a view to interacting with economic operators on the new customs legislation, the Administration took part in four international trade fairs (MAROCUIR, SIAM, LOGISMED, THE AFRICA MEETINGS).

For his part, the Director General held two meetings with Morocco-based foreign chambers of commerce (Belgian-Luxembourg Chamber of Commerce in Morocco and the French Chamber of Commerce and Industry of Morocco), and a third one with the General Confederation of Moroccan Enterprises - North Region. He was also invited by the Economic, Social and Environmental Council to a meeting-debate on the «Economic and social situation in the northern border areas».

In addition, and to maintain a constantly proactive communication and prepare for compliance with the law on the simplification of administrative procedures, efforts were made at the level of CEA's internet portal to improve the section presenting the customs procedures flowcharts, renamed «Catalogue of Services», using the documentation guidelines of administrative services provided for in the said draft law.

2019 Communication Graph



ENSURE CONFORMITY OF CUSTOMER SERVICE WITH ESTABLISHED QUALITY STANDARDS

Ensuring the compliance of customer service facilities is one of CEA's priorities as it sets out to improve its services to the general public. In addition to the physical reception, which by end 2018 registered the compliance of its components in 25 customs facilities considered as priorities, other customer service channels have undergone several actions to better process customer queries.

In this regard, the scope of electronic reception, via the electronic queries processing platform, was extended to the queries hand delivered to the structures or received by email messaging. This measure has had the positive effect of ensuring better traceability

of users' requests and complaints, and of shortening response time thanks to the instant follow-up made possible by the «e-query» platform.

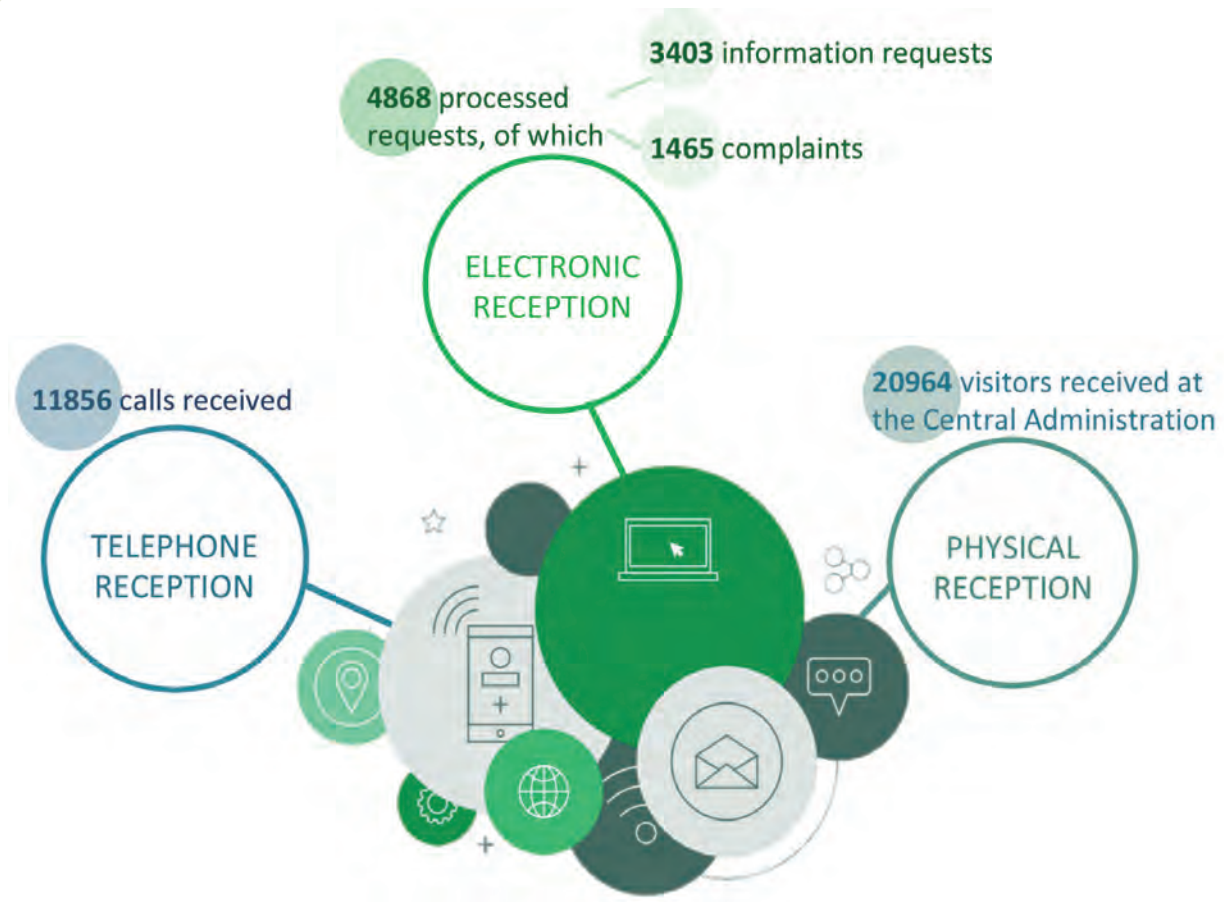


SATISFACTION SURVEY OF THE E-QUERY PLATFORM USERS

To improve the quality of query processing and to better meet the expectations of applicants, a satisfaction survey was conducted among customers who approached the administration in 2019.

The survey focused on three main areas : accessibility of the query form, quality of the information provided and its relevance to the users' requests, and the time required to process requests. The satisfaction rate recorded was 72%.

Key customer service figures in 2019



ACCELERATING STRATEGIC OBJECTIVES IMPLEMENTATION FOR A HIGHER PERFORMANCE

2017-2021 Strategic Plan

Planned for a five year period, CEA's strategic plan for 2017-2021 has achieved a significant implementation rate of 92% by end 2019, i.e. almost two years ahead of its initial deadline.

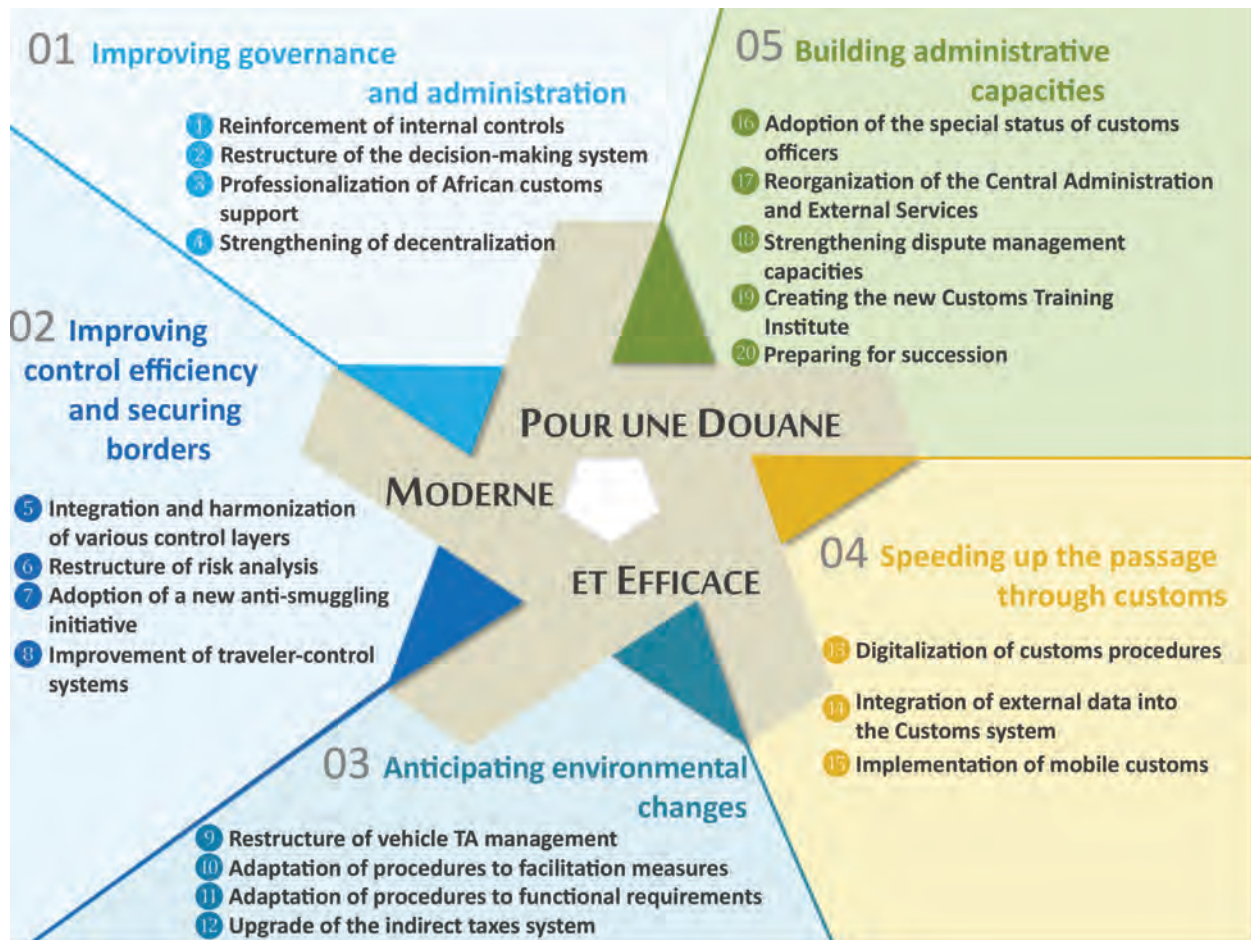
This performance was made possible thanks to the combination of several factors, having allowed, by mid-term already, the completion of most of the projects contained in the strategic plan.

These factors are the effective involvement of all managers, the close monitoring of project execution by a dedicated PMO unit, the systematic reporting of challenges and the active search for solutions capable of resolving them quickly, but also the effective cooperation with the Administration's main partners.

92% Global implementation rate of Strategy by end 2019



2017-2021 Strategic Plan



2019 Contracts-Goals-Means

The signing of the Contracts-Goals-Means (CGM), considered an essential tool in implementing the strategy, provided an opportunity to enrich the portfolio of indicators agreed upon with the regional departments and to automate the collection of data for some indicators. The objective was to make CGM evaluation more reliable and provide RDs and central managers with the tools necessary for

monitoring the relevant activities.

To this end, changes brought to the portfolio focused on a better evaluation of the efforts of decentralized services in terms of control efficiency, consolidation of customs revenue and management of seized or abandoned goods.

INDICATOR AUTOMATION

Eight (08) indicators monitored within the framework of the Contracts-Goals-Means signed with regional directorates were automated during 2019. Data is thus extracted directly from the new CEA decision-making system without referring to the managerial structures previously in charge of manually collecting data.

OUR VIDEO CAPSULES



ELECTRONIC
DEBT
SETTLEMENT

SMUGGLING



DIRECT DEBIT

TEMPORARY
ADMISSION
OF VEHICLES



Access our videos
directly by scanning
the corresponding QR
code





FOCUS ON THE REGIONS



REGIONAL DIRECTORATE OF THE ORIENTAL (RDO)



KEY FIGURES

CLEARANCE AND REVENUE



18,087
SQDs
recorded



MAD 1,7 BILLION
of customs
revenue



MAD 1 BILLION
of VAT revenue

2019 MARHABA CAMPAIGN



683 THOUSAND passengers
at arrival
639,5 THOUSAND passengers
at departure



95,7 THOUSAND vehicles
at arrival
91,6 THOUSAND vehicles
at departure

FIGHT AGAINST FRAUD



MAD 13,3 MILLION
of compromised duties
and taxes following
post-clearance audit



MAD 27,1 MILLION
of duties and taxes
resulting from
passenger screening



MAD 11,5 MILLION
of currency
seizures

FIGHT AGAINST SMUGGLING AND ILLEGAL TRAFFICKING



1947
cases processed



11 309
psychotropic drugs and
588 KG
of Chira seized



42 127 KG
of plastic bags
seized

HUMAN RESOURCES



601
Agents



77 %
Brigade agents



13 %
Women



15 %
Executives

MAJOR ACHIEVEMENTS

Recettes douanières

In 2019, revenue generated by the RDO amounted to MAD 1.7 billion, up 8% from 2018. This increase was the result of a 34% progression of DCT revenue and of 21% of import duties.

Revenue generated through vehicle customs clearance recorded a 26% increase, amounting to MAD 99.2 million, against MAD 78.5 million in 2018.

Fight Against Informal Activity

The opening of a commercial shipping line at the port of Beni Ensar and the reduction of smuggling flows through the Bab Melilla border post were accompanied by support measures geared at converting merchants living off smuggling into importers.

As a result, 628 company registrations were entered into the BADR system, contributing to a 20% increase in customs duties collected by the Nador Port Authority.

Fight Against Smuggling

The RDO is constantly adapting its action in the fight against smuggling in order to conduct and guide its field interventions in the best possible manner.



Seizure of **929**
new cellphones worth
MAD 7.8 million

Efforts made in this regard have resulted in more than 1947 interventions, leading to the seizure of goods estimated at MAD 218 million, excluding transport means.

Fight Against Commercial Fraud

Immediate controls allowed the collection of more than MAD 12.5 million in additional duties and taxes, as well as 7.8 million in fines.

With regard to post-clearance audit, RDO carried out 41 investigations resulting in more than MAD 13.3 million of compromised duties and taxes. It also exposed 100 foreign exchange infractions that generated a counter value of MAD 11.2 million, against MAD 4.8 million in 2018.



Fight Against Drug Trafficking

Actions taken in the fight against drug trafficking resulted in the seizure of 11 309 psychotropic drugs and 588 kg of cannabis resin.

The commitment to combating the proliferation of plastic bags continued, resulting in the seizure of more than 42 tons of these products, i.e. with an increase of 154% compared to 2018.

Protection Of Fauna And Flora

Brigade agents in the Oujda region carried out an exceptional seizure of 1680 goldfinches, a protected species of which the hunting is banned.

In addition, customs agents at the Bab Melilla border post thwarted an attempt to illegally import a beehive housing thousands of African black bees.

Passenger Screening

The flow of passengers transiting through the region increased by about 10% at arrival and 19% at departure compared to 2018. This enabled the RDO to collect MAD 27.1 million in duties and taxes at the various passenger screening points.

CUSTOMS DIRECTORATE OF THE PORT OF TANGIER MED (CDPTM)



KEY FIGURES

CLEARANCE AND REVENUE



254,8 THOUSAND
SGDs recorded of
which 67% at import



MAD 17,41 BILLION
of customs
revenue



MAD 8,44 BILLION
of VAT
revenue

2019 MARHABA CAMPAIGN



24 %
of passengers
by sea

48 %
of car flows



693,6 THOUSAND
passengers
at arrival

679,8 THOUSAND
passengers
at departure



189 THOUSAND
vehicles
at arrival

170,4 THOUSAND
vehicles
at departure

FIGHT AGAINST FRAUD



MAD 107,69 MILLION
of compromised duties
and taxes as a result of
post-clearance audit



MAD 66,2 MILLION
of duties and taxes
at passenger
screening



MAD 16,2 MILLION
of currency
seizures

FIGHT AGAINST ILLEGAL DRUG TRAFFICKING



81,832 TONS
of cannabis resin
seized against

2,53 TONS in 2018



568 THOUSAND
psychotropic
drugs seized



506,5 THOUSAND
cigarette packs seized
during fraudulent import
attempt

HUMAN RESOURCES



574
Agents



70 %
Brigade agents



11 %
Women



37 %
Executives

MAJOR ACHIEVEMENTS

Customs Revenue

In 2019, revenue amounted to MAD 17.4 billion, up 4.8% from the previous year. Customs duties revenue increased by 13.12% to reach MAD 1.43 billion, while DCT revenue increased by 7.63% to reach MAD 6.48 billion.

VAT revenue remained relatively stable with a 1.31% increase, standing at MAD 8.44 billion.

Fight Against Commercial Fraud

The CDPTM agents tackled various cases of fraud in 2019. Thus, unwarranted benefit from compensation following prior export of petroleum products, using a false receipt certificate, generated MAD 7.3 million of evaded duties and taxes and the collection of a transactional fine of MAD 2.74 million.

In terms of economic customs procedures, customs agents thwarted a fraudulent attempt concerning an abusive discharge of a fabric consignment worth MAD 882 thousand.



Post Clearance Audit

After conducting 144 audits in 2019, exceptional results were recorded in terms of seizures and revenue. Indeed, the audits carried out allowed the recovery of MAD 31.28 million of additional duties and taxes and fines.

In this regard, a remarkable operation was carried out through the interception of 35 362 kg of fabric valued at MAD 2.65 million on two containers used for fraudulent imports under cover of forged documents.

Fight Against Smuggling

As part of the fight against smuggling, two major fraud attempts were foiled. The first one led to the seizure of 1928 smartphones estimated at MAD 4.78 million. The second one was carried out in coordination with the National Customs Brigade and resulted in the interception of 162 tons of fabric for a total value of MAD 17 million.



Seizure of smuggled cigarettes
worth **MAD 17,7 MILLION**

Fight Against Drug Trafficking

In 2019, the CDPTM agents made record seizures of cannabis resin totaling 81.8 tons. The most notable cases involved the seizure of 27.3 tons of cannabis resin concealed in machinery, 16.2 tons inside a container from the free zone, and 13.75 tons stowed in a hiding place created at the back of a trailer.



568 000 psychotropic
drugs at import

Protection Of Wildlife And National Heritage

The CDPTM agents successfully foiled two attempts of illegal exports. The first one involved the seizure of 400 turtles during passenger screening, and the second one involved the seizure of 48 meteorite pieces and paleontology objects.

REGIONAL DIRECTORATE OF TANGIER- TETOUAN- AL HOCEIMA (RDTTA)



KEY FIGURES

CLEARANCE AND REVENUE



135,7 THOUSAND
SGDs
recorded



MAD **705** MILLION
of customs
revenue



MAD **430** MILLION
of VAT
evenue

PASSENGER SCREENING



6,1 MILLION
passengers



MAD **24** MILLION
of generated
revenue



MAD **41,5** MILLION
of currency
seizures

FIGHT AGAINST DRUG TRAFFICKING



346 CASES
recorded



8,3 TONS
of Chira seized



105,4 THOUSAND
psychotropic
drugs seized

FIGHT AGAINST SMUGGLING



MAD **172** MILLION
of goods seized



924 CASES
recorded

HUMAN RESOURCES



628
Agents



66 %
Brigade agents



20 %
Women



22 %
Executives

MAJOR ACHIEVEMENTS

Customs Clearance And Revenue

Business activity at the RDTTA progressed in 2019, posting a 12% increase in recorded SQDs which reached 135.7 thousand.

64% of these declarations were registered under the Customs Economic Procedures (CEP), up 15% from the previous year.

Total RDTTA customs revenue reached MAD 705 million, up 12.4% from 2018. 61% of this revenue was attributed to VAT which increased this year by 9.4%.

Facilitation And Company Support

The number of guarantee decisions granted to companies in the region increased by 34% to reach 78 decisions, 60% of which represent guarantee facilities for exporting companies located in the Industrial Acceleration Zone of Tangier.

Similarly, the RDTTA granted seven decisions of creation or extension of particular private warehouses. It also supported 13 companies in different activity sectors regarding electronic payment and management of CEP accounts.

In addition, the RDTTA improved the average processing time of customer and user queries from 3.7 days in 2018 to 1.9 days in 2019.



Fight Against Fraud And Drug Trafficking

Within the framework of CEP accounts monitoring to ensure fair competition among operators, the RDTTA exposed a case of regime abuse where duties and taxes evaded amounted to MAD 12 million.

Putting to contribution intelligence in the fight against drug trafficking, the RDTTA managed to carry out major operations, including the seizure of 1.9 tons and then 4 tons of Chira.



Litigation

The total number of cases recorded in 2019 fell slightly to 9086 cases against 9173 in 2018. 51% of these cases were settled amicably.

The RDTTA also focused on the follow-up of contentious cases in order to preserve the Administration's rights. It thus engaged 240 procedures of seizure of real estate and business assets against offenders.



Seizure at import of currency equivalent to **MAD 25 MILLION**

REGIONAL DIRECTORATE OF RABAT-SALE- KENITRA

(RDRSK)



KEY FIGURES

CUSTOMS AND REVENUE



24,2 THOUSAND
SGDs
recorded



MAD 141,68 MILLION
resulting from **2 508** vehicle
customs clearances



MAD 385,5 MILLION
of customs
revenue



1H 51 MIN
customs clearance
duration

FIGHT AGAINST FRAUD



MAD 49,5 MILLION
of duties and taxes and
fines recovered following
post-clearance audit



MAD 1,5 MILLION
after post-clearance
foreign exchange audits



MAD 9,3 MILLION
of currency
seizures

FIGHT AGAINST SMUGGLING AND DRUG TRAFFICKING



MAD 1,7 MILLION
of collected fines
from passenger
screening



MAD 27,8 MILLION
of smuggled goods
seized including
means of transport



1929 KG of cannabis
416 KG of tobacco leaves
1339 KG of ground tobacco

HUMAN RESOURCES



325
Agents



50 %
Brigade agents



34 %
Women



42 %
Executives

MAJOR ACHIEVEMENTS

Customs Clearance And Revenue

Thanks to the dynamism witnessed in the Atlantic Free Zone, the activity of the RDRSK experienced important progression in 2019 with a 26% increase in the number of recorded declarations, from 19.1 thousand SGDs in 2018 to 24.2 thousand. On the other hand, revenue declined by 20% to MAD 376.9 million, against MAD 462 million in 2018.

Facilitation And Support

In 2019, the RDRSK organized several seminars to popularize electronic payment methods of customs debts.

An information day on the theme «dematerialization of certificate of origin issuance at export» was also organized for the benefit of the representatives of operators and forwarding agents.

Improving Customer Reception Conditions

In order to improve working and customer reception conditions, the RDRSK inaugurated a new headquarters in the Agdal district.

In the same vein, new premises were inaugurated in Kenitra to accommodate the Kenitra subdivision and surveillance brigade.

Fight Against Commercial Fraud

In terms of control, the efforts of the RDRSK agents allowed the recovery of MAD 49.5 million in duties, taxes and fines through 68 post-clearance audits.

With regard to infractions related to foreign exchange regulation, an infraction amount of MAD 1.48 million was recorded.

Fight Against Smuggling

Operations led by the RDRSK brigades resulted in significant achievements, raising the value of seized goods from MAD 14.5 million in 2018 to MAD 24.3 million in 2019, excluding means of transport which were valued at MAD 3.5 million.

Several outstanding operations were carried out within this framework, including the seizure of new

clothing items worth MAD 1.9 million, fabrics and clothing items estimated at MAD 3.1 million and electronic equipment (smartphones, tablets, etc.) worth MAD 4.7 million.



Passenger Screening

To ensure the appropriate control and smooth passage of travelers through the Rabat-Sale Airport, the RDRSK resorts to targeting techniques to select the screenings to be carried out. This approach enabled it to collect MAD 1.7 million in fines and MAD 542 thousand in duties and taxes, while the counter value of currency seizures reached MAD 9.36 million.



Seized goods valued
at **MAD 22.3 MILLION**

Sale Of Seized Goods

In 2019, the sale of goods seized or abandoned at Customs generated MAD 13.3 million, i.e. an increase of more than 100% compared to the previous year. This performance was made possible thanks notably to the sales of mobile phones conducted on behalf of the other regional directorates, as well as the sale of goods seized by the National Customs Brigade.

REGIONAL DIRECTORATE OF FEZ- MEKNES

(RDFM)



KEY FIGURES

CLEARANCE AND REVENUE



4,1 THOUSAND
SGDs
recorded



MAD 429 MILLION
of customs
revenue



MAD 277,8 MILLION
of DCT
revenue



1996 clearance for home use declarations for vehicles
MAD 60,6 MILLION of customs clearance revenue on vehicles

FIGHT AGAINST FRAUD AND CONSUMER PROTECTION



MAD 5,5 MILLION
of adjusted duties and
taxes at immediate
controls



MAD 6,7 MILLION
of compromised
duties and taxes after
post-clearance audits



MAD 37,1 MILLION
of seized
smuggled goods

PASSENGER SCREENING



1,4 MILLION
passengers



MAD 316 THOUSAND
of duties and taxes
collected



MAD 4 MILLION
of seized
currency

HUMAN RESOURCES



254
Agents



56 %
Brigade agents



31 %
Women



30 %
Executives

MAJOR ACHIEVEMENTS

Customs Revenue

In 2019, the RDFM managed to collect more than MAD 429 million in customs revenue, including MAD 277.8 million from DCT and MAD 60.6 million from vehicle customs clearance.

Thus, the teams in charge of control were able to intercept goods undeclared by passengers estimated at MAD 4 million in value.

Fight Against Smuggling

The interventions of the Fez and Meknes subdivisions' brigades resulted in substantial seizures of smuggled goods in 2019. The total value of the seizures is estimated at MAD 37.1 million, including MAD 9 million in an operation involving automotive parts and spare parts.



Company Support

The RDFM strives to strengthen its role in the economic and social development of the Fez Meknes region. To this end, it mobilizes its resources to extend to the region's businesses the support and assistance they need to improve their competitiveness.

Thus, the RDFM officials increased the frequency of meetings with economic operators in order to present the various customs products and facilities offered to them (AEO, electronic payment, guarantee facilities ...), especially during the International Agricultural Exhibition in Meknes.

In addition, 12 companies in the region benefited from the renewal of their AEO status.

Passenger Screening

Conscious of the importance of the Fez-Saïss Airport in the tourism dynamics of the Fez Meknes region which welcomed more than 1.4 million passengers in 2019, the RDFM services continue their efforts to preserve the smooth and welcoming passage normally reserved for passengers, without neglecting the requirements dictated by control imperatives.

CUSTOMS DIRECTORATE OF THE PORT OF CASABLANCA (CDPC)



KEY FIGURES

CLEARANCE AND REVENUE



214 THOUSAND
SGDs
recorded



MAD **35,2** BILLION
of customs revenue representing
35 % of national revenue

DISPUTE MANAGEMENT



7 338
litigation cases
recorded



98,4 %
of litigation cases
settled amicably

FIGHT AGAINST FRAUD



MAD **2,13** BILLION
of additional duties and
taxes as a result
of value control



MAD **57,8** MILLION
of compromised duties
and taxes following post
clearance audit



111 suspension measures in the fight
against counterfeiting



114 THOUSAND
scanning operations
conducted

HUMAN RESOURCES



539
Agents



52 %
Brigade agents



25 %
Women



27 %
Executives

MAJOR ACHIEVEMENTS

New Organization

To accompany the dematerialization of the customs clearance system, the CDPC adopted innovative organizational measures in processing the SQDs admitted for as compliant through tele-control. Authorization offices in charge of tele-control are domiciled at CDPC's headquarters and process nearly 85% of SQDs.

This organization had the effect of reducing access to port areas (customs agents and declarants), as well as of concentrating flows subject to physical verification in two authorization offices operating with a controlled workload.

A reception and information point was also set up at the import tele-control offices with the aim of processing information queries from declarants while encouraging exchanges via BADR.



Fight Against Fraud

The new working organization allowed for a higher effectiveness of controls. The verifications carried out as part of post clearance audit allowed the detection of several cases of false declaration, thus generating additional duties and taxes, while at the same time feeding the BADR system with risk indicators to improve targeting.

In terms of prior control, the CDPC targeted for physical inspection 354 consignments presenting a potential risk of fraud.

In addition, the port of Casablanca was equipped with 5 scanners during 2019, increasing the number of non-intrusive controls by 11% to reach 114 thousand operations.



Fight Against Under-Invoicing

During the year 2019, value control generated MAD 2.13 billion in duties and taxes, which is 73.4% of the total amount of duties and taxes recovered nationally.

Fight Against Drug Trafficking

In this respect, 3 operations were carried out and allowed the seizure of 904 kg of Chira against 240 kg the previous year.

Company Support

The CDPC provided support to 240 companies in various areas, particularly in matters of electronic payment. The door-to-door approach adopted within the framework of proximity assistance made it possible to reach 220 SMEs. 138 of these successfully completed their first electronic payment transaction.



For the discovering of new organized operation modes in drug trafficking

REGIONAL DIRECTORATE OF CASABLANCA- SETTAT (RDCS)



KEY FIGURES

CLEARANCE AND REVENUE



391,1 THOUSAND
SCDs
recorded



MAD 31,5 BILLION
of customs
revenue



MAD 15,4 BILLION
of DCT
revenue



MAD 45,3 MILLION
from precious metals
guarantee

FIGHT AGAINST FRAUD AND CONSUMER PROTECTION



MAD 27,7 MILLION
of additional revenue
following prior control



MAD 191,3 MILLION
of additional revenue from
value control



MAD 60,4 MILLION
of compromised duties
and taxes following post-
clearance audit



MAD 67 MILLION
of smuggled goods
seizures

PASSENGER SCREENING



MAD 4,9 MILLION
of duties and taxes collected
during passenger screening

HUMAN RESOURCES



969
Agents



57 %
Brigade agents



27 %
Women



28 %
Executives

MAJOR ACHIEVEMENTS

Stores And Clearance Areas (SCA)

Following the creation of four new SCAs, the number of units installed at the RDSC rose to 60 stores, which represents 75% of the total national number of SCAs.

In terms of customs clearance activity, the DRCS stores and clearance areas processed 182.6 thousand SQDs, representing a total declared value of MAD 53.2 billion.

With this achievement, SCAs monopolize 47% of the total number of recorded SQDs and 29% of all budgetary revenue at the regional level.

Nouasseur Free Zone

The Nouasseur Free Zone continues to evolve thanks to the influx of industrial companies, particularly those operating in the aeronautics sector and whose production is export-oriented.

Customs activity at the Free Zone is experiencing continuous growth, particularly in terms of the number of SQDs recorded which increased by 5.64% in 2019.

Transit for export ranks first with 46% of all declarations submitted by companies located in the free zone.

This year, the number of transit declarations increased by 120% compared to 2018, which attests to the increase in this zone's export activity.

Revenue And The Fight Against Fraud

In 2019, RDSC's budget revenue amounted to MAD 29.34 billion, against MAD 27.63 billion in 2018. Thus, it contributes to nearly a third of the Administration's total revenue, i.e. 30.96%.

In terms of control, value adjustments generated MAD 191.3 million of additional revenue in 2019, against MAD 171 million in 2018.

Guarantee Of Precious Metals

The Casablanca-Guarantee office continues to position itself as the first office in charge of controlling precious metals at the national level. Revenue in 2019 amounted to MAD 45.3 million, up 4.4% from 2018.

Passenger Screening

In 2019, the number of passengers passing through Mohammed V Airport exceeded the 10 million mark, i.e. an increase of 6.25% over 2018.

Screenings related to passenger movements gave rise to 662 contentious cases that resulted in the collection of MAD 4.9 million in duties and taxes and MAD 2.1 million in fines.



Fordischarge of 83%
of undelivered goods stocks

SOUTH CENTRAL INTERREGIONAL DIRECTORATE (SCID)



KEY FIGURES

CLEARANCE AND REVENUE



22,7 THOUSAND
SQDs
recorded



MAD **10,1** BILLION
of customs
revenue



MAD **8,8** BILLION
of DCT and
VAT revenue

PASSENGER SCREENING



6,6 MILLION
passengers



MAD **18,2** MILLION
of currency
seizures



MAD **1,8** MILLION
of duties
and taxes collected

FIGHT AGAINST FRAUD AND SMUGGLING



15 post clearance audits generating
MAD **6,9** MILLION of compromised duties
and taxes

Seizure of **16,8 KG** of live glass eels
in the fight against endangered
species trafficking

HUMAN RESOURCES



388
Agents



63 %
Brigade agents



26 %
Women



28 %
Executives

MAJOR ACHIEVEMENTS

Clearance And Revenue

Revenue generated by the SCID increased by 10% to reach MAD 10.1 billion.

DCT and VAT revenues account for the largest share with a contribution of 45% and 43%, respectively.

Thanks to the Jorf Lasfar port, one of the key components of Morocco's port infrastructure, the Safi Interprovincial Directorate recorded budget revenue of MAD 8.7 billion for 2019, representing 95% of the SCID's total revenue.

Fight Against Smuggling

Interventions of the SCID teams made it possible to score significant seizures in the fight against smuggling.

Among the most remarkable achievements were the seizures of 6.3 kg of white metal jewelry pieces, 23.7 tons of banned plastic bags, 46 500 cigarette packages, 1450 kg and 2400 units of Chicha tobacco.



Similarly, controls allowed the seizure from two foreign travelers of a quantity of medicines subject to authorization, including 1180 capsules of Becozyme.

Facilitation And Company Support

Within the framework of the support provided to businesses, several training and sensitization activities were carried out at the regional and local levels for the benefit of economic operators and forwarding agents, focusing in particular on multi-channel payment and the provisions of the 2019 Finance Act.

In terms of facilitation, 32 companies were approved for the AEO status and 4 applications for renewal were processed.

Passenger Screening

Since 2017, the Marrakech-Menara Airport has been recording double-digit annual growth rates of passengers number, passing the 6 million cap in 2019.

During this year, passenger screening gave rise to 616 foreign exchange cases, the collection of MAD 2.7 million in fines and the seizure of currency worth MAD 18.2 million.



Post-Clearance Audit

The SCID conducted 15 post-clearance audits in 2019, which generated MAD 6.9 million in compromised duties and taxes. 71% of these duties and taxes, i.e. MAD 4.9 million, pertained to undeclared royalties.



Seizure of 23,690 tonnes of prohibited plastic bags

INTERREGIONAL DIRECTORATE OF AGADIR (IDA)



KEY FIGURES

CUSTOMS REVENUE



30,9 THOUSAND
SQDs
processed



MAD 2,9 BILLION
of customs
revenue



MAD 1,5 BILLION
of VAT
revenue

FIGHT AGAINST SMUGGLING



652
roadblocks and
ambushes carried out



MAD 16,4 MILLION
of smuggled
goods seized



1,2 MILLION
cigarette units
seized

FIGHT AGAINST FRAUD



1,5 THOUSAND
litigation cases
recorded



MAD 23,4 MILLION
of fines
collected



23 audits carried out
generating **MAD 12 MILLION**
of compromised duties
and taxes

PASSENGER SCREENING



2 MILLION
passengers



MAD 6,6 MILLION
of duties
and taxes



MAD 5,2 MILLION
of currency
seizures

HUMAN RESOURCES



256
Agents



67 %
Brigade agents



16 %
Women



24 %
Executives

MAJOR ACHIEVEMENTS

Clerance And Revenue

The total number of SQDs at the IDA increased slightly (+1.3%) compared to 2018. This resulted from a 3% increase in SQDs for the exports, formed mainly from agricultural and sea products.

The significant drop in imports and the 10.4% drop in DCT revenue led to a 3.3% decrease in customs revenue to MAD 2.9 billion, with MAD 1.5 billion in VAT revenue.

Fight Against Smuggling And Drug Trafficking

2019 was marked by the seizure of significant quantities of smuggled goods estimated at MAD 16.4 million.

The most outstanding operation was the seizure of 7280 vials of a veterinary injectable drug.



The fight against drug trafficking was also fruitful. The most noteworthy intervention was the seizure of 826 kg of cannabis in stems and 167 kg of tobacco leaves.

Capacity Building

On the occasion of the 44th Green March anniversary, the IDA inaugurated the new headquarters of the Sidi Ifni Brigade. This project is part of CEA's strategy to improve the working conditions of customs agents and boost actions to combat smuggling in the Guelmim Oued Noun region.

Traveler Screening

In 2019, the Agadir-Massira Airport passed the 2 million passengers, thus consolidating its position as the 3rd cap airport in the Kingdom in terms of passenger traffic.

The increase in passenger numbers resulted in a 33% rise in the counter value of seized foreign currency, amounting to MAD 5.2 million, and in duties and taxes that totaled MAD 6.6 million.

Litigation

The number of litigation cases registered reached 1528 cases, 21% less than 2018.

The amount of fines recovered in this respect was MAD 23.4 million. With regard to settlement ways, the IDA opted for compromises in 71% of the cases.



Customer Relationship Management (CRM)

The IDA continues to consolidate its CRM efforts by improving, namely, the average processing time for queries.. With 185 queries received in 2019, the average processing time decreased significantly from 2.2 days in 2018 to 1.6 days in 2019.



For the seizure of a van loaded with cigarettes and maassel valued at MAD 1.1 million

INTERREGIONAL DIRECTORATE OF THE SOUTH (IDS)



KEY FIGURES

CLEARANCE AND REVENUE



27,4 THOUSAND
SGDs
recorded



MAD 773,3 MILLION
of customs
revenue



MAD 438,6 MILLION
of VAT revenue

FIGHT AGAINST FRAUD AND CONSUMER PROTECTION



MAD 53,3 MILLION
of adjusted duties
and taxes at
immediate control



MAD 17 MILLION
of smuggled
goods seized



6,2 MILLION
of seized
cigarettes



19,8 TONS
of Chira
seized

PASSENGER SCREENING



239,5 THOUSAND
passengers at arrival
in airports



MAD 12,1 MILLION
of seized currency

HUMAN RESOURCES



184
Agents



54%
Brigade agents



12%
Women



30%
Executives

MAJOR ACHIEVEMENTS

Commercial Activity

2019 was marked by the relocation of the headquarters of the Interregional Directorate of the South to the city of Ed-Dakhla in order to provide proximity services to operators and travelers using the border post of El Guerguarate.

This border post is becoming increasingly important in the region, both economically and strategically, as witness to the increase in traffic flows passing through this post. These flows rose sharply in 2019 to 66.677 million tons, compared to 20.803 million tons in 2018, resulting in the registering of an additional 3.234 SCDs.



Fight Against Commercial Fraud

The IDS continued to standardize commercial operations in the region to the legislation and regulations in effect, like the Kingdom's other customs offices.

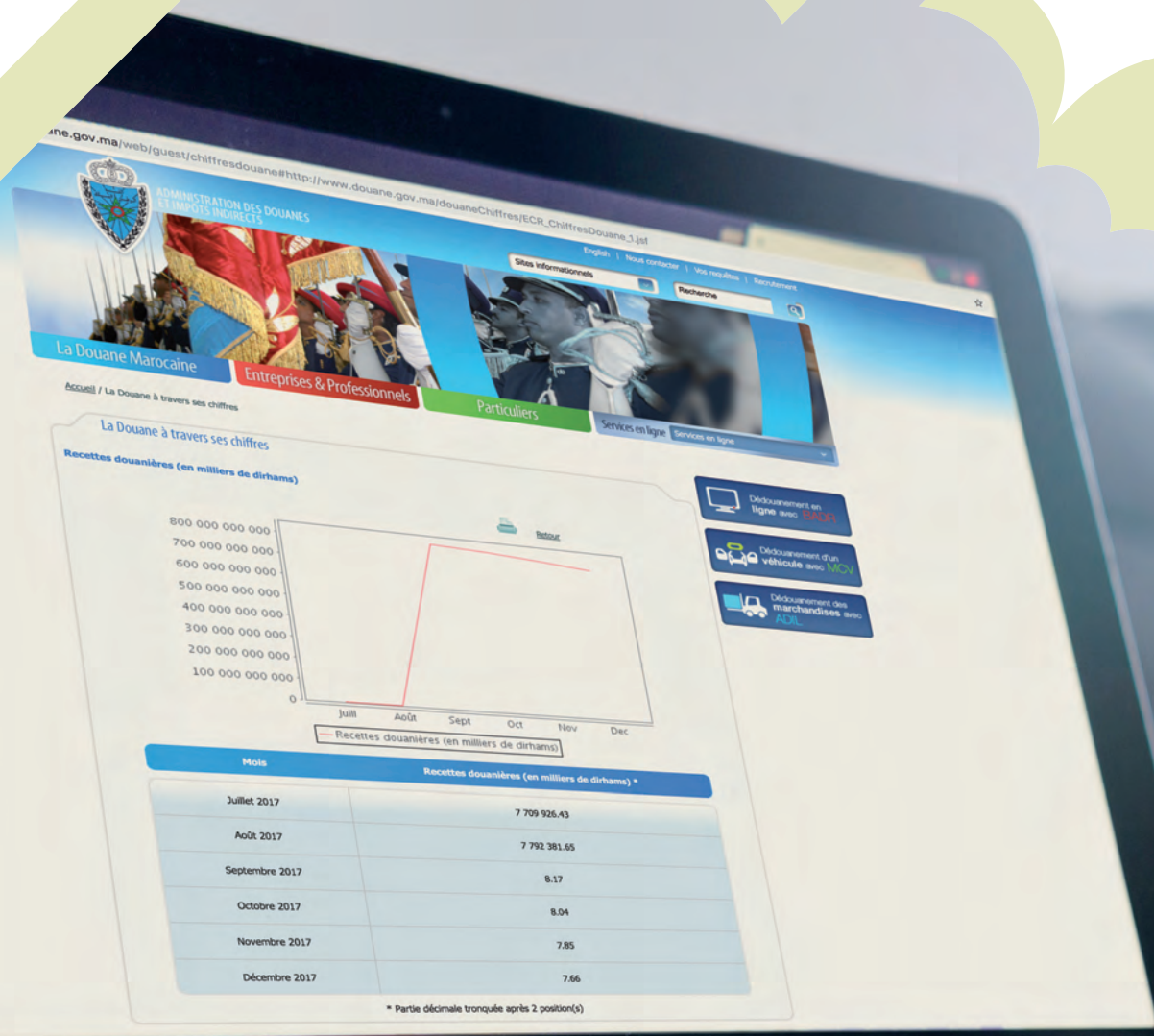
To this end, and thanks to the efforts of the teams in charge of immediate control, the value of duties and taxes collected in 2019 was close to MAD 54 million, of which more than 90% was generated following value control.

Fight Against Smuggling

The estimated value of smuggled goods seized, excluding drugs, reached MAD 17 million in 2019. Special mention should be made of smuggled cigarettes seizures which recorded a remarkable 270% increase over 2018, bringing the number of units seized to 6.2 million.



3 Chira seizures
totaling 18.9 tons



The image features a blurred background of a laptop keyboard. Overlaid on this are several abstract, stylized shapes. A large, light green shape with a grey interior is prominent on the left. Smaller, elongated shapes in blue and light green are scattered around, some appearing as if they are floating or moving. The overall aesthetic is modern and clean.

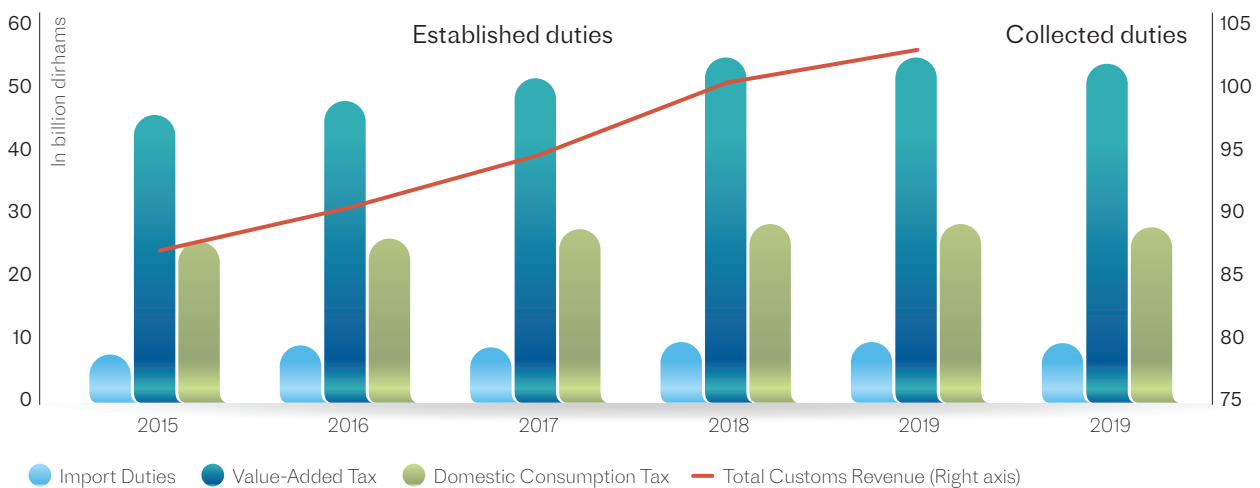
CUSTOMS IN FIGURES

CUSTOMS REVENUE

BREAKDOWN OF CUSTOMS REVENUE BY HEADING FROM 2015 TO 2019

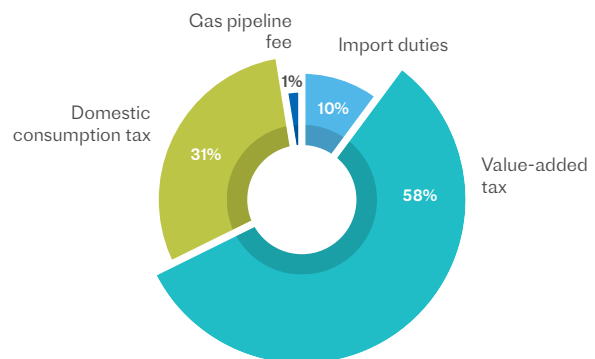
In 2019⁽¹⁾, customs revenue amounted to MAD 101.1 billion, a record figure never achieved in the past. This performance was largely the result of a remarkable progression of imports. Customs budgetary revenue posted an increase of 3.1% to reach MAD 94.6 billion. Apart from the gas pipeline fee, all duties and taxes collected by the CEA recorded a positive evolution.

Customs revenue over the past five years



During 2019, VAT accounted for 58% of total budget revenue, followed by domestic consumption tax with 31%, import duties (10%), and finally the gas pipeline fee (1%).

Breakdown of budgetary revenue by category in 2019



(1) Since January 1st, 2019, the Customs and Excise Administration has been recording its revenue in collected duties in accordance with the provisions of article 32 of the organic law relating to the Finance Act.

Evolution of customs revenue by heading over the last five years

HEADING (in billion dirhams)	Established duties						Collected duties
	2015	2016	2017	2018	2019*	% change	2019**
Import duties (ID)	7,7	9,1	8,6	9,5	9,6	1	9,4
Domestic Consumption Tax (DCT) including :	25,4	26,1	27,4	28,3	29,9	6	29,4
► DCT on energy products	15,3	15,2	15,7	15,7	16,6	6	16,3
► DCT on manufactured tobacco	8,6	9,3	9,9	10,8	11,3	5	11,2
► DCT on other products	1,5	1,6	1,7	1,8	1,9	11	1,9
Value Added Tax (VAT) including :	45,8	47,9	51,4	54,7	56,1	3	54,4
► VAT on energy products	7,9	7,1	8,5	9,9	9,8	-1	9,6
► VAT on other products	37,9	40,8	42,9	44,8	46,3	3	44,8
Gas pipeline fee	1,8	1,0	1,0	1,5	1,0	-34	1,0
TOTAL BUDGETARY REVENUE	80,8	84,3	88,8	94,5	97,1	3	94,6
Revenue allocated to Special Treasury Accounts	5,3	5,3	5,3	5,6	5,9	4	5,7
Revenue transferred to other organizations	0,5	0,6	0,6	0,7	0,7	6	0,7
TOTAL CUSTOMS REVENUE	86,7	90,2	94,7	100,8	103,7	3	101,1

* 2019 revenue in established duties was calculated exclusively for the purpose of comparison with 2018.

** Since January 1st, 2019, the Customs and Excise Administration has been recording its revenue in collected duties in accordance with the provisions of article 32 of the organic law relating to the Finance Act.

Import duties

Revenue from import duties increased by 1%, a progression attributed exclusively to the results achieved under import duties excluding wheat which recorded a 4.8% increase or +MAD 427.4 million. In fact, import duties on wheat recorded a 56.1% drop or -MAD 353.6 million as a result of an import suspension that spanned the first 4 months of 2019.

Value-added tax

VAT revenue grew by 3% to reach MAD 56.1 billion, against MAD 54.7 billion in 2018. This performance is attributed to the quasi-stagnation of VAT revenue on energy products, counterbalanced by a change in VAT on other products which improved by 3.3% or +MAD 1.5 billion.

Domestic consumption tax

DCT recorded a 6% increase over the previous year. This resulted mainly from the good performance of all headings under this tax :

- DCT on energy products generated MAD 16.6 billion in revenue, up 6% from 2018.
- As a result of the tobacco tax reform, DCT on manufactured tobacco increased by 5% or +MAD 515.3 million compared to 2018.
- DCT revenue on other products amounted to MAD 1.9 billion during 2019, up 11% from 2018.

Gas pipeline fee

Revenue collected under this heading amounted to MAD 1 billion in 2019, recording a 34% drop from 2018. This result is attributed to a 45.7% decrease of gas volumes in transit mitigated by the 6.4% progression in gas prices.

CUSTOMS REVENUE PROGRESSION IN RESPECT OF CERTAIN ECONOMIC AGGREGATES

In 2019, budgetary customs revenue accounted for 40% of tax revenue. Furthermore, the tax burden on imports was almost stable over 2015-2019.

Evolution of customs revenue in respect of certain economic aggregates

CATEGORIES (in billion dirhams)	Established duties					Collected duties
	2015	2016	2017	2018**	2019*	2019*
Customs budgetary revenue	80,8	84,3	88,8	94,5	97,1	94,6
► As % of tax revenue	39%	40%	39%	40,2%	40,7%	40%
Customs revenue	86,7	90,2	94,7	100,8	103,7	101,1
► As % of GDP	8,8%	8,9%	8,8%	9,2%	9,0%	8,7%
Import duties	7,7	9,1	8,6	9,5	9,6	9,4
TOTAL CUSTOMS DUTIES	2,1%	2,2%	2,0%	2,0%	2,0%	1,9%

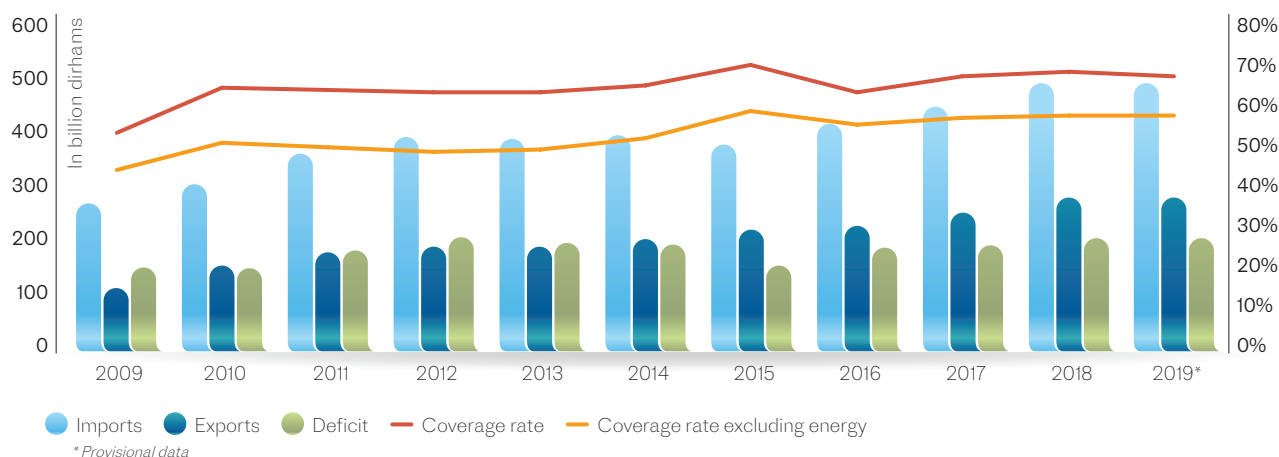
* Provisional data

** Updated data

FOREIGN TRADE

In 2019, foreign trade was marked by an increase of imports (+MAD 9.6 billion or +2%) more significant than exports rise (+MAD 6.6 billion or +10.4%). The trade deficit thus reached MAD 209 billion against MAD 206 billion in 2018, i.e. an increase of MAD 3 billion or +1.5%. The coverage rate remained almost stable at 57.4% instead of 57.2% a year earlier. If energy products imports are excluded, this rate would fall by 1.2 point.

Evolution of foreign trade (2009-2019)



TRADE BALANCE

Imports reached MAD 491 billion and posted an increase of 2%. This progression is largely attributed to :

- ▶ The increase of capital goods imports by 5.5% or +MAD 6.7 billion;
- ▶ The increase of consumer goods imports by 4.3% or +MAD 4.6 billion;
- ▶ The increase in purchases of semi-finished products by 4.5% or +MAD 4.5 billion; and
- ▶ The increase of food imports by +4.4% or +MAD 2 billion.

The import increase rate clearly slowed down in comparison to 2018 when imports had increased by 10% over 2017. This was due to :

- ▶ The 7.2% or -MAD 5.9 billion decrease in the energy bill; and
- ▶ The decline in raw products imports by 10% or -MAD 2.5 billion.

Exports amounted to MAD 282 billion and recorded an increase of 2.4%.

It is noted that the exports increase was divided by four year on year and experienced the lowest level recorded in the past six years.

This trend is largely explained by the decrease in exports of phosphates and derivatives. On the other hand, the automotive, agriculture and food-processing, and the aeronautics sectors all performed well.

Trade deficit over the past six years

(In billion dirhams)	2014	2015	2016	2017	2018**	2019***
Imports CIF	391,3	372,2	410,6	438,1	481,4	491,0
Exports FOB	200,8	218,0	225,7	248,8	275,4	282,0
Trade deficit	190,5	154,2	184,9	189,2	206,0	209,0
► As % of GDP	20,6%	15,7%	18,2%	17,6%	18,4%	18,2% *
COVERAGE RATE	51,3%	58,6%	55,0%	56,8%	57,2%	57,4%
COVERAGE RATE EXCLUDING ENERGY	65,1%	70,3%	62,7%	66,9%	68,2%	67,0%

* Based on GDP projections

** Updated data

*** Provisional data

FOREIGN TRADE BY USE CATEGORY

At import

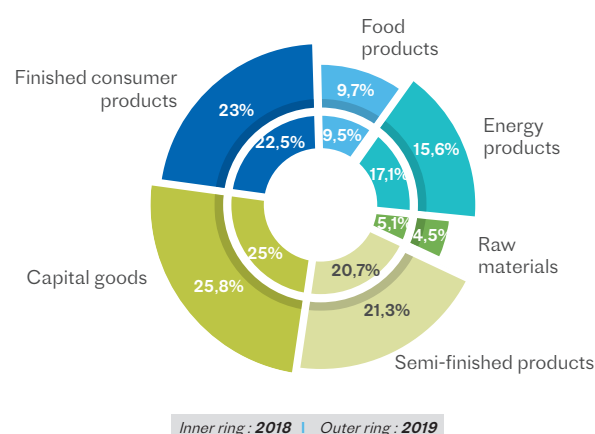
Capital goods account for the largest share of imports at 26% of total imports in 2019.

The share of energy products fell by 1 point and amounted to 16% of total imports, against 17% in 2018.

The share of food products imports remained stable in 2019, standing at 10% of total imports.

Acquisitions of semi-finished products accounted for 21.3% of imports, with a slight increase of 0.6 point over 2018.

2018-2019 structure of imports by use category



Imports by use category and main product (2018-2019)

(In billion dirhams)	2018	2019*	Variation	% Change
CAPITAL GOODS	120,2	126,9	6,6	5,5
► Aircraft and other air or space vehicles	4,8	8,0	3,2	66,4
► Machinery and miscellaneous equipment	10,2	12,1	1,8	18,0
► Utility vehicles	5,3	6,7	1,4	26,9
CONSUMER GOODS	108,5	113,1	4,6	4,3
► Components and spare parts for passenger cars	17,6	19,0	1,4	8,0
► Miscellaneous products in plastics	5,2	6,0	0,8	14,4
► Synthetic and artificial fiber material and yarns	7,6	8,2	0,6	7,9
SEMI-FINISHED PRODUCTS	99,9	104,4	4,5	4,5
► Semi-finished products in iron or non-alloy steel	2,5	4,1	1,6	63,0
► Wires, bars and profiles in iron or non-alloy steel	3,5	4,3	0,8	22,4
ENERGY PRODUCTS	82,3	76,4	-5,9	-7,2
► Gas oils and fuel oils	41,5	38,8	-2,8	-6,7
► Electric energy	2,3	0,1	-2,2	-93,5
FOOD PRODUCTS	45,8	47,8	2,0	4,4
► Maize	4,6	5,2	0,6	12,7
► Raw or refined sugar	3,5	4,0	0,5	12,9
RAW MATERIALS	24,6	22,1	-2,5	-10,0
► Raw and unrefined sulfur	8,0	7,0	-1,0	-12,6
► Cobalt	0,7	0,3	-0,4	-58,2
TOTAL IMPORTS	481,4	491,0	9,6	2,0

* Provisional data

- The energy bill posted a 7.2% decrease, mainly as a result of the drop in gas-oils and fuel-oils procurements (-6.7% or -MAD 2.8 billion) and in average international oil prices by 10%, as well as the

decrease in electric energy imports by 93.5% or -MAD 2.1 billion.

- Food products procurements increased by 4.4%. This was mainly due to increases in maize imports

(+13% or +MAD 588 million), sugar (+13% or +MAD 452 million) and oil cake (+7% or +MAD 330 million).

- ▶ Consumer goods imports recorded a 4.3% increase as a result of the rise in imports of passenger car components and spare parts (+8% or MAD 1.4 billion), various plastic products (+14% or +MAD 752 million), and synthetic and artificial fiber material and yarns (+8% or +MAD 600 million).
- ▶ Capital goods imports increased by 5.5% after a significant rise in acquisitions of aircraft by 66.4% or +MAD 3.2 billion, and of utility vehicles by 26.9% or MAD 1.4 billion.

- ▶ Acquisitions of semi-finished products increased by 4.5% or MAD 4.5 billion, owed largely to the increase in imports of semi-finished products in iron or non-alloy steel (+63% or +MAD 1.6 billion) and wires, bars and profiles in iron or non-alloy steel (+22.4% or +MAD 794 million).
- ▶ Raw materials imports registered a 10% or -MAD 2.5 billion regression due to drops in imports of raw and unrefined sulfur (-12.6% or -MAD 1 billion) and of cobalt (-58.2% or -MAD 401 million).

At export

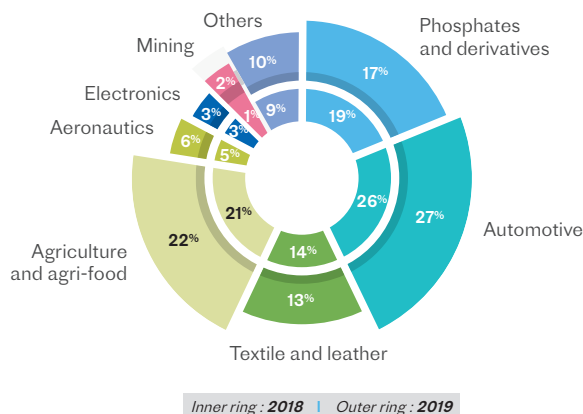
The automotive sector featured at the top of exports in 2019 with a 27.3% contribution, followed by agricultural and food processing products at 21.6%, then sales of phosphates and derivatives at 17.4%.

The automotive sector posted a 6.6% increase or MAD 4.8 billion, driven by the growth of the wiring segment (+8.9% or +MAD 2.6 billion), despite the slight decline in construction (-1.3% or -MAD 443 million).

- ▶ Sales of phosphates and derivatives generated MAD 48.9 billion in 2019 against MAD 52 billion a year before, thus posting a 5.9% drop. This negative trend was mainly due to the decrease in natural and chemical fertilizers exports (-MAD 1.8 billion) and raw phosphates (-MAD 987 million).
- ▶ Agriculture and the food-processing sector posted an increase of 4.1% or +MAD 2.4 billion and accounted for 22% of Moroccan exports.
- ▶ Exports of the textile and leather sector declined by 2.3%. These exports were made up mainly of clothing and hosiery items which declined respectively by 2.1% or -MAD 500 million, and 2.4% or -MAD 189 million.

- ▶ The aeronautics sector continued to grow in 2019, recording an increase of 7.3% or +MAD 1 billion.

Structure of exports by activity sector in 2018-2019



Exports by activity sector** (2018-2019)

SECTOR (in billion dirhams)	2018	2019*	Difference	% change	Share in 2018	Share in 2019
Automobile	72,4	77,1	4,8	6,6	26,3	27,3
▶ Construction	34,3	33,8	-0,4	-1,3	12,4	12,0
▶ Wiring	29,4	32,0	2,6	8,9	10,7	11,3
▶ Vehicle interior and seats	4,2	4,8	0,6	14,2	1,5	1,7
Agriculture and agri-food	58,4	60,8	2,4	4,1	21,2	21,6
▶ Food industry	23,9	26,0	2,2	9,1	8,7	9,2
▶ Agriculture, forestry, hunting	32,4	32,4	0,0	0,1	11,7	11,5
Phosphates and derivatives	52,0	48,9	-3,0	-5,9	18,9	17,4
Textile and leather	37,9	37,0	-0,9	-2,3	13,8	13,1
▶ Manufactured clothing	23,8	23,3	-0,5	-2,1	8,6	8,3
▶ Hosiery	7,8	7,6	-0,2	-2,4	2,8	2,7
▶ Shoes	3,1	2,9	-0,2	-7,1	1,1	1,0
Aeronautics	14,7	15,8	1,1	7,3	5,4	5,6
Electronics	8,9	8,7	-0,3	-3,1	3,2	3,1
▶ Electronic components	4,6	4,6	-0,03	-0,7	1,7	1,6
▶ Specialty components	4,3	4,1	-0,2	-5,7	1,6	1,4
Pharmaceutical industry	1,3	1,3	0,0	1,5	0,5	0,5
Other mining	4,5	4,2	-0,3	-7,3	1,6	1,5
Others	25,3	28,1	2,9	11,3	9,2	10,0
TOTAL	275,4	282,0	6,6	2,4	100,0	100,0

* Provisional data

** Since January 1st, 2019, export data have been recorded according to the new approach of structuring sectors into ecosystems, in line with the Industrial Acceleration Plan. Calculations are carried out based on the lists of operators provided and updated by the Ministry of Industry, Trade, Investment and Green and Digital Economy. The 2018 data have been reviewed in line with this approach.

FOREIGN TRADE BY CUSTOMS PROCEDURE CATEGORY

Simple imports stagnated in 2019 and accounted for 66% of total imports, against 67% in 2018.

Imports under the Temporary Admission for Inward Processing (TAIP) procedure recorded a slight decrease

of 1% and accounted for 25% of all imports in 2019. This evolution was due to the decline in TAIP imports of raw sulfur (-13% or -MAD 1 billion), ammonia (-9% or -MAD 377 million) and cobalt (-58% or -MAD 401 million).

Breakdown of imports by customs procedure category

(In million dirhams)	2018*	2019**	% Change	Share in 2018	Share in 2019
Simple imports	321 495	322 646	0,4%	67%	66%
Imports under Temporary Admission for Inward Processing	121 510	120 779	-1%	25%	25%
► With payment	92 184	92 402	0%	19%	19%
► Without payment	29 326	28 377	-3%	6%	6%
Imports under other procedures	38 437	47 590	24%	8%	10%
TOTAL IMPORTS	481 442	491 015	2%	100%	100%

* Updated data
** Provisional data

TAIP exports declined slightly (-1%) compared to 2018, and accounted for 70% of total exports. This evolution was the result of a drop in TAIP exports of passenger cars (-10% or -MAD 3 billion), natural and chemical fertilizers (-6% or -MAD 2.2 billion) and ready-made garments (-4% or -MAD 827 billion), though this decline

was mitigated by the increase in TAIP exports of strawberries and raspberries (+245% or +MAD 1.1 billion) and wires, cables and other insulated electric conductors (+5% or +MAD 1.5 billion).

Simple exports represented 12% of total exports in 2019 and posted an increase of 7% compared to 2018.

Exports by customs procedure category

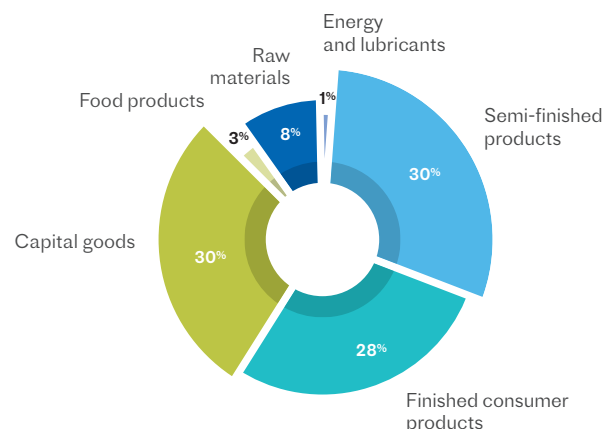
(In million dirhams)	2018*	2019**	% Change	Share in 2018	Share in 2019
Exports following Temporary Admission for inward processing	199 138	196 890	-1%	72%	70%
► With payment	154 094	152 991	-1%	56%	54%
► Without payment	45 044	43 899	-3%	16%	16%
Simple exports	32 078	34 198	7%	12%	12%
Export in other procedures	44 225	50 931	15%	16%	18%
TOTAL EXPORTS	275 441	282 020	2%	100%	100%

* Updated data
** Provisional data

ZOOM ON TEMPORARY ADMISSION FOR INWARD PROCESSING (TAIP)

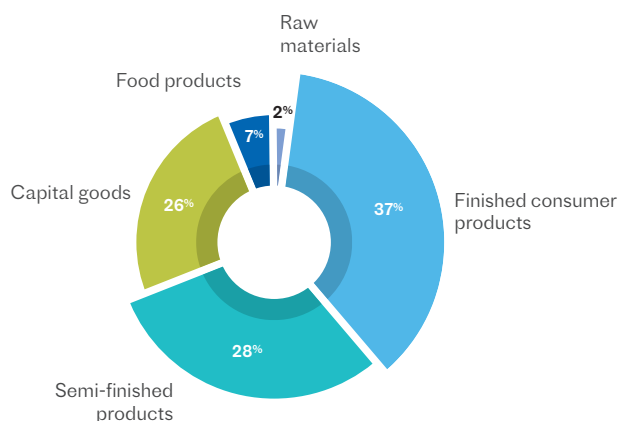
In 2019, components and parts of passenger cars were the number one product imported under TAIP with a 10% share, i.e. MAD 11.5 billion, followed by wires, cables and other insulated electric conductors (7%, i.e. MAD 8 billion), and devices for switching or connecting electrical circuits and resistors (6%, i.e. MAD 7.2 billion).

Breakdown of TAIP imports by use category in 2019



At export, the product labelled «wires, cables and other insulated electric conductors» was the most exported following TAIP in 2019 with a share of 16%, i.e. MAD 31.5 billion. In second place were natural and chemical fertilizers (-6%, i.e. MAD 27.9 billion) and passenger cars (-11%, i.e. MAD 25.5 billion).

Breakdown of exports following TAIP by use category in 2019



FOREIGN TRADE BY REGIONAL DIRECTORATE

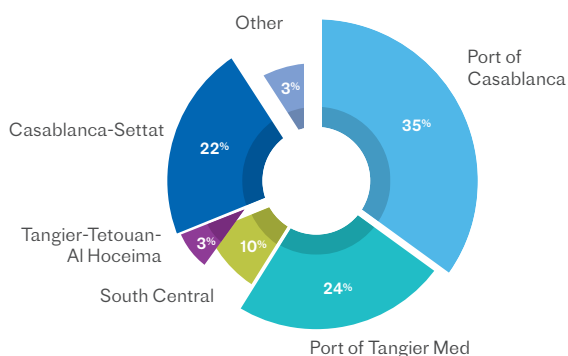
In 2019, the Customs Directorate of the Port of Casablanca maintained its position as the first gateway for the entry of goods, while the Customs Directorate of the Port of Tangier Med remained the first point of exit.

The structure of imports by regional directorate reveals the predominance of three regional directorates, namely the Customs Directorate of the Port of Casablanca, the Regional Directorate of Casablanca-Settat and the Customs Directorate of the Port of Tangier Med, which three monopolize 81% of all imports.

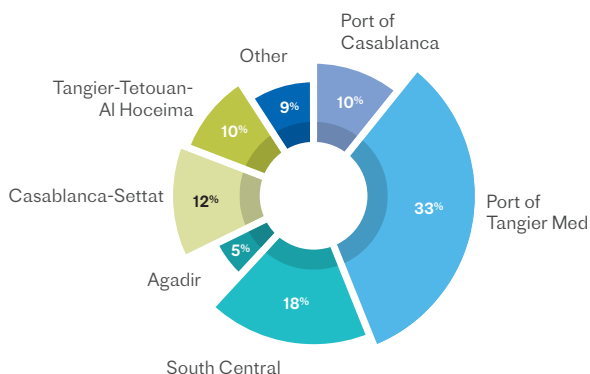
An increase in imports was noted at the Regional Directorate of Tangier-Tetouan-Al Hoceima (+12% or +MAD 1.7 billion), at the Customs Directorate of the Port of Casablanca (+2% or +MAD 2.9 billion) and at the South Central Interregional Directorate (+3% or +MAD 1.2 billion).

In terms of exports, the South-Central Interregional Directorate ranked second, followed by the Regional Directorate of Casablanca-Settat in third position.

Imports by regional directorate in 2019



Exports by regional directorate in 2019



ZOOM ON TANGIER-MED EXPORT PROCESSING ZONE : RENAULT MELOUSSA

Renault Meloussa's automobile industry production dropped slightly in 2019 (-4%) from 300 thousand cars exported in 2018 to 287 thousand units in 2019. The export turnover dropped from MAD 28 billion in 2018 to MAD 26 billion in 2019, thus posting an 8% decrease.

Passenger car production

		2015	2016	2017	2018	2019*	19/18 Var
EXPORT	NUMBER OF VEHICLES	227 180	266 344	283 527	300 541	287 204	-4%
	Values in million dirhams	21 125	24 800	26 475	28 640	26 286	-8%
RELEASE FOR CONSUMPTION ON THE NATIONAL TERRITORY	NUMBER OF VEHICLES	11 879	15 898	16 580	14 723	14 152	-4%
	Values in million dirhams	1 099	1 451	1 478	1 289	1 280	-1%

* Provisional data

NUMBER OF DECLARATIONS RECORDED (SGDs)

EVOLUTION OF NUMBER OF DECLARATIONS BY CUSTOMS PROCEDURE

In 2019, the total number of SGDs increased by 5% compared to 2018. Accounting for 72.4%, import SGDs posted a growth of 5%, boosted mainly by simple imports.

A 5% increase was also recorded at export, compared to 2018.

The free zone procedures posted an increase at both import and export.

Number of declarations ⁽¹⁾ by customs procedure over the last five years

	2015	2016	2017	2018**	2019*	Var 19/18
NUMBER OF SGDs AT IMPORT	660 173	695 848	729 346	776 262	812 797	5%
► Simple imports	420 125	444 138	460 668	484 606	505 156	4%
► Imports under CEP ⁽²⁾	127 273	131 295	135 666	145 511	145 385	0%
► Transit system	39 553	39 039	42 089	46 190	49 764	8%
► Disposals and transfers under CEP	31 130	33 144	33 268	34 346	36 208	5%
► Free zone procedures	27 751	30 695	37 841	44 147	52 504	19%
► Re-importation procedures	5 780	7 022	8 559	10 142	11 638	15%
► Release for consumption following CEP	3 208	3 584	3 678	3 806	4 047	6%
NUMBER OF SGDs AT EXPORT	229 328	247 472	275 406	293 489	308 409	5%
► Exports following CEP	117 879	124 026	128 298	130 715	133 694	2%
► Simple exports	64 933	69 378	77 109	82 242	80 911	-2%
► Free zone procedures	42 562	50 241	65 802	76 014	89 532	18%
► Transit system	2 502	2 454	2 637	2 900	2 655	-8%
NUMBER OF INTERNAL PROCEDURES SGDs	4 342	2 477	2 337	2 109	1 992	-6%
► Procedures for goods produced locally and subject to DCT	4 083	2 054	1 938	1 755	1 746	-1%
► Domestic shipping	259	423	399	354	246	-31%
TOTAL NUMBER OF SGDs	893 843	945 797	1 007 089	1 071 860	1 123 198	5%

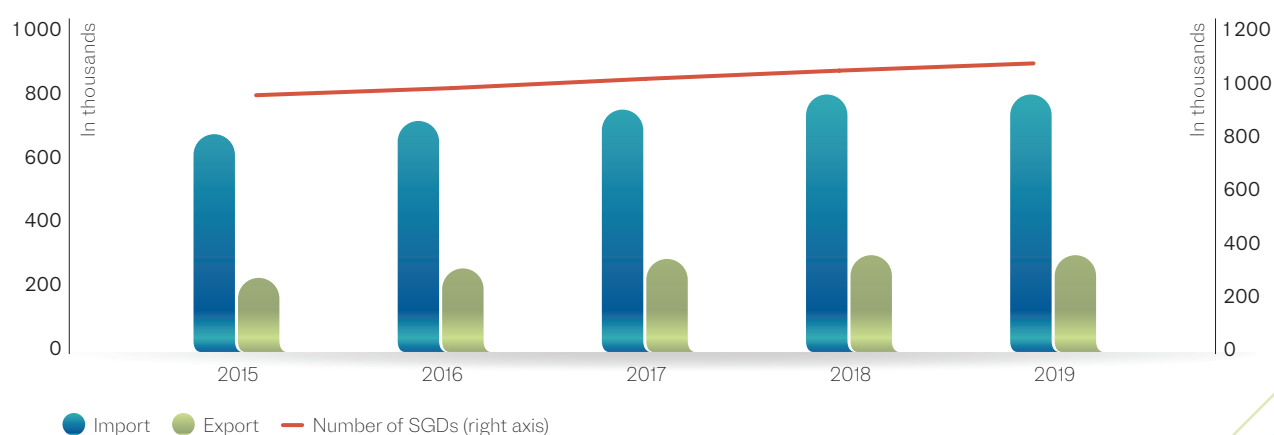
* Provisional data

** Updated data

(1) Rectified data: Includes all SGDs recorded on the BADR system for all customs procedures (import, export and internal). All provisional declarations are recorded whether they are regularized or not.

(2) Customs Economic Procedures.

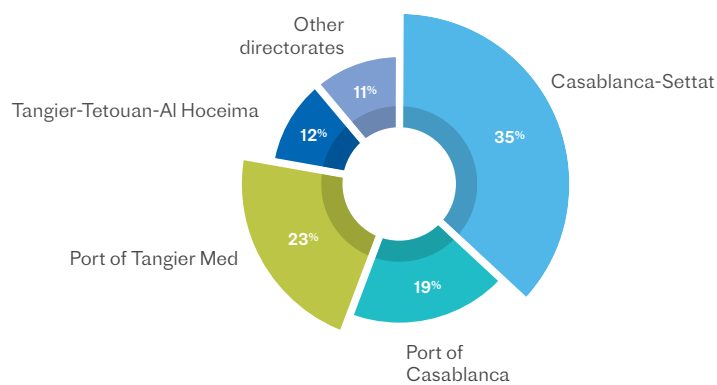
Evolution of SGDs at import and export (2015-2019)



BREAKDOWN OF DECLARATION NUMBERS BY REGIONAL DIRECTORATE

In 2019, 35% of SGD's were recorded at the Regional Directorate of Casablanca-Settat, followed by the Customs Directorates of the Port of Tangier Med (23%) and the Port of Casablanca (19%).

*Distribution of SGD's by regional
directorates in 2019*



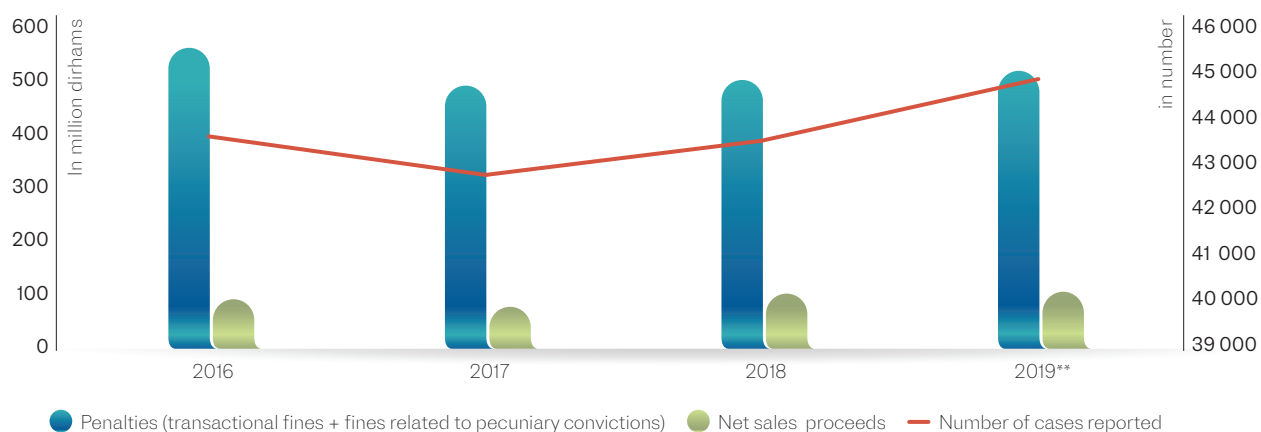
LITIGATION

EVOLUTION OF DISPUTES FROM 2016 TO 2019

The number of disputes recorded by the Customs and Excise Administration increased by 5% while penalties increased by 3%.

The net proceeds from sales made in 2019 (MAD 138.10 million) progressed by 30% compared to 2018.

Evolution of disputes (2016 à 2019)



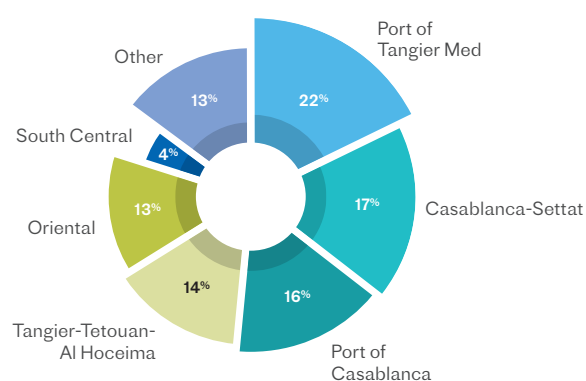
	2016	2017	2018*	2019**	% Change
NUMBER OF CASES REPORTED INCLUDING :					
► Vehicle cases	9 312	6 685	7 942	10 628	34%
SHARE OF CASES SETTLED BY TRANSACTION					
	81%	82%	80%	69%	
(In million dirhams)					
► Penalties (transactional fines + fines related to pecuniary convictions)	553,70	480,20	489,30	503,50	3%
NET SALES PROCEEDS	92,30	75,50	106,40	138,10	30%

* Updated data
** Provisional data

DISPUTES BY REGIONAL DIRECTORATE IN 2019

Disputes recorded at the Port of Tangier Med and at the Regional Directorate of Casablanca-Settat represent 39% of the total number of cases recorded in 2019.

Breakdown of cases by regional directorate in 2019



QUERY MANAGEMENT

KEY ACTIVITY INDICATORS

In 2019, the number of recorded telephone calls stood at 11 856 calls received on the toll-free number and the MRA Hotline. The total number of e-queries received was around 4 868, compared to 3 600 a year earlier, i.e. with an increase of 35%.

In further detail, the number of information requests was 3 403, representing 70% of all queries and up 46% from 2018. The number of complaints reached 1 465 (or 30%) with a 1% decrease from 2018.

All the queries received were processed within an average time of 1.9 days, against 2 days in 2018 and 6.4 days in 2017.

11 856



telephone calls received on the toll-free number and the MRA Hotline

3 403



information queries received

1 465



complaints received

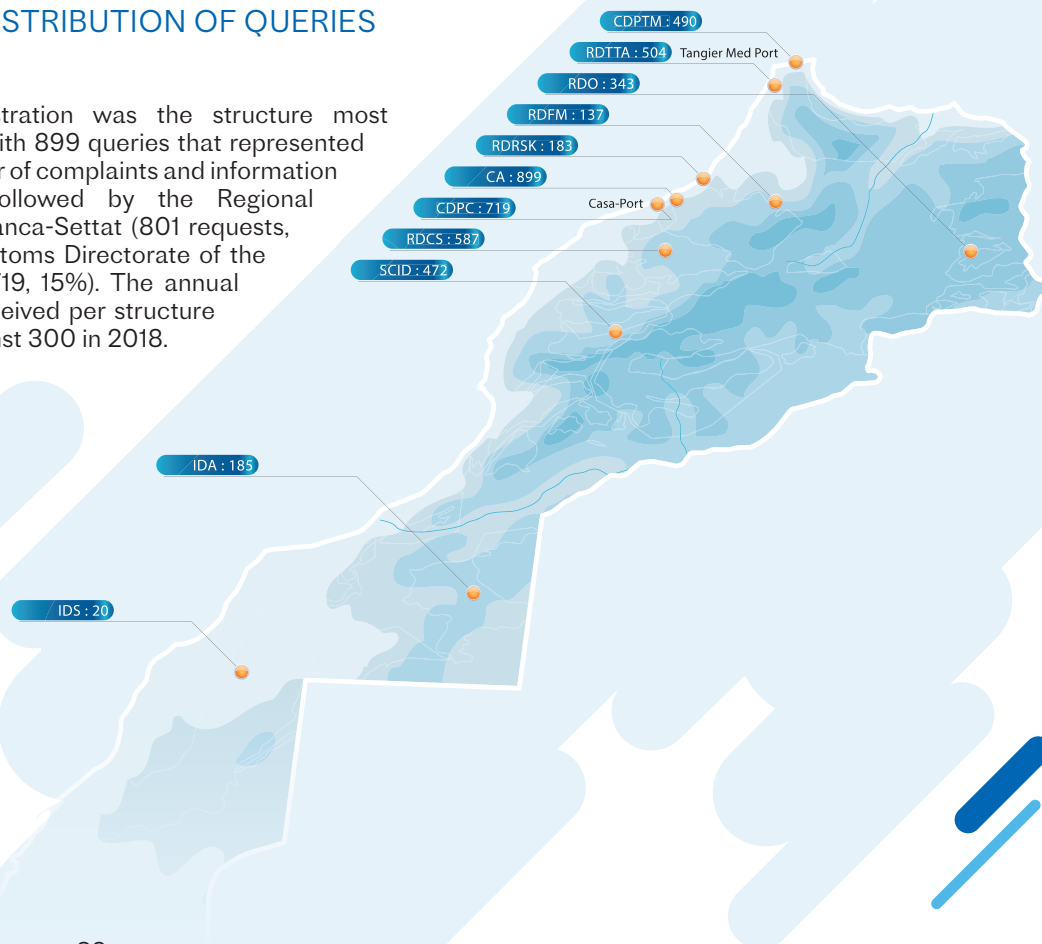
1,9 DAYS



average queries processing time

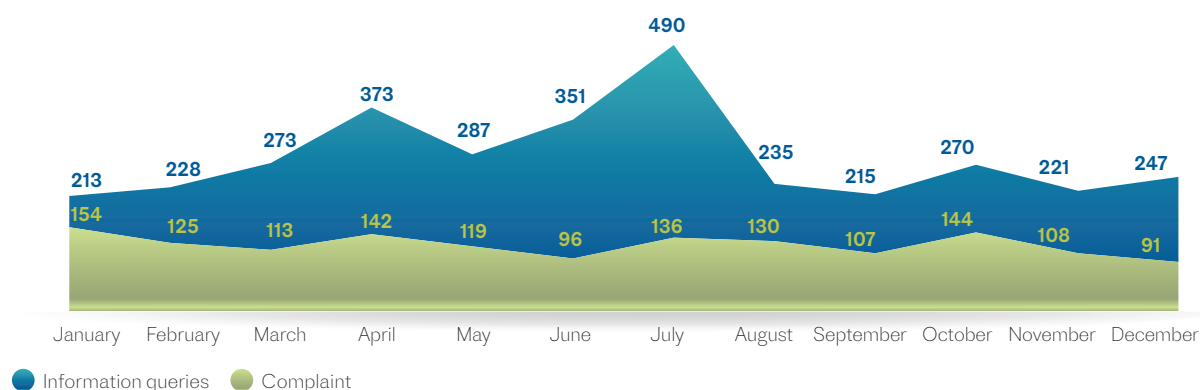
GEOGRAPHICAL DISTRIBUTION OF QUERIES RECEIVED IN 2019

The Central Administration was the structure most approached in 2019 with 899 queries that represented 18% of the total number of complaints and information requests received, followed by the Regional Directorate of Casablanca-Settat (801 requests, i.e. 16%), then the Customs Directorate of the Port of Casablanca (719, 15%). The annual average of queries received per structure was 406 in 2019, against 300 in 2018.

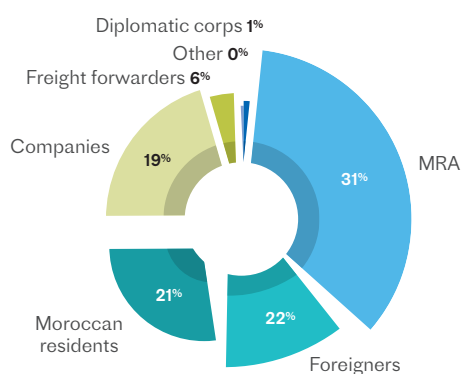


MONTHLY BREAKDOWN OF E-QUERIES RECEIVED IN 2019

As in each year, peaks in the number of queries received in 2019 were noted during the summer season, marked by the Marhaba Campaign to welcome MRA and the influx of foreign tourists.

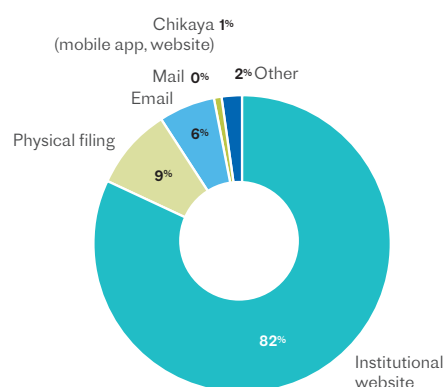


Breakdown of received queries by applicant profile in 2019



MRA are the population segment that approached the Administration the most (31%), followed by foreigners (22%) and Moroccan residents (21%).

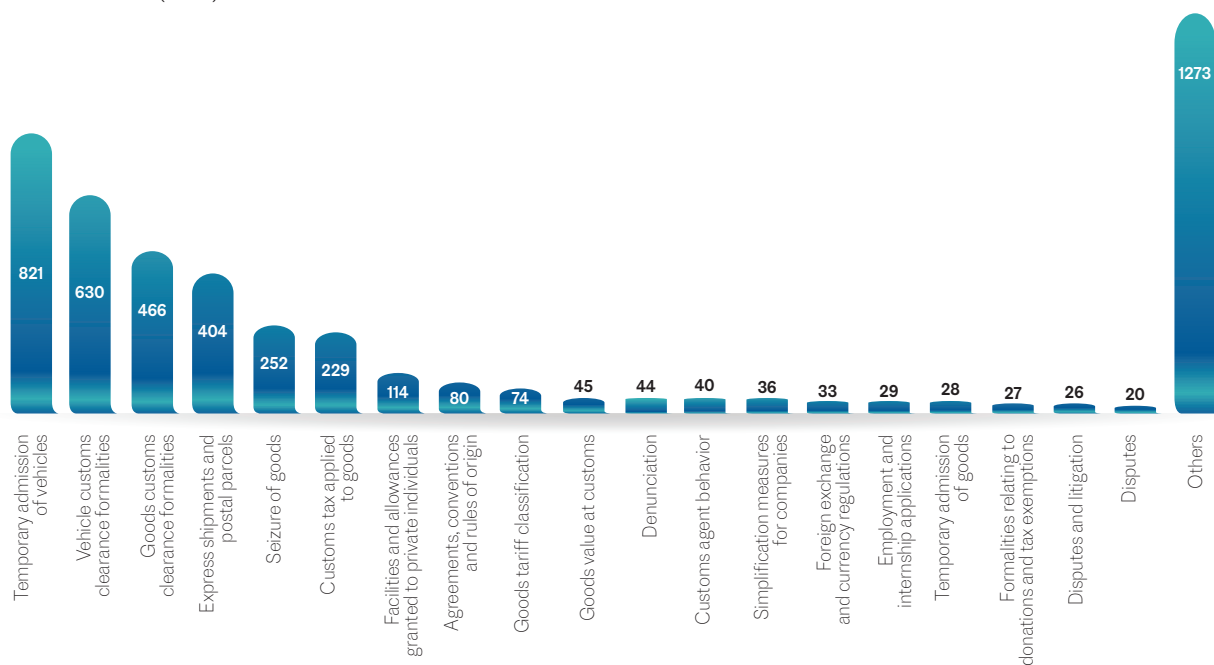
Breakdown of received queries by source in 2019



In 2019, the CEA portal was the channel most frequently used by applicants (82%), followed by physical filing (9%) and e-mail (6%).

DISTRIBUTION OF RECEIVED E-QUERIES BY TOPIC IN 2019

The most recurrent topics pertain to «Temporary Admission of Vehicles» which accounted for 17% of the queries received, followed by «Vehicle Customs Clearance Formalities» (13%) and «Goods Customs Clearance Formalities» (10%).



CROSS-BORDER MOVEMENTS OF MOROCCANS RESIDING ABROAD

FROM 5 JUNE TO 15 SEPTEMBER, 2019

More than 2.9 million Moroccans Residing Abroad (MRA) returned to Morocco during the 2019 Marhaba Campaign, a 4% higher figure compared to 2018. The Port of Tangier Med was the main point of entrance for MRA, followed by Mohammed V Airport, and Bab Sebta in 3rd position.

MRA MOVEMENTS OVER THE LAST SIX YEARS

MRA arrivals rose from 2.4 million in 2014 to 2.9 million in 2019, posting an annual average increase of 5%.

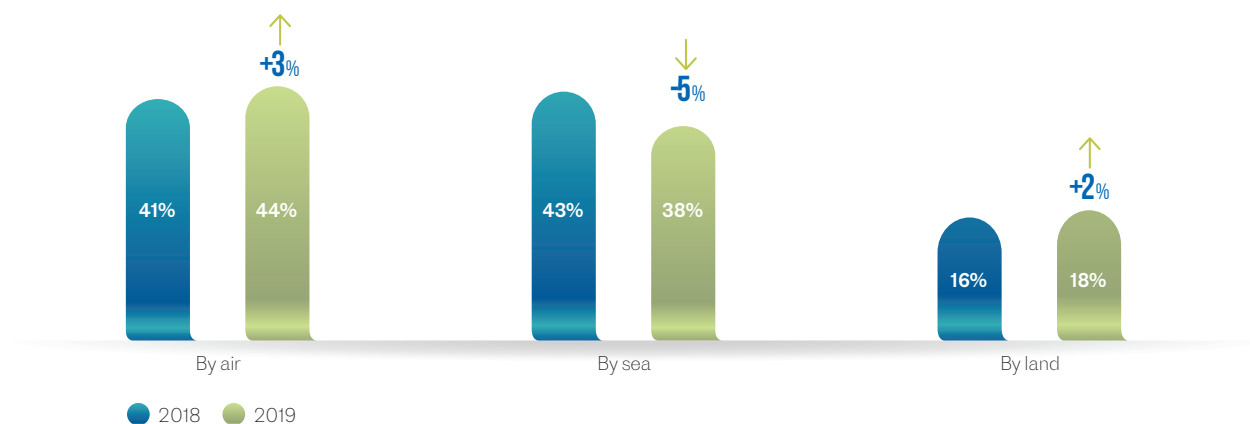
MRA movement between 2014 and 2019

	2014	2015	2016	2017	2018	2019	Var 19/18
Arrivals	2 366 702	2 526 770	2 637 321	2 784 961	2 857 348	2 960 124	4%
Departure	2 084 221	2 270 686	2 285 319	2 471 131	2 658 795	2 873 966	8%
TOTAL	4 450 923	4 797 456	4 922 640	5 256 092	5 516 143	5 834 090	6%

BORDER CROSSING POINTS

During the 2019 Marhaba Campaign, 44% of MRA opted for air transport to join the national territory and 38% chose the sea route. However, land and air arrivals increased by 5 points compared to the 2018 Campaign, at the expense of the sea route which recorded a 5 point decline.

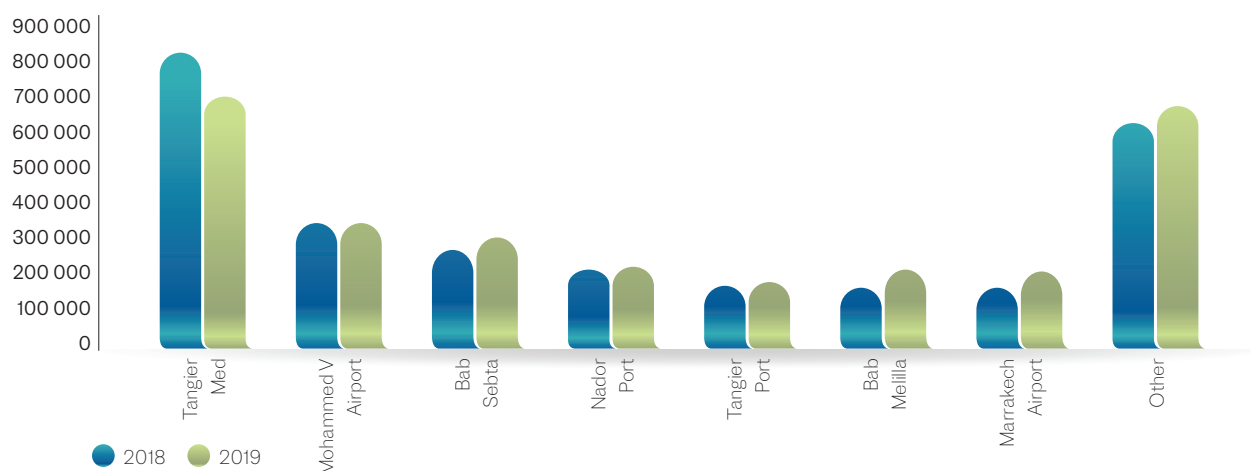
MRA arrivals and departures by type of route taken between 2018 and 2019



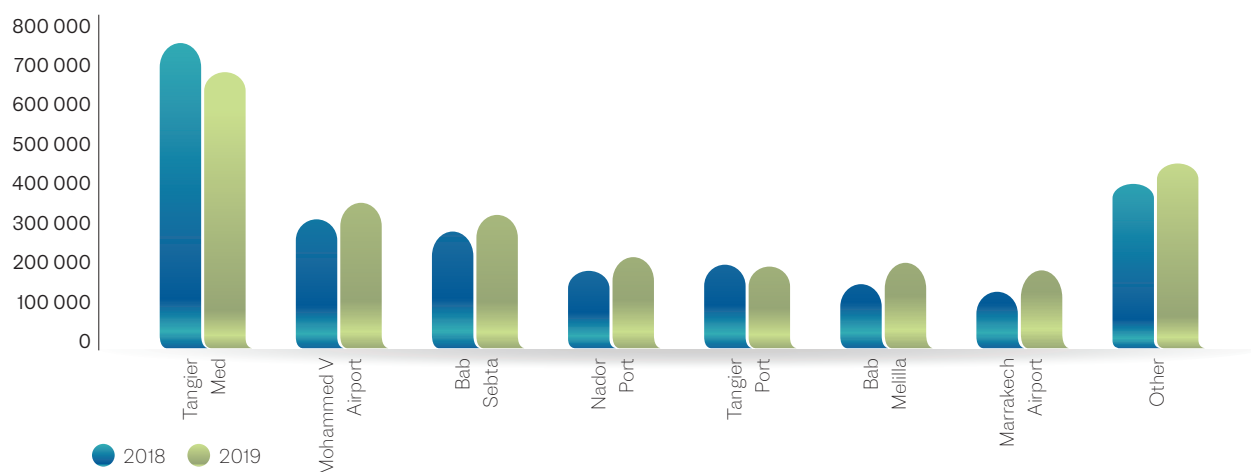
Arrivals through Tangier Med Port represented 23% of all arrivals in 2019. Mohammed V Airport was the main arrival airport for MRA with a 12% share. The analysis of arrivals by office between 2018 and 2019 reveals the following :

- +181%** Increase of arrivals through Al Hoceima Port.
- +61%** Increase of arrivals through Bab Melilla and Bab Sebta.
- 28%** Decrease of arrivals through Nador Port.

MRA arrivals during the 2018 and 2019 campaigns



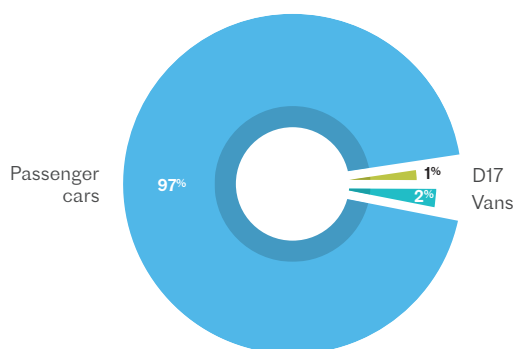
MRA departures during 2018 and 2019 Campaigns



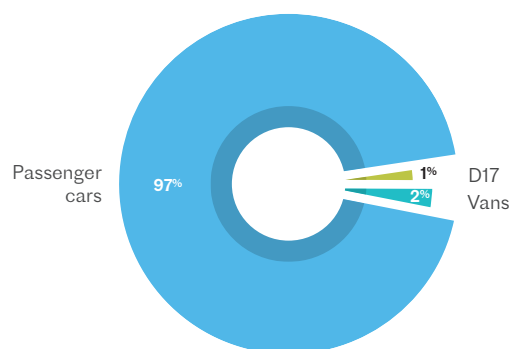
TYPES OF VEHICLES USED BY MRA

Passenger car was the vehicle most used by MRA in 97% of all arrivals.

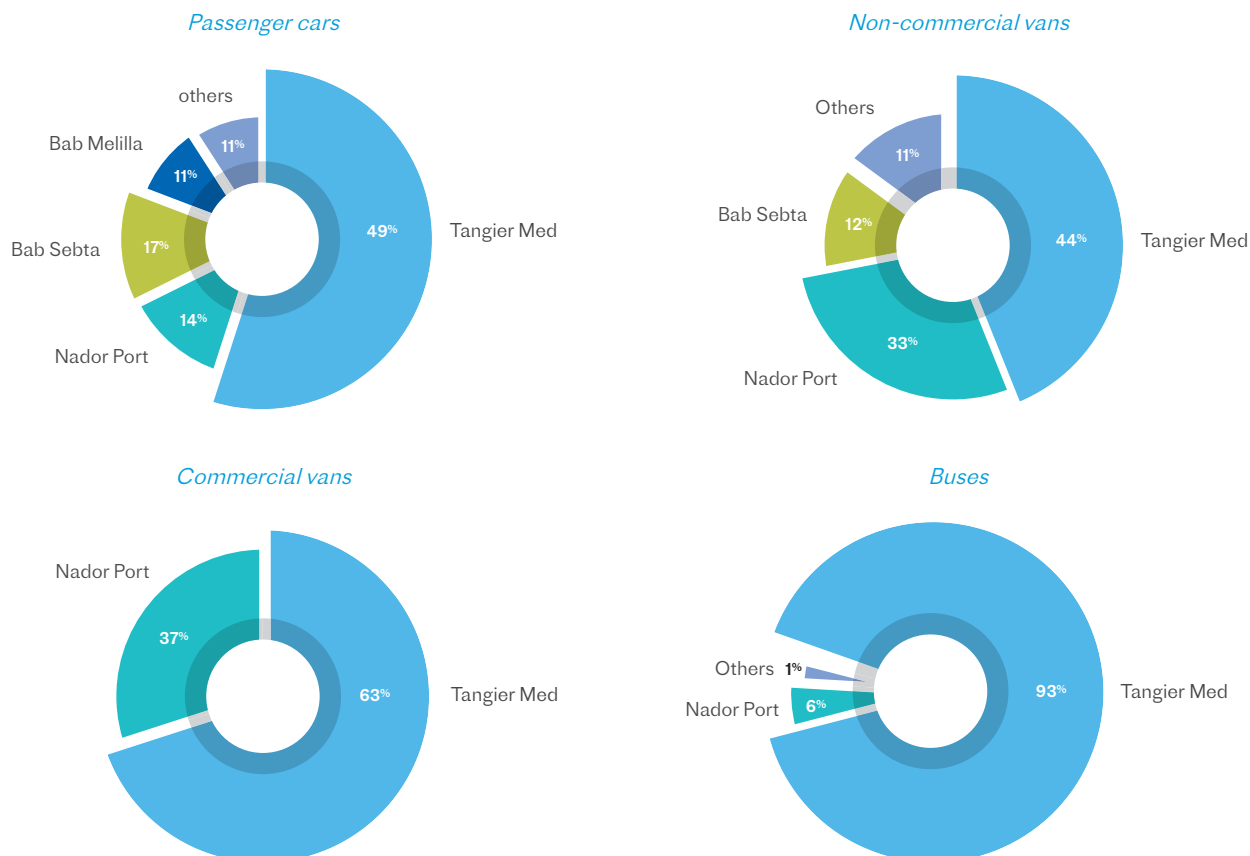
Arrival



Departure



DISTRIBUTION OF VEHICLES USED BY MRA OVER ENTRY POINTS IN 2019



DECLARATIONS MADE BY MRA

76% of the declarations made by MRA during the 2019 Campaign were of the T6 Bis type.

In terms of duties and taxes, SGD's generated more than MAD 43 million, i.e. 58% of the total value of duties and taxes collected during the 2019 Marhaba Campaign.

The number of declarations made by MRAs decreased by 27% compared to the previous year's campaign, i.e. 15 779 against 21 637 in 2018.

Breakdown of MRA declarations

TYPE OF DECLARATIONS	NUMBER			DUTIES AND TAXES (in million dirhams)		
	2018	2019	Var in %	2018	2019	Var in %
SGD	2 209	3 332	51%	38 569	43 097	12
OD	325	471	45%	2 401	2 324	-3
T6 Bis	19 103	11 976	-37%	25 696	28 369	10
TOTAL	21 637	15 779	-27%	66 667	73 790	11
D17	2 231	3 250	46%	27 450	21 537	-22

SGD : The Single Goods Declaration, or declaration in detail, is a form by which the declarant communicates the information required to proceed with the customs clearance of goods under a specific customs procedure.

OD : (Occasional Declaration) Declaration of importation of goods made by a traveler.

T6 Bis : Payment receipt of duties and taxes of non-commercial goods imported by travelers.

D17 : Temporary admission declaration for commercial vehicles used in international road traffic.

THE RELEASE FOR CONSUMPTION OF PASSENGER CARS

RELEASE FOR CONSUMPTION OF PASSENGER CARS BY CAR TYPE

In 2019, the number of passenger cars released for consumption was 6% lower than in 2018, or 9051 fewer cars. 90% of these cars were new and posted a 4% drop in global value, generating slightly lower duties and taxes (-1%).

With a 10% share, the number of cleared second-hand passenger cars increased by 16% compared to 2018 (+41%), namely for cars aged between one and three years.

Duties and taxes collected for second-hand car customs clearance decreased by 5%. This was attributed to the 40% increase in the number of cars benefiting from the MRA pensioner allowance, combined with a 28% decrease in the number of cars cleared through customs without the benefit of this privilege.

Release for consumption of passenger cars

	2018	2019*	Change	Var in %
COMPLETELY-BUILT-UP NEW CARS IMPORTED (C.B.U)				
▶ Number of units	139 473	128 401	-11 072	-8%
▶ Value in million dirhams	21 773	20 927	-846	-4%
▶ duties and taxes collected** (million dirhams)	4 989	4 918	-71	-1%
PRE-OWNED CARS				
▶ Total number of units cleared by customs, including	12 640	14 661	2 021	16%
▶ Age < 1 year	201	195	-6	-3%
▶ 1 year ≤ Age < 3 years	871	1 229	358	41%
▶ Age ≥ 3 years	11 568	13 237	1 669	14%
▶ Amount of duties and taxes collected (in million dirhams), including	536,5	508,8	-28	-5%
▶ Beneficiary is a retired MRA*** (in million dirhams)	154	238	84	55%
ALL PASSENGER CARS				
▶ Number of units	152 113	143 062	-9 051	-6%
▶ Amount of duties and taxes collected in million dirhams	5 526	5 427	-99	-2%

* Provisional data

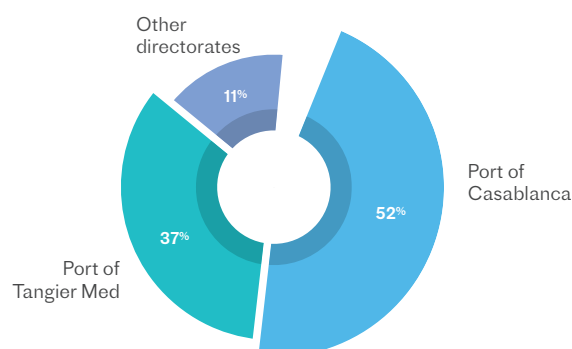
** Estimated duties and taxes

*** Abatement rate for MRA pensioners is 90% for 2016 and 85% for 2015.

RELEASE FOR CONSUMPTION OF PASSENGER CARS BY REGIONAL DIRECTORATE

The Customs Directorate of the Port of Casablanca processed 52% of the total number of passenger cars cleared in 2019, followed by the Customs Directorate of the Port of Tangier-Med with a share of 37%.

Breakdown of the number of cleared passenger cars by regional directorate in 2019





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