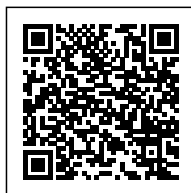


BUILDING BUSINESS IN MOROCCO - SUÁREZ DE LA DEHESA ABOGADOS

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Morocco remains a robust and diverse economy. The IMF estimates that average GDP growth since 2004 has been 5.2 percent while import and exports, particularly to France and Spain, are also strong.

There is, however, a shortage of affordable and social housing in the country which the authorities are attempting to redress. Morocco's "logistics plan", valued at €10bn, calls for the development of 70 sites across 18 cities in the country.

This is providing a particular boost to small and medium-sized enterprises (SMEs) in the country, says José Antonio Suárez, Managing Partner of Madrid-based Suárez de la Dehesa Abogados. "It is estimated that around 400,000 new homes need to be built in Morocco over the next few years. The country is trying to cope with a major supply and demand issue, which is creating opportunities for businesses of all types."

Suárez, whose firm was the first Iberian practice to launch in Tangier in 2005, observes that more Spanish companies are entering the market to help meet the construction demand. Indeed, the Moroccan Government has been actively encouraging Spanish companies and investors to participate.

These businesses include many smaller organisations, which are developing blocks of up to 150 apartments, alongside the traditional medium-sized players that have focused on the hotel market, he says. The SMEs are increasingly international and are using a mixture of local and international bank debt to finance developments, with notable entrants including BBVA, CaixaBank, Santander and Banco Sabadell.

"We are working presently on a matter for a company with interests in Cyprus, Gibraltar and the UK on a property development in Casablanca of between 500 and 800 apartments," Suárez says. "There is the potential for the complex to grow to 10,000 apartments over the next few years."

With the property market in Spain in turmoil, Morocco therefore remains a market in which Spanish construction expertise remains in high demand, he says.