

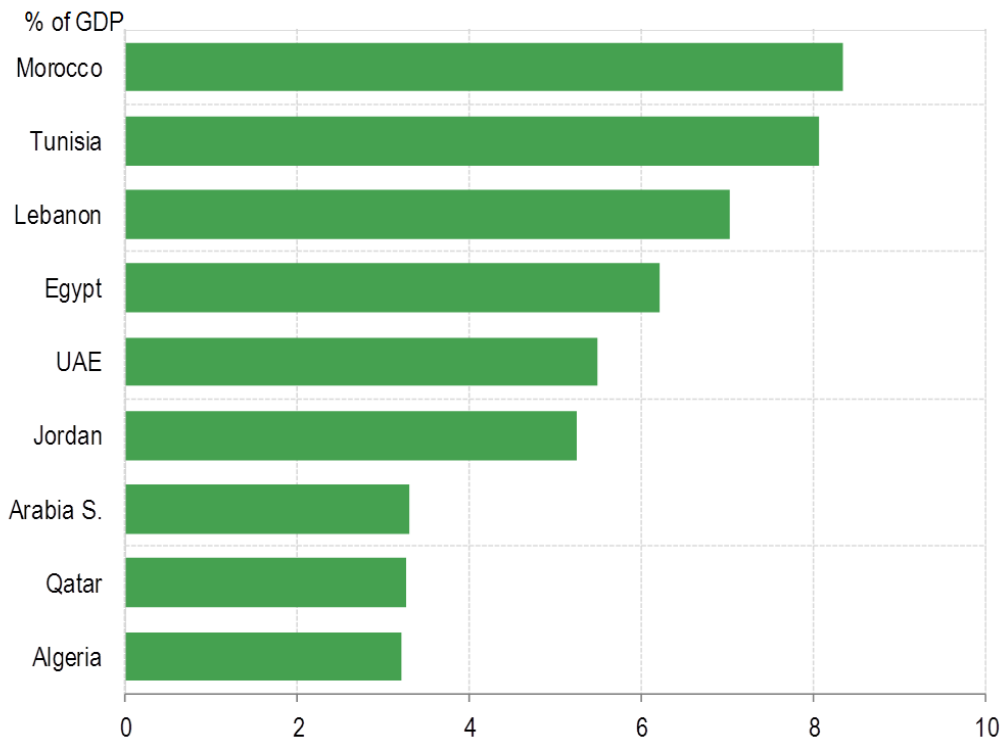


Morocco: The tourism slump, a threat for the economy

Tourism is the main transmission channel of the Covid-19 pandemic to the Moroccan economy. Activity has been at a standstill since March and will remain so until May, at least. The losses will be significant in a sector that contributes to more than 8% of GDP, which is the highest level in the region. On a more positive note, two-thirds of the tourist season comes from June onwards, which might coincide with the easing of restrictions on travel in some countries even if the recovery of the activity would be gradual.

The slump in tourism activity will weigh on growth and external accounts. The sector accounts for 15% of current account receipts. However, external stability does not look under threat. Forex reserves are comfortable and external debt is moderate. The fall in global oil prices should also help to keep current account deficit below 5% of GDP. Lastly, Morocco could draw on the IMF's Precautionary and Liquidity Line if necessary.

Contribution of the tourism sector to the economy



Source: WTTC