

Impact of increased business and trade on morocco



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Abstract

This report shows a nation that is having an increase of business and trade activities in the past decade and had been achieving high rating in relation to the rest of African countries. Three criteria have been used to identify the capacity of the nation at the moment and its s viability to hos the World Expo. The nation has a rich population of 35 million people and almost half of them are adults that can work in the sectors of the economy. The leading sector is mining followed by tourism in terms of the total GDP of the country as they provide a third of the total amount received in trade. The population is young and has a life expectancy of 76 years which shows the quality health care and the good standards of life that are maintained in Morocco.

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Introduction

Africa is becoming the hub of business in the recent past and most of what has been happening has been due to the increased exposure to the outside world and the increased literacy levels. Such kind of development in the African continent has satisfied the need for rapid adjustments in the economies and the creation of sustainable programs for the countries in Africa. Most of the nations in Africa today face the problem of inadequate funds for their projects irrespective of the fact that Africa itself is a very rich continent in terms of natural resources.

This report seeks to identify Morocco as a viable contestant to host the World Expo, and three stage criteria will be used to identify the strengths and the weaknesses of the country, and why it is suited best for the task of hosting the World expo. From the research the determination of the various ratings of the country based on the criteria will help the ranking of the country in the selection process and will likely give Morocco a chance of hosting the event. Morocco has been rated as a low-income country though the development to a middle-class nation has been acknowledged in the previous rating (Klok et al. 2017, p. 28) This rating will mean that the nation is still facing a challenge in the various sectors of economy that classify it as a low-income country.

Weighting Category

From the insights in the research of Morocco, the following weights on the three criteria will be used

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Important – 36-50 points

Moderately important – 16-35 points

Not necessary – 0-15 points

Morocco

Economic vulnerability index

The incomes of the people in the nation arise from sectors such as tourism, which provides 20% of the GDP for the nation. The mining industry is the leading business for the nation, which generates 25% of total the GDP (Bouoiyour and Miftah, 2016). The service sector accounts for over half of the total GDP and most of the people are employed in this sector. The nation uses Dirham, which is readily converted to other accounts at any point enhancing the business and trade in the nation further (Willer and Lernoud 2016).

Agriculture accounts for about 14% of the GDP and offers 45% of the people their livelihood (Corrado, Castro, and Perrotta 2017). The textile industry accounts for 34% of all the exports for the country with 40% of the industrial workforce working in it (Schausteck et al. 2014, p. 268). And estimation in profits are at \$1. 29 billion and the country wishes to increase it to \$3. 987 billion in the next decade (Lybbert et al. 2014, p. 179).

The weight assigned to this is important which 45 points is;

Human Asset Index

- The life expectancy for the average morocco resident is 76. 1 years.

- The expected years of schooling for an average student is 12.4 years, which is not enough considering that the full school years are approximately 16 years to 20 years.
- Inequality rates at about 64% considering that the cultural influence in the nation causes most of the inequalities to happen generally.
- 44.4% of adults are employed in the sectors of the economy which still leaves a larger unemployed people in the country.
- 58.3% of the total population can access the internet and communication services which is unlike the countries target of having 75% of the population accessing communication services by the end of 2017/2019 period.
- Due to heavy industrialization 1.7 tons of carbon dioxide emission are released contributing significantly to the global warming.
- The total population of the country is at 35.7 million people by the end of 2017 and out of this 20.3% is the workforce that affect the socio-economic sustainability of Morocco.

The weight assigned to this is important, thus 44 points are awarded to the criteria in the nation.

Income Index

The nation has trade and financial flows resulting from exports and imports of 85% of the whole economy. Morocco is an African nation that is the fifth in economic capacity in Africa and has more of its population depended on trade than on any other source of income. Estimated 45% of the people in Morocco are involved in business in various sectors in the economy (International Monetary Fund 2015). Morocco is a liberalized economy where

the forces of supply and demand affect the markets significantly and the manner of trade that the people practice in the region.

It is ranked fourth in the quality of life index in Africa and that is behind Egypt and South Africa (Shafik 2016). 8. 2% of the population work poor under a pay of \$3. 10 as the maximum wage that they earn (Epstein and Shapiro 2018) The income per the GNI is \$7760 for a citizen in morocco, which accounts to the average income of a person in Morocco is \$60, 000 per year (Bouzahzah and Menyari 2013).

Recommendations

Hosting of the World Expo in Morocco will be beneficial to the economy and to the various nations and individuals that will be involved. It will open up the channels for investments and partnership as well as market the nation to the rest of the world. It will allow Morocco to showcase its culture, pride, and its economic advances too.

Conclusion

From this information, it is certain that the Morocco offers a great opportunity to the world to invest in a market that is growing and stable from all the political and economic activities. The nation, therefore, needs more investors as there is availability of resources and the working relations and the cost of operation is relatively cheap due to cheap energy. The country has the ability to grow the sectors, such as agriculture, tourism, mining and communications, and media sectors significantly, which will allow the nation to develop at a rate that will be beneficial to the whole community in Morocco.

The points for each of criteria was important for the economy is basically measured by these structures thus the nation will scoop 43 of the points of the importance list which is 86% important to the nation to use such a criterion.

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