

Morocco

Technical Assistance in Fiscal Year 2017

Decisive policies and reforms have helped improve macroeconomic conditions in Morocco, but important challenges remain in raising growth and employment. The IMF's precautionary and liquidity line (PLL) provides insurance against external risks and supports the authorities' efforts to strengthen fiscal sustainability, transition toward greater exchange rate flexibility, and promote higher growth and reduce unemployment. During the first year of Morocco's membership in METAC, assistance was limited to help the banking supervision prepare for the transition toward greater exchange rate flexibility, and develop an agenda to strengthen real sector statistics.

Banking Supervision

October 17-27, March 6-17:

METAC joined an MCM mission to review the preparation of Bank Al-Maghrib's (BAM) supervision department for the move to a more flexible exchange rate arrangement. It assessed the implications of this move on foreign exchange, interest rate, and liquidity risks, and advised on the ongoing supervisory efforts in the run up to the transition, as well as on market risk and asset and liabilities management issues that would be raised with the gradual dis-anchoring from the current currency composite reference. Together with the authorities, METAC also prepared a two-year road map for banking supervision of market risks, to continue to assist the BAM in this area.

A follow-up METAC mission assisted BAM on supervising market risk from a risk based perspective and mapping market risk. The mission identified the regulatory texts and supervisory procedures that would require adjustments in order to enhance further supervision of market risk. Follow-up missions are planned throughout the Fiscal Year 2018.

Statistics

January 30-February 3:

METAC undertook its first mission to the Statistics Directorate of High Planning Commission of Morocco (HPC) to assess the status of national accounts system and its coherence with other macroeconomic statistics. The mission discussed the ongoing developments, and defined areas on which METAC support would be required, particularly to help the authorities to comply with the requirements for subscribing to the IMF Special Data Dissemination Standard Plus (SDDS+), including by introducing financial balance sheets by institutional sectors and developing quarterly accounts by institutional sectors (nonfinancial, financial, and balance sheets). Opportunities for exchanging the HPC experience in compiling national accounts statistics with other METAC countries were also discussed.