

The Influence of Tourism on the Moroccan Economy

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Abstract:

Tourism is a massive and significant industry in the world of travel and tourism. It is the world's largest industry in terms of total revenue, occupying the position of the fourth-largest sector in terms of employment, and the third-largest source of exports in the world. The tourism sector can play a huge role in any country's economy and development. However, as with many industries and other sectors of the economy, it can be very risky and controversial as well, and this often leads to misunderstandings and confusion regarding the proper role and importance of the tourism industry. It is important to understand the proper role of tourism as it plays in the economy of a country so that we can be better able to utilize its potential effectively and positively. But what exactly is tourism? It is simply the act of traveling outside of one's normal surroundings to have fun, relax, or take in the sights and sounds of a new location. It can take many forms such as visiting a new country, city, state, or even a different continent if you're feeling adventurous! What exactly are the benefits of tourism? that's what we'll see in this article.

Keywords: tourism, COVID-19, economy, Moroccan economy, crisis, coronavirus.

Introduction

The definition of tourism is "a type of travel that involves a temporary stay in a different place from where one lives or works". For tourism to be effective in a country's economy, it needs to create jobs and revenue for the country where it occurs. It is an important source of income for many countries, especially developing nations, as it offers them an opportunity to increase their export revenues. Tourism is also beneficial to other sectors of the economy, such as transportation and the services industry, because it increases demand for these goods and services. Tourism can be beneficial to countries in different ways. For example, it can help to boost the demand for local goods and services. It can also encourage local entrepreneurship and economic growth. However, the growth of tourism also requires appropriate planning and management to ensure that it does not have any negative effects on the local environment. One way to ensure that this is done is to make sure that the number of tourists visiting a particular destination is maintained at an optimal level. Unfortunately, the tourism economy has been hit hard by the coronavirus (COVID-19) pandemic and the measures that have been adopted to limit the spread of the virus. According to revised scenarios, this shock could lead to the international tourism economy contracting by 60% to 80% in the coming years. So how does tourism benefit a country's economic activity?

The main objective of this article is to examine the impact of tourism on the economic development of Morocco. This article aims to provide an in-depth analysis of the contribution of tourism to the Moroccan economy and its potential to promote sustainable growth, employment, and poverty reduction. The article will also explore the challenges and opportunities facing the tourism industry in Morocco, and the strategies that the government and private sector can adopt to maximize the benefits of tourism while minimizing its negative impacts, it also analyzes the influence of COVID-19 on the Moroccan tourism industry and its effects on the economy. Specifically, this article will examine the extent of the decline in tourist arrivals, the measures taken by the Moroccan government to mitigate the impact of the pandemic on the tourism industry, and the potential long-term effects of the pandemic on the sector. By exploring these issues, this article seeks to provide a comprehensive understanding of the current state of the Moroccan tourism industry in the context of the COVID-19 pandemic.

Deal with the impact of the coronavirus (COVID-19) on the tourism economy:

The coronavirus (COVID-19) pandemic has thrown the tourism economy into an unprecedented crisis, with a sudden and huge shock to the sector. According to revised OECD estimates, COVID-19 will lead to a 60% decline in international tourism by 2020, which could rise to 80% if the recovery does not take place until December. International tourism is expected to rebound first within specific geographical areas (e.g. the European Union), while domestic tourism, which accounts for about 75% of the tourism economy in OECD countries¹, is expected to recover more quickly. This is the main lever that can be used to promote recovery, especially in countries, regions, and cities where the tourism sector represents a large number of jobs and businesses.

The impact of the crisis is being felt throughout the tourism ecosystem, and reopening and adapting destinations will require a joint approach. Currently, tourism businesses and workers are benefiting from economy-wide support measures, and many countries are also introducing tourism-specific support measures. At present, the authorities are pursuing the following priorities, together with industry associations:

- Work with the tourism industry to provide liquidity support, implement new health protocols to ensure safe travel, and diversify their markets.
- Stimulate demand through new safety and health certifications, visitor information applications, and domestic tourism promotion campaigns.
- Prepare comprehensive tourism recovery plans to adapt destinations, encourage innovation and investment and rethink the tourism sector.

These actions are essential, but to revive the tourism economy and business activity, it is necessary to go further, in a coordinated way, as tourism services are highly interdependent. Travel and tourism industry associations and public authorities will need to continue to strengthen their coordination mechanisms to support businesses, especially the smaller ones, and workers in the tourism sector. The measures adopted today will shape tourism in the future. Governments must already be thinking about the longer-term implications of the crisis. At the same time, they need to make a success of digital shift, support the transition to a low-carbon economy and foster the structural transformation that is needed to forge a stronger, more sustainable, and more resilient tourism economy. The crisis is an opportunity to rethink the future of tourism.

¹ OECD, Actions undertaken in the field of tourism in response to the coronavirus (COVID-19),2020

Tourism is an important economic sector in many countries, and the sudden and immense shock that the COVID-19 pandemic has caused in this sector is being felt in the rest of the economy. To contain the spread of the virus, countries around the world have adopted unprecedented measures, but the resulting restrictions on travel, business, and individual interaction have brought the tourism economy to a halt. Today, many countries are entering a new phase of fighting the virus while managing the reopening of the tourism economy. The task is complex and challenging, and it is difficult to quantify the impact of this new phase on the tourism economy.

Tourism trends in crisis and recovery:

Tourism remains seriously challenged by the unprecedented depth and duration of the COVID-19 shock. Restrictions on the movement of people are striking at the heart of the tourism economy, with serious economic and social consequences for tourism workers and businesses, destinations, and the wider ecosystem. While international tourism came to an almost complete halt worldwide at the height of the pandemic and domestic tourism was severely curtailed in many countries, tourism's direct contribution to GDP fell by 1.9 percentage points (to 2.8%), and the share of services exports fell by 10.6 percentage points (to 9.9%) in OECD countries, on average².

Tourism rebounded strongly in 2022, driven by pent-up demand and the lifting of travel restrictions. However, the recovery is fragile and uneven across countries, with new uncertainties linked to the economic slowdown and geopolitical instability, precipitated by Russia's war in Ukraine. While domestic tourism, which proved to be an important lifeline for many jobs and businesses during the pandemic, is expected to return to pre-pandemic levels by 2023, full recovery of international tourism is now expected to take until 2025 or beyond.

Tourism businesses, already struggling to recover from the pandemic, are now also facing increased costs of energy, food, and other inputs, as well as labor and skills shortages. This is compounding a cost of living crisis that is putting pressure on household budgets, with discretionary items such as tourism at the forefront of potential cuts. As governments and businesses seek to address these new challenges, there is a risk that the momentum to create more resilient, sustainable, and inclusive tourism will stall.

² OECD Tourism Trends and Policies, 2022

The unprecedented shock to tourism has been a call to action for governments at all levels and the private sector to respond in a coordinated manner to support and consolidate a sustainable and resilient recovery. While the impact has been profound, threatening the survival of many businesses, the shock has left several positive legacies in its wake. Awareness of tourism's role as an economic and social force has been raised to the highest level, with governments taking equally unprecedented steps to support tourism businesses, workers, and visitors, supported by the emergence of new collaborations in the public and private sectors. In turn, the pandemic has accelerated the momentum toward more sustainable and resilient tourism. There is now an opportunity to build on these experiences to address current and future tourism challenges.

Restoring safe mobility and consumer confidence remains a priority, as well as supporting fragile tourism businesses and destinations facing labor and skills shortages, and the need for investment to diversify the tourism offer. It is also essential that opportunities are not missed to address long-term priorities, rethink the tourism system and prepare for future shocks while moving towards stronger, fairer, and more sustainable tourism development models.

Tourism in the Economy and Prospects for Recovery in Morocco:

Tourism is a crucial sector of the Moroccan economy, contributing significantly to the country's GDP, foreign exchange earnings, and employment generation. Morocco's strategic location, rich cultural heritage, diverse landscapes, and stable political climate make it an attractive destination for tourists from all over the world.

According to the World Travel and Tourism Council (WTTC), travel and tourism contributed 19.5% of Morocco's GDP in 2019, generating over 2 million jobs and earning over 7 billion USD in foreign exchange earnings (WTTC, 2020). Tourism is the second-largest employer in the country, providing opportunities for both skilled and unskilled labor, and has been a significant contributor to reducing poverty and improving living standards.

In recent years, Morocco has implemented several strategies to attract more tourists and improve the tourism sector's competitiveness. These strategies include the development of new tourist attractions, upgrading infrastructure, enhancing tourism-related services, and increasing marketing efforts.

The Moroccan government's efforts to promote tourism have yielded positive results, with the number of international arrivals increasing from 5.1 million in 2010 to 12.9 million in 2019 (World Bank, 2021). The COVID-19 pandemic had a severe impact on the tourism sector, with the number of international arrivals dropping by 78% in 2020 (World Bank, 2021). However,

the Moroccan government's swift response and effective measures to control the spread of the virus have helped the country's tourism sector recover relatively quickly.

Tourism is one of the most important sectors of the Moroccan economy, accounting for a significant portion of the country's GDP and providing employment opportunities for millions of Moroccans. The tourism industry in Morocco has been growing steadily over the past few decades and has become a major driver of economic growth and development. According to the World Travel and Tourism Council (WTTC), tourism accounted for 8.6% of Morocco's GDP in 2019 and generated 1.5 million jobs.

Morocco's tourism industry has been helped by the country's rich cultural heritage, beautiful landscapes, and diverse attractions, including historical cities, desert landscapes, and beautiful beaches. The country has also invested heavily in infrastructure and services to support the growth of the tourism industry. For example, the government has implemented policies to improve transport links, such as the construction of high-speed rail lines and the expansion of airports, as well as efforts to promote the development of tourism-related businesses, including hotels, restaurants, and tour operators.

The COVID-19 pandemic had a significant impact on the tourism industry in Morocco, as it did in many other countries around the world. However, the government has taken steps to support the industry, such as providing financial assistance to tourism-related businesses and implementing measures to promote domestic tourism.

Overall, the tourism industry is a crucial part of the Moroccan economy, and its continued growth and development will be important for the country's economic future.

Morocco expects tourism to fully recover to pre-pandemic levels by 2023.

Governance and financing of tourism:

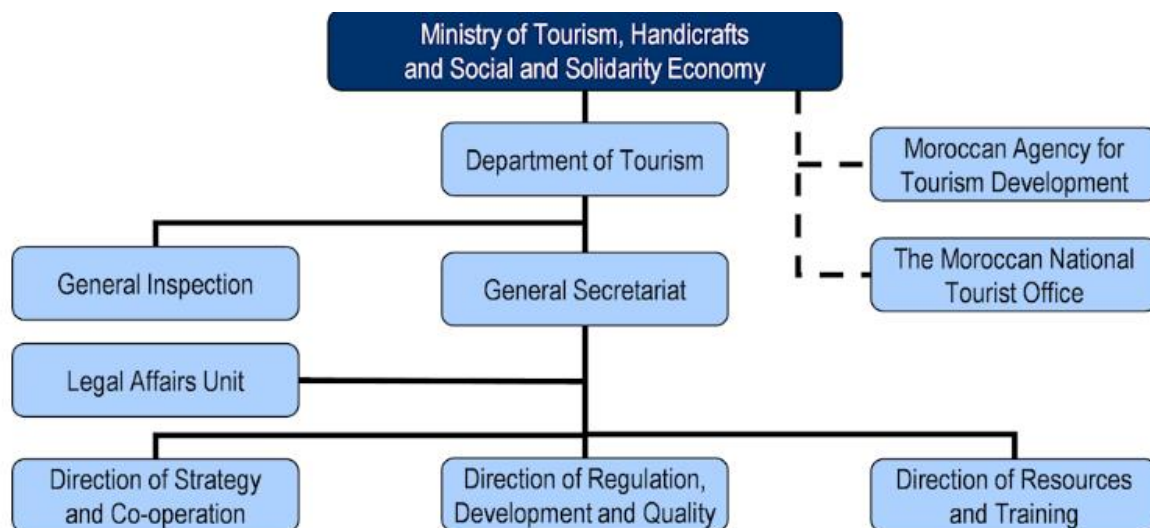
The Directorate of Tourism, attached to the Ministry of Tourism, Handicrafts, and the Social and Solidarity Economy, is responsible for developing and implementing government policy on tourism.

Morocco has adopted an "advanced regionalization" framework as a new model for territorial governance. The framework aims to build a strong territorial administration through improved skills and resources. The Directorate of Tourism has missions at the national level. The deconcentrated services are responsible for overseeing the management of regional public services, the implementation of public policies, and participation in the development and implementation of programs and projects at the regional level. The deconcentrated services also

ensure the execution of the directives and decisions of the national government authorities to which they report and carry out programs and projects at the prefectural or provincial level. The budget of the Department of Tourism for 2022 was 680 million MAD. It is distributed among the entities under the responsibility of the Department of Tourism:

- Central Administration: 125 million MAD.
- Moroccan National Tourist Office: 300 million MAD.
- Moroccan Agency for Tourism Development: 255 million MAD

Morocco: Organization chart of tourism organizations:



Source: OECD, adapted from the Department of Tourism, 2022.

Tourism is a priority sector in Morocco, which has benefited from the country's ten-year development strategies-Vision 2010 and Vision 2020-aimed at sustaining and boosting tourism activity while improving its impact on the country. However, the COVID-19 pandemic, which coincided with the expiration of Vision 2020, plunged the sector into crisis and reshaped its development potential.

The government deployed numerous measures to provide specific support to the sector to limit the impact of the crisis, preserve the economy and accelerate the sector's recovery. Public and private actors have combined their efforts at the national and regional levels by setting up a program to revive the tourism sector over the period 2020-22. The program aims to give impetus to the sector and to breathe new life into its recovery and transformation through three major

objectives: i) to preserve the economy and employment, ii) to accelerate the recovery phase, and ii) to lay the foundations for a sustainable transformation of the sector.

The program includes 21 measures designed to position Morocco in the post-COVID-19 era by adapting to new market realities, anticipating changes in tourist consumption patterns, and taking advantage of new opportunities. The action plan focuses on five strategic areas:

- Preservation of employment.
- Economic and financial support for the recovery.
- Stimulation of investment and transformation.
- Activation and strengthening of tourism demand.
- Cross-cutting measures such as training, governance, legal frameworks, and digitalization.

Several actions have been implemented in the framework of the 2020-22 program. Support has been given to employees of tourism companies and tourist guides through a monthly lump sum allowance of 2,000 MAD. An exemption from the tax on additional remuneration for employees has also been granted, in addition to the establishment of social protection for tourist guides. The payment of social security contributions by tourism companies and the payment deadlines for specific debts have been postponed. Three new guarantee mechanisms have been put in place for companies in the sector. A new law has been adopted, allowing service providers to substitute refunds due to their clients with credit notes. A partnership agreement has been signed to create a device "Inmaa Tourism" to accompany and accelerate the development of tourism SMEs in the Souss-Massa region.

Given the continuing impact of the COVID-19 crisis and its uncertain horizon, a new emergency plan was also approved by Morocco in 2022 to release a budgetary envelope of 2 billion dirhams to provide the necessary financial support for the recovery. The sector. The new emergency plan is part of the continuity and consistency of the contract program. All actions are carried out to safeguard businesses, avoid massive job losses and establish an environment conducive to the revitalization and recovery of the sector.

The emergency plan proposes courses of action and concrete solutions to enable this sector to emerge from the crisis through measures such as the extension of lump-sum allowances for employees in the tourism sector, deferral of charges due to the Social Security Fund for the same employees, and a subsidy to the hotel sector of 1 billion MAD.

The Department of Tourism is also working on a set of measures within the framework of a global strategy that guarantees the development of the sector according to the variables and priorities identified through five main pillars:

- Conducting extensive promotional campaigns to market the tourism assets, especially through tour operators, platforms, and websites.
- Strengthening air transport by securing as many seats as possible for tourists coming to Morocco, in partnership with Royal Air Maroc and foreign companies.
- Stimulate tourism investment by giving priority to incentives likely to attract investors and encourage the creation of SMEs in the tourism sector, particularly in the fields of leisure and entertainment.

To rehabilitate the tourist offer through a series of priorities which includes the improvement of the quality of services and the diversification of the offer to promote the tourist experience in the various regions of the country and to improve the notoriety and the competitiveness of the destination Morocco.

Stressing the importance of the qualification of human resources and the creation of new employment opportunities, especially after the crisis in the labor market caused by COVID-19, which led to a sharp decline in employment opportunities in the private sector.

Conclusion:

In conclusion, the COVID-19 pandemic has had a significant impact on the Moroccan tourism industry and its economy. Before the pandemic, tourism was a major contributor to Morocco's economy, generating substantial revenue and providing employment opportunities to many Moroccans. However, with the travel restrictions and border closures that were implemented in response to the pandemic, the number of tourists visiting the country decreased significantly, leading to a decline in tourism revenue and job losses.

Despite the negative impact of the pandemic on the tourism sector, the Moroccan government has taken several measures to support the industry and mitigate the economic effects of the pandemic. These measures include financial support to businesses in the sector, the promotion of domestic tourism, and the implementation of health and safety protocols to reassure travelers and encourage them to visit the country.

Looking forward, Morocco needs to continue to support and invest in the tourism industry as a key driver of economic growth and development. The country can leverage its rich cultural heritage, diverse natural landscapes, and strategic location to attract both domestic and international tourists. However, it is also crucial for the industry to adapt to the changing landscape of travel and tourism in the post-pandemic era, with a renewed focus on sustainability, safety, and innovation.

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