جهة طنجة - تطوان - الحسيمة

RÉGION TANGER - TÉTOUAN - AL HOCEÏMA

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Tangier–Tetouan–Al Hoceima: Growth Engine of an Emerging Morocco

1. Executive summary

In 2023, the Tangier–Tetouan–Al Hoceïma (TTA) region firmly established itself as Morocco's third-largest economic power, generating GDP of 156.25 billion dirhams, or 10.6% of national GDP. Real growth reached 4.9%, outpacing the national average of 3.7%, confirming TTA's role as an industrial, logistics, and tourism engine.

The region benefits from a unique geographic position at the crossroads of Europe, the Mediterranean, and the Atlantic. Its logistics hub, Tanger Med, has become Africa's and the Mediterranean's leading port, handling 7.8 million TEUs in 2023 and offering global connectivity to more than 180 ports.

Supported by industrial and logistics free zones, this complex anchors the region in global value chains. The regional economy is marked by diversified industrialization. Automotive accounts for over 40% of national output; aerospace is building an emerging ecosystem; textiles are moving into higher-value segments.

Agri-food—especially in Loukkos—adds to this momentum. Services are expanding on the back of tourism, trade, and logistics, while the primary sector remains significant in rural provinces.

Despite a GDP per capita of 39,303 dirhams—slightly below the national average—per-capita consumption (26,245 dirhams) exceeds the country level, reflecting a strong propensity to consume supported by diaspora remittances and industrial employment.

Challenges include territorial disparities, dependence on European markets, and environmental pressures. To consolidate its role, the region must invest in human capital, digital innovation, and territorial cohesion to secure its position as an integrated and balanced economic pole over the long term.

2. National Context

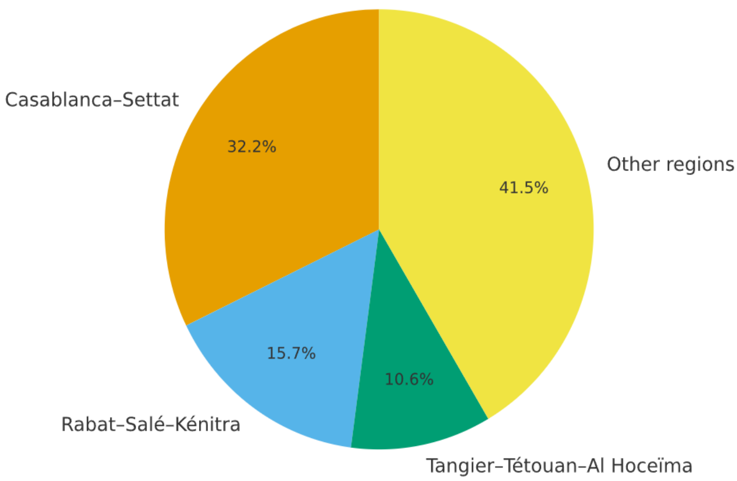
According to the 2023 regional accounts released by the High Commission for Planning (HCP), Morocco's economy recorded real GDP growth of 3.7% in 2023, reflecting resilience despite an unstable global environment. This performance stems from a 4.1% rebound in non-agricultural activities, a moderate recovery in agriculture after two years of drought, and the continued resilience of export industries—particularly automotive, phosphates, and textiles.

Nominal GDP stood at 1,479.7 billion dirhams, while real GDP reached 1,382.3 billion. Sectorally, the primary sector accounted for 11.1% of value added, the secondary sector 25.3%, and the tertiary sector 53.7%.

Regional polarization remains pronounced. Three regions account for 58.5% of national GDP: Casablanca–Settat (32.2%), Rabat–Sale–Kenitra (15.7%), and Tangier–Tetouan–Al Hoceïma (10.6%). This confirms the geographic concentration of investment and production and the widening interregional gaps: the average absolute regional GDP gap increased from 73.3 billion dirhams in 2022 to 83.1 billion in 2023.

Key macroeconomic headwinds included three consecutive agricultural seasons affected by rainfall deficits, weakening cereal output and rural incomes; average annual inflation above 6% over 2022–2023 driven by energy, food, and agricultural input prices; spillovers from the war in Ukraine and tensions in the Middle East; and the proliferation of global protectionist measures.

Even so, opportunities are emerging. Global nearshoring dynamics and Morocco's positioning as an Euro-Mediterranean industrial and logistics hub open new avenues to reinforce its role in regional and international value chains.



Share of National GDP by Major Regions (2023)

3. Economic Profile of the TTA Region

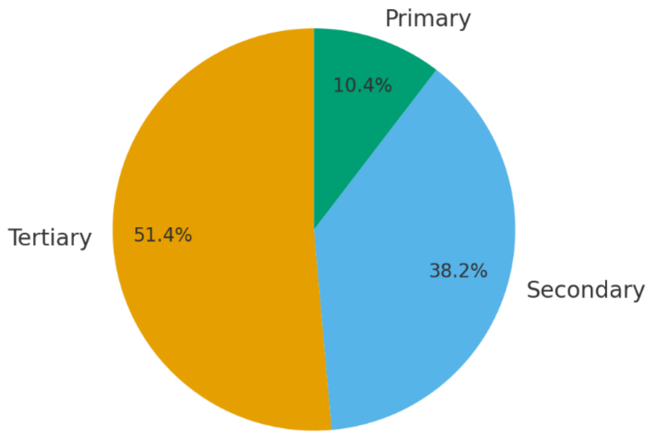
In 2023, TTA generated regional GDP of 156.25 billion dirhams (10.6% of national GDP), ranking third behind Casablanca–Settat (32.2%) and Rabat–Sale–Kenitra (15.7%).

Regional growth reached 4.9% in real terms in 2023, outpacing the national 3.7%. Drivers included the scaling-up of manufacturing—especially automotive, textiles, and agri-food—the post-COVID revival of tourism and logistics services, and the continuation of structuring projects tied to Tanger Med and free industrial zones.

GDP per capita stands at 39,303 dirhams, slightly below the national average of 40,508 dirhams, with sharp internal disparities. The Tangier-Assilah prefecture exceeds 47,000 dirhams per capita, while interior provinces such as Ouezzane or Chefchaouen are below 22,000.

The regional sectoral mix is diversified, with industrial and tertiary activities predominating. The secondary sector represents 34.3% of regional value added—manufacturing, automotive, textiles, electrical cabling, and agri-food. The tertiary sector (46.2%) is driven by logistics, business services, commerce, and coastal/rural tourism. The primary sector accounts for 9.3%—agriculture centered on Loukkos, market gardening, olives, alongside fishing and livestock.

Strategically, TTA's profile points to a leading national industrial and logistics pole built on Tanger Med, free zones, and export-oriented value chains. Services are expanding rapidly, propelled by trade, logistics, and tourism (14% of national arrivals and 12% of overnight stays). The primary sector remains significant in rural provinces (Larache, Ouezzane, Chefchaouen), yet vulnerable to drought and land fragmentation. The central challenge is to balance growth between the industrialized coastline and still-marginalized hinterlands.



Sectoral Structure of TTA Region GDP (2023)

4. Structural Strengths of TTA

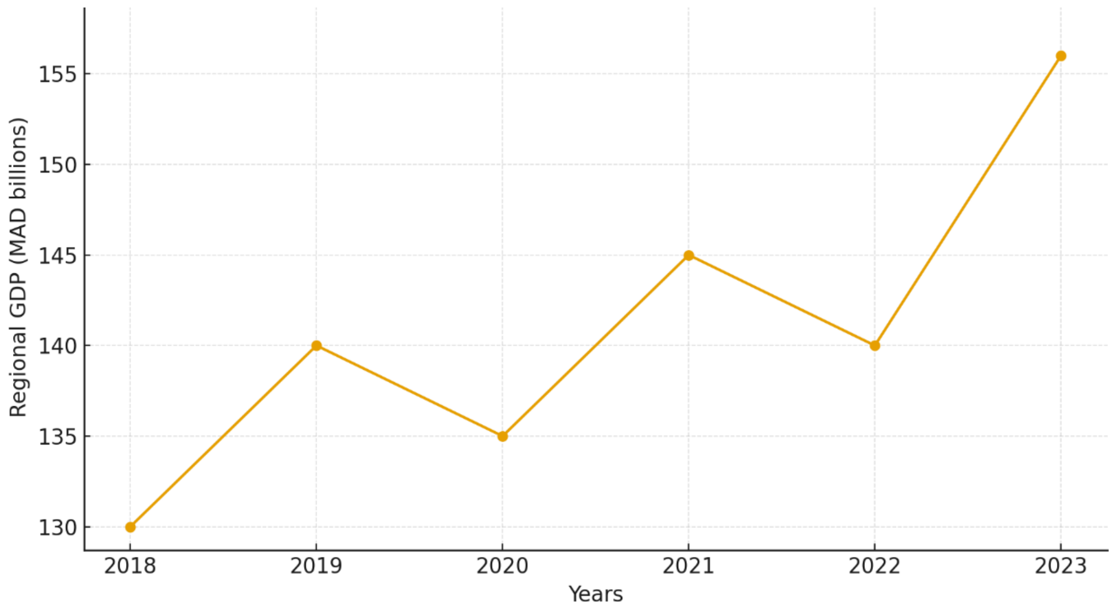
TTA's geography is an asset—14 km from Spain via the Strait of Gibraltar, at the interface between Africa and Europe, with direct access to EU markets of over 500 million consumers. This gateway position underpins current nearshoring and friend-shoring strategies within global value chains.

Tanger Med is the region's logistics backbone. Now a global hub, it is Africa's and the Mediterranean's leading container port with over 7.8 million TEUs handled in 2023 and connections to more than 180 ports in 70 countries. The complex includes industrial and logistics free zones—Tanger Automotive City, TFZ, Medhub—plus world-class customs and logistics platforms. Tanger Med drives the region's integration into global value chains, especially in automotive, technical textiles, and agri-industry.

A diversified industrial pole has taken shape. Automotive is central, representing more than 40% of national production, anchored by Renault Melloussa and top-tier suppliers (Valeo, Yazaki, Delphi). Aerospace is emerging in TFZ and Tanger Automotive City (composites, metal parts, embedded electronics). Historic strengths in textiles and apparel are pivoting to higher-value niches—technical textiles and export-oriented fast fashion. Agri-food is dynamic in Loukkos (strawberries, tomatoes, citrus) with Agropole potential. These sectors attract growing FDI and create spillovers into logistics, finance, and vocational training.

Tourism is complementary and diversified. Tangier positions itself for culture and business events (including cruise traffic), leveraging rich heritage. Chefchaouen is a global reference for eco-tourism and sustainable travel. Al Hoceïma is developing its Mediterranean seaside and natural assets, supported by the *Manarat Al Moutawassit* program. In 2024, TTA welcomed 14% of national tourist arrivals and 12% of overnight stays, ranking third after Marrakech and Agadir.

Growth momentum has been sustained and above the national average since 2020. From 2018–2023, average annual growth reached 4.6% versus 3.2% nationwide, and 4.9% in 2023 despite climate and inflation pressures—driven by industrial and logistics upscaling, the tourism rebound, and continued modernization of road and port infrastructure.



Regional GDP Trend TTA (2018-2023)

5. Regional Comparison: Casablanca–Settat vs. Tangier–Tetouan–Al Hoceïma

In 2023, Casablanca–Settat produced regional GDP of 477 billion dirhams (32.2% of national GDP)—three times TTA's 156.25 billion (10.6%). TTA thus ranks third after Casablanca–Settat and Rabat–Sale–Kenitra.

GDP per capita is 62,777 dirhams in Casablanca–Settat vs. 39,303 dirhams in TTA—a gap of roughly 23,500 dirhams per person—reflecting the concentration of high-value-added sectors in Casablanca (finance, advanced services, corporate headquarters), while TTA still features agriculture and lower-productivity services in parts of the region.

Casablanca–Settat stands out for heavy and advanced manufacturing (chemicals, steel, building materials), the country's financial marketplace (banks, insurers, Casablanca Stock Exchange), and a dense ecosystem of upper-end services (consulting, multinational regional HQs, private R&D).

TTA, for its part, is an international logistics platform anchored by Tanger Med and free zones, a driver of export industry (40% of national automotive output), a technical-textile pole, and a strong agri-food presence. Tourism in Tangier, Tetouan, Chefchaouen, and Al Hoceïma complements this profile.

Casablanca–Settat concentrates major schools and universities (HEM, ENCG, University Hassan II, engineering schools), offering dense higher education and applied research. TTA's university fabric is thinner but strong in applied training aligned with industrial and logistics needs. Vocational centers—often partnered with Renault, Tanger Med, and textile value chains—align training with export ambitions.

Casablanca–Settat remains the financial and corporate capital with much higher GDP per capita. TTA—though smaller in volume—shows sustained growth (+4.9% vs. +4.4% for Casablanca in 2023) and a distinctive export-oriented industrial and logistics specialization. The two regions are complementary: Casablanca as decision-making and financial center; TTA as industrial and logistics export platform.

6. Regional Comparison: Rabat–Sale–Kenitra vs. Tangier–Tetouan–Al Hoceima

In 2023, Rabat–Sale–Kenitra (RSK) produced 232 billion dirhams in regional GDP (15.7% of national GDP), ranking second nationally—above TTA's 156.25 billion (10.6%), which ranks third.

GDP per capita in RSK is 45,849 dirhams—above both the national average (40,508) and TTA (39,303). The roughly 6,500-dirham gap reflects Rabat's role as the administrative and political capital, with a high concentration of public services and sovereign functions.

Sectorally, RSK specializes in administration and public services, with a dense presence of ministries, agencies, and headquarters. The Gharb is also a highly productive agricultural basin (cereals, market gardening, agri-industry). The region features strong higher-end services in education, research, and innovation.
TTA specializes in export industry—automotive, technical textiles, agri-food—benefiting from Tanger Med's significant role in international logistics and a diversified tourism base (coastal, cultural, and rural).

Strategically, RSK is a command and public-services pole with higher GDP per capita due to the concentration of administrative functions and skilled employment. TTA is a productive industrial and logistics pole focused on exports and international competitiveness. The regions are complementary: RSK as an administrative decision center, TTA as an industrial-logistics engine.

7. Regional Comparison: TTA vs. Marrakech–Safi and Fes–Meknes

In 2023, Marrakech–Safi produced GDP of 125 billion dirhams (8.5% of national GDP), ranking fourth. Fes–Meknes generated 123.6 billion (8.4%), ranking fifth. By comparison, TTA reached 156.25 billion (10.6%), above both in economic size.

GDP per capita is 25,765 dirhams in Marrakech–Safi and 27,782 in Fes–Meknes—well below the national average (40,508). TTA, at 39,303 dirhams per capita, sits far above those two regions and near the national average, confirming it is not only larger but also richer per capita.

Sectorally, Marrakech–Safi relies heavily on tourism (Marrakech as a major international destination), complemented by agriculture and crafts (Haouz, Chichaoua), making it vulnerable to seasonality and climate shocks.

Fes–Meknes remains agro-dependent (25.8% of GDP from the primary sector) while asserting its role as Morocco's spiritual, cultural, and university capital. TTA, by contrast, is a leading industrial and logistics pole (automotive, textiles, agri-food), supported by Tanger Med, with diversified tourism (coastlines in Tangier/Al Hoceïma, eco-tourism in Chefchaouen). Its 2023 growth of 4.9% exceeded the national 3.7%.

Reading across, TTA competes in the league of the top three economic regions alongside Casablanca–Settat and Rabat–Sale–Kenitra—clearly ahead of Marrakech–Safi and Fes–Meknes in both size and per-capita wealth—poised to strengthen its role further through industrial, logistics, and tourism dynamics.

8. Household Consumption and Living Standards

In 2023, TTA's household final consumption reached 104.3 billion dirhams (11.7% of national household consumption), placing it in the national top three behind Casablanca–Settat and Rabat–Sale–Kenitra.

Per-capita consumption stands at 26,245 dirhams, above the national average (24,092). Internal disparities persist : dynamic urban areas (Tangier, Tetouan) show elevated consumption driven by middle-class growth and industrial employment, while rural provinces (Chefchaouen, Ouezzane) are lower but catching up thanks to income diversification—particularly rural tourism and diaspora remittances.

Although TTA's GDP per capita (39,303 dirhams) is slightly below the national average (40,508), per-capita consumption is higher. This apparent paradox reflects strong social dynamism and a higher propensity to consume, supported by diaspora remittances and stable industrial/logistics employment relative to more rural territories.

In short, despite slightly lower GDP per capita, TTA households consume more—signaling a dynamic standard of living and expanding consumer society driven by urbanization, a young demographic profile, and stable incomes from industry and services. This further enhances TTA's attractiveness for investors in retail, distribution, and household services.

9. Opportunities and Risks for the TTA Region

- Logistics and International Connectivity

Strengthening Tanger Med and industrial free zones remains a major lever. As Africa's top container port, Tanger Med handled 7.8 million TEUs in 2023 with connections to 180 ports in 70 countries. Surrounding free zones (TFZ, Tanger Automotive City, Medhub) attract FDI in automotive, aerospace, and logistics. The priority now is sustaining operational excellence, expanding capacity, and developing higher-value logistics services (logistics parks, distribution, multimodal platforms) - consolidating TTA as an Euro-Mediterranean logistics hub and export-oriented industrial center.

- Moving Up the Industrial Value Chain

The region must shift beyond labor-intensive industries (textiles, assembly) into higher-value sectors: next-generation automotive, aerospace, electronics, pharmaceuticals. This requires:
– human-capital development (engineering and technical upskilling),
– SME support for technological modernization,
– industrial innovation to sharpen regional competitiveness.

- Diversification and Emerging Services

Sustained growth also depends on diversifying growth engines. Three key levers:
– ICT development (digital infrastructure and startups),
– offshoring (shared services, BPO/ITO) to capture international demand,
– quality tourism focused on business, culture, seaside, and eco-tourism segments.

- Energy Transition and Green Economy

TTA has strong renewables potential: wind farms (Tetouan, Tangier), ongoing solar projects, and promising green-hydrogen prospects—positioning the region as a pioneer of low-carbon industrial chains in Morocco and the Mediterranean. Reducing energy dependence and competing on "green" performance will reinforce attractiveness among international investors subject to new environmental standards (EU CBAM, EU taxonomy).

- Strengthening Tourism Attractiveness

The region offers diverse tourism assets—Tangier (culture, heritage, business tourism), Chefchaouen (world-renowned eco-tourism), Al Hoceïma (seaside/nature). With 14% of national arrivals and 12% of overnights, TTA ranks third nationally and still has room to climb by upgrading accommodation, service quality, and heritage valorization.

10. Risks and Vulnerabilities

External dependence. Heavy reliance on European markets is a vulnerability. Over 70% of industrial exports—automotive, textiles, cabling—go to the EU. European recessions or protectionist moves (e.g., EU CBAM) could weigh on growth.

Social and territorial disparities. Sharp gaps persist between coastline and interior. GDP per capita exceeds 47,000 dirhams in Tangier-Assilah versus under 22,000 in Chefchaouen or Ouezzane.

Rural provinces face youth outmigration, higher unemployment, and limited diversification, risking deeper inequalities and social tensions if growth is not more inclusive.

Environmental pressures. Rapid urbanization around Tangier/Tetouan intensifies pressure on water, land, and ecosystems. The region faces acute water stress and climate risks (drought, flooding), threatening development sustainability—especially in agriculture and tourism, which depend on sensitive natural resources.

11.Conclusion & Areas for Vigilance

TTA today stands as Morocco's third-largest economic power, with regional GDP of 156.25 billion dirhams (10.6% of national GDP). Its 2023 growth (4.9%) exceeded the national average (3.7%), confirming its role as an industrial and logistics locomotive. Key strengths include rapid industrialization (automotive, textiles, agri-food, emerging aerospace), Tanger Med's world-class logistics positioning, and dynamic household consumption (26,245 dirham per capita, above the national average).

Yet major challenges remain. The region must narrow gaps with Casablanca and Rabat in human capital, R&D, and innovation; reduce territorial disparities between the industrialized coastline and rural provinces (Chefchaouen, Al Hoceïma, Ouezzane); and fully embed ecological and digital transitions into its development strategy.

Inclusive growth is essential to avoid a "two-speed" region. Leveraging interior-province potential will help integrate marginalized territories into the growth centered around Tangier. The goal is true territorial complementarity: a global industrial-logistics platform in Tangier, backed by a distinctive, sustainable tourism offer in Tetouan, Chefchaouen, and Al Hoceïma, and supported by a modernized agricultural hinterland.

Policy priorities include:
– **Vocational and higher education alignment.** Invest in professional training for priority value chains (automotive, logistics, aerospace, digital). Strengthen university-industry partnerships and develop sectoral centers of excellence in Tangier and Tetouan; expand apprenticeships and work-study to boost youth employability.
– **Digital innovation and startups.** Develop incubators, technoparks, and regional seed funds; accelerate SME digitalization (e-commerce, digital financial services) to raise competitiveness; position TTA as a reference hub for the digital economy—complementing Casablanca.
– **Territorial balance.** Deploy a catch-up plan for enclaved provinces (Chefchaouen, Ouezzane, Al Hoceïma): road infrastructure, improved social services, and broad digital connectivity. Promote higher value-added agriculture (terroir products, organic farming, agri-industry). Support rural cooperatives and microfinance.
– **Sustainable tourism.** Build integrated circuits combining sea, mountains, and culture across Tangier, Tetouan, Chefchaouen, and Al Hoceïma. Expand rural and eco-tourism (guesthouses, hiking, eco-circuits) and put ecosystem preservation at the core to ensure long-term viability.

Bottom line: With above-average growth and unique structural advantages in logistics, industry, and consumption, TTA can consolidate its role by investing in human capital, digital innovation, and territorial cohesion—emerging durably as an integrated, balanced economic pole that advances both national competitiveness and territorial equity.

Source: Regional Accounts for fiscal year 2023, High Commission for Planning (HCP) and Impact Plus Analysis.

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