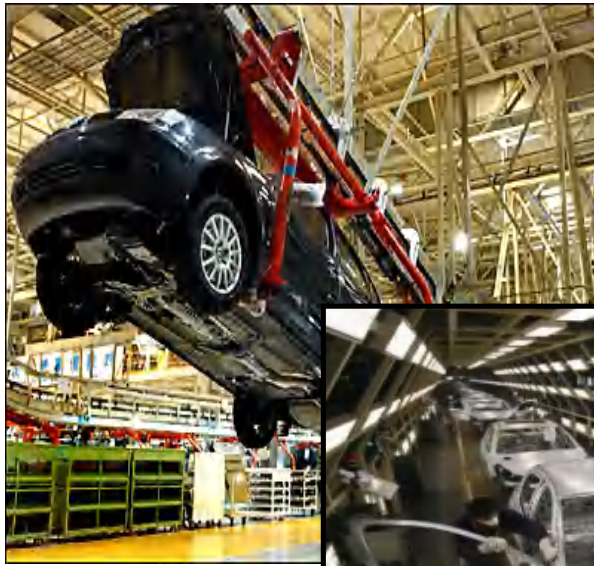


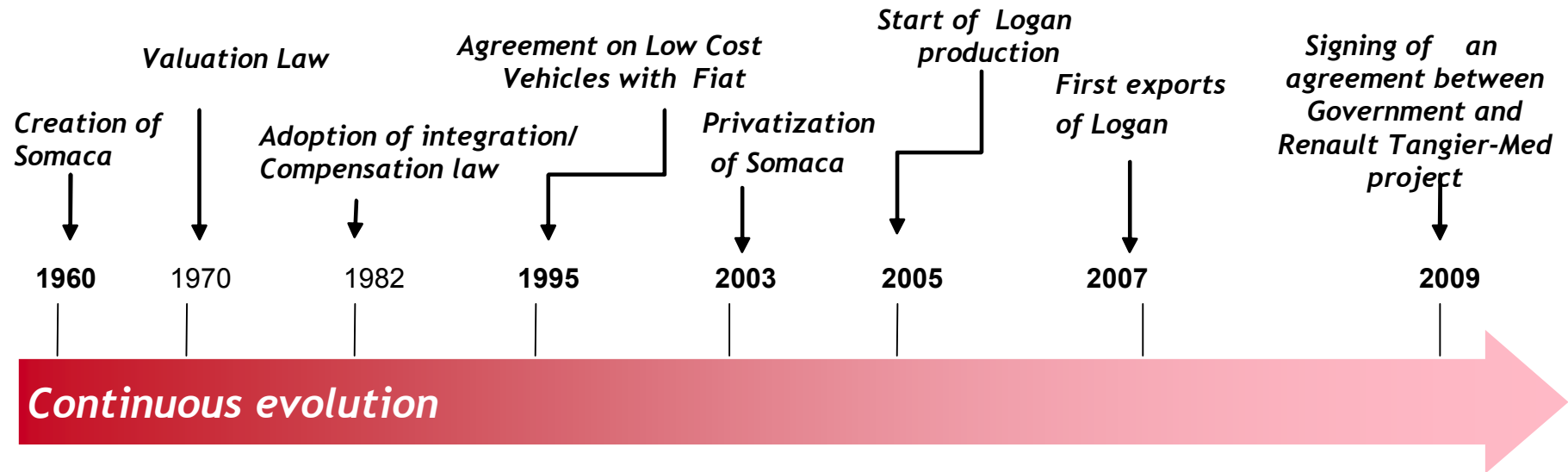
Automotive industry in Morocco



*Larbi Belarbi, Chairman of AMICA ,Japan
Déc. 2011*



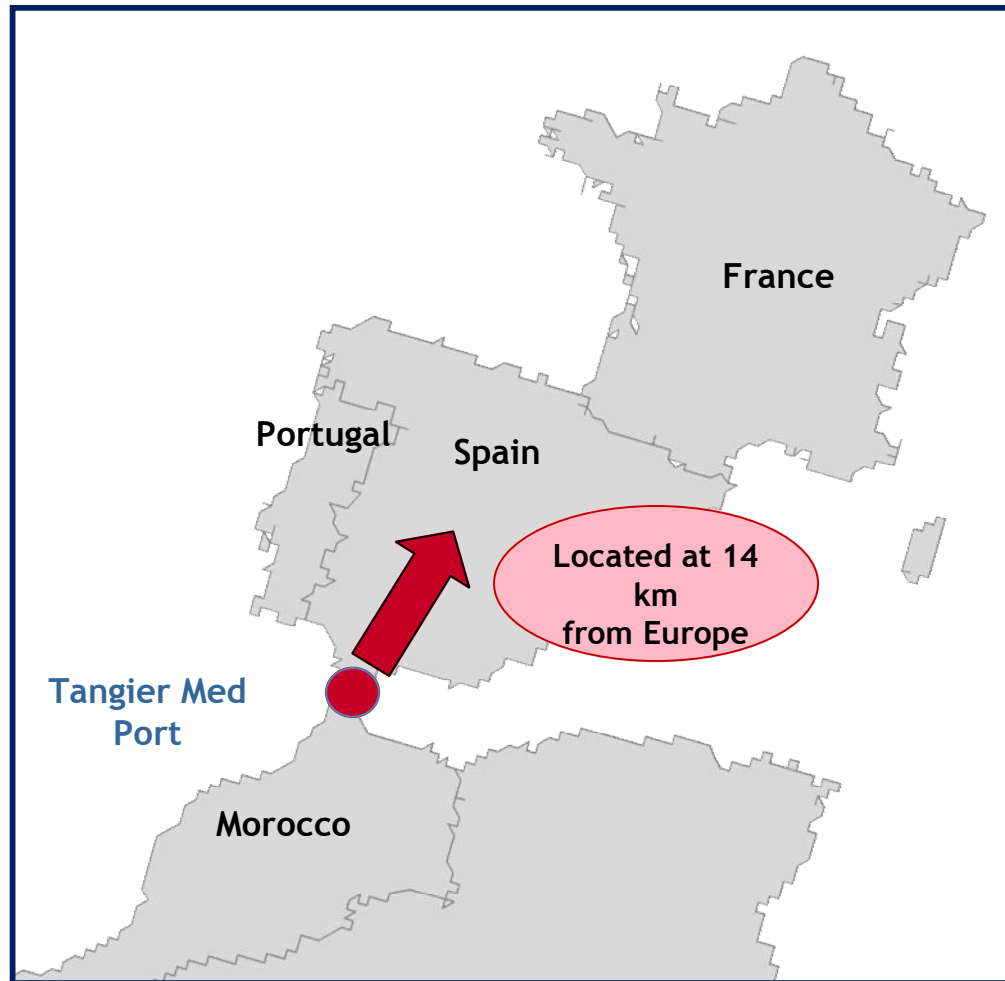
2. Automotive Industry in Morocco, a progressive development



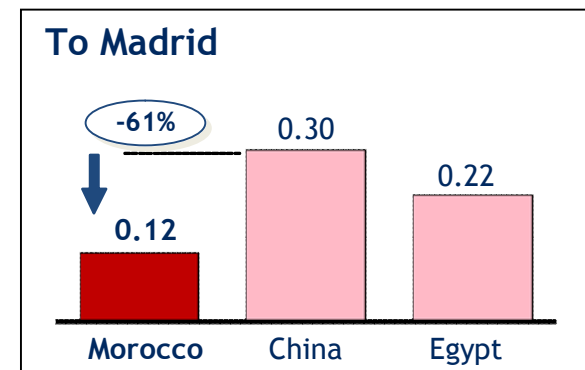
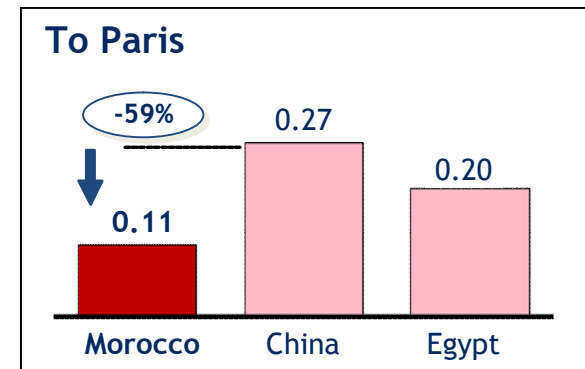
...and Confirmation of Renault Tangier-Med project in Melloussa



3.1. Competitive advantages : The best delivery platform in Europe



€/kg, Logistic costs of freight transport containers, 2007

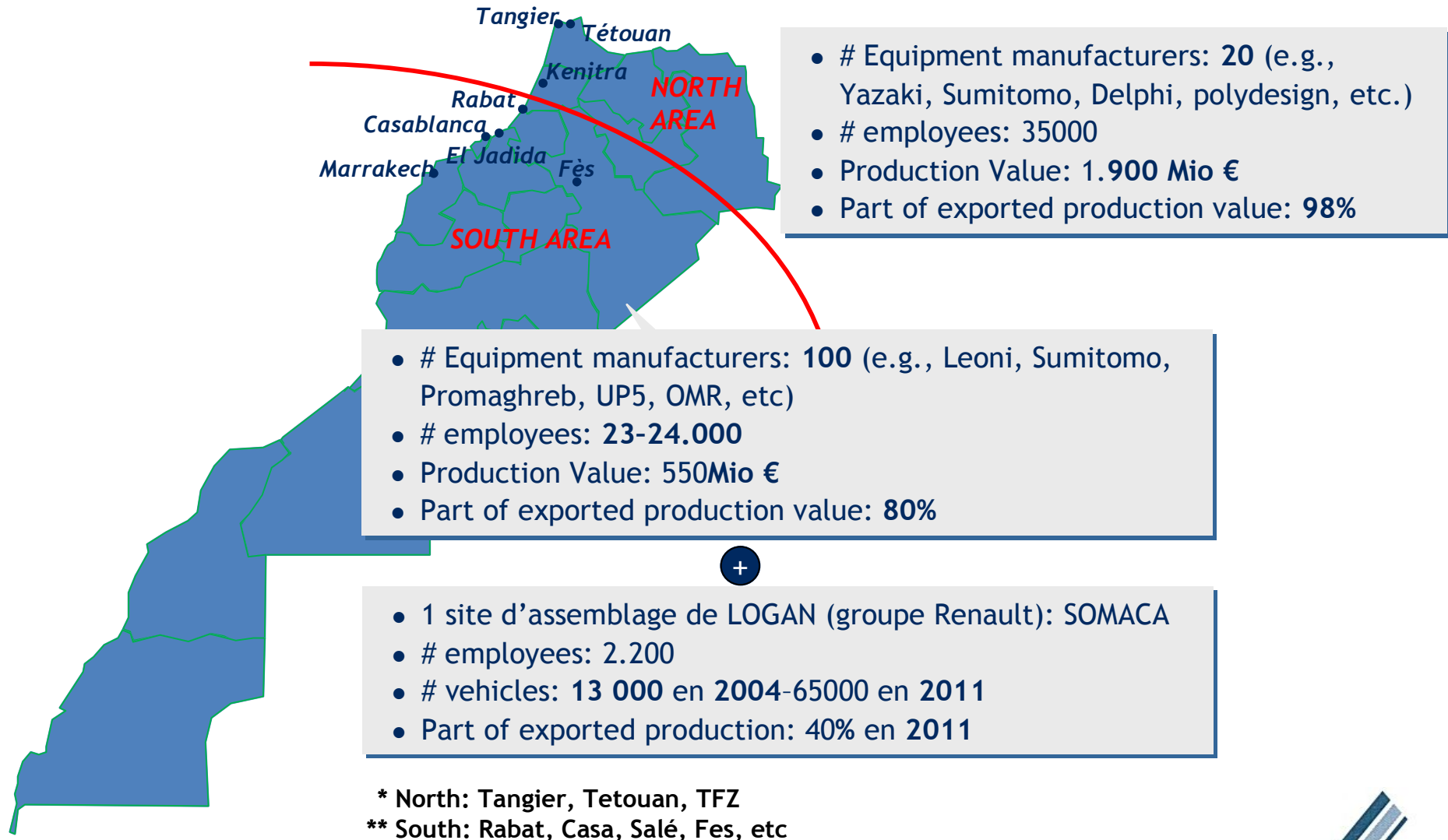


3.1. Competitive advantages :
proximity to a potential market of about 4,2 millions of vehicles at *less than 3 days from Morocco*



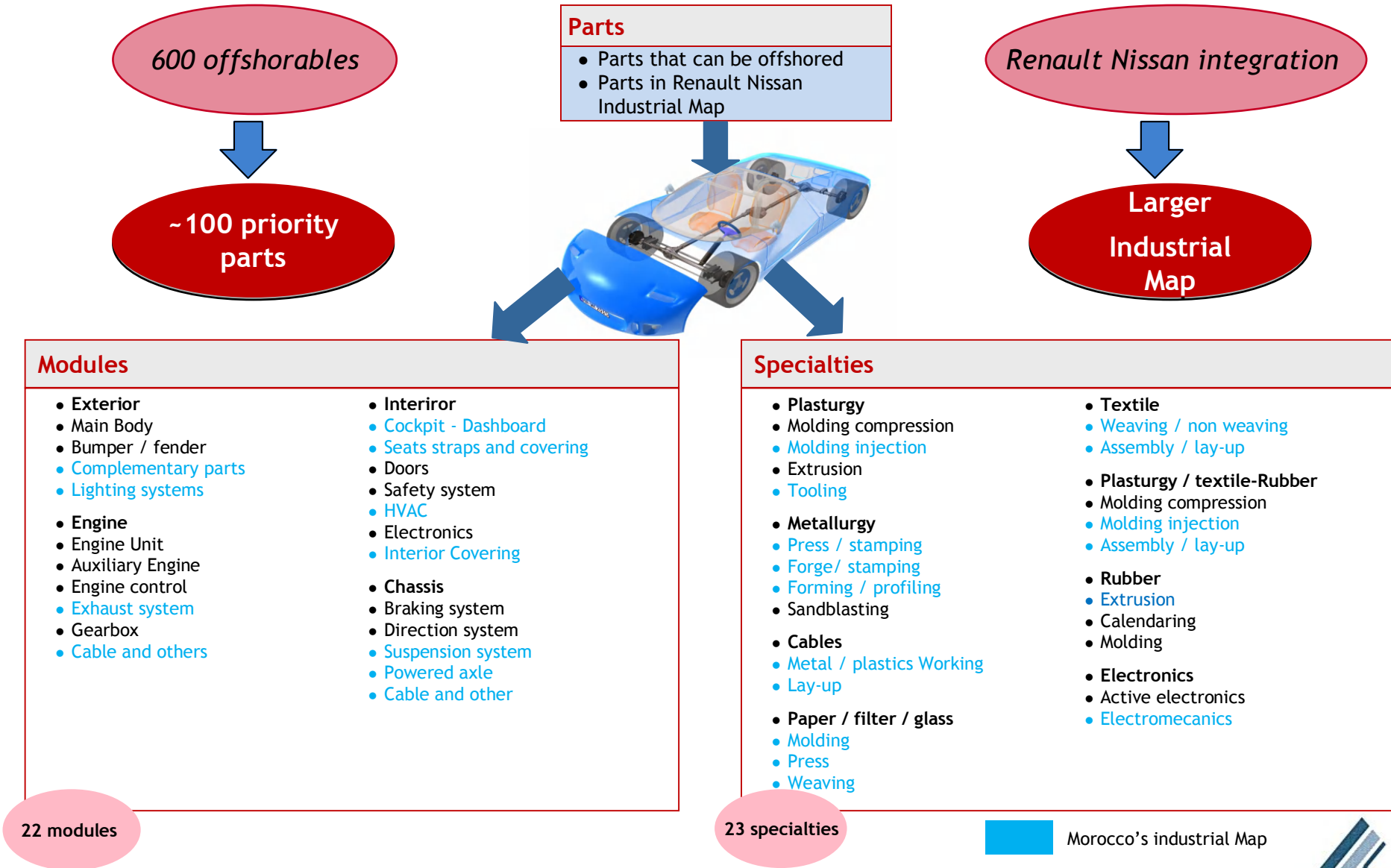
3.1. Competitive advantages :

An export-oriented automotive sector



3.2. Micro targeting:

600 parts analyzed / 100 priority parts offshorables at short time horizon



3.2. Micro targeting:

Our target segments: 14 specialties and 10-11 modules

1

Screening results: priority parts / specialties / modules

- Screening brings out ~100 priority parts at a short term horizon, suggesting that Morocco should focus on 8 targeted specialties
 - Compression molding and injection molding (Plasturgy)
 - Lay-up / Assembly in plasturgy / textile
 - Press / Stamping in metallurgy
 - Plastic / metal working and lay-up in the harness industry
 - Weaving / Nonweaving and Assembly in the textile industry (upstream and downstream)

- These specialties show up a significant potential for 8-9 modules (vs. 3 existing modules up to now):
 - Interior: interior covering, seat covers and straps, cockpit / dash-panel and HVAC
 - Exterior: Lighting system, exterior complementary parts
 - Motor / Chassis frame: Cable assemblies in the Chassis and the Engine

2

The targeted integration rate by Renault-Nissan is more than 60%: Renault-Nissan Industrial Map added more specialties and module to be manufactured in Morocco

- 6 added specialties:
 - Forge / Stamping and Forming / profiling in metallurgy
 - Extrusion in Rubber
 - Molding, Press and Weaving in Glass

- 2 added modules:
 - Engine: Exhaust system
 - Chassis and Engine: Suspension system

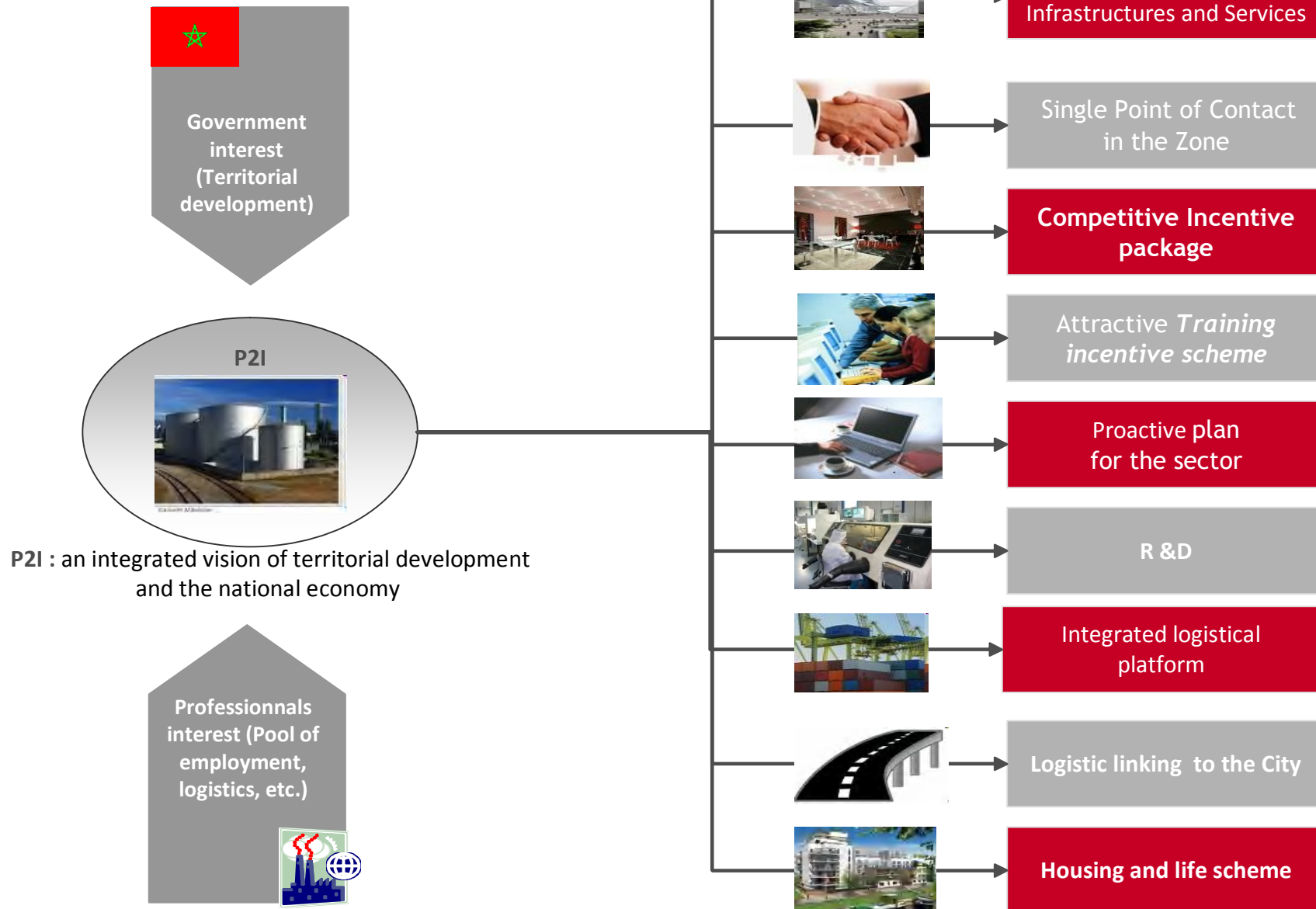
14 specialties

Morocco's
Industrial map

10-11 modules

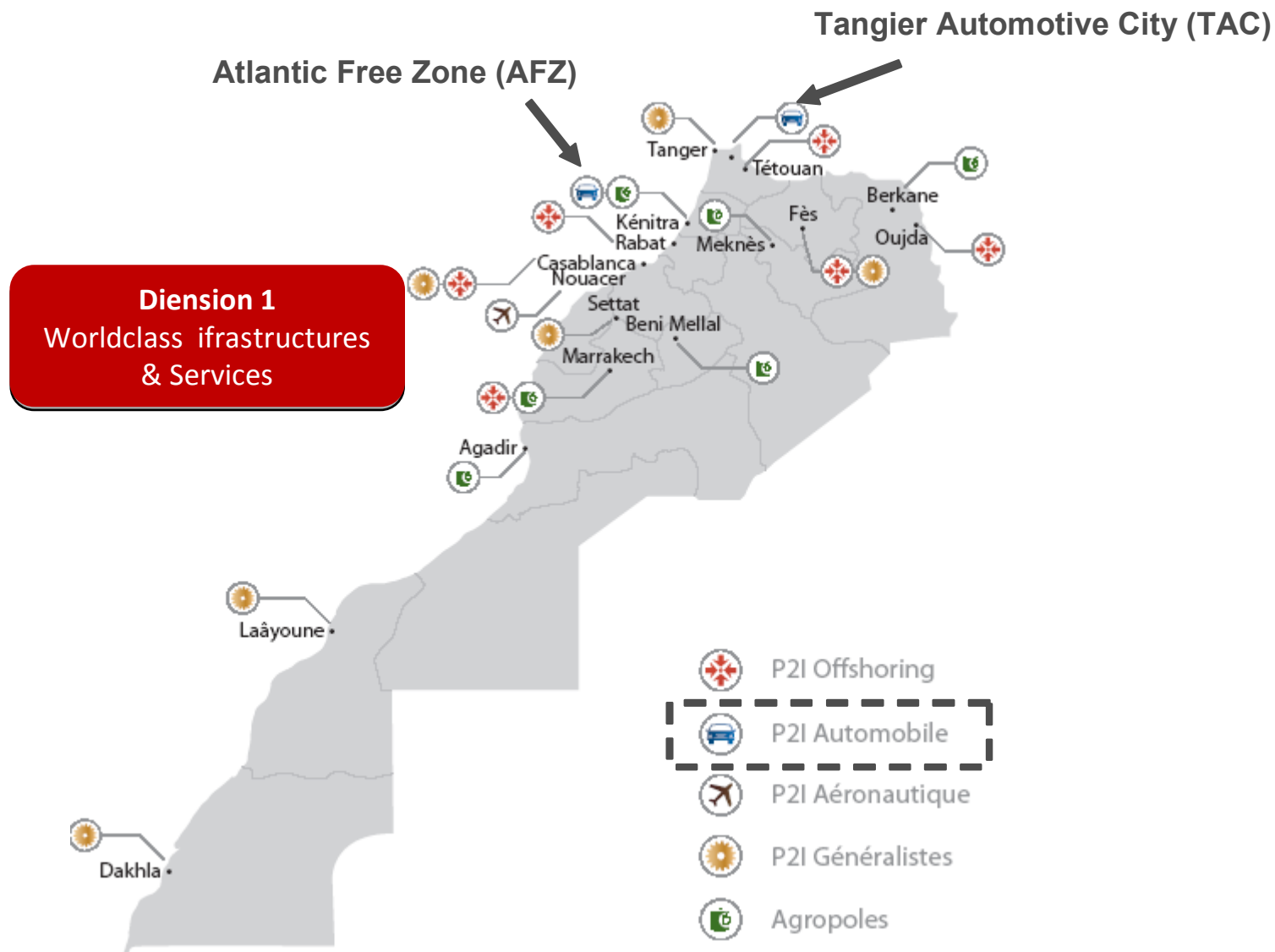
4.1. Worldclass infrastructures & Services :

A diversified range of real estate with best international standards within Integrated Industrial Plateforms (P2I)



4.1. Worldclass infrastructures & Services :

Two Integrated Industrial Platforms dedicated to the automotive sector : Kénitra & Tanger



4.2. Pool of competitive resources and training support :

A *Training incentive scheme*, adapted to the needs of the automotive sector :

Objectives

- Training of 70.000 profiles (of whom 6 000 at the charge of Renault) in the automotive sector to accompany its development:
 - 3 500 engineers and managers
 - 4 800 intermediary trainers
 - 7 800 technicians
 - 48 000 operators

Action's axes

- Elaboration of a ***Training incentive scheme*** for the automotive sector.
- **Breakdown of staff on key training** existing public and private systems, including Higher Education, Training and Learning System, Technical Education, private institutions for skills training funded through ANAPEC
- Follow up and up dating of training program

- Exemptions of payroll taxes for 24 month for a salary of 550 \$ per month;
- Direct support to training during the first Three years

Initial training costs:

Operator: 1500 € , Technicien: 3000€ , Manager: 3000€

In-service training costs:

Operator: 500 € , Technicien: 1500 € , Manager: 3000€

4.3. incentive plan for the sector

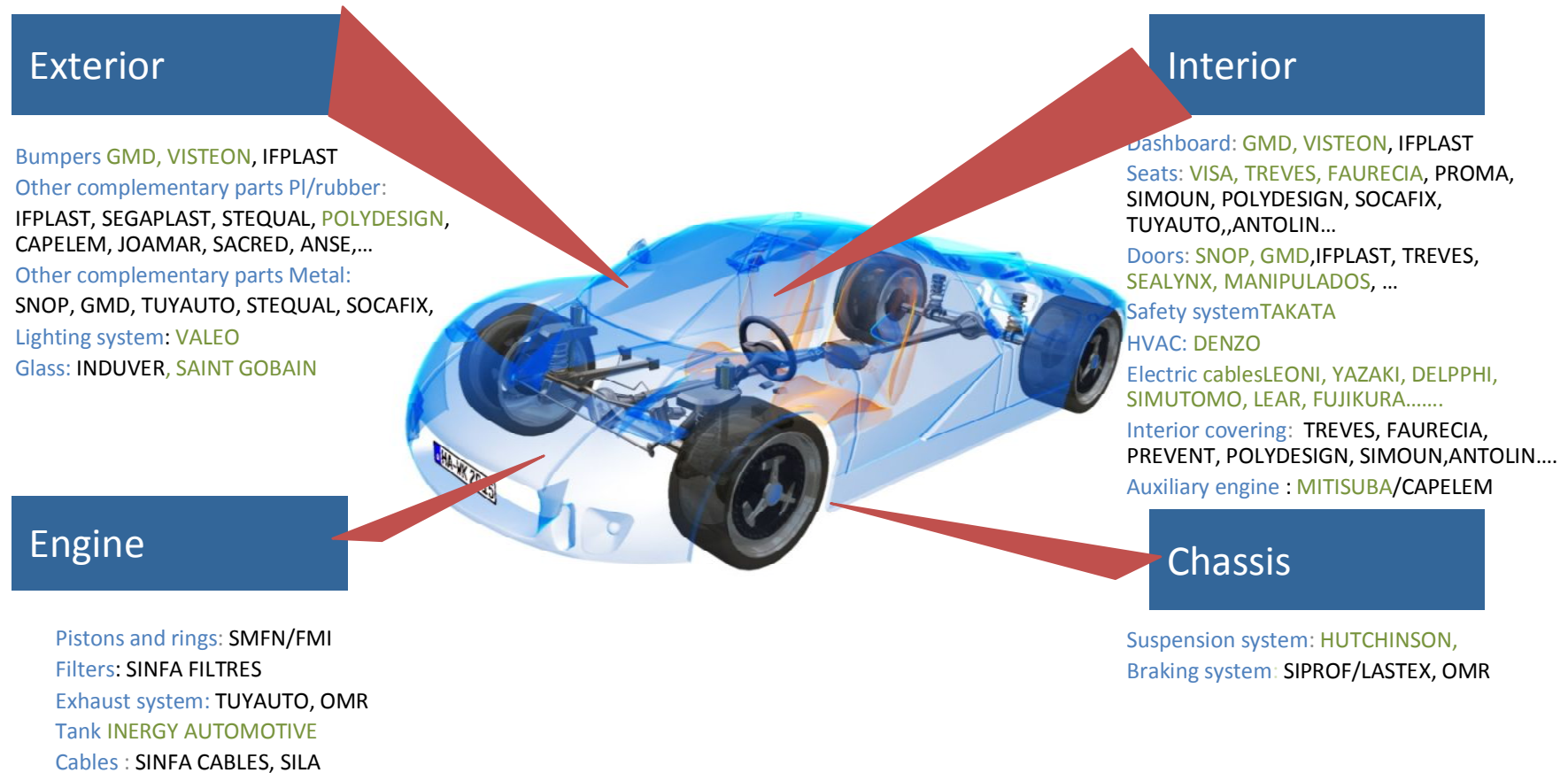
Attractive incentives plan for the sector

- Significant reduction of the corporate tax: complete *exemption for the first 5 years*, and **8.75% for the following 20 years in the free zone**
- No VAT Applied either in Importation & Exportation
- No Taxes on Dividends (vs. 10% for locals)
- Financial support for the establishment in key areas:
 - **30% of Professional Building costs**: with a ceiling of **182€/m²**
 - **10% equipment costs** for machinery investment exceeding 220.000 €
 - **Ceiling: 1.8M Euros (or 10% of total investment)**

Average Tax Rate: 7% over 25 Years

5. An outlook on current Situation:

About thirty Tier 1 suppliers and many Tier 2 and 3 suppliers are established in Morocco



5. An outlook on current Situation:

Major project : Renault Investment in Tangier



Renault is developing a huge production Center in the North Area of Morocco

“The most competitive site of the Group”



Production

- 400,000 cars per year to be produced in 2013 (200.000 in 2010)
- Capacity: 60 cars per hour

Employment

- 6.000 Direct Employment
- 30.000 + Indirect Employment

Investment

- Total Investment: 1 Billion €

Site

- 280 Ha to create major Renault site

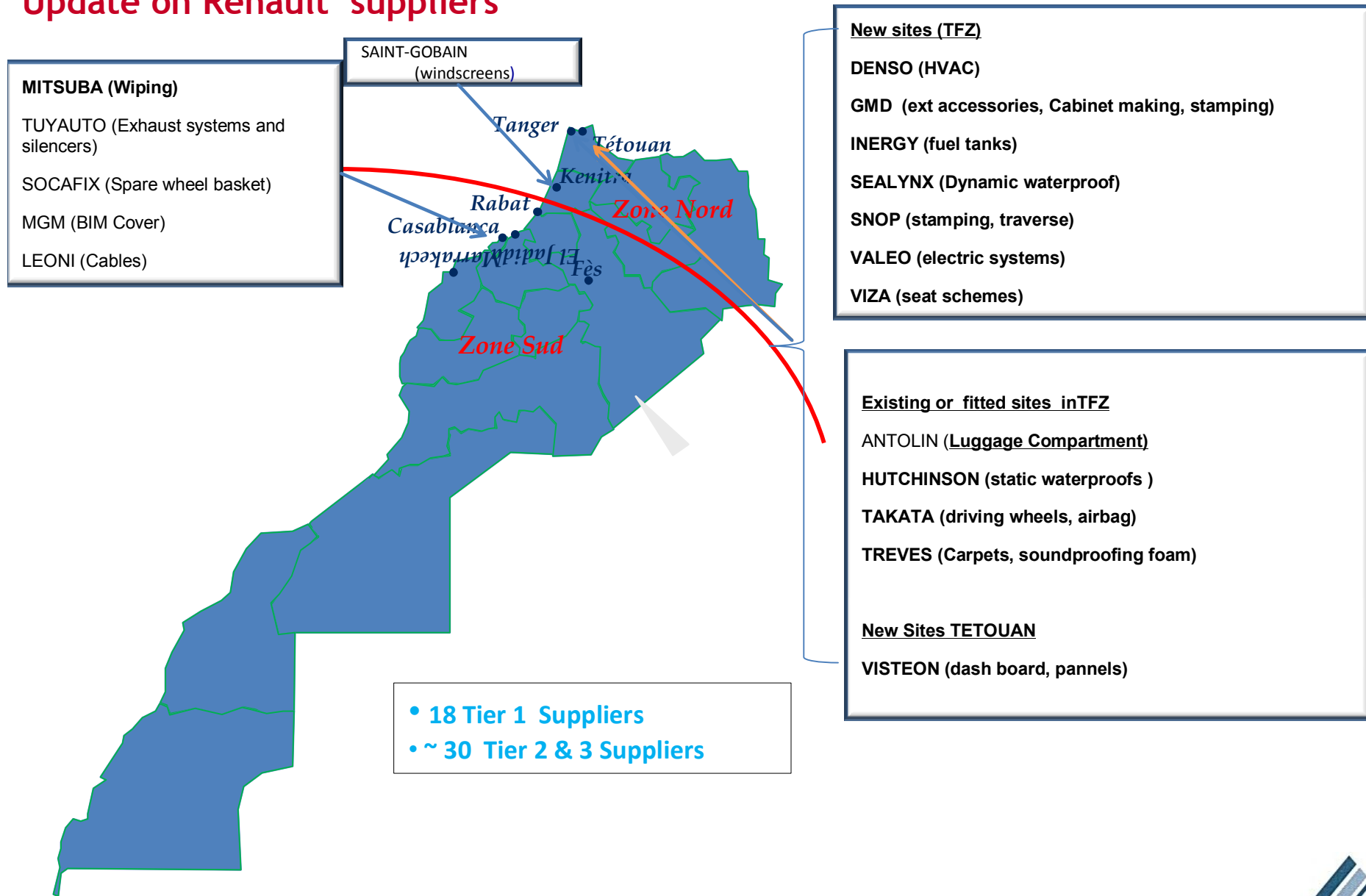
Situation

- ~44km to Europe
- ~30km to Tangier Med port
- Locking to Highway

Logistics

- Car carrier terminal in Tangier Med Port
- Easy access to a huge containers traffic

5. An outlook on current Situation: Update on Renault suppliers



mitsuba (Wiping)
 TUYAUTO (Exhaust systems and silencers)
 SOCAFIX (Spare wheel basket)
 MGM (BIM Cover)
 LEONI (Cables)

SAINT-GOBAIN (windscreens)

New sites (TFZ)
 DENSO (HVAC)
 GMD (ext accessories, Cabinet making, stamping)
 INERGY (fuel tanks)
 SEALYNX (Dynamic waterproof)
 SNOP (stamping, traverse)
 VALEO (electric systems)
 VIZA (seat schemes)

Existing or fitted sites inTFZ
 ANTOLIN (Luggage Compartment)
 HUTCHINSON (static waterproofs)
 TAKATA (driving wheels, airbag)
 TREVES (Carpets, soundproofing foam)

New Sites TETOUAN
 VISTEON (dash board, pannels)

- 18 Tier 1 Suppliers
- ~ 30 Tier 2 & 3 Suppliers

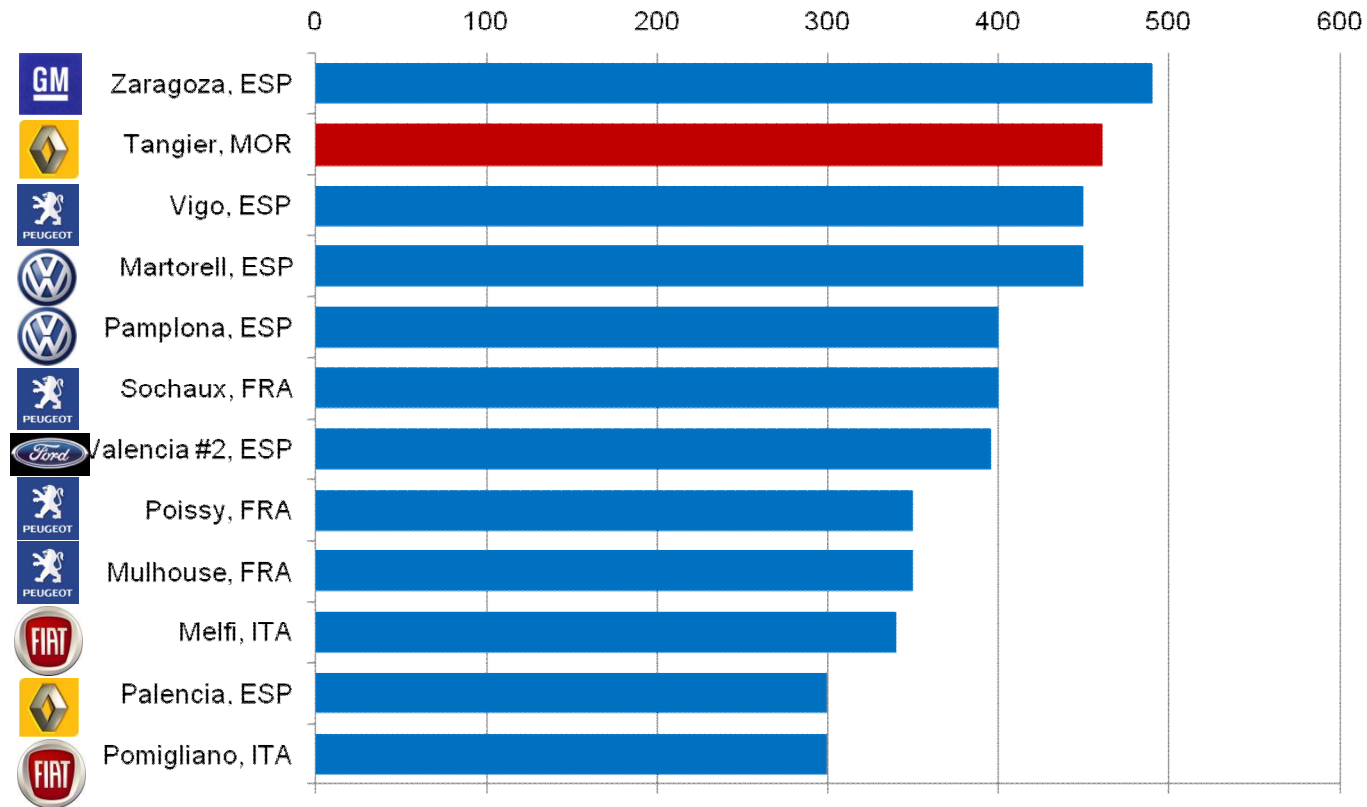
EURO MED – Number of Vehicle Plants (+10K)

	2002	2012	2020	Differ	Large Plants +300K
★ Morocco	1	2	3	+2	1
Spain	12	12	12	-	6
Portugal	3	2	2	-1	-
France	16	14	13	-3	3
Italy	10	7	7	-3	2
TOTAL	42	37	37	-5	12

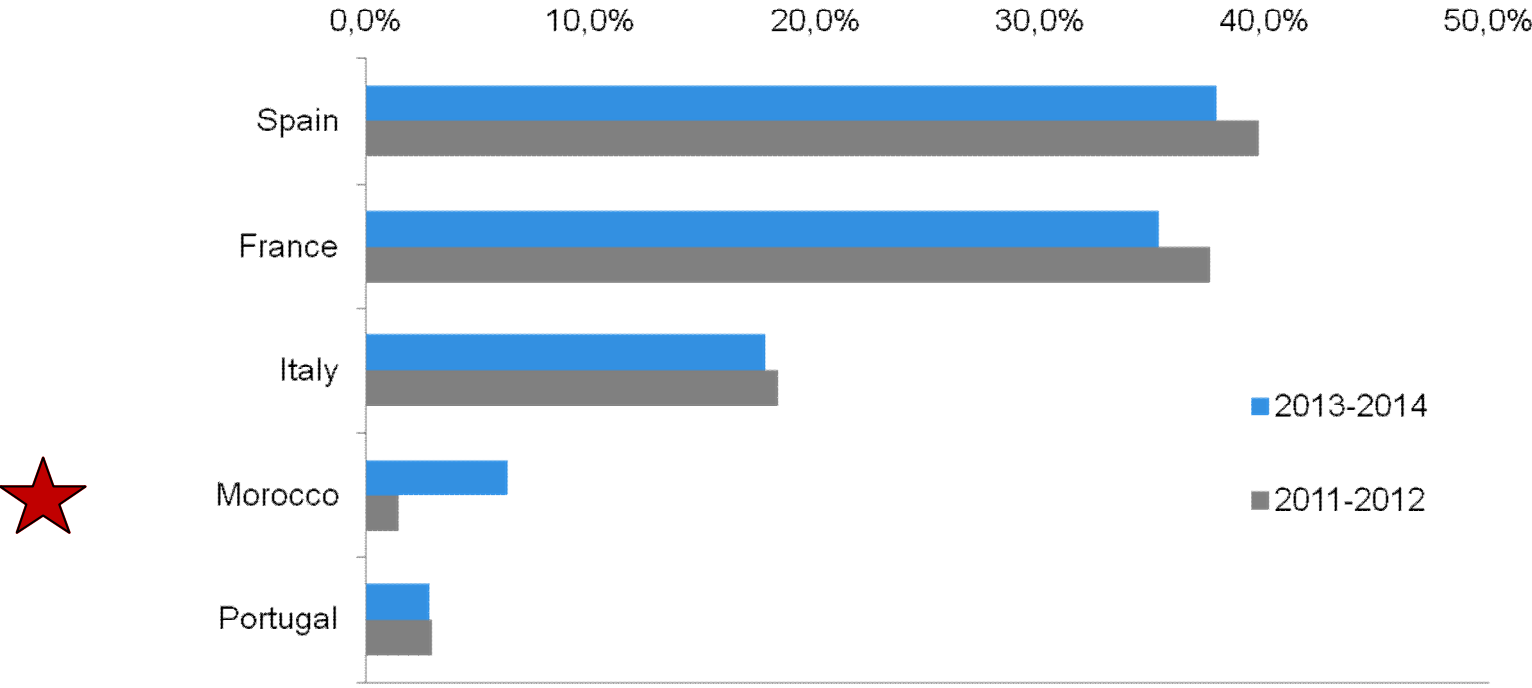
Vehicle plant closures have also hit North Europe in recent years:
Belgium, (Antwerp), Netherlands (Born) , Sweden, United Kingdom

EURO MED – Large Vehicle Plants (+300.000 cars)

MAXIMUM CAPACITY



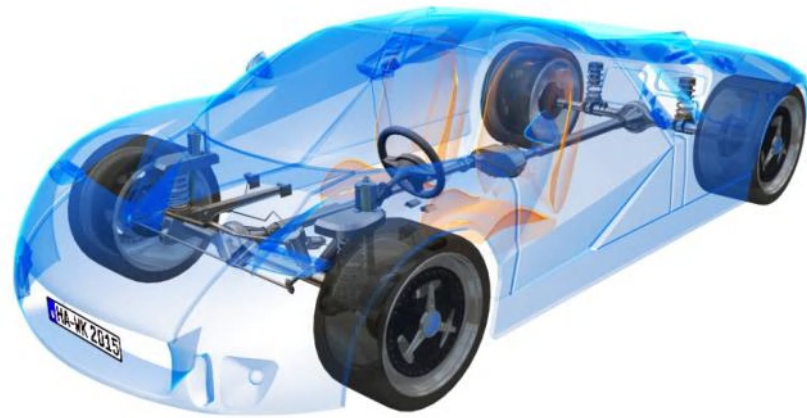
EURO MED – Shifting Production Capacity



Morocco has gained share of production capacity away from Spain, France, Italy

Morocco: Strategically Positioned for Success in the Automotive Industry

- GDP growth much stronger than neighboring countries, low inflation
- Healthy Banking sector, high investment in Real Estate sector
- Increase of Tourism
- Dynamic economic activity
- Significant rebound in Remittances following slowdown
- Non-agricultural GDP growth is forecast for expansion
- Large investments in HR and in growth sectors and essential infrastructure
- Tanger MED port key export platform for E U, USA, Africa -ME
- High speed rail network, modern motorway network
- Expansion of role of renewable energy (Plan Vert)
- Increase in capacity of electricity
- Free Trade agreements with 55 countries & 1.0 billion consumers



THANK YOU