PRESS RELEASE
BANK AL-MAGHRIB 2025 ANNUAL REPORT

His Majesty King Mohammed VI has received today Monday July 20, 2026 (*Safar 5, 1448 A.H.*) in the Royal Palace *of* Tetouan, Mr. Abdellatif Jouahri, Governor of Bank Al-Maghrib, who presented to His Majesty the Central Bank's annual report on the economic, monetary, and financial situation for the year 2025.

In his address before His Majesty the King, Mr. Jouahri stated that, in an international environment marked by successive shocks and persistent uncertainties, domestic economy continued to improve in 2025, growing by 4.9 percent, driven notably by strong investment efforts. Despite this acceleration in activity, inflation remained moderate, averaging 0.8 percent.

Regarding monetary policy, the Governor indicated that Bank Al-Maghrib maintained an accommodative stance, lowering the key rate to 2.25 percent, while continuing to meet all banks' requests for liquidity and intensifying efforts to facilitate access to financing for very small enterprises.

On the labor market, Mr. Jouahri noted that stronger growth supported job creation, but not enough to trigger a tangible decline in unemployment, which stood at 13 percent.

Concerning public finances, he stated that fiscal deficit continued to decline, reaching 3.5 percent of GDP, supported in particular by strong tax revenue performance and significant proceeds from innovative financing mechanisms.

As regards external accounts, he indicated that the current account deficit remained contained, supported mainly by travel receipts, remittances, as well as exports of phosphates and derivatives and the aeronautics sector. He added that, overall, Bank Al-Maghrib's official reserve assets strengthened to reach 443 billion dirhams, equivalent to nearly five and a half months of imports.

Overall, these developments suggest that the momentum of the domestic economy is continuing, fostering hopes, according to Mr. Jouahri, for economic and social emergence in the years ahead. However, achieving this objective requires, beyond sustaining higher growth, a better distribution of its benefits. In this respect, he underscored that, in recent years, a gap has been observed between objectively measured economic performance and citizens' perceptions, a global phenomenon attributable to several factors.

He explained that, in Morocco, this gap is mainly due to the fact that employment has not yet improved as expected. Addressing this situation calls for, in addition to further upgrading the education and training system, strengthening the spillover effects of investment, while pursuing structural reforms to enhance its efficiency, and leveraging the private sector to ensure sustainability.

He added that this gap between performance and perception also stems from the level of social inequality, recalling in this regard the caution issued by His Majesty the King in His Throne Speech of 2025 that "it is not acceptable for Morocco – today or at any time in the future – to be a two-speed country." He emphasized that this reality requires, despite the substantial resources devoted to social support, more accurate targeting of the most vulnerable segments of the population.

He further emphasized that rationalizing resources is also imperative to strengthen fiscal space, given the high level of non-discretionary spending and the expected impact of pension schemes reform, which has now become unavoidable. In this regard, he stressed in particular the need to conduct regular spending reviews and to accelerate the reform of the Organic Finance Law.

On another front, he noted that, in light of recurring disruptions to global supply chains for several essential goods, implementing the High Royal Instructions set out in the October 2021 speech regarding the establishment of strategic reserves of such products has become necessary, allowing a shift from a curative to a preventive approach.

He also stressed in the same vein that accelerating the energy transition would help reduce external dependence and better prepare Moroccan exporters to cope with the growing trend toward the introduction of climate standards by several of the Kingdom's trading partners.

He also noted that, given the implications of climate change for water resources, their governance, including their pricing, should now be elevated to a public policy priority.

Regarding the advanced regionalization project, he stated that it has gained significant momentum since His Majesty the King's speech in 2024 and that enshrining this momentum requires mobilizing the necessary skills to accelerate its implementation and support the emergence of regional economic hubs helping reduce territorial inequality.

Finally, Mr. Jouahri concluded by emphasizing that sustaining and consolidating the significant progress achieved by the country requires continued mobilization of all stakeholders at all levels, within an approach that ensures the consistency and efficiency of interventions, under the leadership of the Monarchy, our country's foremost asset and a driving force for impetus and initiative.