



Talking Point | Morocco

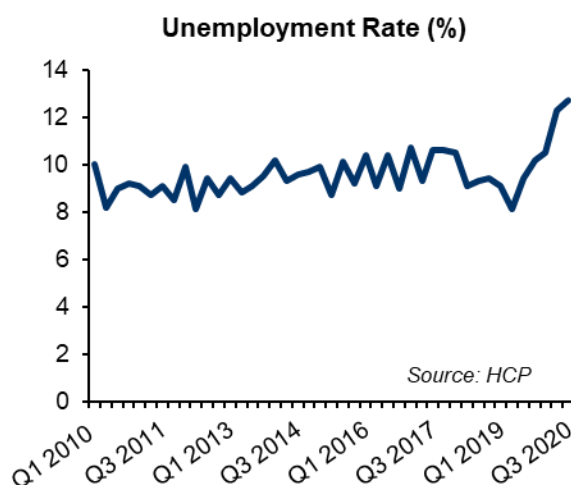
Unemployment rate reaches record high

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The number of unemployed persons increased by 368,000 in Q3 2020, compared with Q3 2019

According to the latest data from the High Commission of Planning (HCP), Morocco's unemployment rate rose to 12.7% in Q3 2020, from 12.3% in Q2 2020 and 9.4% in Q3 2019. The labour force stood at 11.6 million people in Q3 2020, down 1.8% from the figure in Q3 2019. This reflects a decrease in the number of employed persons by 581,000 to 10.1 million in a year, and a y-o-y increase in the number of unemployed persons by 368,000 to 1.5 million.



The unemployment rate rose to 12.7% in Q3 2020, from 12.3% in Q2 2020 and 9.4% in Q3 2019. This is the highest unemployment rate on record, reflecting the severity of the global economic crisis. We could also see further job losses into Q4 amid a tightening of Covid-19 restrictions in the eurozone.

WHY DO WE CARE? *The unemployment rate has risen consistently since the start of the pandemic, reflecting the adverse effects of various Covid-19 restrictions, which have included lockdowns and the closure of international borders. Q3's unemployment rate is also the highest on record, pointing to the severity of the global economic crisis. Although the Moroccan economy started a slow and gradual recovery in Q3, the latest unemployment data suggests that companies are still struggling with difficult business conditions. Although we expect the recovery to continue into Q4, the recent return to lockdowns across Europe does not bode well for Morocco's tourism sector, nor for demand for Moroccan exports. This could see further job losses into the last quarter of the year.*