# Markup estimate of industrial branches in Morocco

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**Abstract**

In this paper, we will present an estimate of the intensity of competition in the different branches of the Moroccan industrial sector, in order to identify the branches that will be the subject of pro-competitive structural reforms, with the aim of strengthening the economic activity and job creation.

For each industry, the intensity of competition is evaluated using the estimated margin factor (or markup) estimated from the method proposed by Roeger (1995).

The econometric results obtained show that the relatively high margin factor in the "agrifood" and "chemical and parachemical" branches suggests that these industries are not very competitive over the 1985-2015 period.

 On the other hand, the branches of "mechanical, metallic and electrical" and "extractive" industries that have significantly lower markup rates compared to other industries appear to be more competitive.

The estimate of margin factors over different periods will allow us to assess the evolution over time of the degree of competition in each of the branches studied.

Thus, the estimate of markup rates during the period 1985-1999 remains unclear (the margin factor is significantly lower than 1), hence we need additional information to determine the degree of concentration of industrial branches.

For the period 2000-2015, the "extractive", "chemical and parachemical" and "agro-food" branches are less competitive, while the "mechanical, metal and electrical" industries appear to be more competitive.

 Keywords: Morocco, industrial sector, industrial branches, Markup, competition.

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