

# L'Weekly highlights by ECONOMISTE



## Casablanca/Future tram lines The ordeal of residents and businesses

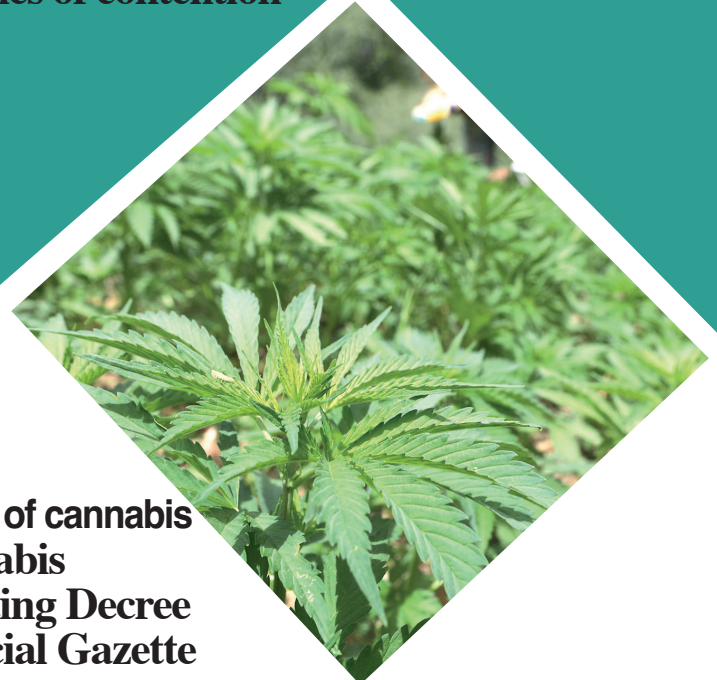


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EDITORIAL

Ordeal

Meriem OUDGHIRI

**F**OR years, Casablanca has been an open-air construction site, with its hoppers, ultra-modern bridges, Bus Rapid Transit (BRT for insiders), trams, and other novelties, to become, as the very trendy vocabulary wants, a “sustainable city”, a “smart city”. In the meantime, the city is a nightmare for its inhabitants. With its monstrous traffic jams and numerous structures, the city creates chaos and danger. The journalist and photographer of L’Economiste paid the price at the end of last week. In the Oulfa district, at nightfall, no light, she and her car fell into one of the gaping holes that bordered the BRT works, left without protective barriers. The journalist suffered very serious injuries and her vehicle is damaged beyond repair. How can the business capital of the country afford to carry out its construction sites with real trenches with summary or even non-existent signage and without safety measures in place? Great works for a future city with means from another age.

One remembers the famous fountain in the Jura street which collapsed this summer, just four years after the end of the rehabilitation work. A real mess! Let’s not even talk about the rutted sidewalks, the roads used as parking lots, and the garbage that continues to proliferate. Casablanca is the largest, most industrious and most energetic city in the country. But it’s the dirtiest, the messiest, and the most uncivil one. What’s the use of having big projects and all these “territorial developments” if everything else doesn’t follow suit? Some people are of the opinion that what is at issue are institutional problems, whereas others say that the problem at hand is incivility. In fact, it’s a huge joint responsibility of all the stakeholders. How many more wounded people will it take before people in charge will accept to deal radically with all these mind-blowing aberrations? □



## Weekly highlights

# Payment Terms: The Government excludes Very Small Enterprises

The Competition Council has issued an opinion concerning draft law No. 69-21 relating to payment terms. This text will modify and complete the Commercial Code. The Head of Government, Aziz Akhannouch, is required by the law governing the Competition Council to seek the opinion of the latter, in particular on matters related to prices. The regulator gave a “favorable” opinion, but it’s “subject to reviewing” Articles 1, 2, and 3 of the draft law. Its proposals are based on “competition concerns”. The proposals of the Competition Council also aim to “improve” the legislation so as to make it “more effective”.

### • A single applicable law, regardless of the amount of the invoice

The draft law relating to payment terms has set a threshold of 10,000 Dirhams (MAD) for invoices. It excludes VSEs on the pretext that “most of their invoices are below” 10,000 Dirhams. The administrative “practice” consisting in “splitting the invoices will lead to” a reduction in the amounts to be claimed within the deadlines since the amounts in question will be below the legal threshold, with the perverse effect of accentuating “the exclusion of VSEs” to whom the Government and its branches are financially indebted. “The application of the law to all invoices, regardless of their amounts”

How many days does the Government take to pay its creditors?	
Nature of expenses	Average payment time/day
All public orders	21.14
Procurement	40.23
Convention	12.63
Ordinary law contract	13.61
Architect contract	68.78
Purchase order	11.47

Source: Competition Council - opinion on the payment deadlines project

*Situation of payment terms for the Government and local authorities per type of expenditure. “Only” the itemized data for 2018 “are available”! “The improvement in average payment terms has not had a negative impact on the Government’s budget via an increase in default interest”, according to the Competition Council. Their amounts have indeed gone from 18.5 million MADs in 2017 to 15.5 in 2018. But they have increased compared to 2016: 12.5 million MADs*

must be the principle. The Council, which consulted the tax authorities among others, calls for alignment with a tax rule: “All invoices, regardless of their amounts, must be declared for the calculation of VAT”.

### • Reducing the reporting period from one year to three months

It is a question of harmonizing invoice processing rules to calculate taxes. Only the debtor company “declares annually” to the tax authorities “its unpaid bills or invoices paid late”. This mechanism “ignores” the creditors who are “issuers of these same invoices” when they have a hole in their cash flow! Hence the importance of “reviewing the frequency of declarations of invoices”. Their filing must “be reduced from one

year to one quarter”. It is planned to digitize invoices received and issued. The goal is to counter “false invoices”.

### • Protecting creditors from bad payers

The Competition Council recommends recognizing “to creditors the possibility of obtaining proof from the tax authorities”, such as a certificate of non-payment, and this, each time a fine is issued. This document will support the requests for “compensations for delays” filed in court. It will also serve as an “additional means of pressure” on bad payers. Another proposal consists in “implementing and generalizing the GID (integrated expenditure management) system for all State-Owned Entities of an administrative nature”.

Companies and State-Owned Entities (SOEs) which intervene in the market are called upon to “digitalize their purchasing procedures”, in order to ensure better “traceability of the exact dates of receipt, invoicing, and payment”.

It is also recommended to “change the public procurement regulations applicable to SOEs”. Purchasing regulations “adapted to the specificities of their activities and operations” are essential.

### • Reviewing the system of monetary sanctions

It is planned to adjust financial penalties to the amounts of invoices. The Council cites the cases of non-declaration, late declaration, and incomplete or insufficient declaration. The penalty will be based on a percentage of the invoice amount instead of a fixed fine, which is a way of taking into account the size of the penalized company as well. The goal is to deter the company and not to put hir in financial difficulties. The law on freedom of prices and competition also adopts the principle of the proportionality of sanctions. The proceeds of the fine must be allocated to a special entrepreneurship account. Nonetheless, the draft law on payment terms “is unclear as to its end use.” The regulator proposes “to insert this special account in the Appropriations Bill and to define its operating mechanisms”. □

Faisal FAQUIHI

## Rural employment: Targeted measures for young people

### ■ Appropriate intermediation measures can bridge the gaps in terms of skills and decent work

### ■ 66.8% of young people aged 15 to 24 barely have the basic educational level

**Y**OUNG rural people have a low level of qualification and are generally poorly educated. Nearly one fifth of 15–24-year-olds in rural areas have never had access to school, 66.8% have the basic level, 13.6% the secondary level, and only 2.1% have reached a higher level. In the countryside, girls are still significantly lagging behind in terms of schooling compared to young men. Nearly one quarter of girls aged 15-24

have never entered school compared to 15.1% for young men.

Rural youth, especially the NEETS who have accumulated deficits in terms of education and training and soft skills, require differentiated treatment. Karim El Aynaoui and Aomar Ibourk, researchers from the Policy Center For the New South, talk about targeted interventions to improve youth employability and ease their transition into working life. In this exercise, it is necessary to take into account the specificities of rural areas, the needs in terms of skills at the local level, and the profiling of the population of rural unemployed youth.

“The success of this process of adapting measures to the conditions of young rural people depends on the support and involvement of local actors, of public and private organizations, and civil society”, note the two researchers.

An analysis of the risk factors for becoming Neets (young people Not in Employment, Education, or Training) will make it possible to provide appropriate solutions in order to facilitate the economic and social inclusion of young people in rural areas. According to the results of the National Employment Survey, nearly one third of young people aged 15-24 in 2017 are unemployed and outside the education or vocational training systems at the national level. According to gender, this rate is approximately 3.5 times higher among women than among men.

Until then, several programs have been offered to help young people find work (Anapec, National Agency for the Promotion of Employment and Skills, in particular). Mobile units for improving employability in rural areas have also been set up. But that’s not enough. The results of the survey on

youth employment in the province of Taounate showed that the majority (15-29 years old) are not aware of the service offering of Anapec within this province, particularly young people without diplomas.

“The takeaway is to ensure that intermediation services better meet the needs of particular cases, in particular job seekers in rural and remote areas. The best thing is to intervene rather in favor of the groups that are most at risk and to target more numerous and different services”, underline the researchers. Intermediation complements other development policies. It allows an optimal allocation of resources and fluid transitions of the production factors. Intermediation can also ensure the reallocation of workers towards other industries and localities. □

Khadija MASMOUDI



## Higher Education

## Multidisciplinary university schools, bones of contention

■ 32 projects out of 45 blocked in the provinces

■ MPs upset with the Minister of Higher Education

■ The case has escalated to the Head of Government

**A**FTER the bachelor's degree, multidisciplinary university schools are scrapped. The current Minister of Higher Education, Research and Innovation, Abdellatif Miraoui, has blocked projects that were initiated by his predecessor Saaid Amzazi jointly with elected officials and local authorities. It was a question of opening this type of university schools and colleges in several provinces. In total, 45 projects have been signed, including 32 blocked by the new Minister who is in favor of the creation of large university centers. In the meantime, the Minister has launched yet another dialogue at the regional level to come up with a new master plan. Miraoui has renewed an old practice, that of the minister who arrives and wipes a slate clean of what has been built. Today, in the provinces and regions, the turmoil is such that parliamentarians from the majority and from the opposition have risen against the minister. The MPs accuse the Minister of having stopped university construction projects authorized under implementation agreements that had been signed and accompanied by funding. Moreover, the parliamentarians had summoned Abdellatif Miraoui to ex-



plain himself within the framework of the Education Committee of the House of Councilors, scheduled for March 22. At the last minute, the Minister asked for the indefinite postponement of the meeting without providing any explanation.

• **Escalation of the case to the Head of Government:** MPs and local elected officials are not ready to let go. They have decided to send the case to the Head of Government to make him aware of the seriousness of the Minister's decision and to request arbitration. Stopping the project to create multidisciplinary university schools and colleges in provincial towns is a fatal blow to these elected officials, who have made commitments with the Ministry

but also with the local populations. However, in this sensitive case where the Minister of Higher Education is a member of the political bureau of the PAM (Authenticity and Modernity) party - a strong ally in the government - it was necessary to exercise tact. Therefore, the Minister in charge of Relations with Parliament is said to have suggested to the MPs from the RNI party not to bring the matter, in writing, to the Head of Government, and especially to avoid that the subject be leaked to the press.

- **The claim for territorial equity:** The former minister had decided to cater to the claims for territorial equity. Indeed, elected officials had asked for territorial and social equity for students. To

meet such a request, it was necessary to create university schools and colleges in the provinces. In short, instead of bringing these students to a big city like Agadir, universities would be created in (the smaller regional cities of) Tiznit, Dakhla, and other cities, in some adequate environment, and thus prevent students from crowding into a big city. During the former legislature, this was a very strong demand from parliamentarians, expressed on a regular basis during oral questions from the House of Representatives as well as from the House of Councilors. The MPs asked for three things: the creation of universities in the provinces, the generalization of scholarships, and access to university residences. □

Mohamed CHAOUI

## LA NEWSLETTER

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## Weekly highlights

### Casablanca/Future tram lines

# The ordeal of residents and businesses

**T**HE works on the trajectory of lines 3 and 4 of the tramway are causing dissatisfaction. In addition to the disruption of traffic, the inconvenience caused to residents and merchants are pointed out. Several retail shops in the Garage Allal area are preparing to launch a petition and observe a sit-in in protest. In question is the section of line 3 which extends from Boulevard El Fida to the Marjane hypermarket (Bd Mohammed VI). *"The road construction works on this section hinder access to shops and harm businesses and residents,"* says the owner of a shop located in the area. The excessively narrow lane allows only one vehicle to pass at a time, making it impossible to load or unload goods. *"I do not understand why these works (are being conducted on the sidewalk) when the roadway is wide enough (120 meters) to allow easier circulation with the tram line in the middle,"* testifies a local resident. In addition, customers who can no longer park just make a U-turn and leave. *"The situation is catastrophic, several businesses have even closed their doors,"* continues the same merchant. After the Covid crisis, these developments complete the businesses still in operation.



The construction works on lines 3 and 4 do indeed cross key pillars for the wholesale and retail trade not only for Casablanca, but all of Morocco. From the Derb Omar commercial district to the Garage Allal area and the Benjdia district, thoroughfares such as Bd Mohammed VI, the Ouled Ziane road, or the Rahal Meskini, Mohamed Smiha, and Allal El Fassi streets, are completely paralyzed. And even after the completion of the construction works, the problem will remain for small businesses located downtown. Narrower lanes, as well as difficult access and parking will deter customers.

Admittedly, there is a project to transfer wholesale trade activities to the outskirts of the city (in the Médiouna area), but the project has stalled for years. In the meantime, wholesale and retail businesses are suffering.

These construction sites not only paralyze traffic and impact the commercial activity, but sometimes represent a real hazard for passers-by and motorists. Between unmarked gaping holes, damaged pipes, rubble, and construction waste left on the spot... passers-by are obliged to slalom to avoid the hazards and hurdles on the road. The number of incidents is increasing on the trajec-

tory of the 4 lines under construction (tram/Bus Rapid Transit). The latest incident is the one which occurred on Friday, April 1st at the Mers Sultan roundabout. A drinking water pipe, inadvertently hit by a vehicle, turned into a real "geyser". Result: considerable material damage, as well as flooded shops, cafés, and snack bars on Allal El Fassi street.

Another incident this time involved a young photographer from L'Economiste.

On Friday, April 1st on the Moulay Thami road (in the Oulfa district), her car fell into a gaping manhole on the roadway. The photographer was seriously injured, and her vehicle was badly damaged. Due to a lack of signage and lighting, the manhole was completely invisible to motorists. Moreover, this manhole still constitutes a danger since nothing has been done to remedy the situation since last Friday. Who is responsible for these shortcomings? Is it the municipality or the company carrying out the works? Who will pay for the physical and material damage caused to the victims, motorists, or simple passers-by? The municipality must shoulder its responsibilities in the face of this chaos. □

Aziza ELAFFAS

## Lawful uses of cannabis

# The Cannabis Implementing Decree in the Official Gazette

**T**HE legalization of cannabis is gradually being put in place. After the adoption of the law authorizing the legalization of the use of cannabis for medical and industrial purposes, an implementing decree for this text has just been published in the Official Gazette. In particular, the decree defines the areas where cultivation of this crop is authorized. These are the (northern) provinces of Al Hoceima, Chefchaouen, and Taounate.

### • Authorizations

This text also specifies the procedures for granting authorizations for the cultivation of cannabis, provided for by a series of articles found in the law. The content of the application file for these authorizations must be defined by a joint order of the Ministries of



the Interior, Health, Agriculture, and Industry. Applicants will be supported by the new National Agency for the Regulation of Cannabis-related Activities, with specific support given during the procedures preceding

the granting of authorizations. An advisory commission will be created within this agency, by virtue of article 3 of the decree, in order to examine the applications for authorization and to issue opinions. The commission

will be made up of representatives of the Ministries of the Interior, Health, Agriculture, Industry, and ONSSA (the Moroccan food safety agency). The operating procedures of this commission will be defined in its rules of procedure. The latter must be validated by the Ministry of the Interior.

### • Stock status

The decree also sets a series of obligations for the holders of cannabis cultivation permits. In particular, they will be required to inform the regulatory agency on a quarterly basis of the quantities of cannabis processed, the status of the stock, and other information. Holders of authorizations must also submit an annual inventory to this entity, to be submitted before January 31 of the following year. □

M.A.M.