

Weekly highlights by L'ECONOMISTE



Decarbonization

Morocco needs a comprehensive action plan

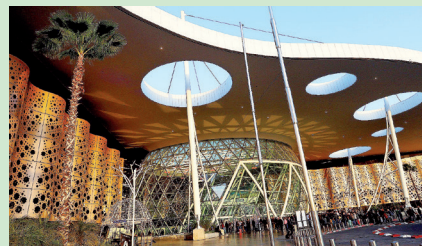


Telecoms: The missed opportunity for fiber optics



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EDITORIAL

Moral challenge

Meriem OUDGHIRI

MOROCCO has understood this fact a bit late, but better late than never: irregular rainfall has become a recurring fact and the country will have to deal with it and integrate it into future strategies. After the oil war, the conflict of the twenty-first century will certainly be that of water, analysts predicted a long time ago. In Morocco, it has always been a question of men and politics, in its broadest sense. The mid-1960s were marked by a major turning point with the policy consisting in the construction of dams. Very large technical, financial, and organizational resources had been mobilized, but what happened along the way? Makeshift solutions have become permanent. Similarly, global warming has been used all the time to hide negligence and carelessness, but it can't work that way anymore. Today, we must not be afraid of words: the country is experien-

cing a situation of chronic and dangerous water stress. Admittedly, the last rains give new hope and have made it possible to significantly improve the filling rate of the dams, but one must (once again) learn lessons, raise awareness, and communicate time and again about the real price water and its cost price. It is a radical change that must take place in the perception and behavior regarding this resource. One will not succeed without a collective and general responsibility in the management and preservation of water, by rationalizing the use of this resource, and by avoiding waste and pollution. Should water taps be closed so that people will finally measure the precious value of this asset? The country has shown that it can mobilize for different causes. The water deserves it even more. It is a moral challenge for all of us. For the whole country. □

Weekly highlights

Telecoms: The missed opportunity for fiber optics

THERE is no shadow of a doubt... the General Orientation Note (NOG 2023) will ultimately not achieve the goals as set by the public authorities (Government, line ministry, and ANRT, the telecom regulator). The main share of these goals resides, it should be recalled, in the rollout of fiber optics, in particular the number of FTTH (Fiber-To-The-Home) sockets at a rate of 20% in 2023. almost 2 million sockets to be implemented next year, but, as of today, the current market for FTTH sockets barely represents some 450,000 sockets, i.e. one quarter of the goal as set by the General Orientation Note for the end of 2023. As a reminder, FTTH is an end-to-end optical fiber subscriber connection technology, which means that the optical fiber ends at the subscriber's home. That being said, by 2025, Morocco will have to speed up the pace even more to connect 5 million FTTH sockets, that are supposed to virtually replace ADSL, which represents 50% of the fiber-to-the-subscriber market.



If it takes 5 to 10 years for the generalization of 4G, it will take at least twice as long to reach 50% national coverage in 5G networks

In addition, there are still some 9,000 radio sites (pylons and stations) that are not yet fiber-optic. *“Failure to achieve the NOG 2023 goals will not only have to upset all the timetables but also slow down the performance of a sector that has been struggling for growth for at least 3 or 4 years or even make the non-mutualization and the conditions of sharing”*, says an IT & Telecoms specialist. In addition, technically, the 5G configuration requires an architecture with a dedicated

infrastructure operator. *“Without the open access operator, there is no pooling and there will therefore be no 5G within the time allowed”*, maintains a consultant specializing in telecoms. Another major constraint is the exorbitant cost of investment, especially since the current context, marked by inflation and the shortage of components involves additional costs in terms of infrastructure, equipment, installations, copper, inputs, and solutions... By way of consequence, *“it*

will be impossible for each operator to roll out its own network... With the assumption of a further strengthening of the maintenance of the monopoly of the incumbent operator”, estimates an expert.

Clearly, fiber is the real project to be undertaken for the next few years in Morocco, says an IT & Digital expert. The challenge is therefore to quickly and equally equip with fiber optics all regions and territories, including landlocked and unprofitable areas. This is the whole challenge! Today, it is in Morocco's interest to open up the telecom infrastructure component. *“This is the major obstacle to the attractiveness of digital investors, while the country's ambition is to become an African hub. Nonetheless, if there are still delays in terms of infrastructure rollout, this legitimate ambition of the country will quickly be thwarted. Worse, we risk missing the opportunity to become the landing point for the GAFAMs”*, warns the same source. □

Amin RBOUB

Dams

The situation is manageable but caution remains essential

A marked improvement in the filling rate of the dams can be observed. The last rainfall have had positive effects on the situation of the main dams as well as on the water table and groundwater in the various regions. *“The occupancy rate at the national level exceeds 30%, instead of a rate of 23% at the beginning of this month of December. This represents a significant improvement”*, has just confirmed Nizar Baraka, Minister of Water and Equipment.

Indeed, as of Tuesday, December 20, the filling rate of all the dams was 31% versus 34% during the same period last year, according to the daily situation published by the General Directorate of Water. Thus, the reserves of all the dams in the Kingdom total nearly 5 billion cubic meters (exactly 4.99 billion) versus 5.5 billion cubic meters recorded on December 20, 2021. As of today, around twenty dams are half full, and display a filling rate that far exceeds 50%. This marked improvement in reservoirs was confirmed during the fourth meeting of the Steering Committee of the National Drinking



The 2018-2022 period remains among the driest years in the history of Morocco. It was marked by the lowest rainfall volume in 5 consecutive years

Water Supply and Irrigation Program (2020-2027), held on December 20. This meeting was an opportunity to *“present the situation of dams and water resources following the last rains which fostered an inflow of 1.7 billion cubic meters and therefore a filling rate of more than 30%”*, said the Minister of Equipment and Water, Nizar Baraka.

The meeting of the Steering Committee also made it possible to dwell on

the challenges of the green investment program recently presented by the OCP Group to the Sovereign. Eventually, this program will produce 560 million cubic meters from desalination, a good portion of which will meet the drinking water needs of certain cities as well as the irrigation needs in certain regions. The alternative presented by treated wastewater as well as the program to build small hillside dams (in particular 200 small dams over

the 2024-2027 period) plead in favor of new capacities and greater water reservoirs in the years to come. One thing is certain, Morocco has serious challenges to meet in terms of water management, which requires raising the awareness of households, farmers, and industrialists, among other actors, as to the preciousness of the water resources. Vigilance is therefore required at all levels and in all regions. □

Amin RBOUB

Decarbonization

Morocco needs a comprehensive action plan



For World Bank experts, it is important to develop a database on energy use in industry, which does not yet exist, in order to assess more accurately the potential for decarbonization, through surveys, energy audits, and other types of data collection

THIS is one of the strategic issues at the level of several States. Decarbonization of economic activities is a real challenge for any country who wants to be in line with the transformations imposed by climate change. Morocco has already launched a series of initiatives in this direction. For Riccardo Puliti, Vice President of the World Bank for Infrastructure, in addition to the efforts made, Morocco “could need a comprehensive action plan to decarbonize the industrial sector”. This program should have a “governance structure to implement the necessary reforms and establish cooperation between the different actors”. These include the Government, industrialists, technology service providers, financial institutions, and other stakeholders. According to Puliti, the Moroccan government could also sensitize industrialists, particularly SMEs, in particular through targeted capacity building and credit support if necessary. Overall, on the ground, “the Moroccan industrial sector is already ahead in many aspects in terms of decarbonization”, according to the Vice President of the World Bank. Large companies in the phosphate,



cement, and steel sectors, which are among the largest consumers of energy and carbon, have already adopted, or experimented with, various decarbonization technologies, says the World Bank. Today, the goal according to Puliti, is to “disseminate this knowledge to all industries and support small businesses that do not have access to the same knowledge or the same financing”. Companies, in gene-

ral, may therefore need additional advice in terms of norms and standards. Mechanisms may also be put in place to “ensure that companies are subject to the same obligations in terms of emissions and efficiency, in particular those with export exposure”. These obligations can be coupled with incentives, in particular tax incentives (via a carbon tax or credit, an emission quota trading

system), or mechanisms for financing or capacity building, through specific technical assistance and training. The success of this transformation requires “a strong partnership between the Government and the business community, with a constant flow of information, to guide public policies and provide businesses with visibility concerning the regulatory framework”. □

M.A.M.

Weekly highlights

Air transport: Hard recovery!

IT was to be predictable. November was one of the best months in terms of air traffic. The airports of the Kingdom recorded, during the month of November, a commercial traffic volume of 1.9 million passengers and 15,341 airport movements, i.e. recovery rates of 96% and 92% respectively compared to the same period of 2019. With 552,953 passengers, the Marrakech Menara airport posted a recovery rate of 97% in November. The All-Saints holidays and the resumption of cultural and other events including the Marrakech International Film Festival have contributed to this improvement. The mild climate during this period is a strong argument in favor of the airport of Agadir which recovered 108% of its traffic in November. As main tourist destinations, these two cities rely heavily on the winter season. In terms of markets, Europe, the Middle and East Asia, as well as North America posted recovery rates exceeding 100%. As a reminder, Europe represents more than 83% of



November was one of the best months in terms of air traffic. The All-Saints holidays and the resumption of cultural and other events had a lot to do with this boom

international air traffic with 1.4 million passengers in November alone, i.e. a recovery rate of 101% compared to November 2019. Cumulatively (for the 11 months), passengers from Europe have exceeded 13 million since the reopening of borders. The same situation applies for airport movements which posted a recovery rate of 92% in November. This traffic

reached 157,687 airport movements for the first eleven months, which represents 82% of airport movements recorded during the same period of 2019. Overall, Morocco's airports are struggling to recover traffic from 2019, the reference year. One month from the end of the year, the volume of passengers was 18.4 million compared to 23 million in 2019 (domestic

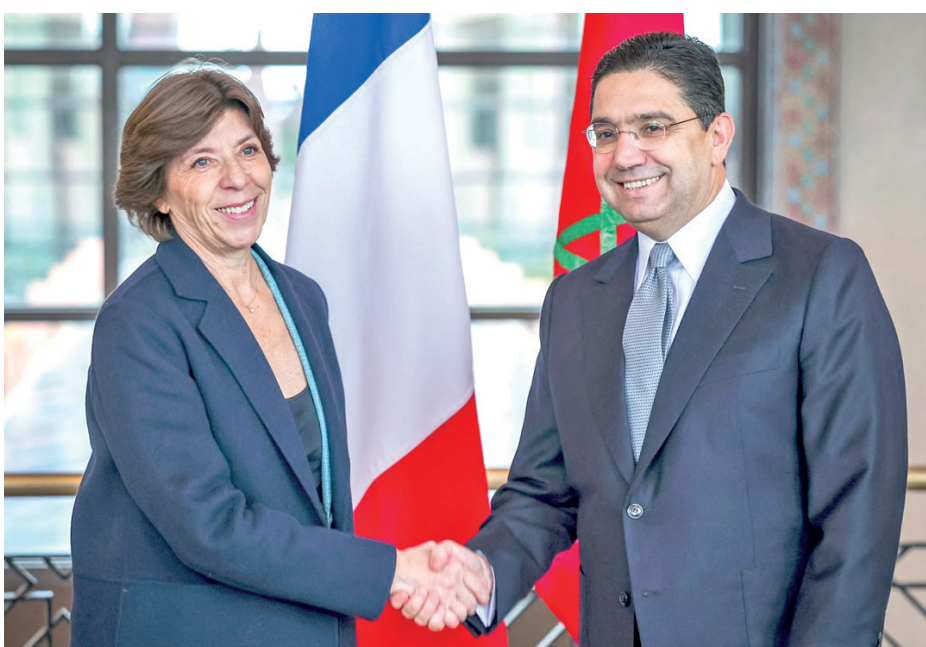
flights and international flights), i.e. a recovery rate of 80%. Cumulative international traffic since the beginning of the year reached 16.5 million passengers, representing a recovery rate of 81%. The Marrakech Menara airport, which is the airport of the first tourist destination, achieved a lower rate, namely a rate of 74% with 4.3 million passengers versus 5.8 million in 2019. Agadir as an airport and as a destination recovered 86% of its traffic compared to 2019. It must also be said that the reopening of the borders took place during the second week of February, and the companies only began to gradually program their flights at the end of February, which means almost two months lost during this recovery year. On the other hand, other infrastructures such as the airports of Oujda and Tangiers have completely recovered their passengers and their rotations during these last 11 months. The Tetouan airport is even performing better since it has gone from 39,154 to 168,843 passengers. □

Badra BERRISSOULE

Morocco-France

“Return to normalcy” in terms of visas

“WRITING a new page together” of the relations between France and Morocco: Paris and Rabat have shown their desire to renew their relationship, putting aside recent bones of contention, in preparation for president Emmanuel Macron's state visit in early 2023, which had been postponed many times. As a sign of a desire to return to new bases for the relations between the two countries, the French Minister for Europe of Foreign Affairs Catherine Colonna, on a visit to Morocco, announced at the headquarters of the Moroccan Ministry of Foreign Affairs in Rabat “the return to normalcy” in terms of the allocation of visas to Moroccan nationals. This “full cooperation has been effective since last Monday”, specified Catherine Colonna during a press conference with her counterpart Nasser Bourita, thus sealing the end of the policy of restrictions on the issuance of visas, introduced by France more than a year ago. In September 2021, Paris



“Regarding the Moroccan Autonomy Plan, our position is favorable to Morocco. We demonstrated this at the United Nations even when we were a little alone in wanting to advance some ideas,” said the head of French diplomacy

had decided to halve the entry permits granted to Moroccans in reaction to the kingdom's reluctance to repatriate its nationals who were in an irregular situation in France. This decision, which was described as “unjustified”

by Rabat and decried by Moroccan Francophile circles, poisoned bilateral relations. “Today, the decision (by France) is a unilateral decision that Morocco respects and will not officially comment on, but which is a step

in the right direction”, said Nasser Bourita. The two ministers insisted, during the press briefing, on the historic bilateral ties, of “particular, singular, and unique importance”. The two capitals are working to develop their relationship in view of a state visit by the French president, scheduled for the “first quarter of 2023”, but the date of which has not yet been set. “We want to arrive by January at a roadmap that will allow the presidential visit to be an ambitious one and for the good of both countries” said Catherine Colonna, before leaving Rabat. After a first exchange on November 1, President Emmanuel Macron and King Mohammed VI spoke again on Wednesday evening, after the feverish semi-final of the France-Morocco World Cup in Qatar. “We have instructions to prepare for this very important meeting, at the highest level”, assured Bourita, adding that Paris and Rabat had a “common vision” on how to develop their relationship. □

A.T.