

Weekly highlights by L'ECONOMISTE



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EDITORIAL

One more study about education!

Ahlam NAZIH

E DUCATION is one of the most diagnosed sectors in Morocco. So many reports, studies, international surveys... have been produced. All the documents converge on the same observation: catastrophic performance and a situation that is hardly improving despite all the efforts made, and now the announcement of the participation of Morocco in a new international study, Talis 2024, mainly focused on teachers. Morocco already takes part in international reference surveys in the field: TIMSS, evaluating the level of students in science and mathematics, PIRLS, focusing on reading and comprehension, and PISA, judging the achievements of those who have completed secondary school. Among the chapters covered, one finds valuable data on teachers, school principals, the basic equipment and infrastructure of schools, and other subjects. With twenty years

of hindsight, these studies contain a wealth of information, but the problem does not lie in diagnosis but in action. All the flaws have already been identified, but it is the implementation of strategies that is problematic, and this is perhaps where the research efforts should be focused. Why aren't we getting there despite all the reforms initiated? By answering this question, we would point out the shortcomings of our modus operandi, in order to finally correct them, but before that it will be necessary to ensure a systematic evaluation of the projects launched. Unfortunately, this approach is not yet firmly rooted in practice. With regard to the 2009-2012 Emergency Plan, for example, one had to wait years for a report from the Court of Auditors (2018). A report released painstakingly, due to the lack of "precise and rigorous" data. This is the real diagnosis that needs to be made. □

Weekly highlights

Soaring prices: Is there a pilot on the plane?

THIS is the subject that overshadows all the news, namely the soaring prices to which no solution has been found, all of it against a backdrop of unprecedented inflation. Faced with this crisis, the Government continues to be criticized for its non-responsiveness in tackling the substance of the case. However, since ministers are supposed to be politicians, they had to use their imagination to suggest solutions and go out into the field to explain these solutions to the public opinion. Instead, some ministers are holed up in their closets, waiting for the storm to pass. Others have contented themselves with giving promises of a return to normalcy as Ramadan was approaching. The ministers have even innovated in the lexicon used to state that the downtrend in prices had begun, but, each time, they were contradicted by the reality of the market. Today, the parties of the government majority seem to wallow in this situation.

The only warning shot came from Enaam Mayara, the Speaker of the House of Councillors, and member of the Istiqlal Executive Committee. During a meeting of his union, the UGTM, in the town of Kelâat Sraghna, Enaam Mayara tackled head-on



Strong tensions and discontent in the markets for several weeks in the face of soaring prices for agricultural and consumer products

the inability of the Cabinet to control the soaring prices of agricultural products and the deterioration of the purchasing power of citizens. The boss of the UGTM, the trade union arm of the Istiqlal party, invited ministers to go out into the field instead of limiting themselves to statements in front of television cameras. Enaam Mayara went as far as to point the finger at speculators and other intermediaries supposed to be at the origin of this crisis. More than a week later, the PAM (Party of Authenticity and Modernity) sought

to ride the wave. This party convened its political bureau to notably call on the leaders of the government majority to call for an emergency meeting. The aim is to address the economic situation and its difficult repercussions on the lives of several categories of citizens. The menu of the meeting also included the approach adopted in the reports of constitutional and strategic institutions in charge of economic and financial affairs, without naming either the central bank (Bank Al-Maghrib) or the High Commission for

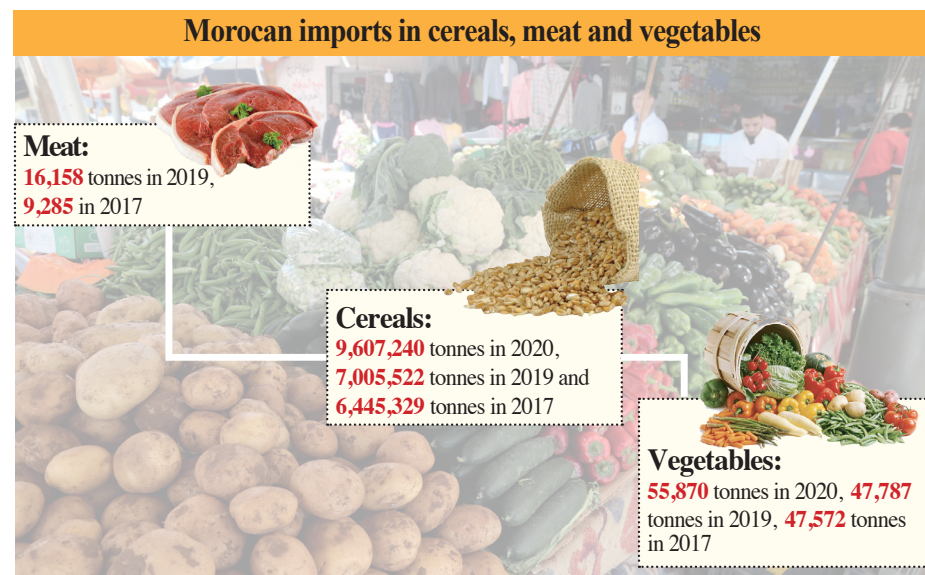
Planning (HCP). The statement that was released called on the Government to tighten control and crack down on speculators. It is obvious that the opposition was not going to be silent in the face of the Government's inability to react and take the necessary measures. The parliamentary groups called on the ministers to come and explain themselves to the specialized committees. Other MPs resorted to written questions addressed to members of the Government. □

Mohamed CHAOU

Food insecurity Situation in Morocco is getting worse

FOOD insecurity is increasing in Morocco. This is according to a recently published United Nations report entitled "The 2022 Near East and North Africa Regional Overview of Food Security and Nutrition: Trade As An Enabler For Food Security And Nutrition". Worse still! "The prevalence of moderate to severe food insecurity in the Kingdom has increased and reached 31.6% from 2019 to 2021 compared to 26.7% from 2014 to 2016", says the UN report, drawn up by several organisations. Among them, the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD), the World Food Program (WFP), the World Health Organization (WHO),

the United Nations Children's Fund (UNICEF), and the United Nations Economic and Social Commission for Western Asia (ESCWA). In total, 11.7 million Moroccans suffered from moderate to severe food insecurity from 2019 to 2021 compared to 9.6 million during the 2017-2019 period. Nearly 3.6 million Moroccans were "seriously" exposed during the same period. The causes of this situation, say the experts of this study, would be linked to drought, the lack of rainfall, and its irregularity. This negatively impacted production. The Covid-19 health crisis has only made the situation worse. Admittedly, the country has developed several strategies to restructure the agricultural sector and achieve self-sufficiency. Launched in



Moroccan imports of certain food products are increasing more and more

2008, the Green Morocco Plan had very ambitious goals. However, the main achievements are mainly export-oriented. "This strategy succeeded in increasing agricultural shipments by 117%, which corresponds to 3.5 billion dollars", say the experts in the report. In 2020, vegetable exports totaled 1,227,018 tons in 2020 versus 736,471 tons in 2010. The share of the

agricultural sector in all exports represents 21%. The Generation Green 2020-2030 action plan thus makes up for the shortcomings of its predecessor to ensure food security. However, to achieve the expected goals, insists the UN report, Morocco must first "mitigate its vulnerability to climate change and periods of drought". □

Khadija SKALLI

IMF/Credit Line Buffer against external shocks

MOROCCO finally joins the small circle of countries that benefit from the Flexible Credit Line (FCL) of the International Monetary Fund. The decision was made on Monday, April 03. Designed for crisis prevention, the IMF's two-year arrangement is for an amount of around US \$5 billion, i.e. 417% of the country's quota. More precisely, the amount from which Morocco benefits is equivalent to 3.7262 billion SDRs. In principle, this facility is granted to countries whose economic fundamentals are sound. The qualification process is based on the verification of several principles. This is the case of sound economic fundamentals and institutional policy frameworks, as well as a sustained track record of implementing strong policies and continued commitment to maintain such policies in the future. The eligibility criteria taken into account by the IMF relate, among other things, to a sustainable external position, a capital account position dominated by private flows, and a track record of steady sovereign access to international capital markets at favorable terms. Added to this are sound public finances, including a sustainable public debt position (absence of solvency problems which could

threaten the stability of the system). This IMF agreement will therefore allow Morocco, which has just left the FATF gray list, to strengthen its external reserves. This is an insurance or even a precautionary mechanism against external shocks and pressures on the balance of payments. This "buffer" will enable the country to cope with any deterioration in the international environment and its impacts. This is the case, among other things, of the volatility of the price of oil and food products. As underlined by the IMF, « the Moroccan economy remains vulnerable to a worsening of the global economic and financial environment, higher commodity price

volatility, and recurrent droughts». In any case, the Moroccan Government wishes to maintain the course of reforms while preserving the economy against shocks. The advantage of this new line is that it allows its recipients to draw on the credit line at any time. "The arrangement will enhance Morocco's external buffers and provide insurance against plausible tail risks on a temporary basis. The authorities stated their intention to treat the arrangement as precautionary", underlines the international institution at the end of its Board of Directors. Antoinette Sayeh, Deputy Managing Director of the IMF and Acting Chair, noted that "Morocco's very

strong macroeconomics policies and institutional framework have allowed its economy to remain resilient to the multiple negative shock that have occurred over the past three years, including the pandemic, two droughts, and the spillovers from Russia's war in Ukraine". For her, the Moroccan authorities remain determined to restore leeway in terms of economic policy, to provide a comprehensive response to new shocks and to continue the implementation of the vast structural reforms necessary to make economic growth stronger, more resilient, and more inclusive. □

Khadija MASMOUDI



The flexible credit line is a precautionary device that will reinforce Morocco's external reserves

Fruits and vegetables: Red alert

THERE is unease in the fruit and vegetable ecosystem. It is in these terms that the producers and exporters qualify the current situation of their activity, in a letter addressed, on March 31, to the Head of Government. These remarks look like an SOS sent to the Government, According to the signatories of the letter, the sector is in crisis. "The ecosystem of fruits and vegetables, always considered the flagship of Moroccan agriculture, is today in a situation that is very worrying, to say the least. This system, built over many years, thanks to the combined and concerted efforts of the administration-profession tandem, is currently on the edge of a deadlock", deplors the group of si-

gnatories. For lack of attentive ears at the Ministry of Agriculture, four professional organizations have therefore decided to make their voices heard at the level of the Head of Government's Office. These organizations are APEFEL (Association of Fruit and Vegetable Producers), AMCOM (Moroccan Association of Producers and Exporting Producers of Fruit and Vegetables), ANCEFEL (Association of Fruit and Vegetable Packers and Exporters), and ACPA (Chtouka Association of Agricultural Producers).

The professionals point to the export restrictions decided by the Government to ensure the supply of the local market.

"Today, a simple occasional problem relating to the supply of the

local market in tomatoes cannot find its way to a concerted solution. A simple temporary economic problem has led us to a crisis and a deadlock", say the professionals.

Producers and exporters of vegetables mention a list of factors : drought, increase in the cost price of almost 100% over the last 4 years, increasing burdens with VAT generalized to all the components of production, lower yields, and above all the reduction of the areas dedicated to the round tomato. "Yes, this regression can be explained by several causes, mainly the loss of the Russian market which deprived the domestic market of a volume of 120,000 tons. Most of the land that served the Russian market has been

converted to other crops", the group of producers and exporters explains. Added to this is the substantial increase in the cost price of tomatoes, which the average prices on the local market are unable to cover. According to data shared by the Regional Directorate of Agriculture, the average selling price of tomatoes (first sale) at the local market level was 1.68 Dirhams (0.16 USD) per kilo while its cost price is around 4.5 Dirhams (0.45 USD). In addition, professionals complain about their sidelining in the decisions made by the Ministry of Agriculture and the «unilateral» management of this crisis made by the administration. □

Khadija SKALLI

Weekly highlights

Textile: Beware of the informal sector within the formal sector!

THE textile-garment industry is caught between the informal sector, counterfeiting, and smuggling. But it is necessary to distinguish between the informal imports, that is to say smuggling, and the informal production, says Anass El Ansari, president of the Moroccan Association of the Textile and Garment Industries (Amith). Another disturbing observation is the proliferation of counterfeit products identical to the originals of major brands (Ralph Lauren, Tommy Hilfinger, La Martina, Boss, Lacoste, Massimo Dutti, and other brands). This statement of the president of Amith took place, on the sidelines of the National Industry Day, held recently in Casablanca in the presence of many ministers and of the Head of Government. Taking the floor during the panel entitled: «Made in Morocco and local integration», Anass El Ansari

recalled that the current inflationary context means that orders and sales are made in dribs and drabs. At the same time, inventory levels are so high that clients are suspending purchase orders. The president of the Amith also addressed the issue of the proliferation of the phenomenon of informal production, which operates insidiously via small clandestine units, makeshift workshops in basements, garages, and houses, warehouses in outlying districts, and other locations. The observation today, according to many operators, is that the informal phenomenon has increased. In addition, the grey economy is acce-



lerating sharply in all sectors. This is a general trend! But the textile activity remains by far the most affected by the pockets of informal production. Even if there are no official statistics that provide information on the extent of the grey economy, the latest estimates by textile professionals talk of more than 150,000 units, that is to say as many entities and thousands of tons of products that spiral out of any control and escape the claw of the taxman.

“Certainly, it will be necessary to put in place incentives to attract the informal to the formal. But at the same time, the Government is called upon to multiply inspections and to sanction

the *incompliant stakeholders*”, insists the president of Amith. Otherwise, impunity will have a multiplier, if not accelerator, effect on units operating illegally. At the same event, Ahmed Réda Chami, president of the CESE (Economic, Social, and Environmental Council) was categorical. In response to a question on how to fight the grey economy, Chami is categorical: “One must apply the legislation *stricto sensu*. It is as simple as that”. According to the president of Amith, there are worse things than the small sweatshops: “the most worrying thing is the informal sector within the formal sector, with structured companies that switch to the grey economy”. In other words, here are companies, even groups, that are at the crossroads of the formal and the informal, with undeclared employees, fraud in tax declarations, and other violations. □

Amin RBOUB

Gnaoua Festival, homecoming

THE year 2023 seems to be the year of the resumption of a cultural life that had been dimmed by the global crisis and its consequences. So, 2023 will see a revival of summer festivals. After the Jazzablanca jazz festival, it is the turn of the “Gnaoua and World Music Festival” of the city of Essaouira to announce its return to its original version. “Though the global crisis has forced us to postpone the festival for three consecutive years, it has not succeeded in stopping our momentum or our determination. The Essaouira Gnaoua and World Music Festival is fueled by passion and perseverance. Today, more than ever, the preparation of this 24th edition proves that this spirit of resilience has never left us”, says Neila Tazi, producer and founder of the festival. The musicians of the world meet, once again, in the “City of Trade Winds” (as Essaouira is nicknamed), at the invitation of their colleagues the Gnaoua Mâalems (Gnaoua “Masters”).

With its grand opening parade and around forty concerts planned to take place between the main stages of the Moulay Hassan Square and the

stage on the beach, the more intimate sessions in the zaouïas (Muslim religious building which constitutes the center around which a brotherhood is structured), the event, which each year attracts some 35 to 40,000 festival-goers from the four corners of the Earth, promises like every year real moments of grace between fusion concerts, intimate evenings, improvised jam sessions, and great debates of ideas. It must be said that despite the crisis, the festival had not completely disappeared. Indeed, after two years of a heavy silence, imposed by the health crisis, the festival, organized by the



With its traditional opening parade, around forty concerts spread over the various stages and more intimate evenings, the festival returns to its customary version

Yerma Gnaoua association, wanted to honor the Mâalems by putting together a historic concert bringing together more than 115 musicians on stage and broadcast by the Al Aoula TV channel on December 25, 2021.

In 2022, it is a blazing tour in the cities of the country, under the sign of the musical fusion which took the Mâalems to four cities of the Kingdom. The Mâalems were accompanied by great international musicians, like Farka Touré, Jamaaladeen Tacuma, Piers Faccini, or Avishai Cohen. This twenty-fourth edition,

which returns to its initial formula, in-

tends to celebrate, once again, the richness and diversity of Gnaoua music and many other forms of world music.

The sounds of the ubiquitous guembri and rattlesnakes will mingle with the sounds of jazz in all its diversity, with flamenco, reggae, salsa or even Tuareg or Tamil rhythms. The public attending the Festival will have beautiful meetings like the one between the “Tambours du Burundi-Amagaba” drummers and Sanaa Marahati, or with Mâalem Mohamed Kouyou and Mâalem Saïd Kouyou. A beautiful explosive fusion in the opening concert. Since its creation in 1998, the Essaouira Gnaoua and World Music Festival has established itself as one of the major cultural events in Morocco and in the continent. With a special but coherent and accessible program, the festival attracts thousands of visitors from all over the world each year, but also many artists and intellectuals. Driven by its original philosophy, its spirit of sharing and discovery, the festival is a unique experience that is both spiritual and artistic. □

A.Bo