

# Weekly highlights by L'ECONOMISTE



General meetings, debt, reform...

**Exclusive**

# Interview with IMF Managing Director



- World leaders expected in Marrakech in the fall
- Need to reflect on pragmatic solutions in areas where no country can act alone
- Climate change, debt restructuring, global trade, digital transition...

EDITORIAL

“Misunderstood”

Mohamed Ali MRABI

**F**OR the past few days, in several French cities, tension has been rising among young rioters who “rise up” in the face of what they consider to be an injustice. Beyond the political and social particularities of what is currently happening in France, it is important to seriously consider the underlying reasons for the emergence of this trend to “rebellion” by part of the youth (who feel neglected, and especially misunderstood). Certainly, there are specificities linked to the developments that are specific to each society, but in several countries, young people who consider themselves marginal, or marginalized, multiply their rants. Studies have shown the development of a feeling of mistrust with regard to authority (parents, institutions, or social codes). When this is coupled with the effects of dropping out of school, ignorance, lack of professional opportunities, the swing towards illicit activities becomes almost obvious! But beware, explaining is not justifying.

Most young people who become involved in crime and violence, here as everywhere in the world, are without diplomas, without training, without jobs, and without prospects. Resorting to violence (in riots, attacking a school with an assault rifle, smashing cars when exiting from football stadiums, assaulting a teacher in a high school, and other violent activities) is reprehensible, but this resorting to violence also means that dialogue channels have now been broken with some members of the new generations. However, it is essential to quickly re-establish links and break the vicious circle of misunderstanding. Resuming dialogue and restoring trust requires patience and inventiveness. The most urgent thing is to convince young people that upward social mobility through studies, entrepreneurship, meritocracy... is doable. This is unavoidable if we want to take full advantage of the demographic dividend, while avoiding leaving some young people behind. □

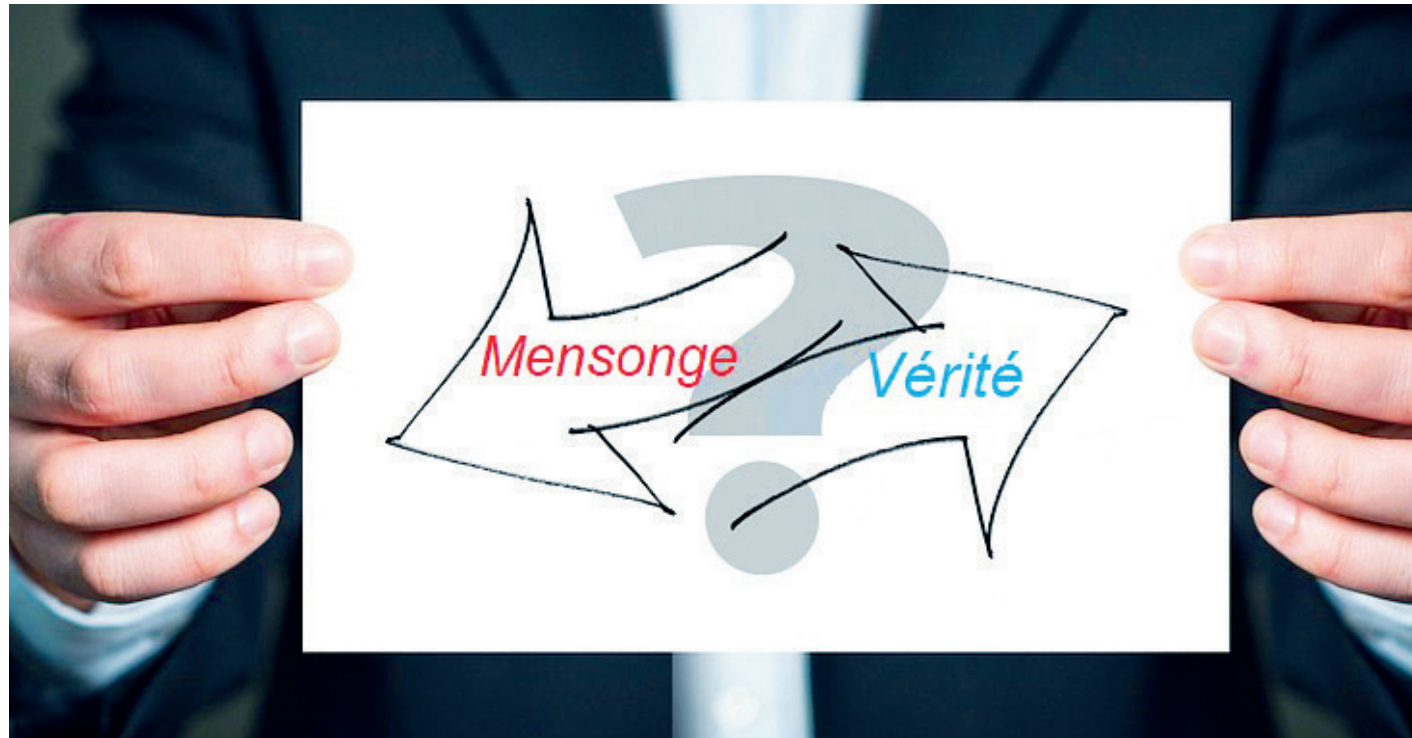
## Weekly highlights

# Street Scammers: A User's Guide

THEY fall on you when you least expect them. Like an injunction, they force you to listen to them. They are the street hustlers. Sometimes their speech is well rounded, sometimes their lies are blindingly obvious, but despite the doubts you may have, you are often forced to believe them, because swindlers simply do not give you time to think.

If you weren't expecting them, they woke up in the morning planning to accost you and extract money from you, a nest egg that you will grant them of your own free will! They spot you from afar, and as soon as you are in their sights, they swoop down and approach you in the most natural way. Looking presentable, courteous, they manage to fool you.

Here is an anthology of little tricks found in one of the most highly rated districts of Casablanca, namely the Racine district where scammers, facial tissue "sellers", shoeshine children, "guerrab" (water carriers), flute players, and beggars do meet. The latter include those who take up residence under ATMs, old ladies pushing each other on wheelchairs and exchanging roles, the homeless with blankets over their shoulders, and other types of beggars ... So many profiles from all over the business capital, who make the trip to an area known to be that of the wealthy and of the gullible, in the hope of coming out with a good harvest. Some, just like any regular employees would do, arrive there every day in the middle of the morning by bus, or even by taking a small cab. After a few hours of predatory wandering, they take back their means of transport to return home.



*Should you give money to people who approach you on the street or abstain? Faced with doubt as to the veracity of their stories, it is difficult to decide*

### ■ Contribution for the burial of a woman who died isolated

He plays with your emotion. Handing you a small box with a few coins, a man asks you to make a donation, even a few dirhams, for the burial of a woman who died alone in the neighborhood. "The poor lady had no one to take care of her," he tells you. A few hours later, you meet the same man again, a few blocks away, who tells you the same story.

### ■ A woman wanders in the middle of the street, holding salbutamol in her hand

In a rush hour, a young veiled woman feigns fainting and falls in the middle of the street, holding salbutamol, medicine for asthma patients in her hand. The crowd comes to her rescue. The

woman takes her time to look alive again. When the time is right, she takes the opportunity to say that she has no more money to buy salbutamol. Et voilà!

### ■ French-Moroccan citizen looking for money to take the train

A man in his 60s, with a file in hand, full of documents, asks you how to go the Casa Voyageurs train station, and above all, if one can go there by foot. When you take the time to explain to him that it is very far away and that it is better to go there by taxi, the sixty-year-old man confesses to you that he has no money. Right away, he throws you a narrative prepared for the occasion. Example, I am a French-Moroccan national, I am gathering

documents for the repatriation of my daughter who died in France of leukemia, a tragedy that shook the whole family... I struggle with the administrative paperwork... I had a problem and I found myself here without money, but I have to take the train to Agadir. Then the scammer tells you the price of the ticket, and appeals to your generosity. He promises to reimburse you by bank transfer and insists on taking your number. As soon as he receives your money, he quickly goes away.

### ■ "Excuse me, can I ask you a favor?"

Young sub-Saharan nationals, looking quite presentable, individually or in groups, approach you in the street: "Excuse me, may I ask you a favor?". They then explain to you that they are students and that they have no more money to eat. Except that they frequently go around the neighborhood using the same pattern and the same modus operandi.

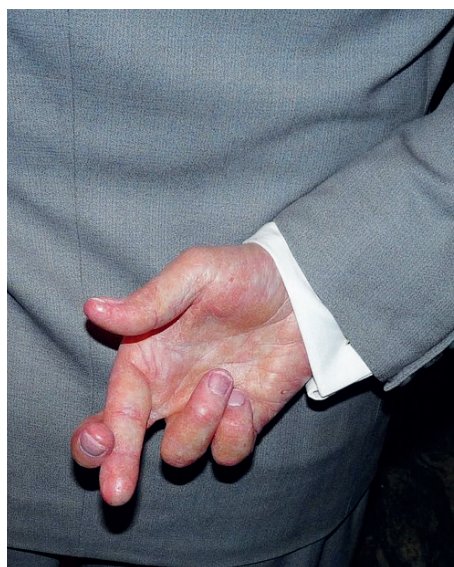
### ■ Motorcyclist out of gas

A young man with a key in his hand comes to see you as you have just gotten into your car. He then explains to you that he is out of gas and kindly asks for your help. Immediately after, he makes the rounds of several motorists to collect money. The next day, he returns to the same place to play the same scenario. As long as he is sure that he has not been exposed, he starts again. □

Ahlam NAZIH

## What legal remedies?

SECTION 540 of the Moroccan Penal Code is clear. It incriminates any person seeking to obtain, or to obtain for a third party, an "illegitimate" pecuniary profit. This, by "artfully" misleading a person by means of false assertions. Or else, by the concealment of true facts, or by astutely exploiting the error in which a person was, "thus exposing a person to acts prejudicial to his or her pecuniary interests or to those of a third party." In these cases, the person engaging in these actions is guilty of fraud. The scammer may therefore be liable to a jail sentence of 1 to 5 years,



and a fine of 500 to 5,000 Dirhams (USD 50 to 500). However, in the case of small street scams, the sums involved are often paltry. Who would like to start legal proceedings for 10, 20 or 300 Dirhams? It would also be necessary to provide proof, which remains difficult. And then, it is not sure that you will be able to meet the scammer again, to then identify him, because these spiel professionals change zones on a regular basis. At best, it is possible to notify the police of the presence of a scammer in the area, if you are sure that he regularly is prowling there. □

# The annual meetings will highlight the advantages of the “made in Morocco” Exclusive Interview with IMF managing director Kristalina Georgieva

Interview by Mohamed CHAOUI

**-L'Economiste: This is your second visit to Morocco as Managing Director of the IMF. What was the purpose of it?**

**-Kristalina Georgieva:** First of all, let me tell you how happy I am to be back in this beautiful country. Morocco gives me energy and hope. I look forward to returning to Marrakech in October for the annual meetings of the IMF and of the World Bank, a key event for Morocco and the international community.

My visit had a twofold purpose. First of all, I wanted to discuss with the Moroccan authorities but also with Moroccans from all walks of life on issues that are important to them, to the region, and to the world. I also wanted to experience personally the preparations for our annual meetings. I also participated in an event jointly organized by the IMF and Bank Al-Maghrib on the implications of the adoption by central banks of their own digital currency. This is a subject that we follow closely at the IMF and which should generate more interest in the future.

**-What results do you expect from the annual meetings in Marrakech?**

-These Meetings are of particular importance insofar as the world economy is still facing major difficulties and where geopolitical tensions are increasingly felt. They will bring together thousands of policy makers, private sector leaders, and civil society representatives from around the world to foster dialogue and action on some of the most pressing issues facing us. We live in a world that is more exposed to shocks. If there is one thing to remember from the events of the last three years, the pandemic, the war in Ukraine, and the cost-of-living crisis, it is that it is necessary to prepare for all contingencies. It is therefore essential to emphasize the importance of international cooperation to rebuild economic resilience and ensure the implementation of transformational reforms in all our member countries.

**-More concretely...**

-Our ambition is also to think about pragmatic solutions in areas where no country can act alone, whether it is mitigating the effects of climate change, helping low-income countries



*“Marrakech 2023 will be an extraordinary opportunity for Morocco to take center stage. Located at the crossroads of Africa, the Middle East, and Europe, Morocco exemplifies the fact that it is possible to establish trade links and investment flows in a fragmented world,” said Kristalina Georgieva, IMF Managing Director (Ph. Bziouat)*

and vulnerable countries to restructure their debt, or promoting world trade. We will also discuss the challenges and opportunities related to the digital transition and artificial intelligence, as well as the need to adopt more inclusive development models, an issue particularly relevant for the Middle East and North Africa region.

**- Is Africa on the agendas?**

-Obviously. We want to emphasize Africa's importance in the global economy and the potential for deeper trade and financial integration across the continent.

During these annual meetings, it is not only a question of bringing the whole world to Morocco, but also of showcasing Morocco to the whole world.

Marrakech 2023 will be an extraordinary opportunity for Morocco to take center stage. Located at the crossroads of Africa, the Middle East and Europe, Morocco exemplifies the fact that it is possible to establish trade links and investment flows in a fragmented world. The meetings will highlight the strengths of the “Made in Morocco”, the country's increasingly important place in the region and in the world, as well as its determination to carry out economic reforms and promote stability.

**-How does the IMF analyze Morocco's economic situation?**

-The Moroccan economy has proven resilient to a series of negative shocks recorded since 2020: the pandemic, the

economic fallout from Russia's war in Ukraine, and two severe droughts, in 2020 and 2022.

The measures taken by the Moroccan authorities in terms of fiscal, monetary, and financial policy have been appropriately calibrated, which has made it possible to preserve macroeconomic stability, while protecting the most vulnerable populations against the effects of these shocks.

For 2023, we expect economic growth to pick up slightly, driven by strong tourism and exports, although relative water scarcity should prevent agricultural production from returning to its average level. We also expect inflation to ease slightly, as the effects of shocks to commodity prices and production costs gradually fade, and thanks to Bank Al-Maghrib's vigilant monetary policy.

**- Thank you very much, Madam Director General. We look forward to seeing you again in Morocco in October for the annual meetings of the IMF and of the World Bank.**

-We are counting the weeks and the days. I invite your readers and Moroccans from all walks of life to consider themselves stakeholders in this event. Leaders from around the world who will gather at the Annual Meetings in Marrakech will reflect on the global challenges we face together. I sincerely hope that our exchanges during this event will inspire other debates elsewhere, in the cities of Morocco and the rest of the world, on the urgency of bringing people together and achieving our common goals in unity. □

## “If we want to tackle global challenges, we have to work together”

*“In addition to the very strong commitments we have made with the authorities for the annual meetings and with the senior leaders on the digital currencies of the central bank, I had the opportunity to meet many Moroccans who work with energy and dedication for their country”, says Kristalina Georgieva. Thus, her journey allowed her to talk with staff members of the Ouarzazate solar power plant. “I was very impressed with what they were able to accomplish. This plant attests to Morocco's vast potential in terms of renewable energies and its leadership in this field”, she explained.*

During her stay, she also exchanged views with several hundred students from five Moroccan universities. “We talked about their hopes and aspirations for the future. I

*had the opportunity to personally thank them for signing up as volunteers for our annual meetings . and raise the bar with their innovative ideas and determination to succeed. They represent a source of inspiration for all ”. One of the steps that “enchanted” the IMF Managing Director was the meeting with “some of the extraordinary Atlas Lions (of the Moroccan soccer team) ”. For her, “they galvanized the world with their performance at the FIFA World Cup last year. I wanted to personally thank them for reminding us all that with effort, teamwork, and determination, no challenge is insurmountable. This is the message I wish to convey at the Annual Meetings next October. If we are to meet the global challenges we face, we must work together, fully confident that we can succeed”. □*

## Weekly highlights

# Boosting support for startups

**T**HE National Enterprise Guarantee and Financing Corporation (Société nationale de garantie et de financement de l'entreprise, SNGFE), which operates under its commercial name Tamwilcom, has just launched a call for expressions of interest for the selection of new startup incubators. The entities that will be selected will be mandated to implement support programs targeting startups and other innovative project leaders who are still at the ideation, incubation, or pre-acceleration stages. This should enable startups to increase their chances of success and to become creators of values and jobs. It should be noted that the acceleration segment will subsequently be the subject of a dedicated financing offer. The call for expressions of interest aims to find around twenty new support entities whose mandate will be to intervene at the level of one of the three stages of development of startups. The incubators that will be selected will have to take up the challenge of contributing to the emergence of approximately 800 startups over the next five years. This is the third such edition released by Tamwilcom. The specifications relating to this new consultation can be downloaded from the <https://www.tamwilcom.ma/> website.

Interested persons must apply no later than Monday, July 17 at 4 p.m. with the mention "Pré-sélection des structures d'accompagnement des porteurs de projets et des startups innovants" ("Pre-selection of support structures for project leaders and innovative start-ups") and this, either at Tamwilcom's headquarters or through internet. (f2ilabel@tamwilcom.ma).

For a first phase, the SNGFE speaks of pre-selection of the enti-

Evaluation grid for applications to be received		
	Criteria	Rating
C1	References in the organization of events related to innovative entrepreneurship (calls for projects, competitions, etc.)	Yes: 1 No: 0
C2	Identified, experienced and qualified human resources	Yes: 1 No: 0
C3	Technical capacity to welcome project leaders for the evaluation and monitoring of their projects	Yes: 1 No: 0
C4	References in terms of support of innovative projects	Yes: 1 No: 0
C5	References in the financing of innovative projects and startups	Yes: 1 No: 0

Source: [www.tamwilcom.ma](http://www.tamwilcom.ma)

*The shortlist will be decided on the basis of this evaluation grid. To be selected, candidates for the call for expressions of interest must obtain a total of 4 points out of 5*

ties whose usual activity is the development of support programs for project leaders and innovative startups. The pre-selected operators will then be invited to submit their application to intervene in one of the three phases in the life of startups. Thus, professionals who position themselves on entities which are in the ideation phase will have to provide services intended to structure the idea of an innovative project among the initiators in the form of a PoC (Proof of Concept) and to supervise the design of the innovative product to identify a value proposal.

Support entities specializing in the incubation stage will be tasked with training, advising, and providing logistical support to project leaders to develop a prototype and test its market potential. With regard to the pre-acceleration phase, the entities that are looked for must provide consulting and fundraising assistance services making it possible to market the innovation on a large

scale and to achieve the "product - market - fit".

Entities wishing to present their application have the possibility of submitting any document and reference concerning the support programs developed, the beneficiary start-ups, their achievements, as well as their human and technical resources. The documents in question, which must not date before the year 2019, must enable the SNGFE to verify the adequacy between the activities of the tenderer and those related to one of the three targeted segments and to draw up a list of preselected candidates. The shortlist will be decided on the basis of an evaluation grid based on five criteria (see table). The entities having obtained

### Markers

- More than **1,300** jobs created excluding startup founders
- More than **35** patents filed, i.e. approximately **12%** of patents of Moroccan origin
- More than **250** million (USD **25** million) in turnover, including **20** million Dirhams from exports
- More than **26** million Dirhams (USD **2.6** million) in taxes paid by beneficiaries and venture capital funds
- About twenty more advanced startups invested for tickets (equity interventions on the seed and venture capital segment) totaling more than **180** million Dirhams (USD **18** million) via investment vehicles structured with other investors.
- The **F2I** portfolio is made up of startups operating in the Green-tech, Fintech, MedTech, Retail-tech, Agritech, Edtech sectors...
- Projects rolled out in several cities: Casablanca, Rabat, Marrakech, Agadir, Tangiers, among others. □

Source: Tamwilcom

4 points out of 5 will be invited to submit their application files which will be sent by the SNGFE within 48 hours after the publication of the list of shortlisted candidates. □

Hassan EL ARIF

## Between 2017 and 2022, more than 500 startups

**A**S a reminder, the Innov Invest Fund (F2I), managed by the National Enterprise Guarantee and Financing Corporation (Société nationale de garantie et de financement de l'entreprise, SNGFE, formerly known as CCG), was set up to bring an answer to the problem of access to banking resources for innovative startups which are a category of entities having difficulty raising funds, due to the very high risk they represent and their economic model which requires appropriate levers. Hence the creation of the F2I, which provides varied and complementary financing solutions, implemented in

partnership with private players in the ecosystem: incubators, clusters, venture capital fund managers, and other stakeholders, depending on the stage of maturity of each project. From its launch in 2017 until the end of 2022, the F2I offer has been deployed in partnership with 16 certified support entities. This has made it possible to finance more than 500 innovative projects via Innov Idea and Innov Start for a volume of financing exceeding 90 million Dirhams (USD 9 million) over 5 years, i.e. on average 18 million Dirhams (USD 1.8 million) per year. □

### Who can apply?

**E**XCLUDED from the current call for expressions of interest are startups, accountants, consulting and audit firms, investment fund management companies, coworking spaces as well as state-owned enterprises or agencies.

On the other hand, the 16 support entities whose partnership with the SNGFE has expired since the end of April 2022 are authorized to submit their applications as part of the current call for expressions of interest. Applications may be submitted in French, Arabic, or English. In case of discrepancies, priority will be given to the French version. □