

Weekly highlights by L'ECONOMISTE

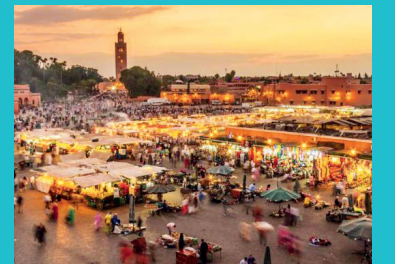
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EDITORIAL

Ramadan effect

Mohamed Ali MRABI

HERE we go! For a few weeks, everything will be in slow motion. Come back later, preferably in a month!

The Ramadan effect is dreaded by investors and operators, who have to search for authorization or documents in the administrative maze. The same goes for company managers, anxious to maintain (and increase) the productivity of their businesses. Stuck between suppliers postponing appointments and bad-paying customers, company managers are worried that their businesses too will slow down, as laziness and procrastination become commonplace during this period. During the day, some are completely «groggy», while others have their nerves on edge. The Ramadan effect is often a good excuse to justify certain «deviant» behavior.

Meanwhile, work productivity, already low, takes another hit. Yet this is a deci-

sive factor in any development dynamic. A weak productivity can ruin ambitious projects that were initially very promising.

Worldwide, estimates suggest that lost productivity (for a variety of reasons) costs companies 1,800 billion US dollars a year. While elsewhere, employees' addiction to smartphones (mainly due to social networking) is one of the main causes of these losses, in Morocco, this is accentuated during this time of year, with the «Ramadan effect», and its share of «deprivation» of caffeine, nicotine, sleep... The result is sluggish performance.

This slackening in behavior contradicts the very spirit of religion, which places as much importance on the value of work as it does on fasting or prayer. This fact is worth being pointed out. Given the development gap that needs to be closed, we can no longer afford this kind of complacency. □

Weekly highlights

Green hydrogen

The promise of Morocco's offering

LONG-awaited by investors, project developers, industrialists, equipment manufacturers, and the entire ecosystem, the circular for the implementation of Morocco's green hydrogen offering has finally been unveiled. The aim is to position the Kingdom as a competitive player in an emerging high-potential sector. And, above all, to confirm « its international positioning in order to play a leading role in the global energy transition and in the reconfiguration of energy flows ». Backed by this circular, this emerging sector will represent a turning point for the Moroccan economy, in the face of economic, social, environmental, and technological challenges in a world undergoing rapid change and accelerating the energy transition. It is worth noting that Morocco has a number of major assets to offer, including wind power, solar energy, infrastructure, ports, desalination plants, land, a proven legal and regulatory framework, as well as incentives. The circular highlights the



The aim of Morocco's offering is to position the Kingdom as a competitive player in an emerging, high-potential sector. Above all, it aims to confirm « its international positioning, in order to play a leading role in the global energy transition and in the reconfiguration of energy flows »

Kingdom's strengths, enabling it to seize a new generation of opportunities and better « respond to the projects of global investors in this promising sector ». At this stage, nearly a hundred national and foreign investors have already expressed their keen interest in

the « Moroccan offering ». The circular paves the way for investors across the entire value chain. This extremely important document provides the visibility and answers essential to the success and development of the industry. The aim of the circular is « to put in

place clear, operational and incentive-based procedures, as well as a framework for the convergence of the actions of the various public entities involved in the entire value chain », explains Wacef Bentaibi, partner at Gide Loyrette Nouel and energy expert. The value of the circular also lies in the establishment of an incentive framework and support measures for investors.

Land is a crucial issue, as the development of the sector remains dependent on the availability of attractive land for major projects. On this extremely important subject, the Government has identified a significant amount of public land, with a total surface area of 1 million hectares, as well as making 300,000 hectares available in lots of between 10,000 and 30,000 hectares (depending on the size of the planned projects) to entrepreneurs, during the first phase. When allocating land to investors, the Government will ensure, within a contractual framework, that it is used properly. □

Amin RBOUB

Ramadan has no impact on tourism in Marrakech

DESPITE the various crises, European and American tourists are still eager to travel. And Marrakech is not going to be idle during Ramadan, and March could be a good month. In the past, hoteliers and restaurateurs took time off during Ramadan to renovate their establishments or undertake extension work. This year, however, there will be no respite, with the exception of domestic and family tourism.

In any case, the month of March, modest though it was, foreshadows a promising month of April. Indeed, the spring vacations, particularly in France, start in zone A on April 13, almost coinciding with Semana Santa in Spain. In the meantime, Marrakech's hotels remain active, welcoming streams of tourists in March, with a high proportion of last-minute bookings, sometimes accounting for up to 20% of arrivals in the city. However, Marrakech's tourism industry is struggling to make Ramadan an attractive time of year. Demand for local tourism, Marrakech's main market, remains very modest. Domestic travelers, traditionally a crucial sup-



Tourism in Marrakech: It has to be said that tourism in the red city is no longer seasonal. With the last minutes, the month of March could end with a more-than-correct rate

port during off-peak periods, prefer to stay at home during this holy month. « We need time to establish in the minds of Moroccan consumers the possibility of traveling during Ramadan in the same way as is now done during religious holidays », says Lahcen Zelmam, a hotelier based in Marrakech. But what the professionals are most excited about are the booking figures for April

and the rest of the year. It seems that the craze for Marrakech is back. Some are calling for a specific tourism plan for Ramadan, similar to what is done in Turkey. However, others feel that the changing nature of the holy month complicates such an initiative, especially this year when Ramadan straddles March and April. It could also pose challenges for organizers of festivals

scheduled during this period. Even so, a few events, such as the Takhtar zhar moussem and gala and charity evenings, bear witness to efforts to liven up the city during Ramadan. However, these initiatives remain modest and underline the need for more in-depth reflection on how to boost tourism during this period. □

Badra BERRISSOULE

Société Générale/Saham What would change?

THE Saham group is said to be negotiating the purchase of Société Générale France's shares in its Moroccan subsidiary, Société Générale Maroc. The news, which hit the media at the end of last week, caused quite a stir. The Saham Group, owned by the well-known Moroccan businessman and former Minister of Industry and Trade, Moulay Hafid Elalamy, is said to be in talks to acquire all the French shares in Société Générale Morocco. However, nothing official has yet been announced. No press release from the group has been issued to confirm or deny the information. «The deal may or may not go through, especially as this is not the first time the businessman has been rumored to be interested in the banking sector», says a keen observer of the banking world. For several years now, rumors have been circulating that Moulay Hafid Elalamy was going to buy part of Othmane Benjelloun's group, Bank Of Africa. In 2018, some headlines announced that Moulay Hafid Elalamy would take a 25% stake in the Moroccan bank. These recurring rumors were formally denied in 2022, with Moulay Hafid Elalamy describing them as «fake news». Rumors also circulated in 2016 that the French banking group Crédit Agricole would sell its stake in Crédit du Maroc to the Saham group. However, according to sources close to the market, Saham declined Crédit Agricole's offer, as it was not interested.

A much more strategic move for the French group

It is Société Générale that is now attracting the interest of the great financial mogul. The deal would involve 57.66% of Société Générale Maroc, which represents the French company's stake in its Moroccan subsidiary. Discussions would also cover the shares held by the same French company in its various subsidiaries, namely Eqdom (listed in the stock exchange), Sogelease, and La Marocaine Vie. Should the deal go through, it would mean Société Générale France's total withdrawal from the Moroccan market, a far more strategic move for the French group than the sale of shares in one or even several



The transaction for the takeover of Société Générale Morocco by the Saham Group may or may not be concluded, especially as this is not the first time that Moulay Hafid Elalamy has been rumored to be interested in the banking sector, explain experts in the field, as was the case for the alleged intentions to buy Crédit Agricole du Maroc in 2016 or Bank of Africa in 2018

subsidiaries. Moulay Hafid Elalamy's plans for the banking sector are not limited to Morocco. According to reports in the African media, the Saham group is targeting Société Générale's shares in Côte d'Ivoire, Cameroon, and Senegal. This is in addition to the Moroccan subsidiary. «Moulay Hafid Elalamy would like to acquire a bank with an African dimension and thus compete with other Moroccan banks that are expanding in Africa, Bank Of Africa in particular», continues our source. The withdrawal of Société Générale (France) from African countries, following the example of

BNP Paribas, would come at just the right time and represent a «dream opportunity» for the Saham group, which has never hidden its ambitions in the finance sector. Contacted by L'Economiste, Société Générale France «does not comment on market rumors». The Moroccan bank claims that «something» is going on, but has no clear idea of what this «something» might be. Here again, no information other than a feeling or at least a «feeling» about the prevailing atmosphere. «Several departures of bank executives have been negotiated», confides a banker, «which suggests that changes

may be in the offing». Nothing tangible, however, and nothing certain. A severance plan could be a human resources «adjustment. We are reminded of the strong rumors that involved BNP Paribas. These took for granted the French bank's withdrawal from Morocco, prompting top management to make a media appearance (cf. www.l'economiste.com) to formally deny the information and confirm the bank's ambitions to expand in the Moroccan market. Let us then just wait and see. □

Fédoua TOUNASSI

Withdrawal from African subsidiaries

BY 2023, Société Générale (France) has decided to withdraw from six African countries (Congo-Brazzaville, Equatorial Guinea, Mauritania, Chad, Burkina Faso, and Mozambique), and a strategic review is underway in Tunisia. There are, however, a number of contradictions. While the bank has announced its withdrawal from these African countries, its management confirms that it wishes to consolidate its presence in others, as is the case for Senegal and Côte d'Ivoire, which have been reported as being in the process of being sold off by certain continental media outlets. Société Générale also claims to be the leading international bank in West Africa, with a strong presence in Côte d'Ivoire, Senegal, and Cameroon. □

Reconfiguring the banking landscape

THE deal between the Saham Group and Société Générale France, if confirmed, heralds a new era for the national banking landscape. Indeed, such an operation heralds a reconfiguration of the banking system. We «We're heading towards a new Moroccanization and concentration of Moroccan banks, which will result in a configuration of three or four powerful banks.

a market insider explains. «It is an open secret French banks have been hoping to withdraw from the Moroccan banking landscape for years. Yesterday it was Crédit Agricole, today it is Société Générale», he continues. «The banking subsidiaries of French groups in Morocco are unable to establish themselves on the domestic market, in the face of increasingly stiff competition from banks with majority Moroccan capital and a strong presence in Africa», explains our source. «The contribution of sub-Saharan subsidiaries is boosting the growth of the leading trio, which is gaining in strength in the face of a slight slowdown on the part of French bank subsidiaries», confides our source. All the more so as the latter do not have a free hand, being part of a group logic. «They are more or less shackled by their parent companies, which are much more cautious, particularly in terms of granting credit, which makes them uncompetitive in the face of the aggressiveness of their Moroccan counterparts», explains a local analyst. □

Weekly highlights

Family business

The delicate challenge of good governance

THE organization of governance within a family business is of paramount importance in ensuring its longevity across several generations. An overview of family businesses around the world highlights the omnipresence in numbers of these entities, which vary enormously in terms of size, structure, and legal form. « They represent between 60% and 90%, depending on the country, of the total number of companies in the world. It is essential to revisit the notion of the family business in order to differentiate it from the non-family business », said Abdelkader Boukhriss, President of SFM Conseil, on the sidelines of a recent seminar on « Appropriate governance for the long-term survival of the family business ». Although there is no universal definition, several criteria converge to characterize these entities, three of which seem to constitute a consensus. First, the ownership aspect: a family business is held by a single family.



Secondly, the family's involvement in the company's management is a decisive criterion. Finally, the desire to pass on the company to future generations to ensure its longevity also marks this specificity.

Overall, the governance of family businesses is concentrated in the hands of the head of the family. This is often explained by culture, tradition, history or simply by the expertise developed

within the company over the years. « This being the case, governance as a set of decisions, rules, and practices designed to ensure the optimal functioning of a company can no longer, in our view, suffer from such concentration. Particularly as governance is a key determinant of a company's performance », Boukhriss points out. He adds that « this is one of the reasons why it is now recommended to distin-

guish between the company and the family, and to set up collective decision-making bodies responsible for formulating, executing, implementing and monitoring decisions ». In fact, numerous studies have shown that good governance within family businesses enables them to achieve both family and business goals at the same time. □

Khadija MASMOUDI

Violence in stadiums

Tougher anti-violence measures

THE new local commissions to combat stadium violence will soon be operational. The decree creating this new mechanism was published in the latest edition of the Official Gazette. The government's ambition is to beef up the fight against a series of incidents at stadiums and in the surrounding neighborhoods. In Casablanca, for example, local residents of the Mohammed V Complex dread match days. The same applies to other regions, especially when the stadium is located in the city center. In recent years, the travels of fans of « visiting » clubs have generally resulted in outbursts, violence, and vandalism. Several initiatives aimed at putting an end to stadium violence have not had the desired effect. With the new Local Commissions, the government is changing its approach. Under the terms of a decree published in the Official Gazette, each prefecture or province will be equipped with an entity to combat stadium violence. The entity will be chaired by the governor of the prefecture or province. These local Commis-



For some years now, matches in the Moroccan soccer championship (the «botola») have been punctuated by damage caused by groups of football thugs, smashing everything in their path. Confrontations have multiplied between fans of opposing clubs, or sometimes of the same club, claiming many victims, especially among minors

sions will be made up of representatives of the various authorities: the Minister of Sport, the Royal Gendarmerie, the National Security, the Auxiliary Forces, the Civil Protection, in addition to a magistrate appointed by the Supreme Council of the Judiciary. According to the decree, the governor may also request the presence, in an advisory capacity, of any person he deems useful. These local Commissions are also

empowered to set up thematic Committees in areas falling within their remit. In concrete terms, these local Commissions will be responsible for taking all measures to combat violence in stadiums. They will be empowered to monitor the security of matches and sporting events. This applies both inside and outside stadiums, before, during and after matches. These Commissions will also have to put in place

the mechanisms needed to implement, at the local level, decisions to ban people from attending matches or sporting events. Generally speaking, this sanction, which can be handed down against people involved in sporting violence, was difficult to apply, given the current conditions under which such events are organized. Under the new system, these local Commissions will be required to maintain a database containing the identities and images of the persons concerned, in compliance with regulations on the protection of personal data.

These Commissions will also be empowered to monitor the ticketing system, and propose measures to improve it. They will also be required to propose stadium security upgrade programs and monitor their implementation. They may also give their opinion, in an advisory capacity, on the scheduling of matches. They will also be required to draw up an annual activity report for submission to the Ministers of the Interior, Justice, Sport and National Defense. □

Mohamed Ali MRABI