

# Weekly highlights by L'ECONOMISTE

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**EDITORIAL**

**Good governance**

Mohamed CHAUI

**T**HE Council of Ministers, held on Saturday 08 June 2024 in Casablanca, high-lighted the fundamentals of good governance. Firstly, by approving the strate-gic orientations of the State's shareholding policy, which will be prepared by the Strategic Holdings Agency headed by Abdellatif Zaghoun. The adoption by the Council of Ministers, pre-sided over by HM the King, gives this policy greater credibility and the additional strength it needs to implement its action program. In practice, the implementation of the shareholder policy will provide a shared frame of reference capable of redefining the role, positioning, and mode of interven-tion of the Government in the various sectors. One of the stra-tegic orienta-tions is to make the public portfolio a pillar for boosting private investment. It is also a question of improving the governance of these estab-lishments

with a view to reinforcing exemplarity in this area. Good governance also involves royal appointments to the heads of certain key entities, such as airports, ports, and freeways. The idea is to integrate a new momentum and speed up the major projects linked to the preparation of infra-structure for the organization of the 2030 Football World Cup. Similarly, the introduc-tion of new entities to the list of strategic State-Owned Enterprises (SOEs) or public establishments, whose managers are appointed by the Council of Ministers, is no stranger to the quest to implement good governance. These include the Higher Health Authority (Haute Autorité de la Santé) and the Terri-torial Health Groups (Groupements Sanitaires Territoriaux). This is a clever move to insulate them from the political calculations that undermine cabinet appointments.



## Weekly highlights

# GDP growth confirmed at 3.4%

**T**HE economy finally grew by 3.4% in 2023. This is the conclusion of the national accounts for 2023, just published by the High Commissioner's Office for Planning (HCP). This trend is in line with the forecasts of the Ministry of Finance, and is a clear improvement with respect to the 1.5% recorded the previous year. Non-agricultural activities grew by 3.5% in volume terms, and agricultural activities by 1.4%. This economic growth is attributed in particular to domestic demand and non-agricultural activities, despite a context marked by high inflation.

Domestic demand played an important role, increasing by 3.3% versus a 1.2% decline in 2022, and thus contributing 3.7 points to economic growth. Final consumption expenditure by households and by non-profit institutions serving households (ISBLSM) rose by 3.9%, after stagnating the previous year, making a



positive contribution of 2.4 points. Gross investment, comprising gross fixed capital formation (GFCF), changes in inventories and net acquisition of valuables, rose by 1.5%, contrasting with the 6% decline in 2022. This upturn in investment made a positive contribution of 0.5 points to growth, compared with a negative contribution of 1.9 points

the previous year. Meanwhile, final consumption by public administrations rose by 4.1%, up from 3% in 2022. This consumption was responsible for a positive contribution of 0.8 points to economic growth, up from 0.6 points the previous year. In 2023, the sectors made contrasting contributions. The primary sector saw an improvement, with

growth of 1.6% following a sharp 11.8% decline in 2022. This recovery is mainly due to a 1.4% increase in agricultural activity and 7% growth in fishing. Although the overall contribution of this sector remains modest, its stabilization has helped to reinforce economic growth. The secondary sector also showed signs of recovery, with an increase of 1.3% after a decline of 2.7% in 2022. The main contributing sub-sectors include manufacturing (+2.7%, versus +0.6% in 2022) and electricity, gas, water, sewage and waste (+0.7%, after a 4.4% decline). Although the mining industry is still in decline (-2.7%), it has recorded an improvement on the 23% fall in 2022. In the building and public works sector, a decrease of 0.4% was noted, but this was an improvement on the previous year's fall of 3.7%.. □

**Khadija MASMOUDI**

## Bac exams: logistics in place

**I**N the run-up to the high school leaving (Baccalaureate / G.E.D. / A-level) ex-ams, MPs from five parliamentary groups and groupings questioned the Minister of Education on the measures being taken to ensure the success of this decisive test for high-school students, during their latest oral questions. All the more so as the school year has been disrupted by a succession of teachers' strikes. Chakib Benmoussa, aware of the impact of these protests on students, had set up a system of free tutoring. In any case, the regional exam, the first part of the bac, began on June 05 and ended on June 06 for all subjects. The real work begins next week, with the national exam, which runs from June 10 to 13, 2024. Results will be announced on June 26.

For the Minister, the baccalaureat (high school leaving certificate) exams are of great importance to students and their families, since it is considered the crown-ing achievement of several years of learning and success. It is also an essential step in the academic career of candidates. With this in mind, the Ministry is working to ensure the credibility and



*The Ministry of Education has mobilized 1,833 examination centers with a total of 28,549 rooms in the regional academies. There will also be 49,000 invigilators and 40,000 examiners. Also included on the menu is the preparation of 765 subjects for the two sessions (Ph. Bziouat)*

reliability of the tests, which will make it easier for successful students to enroll in post-bac courses. The aim is also to prepare students throughout the year to take the exam, by providing them with the appropriate conditions for success, and by supplying them with the reference frameworks for the exams, which act as a contract between the candidates

and the commissions responsible for preparing the tests. The aim is also to provide students with pedagogical support, collective preparation, and psychological support.

The Minister also discussed the statistical data for the baccalaureate. The total number of candidates was 493,601, down 11% on last year. A total of 373,374 candidates were

enrolled, 87% of them from the public sector and 54% of them girls. Of these, 73% were in scientific and technical subjects, 26% in modern literature, and 1% in vocational subjects. There are 204,826 candidates in international sections, i.e. 55% of the total number enrolled. There are 120,227 independent candidates. □

**Mohamed CHAOUI**



# Government shareholding policy validated



*The Council of Ministers, chaired by HM the King on Saturday June 1st in Casablanca, approved the strategic orientations of the Government's shareholding policy. Today, the National Agency for Strategic Management of State Holdings has the visibility it needs to accelerate the reform of public establishments and enterprises (SOEs) (Photo by MAP agency)*

**T**HE roadmap is becoming clearer for Abdellatif Zaghoun, CEO of the National Agency for Strategic Management of State Holdings and Performance Monitoring of State-Owned Enterprises (ANGSPE). The Council of Ministers, chaired by HM the King on Saturday, June 1 in Casablanca, approved the strategic orientations of the Government's shareholding policy. The former head of CDG (Caisse de Dépôt et de Gestion) will have to roll up his sleeves to get things moving again. Today, he has the visibility to accelerate the reform of State-Owned Enterprises (SOEs, State-Owned Enterprises), aimed in particular at restructuring the Government's portfolio and improving its governance. As part of this strategic initiative, the Agency has drawn up a roadmap defining priority projects, including a proposal for the Government's shareholding policy, which has just been approved. Its implementation will provide a shared frame of reference capable of redefining the role,

positioning and mode of intervention of the Government in the various sectors. The same applies to the coherence of sectoral policies and the orientation of the Government as shareholder in terms of maintaining, strengthening or withdrawing, where appropriate, from certain activities in favor of the private sector. And this, according to the strategic degree of the said participation and the maturity of the sector and activity concerned. It should be emphasized that the National Agency for Strategic Management of Government Holdings and Performance Monitoring of State-Owned Enterprises (ANGSPE) has already initiated a strategic dialogue and consultations with all the players concerned, in order to arrive at a concerted vision. One of the seven strategic orientations outlined in the royal cabinet's press release is to establish the SOEs (State-Owned Enterprises) sector as a strategic lever for consolidating national sovereignty. This is to be achieved by supporting the Government's efforts in vital sec-

tors such as energy, health, water, food safety and environmental protection. Likewise, this sector should become a driving force for continental and regional integration, helping to meet geostrategic challenges and safeguard the Kingdom's interests. The same applies to strengthening South-South cooperation, particularly with African countries. The idea is also for this sector to be a pillar for boosting private investment. This is to be achieved through the establishment of proactive partnerships with the private sector, based on a complementary approach. In addition, these public institutions can play an active role in ensuring territorial equity in the service of economic, social, financial and digital inclusion. And this, within the framework of advanced regionalization, while guaranteeing equitable access for citi-

## Defense industrial acceleration zones

**T**HE Council of Ministers has approved four military-related decrees. One concerns the creation of two defense industrial acceleration zones. It aims to set up industrial zones to host defense industries related to defense and security materials and equipment, weapons and munitions. □

## Status of medical research professors

**T**HE Council adopted a decree on the special status of the body of research professors in medicine, pharmacy, and dentistry. The decree aims to establish scientific and academic excellence as a fundamental criterion for access to the teaching-research profession and professional promotion. The decree

also aims to streamline the procedures for professional promotion, and to grant a functional allowance to teachers in charge of departments and centers within military hospital establishments, in the same way as teachers in charge of hospital services within these establishments. □

zens to quality public services, reads the press release. The other strategic orientation is to reinforce the exemplary role of SOEs (State-Owned Enterprises), in terms of governance and performance. □

Mohamed CHAOUI

## A portfolio of 57 SOEs

**T**HE Agency's portfolio is made up of 57 State-Owned Enterprises (SOEs). It is tasked with maximizing value and profitability and modernizing governance, with management reporting to an accountable board of directors, including both state representatives and independent members. However, the Agency will not take the place of SOEs, which remain res-

ponsible for the execution of their projects. Rather, the Agency will act as a coach and advisor to accelerate their transformation and restructuring. It should be pointed out that the Agency is responsible for a perimeter of State-Owned Enterprises that carry out commercial and market activities. Out of a total of 207 SOEs, only 57 are in the hands of Abdellatif Zaghoun. □

## New strategic establishments

**T**HE list of strategic public establishments, whose managers are appointed after deliberation by the Council of Ministers, has been extended to include new ones. For example, the organic law on appointments to senior positions has now included the Agency for the Development of the Grand Atlas (Agence de développement du Grand Atlas) and the National Social Aid Agency (Agence nationale d'aide sociale). Similarly, the entities created as part of the reform of the healthcare

system, which had been the subject of political controversy over the appointments of their heads (cf. [www.leconomiste.com](http://www.leconomiste.com)), have now been resolved. Indeed, the High Health Authority (Haute autorité de la santé), the Territorial Health Groups (Groupements sanitaires territoriaux), the Moroccan Agency for Medicines and Health Products and the Moroccan Agency for Blood and Blood Derivatives are now on the list of strategic establishments. □



## Weekly highlights

### Moroccan tomatoes

# How are we positioned in the global market?

**M**OROCCAN tomatoes are enjoying dazzling success in Europe. The Kingdom was the 2nd largest supplier to the European Union and to the British market in 2023.

Worldwide imports by the 27 countries of the EU and the UK are estimated at 3.1 million tons of tomatoes, worth \$6.6 billion. Morocco's share of shipments to the Old Continent amounts to 22%, i.e. US\$1.4 billion. On the British market, Morocco exported a volume of 126,000 tons worth US\$198 million.

The Brexit has redefined the British horticultural market, offering opportunities for foreign exporters. The Netherlands is a leader on the UK market, with a 35% market share by volume in 2023. Morocco follows close behind with 34%, displacing Spain to the third place, followed by Turkey and France. These are the findings of an analysis by Morocco



Foodex, presented at the "Morocco Tomato Conference", held on May 30 in Agadir. Tomato industry players, producers, and experts from all over the world took part in the event. France, Germany, Spain, Tunisia,

Holland, Senegal, Algeria, Jordan, United Kingdom, New Zealand, Belgium, Turkey... Their aim was to discuss the challenges facing the sector, share expertise and new production techniques, and address

market trends. According to Morocco Foodex data, Morocco's main customers are France, the UK, the Netherlands, Spain, and Germany. They account for 95% of segmentation tomato shipments (olive, cherry, cluster, etc.) and 94% of round tomato shipments.

Sub-Saharan Africa represents a market with enormous potential. Moroccan exports to these African countries have risen from 18,000 tons of tomatoes in 2022-2023 to 25,000 tons in 2023-2024, an increase of 41%. Purchases from Gulf countries account for barely 1% of Moroccan tomato shipments. In fact, by 2023-2024, those purchases will have fallen by 37% (from 4 to 2,000 tons).

Overall, Moroccan tomato exports will total 572,000 tons in 2023-2024, down 6% on 2022-2023, when shipments reached 609,000 tons. □

Khadija SKALLI

## No bread increase... for now

**A**S soon as the increase in the price of bottled gas was officially announced, some bakers threatened to revise the price of bread made with luxury soft wheat flour, in order to pass on the difference. On Thursday May 30, the National Federation of Bakeries and Patisseries (Fédération Nationale de la boulangerie et de la pâtisserie) held a meeting focusing on a number of issues. The first concerns the Federation's decision not to raise the price of bread, which will be maintained at 1.20 Dirham (USD 0.12), as agreed with the public authorities several years ago. However, this price could be updated pending the outcome of the meeting scheduled to bring together the Federation with representatives of the Ministries of the Interior, Agriculture and ONICL (National Interprofessional Office for Cereals and Pulses), the date of which has not yet been set.

"We're pinning our hopes on this meeting, which should be devoted to examining a number of urgent issues concerning the sector, including the reform of the pieces of legislation governing the profession. One of our



During his visit to Rabat, Stéphane Séjourné stressed France's «clear and constant support for the Autonomy Plan. He acknowledged that this issue constitutes «an existential challenge for Morocco, and France knows it», assuring that he wanted to make progress on this dossier

priorities is to combat the proliferation of bakeries set up inside garages, which represent a dangerous informal sector", explains the Federation's deputy president. Numerous bakeries have sprung up in several towns across the Kingdom, lacking sufficient space and the necessary equipment.

Another decision made at the end of the meeting on Thursday May 30 was to approach the Minister of

Finance to "obtain a preferential rate of taxation and social security contributions, particularly in favor of units experiencing difficult financial conditions". The Federation is also expected to call on the General Tax Directorate (DGI) to reschedule the tax debts of certain operators.

The Federation also points out that all inputs have risen in recent years, not forgetting charges such as social security contributions, as well as

the Smig (mini-mum wage), which has increased several times, at least for those who apply it. The next increases are scheduled for September 1, 2025 and September 1, 2026.

It should be remembered, however, that not all bakeries and patisseries are experiencing the same economic conditions. Some are doing perfectly well. The question of the price increase in response to the increase in the price of gas cylinders only concerns those bakeries that concentrate solely on the production of bread at 1.20 Dirhams (USD 0.12), and which have been directly impacted. These units sell the bread to intermediaries at 0.95 Dirhams (USD 0.095), who in turn resell it to grocery stores that offer it to consumers at 1.20 Dirhams (USD 0.12). They rely heavily on volume to generate a meagre profit margin, despite a loss of 0.25 Dirhams (USD 0.025) on the final price. For the other units, the bread sold at 1.20 Dirhams (USD 0.12) is really just a loss leader, as they make up for it on other products whose price remains unrestricted. □

Hassan ELARIF