

# Weekly highlights by L'ECONOMISTE

Le premier quotidien économique du Maroc

## Soaring gold prices

# The ideal time to invest

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EDITORIAL

Performance monitoring

Meriem OUDGHIRI

**W**HAT are world rankings worth? For some people, they are THE undisputed barometer that maps out a country, enabling potential investors to go there or not. For other people, various types of rankings do exist, and “in any case, they are not always neutral”.

Overall, the business climate and governance ratings of reference institutions are based on a multitude of indicators. They provide useful information and analysis criteria. In short, they enable us to break out of our isolation by increasing the level of information sharing.

Morocco has long been familiar with these verdicts... like the latest one, the Chandler Good Government Index, which has just been made public and in which the country has slipped back 8 notches in the 2024 ranking (from the 60th to the 73rd place). This annual series measures the efficiency and capacity of governments in over 100 countries around the world. This

annual series focuses on seven pillars, including leadership and foresight, sound laws and policies, financial management, market attractiveness, and global reputation. This year, Morocco’s rating is mixed in terms of a number of criteria.

In today’s race for competitiveness, everything is evaluated, resulting in a ranking frenzy to measure performance, means and results..

Whether one accepts them or not, these dashboards are nonetheless “warnings” that may not be ignored. They make it easier to identify progress and setbacks, to make benchmarks, and to pinpoint the shortcomings that find their way into the various reports but not necessarily into political agendas.

Beyond the marketing effect, but not to the point of causing insomnia, performance monitoring also has its benefits... in order to always “do better”. □

## Weekly highlights

### Power generation

# Tripling the volume of investment

**R**EDUCING the energy bill is a headache for the Government. The global economic, financial, and energy situation has had an impact on Morocco and the rest of the world. This is why the Ministry of Energy Transition has taken a series of measures, including an emergency plan, to enable the country to access the global liquefied natural gas market for the first time in its history. This operation has made it possible to diversify sources and meet the National Electricity Board (ONEE's) needs for the two Tahadart and Ain Béni Mathhar plants. The line department is accelerating investment in gas infrastructure, particularly by the private sector. A call for expressions of interest will be launched in this area.

Renewable energies have not been left behind. In fact, during the first half of the Government's term, several projects were authorized with a capacity in excess of 2,000 megawatts. This is the largest capacity authorized by the Ministry in the last two years. In addition, a series of initiatives and new pro-



*To boost the supply of electricity, the Government has launched a series of initiatives and programs, including one to supply industrial zones with clean electrical energy.*

grams have been developed. Top of the list is the implementation of a program to supply industrial zones with clean electrical energy. In addition, authorizations have been granted for two projects to supply the industrial zones of Kenitra and Tangiers, with a capacity of around 150 megawatts.

On the legislative and regulatory front, two important laws were enacted. Firstly, Law no. 40.19, amending

and supplementing Law no. 13.09 on renewable energies. Then there's Law 82.21 on self-generation of electrical energy.

The latter law aims to give citizens, including homeowners and SMEs, access to low-cost renewable energies, enabling them to better control their energy consumption and reduce their bills. The Ministry has also launched a series of consultations

on the electrical equipment plan for the 2023-2027 period. The aim is to take account of developments in the sector, particularly with regard to the acceleration of renewable energy and natural gas projects. According to the Ministry, the scheme will triple the volume of investment in renewable energy power generation. □

Mohamed CHAOU

### Drinking water

# Boosting production accelerates

**T**HE National Office for Electricity and Drinking Water (ONEE) is rolling out a new project to boost production and improve the technical and commercial performance of drinking water. The aim is to increase production and improve the technical and commercial performance of the drinking water supply network, in response to population demand in the target conurbations.

To begin with, the project concerns the towns of Tissa, Missouri, Outat El Haj, and Meknes. And since the opening of works was notified on June 26, 2023, the average progress of ongoing projects had reached around 60% by the end of May. This represents a rather satisfactory rate for the start of a project.

Drinking water production and supply systems in the towns and cities concerned by the project have been secured and strengthened. The rate



of access to drinking water is already 99% in the urban areas concerned, and 81% in the rural areas concerned.

The technical performance of existing drinking water systems has also improved. The average efficiency of ONEE's supply networks is 95.5%, while that of distribution grids is

75.4%. Access to drinking water for the towns of Tissa, Missouri, Outat El Haj, and Meknes has thus been guaranteed, thanks to the launch of several projects. In particular, the reinforcement of the supply system from the Idriss 1er dam for Tissa, which has an additional water flow of 10%; the

reinforcement of the supply system from the Hassan II dam for Missouri and Outat El Haj (additional available water flow of 30%); and the reinforcement of the supply system from the Idriss The First dam for the province of Meknes (additional available water flow of 90%). Rehabilitation of drinking water networks has also begun. A stretch of 10 km out of 300 has already been scanned for leaks.

Added to this is the construction of the first reservoirs, which will improve storage capacity. By the end of May, two reservoirs out of 8, which will eventually have a storage capacity of 12 hours/day, had already been built.

The commercial performance of existing drinking water systems has also improved. The average rate of commercial losses has been reduced to 15%, and the long-term goal is to limit water losses to a maximum of 8%. □

Aziz DIOUF

# Soaring gold prices

## The ideal time to invest

■ **Protect your wealth and seize opportunities for significant capital gains**

■ **In just a few months, the price of an ounce of gold has soared to an all-time high of \$2,530.**

■ **Promising prospects through to 2025**

**W**ITH gold reaching all-time highs, Moroccan and international experts are advising investors to invest in this precious metal, the safe-haven asset par excellence. The current surge in gold prices is part of a complex and uncertain global context, in which gold is more than ever a safe-haven asset. In Morocco, this international trend is reflected in an increase in investment in the precious metal. Whether to protect savings or generate capital gains, gold appears to be an unavoidable option, especially with price rises forecast between now and 2025. For Moroccans wishing to secure their wealth, the time has come to turn to gold, with caution and strategy.

### ■ A strong trend

The yellow metal has never sparkled more brightly than in the late summer of 2024. In just a few months, the price of an ounce of gold has soared to \$2,530, a level never before reached. This figure, far from being insignificant, symbolizes a major trend emerging on international markets. Rising geopolitical tensions, combined with expectations of interest rate cuts by the US Federal Reserve (Fed), have propelled gold to unprecedented heights. In Morocco, this price surge has not gone unnoticed, and many experts are now advising investors to invest in this precious metal, both to protect their wealth and to seize opportunities for significant capital gains.

“Gold has always been considered a safe haven. Today, in a global economic climate marked by geopolitical tensions, it’s a shield against uncertainty”, says Kamal Lahlou, head of «Or Cash», a company specializing in buying back yellow metal. For him,



*Rising geopolitical tensions, combined with expectations of interest rate cuts by the US Federal Reserve (Fed), have propelled gold to all-time highs (Ph. Pixabay)*

this is the ideal time to sell gold purchased a few years ago and pocket substantial capital gains. “But it is just as interesting for people who want to invest to do so before prices climb even higher”, he insisted.

### ■ A combination of factors:

the price of gold should continue to rise between now and 2025. The reasons? A combination of geopolitical and economic factors. On the

one hand, central banks in emerging countries such as China and Russia are increasing their gold reserves, seeking to hedge against currency fluctuations and free themselves from dependence on the dollar. On the other hand, the depreciation of the greenback makes gold even more attractive. One of the main driving forces behind the current rise in gold prices is the greenback.

One of the main drivers of gold’s current rise is the Fed’s accommodative

monetary policy. By lowering its key rates, the US central bank is making bond investments less attractive, pushing investors towards safer assets such as gold. In addition, the recent depreciation of the dollar, which has lost over 9% of its value against the dirham since October 2023, is contributing to the rise of gold, whose price is denominated in dollars. □

Fédoua TOUNASSI

## Bullions, louis d’or, paper...what to choose?

**I**N Morocco, these international dynamics are having a direct impact on the local market, prompting investors to turn to gold, whether in the form of bullion, coins, or paper gold. “Gold has never been so much sought after”, explains a market insider. Since the Covid-19 crisis, demand for gold bullions has skyrocketed, particularly for 250-gram bars, which sell for around 200,000 dirhams. Although rare, these bars are a secure investment for well-informed investors. “With demand soaring, finding 250-gram bullions is becoming increasingly difficult”, confides our source. At the same time, private investors who can’t afford to invest in bullion are turning to louis d’o, highly sought-after 20 franc coins that are often counterfeit - a risk not to be overlooked.

However, “unlike real estate or equities, gold does not generate passive income. Its strength lies in its ability to preserve wealth in times of crisis, when other assets lose value”, said an investment advisor. This is why, even without dividends or rents, gold continues to attract investors, who see it as a bulwark against economic instability. For the more daring, paper gold, in the form of shares in gold companies or gold-backed funds, represents a modern and potentially lucrative alternative, albeit a more complex one. □

## Weekly highlights

# Telecoms: What are customers complaining about?

**W**ITH an overall customer base of 60 million fixed and mobile subscribers, the number of customer complaints and claims tended to fall in 2024. But even if the number received remains very low compared with the overall subscriber base, this does not necessarily mean that the services provided by operators have been flawless. What's more, not all Moroccans think of filing a complaint, let alone making one.

According to the latest figures from the Observatory of Consumer Complaints (related to telecoms services), the number of complaints received and processed during the first quarter of 2024 was down 18% on the 4th quarter of 2023. In total, the National Telecommunications Regulatory Agency (ANRT) had received 322 complaints by the end of March 2024. This represents a drop of 11% compared with the same period in 2023.



Per category, the complaints handled relate to various telecoms services provided by operators and public network operators. They mainly concern contractual aspects, broken promises, ADSL, FTTH (Fiber-to-the-home) Internet, 3G and 4G

Internet, fixed and mobile telephony...

In detail, complaints about ADSL almost stagnated in Q1 2024, compared with the same period in 2023. There were 177 complaints in 2024, compared with 175 in Q1 2023. FTTH complaints were down 10% on

Q1 2023. By contrast, FTTH-related complaints rose from 10 (1st quarter 2023) to 34 during the same period in 2024.

On a completely different note, complaints relating to fixed telephony have almost doubled in one year. These complaints rose from 21 (1st quarter 2023) to 41 at the end of March this year. On the other hand, user complaints about mobile telephony have almost halved in one year. They fell from 118 to 66.

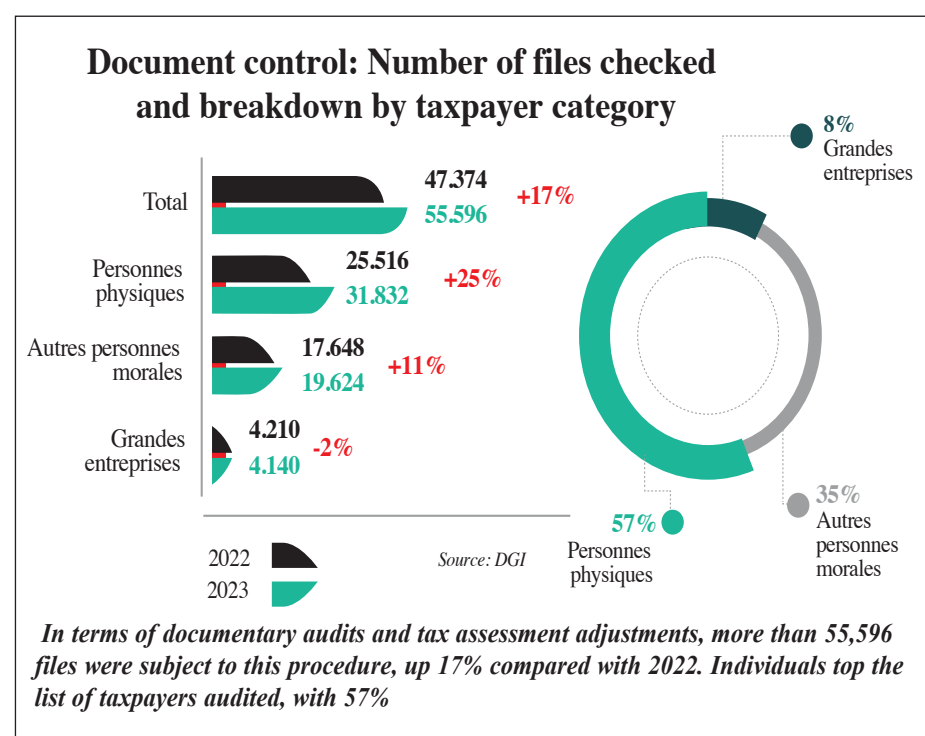
By category of customer complaining of shortcomings in telecoms services, the majority of complaints come from individuals (95% of complaints). This represents a 13% drop compared with the first quarter of 2023. Next come businesses and professionals, who rank second among complainants. Next come institutions, government bodies, and associations. □

Amin RBOUB

## Taxation

# DGI steps up inspections

**T**HE integrity of the tax system is essential to maintain and strengthen taxpayers' confidence in the tax authorities. This is one of the key messages contained in the annual activity report of the General Tax Directorate (DGI). In particular, this means "protecting the integrity of the tax system, by modernizing control and collection". According to DGI CEO Youness Idrissi Kaitouni, "tax collection, inspections, and dunning actions have been strengthened to guarantee fairness". In 2023, they generated additional revenue of 14 billion Dirhams (USD 1.4 billion), up 6.9% on the previous year. The head of the tax department also emphasized that "computerized reminders to late taxpayers have been improved by the automatic generation of defaults on the Single Professional Contribution and the annual property income declaration, as well as the automated printing of the 2nd reminder



letters". In concrete terms, the strategic orientations assigned by the new five-year plan to the control mission are aimed at improving the trueness of declarations, with an emphasis on the predictive dimen-

sion of control. This involves strengthening the exchange and quality of information, as well as harnessing artificial intelligence to reinforce tools for deterring non-compliance. According to the head of the DGI,

the revenue generated by tax audits is systematically returned to the economic fabric in the form of refunds and restitutions.

In more detail, over 55,596 documentary audits and tax assessment regularizations were carried out, an increase of 17% compared to 2022. Individuals top the list of taxpayers audited, with 57%. In 2023, documentary audits and tax adjustments, excluding registration and stamp duties, generated revenue of over 5.47 billion Dirhams (USD 547 million), up 13% on the previous year. "This increase concerned all categories of taxpayers, except individuals, whose revenues fell by 11%". Large companies and other legal entities accounted for 38% and 37% of revenues respectively. With regard to income tax on property profits and registration and stamp duties, duties collected improved by 2% compared with 2022, to more than 2.77 billion dirhams (USD 277 million). □

M.A.M.