

# Weekly highlights by L'ECONOMISTE



Finance Bill

Final lap



Al Haouz earthquake: Impact estimated at 3.5% of GDP



Circular economy: A roadmap coming soon



The World Cup, an opportunity for a real upswing

## EDITORIAL

## Moment

Meriem OUDGHIRI

“**A**FRICA presents a unique investment opportunity that cannot be ignored”. The AfDB President’s statement at the African Investment Forum, held in Rabat last week, sums up the enthusiasm that the continent has been arousing for some time now. In turn, Casablanca has been hosting the Africa Financial Industry Summit on December 9 and 10, bringing together over 1,000 leaders from the financial sector, political decision-makers, regulators... Not a week goes by without Morocco hosting these and many other meetings around the continent. This hustle and bustle bears witness to one thing: economic operators and public opinion are looking for keys to understanding a region that has been elevated to strategic status by the country’s highest authority. It also thumbs its nose at all those who thought

that the Moroccan economy was structurally lacking in its battle for globalization. The fact remains that Africa can no longer continue to be simply a territory of experimentation with potential. We need to go further and tap into it. Accelerating recovery and growth means creating a genuine financial industry: sovereign wealth funds to “de-risk” projects, and even more attractive stock markets. Likewise, payment platforms, fintechs, crowdfunding, and blockchain ecosystems to rethink and reinvent services. A financially robust continent needs a common regulatory architecture, a unified legal framework and interconnection. It is all these “shocks” that will develop clean models and cross-border value chains. Because we need to transform, emerge and integrate, and the time for bold policies is now. □



## Weekly highlights

# Finance Bill Heading for the Official Gazette

**T**HE end of the road for the 2025 Finance Bill. The House of Representatives adopted the next budget on second reading in the Finance Committee on Friday morning, December 06. The plenary session was scheduled for the same day. After this final stage, the draft Finance Act was sent to the printing works of the Secretariat General of the Government (SGG) for publication in the Official Gazette.

According to Fouzi Lekjaâ, the government responded positively to the various amendments proposed by parliamentary groups, particularly the majority, and the Moroccan Employers' Association (CGEM). Indeed, of the 231 amendments tabled, 66 were accepted by the House of Councillors. One of the major changes introduced was the abandonment of the Members of the House of Representatives' amendment concerning honey, which had lowered the import duty on this product from 40% to 2.5% for packages over 20 kilos.



*Fouzi Lekjaâ ended up taxing Internet gambling at 30% and subjecting Moroccan gaming companies to a 2% social solidarity contribution*

The councillors annulled this amendment. The goal is to protect national honey production, particularly in the face of the constraints and challenges facing the sector. Thus, table honey, whatever its packaging condition, remains subject to a 40% import duty. It should be noted that the Members of the House of Representatives usually refuse to touch amendments of their

own making, encouraged in this by the primacy enjoyed by the House of Representatives. But this time, they acquiesced. In any case, on the subject of customs, the decree on domestic cattle and sheep was discussed. This decree was issued on November 24 to ensure the continued supply of red meat to the local market. Parliamentarians wanted to increase the number

of heads of cattle and sheep benefiting from the suspension of import duties. The decree does just that. As a result, the number of heads in each category has been increased from 120,000 to 200,000.

The other subject discussed by the Finance Committee concerned the taxation of games of chance. In the case of foreign gambling on the Internet, banks and credit institutions will be required to withhold 30% of winnings at source. As regards domestic gambling, the exemption for winnings of less than 5,000 dirhams (USD 500) has been abolished. On the other hand, companies operating in this sector in Morocco will be subject to the 2% Social Solidarity Contribution. This Contribution will be calculated on the basis of the same amount of net profit used to calculate corporate tax or income tax, depending on actual net income. The money collected will go into the Social Cohesion Fund. □

Mohamed CHAUI

## Al Haouz earthquake Impact estimated at 3.5% of GDP

**R**ECONSTRUCTION of housing and basic infrastructure (schools and primary health care facilities) is progressing apace in the regions hit by the Al Haouz earthquake. In anticipation of the completion of the project, scheduled for December 31 2025, when all inhabitants should in principle be rehoused, the first figures on the implementation of the government's emergency assistance program for the population have begun to come in.

Based on an assessment carried out by the Treasury and External Finance Department of the Ministry of Finance, they show that emergency expenditure on managing the damage caused by the earthquake has fallen well short of forecasts.

### *Expenditure well below forecasts*

In fact, as revealed by the AfDB, which relayed the information, the



*Reconstruction work in Al Haouz continues at a steady pace. Thanks to the consistency of contributions to the Fund created by the Government and to good governance, emergency support for earthquake-stricken populations has exceeded expected results (Photo by Bziouat)*

impact on GDP (\$148.6 billion in 2024, up 2.9%) was ultimately only 3.5%, far from the 8% the Government was counting on. This situation was made possible by this year's increase in tourism receipts, and growing remittances from the Moroccan diaspora abroad, it is explained. While we await the exact figures, these two sources of revenue for the budget have been on an upward trend since last January. By the end of Oc-

tober 2024, tourism receipts had reached 96.9 billion Dirhams (USD 9.69 billion), compared with 88.6 billion Dirhams (USD 8.86 billion) for the same period in 2023, an increase of 9.3%. Remittances from Moroccans living abroad came close to the 92 billion Dirham (USD 9.2 billion) mark at the end of September 2024, up 5.2% on the same period last year.

In the field, too, the emergency assistance program for victims exceeded

expectations. In the 15 days following the earthquake, 28 field hospitals were set up in the region, compared with the two planned, an increase of 1,400%. And over 500 ambulances were made available, with a total of 1,268 doctors and 1,733 nurses. The number of medicine kits distributed reached around 50,000 (over 800 tons of medicine transported to the disaster area), i.e. 500% of the planned figure. □

A.D.



## Right to strike

# Details of the project

**E**MPLOYEES, civil servants, and the self-employed enjoy the right to strike, a pillar of trade union freedoms enshrined in the Constitution. The draft law, currently awaiting consideration by the plenary session of the first chamber of Parliament, aims to define this right, provide a framework for its application, and set out the restrictions necessary to preserve the balance between social demands and the continuity of public services.

Strike is defined as a collective and temporary cessation of work, carried out with the aim of defending economic, social, or professional rights or interests. It can concern relations between employees and employers as well as the improvement of working conditions.

The piece of legislation, which underwent no fewer than 334 amendments within the Social Sectors Commission,

seeks to reconcile the protection of workers' rights with the preservation of essential services and the stability of economic activities. The text sets out the procedures to be followed, in particular the regulatory deadlines imposed in the specific case of negotiating a list of demands. In the public sector, a strike can only be called after a period of 45 days following the failure of negotiations, extended once by 15 days at the request of one of the parties. In the private sector, this period is reduced to 15 days, with a similar extension possible. These deadlines start to run from the official receipt of the list of demands, and in-depth negotiations must be conducted during this period.

In the case of particularly complex

disputes or conflictual issues, the bill provides for specific deadlines. In the public sector and the liberal professions, a strike can be called after 30 days. In the private sector, this period is reduced to 10 days, offering greater responsiveness. The piece of legislation also encourages the use of peaceful mechanisms such as mediation or arbitration prior to any mobilization. To deal with emergency situations, such as a serious threat to health or safety, a strike can be called within 3 days of the danger being identified. This reduction requires official notification to the relevant authorities and institutions. During a strike, the replacement of strikers by other workers is strictly forbidden. Nevertheless, employers are required to provide a minimum service in critical sectors. □

**Khadija MASMOUDI**

## Penalties ranging from MAD 5,000 to MAD 50,000

**T**O ensure compliance with the rules, the bill provides for a series of financial penalties. The aim of these measures is to make all the parties concerned aware of their responsibilities, while at the same time protecting the rights of all concerned. Financial penalties, modulated according to the nature and seriousness of the offences, range from 5,000 to 50,000 dirhams (USD 500 to 5,000). □

## Circular economy

# A roadmap coming soon

**A**FTER renewable energies and, more recently, green hydrogen, another major component of the National Sustainable Development Strategy (SNDD) will also have its own national roadmap. This is the circular economy, whose many virtues Morocco has yet to fully appreciate.

It was with the aim of laying the first milestones on the road to these benefits that the Coalition for Waste Valorization (Covad) organized, in partnership with the Ministries of Energy Transition and Sustainable Development, Industry and Trade, and the United Nations Industrial Development Organization (UNIDO), a plenary conference on Tuesday December 09, 2024 in Bouznika. The conference focused on the “transition to a circular, low-carbon economy”, and all stakeholders in the waste-to-energy value chain were present to share their experiences and make their contribution to the edifice under construction. “The linear economy is over. No more make and throw. It is time to reduce, reuse and recycle. We need to



*According to a study conducted by the Ministry of Industry, converting 65% of waste into resources could generate sales of 12.2 billion dirhams (USD 1.2 billion), added value of 3.7 billion dirhams (USD 370 million), and create 60,000 jobs by 2030*

take advantage of the 26 million tons of waste we have every year in our landfills and in our dustbins to recycle them. Morocco generates 7 to 8 million tons of industrial waste that we need to reuse”, declared Mounir El Bari, Chairman of Covad, at the opening ceremony. “If we’re all gathered here today, it’s because we’re all convinced of the

importance of the circular economy. So please help us help you convince the others who are not in this room. By putting in place a clear roadmap that reflects the urgency of the circular economy”, declared Leïla Benali, Minister for Energy Transition and Sustainable Development. According to the Minister, who stressed that even if the regulatory and legislative arsenal is there, Morocco is highly respected internationally for this reason. But it is still a question of convincing people by going further. As proof of this, she recalled Law 77-15, affectionately known as “zero mika” (zero plastic), which is “not respected”. Plastic bags continue to proliferate in the country because, she says, there is a lack of incentives and coercive measures (see our survey of September 06, 2024). And yet, she asserts, “on issues where we need radical changes in behavior, we need to think about putting in place incentives and coercive measures to ensure their proper implementation”. □

**Aziz DIOUF**



## Weekly highlights

# The World Cup, an opportunity for a real upswing

**T**HE vision for the 2030 World Cup is set. It will not only be a sporting event, but also an opportunity to accelerate economic and social development over the coming years. This global event should generate just as many job opportunities for a dynamic, football-mad youth. For the President of the Royal Moroccan Federation of Football (FRMF), this international event will boost Morocco's attractiveness as a tourist destination, and promote the universal values of peace, unity and sustainable development.

Even though the World Cup will take place in 2030, Morocco has anticipated the event by launching major projects well in advance of the event. In fact, infrastructure such as airports will be ready around 2028. Today, airports are being upgraded to improve accessibility. At Casablanca airport, service is improving. A second terminal will be built and delivered in late 2028 or early 2029. The high-speed line between Tangiers and Casablanca has been operational for several years. It brings together three cities, including Rabat, of the 6 chosen to host the World Cup. Similarly, the project to create another high-speed line between Casablanca and Marrakech is well advanced.

The organizers are going to ensure that there is plenty of mobility. For example, FIFA recommends group access to pitches. We're going to do everything we can to provide the people concerned with collective means of transport, with dedicated circuits. While we're waiting for these mobility tools, they're planning to set up collective means of transport for the general public. This means that it is imperative to reduce the use of cars as much as possible. FIFA's goal is for



*"We absolutely must position each territory, each host city, in such a way as to show Morocco's diversity. This marketing positioning should enable us to establish and highlight the different facets of the Kingdom", according to Moad Hajji, general coordinator of Morocco's 2030 World Cup bid*

70 or 80% of the stadium to be able to arrive and leave using collective mobility. The fewer traffic jams there are, the better off the organization will be, notes Moad Hajji. According to Hajji, it is a question of developing mobility, airports, hotels, cultural events, etc. What is very important about the World Cup is the fact that it has made commitments, with precise timetables. In 2028, FIFA will have to choose between the cities. The three countries in the joint bid have made proposals in terms of host cities. To give an example of the U.S. bid today, the USA, Mexico, and Canada have all proposed host cities.

So, in 2028, FIFA will have to choose between the cities. The three countries in the joint bid have made proposals for host cities. To give an example of the American bid today, the USA, Mexico, and Canada proposed 23 stadiums. Two years before the event, FIFA had selected only 16. □

M.C.



## Marketing

**T**HE organizers insist that this is an event not to be missed. The World Cup is about much more than soccer. Fifa won't take any chances for the TV product not to be excellent.. In other words, 95% of what viewers see on television is produced according to certain standards. Fifa is in charge of all these aspects, and chooses the service providers... So the quality and rendering of the image in the field will be of the highest quality. It IS up to us to give another equally good image outside the stadiums. Especially as Morocco has its strong points. The choice of Fez highlights the country's cultural wealth, with visits to the medina and a number of heritage sites. Agadir is known as a seaside resort, and Marrakech is a world-famous destination. For the fan zones, which will be designed and managed for the Africa Cup of Nations and the 2030 World Cup, these are areas that meet very precise specifications. For those of the World Cup, the content is dictated by FIFA specifications, screen size, brightness, and other criteria. There will be areas for merchandising, catering and entertainment, with very precise criteria. □



## The FRMF must support the WAC

**W**HEN it comes to the Federation's support for WAC, who will be representing Morocco in the forthcoming Club World Cup, to be held in the USA in June, the answer is crystal clear. Indeed, the Royal Moroccan Football Federation (FRMF), under the presidency of Fouzi Lekjaâ, has developed a culture. Its rationale: to help any club that goes international, since it represents the Kingdom. As such, the FRMF is behind WAC. "As long as it takes part in a prestigious world competition, it carries the Moroccan flag. And so, the culture that the President of the Federation has always defended is to be close to these teams and to support them as much as possible", said Moad Hajji. IT IS the same approach that continues today. The WAC is representing Morocco at the first edition of the new Club World Cup, organized by FIFA with 32 of the world's best teams, including Real Madrid, Manchester City, Juventus, Bayern Munich.. It is the responsibility of the Federation to support this team. □