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EDITORIAL

Poor relation

Mohamed Ali MRABI

SOME aspects of the major tax reform project are still lagging behind. Such is the case with local taxation, which seems to be the poor relation. For several years now, the Court of Auditors has been insisting on the urgent need to revise local tax bases. Recommendations have been submitted to the Head of Government.

At a time when the regions are being called upon to diversify their resources, modernizing the system of taxes and levies in the territories would help strengthen their financial autonomy. Overhauling the current system would also make it possible to introduce greater consistency, with mechanisms better adapted to local realities. This will also involve simplification of procedures at the local level, to do away with a system that is considered complex and inefficient. All the more so as a modernized, fair, and competitive tax system is a guarantee of regional attractiveness.

One of the main challenges of this reform is to eliminate complexities: reducing the number of local taxes and charges, avoiding overlaps between territories and the central Government... This could be accompanied by a decentralization of attributions, giving territories leeway in defining tax rates and bases, with clear mechanisms for sharing revenues between the central Government and local authorities.

With this leeway, elected councils could be more open to new modes of financing, such as green taxation, whose revenues could be earmarked to fund sustainable projects. In this reform-oriented momentum, in addition to the revision of legislative and regulatory texts, compliance with the strategic vision set out in the framework law requires a commitment from the various stakeholders. This must be built around collaboration, transparency and, above all, convergence of interests. □

Weekly highlights

On January 1, 2025, minimum wage crosses 3,000 MAD net mark

As provided for in the social dialogue agreement signed on April 30, 2024 between the government and the social partners, the first 5% increase in the minimum wage in the industrial, commercial, and liberal professions sectors will come into effect on January 1, 2025. The gross monthly minimum wage will therefore rise to 3,266.96 MAD (USD 326), compared with the 3,111.39 MAD (USD 311) applied until December 31, 2024. This represents a net monthly minimum wage of 3,046.77 MAD instead of 2,901.68 MAD. This is the first time that the net minimum wage has broken the 3,000 MAD barrier. But this is a long way from the demands of the Union Marocaine du Travail (UMT) for a minimum wage of 5,000 MAD.

The revaluation of the minimum wage in the first phase will cost the employers concerned a total of 3,955.96 MAD, compared with 3,767.58 MAD up to the end of 2024. Social security contributions will rise to 909.19 MAD (USD 90) per month for each employee, compared with 865.90 MAD (USD 86).

Grille de la première augmentation du Smig (En DH)						
Prise d'effet	Taux horaire	Salaire journalier brut	Salaire mensuel brut	Salaire mensuel net	Cotisations sociales	Coût total
■ Smig: Industrie, commerce et professions libérales(*) A partir du 01/01/2025	17,10	125,43	3.266,96	3.046,77	909,19	3.955,96
■ Smag: Secteur agricole A partir du 01/04/2025		93,01	2.418,23	2.255,25	672,99	2.928,24

(*): Calcul sur la base de 44 heures/semaine; 191 heures de travail par mois et 26 jours ouvrés par mois.

Statistics provided by the Government to MPs on the eve of the 2025 Finance Bill review show that 1,084,023 employees registered with the National Social Security Fund (CNSS) receive a monthly salary of between MAD 3,111 (USD 311) and MAD 4,000 (USD 400) per month, representing 33% of employees registered with the CNSS.

The latest activity report published by the Social Security Fund shows that 1,263,115 people, namely 42% of those registered, earn a salary of MAD 3,111.39 or less than the minimum wage. Another 489,449 employees earn between the minimum wage (around 2,769.87 MAD) and 3,000 MAD. This represents 16% of

the workforce registered with CNSS.

A second 5% increase in the SMIG is also scheduled for January 1, 2026. As a result, the net minimum wage will rise from MAD 3,046.77 to MAD 3,191.85. This means a total cost to the employer of 4,144.34 MAD per employee, compared with 3,767.58 MAD previously.

“The new increases in the minimum wage are bound to put more companies in difficulty, particularly those operating in the textile and agri-food sectors. These companies are already suffocating under the weight of their social security and tax debts”, explains the owner of a factory employing several hundred workers paid the minimum wage. He goes on

to “recommend tax and social incentives” for this category of company, which sometimes employs thousands of minimum wage earners.

However, it should be noted that the actual revaluation of the Minimum Wage (SMIG) and the SMAG (Minimum Agricultural Wage) is still subject to a decree which was due to be examined by the Government Council on Thursday December 26, for rapid publication in the Official Gazette. The thousands of companies concerned will have to set up their payroll systems on a legal basis. This is a recurring exercise on the eve of each increase in the minimum wage. □

Hassan ELARIF

Natural gas

Details of the new mechanism

THE legal mechanism governing the import, export, distribution, and transport of natural gas will soon be in place. The Ministry of Energy Transition has prepared a first draft of this strategic piece of legislation. The draft bill has now been submitted for public consultation.

This new approach aims to modernize the natural gas sector in Morocco, in order to achieve a series of strategic goals, as stated in the text's presentation note. These include «strengthening Morocco's energy sovereignty, by modernizing infrastructures linked to the import of liquefied natural gas, and helping to reduce CO2 emissions by deploying a natural gas-based electricity generation system, which will enable more renewable energies to be integrated into the energy mix...». With this in mind, it is important to

put in place a legal framework for the development of this sector and the improvement of its performance, while sending out strong signals to investors for the modernization of infrastructures and transmission and distribution networks.

In all, this piece of legislation, comprising 35 articles, aims to regulate the import and export of natural gas, its storage, transport, dis-



According to the Ministry of Energy, this new approach aims to modernize Morocco's natural gas sector, in order to achieve a series of strategic goals, including «strengthening energy sovereignty, reducing CO2 emissions...».

tribution, and other operations.

In detail, Article 3 of the draft bill states that a natural gas operator involved in several natural gas-related activities will be required to maintain an accounting system with financial reports dedicated to each of these activities.

With regard to natural gas supply and storage, the piece of legislation specifies that this activity must be car-

ried out by an aggregator. A decree will have to define its remit and the governance mechanisms linked to this activity. In any case, this aggregator will be responsible for the public supply and storage service, and will be bound by a series of commitments. This includes «guaranteeing a secure supply of competitive natural gas for the Kingdom, signing contracts for the acquisition of liquefied natural gas with international producers and natural gas with producers exploiting local resources, respecting the principles of transparency and non-discrimination in the wholesale of gas...».

For its part, the transmission system operator will be considered as in charge of a public service. It will have to undertake to respect these commitments, according to criteria set by the department in charge of energy. □

Mohamed Ali MRABI

Family Code

A second revolution

POLYGAMY, inheritance, underage marriage, divorce, child custody... The future version of the Family Code seems as unprecedented as it is bold. Since its last revision in 2004, the family code has raised as much hope, debate, and disappointment. It now appears necessary to meet the expectations of a changing society in an inclusive approach that combines political, religious, academic and civil perspectives. Announced during a working session chaired by His Majesty King Mohammed VI, this initiative reflects a clear desire: to adapt this fundamental text to the profound social transformations that Moroccan society is going through, while respecting the religious and constitutional foundations of the kingdom.

Consultations

A broad consultation was conducted, involving representatives of the executive and judicial branches, the High Council of Ulemas, and independent human rights bodies. At the end of these consultations, a report was submitted, including 139 proposals aimed at correcting the shortcomings of the current text. Proposals that also lay the foundations for a more harmonious and inclusive society. At the heart of this reform, major adjustments provide concrete solutions to long-debated issues. In terms of inheritance, for example, the new provisions intro-



The Head of Government during the conference given on Tuesday, December 24 to announce the main resolutions of the reform. (Photo by Bziouat)

duce the possibility for ascendants to make advance donations in favor of their daughters. For child custody, the reform establishes an equitable sharing of responsibilities between the two parents, even after a separation. Children's rights are strengthened by a guarantee of stable housing, in order to preserve their well-being, even in situations of divorce.

Marriage of minors

Regarding the marriage of minors, the legal age is now set at 18 for both sexes, with exceptions strictly

limited to young people aged at least 17. These exceptions, supervised by judges, must meet strict criteria. The issue of polygamy, often a source of controversy, is being strengthened. From now on, only exceptional cases, such as infertility or a serious illness of the wife, will be able to justify this practice. In all cases, the prior agreement of the first wife will be required, making polygamy practically impracticable. The sharing of property acquired during the marriage is also changing. The reform fully recognizes the contribution of women, including for domestic tasks, in the constitution

of the marital estate. Finally, divorce itself is being modernized. Tools such as electronic notifications simplify procedures, while conciliation mechanisms are being strengthened to avoid unjustified separations. The reform is not limited to legislative amendments. It is accompanied by supporting measures aimed at ensuring its effectiveness. These include the creation of a national register of marriage and divorce contracts, ongoing training for magistrates, and the introduction of a one-stop shop in the courts. □

Amine BOUSHABA

The new reform in 16 points

THERE are the main proposals adopted, based on the recommendations of the body and the religious opinion of the Higher Council of Ulemas:

1- Possibility of registering the engagement between the fiances and adoption of the marriage contract as the sole means of proving the marital union, except in exceptional cases where a special procedure may be initiated.

2- Facilitation of marriages for Moroccans residing abroad without the obligatory presence of two Muslim witnesses, in case of impossibility.

3- Setting the legal age of marriage

at 18 for boys and girls, with a possible exception for minors aged 17, subject to strict conditions.

4- Obligation to seek the wife's opinion when signing the marriage contract as to the possibility of remarrying or not, with inclusion of this clause in the contract.

5- Creation of a non-judicial body for conciliation and mediation, intervening mainly in cases of non-consensual divorce.

6- Simplification of procedures for consensual divorce between spouses, without compulsory recourse to legal proceedings.

7- Review of the sharing of pro-

erty acquired during the marriage, taking into account the wife's domestic contributions.

8- Introduction of modern electronic means for notifications in divorce cases, while maintaining guarantees for the conciliation stages.

9- Recognition of child custody as a right shared between both parents, even after the dissolution of the marriage, with conditions for the child's movements.

10- Maintenance of custody of children by the divorced mother, even in the event of remarriage.

11- Establishment of objective and clear criteria for determining alimony.

12- Sharing of legal guardianship of children between both parents, even after divorce.

13- Strengthening the protection of minors' property and establishing judicial control over the actions carried out by their guardians.

14- Right of the surviving spouse to retain the marital home under certain legal conditions.

15- Opening up the possibility for couples of different religious faiths to transfer property to each other by donation or will.

16- Adoption of modernized legal terminology to replace certain obsolete terms. □

Weekly highlights

Reaching a new milestone

AFTER Agadir, which defined the framework for the implementation by each region of its own and shared skills, Tangiers hosted the 2nd National Conference on Advanced Regionalization on Friday 20 and Saturday 21 December 2024 on «Advanced Regionalization, between the Challenges of Today and Tomorrow».

Today, this institutional architecture is called upon to take a new step. It is in this sense that HM the King, who addressed a royal message to the participants in these meetings, emphasized a series of challenges still to be met.

At the forefront of those challenges is the acceleration of the operationalization of the Charter of administrative decentralization through «the mobilization of all potential resources and the involvement of all ministerial departments, in the service of the effective implementation of the Charter, for greater speed in the preparation of the master plans of administrative



«Our hope is that these meetings will be an opportunity to take stock of the implementation of the advanced regionalization project and to further promote positive interaction between all stakeholders, whether they are government officials, representatives of public institutions, or elected officials, around issues of common interest, linked to the best way to successfully complete this project. «Excerpt from the Royal Letter)»

decentralization which is based on an effective transfer of attributions and decision-making powers, at the regional level.»

This also concerns aspects related to the audit and operationalization of the attributions of local authorities. The strengthening of

participatory democracy at regional and local levels is also an issue.

Citizens and associations must be involved in the process of developing, preparing, implementing, monitoring and evaluating public policies taken with elected councils, to achieve the objectives set, reads

the royal message. The fourth challenge is the one related to the principle of correlation of responsibility to accountability in the field of territorial affairs management. Its objective is to fight corruption, by developing the philosophy of control and accountability, in accordance with the constitutional principle that articulates the exercise of responsibility to accountability, it is mentioned in the royal message .

The fifth challenge is improving the attractiveness of territorial areas to attract productive investments, as an essential lever for strengthening sustainable development. Added to this is the challenge related to the Regions' ability to design new financing mechanisms; and that of dealing with certain crises and adapting to today's transformations and tomorrow's impacts. In addition to these seven challenges, the Regions are also called upon to quickly take measures to address water stress and develop mobility and digitalization. □

Aziz DIOUF

Liquid sanitation

30 billion dirham investment

THE multi-annual investment program for liquid sanitation calls for a total cost of 30 billion Dirhams (USD 3 billion) over the 2025-2027 period, of which 25 billion Dirhams (USD 2.5 billion) relate to projects currently underway. Investments for 2025 require financial support of 1.3 billion Dirhams (USD 130 million).

In terms of technical support, the Ministry of the Interior plans to continue assisting local authorities, autonomous agencies and regional multiservice companies (SRMs) in 2025 with the study and programming of new liquid sanitation projects, and monitoring the execution of those already underway.

According to a Ministry of the Interior document, major projects currently underway or due to be launched include the Greater Agadir liquid sanitation program, the Bouregreg river clean-up, and the construction of wastewater treatment plants in Safi,

Meknes, Taza, Larache, Ksar El Kebir, Fquih Ben Salah, and Ouezzane. The same applies to the reinforcement or extension of existing plants in Tangiers, Kenitra, Fez, Essaouira, and Tiznit.

Likewise, technical and financial support for local authorities has continued, through their share of VAT, with 404 million Dirhams (USD 40 million) of VAT allocated at the end of September to 60 municipalities to carry out liquid wastewater treatment works. The total amount required by local authorities to finance sanitation projects, studies and the acquisition of operating equipment currently stands at 3.8 billion Dirhams (USD 380 million), according to a Ministry of the Interior document.

As part of the technical support provided for sanitation projects, we have continued to monitor ongoing projects and have scheduled new ones for 2024 for 370 municipalities, in partnership with various agencies, the National



Since the launch of the program, projects completed up to 2023 have helped to improve indicators at national level. 266 towns and urban centers and 221 rural centers have benefited from the national program

Electricity and Drinking Water Board (ONEE), delegated management companies and local governments. This involves the completion or continuation of sanitation work in 65 towns and centers.

Since the launch of the program, projects completed up to 2023 have

improved liquid sanitation indicators at national level. 266 towns and urban centers and 221 rural centers have benefited from the national program. The rate of connection to the liquid sanitation network in urban areas has reached 83.5%. □

M.C.