

# Weekly highlights by L'ECONOMISTE



## In the shoes of an investor



■ Where to apply, processing times, follow-up...

■ Analysis of the stages set out in the new charter



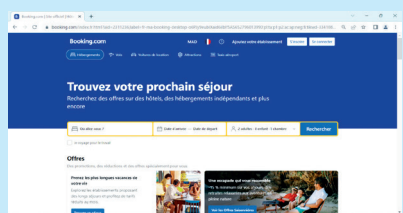
**Telecoms: Big anonymous sim cards hunting operation**



**The plague of unlicensed constructions**



**Do Moroccans watch too much TV?**



**Booking.com: change in the payment policy**

**Materialization of the low-carbon strategy**

### EDITORIAL

### Dependency

Mohamed Ali MRABI

**A**FTER long months of crisis, the growth curve is beginning to recover. Optimism is back, with a slight rebound this year, which should consolidate in 2024, but to sustain this momentum, it is essential to reduce dependencies. First of all, the dependency on rainfall, by giving a real boost to non-agricultural activities. Boosting the performance of industrial sectors is the key to maintaining the pace. It is therefore essential to raise the productivity of the manufacturing sector to stimulate growth. This is what the High Commission for Planning, HCP, recommends in order to anticipate the recovery of foreign demand for products and services from Morocco. To take full advantage of the reshuffling of the global pack of cards, it is imperative to develop a competitive and diversified exportable offering. This requires overcoming

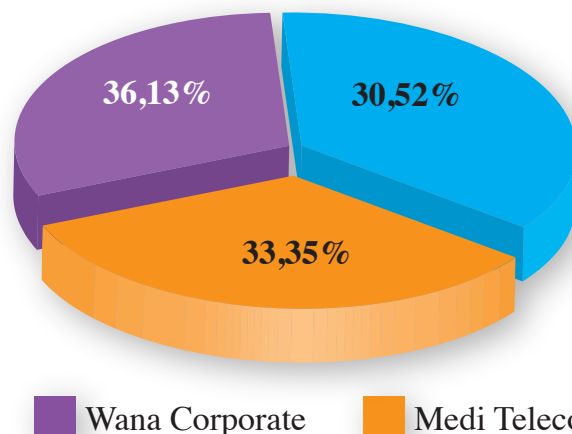
the slow process of technological sophistication of the content of our exports, and improving the level of integration of industrial sectors. This is decisive to support the export dynamics, but also to enshrine the ambitions of national industrial sovereignty. Institutions such as the HCP plead for a targeting of groups of products which do generate imports and which foster the widening of the trade balance deficit. This must be accompanied by the strengthening of the productivity of industrial sectors, through a better reallocation of resources. Concretely, it is a question of betting on companies with low production, but which present a strong potential for growth. This is essential to break the vicious circle of the external deficit and reduce the reliance on internal inflation on fluctuations in the prices of imported inputs. □

## Weekly highlights

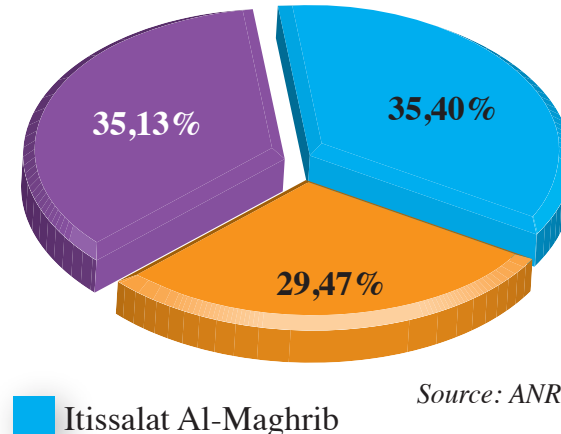
# Telecoms: Big anonymous sim cards hunting operation

**T**HE three phone carriers (IAM, Orange, Inwi) have been ordered (by the telecom regulator, ANRT) to identify all subscribers to their services, within a maximum of three months. In other words, within three months (next October at the most), the three phone carriers will have the right to deactivate anonymous SIM cards. The telecom operators will only be able to activate a SIM card if they have all the personal identification data of the cardholder. This decision has just been confirmed by the Ministry in charge of Digital Transition and Administrative Reform. The new decision draws its legitimacy from a piece of legislation, according to which each subscriber, whoever he or she is, must provide precise information on their identity (family name, first names, national ID card number), address, contract subscription date, phone carrier, and other information). In addition to issues related to security and the identification of illegal subscribers, this measure is supposed to authenticate contracts, and make the databases of telecom operators more reliable and up to date. This measure will also limit unwanted text messages. On the other hand, it will now be up to each phone carrier to identify customers who have

Market share of mobile phone customer base



Market share of post-paid mobile telephony customer base



Source: ANRT

made card purchases from networks of distributors, authorized resellers, sales agents, kiosks or even street ven-

dors (in the traditional markets, urban centers, and other places). These measures aim at fighting the use and pro-

liferation of anonymous SIM cards. At the same time, this approach will allow any phone subscriber to have a valid contract and above all to be identified. As a reminder, the subject of anonymous SIM cards is one of the longstanding issues remaining to be solved in the mobile phone market in Morocco. In the past, all the decisions of ANRT, the telecom regulator, related to this same subject, turned out to be unsuccessful, yet the law is clear. All network operators are required to comply with the telecommunications law and the related implementing decrees. □

Amin RBOUB

### What the law says

**T**HE legislation requires “the identification of any holder of a SIM card”. In addition, the non-identification of subscribers contradicts the provisions of law (09-08) relating to the protection of natural persons and the processing of personal data. Clearly, compliance with the law (09-08) systematically requires the involvement of phone carriers, through the collection of personal data of all of their

customers and the processing of this information in compliance with the conditions provided for by the same law. “All customers must be subject to precise identification comprising the following elements: family name and first names, address, and copy of an official ID card...”. This identification must be made upon subscription to a phone contract, with the supporting evidence. □

## The plague of unlicensed constructions

**M**ORE than 32,048 fines and offenses were recorded in 2021 in the field of town planning and construction. Unlicensed construction is the main violation that is observed, with an annual average of 31,729 offenses of this type. This type of constructions have dominated the statistics of the Presidency of the General Prosecutor’s Office for almost a decade, from 2013 to 2021. The census carried out by the General Prosecutor’s Office also includes other violations of law No. 66-12 relating to the control and enforcement measures in the field of urban planning and construction offences such as non-compliance with the construction plan, construction of a housing estate without a permit, and construction on public property. It is a form of spoliation of the real estate of the Government ! (see L’Economiste issue # 4672 of December 21, 2015). To counter these illegal practices, the



magistrates of the Public Prosecutor’s Office see to the implementation of precautionary measures: interruption of construction work, seizure of building materials, or demolition of buildings. These measures are used in the presence of representatives of the municipalities and of the judicial police. It remains to be seen why unlicensed constructions are dominant. “First of all, what is at issue is the complexity

and delays in the procedure to secure a building permit, which might take six months as a minimum. Then there are cities that are not fully covered by the land registry. Some owners do not have a land title and thus resort to clandestine construction”, said Chakib Benabdellah, president of the Architects’ Association. The land title is one of the documents neces-

sary to submit to the municipality to start construction work, representing a kind of ID card which justifies the owner’s capacity, the location of the property, its area, and its topographic limits. Moreover, rural areas are not immune to illegal construction either, even if the legal data do not distinguish rural areas from urban areas. Violation of the regulations occurs for example in “Melk” land or collective land, notes the presidency of the Architects’ Association. The “Melk” lands are property based on a deed issued by Muslim notaries public. These lands are not registered with the land registry, even if it is true that the National Land Registry, Cadaster, and Cartography Agency (ANCFCC) has initiated a vast agricultural land registration operation a decade ago. Collective land rather belongs to a tribe. Normally, its members only have a right of enjoyment and not an individual right of ownership. □

## In the shoes of an investor

**W**HERE to apply for investment assistance? What are the case processing times? What checks are carried out before the allocation of an investment bonus? So many questions posed by interested investors and to which L'Economiste publishes the answers. Framework law no. 03-22 relating to the Investment Charter provides for four investor assistance mechanisms, but in a first phase, only the so-called "main" mechanisms and the one intended for strategic projects are operational. To be eligible for the so-called main mechanism, one must demonstrate his or her intention to make an investment of at least 50 million Dirhams (USD 5 million) and the creation of at least 50 stable jobs. Investments that provide for the creation of 150 jobs are also targeted, regardless of the amount invested. The second category of investment that falls within the scope of the main mechanism concerns strategic projects. These are projects whose total investment amount is equal to or greater than 2 billion Dirhams (USD 200 million), fulfilling one of the five



criteria set by the Charter. Projects in the defense sector are automatically qualified as strategic.

■ **Where to submit an application:** Interested persons are invited to submit their application for the conclusion of an investment agreement via the [www.cri-invest.ma](http://www.cri-invest.ma) platform. The application must include a request for the conclusion of an investment agreement within the framework of the main provisions of the Charter, request to be sent to the president of the Unified Regional In-

vestment Commission (Commission régionale unifiée d'investissement) according to the usual template.

■ **The CRIs, first filter:** Once the application has been submitted (obviously with all the required documents), the Regional Investment Centers (CRIs) carry out the necessary checks. According to the standardized procedures manual, these one-stop shops must respond to investors about the completeness of their application within a period not exceeding 48 hours. This deadline is part of the

performance indicators of the CRIs. Complete applications are submitted for review by the Unified Regional Investment Commission within seven working days. The Commission, in turn, must respond to investors within 30 days.

After a favorable opinion from the Commission, the agreement is introduced into the signature circuit. The funds required for the investment are released in tranches according to the phases defined in the framework of the investment agreement. □

Hassan ELARIF

## Do Moroccans watch too much TV?

**T**V is one of the darlings of Moroccan households. Daily listening time in June 2023 per household is on average about six hours and a half. There is thus on average per day and per household at least one TV set that is on during all this time, says the Interprofessional center for media metrics (Ciaumed). It is practically the same result as in June 2022. A small screen that is on does not necessarily mean that a family member is watching it. TV also serves as background music in a Moroccan home! These audience metrics do target only 2M and the SNRT channels since the end of March 2008. The Medi1 TV channel is not included in those metrics. Furthermore, an individual aged five or more watches TV for an average of three hours and 51 minutes per day. This is practically half a day's work, according to data from the National Time Use Survey! More than 31 million individuals had at least one contact with one of the Moroccan channels in June 2023. On an ave-



rage day, public audiovisual channels (2M and SNRT combined) record on average per second approximately 5.7 million viewers between 9:15 p.m. and 11:00 p.m. Moreover, the overwhelming majority of programs and dramas appearing in the audience measurement charts are broadcast during this time slot of the evening, a period corresponding to prime time. In addition, most of those high audience shows are to be found on

the Al Aoula and on the 2M channels. On the first channel, an entertainment show like Lala Laâroussa attracted more than 7 million viewers on June 10, 2023. Comedies, Moroccan soap operas, and news broadcasts also had some viewership exceeding 4 million. On the 2M channel, Turkish audiovisual productions had a viewership of sometimes 5 million "faithful" viewers! The Casablanca-based channel has something in com-

mon with the Al Aoula TV channel. Entertainment and social programs are positioned in the top 10 with an almost similar audience. Only are taken into account in this ranking the shows of a duration higher or equal to 10 minutes. The ranking of programs is done on the basis of their number of viewers. If a program is recurrent or broadcast several times, only the broadcast whose viewership is the best will be included in the ranking, says Ciaumed. Apart from the usual peaks in the summer, the month of Ramadan shows a record audience. Ramadan 2023 was no exception to the rule. In fact, the average daily viewing time per household is seven hours and 25 minutes. This listening time is almost one hour longer than the time recorded in June 2023. The same is true for individuals aged five or more. On average, they watch TV for four hours and 48 minutes per day. That is one hour more than in June 2023. □

F.F.

## Weekly highlights

# Booking.com: change in the payment policy

WILL residents in Morocco be able to continue to book their stay via the Booking.com online platform? Nothing is less certain. The Dutch booking site has just made a radical decision. Indeed, following “a change in the requirements from the Moroccan central bank, Bank Al-Maghrib”, the Booking.com company will no longer accept the payment of its invoices in Moroccan Dirhams. Until now, these commissions were paid by national hoteliers through a “DLocal” account, opened with a Moroccan bank before being transferred in foreign currency to the Booking.com account in the Netherlands, but, from now on, invoices will be issued in Euros, and the amount of commissions will have to be paid by transfer in European currency and no longer in Moroccan Dirhams, which represents a major change for the national hotel industry that was used to selling its rooms through the electronic platform. The invoices in question relate to commissions collected by the booking site when its electronic platform is used by residents, whether Moroc-



can or foreign nationals, to book a hotel room. “It is actually a return to the old system. As a reminder, until 2015, we used to pay commissions in foreign currency, including for bookings made by residents. We then negotiated an agreement to be able to pay in Moroccan Dirhams via an account opened in Morocco, with the Moroccan bank then transferring

these amounts in foreign currency. I think that Bank Al-Maghrib has called Moroccan banks to order, telling them that they are not allowed to carry out this operation”, explained a hotelier.

Still according to its assumption the central bank estimates that funds paid in constant dirhams into a local account cannot be transferred in foreign

currency abroad, which is only possible in the case of an account in convertible dirhams or in hard currencies. Moreover, by paying for services 100% produced and consumed in Morocco by residents, the commercial bank of Booking.com equates this operation with imports, which is false. When a resident books his or her hotel room in Morocco, in an accommodation establishment located in the Kingdom, on a platform, even if such a platform is located abroad, this is neither an import nor an export. However, this modus operandi, which dates back several years, has never aroused the suspicions of any regulator. The problem has become national: it concerns foreign exchange reserves, since the turnover is made in constant (inflation-adjusted) dirhams and commissions must be paid in foreign currencies. For the moment, no unified position has been taken by the industry. However, since the decision has been made on July 3, the first invoices will begin to arrive from the 17th of this same month onwards. □

Hassan ELARIF

## Materialization of the low-carbon strategy

THE green economy is at the heart of all global concerns. Morocco is not exception to this trend. This translates in the application of the content of the National Strategy for Sustainable Development (SNDD), which aims to achieve a gradual transition of Morocco towards a green economy. Leila Benali recently said that her Energy Transition and Sustainable Development ministry carried out an evaluation of this strategy to take stock of the progress made in its implementation. In accordance with the conclusions of this evaluation, the Ministry has started updating the strategy, ensuring that the new version integrates all the orientations advocated by the New Development Model, by identifying six areas to speed up the transition towards sustainability. In addition to strengthening energy, water, and food security, the updated strategy advocates for the establishment of sustainable governance for inclusive territories and the transition to a competitive, low-carbon economy that creates



According to Leila Benali, the Ministry of Energy Transition is working on the development of a low-carbon development strategy, in coordination with all the actors concerned at the national and territorial levels, in order to strengthen the growth of renewable energies to produce clean electricity with a share exceeding 70% by 2050

wealth and jobs. The goal is also to give to citizens access to health, education, and public services. Another domain concerns the work to be carried out to guarantee valuable and resilient natural resources and ecosystems, particularly in the face of climate change. Another goal is to

preserve and enhance cultural heritage. According to Leila Benali, the ministry is working on the development of a low-carbon development strategy, in coordination with all the actors concerned at the national and territorial levels. This low-carbon development strategy aims to

strengthen the growth of renewable energies to produce clean electricity with a share that exceeds 70% by 2050, and to electrify uses in the industry and transport sectors. It is also a question of stimulating the circular economy and the development of green hydrogen and its use in industry and in heavy transport means, by strengthening digitalization and smart cities, with a low carbon footprint. This strategy includes the economic sectors that contribute to greenhouse gas emissions, including the industrial sector. One of the main factors that would foster a low-carbon industry in Morocco is the development of clean energies, in particular renewable energies and energy efficiency. In this regard, the ministry is working on the structuring of a new entity characterized by greater openness to competition to produce competitive green energy. It is also a question of encouraging decentralized production to allow access to low-carbon electricity, including for the benefit of industrialists. □

Mohamed CHAUI