

# Weekly highlights by L'ECONOMISTE



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## EDITORIAL

## The blond-haired people

Khalid BELYAZID

**O**NCE AGAIN Americans and Russians are facing off in Ukraine. And yet, great thinkers had announced to us that there would be no more war between «Westerners» after the fall of the Berlin wall, but only the «clash of civilizations» between the civilized and the uncivilized. For Samuel Huntington and his followers, it is a question of dark-skinned Mexicans invading white Americans, and Muslims, brown or black, reclassified as Islamists and terrorists, threatening white Europeans... The 9-11 attacks on New York were what triggered this «shock», and the invasions of Afghanistan and Iraq are their spinoff.

Today, we tend to forget about the brown-haired people. Russians, Americans, and Europeans say they are threatened by each other and risk a deadly war. A case between white people, unfolding in Ukraine, a country of blond-haired people, and particularly of famous blond women. The rest of the world is ignored to the

point where the U.N. is never mentioned or called upon, while in such cases the U.N. distributes sanctions or invasion mandates against small countries. And yet there is an invader, here, namely Russia, and a weak victim, Ukraine, with Western allies, always swaggering and threatening to retaliate, but still having their embassy staff flee before the first shot.

As far as the other countries are concerned, especially the poorest, they are suffering the «shock» of this tension which they did not create. They are already very disturbed by the pandemic and will be even more so by shortages of oil, gas, wheat, or oilseeds... Because developed countries are spreading their wars to the extent of their weight in the world and causing destruction to the extent of their large means. It is the shock of the civilized. But this is not what civilization is all about. □

Khalid BELYAZID

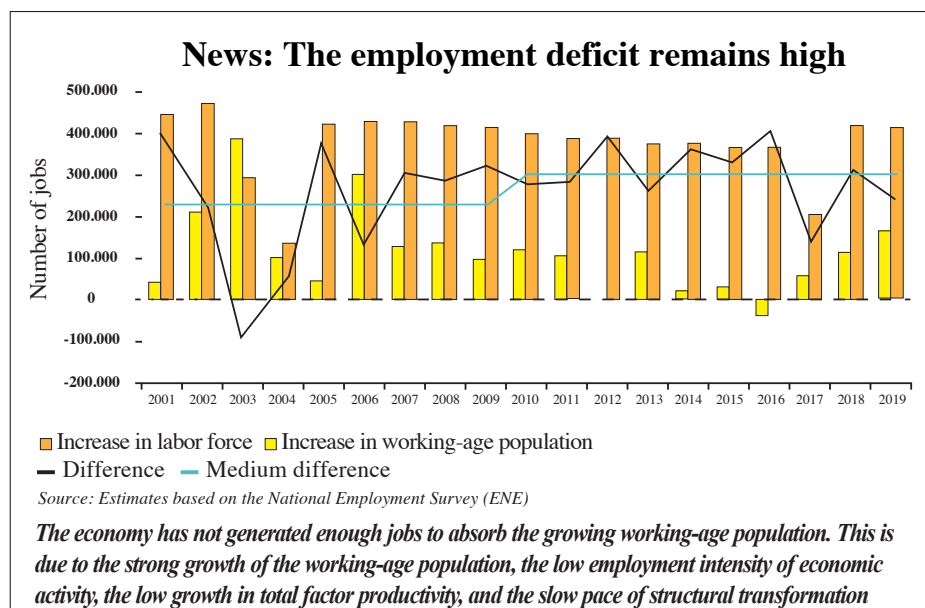
## Weekly highlights

# Industry fails to attract jobs

■ Only a small proportion of the workers released from the agricultural sector have been absorbed by industry

■ Morocco is one of the few countries where women's participation has declined since 2005

**G**ROWTH is disconnected from employment! This is the finding of a joint study by the World Bank and the Moroccan High Commissioner's Office for Planning (HCP). Presented during a webinar held on Monday, February 14, the study on «Morocco's Employment Sector: Identifying Obstacles to an Inclusive Labor Market» explains that due to incomplete structural transformation and a complex business environment, the labor market is characterized by low participation, persistent unemployment, low-quality jobs, and the exclusion of certain groups. Ahmed Lahlimi, High Commissioner for Planning, said that «Employment is a complex issue. It is a long-term issue that



is solved over a certain period of time.

Today, one of the challenges consist in succeeding and accelerating the transformation especially since the jobs created do not keep up with the increase in the working population: the deficit is estimated at 300,000 jobs on average each year. Until now, the structural transformation of Morocco has been slow. «There have been job losses in agriculture, but little job creation in manufacturing, which is a harbinger to «premature deindustrialization», the report notes. Only a small portion of the

workers released from the agricultural sector were absorbed by the industrial sector. At the same time, the share of services has been slowly increasing and many workers remain in the informal services. Structural transformation has also suffered from poor private sector job creation. The accumulation of public capital and a difficult business environment for enterprises have limited their contribution to job-creating growth. Businesses face costly access to land, a complex tax system, lack of skilled labor and training programs, and

insufficient access to finance... «The decline in the number of jobs, combined with the growth of the labor force and a persistent informal sector, has led to increased inactivity and persistent unemployment».

The other challenge is to get more young people into the labor market. Especially since 29% of people aged 15 to 24 are considered to be «Not in Education, Employment or Training» (NEET). Yet prolonged inactivity leads to long-term unemployment. «NEET» status is surprisingly «persistent»: people who were not in school, employed, or undergoing training in 2010 were still not in school, employed, or undergoing training 10 years later. This long-term result is a major impediment to an employment-oriented growth strategy», the study points out.

Among the NEETs, gender disparities are another problem. More women than men are NEET.

Morocco is one of the very few countries where female labor force participation rate (FLFPR) has declined since 2005, while average FLFPR rates have increased worldwide between 2000 and 2019. □

**Khadija MASMOUDI**

## Tourism/Emergency plan

# Mechanisms are being put in place

■ Bankers grant a moratorium on loans and Government takes care of interim interest

■ Restaurant owners and tour operators are added to the list of beneficiaries

**A**FTER the announcements of the emergency plan for the Moroccan tourism industry, the concrete work can begin. The line ministry is putting in place its support mechanisms. And the good news is that all sectors are now concerned by the government assistance (hoteliers, transporters, tour operators, and classified restaurant owners), reads a ministerial note. The employees of these four sectors will benefit from a lump sum compensation while tourism companies will be entitled to a moratorium on bank loans. Indeed, as part

of this support mechanism decided by the Government, banks grant a moratorium on maturities of medium- and long-term bank loans (including «Damane Oxygen Amortissable», «Damane Relance», and «Damane Relance Hôtellerie») for a period of up to one year ranging from January 01, 2022 to December 31, 2022. The deferred maturities are postponed to the end of the initially agreed loan period. The borrowing costs linked to the said deferral are taken care of by the Government for up to 9.5 months. It should be noted that people interested in this protocol will have to come forward before the end of March in order to benefit from this moratorium. Another measure much awaited by tourist accommodation establishments is the hospitality assistance fund.

This project is well underway. It is the financial arm of the line ministry, the Moroccan Tourism Investment Company (SMIT) which is in charge.

The support, which aims to improve the quality of the tourism offering, will be based on a program of renovation, maintenance, training, or digital transformation. As announced by L'Economiste (See issue No. 6188 of January 31, 2022), the subsidy granted is in the order of 10% of the turnover achieved in 2019, the baseline, and capped at 10 million MAD (circa 1 million USDs) per entity. According to the SMIT, calls for expressions of interest (CEI) will be launched shortly for the selection of tourist accommodation establishments wishing to receive support from the Government. These CEIs will specify the nature of projects that may be eligible. On the basis of these CEIs, the interested tourist accommodation establishments will submit their applications for support to the regional office of the Ministry of Tourism concerned, which will review them before submitting them to the SMIT for processing and payment. It should be noted that

as soon as the contracts are signed, the Government undertakes to pay the first instalment. The remainder will be given at the end of the construction works and after a validation report. As a reminder, the Ministry of Tourism announced in January an emergency plan for tourism which includes, among other things, a subsidy to the hotel industry of a total amount of 1 billion MAD (about 106 million USDs), and the extension of the payment of the lump sum of 2,000 MAD (214 USDs) during the first quarter of 2022, for all employees of the tourism sector, tourist transport companies, and classified restaurants, as well as the deferral of charges due to the National Social Security Fund (CNSS) for 6 months for these same employees. Professionals were waiting for the implementation of these mechanisms which was announced yesterday by the SMIT. □

**Badra BERRISSOULE**

## Private radio stations

**Business model warning**

■ The High Authority for Audiovisual Communication delivers its diagnosis

■ Structural problems in advertising revenues

■ An offering provided by 13 operators broadcasting 20 radio services

**15** years already! Since 2006, when the very first licenses were granted, private radio stations have become part and parcel of Moroccans' daily lives. Over the years, the airwaves have helped people speak more freely and forge strong links, via the Internet, not only in Morocco but also with a large and diverse diaspora.

According to the High Authority for Audiovisual Communication (HACA), «by the end of 2021, the national private radio offering is provided by 13 operators broadcasting 20 FM radio services, including 7 radio stations with national coverage, 4 radio stations with multi-regional coverage, 2 networks of 8 regional stations, 1 multi-local radio station in addition to a bouquet of 11 radio stations broadcast via the Internet».

Between 2007 and 2021, HACA has assigned 491 frequencies for the broadcasting of private radio services. According to the High Authority for Audiovisual Communication, «Private radio stations have managed to build a link of great proximity and an inclusive relationship with citizens by allowing for the expression of all social, linguistic, territorial, heritage, and cultural diversities».

This is evidenced by the strong mobilization of the radio waves during the national campaign against the spread of Covid-19 or the monitoring and national coverage of the general elections of September 08, 2021... So many tangible examples that inform



«Even in the world of digital communications, radio reaches more people than any other media platform», says United Nations Secretary-General Antonio Guterres (Ph. L'Economiste)

people on the capacities of mobilization, social inclusion, and promotion of pluralism of opinion, including in remote areas of the country.

However, despite all these multiple and concrete achievements, the development of the private radio offering remains constrained by several factors. Among these factors, difficulties related to the business model or the major constraints induced by the economic crisis coupled with the pandemic (Covid-19) with the collapse of advertising revenues... This has accelerated many weaknesses in the entire ecosystem of private radio stations. In other words, the model will have to be reinvented.

Today, the business model of classical radios, which is mainly based on advertising funding, has reached a dead end. It is subject to structural problems. «The model is showing its limits in an advertising market coveted by the GAFAM. The model must therefore urgently adapt to the changing media consumption modes or to the strong competition of

digital formats», say HACA's managing directors. From now on, new development levers are needed, experts agree. "The economic emergency that the sector is experiencing at this time calls for a professional upgrade or the establishment - by the government - of a vision in the short, medium, and long term to support the digital transformation of companies and of the sector and the upgrade of the business model», recommends the regulatory body.

For the moment, the situation is very critical and complex for this sector.

But beware, the solution does not lie only in the financing! According to the regulator, "the development of the private radio sector in Morocco is not dependent only on financial and economic levers to be implemented or reformed... The solution also lies in the consolidation of trust and professional ethics with the promotion of quality journalism to strengthen the link with society and with citizens.□

Amine RBOUB

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## Weekly highlights

# The Ministry of Interior tracks down violations of urban planning

■ The head governors of Rabat and Tangiers point out the responsibility of architects

■ The buildings in an irregular situation are deprived of the occupancy permit

■ An essential document for the splitting of land titles

**T**HE Ministry of Interior wants to take action concerning urban planning violations. At least two initiatives confirm this. First, there is the letter sent to everyone's surprise by Mohamed Yaacoubi, wali (head governor) of the region of Rabat-Salé-Kenitra directly to the Minister of Urban Planning and Housing instead of going through the hierarchy. In his letter, the wali said that the local commission in charge of monitoring projects has visited 91 real estate projects in the region having obtained the certificate of compliance for the year 2021. It turns out that 70% of these projects have received the certificate of completion signed by architects, attesting to their compliance with the authorized documents, including construction plans, while the situation is quite different. The letter also states that the increasing number of certificates of compliance issued by architects for projects in an irregular situation with respect to the authorized plans endangers the safety of citizens and affects the urban aesthetics. The regional chapter of the Architects' Association has been asked by the wali to take administrative action on these violations of the law. Legal proceedings may also be considered against the architects concerned.

On another level, the wali announced that the issuance of occupancy permits will now be conditioned by the compliance of real estate projects. This is considered by some architects as a step backwards from the provisions of Law 66-12 which places architects at the heart of the procedure for the occupancy permit. The document is delivered on the basis of the certificate of compliance signed by the architect who seems to have been left out of the new scheme. This pilot experiment is conducted in several cities, including Rabat.

As a reminder, the failure to obtain an occupancy permit prevents the splitting of the land title and the registration of the property at the Land Registry. This has the consequence of prohibiting any transaction.

The approach of the wali of Rabat does not seem to be isolated. Indeed, his colleague in the



*Many real estate projects undergo minor modifications from the original plan, but these changes must be authorized and be the subject of a revised plan (Ph. L'Economiste)*

region of Tangiers-Tetouan-Al Hoceima has sent a similar letter to the president of the regional council of the Architects' Association. A letter that says a lot about the nature of irregularities in 26 projects under construction in the region. The wali has also accompanied his letter by a table summarizing the nature of violations, with the address of the buildings concerned, the number and date of the building permit, and the name of the architect responsible. Among the irregularities reported were the construction of

one or two additional floors without authorization, the transformation of a mezzanine floor into a full floor, the construction of a recessed floor, the increased height of the building, and other irregularities.

The initiatives of the walis of Rabat and Tangiers are considered by a professional as an «open war» between the Ministry of Interior and the Department of Urban Planning and Housing. □

Hassan EL ARIF