

Weekly highlights by L'ÉCONOMISTE



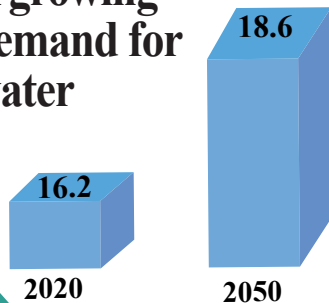
Fuel

Gas prices at the pump may explode



National industrial sovereignty
1.7 billion Dirhams of projects

A growing demand for water



A 100% Moroccan antibiotic on the market!

Nizar Baraka at «Club de L'Économiste»
More than a billion cubic meters of water lost each year!

Those eternal injustices in the labor market



EDITORIAL

Good conscience

Meriem OUDGHIRI

FREEDOM, equality and... marketing. On this day of March 8th, press releases, advertisements, promotions, or even programs of inclusion, leadership, and female entrepreneurship... invade the public space. The metrics about schooling or vulnerability, in every area, are also published. In short, a hustle and bustle that points out every year the glaring inequalities to show how much the country is still lagging behind at different levels.

But behind the statistics, the real «March 8th» is that of everyday life, the dictatorship of quotas, the covert messages, the violence in all its forms, the sclerosis of a society that is still paranoid and neurotic. The torment also of the job that women do not manage to get or of the job market that they leave for different reasons. And the graphs produced by specialized institutes show this tragic regression.

Yet, not everything is negative in this observation. However, not everything is rosy either. It is in fact a feminization with some nuances.

In the last few years, women have made a remarkable entry into the boards of directors, but still very little in the executive committees, the real decision-making centers. There are (very) few women in politics, in diplomacy, at the head of medium-sized companies, but not the largest ones. There are also many women who achieve feats on a daily basis, who lead professional careers, and who courageously defend their projects and causes. The debate on women's rights, equality, and inclusion must continue against the backdrop of recovery, the implementation of the New Development Model, or social protection, the goal being for March 08 not to remain just one of these one-day celebrations and to give oneself a good conscience. □

Weekly highlights

Fuel: Gas prices at the pump may explode

■ Oil prices continue to soar under the effect of the war in Ukraine

■ Diesel could reach 15 Dirhams per liter and 17 Dirhams for gasoline

THE news is far from being good. Gas prices at the pump will increase again. Liberalized for more than 5 years, the price of gasoline has crossed the bar of 12 Dirhams (MAD) and diesel the bar of 11 Dirhams in recent weeks, and those levels could be exceeded in the coming days.

The evolution of oil prices and of the dollar will result in a price of diesel around 15 Dirhams per liter and 17 Dirhams for gasoline. On Wednesday morning, crude oil prices resumed their surge, following concerns over the Ukrainian crisis. By 07:23 GMT, Brent crude futures for May delivery were up 3.40%, namely \$4.08, reaching \$127.27 a barrel. US West Texas Intermediate (WTI) crude futures for April delivery were also up 2.80 percent, namely \$3.3, reaching \$122.7 a barrel.

If the surge continues, both gasoline and diesel fuel will become unaffordable.

For now, the government prefers to work directly with the affected professionals, as is the case today with the transporters. But is this enough? What mechanisms will it roll out since the rise in the price of black gold does not have a glass ceiling? It must also be said that the subsidy of petroleum products practiced for years was unsustainable for public finances. In fact, even the support for gas and flour will cost more than expected. If prices continue to rise, the amount of the butane gas subsidy provided for in the 2022 budget law will be greatly exceeded. For example, for a consumption of 2.6 million tons and a price



Besides the high cost of diesel and gasoline, the other concern is related to strategic stocks, especially with the risks related to availability and therefore to supply (Ph. Jarfi)

of 10,000 MAD per ton, the bill will soar by several billion dirhams.

Today, unless the government reduces investments or widens the budget deficit or delays certain strategic projects such as the generalization of social protection, the government shall not have sufficient margins.

In addition to the high cost of diesel and gasoline, the other concern is related to strategic stocks, especially with the risks on availability and therefore on supply. On this issue, Morocco is lagging

behind and the debate between operators and the government concerning who is responsible for the strategic stock is still at a standstill. The Government requires a stock of 60 days of sales, both in terms of product availability and capacity. In addition, each distribution company must hold a minimum of 15 days of tool stock. "Despite the effort made by the distribution companies, no operator is capable of achieving them at present. They have so far invested in the existing storage that is necessary to unload imports. The

existing storage capacity is about 1 million cubic meters, an equivalent of 3 billion MAD invested", said Mostafa Labrak to L'Economiste, CEO of Inergysium Consulting. In other words, the existing depots are not sufficient to meet the mandatory security stock and the current level rarely exceeds 30 days. The capacity needed to fill the gap would be about 2 million cubic meters and would require an investment of 10 billion MAD. □

Khadija MASMOUDI

Nizar Baraka at «Club de L'Economiste»

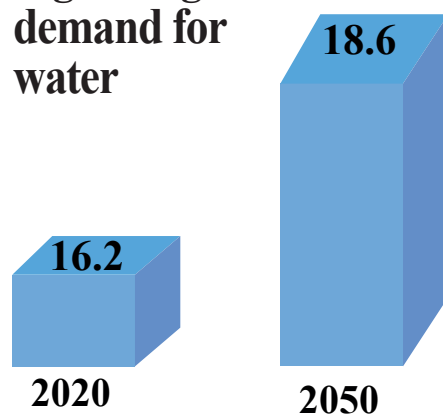
More than a billion cubic meters of water lost each year!

■ In question, the overexploitation of groundwater, the scarcity of rain, global warming...

■ Demand will increase from 16.2 billion cubic meters in 2020 to 18.6 billion in 2050

AFTER being in a situation of water stress, Morocco entered a phase of water scarcity. And in recent years, the phenomenon has exacerbated. So much so that the Kingdom has launched an emergency plan to secure its water supply to meet the needs of its population and its socio-economic development. Several challenges and constraints face this strategy, starting with the demand for water, which is on the rise due to galloping urbanization. According to projections by the Ministry of Equipment and Water, headed by Nizar Baraka, water demand in 2050 could reach 18.6 billion cubic meters, compared to 16.2 billion cubic meters in 2020. Several decades ago, the country has bet big on the construction of dams. The pace accelerated with the onset of severe drought in the early 1980s. The

A growing demand for water



Water demand, which will increase from 16.2 billion cubic meters in 2020 to 18.6 billion cubic meters in 2050, is explained by the galloping urbanization that Morocco is experiencing

government must now deal with the natural phenomenon of dam siltation, due to climatic conditions, the nature of soil, the relief, and the vegetation, a phenomenon which calls into question the water reserves. To illustrate the issue, the Mohammed V dam, supposed to have a capacity of 13 billion cubic meters, only contains in fact one million cubic meters. The phenomenon is aggravated by desertification which affects vegetation. Minister Nizar Baraka speaks of a potential of 23 million hectares that would be targeted. «The volume of water lost each

year is estimated between 0.1 and 11 million cubic meters per dam», he points out. A problem that must be quickly taken care of by the public authorities to avoid losses that would aggravate the water situation in Morocco.

The analysis of data relating to changes in the water potential at groundwater level leads to two observations. Some water tables have experienced an average drop of one meter per year; this is the case of the Souss, Fez-Meknes, Haouz, and Tadla water tables, among others. Others were marked by a certain stability or a less pronounced average drop than in the previous category, i.e. less than one meter per year: this is the case of the Aïn Beni Mathar, Berrechid, Chaouia, Angad, Rmel, Gharb, and Laâyoune water tables. Morocco loses more than one billion cubic meters of water each year due to the overexploitation of groundwater, aggravated by the scarcity of rain. For the Berrechid region alone, the losses are more than 2 million cubic meters per year. In recent years, we have lost 20 million cubic meters.

Morocco receives on average each year some 140 billion cubic meters of rain per year. 122 billion do evaporate

due to heat, which has increased. The goal within the framework of COP22 is to reduce it by 2 degrees. Morocco experienced a temperature rise of about 1.5 degrees. The mobilization capacity via the dams is 18 billion cubic meters. The remaining four billion do seep through the groundwater. Morocco has experienced extreme temperatures and high levels of rain and snowfall. Therefore, the challenge is to store this precious water. The minister points out that every year 4 billion cubic meters of water go to the sea due to the lack of storage capacity. In addition, Morocco faces a problem of supplying its aquifers. To do so, it was a question of building one thousand hill dams, at the rate of about forty per year, but this project did not come into being. As a result, Morocco has only 135 of them.

The other major challenge facing the effectiveness of the water strategy concerns the losses at the level of the hydraulic pipes which must be maintained on an ongoing basis. The water strategy is handicapped by the question of financing and the difficulty of financing projects through the sale price of water, which remains well below its real cost. Added to this is the lack of private interest in investing in water. □

Hassan EL ARIF

Those eternal injustices in the labor market

WOMEN's participation in the labor market is declining. Addressing women's exclusion requires tackling a variety of factors, including «social norms» that may impede women's ability to work. Despite improvements in school enrollment rates, women are increasingly unlikely to work outside the home. Integrating women into the labor force would, among other things, reduce gender disparities. This would also empower women to make decisions within the household, increase household investments in education and health, and make it possible to tap into a critical labor resource for economic development.

■ Why women stay out of the labor market

In both urban and rural areas, women are not working for two main reasons: childcare and domestic chores.



More than five out of 10 women are in this situation. The joint report of the World Bank and of the Moroccan High Commissioner's Office for Planning (HCP) concerning the employment landscape in Morocco suggests another explanation. This is linked to the level of education: «the probability of remaining outside the labor market is largely determined by the level of education of women in urban areas, while in rural areas, the essential factor remains the level of education of the head of household», reads the report.

■ Married and inactive

Marriage is an important factor in the situation of women. Single women in rural areas were 7% less likely to remain inactive than married women in 2018. In cities, single women are about 20% less likely to be out of the labor force! In other words, inactivity is prevalent among women, especially when they reach marriageable age. In 2019, while most inactive men aged 15-24 were either in school or single, about 44% of women in the same age bracket were already out of school,

married, or single. The situation is different for 25-34-year-olds, as 81% of inactive women are married and not in school.

■ Women and entrepreneurship: Morocco can do better

Only 16.2% of business leaders in Morocco are women. This figure comes from the Moroccan Observatory of Very Small Enterprises, which has just published the preliminary results of a study on female entrepreneurship and women business leaders in Morocco. The study indicates that the share of women managers and entrepreneurs in Morocco needs to increase. While waiting for the details of the study, the Observatory underlines that 14.6% of the active legal entities are headed by women, 16.3% of the active physical entities belong to women, and 25.5% of the active auto-entrepreneurs are women. □

Khadija MASMOUDI

Weekly highlights

National industrial sovereignty

1.7 billion Dirhams of projects

■ 13 agreements concerning the agribusiness and pharmaceutical sectors

■ Juices, biscuits, chocolate, pasta, dairy industry, vegetable processing, and other products

■ 1,780 direct and 2,700 indirect jobs and an additional turnover of more than 2.9 billion Dirhams

NEW investment projects to strengthen national industrial sovereignty in strategic sectors are in the pipe. Thus, the Minister of Industry and Trade, Ryad Mezzour, has just signed, this Wednesday, 13 investment agreements with industrialists in the food and pharmaceutical sectors. These agreements relate to a global invest-

ment exceeding 1.7 billion MAD (173 million USD) and generating more than 1,780 direct and 2,700 indirect jobs, as well as an additional turnover of more than 2.9 billion MAD, it is said. The lion's share goes to the agribusiness sector with 10 agreements relating to the realization of construction projects for new units or extensions for a total cost

of more than 1.2 billion Moroccan Dirhams. Spread over 5 regions of the country, «*the 10 projects fall within the sectors of the citrus crushing and juice production industry, biscuits, chocolate and confectionery, pasta and couscous, fruit and vegetable processing, and the dairy industry.*» In addition to the development and industrial processing of regional and national agricultural pro-

duction into citrus fruits, milk, as well as fruit and vegetables, these investments in the agribusiness sector are part of the strategic priorities of substituting imports with local products that meet the needs of the national market in agri-food products, it is recalled.

One of these projects is the one to be carried out by the Berkane Juice Processing company (of the Zniber Group) which involved the establishment of a citrus crushing unit at the Berkane agropole. Another project is an industrial unit for the production of pasta and couscous whose promoter is the Moony Pasta company (Cap Holding Group). For the manufacturing of biscuit, chocolate, and confectionery products, the Fortune Maroc company plans to build an industrial platform for an investment exceeding 180 million MAD (18 million USD). The goal is to meet demand from the local market, part of which is imported, according to the management of the company. □

Noureddine EL AISSI

Pharmaceutical sector

FOR the pharmaceutical sector, the agreements in question relate to 3 projects relating to the manufacturing of generic drugs for a total amount of approximately 530 million MADs (54 million USDs). Located in the regions of Casablanca and Rabat, «*these projects involve the exclusive manufacture and packaging of sterile injectable drugs in pouches, the production of first generic drugs intended for the local market and for export, and the manufacture of concentrates for hemodialysis and the marketing of pharmaceutical products*». One of those projects involves the construction of a pharmaceutical unit in Oum Azza (region of Rabat) which will be carried out by the Amanys Pharma company. According to its Managing Director, Mohammed Skali, this unit will be dedicated to the exclusive manufacture and packaging of generic injectable hospital drugs which are currently imported by Morocco. □

A 100% Moroccan antibiotic on the market!

LAST February, Sothema Laboratories launched an antibiotic 100% made in Morocco. Its designer, Adnane Remmal, an internationally renowned researcher, professor at the Mohammed Ben Abdellah University in Fez, claims to be the creator of «*the first originator drug in the history of Morocco that is the fruit of local research and industry*». «*Until then, we only made generics or biosimilar drugs. This remedy is also the first antibiotic boosted against multiresistant bacteria in the world. We have also filed patents everywhere, in the US, in Europe, China, India, Eurasia, South Africa and the Middle East,*» he says.

Called Olipen, the drug combines penicillin, cineol, and beta-lactamase. The medicine can be used to treat various infections in adults and children over 12 years old (urinary, dental, respiratory tract, joints, skin, middle ear, and sinuses).

For Adnane Remmal, this was the culmination of a whole career dedi-

cated to research on the molecules of essential oils. It took him nearly thirty years to finally see his remedy marketed. «*This is a great scientific breakthrough and we are very proud of it. I'm sure that this medicine will go beyond our borders,*» testifies Adil Zanfari, president of Genpharma, member of the Moroccan Generic Drugs Association.

As a young researcher in the 1990s, Adnane Remmal devoted his state PhD thesis, obtained in 1994, to the antibacterial action of essential oils. He had not chosen his theme at random. After securing a French PhD in pharmacology of cardiovascular diseases, Adnane Remmal preferred to return to Morocco. He immediately made the rounds of doctors, pharmacists, and health professionals to take note of their expectations and offer his services as a researcher. A problem emerged, namely the absence of an antibiotic that could eradicate the resistant bacteria. Remmal got in touch with some great researchers who worked on the antimicrobial action of

essential oils, namely one microbiologist, Abdelrhafour Tantaoui El Araki, and one chemist, Bachir Benjilali. Their work served as a basis for his investigations. Remmal's experiments then highlighted the «*potentiation*» of the antimicrobial action of antibiotics, thanks to essential oils. After his state thesis, Remmal thought of protecting his discovery, but he came up against two obstacles: the absence of an entity issuing patents in Morocco and an exorbitant cost abroad. Towards the beginning of the 2000s, a meeting finally enabled Adnane Remmal to move forward, i.e. the meeting with a business angel, who is none other than Ahmed Reda Chami, currently president of the Economic, Social, and Environmental Council. At the time, Chami was a young boss of Microsoft in Asia, passionate about innovation and new technologies. Chami invested nearly 5 million Dirhams (500,000 USD) for 5 patents protecting Remmal's discoveries. With a third partner, Driss Squalli, doctor in genetics, co-founder, and CEO of

Genome Biotechnologies, they set up a company, Advanced Science Development (ADS) to file patents. «*I then turned to Moroccan industrialists to develop my antibiotic. They all found the project excellent, however, they said they were too small to embark onto the project,*» said the researcher. Only one industrialist dared to embark on the adventure, the late Omar Tazi, president of Sothema, who continued to pay the patent fees. Additional research and clinical trials then followed.

In 2017, Adnane Remmal won the European Inventor award and received a royal decoration. His new fame makes him gain confidence and legitimacy, in particular with the Moroccan Ministry of Health which had received the application for the marketing authorization for the boosted antibiotic. Authorization was issued only in May 2021. Several tens of millions of Dirhams (MAD) (several million USD) had to be spent for the drug to come into being. □

Ahlam NAZIH