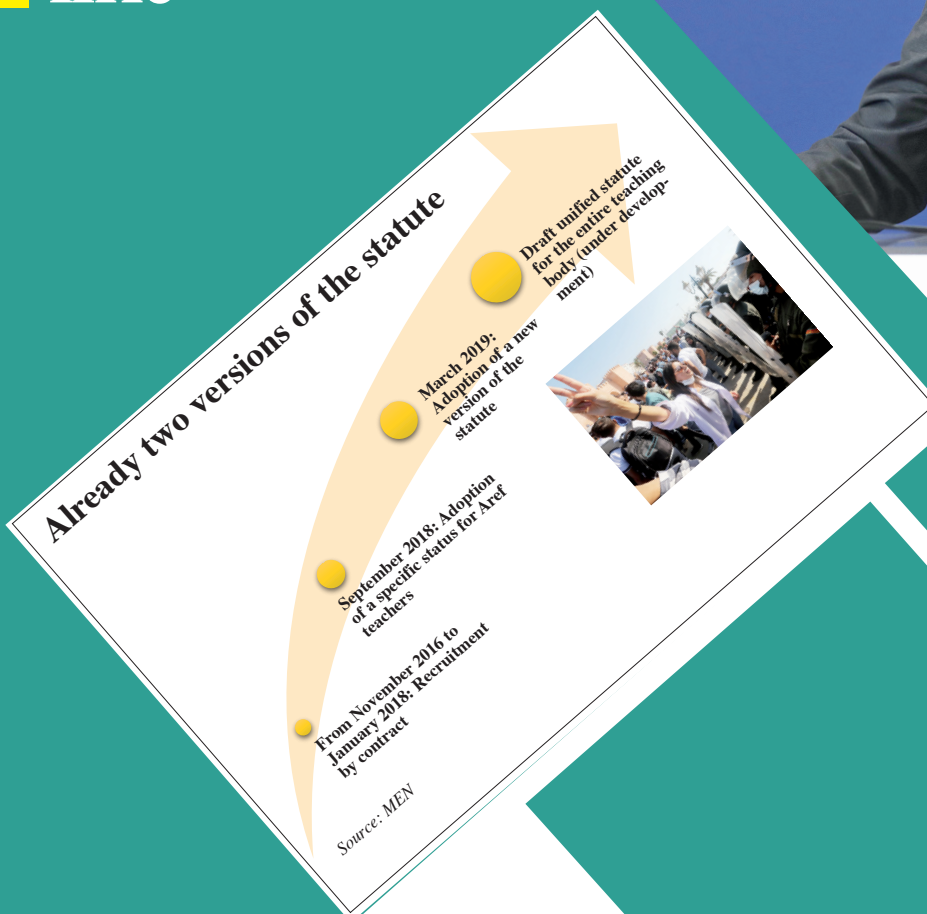


L'Weekly highlights by ECONOMISTE



Morocco-Spain What the new roadmap will be like



Payment time limits Big companies rule the roost

Teachers of the academies Why they continue to protest

Substandard housing Developers could do better



EDITORIAL

After Spain...

Mohamed CHAUI

THE «sigh» of relief is unanimously expressed following the rekindling of bilateral relations between Rabat and Madrid, after Spain's support to the Moroccan proposal for autonomy in the Southern provinces. After a year-long crisis, a solution to the deadlock was needed. On this issue, the King personally and directly followed up on the dialogue process and the evolution of the negotiations. The aim was not only to find a way out of this crisis, but also to seize the opportunity to redefine the foundations and parameters governing Moroccan and Spanish relations.

Now more than ever, Spanish officials have at last realized that their prosperous future with Morocco is also a gateway to Africa. They have also realized that the generals' regime in Algiers, being isolated, and accumulating one failure after another, is hardly constructive. Actually,

the first official reaction of the Algerian regime to Madrid's new position on the Moroccan Sahara was to summon its ambassador from Spain. An act that is far from being diplomatic. Indeed, this new stance taken by Madrid is a sovereign decision that falls within the framework of its foreign policy.

Why is Algeria poking its nose? The bottom line is that vis-à-vis the international community, the masks have come off. Contrary to what it claimed, the decision by Algeria to recall its ambassador confirms that it is at the origin of, and a stakeholder in, the conflict. In any case, Europe must change its vision and its relations with Morocco that is an emerging country, politically stable, and one which perfectly plays the role of a sentinel against terrorism and illegal emigration. So, after Spain, who's next? □

Weekly highlights

Morocco-Spain

What the new roadmap will be like

■ based on transparency and permanent communication

■ Trade, migration management, security cooperation... the issues on the table

RABAT and Madrid bury the hatchet. After several months of arm wrestling, the two countries finally agreed on the new rules of the game. One of these chief new rules is «*the importance of the Sahara issue for Morocco*», enshrined in the message of the head of the Spanish government, Pedro Sánchez, to HM King Mohammed VI, last Friday. The other parameters of bilateral relations have also been clearly defined. From now on, relations between Morocco and Spain will be based on «*transparency and permanent communication, mutual respect, and on the agreements signed by both parties and marked by the abstention from any unilateral action, in keeping with the importance of everything that we share*», according to the presidency of the Spanish government. Rabat picked up these positive signals and reacted favorably to these new «*positive positions*



After the announcement of the new Spanish position on the Sahara issue, the Ministry of Foreign Affairs of Morocco reacted favorably to these new «*positive positions and constructive commitments of Spain*» (Ph. L'Economiste)

and constructive commitments by Spain on the Sahara issue». Today, this evolution of the Spanish position on this strategic issue seems more in line with the principles set by the King in the speech of August 20th. The Sovereign had called for «*establishing an unprecedented stage in relations between the two countries, based on transparency, mutual consideration and respect for the commitments made*». On the Spanish

side, the recognition of the Moroccan autonomy initiative as the most serious, realistic, and credible basis, allows the Iberian neighbor to relaunch a «*stable and good relationship*», according to the Spanish presidency. For Madrid, «*the world needs cooperation between countries and working together on common problems*».

In any case, the revival of relations between Morocco and Spain will be

based on a new roadmap. Visits from senior officials are on the agenda. First, that of the Spanish Foreign Minister, expected in Rabat before the end of the month. Another, from the President of the Spanish government will also have to be scheduled later. The idea is to define the priority cooperation areas. On the Spanish side, this new phase «*guarantees the necessary stability, and will bring us certainty both politically and in terms of its positive effects on trade between Spain and Morocco*». For Madrid, «*the density of economic exchanges must be equivalent to that of political exchanges, while being part of a relationship of candor and transparency, mutual respect of interests, and cooperation beneficial to both countries*». Rabat is Spain's third largest economic partner outside the European Union. Spanish exports to Morocco increased by 29% in 2020/2021. More than 17,000 Iberian companies have commercial relations with Morocco and 700 are established on Moroccan territory, underlined the Spanish Minister of Foreign Affairs. This economic and trade cooperation is all the more important as global supply chains are currently disrupted due to the repercussions of the war in Ukraine. □

Mohamed ALI MRABI

Payment time limits: Big companies rule the roost

■ They pay their suppliers later

■ Terms of payment have deteriorated: 279 days for VSEs and 129 days for SMEs

■ Intercompany credit falls below bank credit

THE blight of the terms of payment is still awaiting treatment. The draft law sent to the Competition Council for an opinion before entering the legislative circuit should, once adopted and published, reverse the trend. Long payment terms are the cause of the agony of an entire section of small and medium-sized entities. The law should trigger the change process which should guarantee, in particular,

to SMEs and VSEs payments within normal deadlines. In 2020, a year marked by the Covid-19 crisis and its impact on the economy, these companies had to face an extension of the terms of payment. These deteriorated from 66 days to 279 days on average for VSEs in 2020 according to the Inforisk survey. This is an alarming level which can only deteriorate the business climate, because, instead of focusing on the development of their activity and on the search for new markets, entrepreneurs spend their time running after the collection of their dues. Without great bargaining power, VSEs are unable to pass on these delays to their suppliers. They find themselves in fact in a situation of lenders with an average gap of 133 days between their customer and supplier deadlines. In the case of SMEs, the delays stood at 129 days, i.e. an increase of 12 days. «*SMEs have managed to pass on the*

increase in their customer terms of payment by paying their suppliers later. In 2020, the net balance between customer and supplier terms of payment improved by one day,» underlines Inforisk. Still, SMEs with less than 50 million MAD in turnover are less well off: they find themselves with a payment period of up to 14 days!

The great paradox comes from large companies: in the midst of the Covid-19 crisis, they have improved their payment terms from 2 days to 95 days. In a position of strength, these large entities make sure to get paid on time but are reluctant to do the same, especially with VSEs and SMEs. «*Large companies pay their suppliers later than they get paid by their customers, all with a positive impact on their cash flow. This is explained by a favorable balance of power and a bargaining power that allows them to impose their conditions on trading partners,*» notes

Inforisk. Large companies therefore continue to underperform in terms of payment terms. To put an end to bad practices, the draft law provides for a strong measure: the publication of the list of bad payers, which has been proven elsewhere.

The year 2020 was also characterized by the drop in intercompany credit standing below bank credit. Intercompany credit stood at 372 billion MAD versus 413 and 415 billion MAD respectively in 2019 and 2018. This development is due to the support measures put in place by the government for the benefit of the business world. These support measures are in particular the Damane Oxygène and Damane Relance products. This year, an amount of 53 billion MAD was distributed to companies, including 10.6 billion to VSEs and 32 billion to SMEs. □

Khadija MASMOUDI

Teachers of the academies

Why they continue to protest

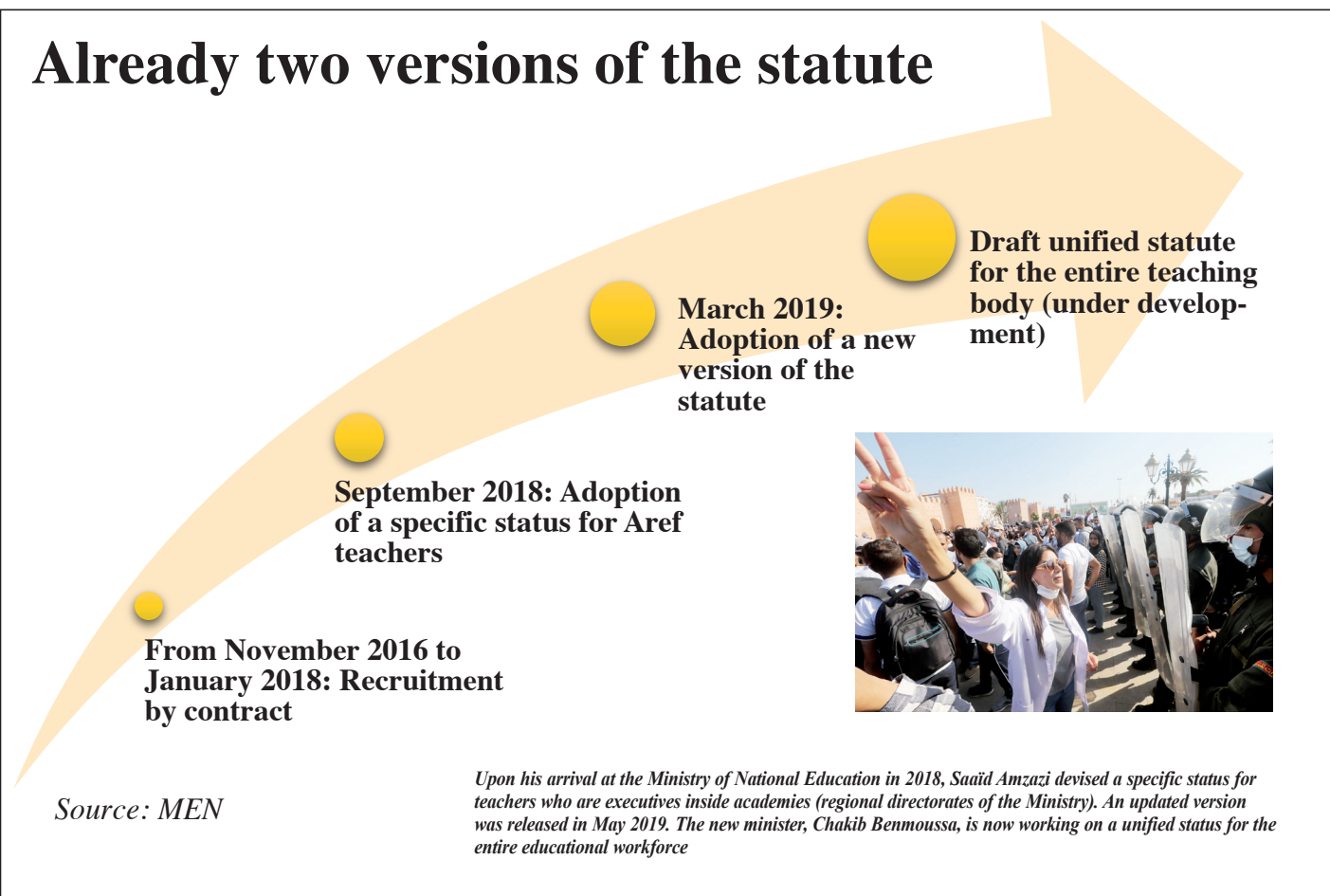
■ Integration into the civil service, the ultimate claim

■ The Ministry of N.E. promises a unified status for all, yet...

THEY are still on strike. The professors who are executives of the academy embarked on a new stoppage on Wednesday, which will continue until the end of the week. Since the beginning of the school year, parents have counted more than 45 days lost for their children. And it's probably not over yet...

Why do these teachers hired by the Regional Education and Training Academies (AREF), from 2016, continue to go on strike, when they have obtained the same rights as their elders, directly hired by the National Education? Well, there remains one final claim: the pure and simple integration into the civil service. According to the teachers, it is either budget items directly financed by the Ministry or nothing! «This is our one and only claim today. If there is no difference between us and our predecessors, why keep two different systems, considering that we perform the same functions,» said Rachid Tazit, member of the national coordination of contract teachers, coordinator of the Al Fida delegation of the Ministry (in Casablanca). «Currently, the Ministry is speaking of a new unified status for all teachers. However, based on the information we have received, financially, our positions will continue to be

Already two versions of the statute



reporting to the academies (regional directorates of the Ministry), while those of our predecessors will still depend on the central administration,» he adds. Even if the dialogue is maintained with the Ministry, the teachers reporting to the Academy continue their strikes. «We do not want any dialogue, we have already spent two and a half years negotiating in vain, we are waiting for a decision! And then, we were forced to extend our strike due to the arrest of dozens of our colleagues, some of whom are prosecuted for crime», said the member of the national coor-

dination. «If final judgments for crime are pronounced against them, it will be the end of the school year. We will not come back to the classroom, we will stay in the streets!» he warns.

What is it that drives teachers who are executives of academies to cling to the civil service, as long as they enjoy the same rights and benefits as their predecessors before 2016? A recruitment at the central level offers, certainly, a possibility of extended mobility at the national level, unlike the regional recruitment. Nevertheless, this is not really what upsets the most the former contract teachers. They fear an alleged

«disengagement of the central government from regional academies.» «In this case, the academies could decide to cut back on staff or reduce salaries for financial reasons,» says Rachid Tazit. It's all about job security, because by becoming civil servants, teachers are guaranteed a job for life. In a letter addressed to teachers, the Minister of National Education, Chakib Benmoussa, promised a unified status for the entire teaching profession, with a «global and radical» revision. But will he succeed in gaining the support of the teachers of the academies? □

Ahlam NAZIH

LA NEWSLETTER

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Weekly highlights

Substandard housing: Developers could do better

IN the fight against unsanitary housing, the achievements are far from being perfect. This observation, made by the Court of Auditors in its latest report, provides information on the shortcomings of the ministers who have succeeded each other at the head of this department. Yet the political and institutional commitment of the Government to resolve this issue has been clear. Indeed, the Cities Without Slums (CWS) program was launched in 2004, with the stated goal of treating 270,000 households in 70 cities. Since that date, the number of households concerned has continued to increase. In 2018, this number had reached 472,723, i.e. an increase of 75%, with an average annual addition of 10,669 households. Despite treating 280,000 households between 2004 and 2018, this CWS program is struggling to move forward with the speed required to eradicate the slums that abound in all major cities. This anachronistic situation is explained by a series of malfunctions that have been observed: changes in the goals assigned to the program, shortcomings in the management of the follow-up to be made on the cases at hand, anomalies in the development of city contracts, failures in the control of subsidies from the Housing Solidarity Fund, and other issues.



According to the report of the Court of Auditors, the significant production of low-income housing has only partially benefited the targeted households, in particular those living in slums and in houses threatening to collapse (Pho. L'Economiste)

• Low-income housing has benefited only partially the targeted households

In terms of low-income housing, the benefits of the program ended in 2020 ; it must be recognized that the program has made it possible to speed up the pace of housing production in recent years. Indeed, the housing stock was reinforced by 517,201 units of 250,000 Moroccan Dirhams (MAD) (about

25,000 USDs) and 28,053 others of 140,000 MAD (about 14,000 USDs). However, it turned out that this significant production benefited only partially the targeted households, especially those living in slums and in houses threatening to collapse (HTCs).

• Absence of a common approach between the Housing and the Interior ministries

As far as the HTC stock is concerned, evaluated at 43,734 buildings in 2012, i.e. 0.5% of the national housing stock, it is mainly located in the medinas with 18,619 dwellings (42.5% of HTCs). According to the report, the cost of financing the agreements entered into between the Governments and real estate developers reached in 2021 nearly 5.780 billion MAD, subsidized by the line ministry to the tune of 1.910 billion MAD. Currently, the number of buildings having been the subject of financing and construction agreements amounts to 37,004, of which a total of 22,000 have already been processed. However, the Court of Auditors points out the absence of a common and approved approach between the Ministries of Housing and the Interior in the identification of HTCs. This lack of standardization has led to different data on the HTC stock according to each ministry, especially since, in 2016, the law has set up a new framework for the treatment of this type of housing.

This new framework consists in the establishment of the National Agency for Urban Renewal and Rehabilitation of Buildings Threatening to Collapse (ANRUR). More than five years after its creation, the Agency has not yet activated its action plan. □

Mohamed CHAOUI

Water crisis: Global water taps are running dry

■ The IPCC exposes the extent of the situation

■ Impacts, adaptation, and vulnerability... significant challenges

THE new IPCC report, entitled «Climate change 2022: impacts, adaptation, and vulnerability», exposes the scale of the looming water crisis and the considerable challenges to be met in terms of resource management, particularly in Morocco. The availability of water from melting snow (a crucial source for irrigation in some parts of the world) is set to decline, while the predicted mass loss of glaciers globally will reduce the amount of water

available for agriculture, hydroelectricity, and human settlements in the medium to long term.

Changes in the magnitude and periodicity of river flow, as well as the associated extreme events, are expected to negatively impact freshwater ecosystems in many watersheds. The severity of direct flood damage will

increase with every fraction of a degree of temperature increase.

According to the IPCC report, the bulk of official climate change adaptation policies concern water-related risks and impacts. However, the report warns of the potentially damaging effects of poorly managed adaptation measures. Under these

conditions, an irrigation project may reduce the risk of drought, but at the same time contribute to accelerating the depletion of groundwater and of other water sources and to increased soil salinization.

The worst is yet to come, according to the IPCC. Even by limiting global warming to 1.5 degrees Celsius (compared to the pre-industrial era), «the world is exposed to multiple inevitable climatic hazards in the next two decades», underlined the scientists. These extreme weather events occur simultaneously, resulting in cascading impacts that are increasingly difficult to manage, resulting in more shortages, poverty, famines, or conflicts. With the progression of global warming, its effects are now widespread and often irreversible, warn the researchers. □

Some indicators

- 2 billion people do not have access to drinking water services
- 3.6 billion people do not have access to safely managed sanitation services.
- 52% of the world's population will live under water-stressed conditions by 2050
- 20% of the world's land surface will be affected by a reduction of more than 10% of renewable groundwater in the event of a rise of more than 1.5 degrees Celsius.
- 1,000 children die every day from diarrheal diseases, unsafe water, and lack of sanitation.
- 90% of natural disasters are water-related (UN-Water 2012) □

Source: <https://www.coalition-eau.org>

Fatim-Zahra TOHRY