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EDITORIAL — Dialog of the deaf

Khalid BELYAZID

THOSE who claim loud and clear to our young people that they must create their own business have in fact never created one themselves; by doing so, they sow confusion. Thus, concerning the last agreement of the social dialogue, they insist on the minimum wage of the civil servants… which will rise well above the minimum wage of the employees of the private sector. Already, the average emoluments are well above the average corporate wages, contrary to the well-known tenacious myth. Of course, we welcome this agreement and the wisdom of our social partners; the country cannot afford social conflict as shortages and wars threaten, but since civil servants are always the privileged workers, it is understandable that young people demonstrate in front of the Parliament to become civil servants and never auto-entrepreneurs. Yet the Government multiplies the granting of loans to assuage these problems, by offering programs with pretty female names like Intelaka or Forsa to whoever wants to take such loans. The Ministry of Employment has even been renamed to *"Economic Inclusion, Small Business, Employment (well hidden) and Skills"*. The message is clear. You are looking for a job, train yourself, create your job, the Government supports you. It is true that all over the world the large salaried workforce of wage-earners is decreasing in favor of isolated or *"uberized"* self-employment.

This said, how can a young person embrace this adventure, when he or she has seen, during the pandemic, all private jobs being threatened, wages lost, and the only income maintained was that of civil servants?

There is a need for consistency to be found between the speeches on employment, self-employment, and expectations, otherwise, a divide will be created, not between the rich and the poor, the company managers and the employees, but between those who have security through work and the ones in a precarious situation. Then a dialogue of the deaf would hide behind the social dialogue. ❏

L'ECONOMISTE 30 ans de fidélité

Weekly highlights

Sanlam / Allianz: An African insurance giant is born

A pan-African insurance giant is born! The Sanlam and Allianz groups have just merged their operations to create the *"largest pan-African non-banking financial services entity"*. As our newspaper announced in our edition of December 22, 2021, the two groups are combining their efforts and setting up a joint venture (JV) which will bring together the entities of Sanlam and of Allianz in African countries where one or both companies are already operational. This alliance means customers across Africa *"will benefit from the expertise and financial strength of two well-respected and well-known brands,"* indicated the two partners.

In total, the new giant will be operational in 29 countries across the continent. Namibia will be included later, and South Africa is not yet part of this agreement.

Capitalizing on this continental alliance, the two groups intend to bring into play *"considerable"* synergies on the operational level or even achieve substantial economies of scale. Indeed, Sanlam and Allianz ambition to make the most of their respective expertise in order to create synergies and complementarities through innovative insurance solutions with high added value from a technical point of view. *"The JV also aims to generate value for all stakeholders and achieve economies of scale through a broader geographical presence, stronger market shares, or even more diversified solutions and products"*, announce the two partners.

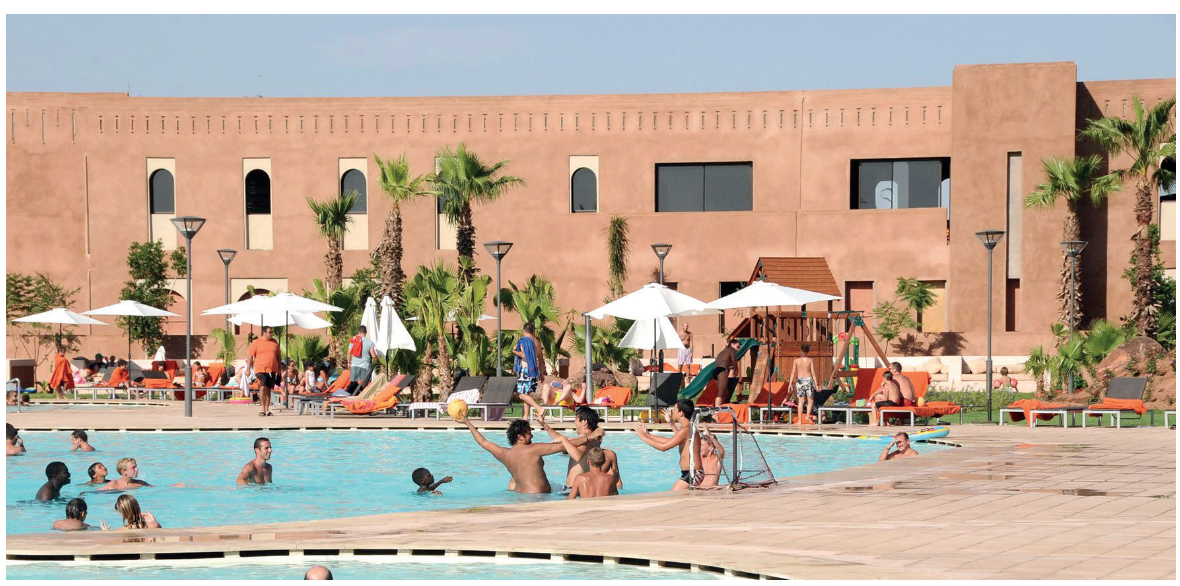
"The joint venture will represent the largest player in the insurance sector on a continental scale and will position itself among the top three players in most of the markets in which it operates", explains Allianz. The two groups expect a combined global equity value of around 2 billion Euros.

In concrete terms, the partnership aims to increase the penetration of life and non-life insurance across the continent which will require the combined efforts of Sanlam's expertise in Africa and the solutions of the German group Allianz that meet international standards. The challenge also consists in accelerating innovation with high value-added products or even promoting financial inclusion in high-growth African markets, like the Moroccan market. *"This joint venture will allow us to move forward in achieving our strategic ambitions. This will enable us to raise our standards and become a leading pan-African group in the world of financial services"*, specifies the new player. The JV will also consolidate the leadership position in several key markets while strengthening quality and economies of scale. *"We are convinced that the expertise and financial strength of the Allianz Group will bring strong added value to our activities",* said Paul Hanratty, CEO of Sanlam. As for Christopher Townsend, member of the Board of Directors of Allianz, he said: *"We look forward to accelerating our growth in this high-potential region through our partnership with the undisputed leader of the continent. Sanlam's capabilities will enable us to expand our local presence and market penetration... The JV will help us establish a leadership position in Allianz's key growth markets"*. As far as the governance part is concerned, Sanlam and Allianz will ensure a biennial rotation in the presidency of the joint venture. The CEO of the new entity will be appointed shortly. ❑

Amin RBOUB

Tourism: Marrakech regains momentum

GRADUALLY, the city of Marrakech finds its normal pace. Since the reopening of the air borders, foreign tourists have returned, and even if the city has not regained all its air capacity, almost all hotels are preparing for the summer season. According to statistics from the Regional Association of the Hotel Industry, several hotels have resumed their activity and reservations are on the rise. Only 41 hotels remained closed because of the Covid-19 pandemic, of which around twenty are permanently closed. In Marrakech, it must be said that the professionals have shown themselves to be resilient during the crisis despite closures that took place during the periods of the pandemic, and Marrakech was a special case in the development of Moroccan tourism.



The pandemic has certainly slowed down activity, but Marrakech will hopefully regain its momentum, say the professionals. And the "Ocher City" continues to attract tourist investors according to the Marrakech/Safi Regional Investment Center
(Ph. L'Economiste)

The pandemic has certainly slowed down the tourism activity, but Marrakech will hopefully regain its momentum, say the professionals, and the *"Ocher City"* (as the city is nicknamed) continues to attract tourist investors according to the Marrakech/Safi Regional Investment Center. Not only have hotels in Marrakech been resilient, but they have also shown themselves to be good corporate citizens: in March 2020, and the day after the start of the health crisis, the hotels of the city all mobilized by making their units available for health personnel. Just as they were the first hotels to have met the conditions when asking for assistance from the Government. In this regard, it is the city of Marrakech that monopolizes the lion's share, as we announced in our issue No. 6249 of April 26, 2022. Of the 495 applications submitted, 187 are from the Marrakech/Safi region, i.e. 38% the overall request for assistance. The region of Marrakech/Safi brings together 40% of Morocco's bedding capacity with 80,000 beds. The Government support will enable hotel managers to do the repair and overhaul work to begin the summer season. The other component that needs support is animation. With the exception of the Jamaâ El Fna square and the museums and monuments which are more or less *"acceptable"* in terms of attractiveness, the sector lacks places that make people dream, like what is happening in competing countries such as Turkey or Egypt. To do this, it is necessary to encourage investments in this area and to maintain the existing monuments. Indeed, some monuments are in a dilapidated state which does not make them attractive. And yet, it is entertainment that allows countries to attract tourists and increase the average length of stay (ALOS), a very important indicator for the health of hotels and accommodation establishments. Before Covid-19, the ALOS of Marrakech hardly exceeded 3 nights.❑

Badra BERRISSOULE

Agricultural land
Finally, the sign-off given to foreign investors

IN terms of foreigners' access to agricultural land in Morocco, the slightest relaxation can be considered a small revolution. This is the case of the joint circular issued on Friday April 29 by three ministers: that of the Interior, Agriculture and Housing. This is a note intended for walis, directors of regional investment centers (CRI) , urban agencies, regional town planning inspectors, and regional directors of agriculture. The circular comes about because of the multiplicity of texts governing the issue of agricultural land and its acquisition or rental by foreign investors and the differences in their interpretation. The circular mainly comprises two provisions of great importance. Thus, it is illogical, reads the document, to continue to require foreign investors to obtain a certificate of non-agricultural calling (VNA) for agricultural land located in regions covered by development plans (which automatically induces the loss of agricultural calling), in titled subdivisions or in duly authorized integrated projects. *"Any land with a development plan is considered urban throughout Morocco"*, it says. *"Nonetheless, the text of the circular still needs to be clarified because some officials could still claim a final VNA certificate by referring to the provisions of the last paragraph of article 11 of the decree of December 29, 2004"*, underlines Jamal Mohada, Esq., notary public. A special day should be held at the end of next June between notaries public, architects, surveyors and CRIs in order to clarify the provisions of the circular and agree on a common interpretation.


(Ph. L'Economiste)

The second provision of the circular of April 29 relates to the obligation for foreign buyers at the time of acquisition of this type of land to obtain, in other cases, the final certificate of non-agricultural calling (VNA) in accordance with the legislative provisions in force. The CRIs must therefore agree on a deadline not exceeding one week to issue this document to boost investment after the health crisis.

The officers in question are invited to continue to demand the certificate of definitive non-agricultural calling and to issue it *"automatically"* for land acquired by foreigners and subject to an authorized and titled housing estate.

The precious document will also have to be delivered to foreigners wishing to buy buildings built within the framework of authorized real estate complexes, composed of titled units.

Once the certificate has been issued, foreign investors must carry out their project within 36 months in order not to be exposed to the measures provided for by law in this area. The refusal by the authorities to issue the certificate of non-agricultural calling must be duly substantiated to avoid legal action aimed at its cancellation for abuse of power. It now remains to be seen what the reading of this new legislation by the officers in charge of the land registry and of other local officials will be. ❏

Hassan EL ARIF

Social dialogue: Details of the measures

INCREASE in the minimum wage, revaluation of family allowances for the 4th, 5th and 6th children, overhaul of the Income Tax grid… the social agreement signed on April 30 between the most representative unions, the employers´ association CGEM , and the government includes a series of measures aiming at improving the purchasing power and at catching up with galloping inflation (4% at the end of March, and the central bank is forecasting 4.7% this year). For some measures, the entry into force is scheduled for next September, others will wait until next year. Unlike previous years, this new social pact provides a precise timetable for the various measures. A change in size that reassures the different parties. In any case, trust between the social partners is back!
Overview of the different measures:

■ Increase in the minimum wage for civil servants and employees

The minimum wage will increase by 10%, in two stages, in the private sector: 5% from next September and 5% in September 2023. Standing currently at 14.81 Dirhams (MAD) per hour, the hourly level will initially increase to 15.55 MAD and thereafter at 16.30 MAD. In the public service, an increase in the minimum wage of 500 MAD is granted. The minimum wage will increase to 3,500 dirhams next September. The trade unions and the Government have also agreed to a general wage increase in the civil service. The terms and level of the increase will be discussed next September.

■ The minimum wage and the agricultural minimum wage will be aligned

Claimed for several years, the minimum wage in agriculture will be gradually aligned with the minimum wage in other sectors. For this, the agricultural minimum wage will be raised by 10% in 2022 and 2023, and by 5% between 2024 and 2028.

■ Overhaul of the Income Tax from 2023

The measure will be included in the next Appropriations Bill. For the moment, no scenario has been presented to the partners since the studies are still in progress.

■The right to retirement from 1,320 days of contributions

The minimum threshold to benefit from a Social Security pension will be reduced: it will increase to 1,320 days against 3,240 days currently. Below 1,320 days, the insured people will be able to recover employer and employee contributions.

■ Law on strike coming soon

In return for the rise in the minimum wage, the government has undertaken to promulgate the law on the exercise of the right to strike on January 1, 2023.

■ 15 days paternity leave

Paid paternity leave of 15 days is also provided for in the agreement between the government and the social partners. This measure targets the public sector. The goal is to reconcile between the professional and private life of employees. It is also about the application of the international convention No. 183 on the protection of maternity, ratified by Morocco on April 13, 2011.

■ Revaluation of family allowances:

This measure targets the 4th, the 5th, and the 6th children. Instead of 36 MAD, the family allowance will increase to 100 MAD. In the public sector, the measure will cost 25 million MAD for a total of 32,495 beneficiary children. The same revaluation is also planned in the private sector whose family allowance branch has generated a surplus. ❏

Khadija MASMOUDI

L'ECONOMISTE 30 ans de fidélité

Weekly highlights

The Holmarcom - Credit Agricole SA deal

A new era for the national banking system

• Increases in the minimum wage in the private and public sectors from next September

• Civil servants will be entitled to paid paternity leave

THE takeover of Crédit du Maroc by the Holmarcom group was confirmed by the signing on Wednesday, April 27 of an agreement between Mohamed Hassan Bensalah, Chairman and CEO of the Holmarcom group, and Xavier Musca, Deputy General Manager of Crédit Agricole SA. This transaction will enable the Holmarcom group to make a remarkable comeback in the banking sector, in which it currently holds only minority stakes like in CIH (12% stake) or in BMCI (9%). As announced exclusively by L'Economiste in September 2021, this agreement involves the acquisition of a majority stake in Crédit du Maroc, by the Holmarcom group, through its holding company Holmarcom Finance Company (HFC), and its subsidiary, AtlantaSanad Assurance. Thus, the French bank sells all its shares, i.e. 78.7%, to the Holmarcom group. In accordance with the legislation in force in Morocco, this operation will only be effective after obtaining the regulatory authorizations.

For the Holmarcom group, chaired by Mohamed Bensalah, this transaction will enable the group to make a remarkable entry into the banking sector in which it currently only holds minority stakes like CIH (12% stake) or BMCI (9% stake) *(Ph. Private)*

■ Disengagements of French banks:

This operation heralds a new era for the landscape of national banks. Indeed, such an operation is heralding a reconfiguration of the banking system. *"We are heading towards a new Moroccanization (nationalization) and a concentration of Moroccan banks where we shall find ourselves in a configuration of three or four powerful banks"*, explains a person very familiar with the market. *"It is an open secret, the French banks had been hoping to withdraw from the Moroccan banking landscape for years, in particular Crédit Agricole"*, he continues. *"The banking subsidiaries of French groups in Morocco are unable to impose themselves on the national market, in the face of increasingly tough competition from banks with majority Moroccan capital and which have a strong presence in Africa, such as Attijariwafabank , Bank of Africa, and Groupe Banque Populaire"*, indicates our source. *"The contribution of sub-Saharan subsidiaries is boosting the growth of the top three (Moroccan banks), which are gaining momentum in the face of a slight slowdown on the side of the subsidiaries of French banks"*, continues our source, especially since the Moroccan subsidiaries of French banks do not have leeway, being part of a group logic. *"They are more or less chained by the parent companies which are much more cautious particularly in terms of granting credit, which makes them uncompetitive in the face of the aggressiveness of their Moroccan counterparts"*, explains a local analyst.

■ Ambitions and synergies:

For Holmarcom, *"this acquisition project is part of its strategic vision aimed at building an integrated financial center with a pan-African calling"*, specifies the press release published on the occasion. The group's ambitions in the banking sector are not new. To this end, the Group carried out a structural reorganization of this division in 2019 with the aim of supporting its development ambitions, which revolve around strengthening its position in the insurance sector, diversifying its financial businesses, and accelerating its expansion in sub-Saharan Africa.
With the acquisition of majority shares in the capital of Crédit du Maroc, the Holmarcom group enters fully into the restricted circle of national bankers. Indeed with more than 300 branches across Morocco and 2,500 employees, the Crédit du Maroc bank is part of the top 3 banks recommended by customers. ❏

Fédoua TOUNASSI