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Weekly highlights by
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EDITORIAL

"Mortgaged dream"

Mohamed Ali MRABI

BEING evanescent for several years, the Arab Maghreb Union keeps on desperately and shamefully collapsing. It's an open secret. The latest developments seem to give a meaning to historian Abdallah Laroui's expression concerning Morocco's destiny to be kind of an island state. From now on, Morocco is called upon to act according to this configuration. The slippage committed by the Tunisian president is only a new step in the turn taken by his regime, which is increasingly subservient to the Algerian rulers. The Algerian regime has been exploiting the Sahara issue for decades, either with a geopolitical objective of hegemony, or to divert attention from internal tensions. Tunisia, on its knees economically, seems to be reproducing the same modus operandi, under the impetus of its new benefactor, Algeria. On the other hand, Iranian influence in Tunisia is also pointed out by several observers, and the fact that Morocco has succeeded in diversifying its partnerships, on a basis of equals and in a win-win logic, does not seem to please certain former colonial powers, which are still influential in the region. Today, the Kingdom of Morocco has everything to gain by betting on promising coalitions with African powers, rather than on a *"mortgaged dream"*. As historian Laroui has often repeated, *"the unity of the Maghreb is inscribed neither in geography nor in history. It is a possibility, a thesis among others"*. It is all the more complicated since *"the presence of the Ottoman Empire in the rest of North Africa, by isolating Morocco, had enabled its inhabitants to acquire this acute awareness of their specificity"*, according to the formula of the historian Evariste Lévi-Provençal. No need to waste more time with partners who no longer hide their hostility. Unity only becomes a reasonable goal if the rulers, just like the peoples, are convinced of the usefulness of such unity for their survival first, and for their well-being second. For the time being, this seems to be the least of the worries of the current tenants of the El Mouradia and Carthage Palaces.❑

Weekly highlights

Cruise tourism

A promising season from September onwards!

ALL the harbingers of a strong recovery in cruise tourism are there. *"Seasonality is looking good. Better still, everything leads us to believe that 2023 will be an exceptional year"*, announces Jalil Madih, CEO of the Alizés Travel agency, who is also a member of the Club Croisière Maroc. According to this professional, the season starts in September and continues until the end of December. Then there is a dip throughout January. Afterwards, the cruise activity resumes from March-April until late May or early June. This renewed interest of cruise passengers and cruise ships for Morocco is mainly due to the brand-new terminal in Tangiers or to the brand-new terminal in the port of Casablanca, which is supposed to be operational next December, explains Jalil Madih. Another argument put forward is that *"Morocco has always been a great destination for cruises. Admittedly, the conditions in which tourists were received and infrastructures were deplorable a few years ago, but today practically all the conditions are met to reconnect with this demanding clientele. It is still necessary to have clear conditions for the process, the mobilization of local authorities to ensure speed and safety, hygiene, the environment, and other requirements..."*, warns this cruise specialist. *"The challenge today is to make the process of the arrival of liners as paperless as possible, to streamline the administrative procedures, and to lighten the procedures (Customs, police, etc.)"*, insists Madih. A priori, if all goes as planned, professionals are counting on a return to the performance of 2014 and 2015 in 2023, that is to say some 470,000 cruise tourist arrivals. *"At the Alizés Travel agency, we are counting on the stopover of a hundred liners"*, specifies Jalil Madih. It should be noted that the goal of Morocco as a destination is to reach one million cruise passengers by 2030. On a global scale, cruise activity attracts on average between 30 and 35 million tourists, and it is the port of Barcelona that steals the show . *"This city is the flagship destination par excellence for customers. An essential harbor"*, confirms Jalil Madih. One thing is certain, cruise tourism is the only industry that ensures double-digit growth, every year. This means that Morocco has a real potential to make the most of! ❑

Amin RBOUB

With a 670-meter pier, the port of Casablanca is set up to accommodate two large liners with a capacity of 4,500 tourists each

Automobile industry

Morocco, future hub of electric mobility?

"THE green mobility revolution has arrived in Morocco", according to a very recent study by the Middle East Institute. This is an independent, evidence-based, non-partisan, non-profit NGO. The study was published following the recent official announcement of the signing of an agreement for the installation of a *"Gigafactory"* dedicated to the manufacture of batteries for electric vehicles. The information was confirmed on July 21 by the Minister of Industry, Ryad Mezzour. Such an announcement now places Morocco in pole position in the restricted and closed circle of green mobility leaders in the Middle East and North Africa, the report points out. *"Morocco's rise as a global hub for electric vehicle manufacturing is as critical to Western supply chain resilience as it is to promoting carbon-free mobility to combat climate change. The focus on shortening supply chains to ensure stability in European consumer markets has already contributed to the rapid advance of Morocco's automotive manufacturing sector and its development of more advanced manufacturing processes. Today, Morocco's mining reserves for batteries are accelerating this country's entry into the manufacture of electric vehicles"*, says the Middle East Institute study. According to the line ministry, Morocco is about to sign a 2-billion-dollar agreement for the construction of a Gigafactory, a mega-factory dedicated to the massive production of batteries for electric vehicles. The signing of this agreement is scheduled before the end of the year (2022), but no information was leaked concerning the industrial group that will carry this investment. As a reminder, in industrial jargon, the term Gigafactory refers to a gigantic factory specializing in particular in batteries for electric cars. The concept of *"Gigafactory"* owes its origin to the American manufacturer Tesla (in 2014), which is also one of the pioneers in the production of electric vehicles under the brand with the same name.

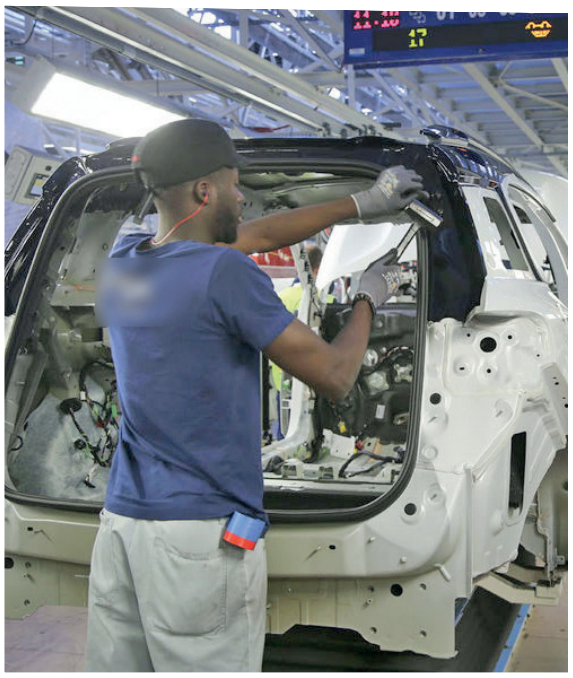
According to the Middle East Institute, even though Minister Mezzour remained evasive concerning the overall capacity volume and the number of production lines of the facilities of the future factory, and other issues, the amount of the investment, per se, provides information on the specificities of this type of production site, which will have, a priori, the same configuration as the *"Tesla's $2 billion giga-factory in Shanghai, China"*, according to the study. The report also announces that the made-in-Morocco industrial platform intends to increase the production capacity to one million vehicles per year and this, in three years (2025). Until then, everything suggests that most of the units produced in Morocco will be made up of electric vehicles. ❑

Amin RBOUB

"Given the success in Europe of the Peugeot 208 produced in Morocco, and given that the fully electric Peugeot e-208 uses the same chassis, Moroccan production of batteries for electric vehicles could encourage Stellantis, the international automotive manufacturing corporation, to move production of the e-208 car from Slovakia to the Kenitra plant in Morocco

Weekly highlights

The increase in the minimum wage has come



The social partners have also negotiated a general increase in salaries in the public service, the terms and level of which will be discussed during the month of September.

NEGOTIATED during the last month of April, the increase in the legal minimum wage in the private sector will take place in September. The draft decree was to be examined this Thursday, September 01 by the Government Council, thus paving the way for the implementation of one of the main measures endorsed by the social dialogue. The minimum wage will increase by 10%, in two steps, within the private sector, by 5% in this month of September and by 5% in September 2023. The increase will benefit a large number of employees. Statistics from the National Social Security Fund (CNSS) show that nearly four out of ten employees are paid the minimum wage. Currently at 14.81 Dirhams per hour, the hourly rate will initially move to 15.55 MAD and then to 16.3 MAD. This increase will allow employees paid the minimum wage to relatively catch up with the rise in inflation. The consumer price index increased by 7.7% during the month of July under the effect of the increase in the index of food products by 12% and that of non-food products by 5%. For non-food products, the variations range from an increase of 0.2% for health to 18.3% for transport. The core inflation indicator, which excludes products at volatile prices and products at public prices, rose by 6.5% in July. In the civil service, an increase in the minimum wage of 500 MAD is also planned. The minimum wage should also increase to 3,500 dirhams next September. This upgrade, which targets civil servants and public administrative establishments, requires a budget of 191 million dirhams (about 19 million USDs) and should benefit 50,000 civil servants. The social partners have also negotiated a general increase in wages in the civil service, the terms and level of which will be discussed during the month of September. This general increase in wages would certainly be included in the Draft Budget Law 2023 as is the case for the overhaul of the income tax grid in connection with which the government's action will be scrutinized by the various stakeholders. Today, 73% of income tax revenue comes from source deductions from civil servants and private sector employees, and the overhaul of the tax system should, in principle, reduce the tax burden on low-income populations and on the middle classes with a view to improving their purchasing power. ❑

Khadija MASMOUDI

The other increase, that of family allowances

INSTEAD of 36 dirhams, the family allowance will move to 100 dirhams. This measure targets the fourth, the fifth, and the sixth child. In the public sector, this 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 is in surplus. In any case, in the private sector these allowances represent a salary supplement for people who earn less than the minimum wage : the allowances represent nearly 23% of the income of this last category! In 2019, family allowances increased by 100 MAD for the first three children of insured persons, which resulted in a 33% increase in family benefits paid by the National Social Security Fund.❑

Weekly highlights

Morocco-Tunisia

The suspension of the FTA is considered

THE diplomatic crisis between Morocco and Tunisia risks taking a serious twist. *"The inadmissible act of the Tunisian president, which breaks with years of positive neutrality in the country, makes you think twice about the nature of the partnership that we maintain. We are studying the possibility of suspending or revising the bilateral free trade agreement"*, a diplomatic source told L'Economiste. Such an initiative risks making the disagreement between the two countries last forever, and, above all, to be a new challenge for the Tunisian economy. Indeed, the trade balance between the two countries clearly leans in favor of Tunis. Indeed, by analyzing trade, the kingdom's exports cover barely less than 50% of imports. For all products combined, Morocco is the largest receiving country in the Maghreb region for products from the Land of Jasmine (as Tunisia is nicknamed). For some products, Morocco is even occupying the first position. For example, Morocco has safeguarded its position as the leading buyer of Tunisian dates. Indeed, during the 2020/2021 agricultural season, Morocco imported more than 20,700 tons. Italy was the second largest country importing Tunisian

dates with more than 6,700 tons during this agricultural season. It is followed by France (6,400 tonnes) and Germany (5,900 tonnes). *"A suspension of the Free Trade Agreement (FTA) would have disastrous consequences on the Tunisian economy"*, explains economist Mohamed Germouni, who adds: *"Although Tunisia has other outlets, such as the countries of southern Europe or Libya, the fact is that European countries are already flooded with Israeli and Moroccan products of better quality, and Libya is bogged down in an internal conflict which does not make it a stable export market"*. It must be said that before the political quarrel, a commercial quarrel is already taking place between the two countries. It concerns school notebooks. In this market, Morocco has established anti-dumping duties since 2018 which were challenged by Tunisia at the World Trade Organization (WTO). An analysis of Tunisian notebook exports has highlighted that the Moroccan market represents more than 80% of the total volume of Tunisian notebook exports. It is therefore striking to note that the average prices of Tunisian notebook exports to Morocco during the period considered are systematically the lowest, even in comparison with other markets in sub-Saharan Africa. Thus, there is no doubt that the Moroccan market is the victim of a strategy of targeted dumping on the part of Tunisian exporters aimed at evicting what remains of the national industry. In conclusion, all the analysts confirm that a suspension of the FTA would be more beneficial to Morocco and very harmful to Tunisia. This de facto situation has prompted Morocco to draw up a list of 18 categories of products that would be revised, and this, within the framework of the FTA with Tunisia. A measure that took Tunisian operators by surprise, who saw it as an *"unjustified act"*. Indeed, a circular from the Moroccan Customs and Indirect Tax Administration (ADII), which relates to the updating of the Moroccan customs tariff of import duties from Tunisia, has been interpreted as a revision of the FTA between the two countries, and of the Agadir Agreement. These changes had no impact on preferential treatment under the bilateral free trade agreement. Indeed, it should be recalled, on the other hand, that Tunisia's preferential trade with Morocco is also governed by the agreement establishing the Greater Arab Free Trade Area (Arab League) and the Agadir Agreement, which do not introduce any negative list of products traded between their member countries. ❑

Abdessamad NAIMI

MEDEF-CGEM Visas

French business owners plead in favor of an end to the deadlock

"IT is essential and urgent to streamline and facilitate the granting of visas for our Moroccan business counterparts. There is no trade without the movement of people", just tweeted the vice-president and spokesperson of the Mouvement des entreprises de France (MEDEF), Fabrice Le Saché. This statement comes during the Meeting of French Entrepreneurs (REF), which is being held on August 29 and 30 in Paris. A delegation of the Moroccan employers association (General Confederation of Enterprises, CGEM) is taking part in this event which announces the resumption of activities of the French government, of the French employers association MEDEF, and of the business community in France after the summer break. The CGEM participates in this convention every year as a partner of MEDEF. On the eve of this meeting, the spokesperson for French employers published the following message on his Twitter account: *"Morocco is a great country. The dialogue between our private sectors is permanent. We must continue to build common projects. I am very glad that a delegation of Moroccan employers is present at the REF 2022 (convention of business owners)"*. A few months earlier, last November, Chakib Alj, president of the CGEM, had, it should be remembered , insisted during the visit of the French Minister in charge of Foreign Trade (Franck Riester) on *"the need to remove certain obstacles such as the tightening of visa granting procedures since the beginning of 2021..."*. The boss of Moroccan business owners indeed alluded to the restrictions linked to the granting of French visas to Moroccan citizens. However, despite these various remarks, the French consulates in Morocco have multiplied the refusal of visas, including for businesspeople, journalists, artists, sportspeople, or even former ministers...! On the same subject, during his last visit to Algeria (from August 25 to 27), president Emmanuel Macron spoke with young Algerian entrepreneurs who questioned him in particular about visa problems. In response to a question about the restrictions, president Macron spoke of France's desire to move forward *"in the coming weeks"* on this subject. It should be noted that upon his return from his official trip to Algiers, the French president announced in his city of Le Touquet that he intends to go to Morocco at the end of next October. It goes without saying that the issue of visas will be a priority during this official visit to Rabat. ❑

The spokesman of the French employers' association (MEDEF) is categorical: "There is no trade without the movement of people" *(Ph. DR)*

A.R.