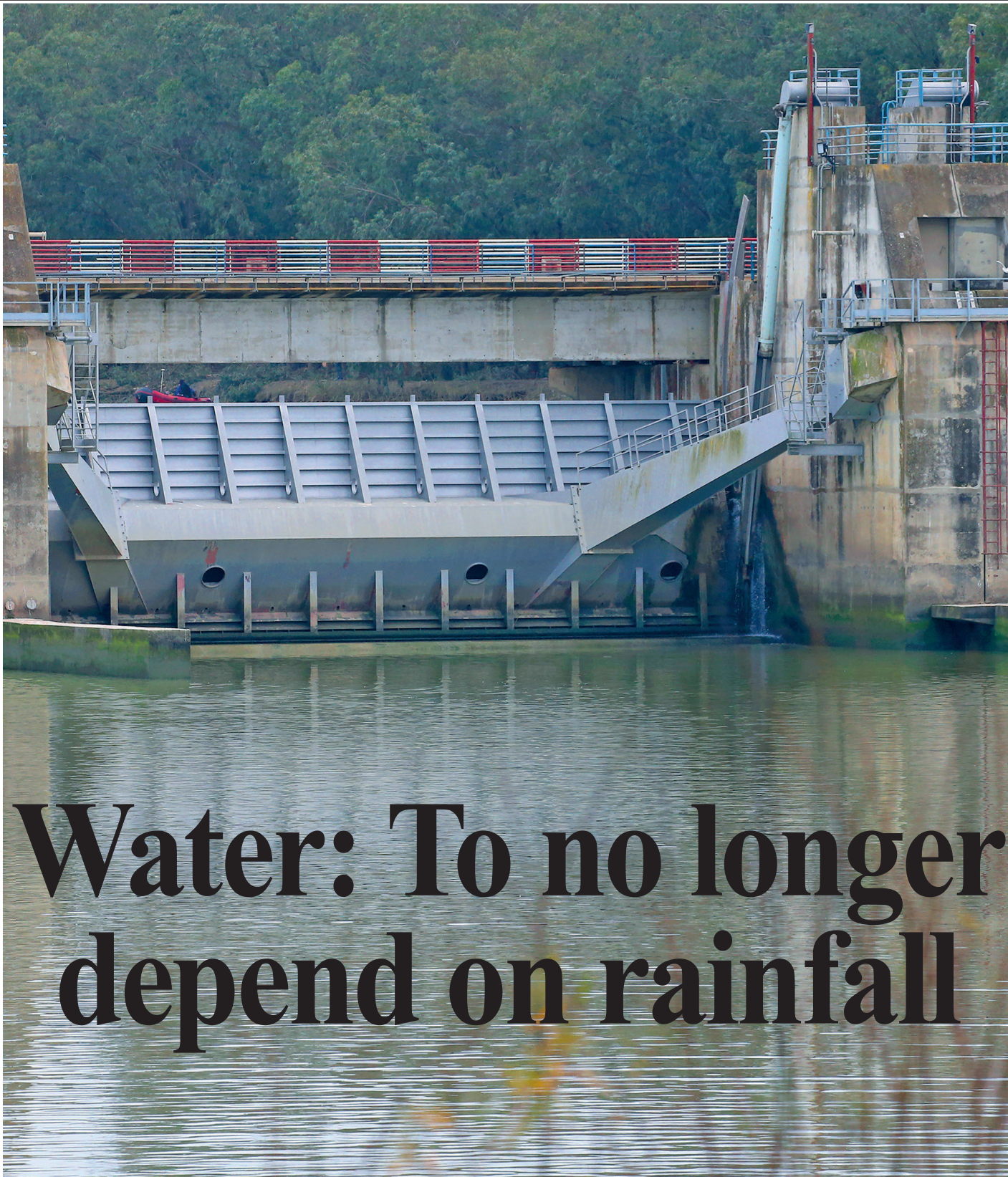


Weekly highlights by L'ÉCONOMISTE



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Water: To no longer depend on rainfall



International roadshow: FATF's helping hand



Seismic standards: Are our buildings secure?



Farm equipment: Sales to a halt since February 1



Casablanca like you have never seen it before...

EDITORIAL

Windows of opportunity

Mohamed Ali MRABI

C OVID-19 crisis, war in Ukraine, fragmentation of the global value chains... the upheavals on the international scene offer great opportunities to be seized in terms of attracting FDIs. Morocco is positioning itself in this race, betting on improving the structural conditions of the business climate. Last year, net flows of FDIs rose again to reach 20.97 billion dirhams (US\$ 2 billion), up 8.3% compared to the year before. There is still enormous potential to be grasped. To take advantage of this, Morocco is called upon to speed up the pace of the reforms under way. Efforts have already been made to simplify procedures, in particular by reducing the number of documents and formalities required. New decrees were expected to be examined at the Government Council meeting planned to take place last Thursday. The goal is to define a deadline

not to be exceeded in terms of processing of investment requests, and to extend the logic of simplification also to local authorities who are moreover expected to take initiatives in terms of the design and promotion of an attractive territorial offering. Morocco's exit from the FATF gray list will certainly strengthen the confidence of foreign investors in the national economy, thus promoting a greater flow of FDIs. But, beyond the determinants of attractiveness, already consecrated, such as political stability, the resilience of the macroeconomic framework... it is important to speed up the implementation of a new generation of reforms, so as not to miss this window of opportunity. This will make it possible to activate levers such as ease of access to land or the strengthening of legal and judicial security, which influence the decision to invest. □

Weekly highlights

International roadshow: FATF's helping hand

MOROCCO is under a lucky star. While a delegation led by Nadia Fettah started a roadshow in England and in the US to raise funds on the international financial market, the Financial Action Task Force (FATF) decided to remove Morocco from the gray list. This resolution, eagerly awaited by the Moroccan government and financial circles, was taken unanimously by its members. Concretely, the case was heard in the middle of last week and officially validated in a plenary session, during the general assembly of FATF, held in Paris on Friday, February 24th. Thus, after a long observation and evaluation of the compliance of the national system with the international standards relating to the fight against money laundering and the financing of terrorism, the case is settled once and for all. Morocco confirms that it has fulfilled the conditions that allow it to leave this enhanced surveillance process, known under the generic name of «the gray list». It must be said that this gray list has been a major han-



Morocco's removal from the gray list will have a positive impact on sovereign ratings and those of local banks. It will also strengthen Morocco's image and its positioning during negotiations with international financial institutions, at a time when a delegation led by minister Nadia Fettah has started a roadshow for international fundraising

dicap for Morocco in its relations with the international community, particularly donors. In any case, this exit will have a positive impact on sovereign ratings and those of local banks and will also strengthen Morocco's image and its positioning during negotiations with internatio-

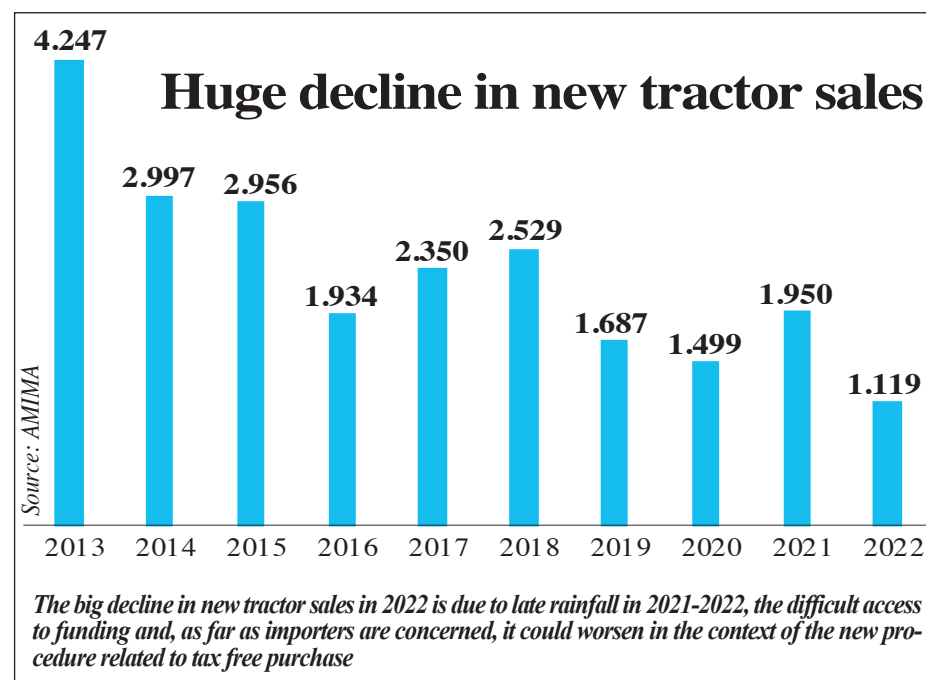
nal financial institutions. Similarly, this exit from the gray list will inevitably consolidate the confidence of foreign investors in the national economy, especially since this decision is concurrent with Morocco's fundraising efforts under way on the international market.

According to the press release from the Head of Government, this decision by FATF comes following the positive conclusions of certain experts from this group who carried out a field visit in Morocco between January 16 and January 18. Their report commends the Kingdom's formal political commitment to the compliance of the national mechanism for the fight against money laundering and the financing of terrorism, with international standards, as well as Morocco's full compliance with all its commitments on time, noted the press release from the Prime Minister's Office. This good news is the result of the efforts and proactive actions initiated by Morocco, in accordance with royal instructions. These operations focused on a set of legislative, organizational, awareness-raising, and inspection measures, and were implemented by the various parties concerned, under the coordination of the National Financial Intelligence Authority (ANRF), in partnership with other partners. □

Mohamed CHAUI

Farm equipment: Sales to a halt since February 1

THE year 2022 will have been a nightmare for importers of agricultural equipment. Indeed, according to the Moroccan Association (AMIMA), sales of new tractors have recorded a drastic drop. Indeed, at the end of the past year, barely 1,119 new units were sold, versus 1,950 a year earlier, down 43% compared to 2021. A lower volume than that achieved nearly 30 years ago! Equipment importers partly explain this fall by the rainfall deficit that marked the 2021-2022 crop year. Other factors are attributed to poor sales of new agricultural tractors, including "difficulties for farmers in accessing sources of financing as well as the extension of the deadline for the release of subsidy funds". Importers claim that the new provisions for granting subsidy agreements in connection with compulsory health insurance have further hampered the supply of agricultural equipment to farmers during the plowing campaign. According to professionals, the downward trend in agricultural mechanization should



worsen in 2023 due to the entry into force of the new procedure relating to imports and sales of equipment and products for exclusively agricultural use. A procedure that will surely burden the sales process. Indeed, "previously, for equipment intended exclusively for agricultural use, farmers automatically benefited

from VAT exemption. Similarly, importers had VAT free customs clearance of farm equipment, and their distribution networks could acquire this equipment tax-free to supply farmers", says the AMIMA association. As a reminder, Decree No. 2.22.809 grants only to farmers the possibility of acquiring farm equipment and

products exempt from VAT provided that they present a certificate issued by the General Directorate of Taxes. This sesame supposes a preliminary identification with the Tax administration. Nonetheless, the other components of the ecosystem were excluded by the decree. For AMIMA, these provisions "endanger the situation of importers and of their distribution networks". Importers, wholesalers, and retailers must pay the VAT both upon import and domestically and wait to be reimbursed. This can sometimes take a long time and "burden operators' cash flow with a VAT credit that they cannot bear in addition to the amounts relating to the subsidies paid by assignment of debt".

Importers say sales of farm equipment have come to a halt since the VAT decree came into force on February 01. In response to the difficulty in supplying the market with new equipment, farmers could resort to second-hand equipment as a solution. □

Hassan EL ARIF

Water: To no longer depend on rainfall

M When the rain falls, the morale of Moroccans is high! The rain and snowfall recorded in the kingdom for several days gives hope for water reserves in enough quantity to avoid restrictions in the countryside and cities next summer. One thing is certain, the rainfall at the end of February has had a positive impact on the filling rate of the dams, which reached 32.8% on February 22, roughly the same level as during the same period in 2022, which was 32.9%. This level should be revised upwards following the abundance of rain since the weekend of February 25 and 26. As of February 28, the reservoirs of the country's main dams show nearly 5.3 billion cubic meters. Several dams record a filling rate of 100%, such as the dams of Tanger-Méditerranée, Nakhla, Chefchaouen, Achraf Al Idrissi.... Other dams are unfortunately very badly off such as the Twizgui Ramz (0%), Abdelmoumen (5.7%), Hassan II (10.2%), or Bin El Ouidane dams (12.4%). *"The level of the dams is better than in 2022, a very dry year which was marked by signifi-*



cant water restrictions in many cities. This year, there is a positive snowfall rate for both the dams and the water tables", says Fouad Amraoui, water and environment expert. This professor at the Casablanca faculty of science believes that people must learn to make better use of water, particularly in the agricultural sector, a sector which monopolizes nearly 80% of national water resources. *"One has to think about agricultural products that are less water-intensive",* says Amraoui. Education and awareness are also areas on which one must work. In this sense, the National Electricity and Water Office (ONEE) is very mobilized. Many campaigns are conducted to encourage the general public and businesses to consume water wisely while preserving it from pollution. *"We are not out of the woods yet, even if rain is present during this month of March",* warns Amraoui who recalls

that the water potential is currently 600 cubic meters/capita/annum, versus 2,500 cubic meters/capita/annum in the 1960s. *"Fortunately, Morocco is a good student in terms of mobilizing water resources thanks to its policy consisting in the construction of dams, but this is no longer enough. One must explore other avenues, in particular non-conventional waters",* explains the water and environment specialist. In this area, Morocco has implemented an ambitious plan to no longer rely solely on rainfall to meet its water needs. Thus the development of non-conventional resources, in particular desalinated seawater, is a priority in the National Water Strategy for the 2020-2027 period. Hence, nine seawater desalination plants today produce 147 million cubic meters / annum. By 2030, the goal is to build around twenty new plants in order to produce 77,500 cubic meters /day. The treatment of brackish water is also on the agenda with several operational stations in the regions of Tan-Tan, Boukrâa, Aftisat, El Bouidra, Dchira, Antrift, and Ain Bida. □

Fatima EL OUAFI

Seismic standards: Are our buildings secure?

D O our buildings comply with seismic construction standards? The question is legitimate in view of the tragedy that has occurred in Turkey, where architects, developers, and contractors in the real estate sector are singled out. A hundred of these Turkish operators have even been imprisoned pending the results of the ongoing judicial inquiry. The scale of the disaster is such that the National Board of the Association of Architects in Morocco has sent a letter to the profession in which it asks for *"compliance with earthquake-resistant construction requirements for buildings and civil engineering works"*. *"Architects must ensure that the structure plans, technical details, and written documents relating to any construction project are drawn up by a specialized engineer authorized to practice and approved by an inspection entity",* insists the president of this national association, Chakib Benabdellah. These documents, he insists, must



comply with the requirements of the earthquake regulations RPS 2011. In his letter, the President of the Association recalls that *"architects must ensure that specialized engineers do mention this regulation on the various plans, details, and documents required for any construction request"*. A question is essential. Are these standards taken into consideration in the field? *"One must first distinguish between the formal and informal sectors. In the first sector, rules are more or less respected. In the second sector, the situation is very grave. Not only is this regulation not taken into account, but in addition, this sector is eaten away by the signatory architects",* replies Chakib Benabdellah. The president of the National Board of the Association of Architects points the finger at the practice of signatures of convenience, which is spreading more and more in the construction sector, and is sounding

the alarm about its consequences. *"These signatories are a real blight, which harms the quality of construction as well as the landscape of our cities and especially our outskirts. And it is these architects, pushed by unscrupulous developers, who are the real danger today, more than ever",* adds Benabdellah.

Some architects put their signature on a plan of which they are not the authors. Worse still, they do not carry out any follow-up mission on the construction site, while the law is clear. Architects must ensure follow-up on the construction works, and check the compliance with the architectural plans and the indications of the building permits.

Chakib Benabdellah deplores the legal vacuum that makes it difficult to put an end to this issue. *"We are trying to combat these practices, but the legal means that are available remain very weak",* he says. □

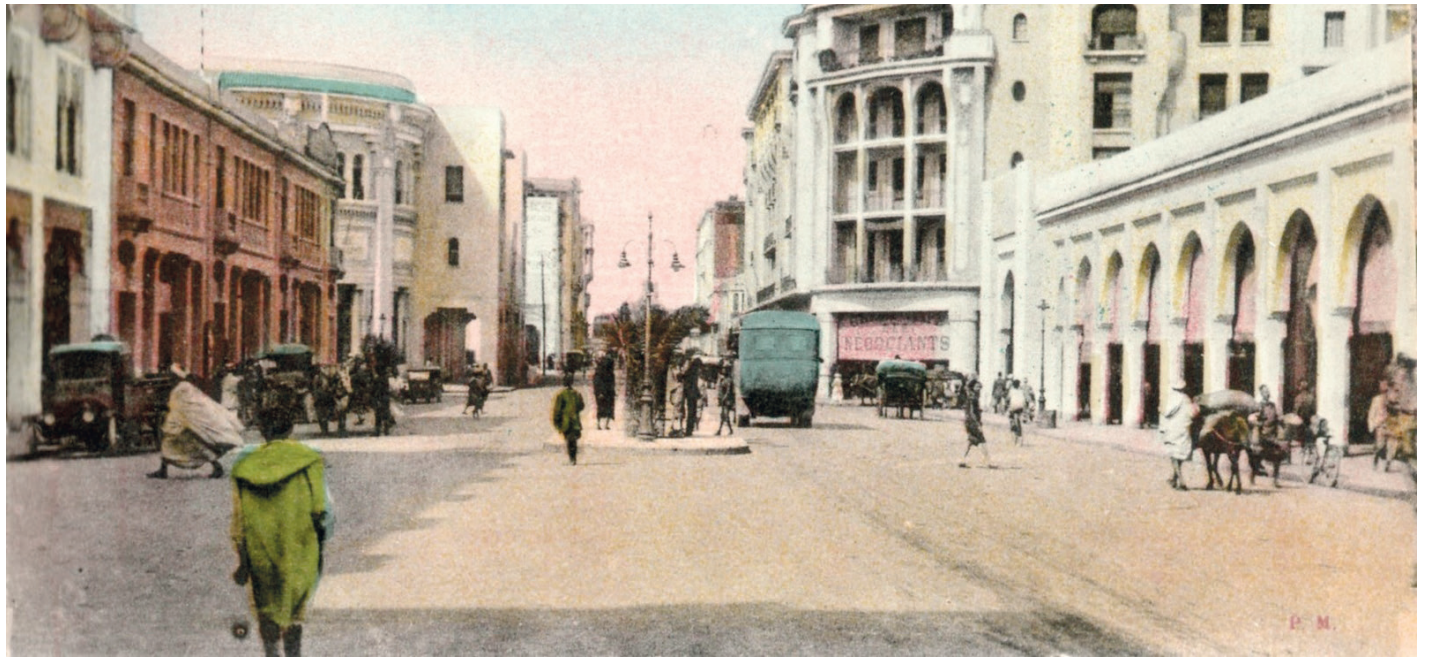
Khadija SKALLI

Weekly highlights

Casablanca like you have never seen it before...

DO you really know Casablanca? Admittedly, the business capital of the country has the reputation of being a monster: hellish traffic, insecurity, lack of cleanliness and lack of greenery, and one has to walk its streets on a Sunday morning ideally for the city to reveal all it has to offer. This is the "urban adventure" to which the Casamémoire association invites visitors from April 7 to April 8, 2023. "Heritage nights" will start at 9 p.m. during these two days of strolls and discoveries. A dive into the architectural history of a city designed at the beginning of the 20th century by the French Marshal Hubert Lyautey and his architects. An open-air museum with notably "Art Deco" buildings on Boulevard Mohammed V. The walls contain part of the history of Morocco for the most curious visitors. The "Heritage Days" are scheduled from May 26 to 28, 2023. The first day of this twelfth edition, a Friday, will be devoted to guided tours for the benefit of students.

The weekend will be reserved for the general public. "The people of Casablanca will visit their most iconic monuments for free and freely", said the president of Casamémoire, Mrs. Rabia El Ridaoui. In the Habous district, built between 1918 and 1950, the Pacha's Mahkama (Pacha's Court) opens its doors to you, but not for a trial! The current headquarters of the Casablanca-Settat Regional Council were originally a court and a reception space for the Pasha, a project undertaken by architect Auguste Cadet at the end of the First World War and during the Second which followed, and which constitutes a flamboyant synthesis of artisanal Morocco and of its materials, namely hard stone from Benslimane and Bouskoura, zellige from Fez, cedar from the Atlas mountains, and plaster from Safi: the Habous district is one of the five circuits offered to the public: Mohammed V Square and Boulevard, the old Medina... There is also the legendary Hay Mohammadi district best known for being a breeding ground for artists like the veteran singers and musicians of the Nass El Ghiwane band (born in the 1970s) or for the younger generation like Barry. This district is on the other hand less known for having been the



Boulevard Moulay Youssef on the way to the Hassan II Mosque in Casablanca. The religious building was built during the 1980s and 1990s on the remains of the municipal swimming pool, the largest in Africa. This is the result of a collaboration between the architect Michel Pinseau, Moroccan craftsmen, and the Bouygues company. Few Casablancans have visited this 9-hectare monument with an opening wooden roof. Guided tours are possible



Downtown Casablanca in the middle of the last century, a few steps away from the old Medina. In the background, the Excelsior hotel built between 1916 and 1918. Neo-Moorish work by architect Hyppolite Joseph Delaporte. First large hotel built outside the ramparts of the old Medina. The famous aviator and writer Antoine de Saint-Exupéry stayed there. In 1918, painter Jacques Majorelle held his first exhibition in Morocco here

receptacle of "the invention of housing for the greatest number" in the 1950s by the French architect and

urban planner Michel Écochard. This type of housing is the ancestor of the current «Frankensteinian»

low-income housing. □

Faïçal FAQUIHI

Gravedigger of history

AN "error" had convinced him to delve into the history of Casablanca. "I had heard a pseudo-guide say 'His court, on the Mohammed V square, was built by the Ottomans!!!'", Brahim Himmich told the public who was present at the end of January 2023 on the occasion of the preparations for the "Heritage Days". The senior citizen found himself witness to a scene where a pseudo-guide "reinvented" the history of the white city for amazed tourists. That day, Marshal Lyautey and his architects were robbed of their work. Our witness, himself a retired tourist guide, has

become a memory torchbearer. "I have read practically all the books written on Casablanca in the nineteenth century", confides the man who is now one of the reference guides of the Casamémoire association, with a predilection for the Habous district. The anecdote of our speaker is an acknowledgment of the ignorance in which many of our fellow citizens are immersed. Nothing is lost, however. The inhabitants of Casablanca responded to the call of Casamémoire. The association will train mediator guides for the Heritage Days scheduled for May 26 to May 28, 2023. □