

Weekly highlights by L'ECONOMISTE

Finance Law 2024

First dashboard

Forecasts

Growth

2024	2023
3,7%	3,4%

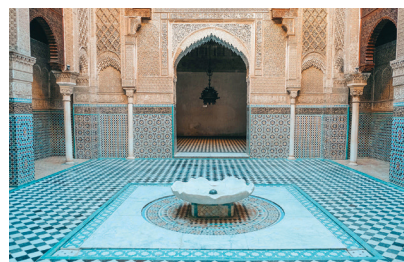
Budget deficit

2024	2023
4%	4,5%

Inflation

2024	2025
3,4%	2%

Prison population at an all-time high



Morocco at war against cultural appropriation

Cash takes off again



EDITORIAL

Hypocrites

Meriem OUDGHIRI

“**H**IDE this condominium manager whom I should not see!”. This famous line, somewhat distorted and borrowed from the «Tartuffe» theatrical comedy of French playwright, actor, and poet Molière, translates well the plague that rages in the field of joint ownership in Morocco, a plague in the form in particular of the huge mass of unpaid property management dues by the joint owners. Anyone, provided he shouts loud enough, can block any decision by simply refusing to pay his charges on the pretext that he lives on the first floor of a building and does not use the elevator. By snowball effect, the other joint owners do the same. And it is precisely this fee that is used to pay the janitor, the water and electricity bills, the elevator maintenance, and other charges. In the end, most managing agents end up giving up so as not to beg their neighbors for the contribution to be paid and not rack their brains in court. Despite the laws and amendments, the situation in the «common areas»

of the condominium withers and the anarchy continues. However, there is no community life without rules. Paying one’s contribution to the property manager is part of the rules. Failure to do so is like refusing to pay one’s taxes. Today, faced with the rise of this concept of living together, especially in large cities, it is urgent to review the entire system. After a wait of 21 years, the accounting rules dedicated to co-ownership management associations have just been introduced into the adoption circuit, but there are still other major issues waiting to be worked on, namely (re)amending various provisions of the law, and regulating the status and profession of condominium managers. Another big obstacle to remove is ignorance of the law itself and the lack of awareness. Who says rules of cohabitation, says rights and obligations of each stakeholder to be respected. This is what this famous democracy that we are crying out for is all about, and it is on the landing of our apartments that democracy must already begin. □

Weekly highlights

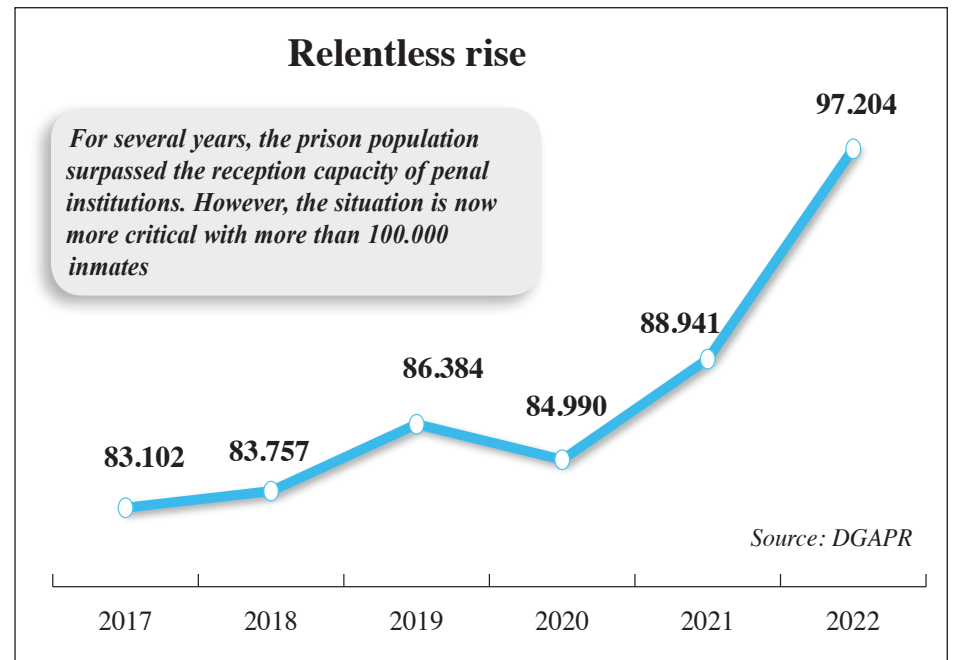
Prison population at an all-time high

THE Moroccan department of corrections (General Delegation for Prison Administration and Reintegration, DGAPR) is overwhelmed by the number of inmates. DGAPR has just published a press release in which it declares that the prison population has reached historic levels and amounted on August 07 to 100,004 prisoners for a national capacity of 64,600. This is a historical record. It is in Casablanca that the situation is most critical. Indeed, the local prison of Aïn Sebaâ currently hosts 10,877 prisoners for a capacity of barely 3,800 beds, almost triple the capacity of this correctional facility.

It should be remembered that as of November 30, the number of inmates reached 98,770, which was already a record in itself (See L'Economiste issue #°6404 of 06 Dec. 2022). Prison overstaffing has therefore reached abysmal figures despite the efforts of DGAPR aimed at expanding and modernizing the national correctional facilities. The rate of increase in the number of

inmates is not about to fade anytime soon. DGAPR says it expects an upward trend if the pace of arrests continues at the same current rate and if no urgent measures are taken to solve the problem of overcrowding in the country's prisons.

The alert issued by the prison authorities is explained by the consequences of overcrowding, which are numerous. In addition to the promiscuity in the prisons which calls into question the conditions of detention, DGAPR is faced with a priority: to manage the very worrying situation of the prisons and to avoid potential outbreaks. Since the correctional staff is not sized for a population of this magnitude, the risks of insecurity cannot be ruled out. DGAPR must also deal with the degradation of accommodation and food for inmates. It should not be forgotten either that the authorities must certainly encounter many difficulties in ensuring proper medical care for prisoners during their period of detention. Added to this is the difficulty of deploying the prisoner support program in opti-



num conditions, to prepare for their social reintegration once they have been released. In the absence of sufficient means and favorable conditions, prisons tend to become an environment that encourages recidivism once inmates are released. Another consequence of the overcrowding situation is the cost generated by the exploding prison popu-

lation. The Moroccan department of corrections finally clearly expresses its concern about the growth of the prison population and calls on the judicial and administrative authorities to quickly find solutions to this problem, to avoid situations spiraling out of control. □

Hassan EL ARIF

Hot summer for canned tomatoes

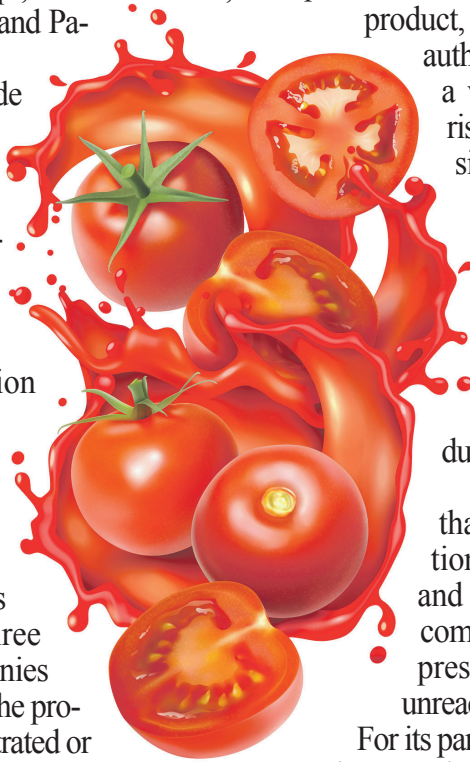
AFTER the slatted plywood and the mechanical carpets from Egypt, the bone of contention this time are canned tomatoes. The National Agribusiness Federation (Fenagri) complains of alleged dumping of exporters from the land of the Pharaohs. This situation is said to be causing «significant damage» to national operators.

Fenagri has therefore asked the Ministry of Industry and Trade to open an anti-dumping investigation. The request was made on behalf of Conserve de Meknès, Conserveries marocaines Doha, and Moroccan Food Processing. These three companies account for 96% of national production. The Department of Foreign Trade opened an investigation on Monday, August 07, 2023.

This new trade defense case is still in its early stages. One of its particularities is that it involves a country with which Morocco has signed a free

trade agreement. The Agadir Agreement, which came into force in March 2007, covers Egypt, Morocco, Lebanon, Jordan, and Palestine.

To claim a trade defense measure, the complainant must have the “National Production Branch” status, that is to say have a significant share of production to have the legitimacy to bring a case before the Moroccan Government. This is the case in this case since the three Moroccan companies largely dominate the production of concentrated or pureed tomatoes, whether canned, in glasses, jars, or



closed containers... These characteristics are important since they limit the scope of anti-dumping to a specific product, thus preventing the authorities from casting a wide net, with the risk of penalizing non-similar products.

Hence another detail on the use of the product and which is for “food use” in households, restaurants, and the food industry.

What is it exactly that caught the attention of the Federation and of the complainant companies? Fenagri representatives remained unreachable.

For its part, the Ministry of Industry and Trade speaks of «imports of canned tomatoes having

experienced a remarkable increase in absolute terms and in relation to the national production and consumption». The opinion of the Ministry issued on August 01, 2023, does not provide figures. In principle, the investigation-opening report contains these data. It will be “sent to interested parties” who request it from the Department of the Commercial Defense and Regulation Directorate. Contrary to the good practice that prevailed before, the investigation-opening report is no longer posted online!

Imports of Egyptian tomato paste amounted to 7,394 tons for a value of 115 million Dirhams (USD 11 million) in 2022, according to the Foreign Exchange Office. Egypt has topped the rankings since 2018.

Moreover, the volume of national production of concentrated and pureed tomatoes remains a mystery. In the general interest, investigators must have accurate statistics. □

Faïçal FAQUIHI

Finance Law 2024: First dashboard

THE machinery for the official preparation of the Finance Law for 2024 has been started. The Prime Minister has just signed and distributed to ministers the guidance note for the preparation of the draft budget for next year. For 2024 and the following years, the Cabinet will strive to gradually reduce the budget deficit so as to place public finances « on the path of reducing the volume of indebtedness, strengthening the financial balance, and reconstitution of the financial margins necessary for the pursuit of the various development projects », according to this 16-page note. To do so, the Cabinet expects a growth rate of nearly 3.7% in 2024 versus 3.4% in 2023, while continuing to reduce the budget deficit to 4% in 2024 versus 4.5% expected at the end of this year. In order to activate the royal orientations, in particular those contained in the Throne Day Speech, and the pillars of the Government's program, the Finance Law of 2024 has established four priorities, one of which concerns the consolidation of measures to deal with cyclical effects. It is certain that the measures taken to control the level of inflation and bring it back to pre-crisis levels have begun to bear



fruit through the decline in the rate recorded in recent months. However, vigilance and monitoring must be maintained by stepping up efforts to achieve the necessary balance between fiscal and monetary policy. The goal is to reduce the inflation rate to a level equivalent to 3.4% in 2024, and 2% from 2025 onwards.

■ **Supporting the agricultural sector:** To this end, it will be necessary to consolidate measures aimed at supporting agricultural commodities and fodder, in parallel with the development of the production and distribution sectors within the framework of the «Green Generation»

strategy. It is imperative to ensure the implementation of the commitments included in the 19 program contracts signed at the beginning of this year.

■ **The issue of water and climate:** The government will speed up the implementation of the

components of the national drinking water supply and irrigation program, with a budget of 143 billion Dirhams (USD 14 billion) for the 2020-2027 period.

■ **Pursuing structural reforms and sectoral strategies:** Several projects are mentioned in the guidance note. These range from the gradual digital transformation project and the modernization of judicial administration to the simplification of procedures, including the implementation of administrative reform. The same applies to the devolution process, and progress in the implementation of advanced regionalization. These are two key areas for strengthening the governance of public administration. □

Mohamed CHAOUI

Cash takes off again

THE circulation of cash experienced a new rebound. This is what emerges from the latest report from the central bank (Bank Al-Maghrib), ACAPS (the Insurance and Social Welfare Control Authority), and the AMMC (Moroccan Authority for Capital Markets) on financial stability. "After the lull observed in 2021, currency in circulation experienced a clear acceleration in 2022", reads the report. This is linked in particular to the "general rise in prices, as well as the influx of foreign currencies observed since March". In detail, withdrawals at BAM counters reached 200 billion Dirhams (USD 20 billion), which represents an increase compared to the historic peak of 179 billion Dirhams (USD 17 billion), reached in 2020, in the context of the pandemic

crisis. For their part, payments totaled 165 billion dirhams, versus 151 billion in 2021 and 142 billion in 2019. Overall, these movements gave rise to net flows of 35 billion dirhams, against usual outflows standing at around 18 billion. The circulation, excluding bank holdings, reached 372 billion dirhams, up 10% year-on-year. The ratio of currency in circulation to GDP reached 27% compared to an average of 22% before the crisis. Per type of currency, the breakdown of cash circulation shows that Moroccan banknotes represent 44% in volume and increased by 9.3% in 2022, with a total of 2.5 billion banknotes, or the equivalent of 368 billion dirhams. It is the 200-dirham

denomination that remains dominant, with 56%, or the equivalent in volume of 1.4 billion banknotes. This increase was made to the detriment of the 50 dirham note, the share of which fell from 4 to 3%. The 100-dirham and 20-dirhams banknotes preserved their shares at 35% and 6% respectively. Value analysis shows that banknotes continue to represent 99% of cash in circulation. The 200-dirham note represents 75%, versus 23% for

the 100 dirham note and 1% for each of the 50- dirham and 20-dirham denominations. For their part, coins also recorded a rise of 3.1% in 2022, reaching 3.1 billion coins. This represents the equivalent of 4 billion dirhams. The structure of their stock was marked by an improvement of 1% for each of the contributions of the 5-dirham and half-a-dirham coins, to stand at 8% and 13% respectively. On the other hand, the share of 20-cent and 10-cent coins fell, respectively from 16 to 15% and from 19 to 18%. In value, the structure of this stock did not register any significant variations: 34% for the 10-dirham coins, 29% for the 5-dirham coins, 22% for the one-dirham coin, and 15% for the other coins. □

M.A.M.



Weekly highlights

Morocco at war against cultural appropriation

AT a time of soft power war and cultural appropriation, Morocco makes it a point to protect its tangible and intangible assets. The Ministry of Youth, Culture, and Communication has already initiated a series of measures to legally protect Morocco's intangible heritage made up of a large number of ancestral skills, with internationally recognized instruments. The goal of those measures is to provide safeguards to slow down any attempts at cultural appropriation of our know-how, those of our eastern neighbors in particular, the latest and grossest of which concerns the Ntaa caftan from Fez.

This rescue operation will have to go through a synergy of actions between the ministry of Crafts, the ministry of Culture, Moroccan industrialists, civil society, and the Moroccan Industrial and Commercial Property Office (OMPIC). The latter has, by the way, already registered about sixty labels. The latest initiative from Minister of Culture Mohamed Mehdi Bensaid, which is



The sumptuous Khrif or brocade of Fez, produced by the city's master craftsmen since the 13th century



The art of zellige (mosaic tilework) reached its climax during the Merinid period (Attarine madrasa of the 12th century), and continues to be practiced with excellence (Ph. DR)



To preserve the Judeo-Moroccan memory, the «Bayt Dakira» (House of Memory) initiated under the leadership of André Azoulay, in Essaouira, is a heritage interpretation center that perfectly embodies the spirit of coexistence, tolerance, and interreligious dialogue

equally commendable, is the launch of the first digital platform intended to promote Moroccan heritage. Designed as a national encyclopedia, «www.culture.ma» provides access to Moroccan content in the fields of

books, heritage, and music. This is a first step which consists in contributing to the process of listing Moroccan tangible and intangible heritage and to its presentation, to Moroccans and to the rest of the world, through photos, capsules, videos, and an overview of each of its elements. The goal is also to make national cultural festivals and available publications known. The platform is currently available in Arabic, but should soon give access to a section in French, English, Spanish, and Amazigh, with a view to promoting access to Moroccan culture to as many people as possible through the publication of multimedia content in the fields of arts, books, and heritage.

The platform puts online dozens of videos documenting cultural festivals, book fairs, iconic monuments, and more generally an overview of the entire tangible and intangible cultural heritage. The platform will also be a virtual library made available to the general public, making it possible to present and document major cultural events, enhance artistic energies, promote literary works, and preserve Moroccan cultural heritage, promises the Ministry of Culture. In addition, this platform will make it possible to inform viewers about the different activities of the culture sector, with data that will be updated on a regular basis and enriched with new content, so that each visit to the platform is an interactive experience, with the possibility to discover new videos about the cultural heritage, about writers, or about the arts and know-how of Morocco. □

A.Bo

Cultural heritage interpretation centers

SINCE the establishment of the National Museums Foundation, which was entrusted with the management of the national museums in 2011, the Ministry of Culture has been involved in the creation of heritage interpretation centers, as cultural, scientific, and educational institutions whose main mission is to introduce the general public to the cultural and historical heritage of Morocco, through spaces aimed at promoting local heritage in the service and development of society. These institutions seek to highlight this cultural heritage, and to ensure its protection and preservation, while alerting to its fragility and the dangers that threaten it. In this context, the Department of Cultural Heritage of the Ministry has ensured the establishment of several heritage interpretation centers within cultural spaces (archaeological sites, historic monuments, city and ancient urban fabric, and others) which undertake to present the cultural and natural heritage, and to provide visitors with scientific material enabling them to discover the richness and cultural diversity of a region. □