

Weekly highlights by L'ECONOMISTE

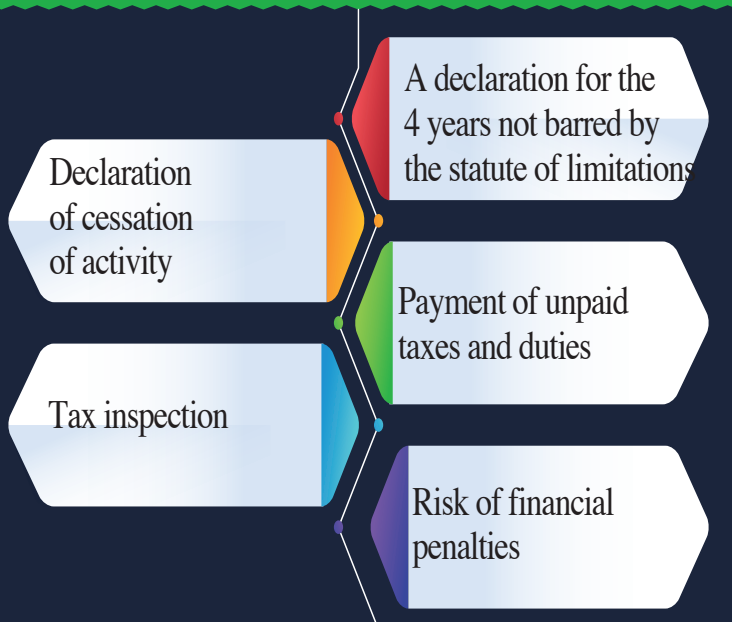


«Inactive» companies

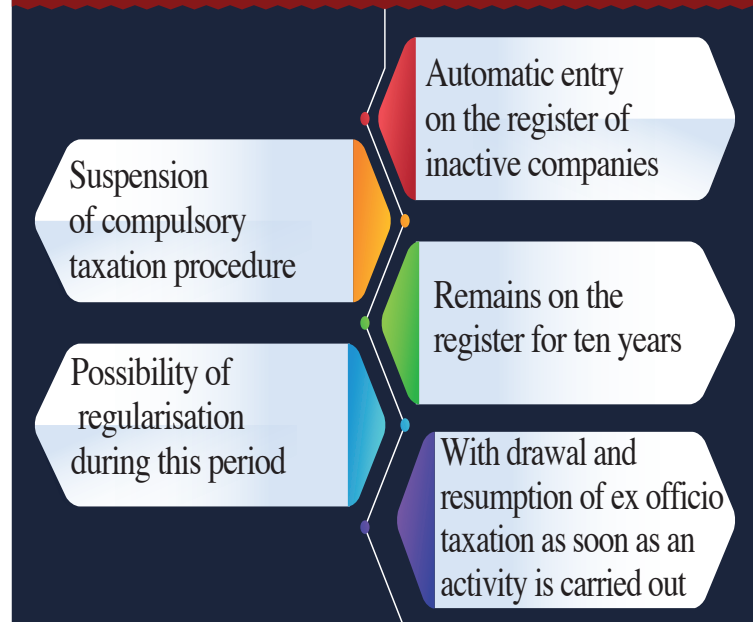
The countdown has started

DGI notification

In case of reply



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Trade with Morocco:
Europe, the largest and unbeatable partner



Corporate steering:
The key to success



Casablanca: Endless road works



Rugs: A brand to preserve the know-how of Amazigh weavers

EDITORIAL

Hawaii

Khalid BELYAZID

THEY dive into the sea, not with their surfboards to tease the waves of Hawaii, but to save themselves from the flames. Over the last few days, the American paradise has become a hellish place, with forest fires. The Pacific archipelago used to be the stuff of which dreams were made of: beautiful beaches, body-built surfers with sun-bleached hair, exotic fruit cocktails, and Hawaiian floral shirts. The archipelago even has its own TV series, which has been a hit for decades. But today, it is also affected by the consequences of climate change. In the middle of August, peak tourist season, the image is burning. A hundred people dead, tourists fleeing, a city in ashes. What is routine for Mediterranean countries is an electric shock for America. At the same time, the courts are harassing Trump for several violations of his oath of office, but not for his denial of climate problems. At the same time, brazilian president

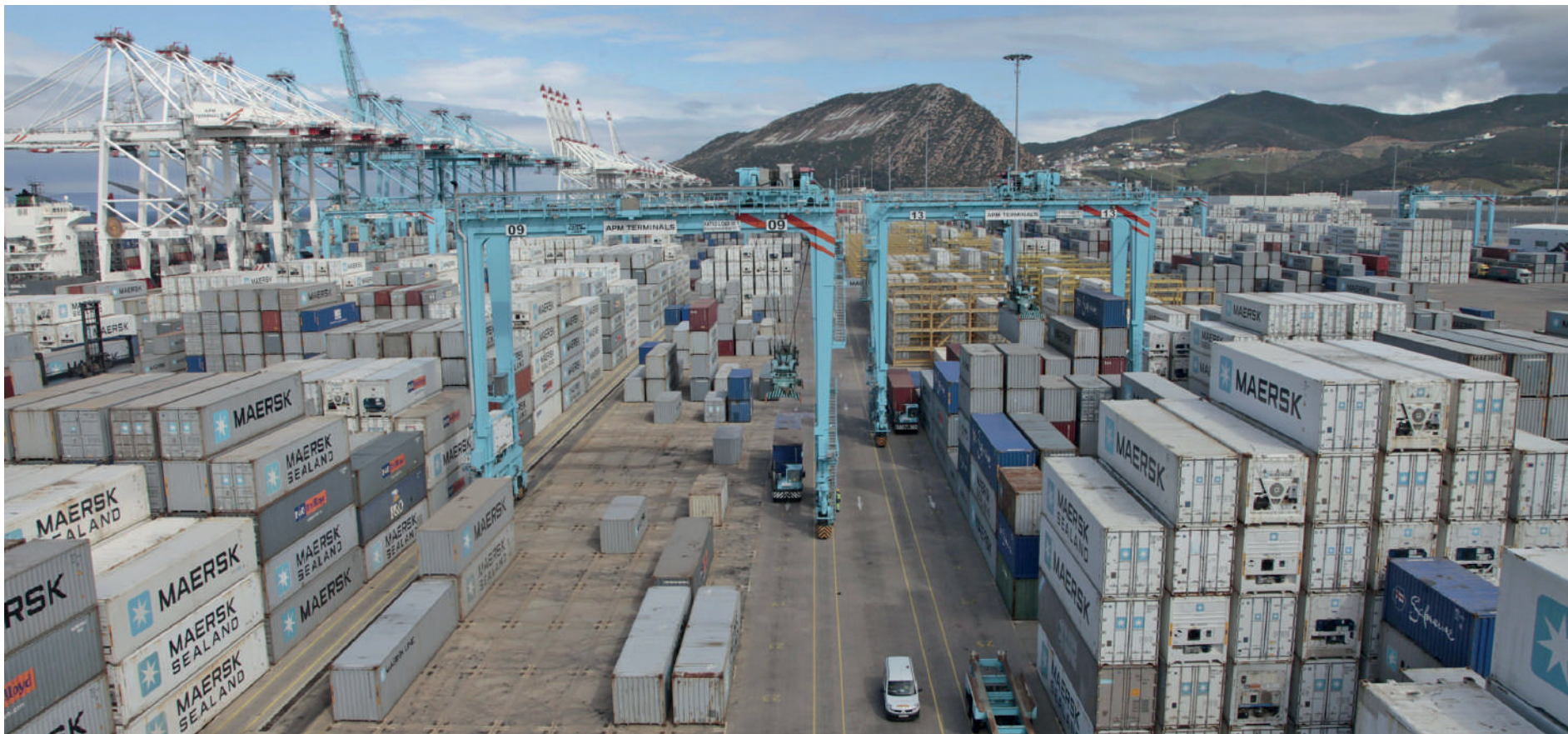
Lula has not convinced his colleagues to better protect the Amazon, the lungs of planet Earth. How can powerful leaders still turn a blind eye in the face of such a serious problem in order to protect polluting activities and a few vested interests, despite all the commitments made at the U.N. Conferences of Parties on climate change?

Let us hope that this tragedy will be a wakeup call for America, just as Pearl Harbor was, which shook the United States out of its selfishness and into the Second World War. For what the world is going through right now is another war, and a global one, by the way. Our enemies are all the countries that pollute, and our allies are all the countries that decarbonize. This war can only be won if America, the leading economic power and polluter, takes the lead. And may Hawaii become a dream vacation venue again. □

Weekly highlights

Trade with Morocco

Europe, the largest and unbeatable partner



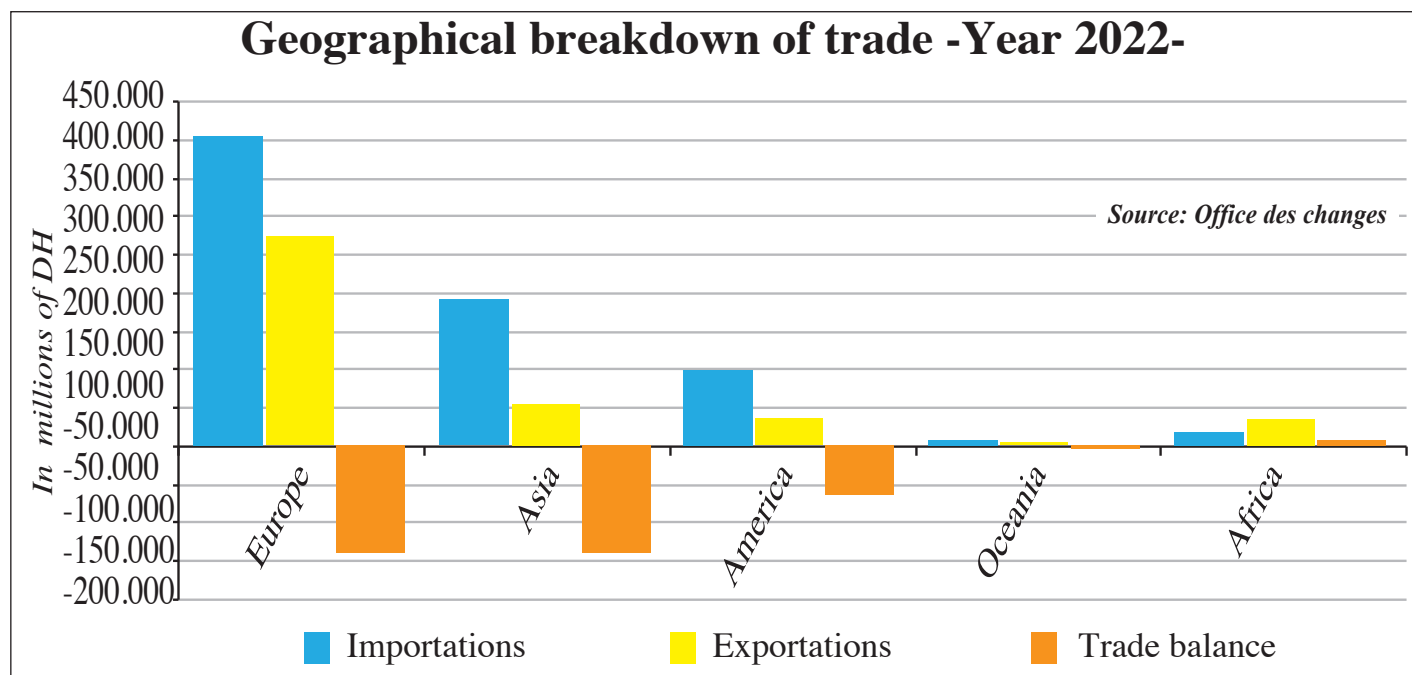
DESPITE a global context characterized by growing geopolitical tensions and difficulties in supply chains, Morocco's trade transactions with the rest of the world keep on following an upward trend. In 2022, they rose by 35.9% to reach a value of 1,166 billion dirhams (USD 116 billion), compared with 858 billion dirhams (USD 85 billion) in 2021, notes the Moroccan Foreign Exchange Office in its annual report on Morocco's foreign trade.

Europe maintains its position as the Kingdom's leading trading partner. Trade with the Old Continent accounted for 58.8% of total merchandise-related transactions. They amounted to 685.8 billion Dirhams (USD 68 billion) last year. However, the weight of this trade in Morocco's total transactions is declining, from 63.4% in 2021 to 58.8% in 2022.

Trade flows with this continent reveal a momentum that affects imports more than exports.

■ Spain, at the top of the podium

Unsurprisingly, trade is mainly carried out with Spain. The Iberian country consolidated its number-one ranking with a 27.4% share (188.1 billion dirhams), ahead of France (23.1%) and Italy, followed by Turkey and Germany.



The upward trend is also confirmed in the trading of goods with Asia. An increase of 59% was recorded in 2022, reaching 257.82 billion dirhams. China remains Morocco's leading Asian partner, with a 30% share last year. With a value of 77.4 billion dirhams, Morocco's Asian trade partners show an increase of 18.7% compared with 2021. Similarly, transactions with the other main Asian partners (Saudi Arabia, India, and the United Arab Emirates) posted significant increases. At the same time, transactions with America rose by 51.2% last year, driven mainly by growth in trade with the USA, Argentina, and Trinidad and Tobago.

■ South Africa is gaining ground

As far as trade with Africa is concerned, Meanwhile, trade with Africa continues the upward trend begun in 2021 (+39.9%). Morocco's trade balance with this continent consolidates a good performance, with the trade surplus doubling. It rose to 13.3 billion dirhams versus 6.2 billion dirhams in 2021. This is mainly due to the increase in trade with Djibouti, Mauritania, Senegal, and Côte d'Ivoire. It should be noted that Morocco has a trade deficit with Europe, Asia, and America (the increase in imports exceeds that

of exports). Egypt remains Morocco's main African partner for the fourth year in a row. It is followed in 2022 by South Africa, which ranked eighth among the Kingdom's partner countries a year earlier. Next come Djibouti, Tunisia, and Côte d'Ivoire. These five countries account for almost half of trade with Africa (48.1%).

Trade with Oceania remains limited, accounting for 0.3% of transactions. In fact, trade with Australia fell by MAD 464 million, to MAD 804 million, offset by an increase of MAD 319.1 million in trade with New Zealand. □

Khadija SKALLI

«Inactive» companies

The countdown has started

THE 2023 Finance Law provides for two mechanisms to regularize the tax status of companies that have been inactive for too long. Inactive companies are defined as legal entities or individuals that have not generated any sales or have only paid the minimum contribution for the last four financial years.

There are still just under five months to benefit from this measure, which expires on December 31. Depending on the results and the Government's determination, the scheme could be renewed in the 2024 Finance Law. It should also be noted that fiscal years that have been subject to one of the tax base rectification procedures provided for in Articles 220 and 221 of the General Tax Code (CGI) are not eligible for this transitional regime.

The first measure provided for by the 2023 Finance Law in terms of regularization targets companies that wish to permanently cease their activities through a simplified

This is a screenshot of the 'DECLARATION ANNUELLE DU REVENU GLOBAL' form for individuals. It includes sections for 'NATURE DES REVENUS', 'REVENUS SALARIAUX ET AUTRES', 'REVENUS PROFESSIONNELS', and 'REVENUS D'ACTIVITES'. It also features a section for 'REVENUS EN CAUSE DE LIQUIDATION' and a section for 'REVENUS EN CAUSE DE LIQUIDATION'.

This is a screenshot of the 'RAPPORT SUR LES SOCIÉTÉS' form for companies. It includes sections for 'IDENTIFICATION FISCALE', 'LIQUIDATION DE COURTE DURÉE', and 'LIQUIDATION DE LONGUE DURÉE'. It also features a section for 'LIQUIDATION DE COURTE DURÉE' and a section for 'LIQUIDATION DE LONGUE DURÉE'.

procedure, limited in time since it expires on December 31. In return, they benefit from exemption from tax audits and from the automatic cancellation of penalties for failure to file their returns and pay taxes as stipulated by the CGI. The scheme is governed by article 247-XXXVIII of the General Tax Code. To be eli-

gible for the scheme, a declaration of total cessation of activity must be filed. Many of the entities concerned are already preparing to activate this scheme by opting for liquidation. In principle, these entities will not be notified by the tax authorities as they are up to date in filing their returns and paying the minimum

contribution. These taxpayers have until December 31 to dissolve their company or, in the case of individuals, cease all activity once for all. To do so, however, taxpayers must provide a certificate of deletion from the trade and professional tax register. When filing their declaration of cessation of activity, taxpayers must choose option 247-XXXVIII, subject to payment of a flat-rate contribution in full discharge of tax liability of 5,000 Dirhams (USD 500) per year, or a total of 25,000 Dirhams (USD 2,500) depending on the number of years not barred by the status of limitations. Taxpayers who take these steps are exempt from the tax audit, provided they have not issued or used fictitious invoices. One really needs a clean criminal record. Unpaid minimum tax, unpaid business tax or unpaid advance payments do not exempt you from paying them, and are not covered by the annual 5,000 Dirham contribution. □

Hassan ELARIF

Corporate steering: The key to success

IT is not often mentioned, yet it is one of the essential elements in a company's success. It is the notion of «corporate steering». It is the set of resources that enable a company to anticipate the risks inherent in its management, and enable it to make informed decisions to achieve its goals. All entities, especially start-ups, have steering needs in order to be able to steer and control their activities in line with their goals. This implies a proactive approach to anticipating change, allocating human and financial resources efficiently, and monitoring performance on an ongoing basis. As Idriss El Houari, founder of the Al Amana & Ciel consulting firm, explains, «Corporate steering is an essential process for directing, controlling and optimizing a company's activities. Whether it's a fast-growing start-up or an established company, effective steering is the cornerstone of sustainable success. In an ever-changing world, with its many economic, technological, and social challenges, corporate steering is becoming even more crucial».

Data Management

Many companies neglect the notion of corporate steering, at the risk of finding themselves overnight faced with external or internal constraints that can influence their life cycle. It is necessary for any business to have a dashboard of the various risks in order to be able to make sound decisions, especially in increasingly risk-prone markets. It should be noted that corporate steering mate-

rializes through various aspects, including the use of technology and management tools. For experts from the Inforisk firm, «the various steering tools depend on the company's goals, but ultimately boil down to the following tools: Production management, Commercial management/CRM (management software used to optimize the sales cycle of z company), ERP (global activity steering solution), as well as auto-



mated reporting tools «. Indeed, the digitized economy in which people live today requires companies to use and analyze data in order to inform strategic decisions. Also, these tools would be used to monitor and control the performance of a company, such as turnover, profit margin, costs, or customer risk to ultimately support its performance on an ongoing basis. Steering is now carried out, and inescapably, on the basis of indicators which are quantitative or qualitative information making it possible to follow the evolution of a company and of its performance. These indicators must be reliable, homogeneous, and consistent, so as to be used as decision support tools. Young managers must be aware of this challenge, in order to ensure their competitiveness in a globalized market. Also, a company must constantly adapt to regulatory and normative requirements, hence the need to integrate the concept of corporate steering. □

Badr CHAOU

Weekly highlights

Casablanca: Endless road works

THERE'S no end to the road-works in Casablanca! The Derb Omar wholesale trade district, the Mohammed Smiha Street, the Avenue des Forces Armées Royales, the Gauthier district, the Ouled Ziane road, the Mohammed VI boulevard... All 4 corners of the city are affected by infrastructure works. Whether on the trajectory of the future tramway lines, the main thoroughfares or alleyways, traffic has become problematic. Some streets are even closed. One example is Moussa Bnou Noursair Street, which carries heavy traffic linking the city center to Boulevard Zerktouni via Boulevard Moulay Youssef. The Zerktouni passageway, which recently underwent rehabilitation work, was again closed in both directions. Traffic only resumed a few days ago.

If today, vehicle traffic is more or less fluid, in two weeks the situation will change with the start of the school year and its endless traffic jams. At the Mers Sultan roundabout, motorists no longer know who has priority. Some traffic lights work, others don't, or don't even exist (as is the case for the Allal El Fassi Street). Tourists and visitors crossing downtown Casablanca



are bewildered by this indescribable chaos. The city, which hopes to attract 6 million domestic and foreign tourists by 2030, is struggling to speed up the implementation of road and basic infrastructure projects. This delay translates into a loss of attractiveness that is growing year by year. Even Casabancans do desert their city as soon as the holidays arrive. This situation is likely to continue until next year, as the future lines 3 and 4 are still under construction. While the busway is due to go into service in the next few days, the new tramway lines will not be commissioned before 2024.

The current state of pavements and sidewalks is due firstly to the multitude of projects being carried out at

the same time, but also to a maintenance backlog of at least 5 years (including the period of the health crisis). The amount needed for road maintenance alone is around 700 million Dirhams (USD 70 million) / year. But it must also be said that in some neighborhoods (such as Mers Sultan), roads and pavements are worse than they were before the mobility projects began. The lack of coordination between the various stakeholders is glaringly obvious. The commune, the Local Development Corporations (SDLs), the Ministry of Public Works, the Casablanca-Settat Regional Council, and other stakeholders. Each player operates independently, without an orchestral conductor, who

is supposed to have an overview and provide a sense of direction, with an overall vision and strategy. Over the past few years, the Casa-Aménagement SDL local development corporation has embarked on a large-scale project involving the construction, upgrading, and redevelopment of roadways, sidewalks, and plazas, particularly on major thoroughfares. Nearly 2 billion Dirhams (USD 200 million), financed by the General Directorate of Territorial Authorities (DGCT) of the Interior Ministry, have been earmarked for this operation. Today, the results on the ground are still not yet meeting the expectations of the people of Casablanca. □

Aziza EL AFFAS

Rugs: A brand to preserve the know-how of Amazigh weavers

HELPING to preserve the know-how of female Amazigh weavers, while modernizing their creations to enhance their appeal to the public. This is the essence of the rug brand recently created by Moroccan designer Sana Benzaitar. This initiative aims to contribute to the economic development of these Middle Atlas populations, while giving a second life to Amazigh rugs.

The project, called «Studio Sana Benzaitar», employs nearly 60 female weavers from the Mrirt region in the province of Khenifra to produce rugs in the purest Berber tradition. This is a way to help safeguard these ancestral traditional weaving techniques. *“The rugs made by these women tell a story, that of a know-how passed down from mothers to daughters for decades”*, confides the designer to us. *“A family heritage to which I wanted to pay tribute and which I intend to contribute to keeping alive”*, says Benzaitar.



Another goal is to offer employment to women from this area and promote their socio-economic integration. *“This initiative offers us better remuneration conditions and allows us to work while carrying out our household chores, the workshops being located near our homes”*, confides a weaver involved in the project.



The rugs made are either graphic or plain, in bright, shimmering colors such as white, emerald green, fiery red or orange. What makes them special? A double-knot composition, providing a real density of thickness. *“Our rugs are particularly colorful, a choice that has become our trademark over the months”*, says Sana Benzaitar.

These are “unique” pieces that were first entirely woven by hand, then washed 5 to 7 times with a blade broom and then dried in the sun. *“The female weavers employed use a loom and use wool for the densest knots. The latter represents the best fiber there is to create a quality rug”*, says Benzaitar.

Before going through this “traditional” circuit, each rug was designed and imagined by the designer in her weaving studio in Marrakech. A way to promote the work of these women by revisiting their creations in a personal and contemporary way in order to recognize the public's interest in them. *“The designs and patterns that adorn our rugs are born from my travels and my personal history while remaining attached to the Moroccan cultural heritage”*, says the entrepreneur. A process which, from design to conception, requires several weeks of daily work per piece. □

Karim AGOUMI