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Weekly highlights by

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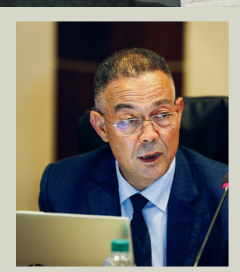

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EDITORIAL

Strike

Khalid BELYAZID

WHERE there are no laws, the law of the jungle applies. The minimum wage, which is being raised at the end of this month, has had its own law, and better still, an agreement for its evolution, since April 2022. This is a plus, thanks to a voluntary agreement between the «social partners» that is worthy of the most advanced countries. The problem is that the Government had undertaken to dust off the Labor Code and introduce a law on strikes. The Government, which has been repeatedly called upon to intervene, was supposed to put everything back into the legislative circuit before the end of the summer, but has avoided doing so, leaving the strike as a constitutional right with no implementing rules. Of course, a strike is a rare phenomenon, but like an earthquake, when it happens it is destructive. It can shake up even the most socially aware companies, based on a clash of egos between self-interested trade unionists and arrogant managers obsessed with the market or EBITDA, for whom the workforce is nothing more than a burden. Strikes can become frequent in times like ours, when inflation is squeezing wages and exacerbating demands, or when the workforce is under threat, making mobilization of workers easier. In such cases, strikes can be a tool of social construction; indeed, they form the basis of all the protections that seem obvious to us today. When they are anarchic, strikes can lead to bankruptcy, or at least to difficult reconstruction. They allow mistrust and hatred to develop between the troops and the bosses, who avoid recruiting new «enemies». In this climate of social distrust, employment will not grow. Employers are only asking that this right be regulated, and that it be a last resort, after negotiation and notice, and that this right to strike no longer a means of sudden and violent blackmail, a law of the jungle, left unregulated by a government made up of so many businessmen, who could themselves be devoured by the consequences of such a law of the jungle.❑

Weekly highlights

Revision of the Family Code

The royal timetable

THE Government has six months to submit proposed amendments to the Family Code to the King. A draft law will then be adopted by the Government Council and submitted to Parliament. This long-awaited reform will mark a new stage in the modernization of the Moudawana. On Tuesday, the Sovereign addressed a letter to the Head of Government concerning the revision of the Family Code.

In detail, Aziz Akhannouch has been entrusted with overseeing this project. The Ministry of Justice, the High Council of the Judiciary, and the Presidency of the Public Prosecutor's Office have been collectively entrusted with steering the preparation of this important reform. This is due to « the centrality of the legal and judicial dimensions of this issue «. This approach will be supported by the close involvement of other bodies directly concerned by these issues. These include the Higher Council of Ulemas, the National Council for Human Rights, and the Ministry for Solidarity, Social Integration, and Family Affairs. In addition, there is an important opening-up to civil society players, researchers, and specialists.

The consultations to be launched for the reform of the Family Code will involve various bodies directly concerned by these issues, including the Higher Council of Ulemas, the National Council for Human Rights, the Ministry in charge of Solidarity, Social Integration, and Family Affairs, as well as members of the civil society, researchers, and specialists (Ph. L'Economiste)

The Sovereign had already emphasized the urgency of this reform in his 2022 Throne Day Speech. He recalled that « the major reforms undertaken include the enactment of the Family Code and the adoption of the 2011 Constitution, which enshrines equality between men and women in terms of rights and obligations». The royal speech made it clear that the spirit of the reform was not to grant women gracious privileges, but rather to ensure their full enjoyment of the legitimate rights conferred on them by law.

Today, some twenty years after the Code came into force, practice in the field has revealed a number of shortcomings. « Initially, the Family Code represented a real leap forward. But it is no longer sufficient in itself. Experience has highlighted a number of obstacles to perfecting the reform and achieving the desired goals «, according to the royal address. One of the pitfalls identified is the incorrect application of the Code due to various sociological factors. These include, for example, the persistent tendency of some civil servants and lawyers to consider that the Code is reserved for women. The aim is also to overcome the shortcomings and negative aspects revealed by experience in the field, and to overhaul certain provisions that have been diverted from their original purpose.

A number of topics will be on the agenda during the extended consultations for the preparation of proposed amendments. One of the subjects likely to give rise to a great deal of debate concerns questions of equality between men and women in matters of inheritance. In any case, the proposals to be drawn up will be submitted to the Sovereign.❏

M.A.M

Olive oil

Professionals call for a halt to exports

OLIVE oil prices are soaring. Prices vary between 85 and 100 MAD (USD 8 to 10) per liter. The risk of a further increase in the next few days is very real. On the eve of the olive harvest, scheduled for October, producers are warning of the effects of the drought that has prevailed over the last two years. « There has been a sharp drop in production everywhere «, laments Rachid Benali, President of the Moroccan Interprofessional Olive Federation «Interprolive». Olives are grown in 10 regions of the Kingdom: Fez-Meknès, Tanger-Tétouan - Al Hoceima, Rabat-Salé-Kénitra, Oriental region, Marrakech-Safi, Beni Mellal-Khénifra, Greater Casablanca-Settat, Souss-Massa, Daraâ Tafilalet, and Guelmim-Oued Noun. The regions of Fez-Meknès and Marrakech-Safi alone account for 54% of the olive-growing area. The sector is dependent on rainfall. The area cultivated in non-irrigated areas is almost 677,000 hectares, while the area cultivated in irrigated zones is almost 398,000 hectares. Professionals call for suspension of shipments. This is a real first. « We have written to the Minister of Agriculture to stop exporting olives and oil abroad». The reason provided is a need to stabilize domestic prices. «The price of olive oil is already high. If we let olive oil or olives leave the country, prices will explode «, warns Rachid Benali. What does the Ministry of Agriculture have to say concerning this issue? When asked for comments by L'Economiste, Minister of Agriculture Mohamed Sadiki did not respond to our request.

International market share at stake

According to the Interprolive director Ahmed Khannoufi, « negotiations are under way «. No decision has yet been made. Khannoufi points to the surge in prices on world markets, following the drop in production, particularly in Spain. «Because of the drop in international production, there is strong demand for Moroccan olive oil «, Khannoufi points out. If shipments stop, Morocco risks losing its share of the international market. The average annual export of table olives is 88,000 tons, while that of olive oil is 31,000 tons. Since the implementation of the Green Morocco Plan, Morocco has established itself on the international market with its high-quality range of canned olives (third largest exporter worldwide). Olive oil shipments have also soared, notably to the European Union. The Generation Green strategy also focuses on promoting exports of olive oil and olive-pomace oil, with the aim of reaching 100,000 tons by 2030, and 150,000 tons for table olive exports.❏

Khadija SKALLI

Weekly highlights

Central rate / Key Rate

Cautious, the Board opts for the status quo

THE central bank maintained the status quo. The key interest rate remained unchanged at 3%. The decision made by Bank Al-Maghrib's Board of Directors on Tuesday September 26 was widely anticipated by investors. It comes against a backdrop of decelerating inflation. Inflation fell from a year-on-year peak of 10.1% in February to 5% in August, largely as a result of the measures introduced by the government. In addition, external pressures have eased and monetary policy has been tightened. Bank Al-Maghrib expects inflation to continue to slow, from 6.6% in 2022 to 6% on average this year, before settling at 2.6% in 2024. The underlying component should follow a similar trajectory, falling from 6.6% to 5.6% and 2.3% respectively.

Up to now, the central bank has carried out three successive rate hikes. A monetary tightening whose transmission « to monetary conditions and the real economy remains partial «. At least, this is what the central bank's preliminary assessments point out.

The Board's decision to keep the key rate unchanged was prompted not only by the decline in inflation, but also by the high level of uncertainty linked to the evolution of the international economic situation and to the domestic context in the wake of the Al Haouz earthquake. The impact of the earthquake on the economic and social spheres, and on the actions taken by all stakeholders to deal with it, will be taken into consideration at forthcoming meetings.

In terms of growth, the central bank is a little more optimistic. It expects GDP to reach 2.9% this year, whereas in June it had forecast a rate of 2.4%. Growth should rise to 3.2% in 2024, subject to a good agricultural year. In any case, these growth forecasts do not take into account the consequences of the Al Haouz earthquake and the fallout from the reconstruction and recovery measures announced. These forecasts are based on the assumption of a 5% increase in agricultural value added in 2023 and 5.9% in 2024, subject to an average cereal production of 70 million quintals. « For non-agricultural activities, the pace of growth is expected to slow to 2.6% in 2023, followed by an acceleration to 3% in 2024 «, notes Bank Al-Maghrib. In any case, the long-awaited acceleration in non-agricultural activities is still a long way off!.❑

Khadija MASMOUDI

Social Security agency: Last-chance amnesty

IT is time for a new social «amnesty». To be more precise, these are rebates on penalties, surcharges, and penalty payments that apply in the event of non-payment of social security contributions. Penalties start to accrue as from the first month: 3% of the amount of contributions for the first month or fraction of a month overdue, and 1% for each additional month. For the AMO (Compulsory Medical Insurance) scheme, the penalty is 1% for each month overdue.

Described as a last-chance «amnesty», the new program, which is expected to generate more than 1 billion MAD (USD 100 million), is aimed at all companies and is due to run until December 2024, with the aim of resetting the balance for companies owing sums to CNSS, provided they undertake to pay the amounts due.

The CNSS' history dates back to 1969 (some companies have even disappeared!), and the weight of late-payment surcharges, collection fees, and penalty payments is weighing heavily on the debt structure. According to the company's directors, over 60% of the total amount due for collection is made up of late payment surcharges. « Penalties are high, and companies find themselves trapped and at risk of falling into the informal sector. The system validated by the Board of Directors maintains penalties at a normal level «, stresses Mehdi Tazi, Vice-President General of the Moroccan Employers Association (CGEM).

According to some directors of CNSS, this type of arrangement will no longer be renewed.

« It is unfair to companies that regularly pay social security contributions, and it distorts competition «, says Mohamed Alaoui, a member of the national secretariat of the UMT workers' union.

In detail, the scheme provides for two measures: the first covers late payment penalties and collection costs, while the second covers penalty payments. If the debt is paid in full, CNSS is to grant a 60% discount on penalties and collection costs, and a 90% discount on penalty payments. If a company undertakes to pay within less than 24 months, it should obtain a 50% discount on penalties and collection costs, and an 80% discount on penalty payments. The scheme also provides for a longer period, of up to 60 months. For this, the company must provide the necessary guarantees. In any case, companies that commit to a payment program longer than 24 months will benefit from a 40% reduction in penalties and collection costs, and a 70% reduction in penalty payments.

At the level of CNSS, the penalty is set at 50 dirhams for each insufficiency, omission, or delay in declaring wages. The penalty applies for each month or fraction of a month of delay. For companies that are subject to the AMO (Compulsory Medical Insurance for the destitute) scheme, the penalty is 100 Dirhams for each month, or fraction of a month of delay. The new « rebate « program provides for a significant reduction in on-call time, the aim being to encourage the company not to slide into informality..❑

Khadija MASMOUDI

Weekly highlights

Reconstruction plan

Where will the MAD 120 billion go?

FOUZI Lekjaâ brought good news to the Finance Committees of both Houses of Parliament. The Minister in charge of the Budget assured that those on the list of beneficiaries of direct financial aid will start receiving 2,500 Dirhams (USD 250) per family from the end of September. An agreement has been signed between Caisse de dépôt et de gestion (CDG) financial institution and the entities concerned to deliver this aid to the targeted households. Under the terms of the agreement, each family will be allocated 30,000 Dirhams (USD 3,000) annually, i.e. MAD 2,500 per month for one year. In addition, a sum of 140,000 MAD (USD 14,000) will be paid to each family whose house has been completely destroyed. Families whose homes were partially destroyed will receive 80,000 MAD. This sum will be used to cover the cost of bringing the homes up to standard. In any case, Lekjaâ appeared before both Finance Committees to detail these measures, accompanied by his colleague Mustapha Baitas, Minister for Relations with Parliament, and Government Spokesman. The aim is to explain to MPs the content of the general reconstruction and rehabilitation program for the areas affected by the Al Haouz earthquake. This is a clear roadmap requiring the mobilization of 120 billion MAD (USD 12 billion) over a 5-year period, from 2024 to 2028. This Marshall Plan will be financed from a number of sources, including the special solidarity account set aside to manage the effects of the earthquake. The other source of funding is the general Government budget. The Minister mentioned in particular several projects scheduled for the next three years, not forgetting the budgetary efforts that will be detailed in the Finance Bill currently being prepared. Added to this are the contributions of local authorities, particularly the regions, each of which has its own regional development plan. As a reminder, the provinces affected by the earthquake are located in three different regions: Marrakech-Safi, Souss Massa, and Draâ-Tafilalet. The other player in this program is the Hassan II Fund for Economic and Social Development. By royal decision, this Fund will contribute 2 billion MAD to this first stage. The final component of the financing scheme relates to international support and cooperation. Indeed, « this program will be open to support and international cooperation with brotherly and friendly countries, which have shown their absolute solidarity with the King and with the Moroccan people in these difficult conditions», said Lekjaâ.❑

Mohamed CHAOUI

(Ph. L'Economiste)

Fouzi Lekjaâ outlined to members of the Finance Committees of both Houses of Parliament the content of the reconstruction and general rehabilitation program for areas affected by the Al Haouz earthquake, which requires the mobilization of 120 billion Dirhams, over a 5-year period

■ 98 billion MAD for the Grand Atlas

The second pillar focuses on the completion of various projects over the 2024-2028 period. This part of the program will require the mobilization of 98 billion MAD (USD 9.8 billion). The key word in the list of projects is improving accessibility. This involves developing basic infrastructures such as roads, dams, and liquid sanitation. It will also be necessary to enhance the attractiveness and economic potential of these provinces by strengthening agricultural, tourism, and craft activities. The provision of schools and healthcare facilities has not been overlooked, either.

■ Basic infrastructure

The emergency program, which targets an estimated population of 4.2 million, is built around two pillars. The first pillar concerns the reconstruction and rehabilitation of basic infrastructure affected by the earthquake. The cost amounts to 22 billion MAD. Of this total, 8 billion MAD has been earmarked for emergency aid, which will go directly to families whose homes have been totally or partially destroyed. A further 14 billion MAD has been earmarked for opening up and guaranteeing access. More than 600 kilometers of roads will be widened and reinforced to ensure access to the affected areas. The funding will also be used to rehabilitate affected dams (including hill dams). In addition, more than 50 water stations will be repaired and upgraded, and mechanisms will be set up to respond immediately to exceptional emergencies.

■ An implementing agency in the pipe

On the institutional front, Fouzi Lekjaâ plans to set up a dedicated implementing agency. This light structure will be operational from the beginning of 2024 and will cease operations in 2028, when the reconstruction program comes to an end. Such an agency will have the necessary flexibility, following the example of the MCA, which handled the American Millennium Challenge program. Its main missions have already been defined. These include monitoring the disbursement of financial aid, and executing the reconstruction and rehabilitation projects included in the roadmap. The agenda also includes the implementation of socio-economic development projects and coordination with the various sectors and operators concerned.❑

M.C.

The establishment of an Implementing Agency will facilitate the implementation of this ambitious program, with the flexibility and efficiency required in this field (Ph. Bziouat)