

# Weekly highlights by L'ECONOMISTE



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Investment, infrastructure...

## New impetus for Morocco-UAE relationships



Direct housing assistance

The rural world  
qually concerned



Creation of businesses

Casablanca  
blocks everything



Mathematics, reading,  
and science

Moroccan  
students still at  
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pack

EDITORIAL

Pact

Meriem OUDGHIRI

«It is a Pact for Action that I propose to launch, here and now. It is through this Pact for Action that mankind can demonstrate by means of deeds that the most ambitious goals are not the least attainable», said His Majesty the King in His speech to COP28.

For many years now, Morocco has been committed to renewable energies and green engineering, becoming a forerunner in this field.

In fact, this week in Dubai, Morocco will present its long-term low-carbon roadmap, with the ambition of developing new green value chains and improving the competitiveness of its economy, while ensuring its decarbonization and proactive export positioning.

Today, in the face of a raging climate, limiting global warming to 1.5 degrees Celsius should no longer even be an option, but a firm target. And, clearly, the

world isn't there yet! From one COP to the next, dithering has ruined climate diplomacy and efforts. To respond to this threat, which grows greater every year, mankind has no choice but to join forces and pool its intelligence and willpower, as well as its economies and technologies, because each additional tenth of a degree will have dramatic consequences. In this global race, Morocco has for some time been pushing ahead with its major projects, taking a significant lead. After solar and wind power, time has come to turn to green hydrogen, and Morocco is moving full speed ahead.

All this «green business» is a major opportunity for the country, and a tremendous growth driver for its manufacturers. Many sectors, not yet prepared, will be affected by this forced mutation and will need to start preparing now, to help re-shape the «geopolitics» of renewable energies. □

## Weekly highlights

### Direct housing assistance

## The rural world equally concerned

**F**ATIM-Zahra Mansouri is back in force after an absence of over a month. During oral questions in the House of Representatives on Monday December 04, 2023, the Minister of Housing took the opportunity to correct a number of approximations concerning direct housing assistance in rural areas. Even before the new system comes into force on January 01, it has been the subject of speculation. In any case, the Minister specified that this direct assistance is based on two mechanisms. Firstly, self-build, a specificity of the rural world, which is not attracted by 50-meter apartments as in the cities. Secondly, the reduction in the minimum number of units, which will enable any contractor, small or medium-sized, to carry out projects in rural areas.

Fatim-Zahra Mansouri considers that, for the first time, this direct assistance is an opportunity offered to the rural world, as the previous social program did not target these areas. The proof



lies in the results, which were judged to be poor. The minister gave the example of a developer who is about to launch a project in the Tiflet region. The developer plans to sell his homes for 180,000 Dirhams (USD 18,000), with state assistance of 100,000 Dirhams (USD

10,000) - a golden opportunity that has never existed before, says the Minister. In any case, the digital platform for managing and validating applications to benefit from this assistance has been set up. Coordination is currently underway between the parties concerned,

including the CDG (Caisse de Dépôt et de Gestion), to facilitate access to this platform.

With regard to the restructuring of substandard neighborhoods, the Minister is intervening on two levels. Firstly, in terms of urban planning, restructuring plans are prepared at the request of local authorities. The aim is to delimit the zones during the preparation of urban planning schemes. The results show that 260 restructuring studies have been carried out for 837 zones, 60% of which have been approved. In terms of urban policy, the results of the Ministry's intervention in these neighborhoods led to the signature of 777 agreements for the restructuring of under-equipped and substandard neighborhoods.

The overall cost is estimated at 55.28 billion DH (USD 5.5 billion), with the Ministry contributing 21 billion Dirhams (USD 2 billion) for the benefit of 3.1 million families. □

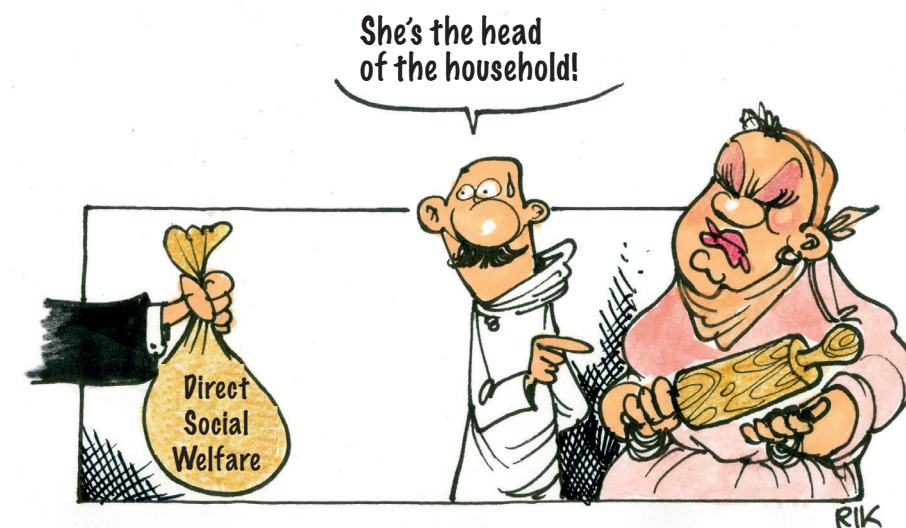
Mohamed CHAOUI

### Direct social assistance

## The system in the Official Gazette

**T**HE legal framework for direct social assistance is now complete. The laws governing the Direct Social Assistance System and the National Social Assistance Agency have been published in the latest issue of the Official Gazette, along with 3 decrees implementing these two pieces of legislation. The first decree concerns the implementation of certain provisions of the law on direct assistance. In particular, the decree defines the notion of «head of household». The head of household may be the father, the person with custody of the children, or the guardian, in the case of aid for the protection of child-related risks. In the case of lump-sum benefits, the head of household is the person who makes the declaration in the Unified Social Register on behalf of the family concerned.

Article 8 of the law on Direct Social Assistance states that a decree must define the amounts of aid for child risk protection and of the flat-rate aid. The table defining these amounts is



appended to the decree. The decree specifies that in all cases, the amount granted to households may not be less than 500 Dirhams (USD 50) per month. With regard to the procedure for submitting applications for social assistance, Article 12 of the law refers to an implementing decree to define the terms and conditions. The article published in the Official Gazette specifies that the head of household must submit the application to the National Welfare Agency (« Agence nationale de l'aide sociale»), via a dedicated

electronic platform. The head of household must fill in a specific form on this portal. The decree also establishes the obligation to make available to the public, via this electronic platform, a practical guide to filling in the application form. At the end of the application procedure, a receipt is issued to the head of household who is then informed electronically of the assistance to which he or she is entitled. People whose applications are rejected can appeal within 15 days, via the digital platform set up by the

National Agency. The Agency must then decide on the appeal within 30 days.

Article 13 of the law establishes a system for monitoring compliance with the conditions set for access to social assistance. The law refers to a decree to define the terms of implementation. According to this text, published in the Official Gazette, this will be implemented via electronic data exchange with other stakeholders, on the basis of specific agreements. If the application is accepted, the direct aid is paid into an account opened with a bank or payment company, in the name of the head of the household concerned.

With regard to governance, Article 18 of the law provides that, pending the installation of management bodies for the direct social assistance system, the administration may entrust this mission, during a transitional phase, to a public or private entity. According to the implementing decree, the term «administration» refers to the Ministry in charge of the Budget. □

M.A.M

## Investment, infrastructure...

## New impetus for Morocco-UAE relationships

**E**CONOMIC cooperation between Morocco and the United Arab Emirates has become a model in the Arab world. In 2001, the two countries signed a free trade agreement (FTA). More than 20 years later, economic and trade relations between the two countries have made significant progress. For example, the Emirates is the first Arab country to invest in Morocco, with some forty Emirati companies and over US\$ 20 billion in investments. Today, given the complementarities and similarities between the two economies, the two countries have resolved to build a new generation of more innovative, sustainable, and higher value-added partnerships in several sectors, based on a logic of multidimensional reciprocity. In view of the competitive advantages, the level of maturity of cooperation and the complementarities between the two countries, a new and even more fruitful era lies ahead, with new horizons for business leaders and investors to establish long-term partnerships, whether in Morocco or in the UAE, with the aim of stimulating cross-investment, creating jobs, accelerating growth, and fostering innovation, in order to contribute to the prosperity of future generations. It is against this promising economic backdrop that HM King Mohammed VI began his official visit to Abu Dhabi on Monday December 4. The royal visit is in line with a virtuous dynamic of cooperation on all fronts. It confirms the determination of Rabat and Abu Dhabi to forge ahead in strengthening and diversifying their partnership. The challenge is to give a strong impetus, based on instructions from the leaders of both countries, and to give a new momentum to the strategic partnership between Morocco and the United Arab Emirates. This new direction is underpinned by the maturity of the partnership and the remarkable levels of trade volumes between the two countries, against a backdrop of steady growth in both imports and exports. According to the Moroccan Foreign Exchange Office, exports of Morocco to the Emirates reached over 1.41 billion Dirhams (USD 141 million) in 2022, compared with 494.38 million Dirhams (USD 49 million) in 2018. In the



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first 6 months of 2023, Morocco's exports to the Emirates exceeded 1 billion Dirhams (USD 100 million). As for Morocco's imports (from the UAE), they have doubled in 4 years, amounting to 14.48 billion Dirhams

in 2022, compared with 7.68 billion in 2018. At the end of the first half of 2023, Morocco imported 8.37 billion Dirhams (USD 837 million) from the Emirates. □

Amin RBOUB

## Infrastructure, TGV, green hydrogen

**B**OTH parties are committed to working on the basis of mutual understanding to prioritize the identification of investment opportunities in infrastructure, and the extension of railroads, with particular emphasis on the Kenitra-Marrakech high-speed train. Also on the agenda is the development of airports, including those at Casablanca, Marrakech, Dakhla (Dakhla Hub), and Nador... In addition, the areas of cooperation will also benefit the development of ports while investing in their management, particularly the port of Nador West Med and the port of Dakhla Atlantique. Other strategic agreements involve exploring investment opportunities in the water, energy, and sustainable development sectors. These include current and future projects for water transfers, and the construction of dams for drinking water, agriculture, and hydroelectric power. Other priorities include renewable energies and green hydrogen and its derivatives. This is followed by transport and energy, and the operation of electricity transmission lines... □

## Multidimensional agreements

HM The King and His Highness Sheikh Mohammed Ben Zayed Al Nahyane, President of the State of the United Arab Emirates, signed on Monday December 04, 2023, a declaration entitled «Towards an innovative, renewed, and deep-rooted partnership». The aim is to enhance relations between the two countries and cooperation towards broader horizons, through economic partnerships. The partnership aims to translate the complementarity between the two countries into qualitative solidarity and sustainable investment, with a view to raising bilateral economic, trade, investment and industrial relations to the level of deep political and popular ties, in the service of development objectives. What's more, the partnership will establish a comprehensive and balanced model of economic cooperation and investment, open to the private sector and conducive to development. It was also decided to identify opportunities for cooperation in the field of food security, by exploring partnership opportunities with OCP (Office Chérifien des Phosphates) in the field of fertilizers. Also on the agenda is the development of joint projects in tourism and real estate, particularly on the Mediterranean coast and in the Dakhla and Tarfaya regions. The digital economy is also on the agenda. A study of the implementation and financing of projects in the field of communications and the digital economy is planned. Other economic projects will also be studied, within the framework of a PPP. Morocco and the UAE plan to explore cooperation opportunities in the fields of industry, agriculture, and agribusiness, with a view to encouraging these sectors to contribute to the promotion of economic and trade relations. The two countries also intend to explore opportunities for cooperation in finance and capital markets. From now on, cooperation should also benefit countries on the African continent, through opportunities for cooperation in the field of economic partnerships and the development of energy infrastructures with African countries, in accordance with their legal and legislative systems. These include the Africa-Atlantic gas pipeline project, the planning and development of the integrated «Dakhla Gateway to Africa» project, and the creation and management of a commercial shipping fleet. □

## Weekly highlights

### Creation of businesses

## Casablanca blocks everything

A GROUP of chartered accountants recently sent a letter (of which L'Economiste has a copy) to the President of the Casablanca Commercial Court, Abdelouahed Seffouri. In their letter, the practitioners complain of the «inconvenience and blackmail they face on a daily basis in the court premises, and more specifically in the trade register department, from certain officials who manipulate appointments obtained via the court interface». Following this letter, the president of the court apparently decided to freeze the processing of the stock of files submitted under the parallel circuit pending the results of an investigation, the aim being to determine the merits of the professionals' complaint and to decide on any measures that may be necessary, as the accusations are serious. Nevertheless, the practitioners interviewed by L'Economiste remain skeptical. In fact, this is the first time that professionals have openly attacked a commercial court, alleging «bribes



The Casablanca Commercial Court portal clearly indicates that no appointment slots are available during the month of December

ranging between 500 dirhams (US 50) and 1000 Dirhams (US 100) per case» (according to the letter sent). Surrealistic practices are reported to have taken place within the walls of the court, such as «calling these middlemen by phone to ask them to get in touch with users who have submitted

an application, and to propose to them to pay a commission for processing their cases within 30 minutes instead of one or two weeks», the letter states. Some accountants have even tried this experiment to find out for themselves. Sending a letter of protest to the President of the Commercial Court is not

the only initiative taken by practitioners to try and change things. They have already written to the President of the Casablanca Commercial Court of Appeal, in his capacity as direct hierarchical superior of the Commercial Registry, but to no avail. This prompted the professionals to appeal to the Minister of Justice, the Attorney General and the President of the Court of Cassation, but to no avail, hence the letter of protest sent to the President of the Commercial Court, with accusations against a dozen officials cited by name in the letter. As a reminder, it is compulsory to go through the Commercial Court in order to carry out a series of business-related formalities, in particular creations of companies (outside the Regional Investment Centers), capital increases, share transfers, minutes of general meetings - in short, all formalities linked to the various phases of a company's life cycle in general. □

Hassan EL ARIF

### Mathematics, reading, and science

## Moroccan students still at the bottom of the pack

MOROCCAN students (aged 15) scored below the OECD average in mathematics, reading and science. These are the findings of the OECD's Pisa 2022 survey, unveiled on December 05. Overall, average results were about the same as in 2018 in mathematics, and down on reading and science. Around 6,867 students in 178 schools completed the assessments. Out of 81 countries, Morocco ranked 71st in mathematical literacy, 79th in reading comprehension and 76th in science (at the very bottom of the pack). Nearly 51% of the students (the highest proportion) belonged to the bottom international quintile on the socio-economic scale, meaning that they were among the most disadvantaged students taking the PISA test in 2022. For the OECD, Morocco is one of the countries that have made rapid progress in opening up access to education over the last ten years, notably by making great strides towards universal secondary education.



The OECD's Program for International Student Assessment (PISA) assesses the knowledge and skills of 15-year-old students in mathematics, reading and science

■ **Solving complex situations:** In Morocco, 18% of pupils have reached at least level 2 in mathematics, which is well below the OECD average (OECD average: 69%). At the very least, these pupils can interpret and recognize, without direct instruction, how a simple situation can be represented mathematically (for example, comparing the total distance on two alternative routes, or converting prices into a different currency). Hardly any of the students achieved top results in mathematics, which would have meant reaching level 5 or 6 of the

PISA mathematics test (OECD average: 9%). At these levels, students can model complex situations mathematically, and select, compare, and evaluate appropriate problem-solving strategies to deal with them. Only in 16 of the 81 countries and economies taking part in PISA 2022 did more than 10% of students achieve competency levels 5 or 6.

■ **Scientific knowledge:** Around 25% of Moroccan students have reached level 2 or above in science (OECD average: 76%). At a minimum, these

pupils can recognize the correct explanation of familiar scientific phenomena and use this knowledge to determine, in simple cases, whether a conclusion is valid on the basis of the data provided. In Morocco, almost no students were high achievers in science, meaning that they mastered level 5 or 6 (OECD average: 7%). These students can creatively and independently apply their scientific knowledge to a wide variety of situations, including unfamiliar ones. □

F.Z.T.