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EDITORIAL — A single drop

Meriem OUDGHIRI

TOMORROW'S gold. More like today's. Water, a resource so scarce that you have to dig very deep to find it... or not. Dams and water tables are declining at alarming rates.

Morocco is facing one of the most severe water stress tests in the world, seriously undermining its drinking water supply and irrigation capacities. Over the past 5 years, more than 6.5 billion cubic meters of water have been lost to the sea. The rainfall barometer, meanwhile, is flat: average rainfall over the last three months has been just 21 millimeters, a drop of 67% compared with a normal year. Faced with this dramatic situation, we urgently need to stop the bleeding. Following the recent alert issued by Nizar Baraka, the Ministry of the Interior has just mobilized the walis and governors. Monthly meetings with all the parties concerned, regular updating of the water map district by district, reporting on losses in the pipes,... water will be monitored like milk on fire. And we'll be tracking down all those «luxuries» we indulged in when this resource was happily pumped away in the euphoria of its availability.

Worldwide, the situation is just as catastrophic. In March last year, the UN warned that «vampiric» humanity was depleting the planet's water resources «drop by drop».

Without revisiting the failures of the various policies, what is needed now and in the future is to win this battle by means of a massive communication campaign, awareness-raising and major sanctions. Over and over again. Non-stop.

Because we can no longer afford or give ourselves the right to lose even a single drop from our reserves.❏

Weekly highlights

Payment terms: Season II

AFTER its first implementation on July 1, 2023, the law on payment terms entered a second phase on January 1, 2024. It will apply to individuals and legal entities with sales of less than 50 million Dirhams (USD 5 million) exclusive of tax, and more than 10 million Dirhams (USD 1 million) exclusive of tax, for the 2023 financial year. This sales bracket represents a larger pool of entities than those with sales of 50 million Dirhams or more exclusive of tax. The companies concerned are therefore called upon to take steps to adapt to the new provisions governing payment terms between merchants. The first provision is that under article 2 of law n°69-21, the provisions of articles 78-3 to 78-10 will apply to invoices issued from January 1, 2024. Suppliers are also required to state the payment terms applied on their invoices and other documents in lieu of invoices. Indeed, Article 78-1 of Law no. 69-21 states that a payment period for transactions must be included among the terms of payment that the supplier is obliged to communicate before any commercial transaction is entered into, to any trader who so requests. If not agreed between the parties, the term of payment corresponds, by law, to the 60th day following the date of issue of the invoice. If agreed by both parties, the payment term may not exceed 120 days from the invoice date. It is only after this period that the 3% fine, increased by 0.85% for each additional month of delay or fraction of a month, becomes applicable. This fine is payable on the amount of each invoice not paid on time, all taxes included. For this reason, many of our business partners have signed agreements to avoid paying the penalty in the last quarter, some of those business partners having done so at the last minute.

For the time being, the late payment penalty provided for by law only applies to invoices of 10,000 dirhams (USD 1 000) or more, inclusive of tax. This provision will only be extended to all amounts from January 1, 2025.

In the case of invoices that are the subject of a dispute brought before the court, the fine counter is suspended until a final judgement has been rendered which has acquired the force of res judicata. If necessary, the fine counter will resume after the judgment.

From January 1, 2025, the law on payment deadlines will apply to entities with sales of over 2 million Dirhams (USD 200,000) and less than or equal to 10 million Dirhams (USD 1 million) exclusive of tax. Finally, these represent the bulk of businesses. On the other hand, entities with sales of less than 2 million Dirhams exclusive of tax (USD 200,000) will remain outside the scope of the law unless there is a change after the year 2025, when the legislation on payment terms will be fully applied.❑

Hassan EL ARIF

General Tax Directorate

5 years to become a 4.0 administration

IDENTIFICATION of new taxpayers, continuous improvement of service quality, predictive tax control, alignment with international standards, digital intelligence... The General Tax Directorate (DGI) has just unveiled its strategic plan for the 2024-2028 period. A roadmap on which it has been working for several months. The new strategy, the third after those deployed since 2012, is built around six priorities on which the tax authority will focus over the next five years, capitalizing on *«the achievements and lessons learned from the assessment of the two previous experiences in terms of the quality of digital transactions, mastery of DATA, skills and revenue mobilization»*, reads the presentation note from Younes Idrissi Kaïtouni, Director General, a note dated December 29, 2023.

The first pillar of the new strategy concerns the mobilization of full fiscal potential. The aim is to achieve a situation in which all citizens contribute to the tax effort according to their ability to pay. To achieve this, the DGI will proactively tackle all forms of non-compliance, including of course tax evasion and avoidance, the informal sector, and other issues. This presupposes the integrity, reliability, and completeness of the taxpayer register, which is essential for sound decision-making. In particular, this involves detecting potential taxpayers who have not yet been entered on the tax authorities' registers for the various taxes, analyzing the rate of declarations filed on time, controlling non-tax-filers...

At the same time, the administration will be working to improve the sincerity of tax returns through predictive tax auditing, reinforcing payment compliance and diversifying tax collection methods, with the aim of ensuring tax fairness and the country's financial viability. The DGI will also focus on «customer experience» where the customer is the taxpayer, who faces a number of challenges in meeting his or her tax obligations, and for whom the administration wishes to make it as easy as possible to meet these obligations as smoothly as possible. This is achieved by promoting good tax citizenship through the dissemination and communication of legislative provisions. In fact, for some time now, tax authorities have been regularly publishing a number of practical guides covering various aspects of local and international taxation, as well as other taxes. The DGI promises to go even further in improving the quality of its service through greater professionalism on the part of its teams. ❑

Hassan EL ARIF

Weekly highlights

Water deficit: Walis and governors mobilized

ABDELOUAFI Laftit was quick to react. A few days after Nizar Baraka's warning about the water shortage and the decline in the filling rate of dams, the Minister of the Interior sent a circular to the walis and governors. The purpose of this letter is to manage water stress. Indeed, the succession of droughts over the last five years has had a significant impact on water reserves, seriously undermining the capacity to supply drinking and irrigation water. Once again this year, the scarcity of rainfall has resulted in a critical rate of filling of dams and a drying up of groundwater. This heralds a major water crisis, calling for action to rationalize the use of resources. The Ministry of the Interior has not left much room for maneuver to the walis and governors. The circular lists a series of firm measures which walis and governors are responsible for implementing. Firstly, the circular calls for meetings to be held during the first week of each month with the water utilities to draw up and provide regular updates on water consumption per neighborhood. The aim is to identify the most «water-guzzling»areas.

On the basis of this mapping, awareness-raising actions are to be launched, with the help of local associations. The aim is to draw the population's attention to the importance of rationalizing water consumption. It will also be imperative to ration the flow of water destined for these neighborhoods, with pressure modulation or cut-offs during certain time slots.

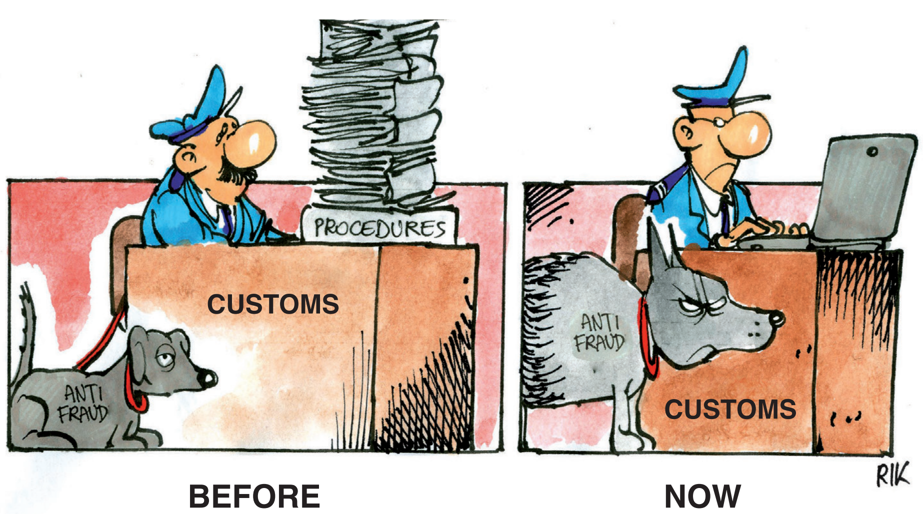
The fight against the loss of water resources will be carried out through the search for leaks in the pipes of production and distribution operators. To this end, operators are asked to produce monthly reports on the quantities presumed to have been lost, and the plugging operations carried out or planned. The system to be put in place also provides for the repression of cases of fraud in the exploitation of water resources, such as anarchic connections, tapping into pipes and water mains, etc. In this respect, it should be emphasized that the non-payment by certain users of water consumption charges often promotes the misuse of this natural resource, notes the circular.

The document issued by the Minister of the Interior also stresses the absolute ban on the use of water for certain activities, such as watering green spaces or cleaning public roads and squares. The ban extends to filling public and private swimming pools more than once a year. For water-consuming crops, the decision will be made in consultation with the Department of Agriculture.❑

Mohamed CHAOUI

Customs duties

Details of simplified procedures



THE Finance Law 2024 has introduced a series of new provisions relating to customs measures. The Customs and Excise Administration has just published a circular summarizing the measures that come into force this year. These include Article 3 of the Finance Law, which amends the Customs Code. This particularly concerns the facilitation and simplification of customs clearance procedures. In concrete terms, this involves the further dematerialization of customs procedures. Prior to these new provisions, goods destined for export from warehouses and customs clearance areas were routed to the customs offices of export, on the basis of a manual shipping document. From now on, this document will be digitized. Article 76 bis-3 of the Customs Code has also been revised to exempt simplified declarations covering the simple transport of goods from warehouses and customs clearance areas to export offices from the obligation to lodge an additional customs declaration.

Another new measure is the alignment of the regularization procedure for goods placed under warehousing arrangements with the procedure for other economic customs regimes. Article 140 of the Customs Code has been supplemented to include abandoning goods to the authorities or destroying them as alternative means of regularizing goods admitted under the warehousing procedure, as is the case for temporary admission and temporary admission for inward processing. With regard to the holding of goods within the customs territory, Article 181 of the Customs Code has been supplemented in order to punish offences relating to the unjustified holding of goods subject to taxes, whether imported or produced locally.

With regard to article 275 of the Customs Code, the amendments introduced aim to make the settlement procedure more flexible in the case of contentious goods declared by confession and not seized, which represented serious difficulties in the recovery of duties and taxes due. The revision of Article 275 now allows duties and taxes to be assessed on goods actually seized. However, this does not apply to cases of fraud detected as part of the ex-post control and monitoring of special arrangements. ❑

M.A.M.

Weekly highlights

Soft wheat

4th quarter imports below expectations

THE National Federation of Cereals and Pulses Traders (Fédération nationale des négociants en céréales et légumineuses, FNCL) has just published its latest import statistics. They show that imports of bread-making soft wheat fell short of the target set by the National Interprofessional Office for Cereals and Pulses (Office national interprofessionnel des céréales et légumineuses, ONICL) for the last quarter of 2023. Indeed, in its circular No. 666 dated September 26, 2023 concerning the flat-rate premium for imported soft wheat over the period from October 1, 2023 to December 31, 2023, ONICL had set the bar at a maximum quantity of 20 million quintals. In the end, operators were only able to import 10.72 million quintals of bread wheat over this quarter. That's 2.56 million quintals in October, just over 5 million quintals in November and 3.15 million quintals in December. In other words, the quantities imported in October and December were below the monthly average of 4.5 million quintals required for crushing. As a result, even the tool stock, i.e. the import logic that ensures three months' consumption, is currently under threat. Questioned concerning this point, Omar Yacoubi, president of the FNCL, reassures us that «the stock is currently sufficient «and that there is therefore nothing to worry about in this respect, at least until the end of March. In the meantime, «we need sufficient rain during January «, stresses Yacoubi. Otherwise, the agricultural year would be definitively compromised, especially for cereal crops, wheat in particular.

In this context, professionals are calling for the acceleration of reimbursements to improve their cash flow. To date, the Government is 8 to 9 months behind schedule, which corresponds to an amount of just over one billion Dirhams (USD 100 million), notes the FNCL.

Meanwhile, ONICL has just published a new circular on the flat-rate premium for imported soft wheat for the period ranging from January 1, 2024 to April 30, 2024, raising the maximum quantity to 25 million quintals. France will once again be Morocco's main supplier of soft wheat. Indeed, since the outbreak of the Russian -Ukrainian war, France has been Morocco's leading supplier of wheat. In the last three months of 2023, it supplied Morocco with over 3.6 million quintals of soft bread wheat, including over one million quintals last October. In the same quarter, France was followed by Germany, which sold over 1.9 million quintals. In third place, Germany was followed by Russia, which managed to sell over 1.8 million quintals. Imported wheat also came from Poland, Lithuania, Romania, Latvia, Canada, and the USA. This shows that the country has diversified its sources of supply.❏

Aziz DIOUF

Soft fruits: the sector is slowing down

AFTER several years of growth, the soft fruit sector is experiencing a very difficult 2023-2024 season. A drop in cultivated area, a fall in production and, in turn, a decline in exports. *«Last season, the area under red fruit was 13,355 hectares. This year, it is 12,250 hectares, a drop of more than 1,000 hectares. This is due to some farmers abandoning strawberry cultivation for lack of profitability»*, explains Amine Bennani, President of the Moroccan Association of Red Fruit Producers (AMPFR). These farmers have opted instead for more profitable crops, such as potatoes or tomatoes.

Blueberries dominate with the largest area of around 5,300 ha, followed by raspberries (4,300 ha) and strawberries (2,400 ha). Blackberries and goji berries account for just 150 hectares.

These fruits are produced in three major regions of the Kingdom, namely the Loukkos and the Gharb in the north, and the Souss-Massa region in the south of the country, including Agadir. In recent years, blueberry cultivation has also been developed in Dakhla and Meknes to increase production volumes of these small fruits, which are highly prized on the international market.

Production has also fallen sharply as a result of climate change. «The long period of drought, very high temperatures reaching over 50 degrees in the Souss-Massa region, which accounts for 25% of national production, and gusty winds have had a negative impact on yields», laments Amine Bennani. Last October, a severe storm hit the north of the country, particularly the Gharb and Loukkos regions, which account for 75% of soft fruit production. «Wind gusts reached up to 110 kilometers per hour. That's enormous! They caused major damage to growers. At the moment, we're experiencing intense cold, which is likely to damage the plants», adds the president of AMPFR.

These weather conditions have caused «a yield loss of 5 to 20%», according to the professionals. «Raspberries suffered the most. Yields have dropped considerably «, says Zouhir Daissoria, CEO of First Green Land and President of the Bldiofroote cooperative.

The country's soft fruit production is almost entirely destined for export. Between 90% and 92% of blueberries and raspberries are sold on the international market, mainly in Europe (Spain, France, UK...). A small quantity is reserved for the domestic market. *«Nearly 85% of strawberries are also exported»,* says Zouhir Daissoria. In addition to the old continent, these fruits are sold in the Middle East, Asia, and the United States.❏

Khadija SKALLI