

Weekly highlights by L'ECONOMISTE

Trade defense

«Contact us.
We'll do what's
necessary»



Drought in Morocco:
Satellite images and maps provide the proof

Duty free shops: Sales limited to 2,000 Dirhams in foreign currency



Rabat tramway:
Urban solar farms to lower electricity bills



Al Mansour Ed-Dahbi:
Investigation and revelation

Morocco-France:
A fresh start?



EDITORIAL

Attractiveness

Meriem OUDGHIRI

«I'm talking about an era that people aged under 20 couldn't possibly know», used to say French singer Charles Aznavour... The famous Toshiba TV sets, the 100 dirhams (10 US dollars) travel allowance per year that Moroccans were allowed to take with them abroad while traveling, the Structural Adjustment Program (PAS for connoisseurs)... the 1980s that were part of Morocco's economic history. Last Friday February 23, Minister Ryad Mezzour, invited by the Links Center of Casablanca's School Law and Economics, took part in this remembrance exercise, especially in the industrial field. In the years 1983-95, the country transformed its productive structures to cope with moderate globalization. The second battle was that of reviving growth between 2002 and 2007. Morocco's industrial history is full of lessons to be learned. Strategies, major decisions, failures, and traumas, but

also successes... right up to the figures that the country proudly presents today: total goods exports in 1999 of 72 billion Dirhams (USD 7 billion), compared with car exports in 2023 of 141 billion Dirhams (USD 14 billion), with local content rate of 69%. Figures are always good indicators of efficiency and performance, and show that Morocco has come a long way.

Today, a kind of «Moroccan Way» is emerging, and it is not a trivial one. However, we still need to improve our attractiveness in a number of areas: business climate, training and upgrading of human capital, competitiveness, real estate, R&D, and other sectors. In fact, we need to work harder on our business plan, with its projections, deadlines, operating accounts, cash flow, and balance sheet. Because, like any business, one needs to generate «profits» and «profitability» over the long term. □

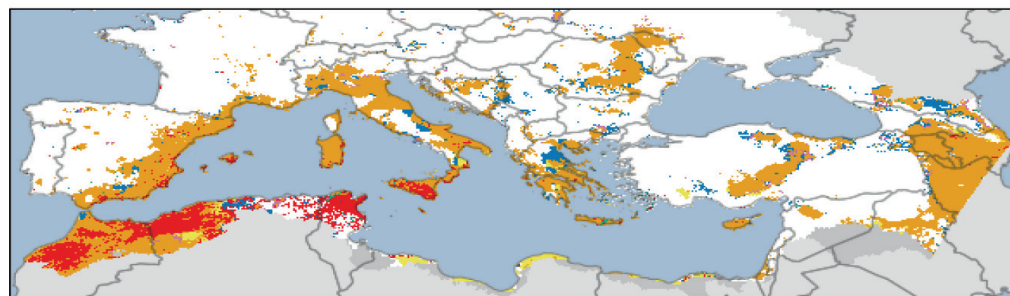
Weekly highlights

Drought in Morocco

Satellite images and maps provide the proof

SATELLITE images and maps comparing soil conditions in January 2023 with those in January 2024 are quite critical, particularly for Morocco. In several cities, including Casablanca, El Jadida, and Safi, the soil has changed color from green to brown. And this is proof of the extreme drought. So says the European Commission in its report «Drought in the Mediterranean Region, January 2024, GDO Analytical Report». This is a technical document from the Joint Research Centre, the European Drought Observatory, and the Copernicus emergency management service. After an extremely hot year in 2023, dry conditions are once again affecting most of the Mediterranean region, and are already associated with serious impacts. In terms of water resource availability, the outlook is uncertain and varies from one sub-region to another. Seasonal forecasts point to a warmer-than-average spring in 2024, compared with long-term records.

* **A regional alert:** The combined drought indicator for mid-January 2024 shows generally severe and



The Combined Drought Indicator (CDI), based on a combination of indicators of precipitation, soil moisture, and vegetation conditions, for mid-January 2024.

potentially critical conditions in the Mediterranean region. Southern and eastern Spain, southern France, most of Italy, Malta, Eastern Poland, central Romania, southern Greece, Cyprus, and central Turkey are on alert. Parts of the Mediterranean region - Southern Italy, Southern Spain, and Malta - are on alert, with vegetation already affected by drought. This phenomenon is much more serious and prolonged in Morocco, Algeria, and Tunisia, where the situation appears to be serious. The persistent lack of rainfall in recent months and warmer-than-average temperatures have led to severe negative soil moisture anomalies and poor vegetation conditions in these areas.

* **Peaks by month:** The evolution of the combined drought indicator

shows that alert drought conditions were identified in North Africa, southern France, Italy, the Alps, the Balkans, and Eastern Europe in September 2023. In October of the same year, they worsened to scattered alert conditions in parts of North Africa, Italy and the Alps, and widespread alert conditions in the Balkans, while France entered a recovery phase. In November 2023, the recovery phase also developed in the Balkans, but drought further developed and worsened in North Africa, southern and eastern Iberia, central and southern Italy, Greece, and the Mediterranean islands, with widespread and severe warning conditions by December 2023.

* **Restrictions on water use:** The danger of forest fires varies from mo-

derate to high in some coastal regions of Spain, but varies from very high to extreme in North Africa. Impacts on water resources have been reported in coastal regions of the Iberian Peninsula, Mediterranean islands, and North Africa. Restrictions on water use have been announced or are already being implemented in Spain, Portugal, and Morocco. At the end of January 2024, the snow water equivalent (i.e. the amount of water contained in the snowpack) in Italy was well below the historical average, and even lower than in the winter of 2022-2023. This will result in a significantly reduced contribution from snowmelt to river flow in the peri-alpine region in the spring and early summer of 2024. □

Fatim-Zahra TOHRY

Duty free shops

Sales limited to 2,000 Dirhams in foreign currency

CHANGES for Duty Free Shops. Customs and the Foreign Exchange Office have just published a new circular on the management and operation of duty-free stores, covering formalities for the admission and removal of goods from warehouses, the keeping of records, and the strengthening of customs and foreign exchange controls. In addition, the sale and financial settlement of goods are now covered.

Sales of Moroccan products (handicrafts, pastries, etc.) can be settled in dirhams. Passengers travelling to or from abroad can pay for their purchases up to a limit of 500 dirhams (USD 50) per person, compared with 250 dirhams (USD 25) previously. Similarly, sales of goods to travelers from abroad are authorized up to the foreign currency equivalent of 2,000 Dirhams (USD 200). In principle, payment for goods sold in Duty Free



shops, whatever their origin, is made by foreign banknote in one of the currencies quoted by the Moroccan central bank, Bank Al-Maghrib, or by international payment card. The new Customs and Foreign Exchange circular specifies, among other things, the location of these warehouses: in the departure or arrival areas of maritime or airport precincts. The premises must meet the layout and ins-

tallation standards of customs companies, and the operator must not make any changes without the prior agreement of the customs administration. The entry of goods into the warehouse is subject to certain formalities. In the case of goods of Moroccan origin, an itemized warehouse entry declaration is required for goods subject to TIC (Domestic consumption tax). On the other hand, no formalities are requi-

red for goods in free circulation. And all this under cover of invoices and/or delivery notes. □

Khadija MASMOUDI

What about imported products?

THE circular also deals with imported goods of foreign origin. These are admitted under suspension of duties and taxes, and verified in accordance with the applicable rules. «These goods must be imported under the guise of a declaration of entry into a warehouse, supported by an import undertaking when the operation is carried out with payment», states the circular note. In any case, this commitment will enable the entrepreneur to pay his foreign supplier through an approved intermediary. □

Trade defense

«Contact us. We'll do what's necessary»

«CONTACT us. We'll do what's necessary», promises the Minister of Industry and Commerce to companies complaining about unfair foreign competition. On Friday February 23, 2024 in Casablanca, Ryad Mezzour was the guest of the Swiss Chamber of Commerce in Morocco to present his vision on «Trade protection: What safeguards are needed to defend national production?». Swiss Chamber president Christophe De Figueiredo commented by way of introduction: «This is a hot topic».

Trade defense encompasses the three mechanisms of Law No. 15-09 published in Arabic and French in the Official Gazette No. 5956 and No. 5956bis of June 30, 2011. These are anti-dumping, safeguard, or anti-subsidy measures.

«From 2012 to date, we have implemented 36 measures to remedy market distortions. This figure would be higher if provisional measures were included», explains Réda Amourak, Head of the Trade Defense Division. To date, only anti-dumping and safe-



guard measures have been applied. «Anti-subsidy has never been used. It is very difficult for a company to take action, and its files are much more complex to put together. The anti-subsidy procedure is mainly initiated in Europe and North America», explains the Trade Defense and Regulation Department. For the time being, the measures applied in Morocco have benefited

several products: flat steel, concrete reinforcing bars, threading machines, PVC, plywood, wood panels... Canned tomatoes will soon join the list... Major national companies, SNEP, and Cema Bois de l'Atlas in particular, are no longer hesitating to take their case to the line ministry to defend themselves against «the massive increase in imports, the threat of serious damage...»

Minister Ryad Mezzour qualifies his commercial defense message to companies. «We will not protect you for the sake of protecting you». Complainants must prove their case. Legitimacy, competitiveness, and investment go hand in hand. But getting a trade defense shield is another matter altogether. Complaints are not always fully developed. «Some companies are unable to defend themselves even when they are victims... In Morocco, we lack lawyers specialized in commercial defense», points out Saïd Maghraoui Hassani, top manager of the department of commercial defense and regulation. He is not wrong insofar as it is European and American law firms that have pleaded the majority of cases, with, it is true, lawyers who are sometimes Moroccan nationals. This lack of expertise in international trade law is also felt in intellectual property law. «Specialized university courses are rare, and when they do exist, they are relatively expensive», says Daoud Salmouni-Zerhouni, a young intellectual property attorney. □

Faïçal FAQUIHI

Rabat tramway

Urban solar farms to lower electricity bills

DECARBONIZING transport is no longer a luxury. It is an imperative for all players at all levels, even for those who are already part of this virtuous circle, such as Rabat Région Mobilité (RRM), the institution responsible, among other things, for managing the Rabat tramway. Indeed, even though the tramway is an environmentally-friendly mode of transport that emits no greenhouse gases, this manager is indirectly affected by the price shocks of imported hydrocarbons, which the Rabat water and electricity utility REDAL sells to it using electricity supplied by ONEE (National Electricity and Drinking Water Office). So, to immunize its business model against this exposure to fluctuating energy prices, RRM, which is a major consumer of electrical energy (its bill amounts to 25 million Dirhams (USD two and a half million) a year), decided to take an unprecedented step. The idea is to reduce the Rabat tramway's electricity bill by using renewable energies. The idea of REDAL's first customer is to power the tramway with



green photovoltaic energy produced from urban solar farms. How many solar farms will there be? How much will they cost? Where will they be installed? What share of the Rabat tramway's overall electricity consumption will they cover? No answers to these questions are yet available. The reason is that the project feasibility study is underway. RRM is waiting for it to be finalized before issuing a call for

tenders to select the company that will work with it on the project, which is due to go into service in two years' time. «This project will enable us to reduce the tramway's electricity bill and strengthen our business model. And on the other, to contribute to the energy transition», said Nadir Yacoubi, Managing Director of RRM, during his speech at the Sustainable Mobility Forum held in Rabat on Ja-

nuary 31. This project is part of RRM's recently finalized sustainable urban mobility plan. This roadmap will shape and impact the future of urban development in Rabat, Salé, Skhirat, and Temara over the next 15 years, by setting out a number of beneficial trajectories for planning and organizing the mobility of people and goods over that period. «It is a roadmap that spanned a very broad spectrum and took two years to prepare and devise. It has been the subject of co-construction work, which is to be commended thanks to the bridges we were able to establish with all the players in the urban mobility ecosystem, notably: the ONCF (National Railways Office), the SNTL (National Transport and Logistics Corporation), the academic world, the world of research, and civil society», notes Yacoubi. This collaborative effort helped to bring to the surface all the aspirations and needs that needed to be integrated into the roadmap. □

Aziz DIOUF

Weekly highlights

Al Mansour Ed-Dahbi: Investigation and revelation

PORTUGUESE map, Dutch engraving, Moroccan manuscript: these three «unpublished documents» from the 16th and 17th centuries were used by Belkeziz father and daughter to investigate for two years, notably for a 3D reconstruction of the Palais El Badi' in Marrakech. The aim was to «revive this virtually crumbling jewel» built in the 16th century.

The work of architect and urban planner Soad and her linguist father Mohamed Ben Abdeljalil Belkeziz resulted in a really historical REVELATION. The work has been condensed in a fine book entitled «Palaces and fortresses of Al-Mansour Ed-Dahbi», published by ID Territoires.

The twists and turns of this intellectual adventure, worthy of a novel, were recounted on February 22, 2024 under the dome of the Arab League Park in Casablanca, during a signature meeting with the author, Soad Belkeziz. This was part of the «Jeudis du patrimoine» (Thursday Heritage Days) program organized by Casamémoire in partnership with the Architects Association, the Association of former Casablanca Alumni of the Greater Casablanca, and the «Association of



the Greater Casablanca - Carrières centrales».

Where was the starting point? It was the discovery of a rare book by Abdelaziz El Fashtali entitled «Manahil Es-Safa», which disappeared from libraries throughout the first half of the 20th century, recounts Dr. Ahmed Chaouki Binebine in the preface to this beautiful book. A former university professor of literature, Binebine has been head of the Hassania Treasury at the Royal Palace in Rabat since

1994. Dr. Binebine has made available to researchers the two copies of the manuscript discovered in the 1960s at the Royal Library. Their author was a vizier in charge of the pen of the sultan of Al-Mansour Ed-Dahbi (1578-1603), poet and historian. Astrology, architecture, hydraulics, sociology... his work is incredibly rich. Both copies were illegible. «It took us a year to decipher 20 pages», said the non-Arabic-speaking researcher. Soad Belkeziz had to call on the originator

of the manuscript. A scholar with 40 books to his credit, having integrated 50,000 words, including medical ones, into the Arabic language.

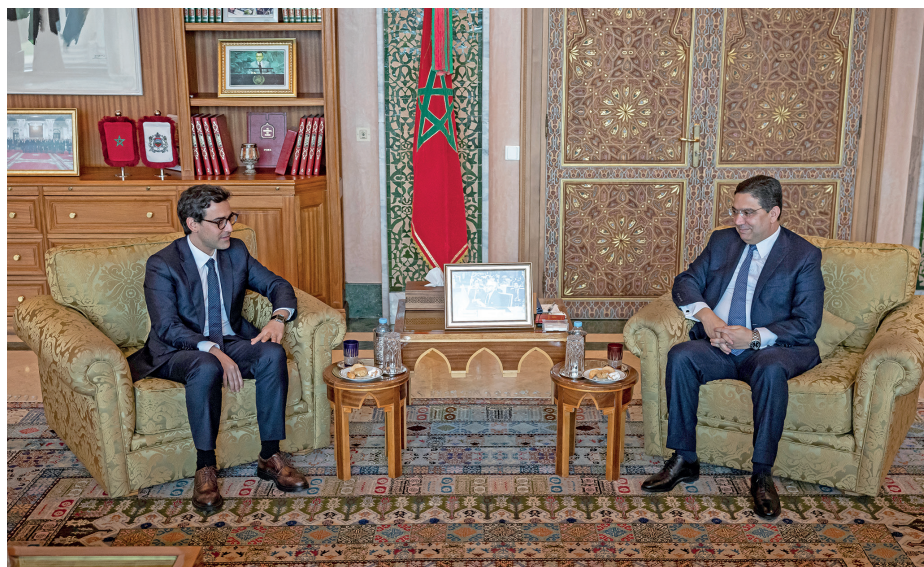
Then came the turn of cartography and engraving to better understand the history of the Saadian heritage, hence the combination of fieldwork and documents to track the entrance to the Palais El Badi'. In particular, Fashtali's book enabled us to decipher the entrances and discover for the first time the 3-kilometer-long Annahr canal, a navigable waterway running from the Great Basin to the palace's Kouba Khadra (Green Dome), reports the investigator. And then, to top it all, there are the baths, with their four entrances and hot and cold-water supply!

The use of Antonio De La Conceição's 1585 map and Adriaen Matham's 1610 Dutch engraving brought the Saadian vizier's detailed descriptions to life in 3D. One of its grand buildings, Kouba Annasr (Dome of Victory), commemorates the Battle of the Three Kings, which put an end to the Portuguese invaders' plans for Morocco in 1578. □

Faiçal FAQUIHI

Morocco-France: A fresh start?

RELATIONS between Morocco and France appear to be thawing. The visit to Morocco on Monday February 26, 2024 by the head of French diplomacy, Stéphane Séjourné, was aimed in particular at dispelling «misunderstandings». It has to be said that the historic ties between Rabat and Paris have been negatively impacted by a series of «problems». Today, the aim of this renewed dialogue is to revitalize the bilateral partnership on a new basis. On his first visit to Rabat since taking office, Séjourné expressed Paris's desire to offer Morocco a new partnership for the next 30 years. «There is an exceptional bond between the two countries, and President Emmanuel Macron wants this bond to remain unique and to deepen even further in the coming months». Nasser Bourita echoed Macron's sentiments, reiterating the uniqueness of the ties between the two countries. He nevertheless pointed out that the new phase of the partnership



During his visit to Rabat, Stéphane Séjourné stressed France's «clear and constant support for the Autonomy Plan. He acknowledged that this issue constitutes «an existential challenge for Morocco, and France knows it», assuring that he wanted to make progress on this dossier

between the two countries is part of a process of renewal and evolution, «in terms of content, approaches and players, to keep pace with developments on the international scene and with the changes that both countries are undergoing». In concrete terms, bilateral relations between Rabat and

Paris should be based on «mutual respect and coordination», according to Bourita.

The two countries have so much to do together. This includes supporting Morocco in its development projects, but also anchoring this partnership in a win-win logic. The idea of deve-

loping «Made-with-Morocco» projects and products has been gaining ground for some time. But people will have to wait a little longer to find out more about the content of this new initiative. The Moroccan Minister of Foreign Affairs announced that discussions had focused on the scheduling of thematic ministerial visits in the coming weeks. A Morocco-France business forum is also planned for next April (see our February 26 issue). At the time of printing this issue of the newspaper, the extended working session attended by officials from both countries was still in progress.

After a face-to-face meeting between the two countries' heads of diplomacy, a broader meeting was held in the early afternoon. The idea is to examine priority issues for both parties. For some weeks now, French officials have been stressing the importance of launching a new political agenda with Morocco. □

M.A.M.