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EDITORIAL

Slowness

Ahlam NAZIH

IN almost 40 years, the structure of the Moroccan economy has changed very little. In 40 years, there has been no revolution, but rather an evolution whose main characteristic is, definitely, slowness.

According to the latest diagnosis by the Economic, Social, and Environmental Council (CESE), the major sectors making up the backbone of our economy continue to weigh practically the same. Of course, “tertiarization” is continuing, with services playing a slightly greater role in value creation, albeit very slowly. Between the 1980s and the 2000s, the share of services in GDP rose by 6.4 points to 53.2%. By contrast, the primary sector (essentially agriculture and fisheries) has kept almost the same share (from 13.3% to 11%). The processing industry, for its part, remained at the 10% level of 4 decades ago. Finally, the other types of industry saw their contribution fall slightly (from 19.3% to 15.1%). The fact

is, however, that the loss of industry means the loss of quality jobs.

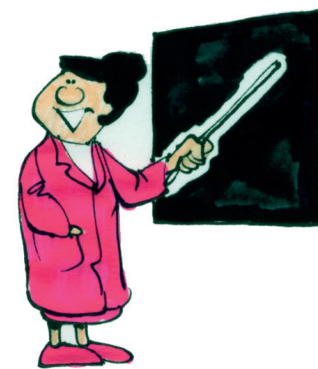
The head of the CESE himself commented on this slow phenomenon last December, during his speech at the nineteenth edition of the L'Économiste research award, Ahmed Réda Chami illustrated his comments with the image of water flowing down a hill. In Morocco, we wait patiently for water to reach the bottom, after having bypassed a multitude of obstacles. The easiest way to do this is to dynamite these obstacles to create a channel. Like the water on the hill, we choose the path of least resistance. This may be a virtuous choice, but it is one that leads to huge delays at every level.

The road to change is never devoid of barriers and resistance. At some point, one has to face them. Otherwise, after the next 40 years, we'll find ourselves again in the same place. □

Weekly highlights

Subordinated debt

The Mohammed VI Fund launches CapAccess



IF you have a viable investment project but lack the necessary equity capital, the Mohammed VI Fund for Investment (FM6I) has the solution: CapAccess. This is a subordinated debt product launched by FM6I. The aim is to finance investment projects in conjunction with a bank loan. The product is dedicated exclusively to Moroccan companies with sales of between 10 million and 500 million dirhams (USD 10 to 50 million), operating in eligible business sectors. Outside the standard target range, waivers may be granted in special cases, which will be submitted to an ad hoc committee. In this way, FM6I provides additionality to the financial market, supporting and complementing a conventional banking offering. «*It is a product that acts as a facilitator, accelerator, and springboard for Moroccan businesses. It is in line with the Fund's overall logic of limiting its commitments to one third of the investment amount*», declared Mohamed Benchaaboun, Managing Director of FM6I, at the signing cere-



On the occasion of the launch of the subordinated debt product, agreements were signed between banks and FM6I

mony between the Fund and the banks held on Tuesday March 5 in Casablanca. «*The product will be released jointly with senior debt covering two-thirds of the loan and one-third of subordinated debt. The risk is shared by the bank and FM6I in favor of the company*», explains Benchaaboun. CapAccess offers a number of advantages, not least being its non-dilutive nature for companies not wishing to open up their capital or not yet ready to do so. Thanks

to a partnership with the banking sector, CapAccess can be set up flexibly. The banker is the sole point of contact for the company wishing to benefit from the product, reducing the time needed to set up and finance projects. Tamwilcom is mandated to act in the name and on behalf of FM6I for the subordinated loans to companies. The FM6I plans to allocate 4 billion dirhams (USD 400 million) to CapAccess, with the aim of contributing to the financing of a total

of 15 billion dirhams (USD 1.5 billion) in favor of SMEs and mid-sized companies in particular. The fund aims to build a financing continuum for Moroccan companies. Support is also at the heart of its action. It plans to launch a program dedicated to companies, to both facilitate their access to bank credit and prepare them for the opening up of their capital, notably through IPOs. □

Khadija MASMOUDI

Energy service companies

Specifications and terms of reference

THIS is one of the mechanisms provided for in Law 47-09 on energy efficiency. Energy service companies will be set up and operate in accordance with the specifications set out in Article 7 of the law. A preliminary draft decree relating to these specifications has now been drawn up. It is currently in the public consultation phase at the Secretariat General of the Government.

In detail, Law 47-09 defines energy service companies as «*any legal entity that undertakes, vis-à-vis an energy consumer, to carry out studies aimed at achieving savings in energy consumption, to prepare a project that achieves energy savings and to oversee its execution, management, monitoring and possibly financing, to guarantee the effectiveness of the project in the field of energy savings...*».

The draft decree concerns companies, the only ones authorized to carry out studies aimed at achieving savings in energy consumption and upgrading, on the basis of the results of these studies, of the energy equipment, and of the fa-



cilities studied. These companies must be authorized by the authorities if they meet certain conditions. The new text defines the procedures for granting this authorization. The Ministry of Energy Transition will oversee the process. The authorization application must be submitted, in physical or electronic format, to this department, in return for a receipt. A series of documents must be included in the application file. These include a copy of the basic status and commercial register of the company concerned, plus a document defining

the name, profession, nationality, and address of its legal representative. Certificates issued by the tax authorities and the CNSS (National Social Security Fund) are also required. Documents proving that the company concerned has the technical references required by the specifications must also be included. The same applies to documents proving the company's human and financial capacity. A copy of the specifications, including all pages, is also required, as well as a guide to procedures and a sworn statement.

Once the application has been submitted, the department in charge of Energy Transition must give its opinion, based on a site visit to ascertain the applicant's human and financial capacities. In the event of a positive decision, authorization is granted within 60 days of receipt of the application. When the administration refuses to grant authorization, it must give reasons for its decision. The rejection of the request must also be notified to the applicant. □

Mohamed Ali MRABI



AMO Compulsory medical insurance for the self-employed A crackdown on abuse

TO counter opportunistic behavior and encourage the self-employed to pay their Social Security (CNSS) contributions on a regular basis. To this end, amendments have been made to Law 98-15 on the basic health insurance scheme for professionals, self-employed workers, and self-employed professionals. These changes, recently published in the Official Gazette, tighten the conditions for benefitting from the AMO-TNS coverage.

Sanctions have been introduced to encourage self-employed workers to pay their contributions. They are aimed at those who disappear from the radar for more than 6 consecutive months before reappearing. Even if they subsequently pay their social security contributions, a 3-month waiting period will be observed. This applies from the month following that in which the insured person regularizes his or her situation. This provision is intended to encourage regular payment of contributions and prevent



Persons who fail to pay their social security contributions for a period exceeding six months are required to pay the amounts due and wait three months before being entitled to AMO benefits...

certain practices from developing. As a result, paying contributions once a person has fallen ill no longer enables that person to receive benefits quickly. In a system based on solidarity, regular payment of contributions is important. State subsidies and grants are also conditional on the payment

of contributions. The same applies to the renewal of certain administrative documents required to practice the profession.

Amendments to the law provide solutions to specific situations faced by teams in the field. This is the case, for example, of a self-employed worker

who falls into a specific professional category and is subject to the Single Professional Contribution (Contribution Professionnelle Unique, CPU). Here, the criterion is that of the CPU, a system that enables taxpayers in low-income activities to pay a single tax that includes, on the one hand, business-related taxes and levies (Income tax, professional tax and municipal service tax), and, on the other, a supplement to social security benefits, initially covering compulsory health insurance.

In other words, tax status will take precedence. There is also a provision in the law to deal with cases where the self-employed person has more than one professional activity. In this case, the contribution due is based on the highest flat-rate income.

The AMO TNS contribution rate is 6.37%, applicable to a flat-rate income pegged to the minimum wage, depending on the socio-professional category. □

Khadija MASMOUDI

2030 World Cup

A Marshall Plan for bidding cities

TRY the experience of a Spanish fan traveling from Malaga to Rabat via Tangiers by chartering trains, boats, high-speed trains, and other means of transport, to the competition stadiums. This is the exercise initiated recently by members of the Moroccan World Cup 2030 Committee, in charge of preparations for the competition in Morocco. « Our infrastructure is top notch. Some of our stadiums are better than those in Europe... something to be proud of », said Mouad Hajji, general coordinator of the Royal Moroccan Football Federation (FRMF). These words were spoken last Tuesday in Fez, during the presentation of the main points of FIFA's specifications for the organization of the 2030 World Cup.

At this meeting, organized as part of a regional tour of the cities bidding to host the 2030 World Cup matches, FRMF officials focused on the conditions of the infrastructure, the organizational model, and the preparations required to host this major event. This



Renovation work has already begun on the Fez sports compound. The renovation project for this 45,000-seat stadium will cost 300 million DH (US 30 million) (Photo by YSA)

is an event in which the Moroccan authorities are showing unrivalled interest, under the impetus of the King. Hence the strong mobilization of local and elected authorities, presidents of professional chambers, tourism operators, and security personnel.

On March 5, 2024, FRMF officials outlined three main areas of focus: sports infrastructure (pitches and training

sites), transport and mobility, as well as accommodation and hotels. While for cities like Rabat and Tangiers, the view from the sky is «extraordinary» and the infrastructure on the ground is «top-notch», for Fez, there is still a long way to go. With the exception of the medina, a UNESCO World Heritage site restored at a cost of billions of Dirhams on the initiative of His

Majesty the King, a Marshall Plan is strongly recommended, to enable the city to shine in the same way as the other cities bidding for the World Cup. This is the challenge facing decision-makers in Fez. The city has enormous potential, but it remains underdeveloped (potholed roads, poor urban transport, a lack of cleanliness, and other issues). In terms of infrastructure, Fez is connected to the highway, air, and rail networks...but not to the bullet train. In this respect, a link to the high-speed train is highly sought-after, as is the creation of new air services.

As far as sports infrastructure is concerned, the Fez stadium, currently being renovated at a cost of 300 million Dirhams (USD 30 million), is well located. The widening of roads, urban transport, and the embellishment of avenues (public lighting, cleanliness, signage, and other amenities) are all determining factors in the choice of cities to host the World Cup, which will be a development driver for Morocco. □

Youness SAAD ALAMI

Weekly highlights

The YSL Museum revisits floral elegance

THE Yves Saint-Laurent Museum is currently hosting a double exhibition. The first one, dedicated to the cactus, takes place in the museum's temporary gallery, where these plant icons, which number over 1,700 species worldwide, are featured in several works of art. «*The exhibition, which runs until July 7 at the Musée de Marrakech, echoes the diversity of artistic and scientific expression found in different cactus regions*», says Madison Cox, President of the Jardin Majorelle Foundation. The exhibition features a large number of exclusive pieces (paintings, scientific documents, etc.). In the early 20th century, and particularly between the wars, cacti became an obsession for early modernist artists. «*Their aesthetic had a real impact on the history of the visual arts, including photography, painting, and cinema*», explain exhibition curators Marc Jeanson and Laurent Le Bon.

In parallel, a cycle of film screenings entitled «*Scenes In America Deserta*», in reference to Reyner Banham's book, is also planned. A dozen screenings are scheduled throughout the exhibition at the museum's film club, with free admission.

The museum's 2nd exhibition is dedicated to flowers. This is the first time that the YSL museums in Marrakech and Paris have joined forces to present an exhibition exploring the body of work created by Saint-Laurent. The couturier was even one of the first to use the floral tradition in his creations. «*He convinced the women of his time to dress in petals without risking submission to a romantic or mawkish motif*», reads Olivier Saillard's «*Fleurs et Robes éphémères*» (Ephemeral Flowers and Dresses). In addition to his choice of flowers, Saillard explains that his monochrome and sheath models were already silhouettes of flowers. In addition, YSL often paid tribute in its collections to modern artists, for whom painting flowers was an opportunity to practice their mastery of light and color. For example, Saint-Laurent commissioned prints from the Abraham House for dresses celebrating Bonnard (French painter, decorator, illustrator, lithographer, engraver, and sculptor), while its Spring/Summer 1988 collection paid tribute to Van Gogh by asking the



The exhibition dedicated to the cactus echoes the diversity of artistic and scientific expression found in different regions of the cactus (Photo by YSL)



Flower-inspired designs by couturier Yves Saint-Laurent are on show in Marrakech until January 2025 (Photo by YSL)



Lesage House to create irises and sunflowers on fully embroidered jackets. Some models are to be discovered in Marrakech and other models in Paris until January 1, 2025. □

Badra BERRISSOULE