

Weekly highlights by L'ECONOMISTE

Le premier quotidien économique du Maroc

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EDITORIAL

Thermometer

Meriem OUDGHIRI

FOR many years, strike bills have been a painful subject, tossed about against the backdrop of a Government / Employers Union / Trade Unions triangle that blocked everything, none of them wanting to “make any concessions”.

Today, dialogue and discussions are resuming, and the bill is before Parliament.

History will remember, especially in the 2000s, the harsh reality of industrial disputes, with unfortunate records for strikes that were particularly wild and long, and became almost uncontrollable.

Faced with a lack of clear strategy and laxity, industrial units and companies found themselves abandoned in a dangerous solitude, even though they were the main links in the employment chain, the first bulwarks against social and then political crises. Time did not make things any better. It made things ugly,

leading to stupid conflicts, to waves of factory seizures, to factory closures, and to the sabotage of the economy.

The right to strike is indisputable. It is constitutional, and today needs a well-crafted law that specifies the conditions for exercising such right, in a balanced and clear manner. Democracy and the fundamental principles of freedom are rights that also apply to those who want to keep working.

At a time when the country is showing signs of economic dynamism, with reassurances about the reconstruction of its social dialogue site, the opening of this dossier before Parliament is a welcome message in the interests of all parties, since the way in which the right to strike is applied is a kind of thermometer of a country's attractiveness, which determines the fortunes of investors, but also of the people who run the country's business. The opposite would not benefit anyone in any case. □

Weekly highlights

Diesel and gasoline: Imports growing

MOROCCO is increasing its imports of diesel and gasoline in 2024. In the first quarter of this year, purchases rose by 9.1% in volume terms, reaching almost 1.47 million tons. This corresponds to a bill of 12.89 billion dirhams (USD 1.28 billion), an increase of 0.9% in value compared with the same period last year. Per fuel type, diesel accounted for almost 91% of the volume and value of these imports.

These are the findings of the Competition Council's recently published reports on the implementation of the commitments entered into by nine companies operating in this market, as part of the settlement agreements concluded in 2023 with the Council. This is a quarterly report tracking the supply, storage, and distribution of diesel and gasoline. Imports by the distribution companies concerned by this reporting represent a share of around 87% in volume and value of



total purchases on the global market, during Q1 2024. Imports by these companies rose by almost 5% in volume terms compared with the same period in 2023, from 1.21 to almost 1.27 million tons (a difference of 63,000 tons). Imports by value, meanwhile, reached 11.21 billion Dirhams (USD 1.12 billion) in Q1

2024, compared with 11.53 billion Dirhams (USD 1.15 billion) in Q1 2023, i.e. a difference of around 327 million Dirhams (USD 32.7 million), and a drop of 3%.

In volume terms, diesel and gasoline imports showed two opposing trends. Diesel purchases rose by 6% in Q1 2024 compared with the

same period in 2023, while gasoline imports fell by 4.6%.

Sales by reporting companies of diesel and gasoline (excluding marine fuel) reached a volume of around 1.7 billion liters (449 million US gallons) for the first quarter of 2024, up 4.6% on the same period a year earlier. In terms of value, sales stood at MAD 18.98 billion (USD 1.89 billion), up almost 1% over the same period last year (MAD 18.87 billion / USD 1.89 billion in Q1 2023).

At the end of March 2024, total available storage capacity in Morocco stood at almost 1.50 million tons, an increase of around 16% compared with the level recorded at the end of 2023. The nine companies covered by this report have a combined capacity of 1.2 million tons. This represents 80% of Morocco's total capacity. On the distribution side, no new operators entered the market in the 1st quarter of 2024. □

Khadija SKALLI

International trade

Fast-track for clean operators

FOLLOWING on from the triptych introduced a few years ago, the Customs Administration has now moved on to a new stage in the streamlining of customs clearance procedures. It has just launched a new reference system dedicated to international road haulage (TIR) operators. Customs, which has just issued a circular to this effect, together with the operating procedure, had begun working on the system several months ago, in consultation with the professionals concerned. The new standards apply to all means of transport, as well as to drivers.

The old reference system, which did not provide as much information and has shown its limitations, will not be abolished immediately. It will be maintained for a transitional period of three months from the date of issue of the Customs circular, which is dated July 11. The

aim is to give operators the time they need to enter the data required by Customs to feed the new system. After this deadline, around mid-October, only those operators who have signed up to the new system will benefit from the facilities granted to them during custom clearance operations.

The new system consists precisely in deploying a green circuit to international trade operators who use the services of stakeholders categorized as "authorized economic operators" (drivers, freight forwarders, consignees). The new system also consists in keeping an eye on high-risk operators.

One of the main new features of the standard is the requirement to enter all information concerning international drivers. The aim of this obligation is to make drivers of vehicles dedicated to international road transport more accountable. Until now, it was virtually impos-



With the introduction of a new reference system dedicated to all means of transport and compulsory identification of drivers, the Customs Administration aims to further streamline goods clearance operations

sible to determine the identity of drivers in the event of a problem.

In addition, the new system will enable greater traceability of goods flows, linking them to carriers, goods, forwarders, and drivers alike, thanks to the cross-referencing of information from the new platform created within the Badr

system. The new platform will also make it possible to identify not only goods entering or leaving Morocco, but also the vehicles used and the international drivers involved in their transport. Truckers are therefore required now to choose their partners. □

Hassan EL ARIF

Insolvent companies Safeguard first

THE Casablanca Commercial Court validated some fifty safeguard plans in 2023.

This legal regime forms the usual triad of procedures for ailing companies, alongside winding-up and receivership.

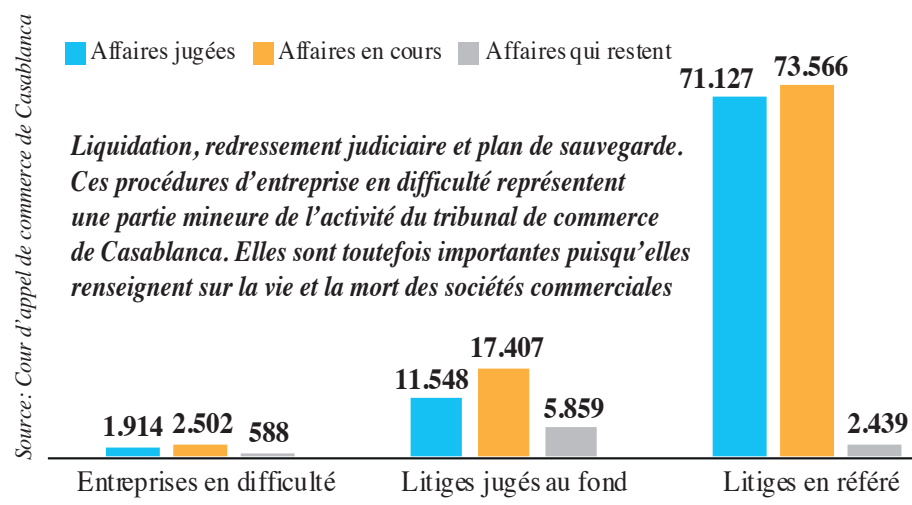
“The purpose of the safeguard procedure is to enable a company to overcome its difficulties in order to guarantee the continuation of its activity, the maintenance of employment, and the discharge of its liabilities”, reads the Commercial Code. It is important to note that lawmakers require that a company requesting protection under the safeguard procedure must not be in a situation of suspension of payments, hence the particularity of this procedure in force since April 20, 2018.

“The safeguard procedure covers an ailing company against the possible legal actions of its creditors without calling into question its legal liability. What’s more, the advantage of a safeguard plan is that it doesn’t

push the company into receivership. This procedure has been very popular with the public since it was introduced six years ago”, explains business lawyer Salima Bakouchi. The management of a company thus obtains a protection against debts arising prior to the opening of the procedure. The management of the company also retains control over management, despite the insolvency trustee’s powers...

But beware: courts do not sign a blank cheque. If a company remains underperforming, the safeguard procedure is then cancelled. There were 24 such cases out of the 46 beneficiary cases recorded in 2023. Judicial practice seems to be quite demanding in this respect. “Despite all the enthusiasm for this safeguard procedure, commercial judges do not easily and automatically grant it. There are legal barriers to filtering out requests from ailing companies”, reports the practitioner, who is a member of the Casablanca bar.

Le bilan des affaires en 2023



Stroc Industries was the first listed Moroccan company to benefit from this procedure. The Casablanca Commercial Court’s decision was reached after a legal appraisal.

At the time, it had not explicitly confirmed the company’s insolvency (see L’Economiste digital edition of December 23, 2019). Among other conditions, business owners must specify “the nature of the difficulties” that could “compromise the continuity” of their business.

Before reaching a decision, a court hears the interested party, who

has no right to invoke professional secrecy. By law, a safeguard plan must not exceed five years, during which time the courts keep a close eye on the insolvent company. Even after a ruling has been handed down, courts can still cancel a safeguard plan. This is the case when it appears that “a company was in suspension of payment on the date of the judgment” validating the safeguard plan. This partly explains the 24 cases recorded in 2023. □

Faïçal FAQUIHI

Bancarization advances, but...

IN 2023, the Moroccan banking sector made significant progress, marked by a significant increase in the number of accounts opened. According to data from the bank account clearinghouse (Centrale des comptes bancaires), the total number of accounts opened rose to 36.3 million, representing growth of 7.2% compared with 2022. This positive trend reflects improved financial inclusion and greater confidence in the banking system. The development of bancarization is an essential indicator of the country’s economic health. By facilitating access to banking services, Morocco is not only strengthening the financial stability of its citizens, but also laying the foundations for inclusive and sustainable economic development. Checking accounts dominate the banking landscape with 23 million accounts, representing 63% of accounts opened in 2023. Checking

accounts follow with nearly 11 million, or 30% of the total. Accounts denominated in foreign currencies, although representing a minority, number around 114,917, of which 80% are in euros.

In terms of new account openings, the year 2023 saw the addition of 3.3 million accounts, marking an 8.6% increase on the previous year. 874,947 individuals opened an account for the first time, compared with 645,412 in 2022, with Moroccan residents predominating (92%).

The central bank reports that 18.2 million people have at least one bank account, of which 839,253 are legal entities (5%). Among individuals, women account for 38%, compared with 62% for men. People aged over 60 make up the largest



group, with 4 million accounts, i.e. 23% of holders, followed by the 35-40 and 40-45 age groups, each accounting for 11%.

The bancarization rate reached 54% at the end of 2023, compared with 53% the previous year. This

increase, albeit modest, indicates progress towards broader financial inclusion. Three years after the launch of the National Strategy for Financial Inclusion (SNIF), significant progress has been made.

As a reminder, the latest statistics published by the SNIF show the persistence of many disparities in terms of financial inclusion. Inequalities between men and women, city dwellers and rural dwellers, and young people and adults remain significant, an observation taken into consideration in the formulation of the new roadmap for the 2024-2027 period. With this in mind, the central bank, together with the various stakeholders, is working in particular to launch targeted initiatives in favor of the economic empowerment of rural women, with the support of EBRD and the collaboration of civil society players. □

Fédoua TOUNASSI

Weekly highlights

Soft wheat flour

The plan for next season

THE Government has just established the terms and conditions for applying the public subsidy to soft wheat and flour intended for local consumption. The joint circular issued by the Ministers of the Interior, Agriculture, and Budget was published in the latest edition of the Official Gazette. This text defines the conditions for the acquisition of soft wheat intended for the manufacture of subsidized flour, for the 2024-2025 marketing season. The text specifies that soft wheat intended for the manufacture of subsidized flour must be acquired, via calls for tender issued by the ONICL ("National Interprofessional Office for Cereals and Pulses"), from grain merchants, agricultural cooperatives or their unions. The quantities of wheat purchased must correspond to the characteristics defined in the appendix to this circular.

This text also sets the price of soft wheat intended for the manufacture of subsidized flour at 258.80 Dirhams



The joint circular has set the price per quintal of domestic flour packaged and delivered to the mill at 182 dirhams (USD 18.2). The price at the wholesale level is 188 MADs (USD 18.8) for a retail price of 200 MADs (USD 20) at the national level

(USD 25.88) per quintal, at flour mill level. These amounts are paid to the mills by ONICL, either by deducting the amount or by refunding the difference with the price set at the time of the tender. The price difference may

concern the costs of storage, transport, and delivery to the mills.

With regard to the conditions governing the manufacture of subsidized flour, the text sets out the two categories concerned, namely natio-

nal flour and special flour. Manufacturing conditions are determined in particular by the extraction rate: 81% for national flour and 74% for special flour. The elements taken into account in calculating the cost of subsidized flour include the basic costs (2 MADs / USD 0.2 per quintal), and the margin (31.25 MADs / USD 3.12 per quintal for national flour and 31.61 MADs / USD 3.16 for special flour).

This text also covers the packaging of subsidized flour. Subsidized flour must be delivered in net-50-kilogram bags. The cost of packaging is borne by the mills, with the exception of quantities bound for the southern provinces. In addition to the retail price, 10-centimeter green stripes must appear on both sides of the bag. This does not apply to bags bound for the southern provinces. Bags bound for other regions must also be sealed by the mills and bear a serial number, which must also appear on the delivery receipts. □

M.A.M.

Film industry

A reform to restore order

CULTURE Minister Mehdi Bensaid wants to restore order to the film industry.

A new bill to reform the rules governing film production and distribution has been submitted to the House of Representatives. The bill lays down the conditions governing the various activities associated with the industry. Authorization from the Moroccan Cinematographic Center (CCM) is required for a company to carry out activities in this field. These companies must be incorporated as S.A. or SARL. They must be in good standing with the tax authorities, and not be the subject of a judicial winding-up procedure. The law stipulates that the director or manager of a production company may not hold the same position as the director or manager of another company in the same field. The procedure for submitting applications for authorization will be defined by decree. Authorization may be withdrawn if commitments are not

respected, or if the company concerned has suspended its activities for 4 years.

In addition to this authorization, any company wishing to produce a film or audiovisual concept will be required to apply for national or international approval. A national approval is required when the production is made on behalf of individuals or legal entities under Moroccan law. The company concerned must have a share capital of at least 500,000 Dirhams (USD 50,000) for "Sociétés Anonymes" (Joint Stock Companies), and 300,000 Dirhams (USD 30,000) for «SARLs» (Limited Liability Companies). Other requirements include the production of a feature film or 3 short films, made by different directors, at least one of whom must be a woman. A decree will define the list of audiovisual products concerned. As far as foreign film shoots are concerned, international approval is granted to companies meeting certain conditions, including having held national approval for at



The new reform of the system governing the film industry provides for the introduction of a classification system for cinemas, taking into account criteria of technical quality, linked to the equipment and screens deployed and the amenities provided.

least 3 years... This approval is granted for a renewable period of 5 years.

This new bill aims to support the transformation underway in the cinema sector, which has been suffering for some years now, with the disappearance of several legendary cine-

mas. The launch of new multiplexes has nonetheless helped to revive the business. The operation of these spaces is subject to authorization from the Moroccan Cinematographic Center. □

M.A.M.