

# Weekly highlights by L'ECONOMISTE

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### EDITORIAL

### Blowing the final whistle

Meriem OUDGHIRI

**M**ANY hopes are pinned on the major events that Morocco is preparing to host, particularly the 2030 World Cup. Hopes of accelerated recovery, hopes of new markets to conquer, hopes of tourist flows to capture... But this bonus comes at a price: business ethics and good governance. These requirements are part of Fifa's evaluation criteria.

In other words, roads, airports, hotels, hospitals, stadiums... and all the infrastructures concerned will have to be certified NM ISO 37001 in terms of fight against corruption and NM ISO 37301 in terms of governance.

A whole program has been launched to raise awareness and, above all, to put this management system into practice (see [www.leconomiste.com](http://www.leconomiste.com)).

Could this step be yet another way of combating the scourge of corruption? Corruption is everywhere, in public and private procurement, in

contracts, in the money paid to speed up the resolution of a case...

Morocco's productive fabric has grown. It needs cleaning up and reliability. And healthy competition to enable everyone to access a market, without distinction, on the basis of expertise and skills. Far from crony networks.

As a dynamic country seeking to strengthen its position on the world's radar, we can no longer afford all these nests of cronyism and serious failings. We can't pretend to play in the big leagues if we're dragging all these ball and chain. It would be a strategic error to continue to shun regulatory requirements. Ethical passivity, which has long damaged values and references, leads nowhere. So let's blow the whistle and call it a day. Because too much is at stake today. □

## Weekly highlights

### Key rate

# BAM's wait-and-see policy

**T**HE Board of Bank Al-Maghrib (BAM), meeting on Tuesday September 24, opted for caution. It decided to maintain the key rate at 2.75%, believing that the current monetary policy stance remains appropriate.

Several factors justify this decision. Firstly, inflation has remained moderate since the beginning of the year, thanks in particular to falling food prices and a slowdown in core inflation, now around 2% after having reached 5.6% in 2023. According to BAM projections, this level should be maintained over the next eight quarters.

Taking into account adjustments to commodity subsidies and a limited change in volatile food prices, headline inflation should decelerate to 1.3% this year, from 6.1% in 2023. It could nevertheless accelerate to 2.5% in 2025.

BAM's decision was also motivated by the stability of inflation expectations, with forecasts of 2.2%



*For BAM's Board of Directors, the implementation of the orientations of the 2025 Finance Bill and the continuation of negotiations within the framework of social dialogue could have a greater impact than expected on demand and price trends.*

to 2.3% over 8- and 12-quarter time-frames respectively.

BAM's Board also took into account economic and social uncer-

tainties, notably due to the global geopolitical context marked by the war in Ukraine and tensions in the Middle East. Added to this are national risks linked to recurrent droughts and water stress, which pose threats to agricultural production and overall economic growth. In addition, ongoing negotiations on social dialogue, combined with the orientations of the Finance Bill 2025, could have a significant impact on demand and prices.

The Board forecasts growth of 2.8% this year, before accelerating to 4.4% in 2025. This projection includes a 6.9% drop in agricultural value added in 2024, followed by an 8.6% recovery in 2025, assuming average grain production of 55 million quintals. Non-agricultural activities, meanwhile, should post stable growth of 3.9% over the same period, driven by manufacturing, mining, and tourism. □

**Khadija MASMOUDI**

## Real estate/Tax clearance

# No more permissiveness

**T**HE new tax measure, provided for in Article 139-IV of the General Tax Code (CGI), has been criticized as a disincentive to real estate transactions. Questioned by L'Economiste, the Kingdom's General Treasury (TGR) is confident in its indicators. In fact, for returns transmitted via the Tawtik electronic platform, linking notaries to the administration, filed during the period between July 1 and September 18, the TGR posted a processing rate of 94.6% for 41,828 returns, resulting in the creation of 88,711 items, which are the tax reference that property developers are required to obtain for new homes in stock.

The new system also applies to second-hand homes offered for sale, for which sellers are required to provide proof of payment of taxes and duties on the property. Over the same period, the TGR pro-

cessed some 69% of applications. 15% are awaiting a response from municipalities. The remaining 16% are in the process of receiving payment or additional documents. It should be remembered that issuing the documents in question is not the sole responsibility of a single administration, since municipalities are also involved in the process. These figures were generated about a week ago. In the meantime, the situation has changed as the remaining files are processed and new applications received.

To reduce delays, the TGR claims «to have made considerable efforts, complemented by awareness-raising actions with other stakeholders to ensure greater speed and responsiveness».

Why are taxpayers and practitioners so angry about the delays? According to the TGR, «these delays are mainly due to incomplete or em-

pty returns, or returns sometimes sent to departments not involved in processing these types of file ». However, the services of the Kingdom's General Treasury acknowledge «that our partners will need time to adapt in order to make a success of this reform».

On another note, the TGR has set up a reporting system which



provides statistics three times a day on the processing of declarations and requests for certificates.

This data specifies, by item, their number and processing status (taken in hand, in progress, returned for further information or reasoned rejection where applicable). A unit has also been set up to monitor declarations and other requests on a daily basis, and to propose and implement immediate corrective action. Patience remains the watchword. □

**Hassan ELARIF**

## World Cup 2030

# Operation certification

**M**OROCCO has everything it needs in terms of standards to successfully complete the various infrastructure projects planned as part of the organization of the 2030 World Cup. However, the authorities and all stakeholders involved in the construction of the infrastructure (contractors, building and public works companies, design offices, testing and design laboratories, etc.) must be certified to mandatory construction standards, as well as to voluntary standards, in order to successfully complete the work. Failure to do so could result in a poor rating from FIFA, whose requirements include standards of business ethics and good governance.

So to ensure that the roads, railroads, airports, ports, hotels, hospitals, stadiums... and all the other infrastructure that will host the participants in the 2030 World Cup all comply with



*All stakeholders involved in the construction of infrastructure for the 2030 World Cup (contractors, construction companies, design offices, testing and design laboratories, and other stakeholders) must be certified to both mandatory and voluntary standards*

these standards, the Moroccan Institute for Standardization (Imanor) co-organized a seminar on standardization and certification of conformity management systems (Compliance)

with Prev& Co, on Tuesday September 24 in Skhirat. Focusing on the theme of «Standards for governance, ethics and compliance», the seminar presented two key volunta-

ry standards to which certification is required to ensure the quality of infrastructure. These are the NM ISO 37001 anti-corruption standard, already certified in Morocco in 2016, and the NM ISO 37301 governance standard, also certified in the country in 2019. In addition to the two above-mentioned standards, other international ethics and governance standards have already been approved by Imanor as Moroccan standards and made available to interested economic operators. A national certification scheme, based on these standards, has also been set up to offer operators an opportunity to strengthen their credibility with their professional and institutional partners, and to increase their chances of integrating international value chains concerned with governance, ethics and compliance issues, so it was explained. □

Aziz DIOUF

## Morocco-EU Green Partnership

# A new program is on its way

**A** new cooperation program between Morocco and the EU within the framework of the Green Partnership is about to be signed. It will focus on the circular economy (waste management) and the decarbonization of industry, in particular those concerned by the CBAM (Carbon Border Adjustment Mechanism) (Cf. [leconomiste.com](http://leconomiste.com)).

Paul-Henri Passet, Head of the Trade and Economy Section at the European Union Delegation to the Kingdom of Morocco, who made the announcement on Friday, September 20, 2024 in Agadir, at the conference on «The Green Deal and new sustainability issues for Moroccan exports to the EU», said no more. For the time being, therefore, we do not know how much money will be allocated to it, nor how financial and human resources (technical assistance) will be allocated.

In any case, this program will be most welcome as the Kingdom places the circular economy at the heart of its new national sustainable develop-

ment strategy for 2035. This approach will be accompanied by legislative reforms, including the ongoing amendment of Law 28.00, aimed at regulating waste management and promoting recovery. But also various measures to manage waste more efficiently, including reduction at source, selective collection, recycling, eco-disposal and energy recovery, as well as the integration of extended producer responsibility and energy recovery. Pilot projects are being launched in six host cities of the 2030 World Cup to promote a circular economy adapted to local needs, through the adoption of a specific management mode adapted to municipalities whose waste quantities do not exceed 50,000 tons/year.

With regard to the decarbonization of industry in general and the CBAM in particular, which will come into force in 2026, the Ministry has also taken action by launching the «Tatwir Green Growth» program, aimed at supporting industrial SMEs in their efforts to develop decarbonized pro-



*The new program aims to strengthen and multiply circular economy projects and give a greater number of local industries the chance to overcome the obstacle of the border carbon adjustment mechanism. It will be the third program launched under the EU-Morocco Green Partnership*

cesses and products, and to support the emergence of new green industrial sectors and the reduction of industrial pollution.

This new program, which will strengthen and multiply circular eco-

nomy projects and give a greater number of local industries the chance to overcome the CBAM obstacle, will be the third to be launched under the EU-Morocco Green Partnership. □

Aziz DIOUF

## Weekly highlights

# Casa-Settat Regional Multiservices Company Details of the management contract

ONLY a few days to go before the very first Regional Multiservices Company (SRM Casablanca-Settat) goes live on October 1. Its Board of Directors was due to hold its 1st meeting on September 18, to prepare for this launch by approving the management contract for the distribution of drinking water, electricity, and liquid wastewater, and its appendices (specifications, staff regulations, financial projections, and other items.).

The scope of the new management contract, valid for 30 years, covers the entire Casablanca-Settat region, including the current scope of the delegated management contract with the Lydec utility. SRM thus inherits a vast territory, as well as the staff of ONEE (National Electricity and Drinking Water Board), the El Jadida and Sidi Bennour utilities, the Chaouia utility, and the relevant contracting company. Thousands of jobs will be created - 4,665 civil servants to be precise, 65% of whom will be em-



*The scope of the new 30-year management contract covers the entire Casablanca-Settat region, including the current scope of the delegated management contract with Lydec (Photo by L'Economiste)*

ployed by Lydec. Under the terms of the new management contract, SRM undertakes to guarantee to these staff «a situation which shall in no case be less favorable than that which the persons concerned had on the date of their

transfer, in particular as regards salaries, allowances and bonuses relating to their status, social works, medical cover, and the social welfare scheme», as stipulated in the contract. Local representatives will be set up in each

prefecture or province within its scope of action, reads the contract.

During the first 3 years from the date of entry into force of the management contract, SRM will draw up master plans for drinking water, electricity and liquid sanitation. These are to be updated periodically. Moreover, the provisional investment program must be updated in the light of these master plans, to take account of changing needs and public service management goals.

By October 31 of each year at the latest, SRM must present a 5-year forward-looking multi-year plan, based on its contractual commitments.

Service charges remain unchanged. «SRM is required to continue applying the tariff structure, which comprises several tariffs according to usage and consumption. No changes may be made to this structure except on the initiative of the competent authorities», says the contract. □

Aziza EL AFFAS

## The red berry sector

# How will the «Made in Morocco» be consolidated?

A new major player in the red berry sector is entering the global market. Agroberries, a Chilean company specializing in the production, marketing, and distribution of red berries, which has had farms in Morocco for two years, recently announced the acquisition of BerryWorld Group Holdings, a major berry operator in Europe. The transaction creates one of the world's largest berry companies. The global private equity investor Continental Grain Company, which specializes in the agri-food sector, also took part in the transaction, through an increase in Agroberries' share capital.

This transaction is sure to give a new impetus to the berry industry, which is growing exponentially worldwide due to strong demand. To achieve its objectives, the new entity is counting on Agroberries' plantations in Chile, the United States, Mexico, Peru, Argentina, and Morocco.

### *Objective: 1,000 hectares in the Kingdom*

The Chilean company has established a foothold in Morocco in 2022, investing 40 million euros. The aim is to support its European platform. These funds were invested in the planting of 300 hectares of blueberries, with the ambition of expanding its network of growers



over the next few years to a surface area of 1,000 hectares for the production of various categories of berries.

As a reminder, Agroberries already has a stake in BerryWorld Group, through the acquisition of a minority shareholding in 2023. The new transaction will enable the Chilean company to strengthen its international expansion.

Will this operation have an impact on Morocco? «It will certainly further consolidate Made in Morocco,» says Amine Bennani, President of the Moroccan Association of Red Berry Producers, in a statement to L'Economiste. He adds, saying that «Agroberries has been present in Morocco for two years. The company has its own plantations. BerryWorld Group, on the other hand, has a network of local growers who supply it with their red berry production».

Founded in 1996, Agroberries has become a major player in the production and distribution of red fruit worldwide. Based in Chile, the company has two marketing platforms for its products. The first, Berry Fresh, located in the United States, supplies the American and Canadian markets. The second platform, Agroberries Europe, based in the Netherlands, supplies the European Union and the United Kingdom. □

Khadija SKALLI