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EDITORIAL

Betrayal

Khalid BELYAZID

TOMATO blackmail again. Last time, years ago, Spain threatened to block the passage of our tomato trucks to Europe if Morocco didn't give in on the fishing agreement. Being well inspired, our Prime Minister at the time replied that Moroccans were ready to resist, even if it meant eating all those tomatoes with bread, showing the country's resilience. Today, it is either re-label your tomatoes and melons from the southern provinces as I please, or keep them all. Clearly, there is a political bias under the guise of justice. It's a betrayal of an historic trust. Morocco has been a good supplier and loyal customer for decades, ever since the EU was just the EEC of 6 and most of the 27 countries of today's European Union were communist or military dictatorships, hostile to democracy and the Common Market. Now, with 27 members, a Commission, a Parliament, a Court... our main partner and neighbor is becoming an unstable entity, which even its mem-

bers are denigrating and threatening to leave. Proof of this is the rapid reaction of member countries and Commissioners in our favor, which we are delighted about. But we have to be prepared for the worst consequences of this ruling and be resilient. This means more diversification of export markets, more conversion of crops to ensure the food security of our population... Water scarcity and world disorders encourage us to do so. Let's leave the analysis of the recent ruling to the lawyers. Did this esteemed EU court merely ascertain, like a village court, the identity of the Polisario? Has it entrusted "sworn experts" with the task of visiting Saharawis? In Tindouf, these "experts" would have found an open-air prison, and in Dakhla, a building site with open arms. There, they would have appreciated the tomatoes, and understood that, being so tasty, those tomatoes will always find takers. With or without bread. □

Weekly highlights

Growth still feverish

MODERATE growth is expected in the fourth quarter: 2.5% after 2.8% in the third quarter. Domestic demand remains the central pillar of this growth. Household consumption, supported by improved real incomes, social benefits and wage increases, will continue to grow at a steady pace. «*Their savings rate should even turn upwards by the end of 2024, given the resumption of growth in their real incomes and the improvement in their bank deposits*», said the High Commissioner's Office for Planning (HCP) in its economic outlook newsletter (Note de Conjoncture).

The slowdown in the fourth quarter was mainly due to difficulties in certain secondary industries and persistent difficulties in the agricultural sector, as well as increased caution on the part of manufacturers with regard to their investments. In the secondary branches, the third quarter was marked by strong growth in the extractive industries, with an increase in phosphate production due to a withdrawal of Chinese supply.



However, this momentum seems to be running out of steam. Uncertainties surrounding the renewal of Chinese fertilizer export restrictions in the fourth quarter, and the completion of the catch-up phase in the extractive industries, are likely to weigh on the sector's performance.

In the manufacturing sector, growth should fall to 2.7% in the fourth quarter. This slowdown is partly attributable to difficulties in certain sectors, notably

the agrifood industry, faced with insufficient agricultural supply and high production costs in the meat, cereal, and dairy processing industries. «*Activity is expected to be driven mainly by the dynamic construction and services sectors. In annual variation, non-agricultural value added would be 3.2% in the fourth quarter of 2024*», notes the HCP. For its part, the agricultural sector, which suffered a 4.1% contraction in the third quarter, will continue

to exert negative pressure on growth. Forecasts for the fourth quarter point to a further 4.4% contraction in value added. This decline is mainly due to continued weakness in crop production and a slight drop in livestock production. Production costs, although moderate for certain inputs such as fuel and fertilizers, continue to weigh heavily on farms, with rising prices for feed and gas in particular. □

Khadija MASMOUDI

Tourism: International market on the rise

THE Tourism Observatory's statistics for August have finally been released. Morocco received 1.8 million arrivals at border crossings, including 829,406 foreign tourists. France, Spain, and the United Kingdom remain the leading source countries, accounting for almost two-thirds of arrivals. The U.S. market is beginning to show signs of recovery following a downturn since the start of the year. In August, Morocco's 3-to-5 star establishments recorded almost 3.5 million overnight stays, up 5% on the same period in 2023. It was international tourism that saved the day in August, up 14% against a 6% decline for domestic tourism.

Per city, Marrakech, Agadir, and Tangiers fared best. The Ochre City recorded 976,548 overnight stays, followed by Agadir with 808,082. Casablanca maintained its performance, despite a slight drop of 3%, while Essaouira suffered an 8% decline in August. With 88,356 overnight stays, Al Haouz did well and ranked 7th, doing better than Rabat and Al Hoceima. Overall - from January to August - Morocco received 11.8 million tou-



Foreign tourists up 13% over the eight months to 2024. Marrakech and Agadir attract the biggest share

rists at its border crossings. It should be remembered that not all arrivals at the airport are tourists, as there are also Moroccans and residents returning from their travels. According to statistics from the Tourism Observatory, Morocco has received some 5.7 million foreign tourists since the beginning of the year to the end of August. This represents 13% growth compared with the same period in 2023. By contrast, the domestic market has seen a 4% decline since January. Over 60% of foreign tourists come from the three

main markets: France, Spain and the UK. The latter is experiencing unprecedented growth, with 39% growth compared to the same period in 2023. The German market is also growing, but not enough in the eyes of professionals. With growth of 29%, this market has risen from 176,526 to 227,621, ranking as Morocco's 5th largest outbound market. In a recent interview with L'Economiste, TUI boss Sebastian Ebel stressed that "it is not demand that's lacking, but rather the products that Germans prefer, which don't yet exist" (cf. l'eco-

nomiste.com no. 6855 of September 30, 2024). On the accommodation front, 3-to-5 star establishments have recorded 18.7 million overnight stays since January. The occupancy rate has risen from 49 points to 50. "This is certainly an improvement, but our aim is to go even further and achieve an occupancy rate of 60%, so as to be able to develop the business with peace of mind", says Hamid Bentahar, President of the CNT. □

B.B.

Fisheries/Agriculture

What future for the Euro-Moroccan partnership?

DEFINITIVE cancellation of Rabat's trade agreements with Brussels on fisheries and agriculture in 2019. This was the verdict delivered by the Court of Justice of the European Union (CJEU) on Friday, October 04, 2024. The Brussels court justified its decision on the grounds of «the non-consent of the Saharawi people». This supreme legal body of the EU thus confirms the Court's ruling of September 29, 2021, and rejects the appeals lodged by the European Commission and the European Council in their entirety.

However, the Court's decision will not take immediate effect. It specifies that the fisheries agreement, which expired in July 2023, has already ceased to have effect. With regard to the agreement on liberalization measures for agricultural products, the Court grants an additional period of 12 months before the agricultural verdict is implemented. This decision is intended to avoid «the serious negative consequences for the Union's external action which its immediate annulment would entail», and for «reasons of legal certainty».

«Blatant political bias»

Morocco's reaction was swift. The Ministry of Foreign Affairs issued a press release expressing Morocco's firm position. It began by stressing that «the Kingdom does not consider itself in any way concerned by the decision of the Court of Justice of the European Union», since it «did not participate in



Nasser Bourita, the Ministry of Foreign Affairs reiterated «Morocco's constant position not to subscribe to any agreement or legal instrument that does not respect its territorial integrity and national unity»

any of the phases of this procedure». This case, Nasser Bourita's department points out, concerns the European Union on the one hand, and the «Polisario» supported by Algeria on the other. In fact, it was the European Commission and Council, supported by France, Spain, Belgium, and Hungary, which lodged an appeal in 2021 to challenge the ruling of the Court of First Instance before the higher jurisdiction, the CJEU. Another major clarification from the Ministry, which denounces «obvious legal errors» and «suspicious errors of fact» in the Court's decision.

«This indicates at best a total ignorance of the realities of the case, if not blatant political bias», says the Ministry, adding that «in the process, the Court even took the liberty of substituting itself for the competent UN bodies and contradicting their well-established positions and approaches».

The Ministry recalled a similar case in the United Kingdom, in which the British High Court had shown greater discernment, impartiality, and legal expertise. Thus, Morocco demands that «the Council, the European Commission, and the EU Member States take

the necessary measures to meet their international commitments, preserve the achievements of the partnership, and provide the Kingdom with the legal certainty to which it is legitimately entitled, as a partner of the EU on several strategic issues».

In addition, the Ministry of Foreign Affairs reiterated «Morocco's constant position not to subscribe to any agreement or legal instrument that does not respect its territorial integrity and national unity». □

Khadija SKALLI

Tomatoes and melons from the South: labelling required

THE European Court of Justice has also ruled on the labeling of melons and tomatoes from the Kingdom's southern provinces. In a second ruling, published last Friday, October 04, the Brussels court stressed that the label must indicate «the Sahara alone as the origin of these products, to the exclusion of any reference to Morocco». As a reminder, it was the Confédération Paysanne, a French farmers' union, which asked the French authorities to ban imports of melons and tomatoes originating in the Sahara. The union referred the matter to the French Council of State. The latter requested the opinion of the Court of Justice. The Grand Chamber of the Court ruled that «Member States may not unilaterally adopt measures prohibiting the importation of certain agricultural products which systematically fail to comply with Union legislation on the indication of the country of origin or territory of origin». In this respect, the Court made it clear that only the Union can legislate and adopt binding acts in the field of common commercial policy. If necessary, it would therefore be up to the European Commission to intervene within the framework set by the cooperation mechanisms provided for in the EU-Morocco Association Agreement. □



Weekly highlights

Corruption: It is still endemic

THE Integrity, prevention, and anti-corruption body (Instance de probité, de prévention et de lutte contre la corruption) (INPPLC) has just unveiled its annual report for fiscal year 2023. This document comes against a backdrop marked by « the persistence of the unsatisfactory situation of corruption in our country. This is a structural fact which accentuates the gap between this reality on the one hand, and the commitments of the authorities, with undeniable efforts being made in this direction». In concrete terms, despite the various measures and action plans launched in this area, the country continues to suffer from endemic corruption.

Its socio-economic impact amounts to 3.5% to 6% of GDP, or « an annual cost of 50 billion dirhams» (USD 5 billion), according to Bachir Rachdi, President of the INPPLC. For him, « there is an urgent need for a real momentum based on a new approach that builds on accumulated achievements to strengthen them and bring their effects into line with the objectives». The president of this body believes



In 2023, the various indicators relating to corruption are in the red. Morocco's CPI score was 38/100, a decline of 5 points over the past 5 years. This is a confirmation of the « regression process that began in 2018

that «the conditions for this transition are now in place, and have reached a stage of maturity enabling the launch and implementation of a new-generation strategy, with a renewed approach». In detail, in 2023, the various indicators relating to corruption are in the red.

Morocco scored 38/100 on the Corruption Perceptions Index (CPI), a drop of 5 points over the past 5 years. In the ranking, the country went from 73rd out of 180 in 2018 to 97th in 2023, a drop of 24 places. The IPPLC

has carried out a thematic study, «as part of its efforts to deepen objective knowledge of the phenomenon of corruption». It shows that corruption ranks 8th in the concerns of business leaders. 68% of them believe that corruption is widespread or very widespread in Morocco.

The areas most affected, according to business leaders, are obtaining authorizations, approvals, public contracts and orders, and recruitment, appointment, and promotion in the private sector. According to the operators

questioned, 23% said they had been confronted with at least one form of corruption over the past 12 months. «The majority of cases concerned direct or indirect solicitations by the civil servants concerned».

At the same time, 3% said they had offered bribes on their own initiative. While in most cases these are services to which companies are entitled, bribery allows them to «speed up procedures or benefit from a priority».

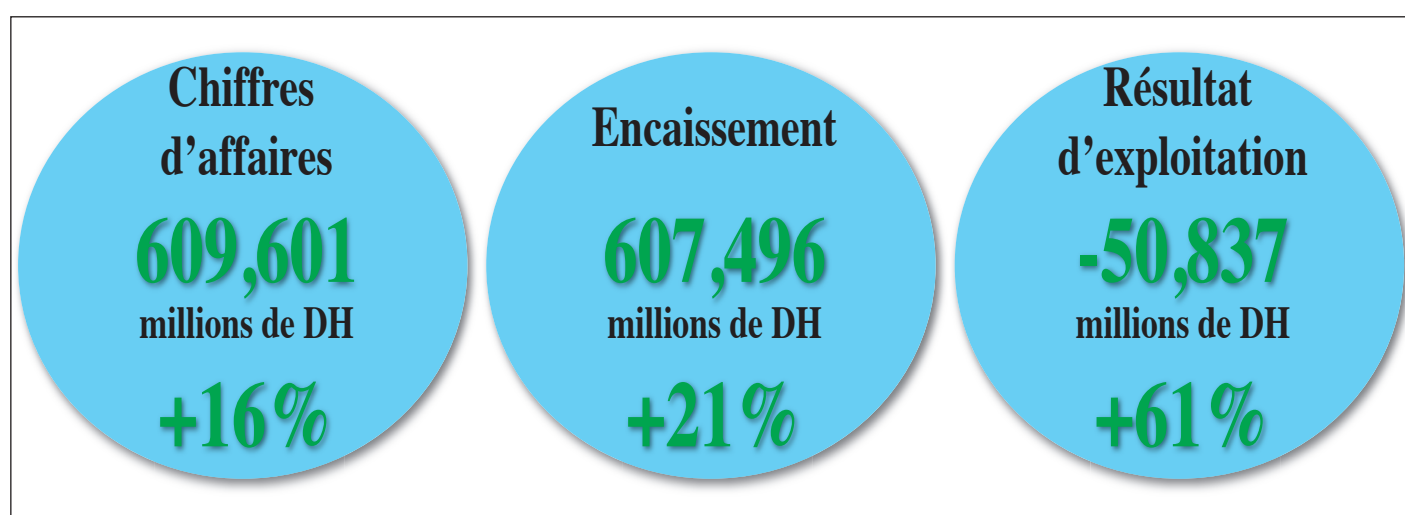
M.A.M.

CNSS Polyclinics: Change of state of mind

THE polyclinics operated by the National Social Security Fund (CNSS) are about to undergo an in-depth transformation, both in terms of infrastructure and management. The CNSS plans to entrust their management to an operating company, which will take the form of a subsidiary of the CNSS. This initiative is part of a process of compliance with legal provisions and represents a major step in the modernization of the healthcare sector.

Article 44 of Law 65-00 on medical coverage prohibits the simultaneous management of medical structures and the provision of healthcare services. To comply with this requirement, the transfer of the management of polyclinics to an operating company, validated by the CNSS Board of Directors, requires an amendment to the current law.

This change is provided for in Article 6 of the draft amendment to the 1972 Dahir, which will enable CNSS to set up subsidiaries. The project, already approved by the Chamber of Councilors, is currently awaiting review by the First Chamber of Parliament.



In parallel with this project, CNSS has launched several invitations to tender for the renovation and upgrading of polyclinics.

This modernization plan covers a number of facilities, including those in the Derb Ghallef and Hay Hassani districts in the cities of Casablanca, Kenitra, and Marrakech. CNSS, which has launched a number of projects, including the dematerialization of medical records, aims to improve patient reception conditions, reinforce safety measures and acquire

new medical equipment to support business development.

This is encouraged by the results achieved in recent years and in 2023 in particular. Indeed, the financial results of the polyclinics have far exceeded expectations, testifying to the development potential of these medical units. Total polyclinic sales reached 609.6 million dirhams in 2023, an increase of 16% on the previous year.

These results exceeded the targets set, with an achievement rate of 114%. In

terms of production indicators, the number of hospitalized patients rose significantly, particularly in the city of Settat, where there was a 52% increase compared with 2022. Laboratory activities also recorded significant increases in the cities of Mohammedia (+49%), Kénitra (+46%), and Ziraoui (+41%). The Ziraoui polyclinic also consolidated its performance in medical imaging, with an increase of 58%.

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