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EDITORIAL

Leadership

Mohamed Ali MRABI

TIME goes by, and the difficulties pile up. Structural deficit, demographic pressure, increasing benefits... the ills of pension schemes are well known. And everyone knows that, if nothing is done, the funds' reserves will be exhausted in a few years' time.

Yet this does not seem to worry the government. At least, it's not yet considered an urgent issue. And it seems unlikely that the issue will be resolved before the end of the current government's term of office. Admittedly, this is a politically sensitive and socially costly reform. And governments rarely venture into unpopular reforms in

the run-up to an election year. Studies on the political economy of reform show that a political decision-maker is reluctant to "take the risk of failure and assume the whole process of explanation, negotiation... which, even if successful, ultimately takes time, energy, and often political popularity". Nevertheless, it would be dangerous to expect the "crisis hypothesis" to be the driving force behind this reform. This is a strategic dossier, which must never be rushed through. Especially as "the least successful reforms are generally undertaken hastily, often in response to immediate pressures".

To speed up this major project, one of the key

levers is to ensure that the various stakeholders adhere to the plan, by making everyone accountable. Indeed, one of the causes of the stalemate is linked to "ex ante uncertainty over the distribution of gains and losses arising from the reform". The success of this type of change also depends on the political support given to the project. Lasting transformations are often driven by strong leadership, with managers who have a long-term vision, and the ability to take short-term political risks. □

Weekly highlights

Pensions

Who will benefit from the exemption?

STARTING next year, basic retirement pensions (excluding supplementary pensions) will be exempt from income tax. This measure, which will be implemented in two stages (50% in 2025 and 50% in 2026), will cost the Government almost 1.2 billion dirhams (USD 120 million). However, for a majority of pensioners, particularly those in the private sector, this provision is likely to have little or no impact. In fact, only 32 pensioners are subject to income tax. In the private sector, pension levels leave little room for real benefit. At the National Social Security Fund (Caisse Nationale de Sécurité Sociale, CNSS), where pensions are calculated on the basis of a ceiling of 6,000 dirhams (USD 600), the maximum pension does not exceed 4,200 dirhams (USD 420). With tax allowances already in place, this exemption remains symbolic for most beneficiaries. The situation is scarcely better in the Group Retirement Allowance Scheme (Régime collectif d'allocation de retraite, RCAR), where only 12% of retirees will actually benefit from this exemption. At the



Moroccan Retirement Fund (Caisse marocaine des retraites, CMR), around 20% of pensioners could take advantage of this measure. Clearly, this exemption remains insufficient to counter the erosion of purchasing power, exacerbated by inflation over the past three years. Overall, to benefit fully from this exemption, you need to receive a pension of 11,000 dirhams (USD 1,100) or more. But how many pensioners

exceed this threshold? The figures show that very few are concerned, reinforcing the impression that this reform is more symbolic. This measure comes at a time when pension systems are structurally fragile and marked by profound inequalities. Disparities between schemes reinforce this observation. At the CNSS social security agency, the average monthly pension will not exceed 2,168 dirhams (USD 216) in 2023, a far cry from the 5,600

dirhams (USD 560) of the RCAR Allowance Scheme or a far cry from the 7,873 dirhams (USD 787) of civil pensions. These discrepancies reflect the heterogeneity of pension calculation and management rules. In addition, there are inconsistencies in the revaluation mechanisms. The civil pension scheme has not seen an increase since 1997, while in the private sector, such adjustments require decrees, the latest dating from 2006, except for an exceptional increase in September 2022. In contrast, the RCAR is characterized by automatic annual revaluation, offering greater protection against inflation.

The pension exemption, while welcomed by some, does not address the structural challenges facing pension schemes. Without harmonized rules and regular pension increases, this measure will remain insufficient. For a real transformation, the government will have to go beyond fiscal adjustments to lay the foundations for a fairer, more equitable and sustainable system. □

Khadija MASMOUDI

The HCP prepares its transformation

WHEN presenting the sectoral budget to the Finance Committee of the House of Councillors, Chakib Benmoussa seemed relieved of the imposing weight of his former Ministry of National Education. Today, Chakib Benmoussa is at the head of the High Commissioner's Office for Planning, which has a budget of 617.8 million Dirhams (USD 61.7 million) for 2025, a budget that has nothing to do with the tens of billions of Dirhams (billions of dollars) and 300,000-strong workforce of the Department of Education. It remains to be seen whether High Commissioner Chakib Benmoussa will manage to preserve the independence of this institution and distance himself from the RNI party, where he was a member of the political bureau. Will he continue, as his predecessor did, to publish reports independently of the influence of the majority? Opposition MPs as-



ked these questions on the sidelines of the Finance Committee meeting. We'll find out in the coming months. In the meantime, the former minister has not lost sight of the Royal Government's intention to carry out

an in-depth reform of this institution, turning it into a strategic mechanism at the service of the country's overall development.

-Strategic program: Given the nature of the work, which often extends over periods of more than a year, he presented a summary of the main activities on the work program for the period 2023-2024. All this is part of the implementation of the HCP's 2022-2026 strategic program. This program has several thrusts, one of the most important of which is to support the implementation of the New Development Model (NMD). The NMD is considered a benchmark for measuring the achievement of sustainable development goals. In addition, the HCP's strategic program includes strengthening the regional dimension of its statistical system and developing its economic and social analysis resources. It will also digitize its

management model, modernize its website and strengthen its external partnerships.

-Standard of living: In 2024, the HCP also continued to carry out quarterly surveys on employment, household, business and production conditions. And the former minister cited several structural surveys. Chief among these was the national survey of household living standards. This year saw the completion of the data processing and analysis for this survey, as well as the preparation of a report on its preliminary results, to be published at the end of the second quarter of 2024. The national survey of non-profit institutions was also completed. This work has made it possible to update the data relating to these institutions and to identify the structural changes that have taken place in this sector. □

Mohamed CHAOUI

World Cup 2030

The verdict is getting clearer

WHICH trio will win? December 11 will be decisive in determining the host countries for the 2030 World Cup. On Sunday December 1, after a series of evaluations and on-site inspection visits, FIFA published reports detailing the strengths and weaknesses of the various bids, and the joint bid by Morocco, Spain, and Portugal has every chance of success. These documents will be submitted for approval to the Extraordinary FIFA Congress, to be held by videoconference on December 11.

■ The mega-attribute of geopolitical stability

Morocco, Spain, and Portugal share a long tradition of collaboration, and geopolitical tensions, while they have existed, have been effectively managed through diplomatic mechanisms and a common desire to ensure the success of this World Cup. In comparison, although Argentina, Uruguay, and Paraguay have also shown a willingness to cooperate, the complex historical relationships between these countries can pose challenges in the implementation of the World Cup. Diplomatic tensions between certain players could make the organization of the event more difficult.

■ Lowest budget

The Spain, Morocco, and Portugal bid is proposing a lower budget than the FIFA standard, thanks to savings on items such as security and technical services. Expected revenues, notably from media rights and ticket sales, should exceed forecasts by 20% compared with previous editions. The bid benefits from favorable conditions, including advantageous time zones and strong local demand.

■ The High Speed Line's winning edge

The bid offers a robust transport infrastructure, with international airports in key cities such as Barcelona, Casablanca, and Lisbon. Efficient intercity connections, notably via high-speed trains, will facilitate travel during the competition. Public transport systems in the major host cities will ensure fluid mobility between the various venues.



The joint Spain-Morocco-Portugal 2030 bid received an average rating of 4.2/5 in FIFA's technical evaluation, testifying to the solidity of its organization project. Argentina, Paraguay, and Uruguay's bid to celebrate the centenary of the World Cup received an average rating of 3.6/5

■ Bedding capacity beyond expectations

The proposed accommodation in the 17 host cities largely meets FIFA's minimum requirements in terms of quantity and quality. However, additional hotels will be needed to accommodate the general public during popular matches. A further assessment of the new hotel constructions

will be required to ensure that they comply with FIFA standards.

-International broadcasting, a facility up to standard

Two sites have been proposed to host the International Broadcast Center (IBC): the Casablanca International Fair and the Recinto Ferial Casa

de Campo in Madrid. Both sites meet the necessary requirements and have formally confirmed their commitment to hosting the center by signing a service provision contract.

■ Ultra-security, a tried-and-tested mechanism

The three countries have a solid legislative framework for security and the fight against terrorism, with cross-border cooperation mechanisms already in place. Additional measures will be put in place to guarantee security during the competition, notably through enhanced information exchange between police authorities □

Radia LAHLOU

Infrastructure to measure up to the event

THE infrastructure proposed by the Morocco-Spain-Portugal bid are among the most modern and diversified, offering an exceptional experience for both teams and spectators. Spain and Portugal boast ultra-modern stadiums such as the Santiago Bernabéu in Madrid, the Camp Nou in Barcelona, as well as the Lisbon and Porto stadiums, which are

among the most renowned on the continent. Morocco, for its part, has invested in massive renovations, with stadiums such as the Mohammed V sports complex in Casablanca and the Prince Moulay Abdellah stadium in Rabat, guaranteeing an unparalleled experience for players and spectators alike. □

■ KHealth, medicine and anti-doping: a solid system

Medical infrastructure is deemed adequate to meet the needs of the World Cup, with solid health systems and sufficient accommodation capacity. No major health threats have been identified, and the fight against doping will comply with the requirements of the World Anti-Doping Agency, guaranteeing a healthy environment for competitors.

■ Stadiums: the great challenge of flexibility

The 20 proposed stadiums spread across Morocco, Portugal, and Spain offer considerable flexibility, exceeding FIFA's minimum requirements. Some stadiums need to be built or renovated, but the projects are well advanced and the detailed plans reduce the risks. These modern, iconic stadiums, including sites undergoing renovation, will guarantee a top-quality World Cup. □

Weekly highlights

Public lighting

New developments in the anti-dumping investigation

SEVERAL companies have come forward to disapprove of the anti-dumping investigation into LED lighting fixtures. More precisely, those used in public lighting and originating in China. And with good reason: on September 2, 2024, the Ministry of Foreign Trade launched its investigations into this product, which is highly prized by local authorities such as communes - and therefore in public procurement contracts - and real estate developers, particularly private developers.

The Government had dispatched its investigators on the basis of a complaint from Lux Lighting (see L'Economiste issue # 6839 of September 4 and n°6842 of September 9, 2024). Lux Lighting is one of two national operators, alongside Afrique Light, based in Casablanca's Moulay Rachid industrial zone. The complainant alleges dumping by selling LED luminaires on the local market at prices below those charged in the exporting country.

Hence the call for all interested parties to come forward: Chinese exporters/producers, importers, even instal-



Street lighting lampposts are at the heart of an international trade law dispute for the second time. Marcont Structures and Afric Light had already requested safeguard measures before withdrawing their complaint (L'Economiste n°6001 of April 30, 2021). Lux Lighting, which initiated the latest complaint relating to LED luminaires from China, has the same management as Marcont Structures, in the person of Mohamed Malal (Private photo).

lers of lighting fixtures... importers, for example, had until October 8 to express their views on the legitimacy of the complaint and whether or not to open the anti-dumping investigation. Prior to this, meetings were held under the aegis of the National Federation of Electricity, Electronics, and Renewable Energies (Fédération nationale de l'électricité, de l'électronique et des énergies renouvelables, Fenelec). This trade association includes

virtually all stakeholders as members. From the plaintiff, Lux Lighting, to its challengers, including Alliance CEI. Its top management, Karim Khalil, is in charge of the commission working on this case, according to the Fenelec presidency and the party concerned.

In addition, "six companies submitted to the Ministry a technical and legal report containing detailed comments on the anti-dumping petition. Of these six companies, three have been selec-

ted for the examination sample of the investigation", announced the federation in its October 2024 newsletter. Among other things, the sample will be used to determine whether there has been any damage to the interests of what is legally known as the domestic industry. Quite a program! With the surprising recourse to "a specialist in trade defense", according to Fenelec.

The federation does not specify either its identity or that of the three operators selected in the sample. Lumino-va based in Temara, Sofa and General Technics in Casablanca. The "specialist" is Mustapha Khalfi, a member of the PJD party and former Minister of Communication under the Benkirane government, according to his sponsors.

He is the author of the "technical and legal report" contesting the dumping allegations. Their comments and observations are based on the 1994 GATT Agreement, the WTO Anti-dumping Agreement, the Trade Defense Act, and WTO case law on international trade law. □

Faiçal FAQUIHI

Pioneering schools

Are we still on the wrong track?

THERE often is a world of difference between rhetoric and reality. Such is the case with the Pioneer Schools program, launched last year and due to be gradually rolled out across the board. The Government is betting big on this program, which is designed to restore public schools to their former glory. It is one of the key pillars of the Ministry of Education's 2021-2026 roadmap.

Last Wednesday, the program was raised at a meeting of the Ministerial Commission in charge of steering the reform of the national education and preschool system, chaired by the Head of Government. According to the press release issued following the meeting, the 2023-2024 experimentation of the system in 626 public elementary school (in urban, peri-urban and rural areas) showed a "significant impact on pupils' learning levels, and a contribution to the overall transformation in the performance of these



establishments". That said, feedback from the field is not glowing. Experts, principals, teachers, and parents are voicing their concerns about the roll-out of this program.

"It is a disaster on every level - we've never seen anything like it!", said forcefully the principal of a state elementary school in Casablanca. According to the school principal, classes didn't really start until mid-November, as they first had to go through a "remediation" period with

tutoring sessions. The textbooks supplied by the Ministry for the pioneering schools have not yet all been delivered. "We've been asked to make photocopies! What's more, some of the first grade books are in black and white, and not at all attractive to the little ones. Even when it comes to equipment, such as whiteboards and curtains, there are delays. The supplier commissioned by the Ministry seems to be completely out of step", lamented the school principal, adding

that: "The teachers, for their part, are complaining about their workload, and the amount of slides they have to parade for the pupils". Parents have also voiced their discontent. According to our director, several parents have chosen to transfer their children to "normal" schools. "We're losing good and average pupils, because they're fed up, they feel they're not learning anything", he said. For the school principal, the pioneering school certainly has the advantage of providing more facilities and saving some of the very low-achieving children. However, the learning techniques used are not suitable for all pupils. They are more recommended for children with profound delays, and are almost akin to literacy training for illiterates. For pupils with a higher level, nothing is planned. "We're going to lose them", said the principal, expressing some fears. □

Ahlam NAZIH