

L'ECONOMISTE

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EDITORIAL

Tackling issues head-on

Meriem OUDGHIRI

THE strategic importance of the population census cannot be overstated. It is a tool that enables public policy decisions to be made. And thanks to the data collected, the small and large projects that concern citizens are thought out and carried out. This is the philosophy behind the concept.

The figures for 2024 confirm or reinforce the findings of a number of surveys: slower population growth, lower fertility rates, smaller family sizes, and demographic polarization in certain regions... There is good news too, such as more modern housing and better provision of basic social infrastructure. On other fronts, the High Commissioner's Office for Planning (HCP) points to the country's painful challenges, such as the falling activity rate and rising unemployment rate. In 2024, almost 4 out of 10 people aged 15 and over (41.6%) will be economically active, compared with 47.6% in 2014. As for

unemployment, the great scourge, the figures are terrible: in 10 years, it has risen from 16.2% to 21.3%, raising legitimate questions about the results and readjustments of public policies.

With all these figures flashing up, 2025 will be another very complicated year on this front, a real headache for every team in power.

Another major challenge is the accelerated ageing of the population, which is reversing the demographic bonanza that is now drawing to a close. This fact will fuel other pressures, such as the need to care for the economically inactive and the dwindling resources of the working population, in the face of the retirement crisis.

These are all realities that need to be tackled head-on. These are major economic, political, and social issues, with far-reaching implications for society as a whole. Great battles looming ahead. □

Weekly highlights

Bank Al-Maghrib

The Board pulls out the monetary easing card



Abdellatif Jouahri, Governor of the Central Bank: "Following last June's reduction in the key interest rate, lending rates fell by 22 basis points on a quarterly basis, with a 25 bp decline for businesses and virtually no change for individuals"

FURTHER easing of monetary policy. At its meeting on Tuesday, December 17, the Board of the Central Bank of Morocco (Bank Al-Maghrib, BAM) decided to lower the key interest rate by 25 basis points to 2.50%. This move is designed to support growth while preserving price stability, an objective at the heart of the central bank's priorities.

By reducing the key rate to this level,

BAM is responding to the market's growing need for liquidity and seeking to create an environment conducive to productive investment and economic recovery.

This easing is based on forecasts of moderate inflation. After peaking at 6.1% in 2023, inflation is expected to ease to around 1% in 2024, helped by falling commodity prices and easing pressure on food products. The under-

lying component of inflation, reflecting fundamental price trends, is also following this trajectory, falling from 5.6% in 2023 to 2.1% this year. In the medium term, BAM anticipates lasting stability, with projections of 2.4% in 2025 and 1.8% in 2026.

This outlook, supported by stable expectations, is reinforced by the estimates of financial experts, who are forecasting an average of between

2.3% and 2.4% for 8 to 12 quarters ahead. For Bank Al-Maghrib, this trajectory confirms the gradual convergence of inflation towards levels in line with the price stability objective. However, the central bank remains cautious in the face of numerous challenges. Among these, economic uncertainties linked to weather conditions are weighing heavily on agricultural production. BAM forecasts a 4.6% decline in agricultural value added in 2024, followed by a moderate recovery to 5.7% in 2025, based on cereal harvests of around 50 million quintals, in line with the average of the last five years. Agricultural value added is expected to grow by 3.6% in 2026.

At the same time, non-agricultural activities should remain stable, with 3.5% growth in 2024 and a slight acceleration to 3.9% in 2026, after 3.6% in 2025. As a result, overall growth in the national economy should be limited to 2.6% in 2024, before gradually accelerating to 3.9% by 2026.

Against this backdrop, BAM is keeping a close eye on the external uncertainties that continue to weaken the global economy. □

Khadija MASMOUDI

Compulsory declaration of assets Urgent need to upgrade the system

THE Court of Auditors has once again stressed the urgent need to overhaul the system of compulsory declaration of assets.

In its latest activity report, the Court emphasized "the need to develop a unified and comprehensive legal system, integrating the various categories of persons subject to mandatory declaration of assets". The Court also stressed the importance of "overcoming the difficulties encountered in the process of drawing up lists of persons liable to declare assets, and establishing a procedure for drawing up and updating these lists, as well as setting a deadline for uploading them to the electronic platform dedicated to tracking declarations".

The Court had also carried out an evaluation study of its responsibilities in relation to the compulsory declaration of assets. Its conclusions "highlighted the urgent need to remedy a number of



One of the proposed ways of improving the current system is to "overhaul the current declaration model, deploy an integrated electronic system for receiving, monitoring, and checking declarations, and introduce an appropriate and gradual system of sanctions"

shortcomings". It was with this in mind that, last July, the Court sent an injunction to the Ministry in charge of Digital Transition and Administrative Reform. The injunction in question focused on

ways of improving the legal system governing this scheme.

In concrete terms, the observations made by the Court of Auditors concerning the failure of certain entities to

comply with the obligation to declare their assets were confirmed in its latest activity report. This is despite the introduction of a formal notice system for recalcitrant taxpayers. The latest report shows, for example, that 214 of the 860 civil servants and public officials who acknowledged receipt of the formal notices filed their declaration of assets. This represents a regularization rate of just 24.8%. At the same time, the formal notices sent to 1,116 taxpayers in default revealed that 256 of them were no longer on active service before 2019, the year in which the electronic platform dedicated to monitoring returns filed and the lists of taxpayers who have failed to meet their filing obligations will be set up.

"These data once again confirm the shortcomings noted by the Court in terms of updating the lists of taxable persons loaded onto the platform by Government authorities. This undermines the effectiveness of the mission to follow up on formal notices, and the timeliness of the data on which it is based", says the Court's report. □

Mohamed Ali MRABI

Census 2024

Moroccans are aging



In his first public appearance, Chakib Benmoussa, High Commissioner for Planning, stressed his commitment to the independence of the HCP. In his own words, this is not just rhetoric

FOR his first public appearance, Chakib Benmoussa didn't take the easy way out. The new head of the HCP (High Commissioner's Office for Planning) had to present and comment on the main results of the latest 2024 Population and Housing Census. The former minister insisted on his commitment to the independence of this constitutional body. In his own words, this was no mere rhetoric. Indeed, during this exercise, he did not shy away from asserting that the national unemployment average has risen from 16.2% in 2014 to 21.3% in 2024. The female employment rate remains low. However, the High

Commissioner for Planning was keen to put these rates into perspective: the census is about collecting declarations. The regular survey, on the other hand, has data verification mechanisms.

In any case, the proportion of Moroccan households living in dwellings with one or two bedrooms or less reached 43.5%, or around 4 million families, out of a total of 9 million Moroccan households living in apartments. It has to be said that this figure has increased compared with the 2014 census, when the proportion of households living in one- or two-room dwellings was 35.7%. In contrast, the proportion of dwellings with three or more

rooms fell from 64.3% to 56.5%, according to the census results. Chakib Benmoussa explained the reduction in the size of dwellings by the decrease in the number of members per household, which is now less than four, and by the urbanization policy, which is growing year by year.

Demographic structure

On another front, Morocco's demographic structure is undergoing accelerated ageing. The proportion of young people under 15 is declining (from 28.2% in 2014 to 26.5% in 2024), as is that of the working-age population (from 62.4% to 59.7%).

On the other hand, the proportion of the population aged 60 and over will increase from 9.4% in 2014 to 13.8% in 2024. The population aged 60 and over will number 5 million in 2024, compared with 3.2 million in 2014. In addition, households are smaller in size. For example, as of September 1st, the number of households stood at 9.275 million, compared with 7.313 million in 2014. This corresponds to an average annual growth rate of 2.4% versus 2.6% during the period 2004-2014. Similarly, the average household size decreased, reaching 3.9 persons in 2024. □

Mohamed CHAUI

Breakdown per type of establishment

DURING his presentation, Chakib Benmoussa also addressed the issue of economic establishments outside the agricultural sector. This operation is part of a comprehensive geo-referenced census of business entities in the public and private sectors, operating in business premises and weekly markets. A total of 1,304,564 active economic entities were surveyed and geo-referenced throughout the country. The breakdown per type shows that for-profit establishments dominate, with 86.6%, followed by public service entities with 11.3% and non-government facilities operating from independent premises with 2.1%. □

More women in the service sector

WOMEN managers are more represented in the service sector. According to the census results, 10% of entities are run by women. This rate rises to 13.2% in the Rabat-Salé-Kénitra region, followed by Dakhla-Oued Ed-dahab and Laâyoune Sakia El Hamra with 12.6% and 12.5% respectively. Entities run by women employ more than 281,300 permanent workers, or 7.8% of total employment in establishments. 91% of establishments run by women are small, employing fewer than 4 people. Per line of business, 14.6% of entities in the service sector, and 13.5% in the industrial sector are run by women. □

Weekly highlights

Energy transition: «Inflation is out of the question»

ECONOMIC operators will need to be even more ingenious to seize the opportunities offered by the many projects underway in the field of energy transition. To do so, they will need to continue building competitive models.

This was the sine qua none of Leïla Benali, Minister for Energy Transition and Sustainable Development, at the 9th colloquium of Groupe X-Maroc (Moroccan Association of Alumni of Ecole Polytechnique), colloquium held on Tuesday December 17 in Casablanca.

“There’s no question of the energy transition being inflationary for Morocco. We have demonstrated this. Today, we are able to produce energy at less than 20 centimes per kwh”, she declared, before adding that “it is time to provoke this investment shock”, which will be done in solar and wind power in particular, where Morocco plans to produce 7 GW by 2030 with investments of around 7 billion euros. In fact, Leïla Benali is calling for the drastic reduction in the cost per KWh recorded in photovoltaic solar energy,



The Court of Auditors has recommended that the Head of Government step up the Government's actions in the field of new towns and raise them to a strategic level that guarantees convergence and coordination between the various players

thanks to major technological innovations, to be transposed to other clean energy sources such as wind power and green hydrogen, for example. This will require major investment in R&D and innovation, and the ability to set up competitive business models.

The stakes involved in the energy transition are enormous, and Morocco is not the only country to have chosen the path of energy development to underpin its economic and social

development. It has several competitors in North Africa and the MENA region. To attract investors in droves, the country therefore needs to demonstrate ingenuity, which is no mean feat, even though the Kingdom has many assets in this field: an enviable geostrategic position, immense solar and wind resources, modern transport infrastructures, political stability, and human resources capable of driving this type of project in particular. Through this

symposium, the X-Maroc Group, chaired by Jamal Eddine M’Hamdi, aims “to fuel the debate on the Kingdom’s energy challenges and provide innovative, pragmatic solutions for a successful energy transition”.

A white paper compiling the ideas, recommendations and proposals arising from the discussions and reflections at the symposium will be published shortly. □

Aziz DIOUF

New towns: The failure of an experiment

IN its latest report, the Court of Auditors was unequivocal: the experience of the four new towns has not been conclusive. Yet the creation of Tamesna, Tamansourt, Lakhayta, and Chrafate was intended to relieve the demographic pressure on the major cities and meet the population’s pressing needs. Magistrates were critical of the results of this experiment.

In fact, these new cities were treated as mere housing estates, limited to a residential function. The number of residents and housing units built did not exceed 20% of the announced targets. What’s more, the towns have not been provided with all the public amenities planned at their inception. Similarly, the report highlighted the absence of any legal framework governing these creations.

This has led to these urban projects being treated in accordance with the provisions of the law on subdivisions, housing groups, and land parcels. Yet the difference between the concepts of new towns and housing estates



The Court of Auditors has recommended that the Head of Government step up the Government's actions in the field of new towns and raise them to a strategic level that guarantees convergence and coordination between the various players

could not be clearer, particularly in terms of size and demographic dimension.

The report also points out that the ministerial circulars adopted to fill this legal vacuum have provided partial solutions to some of the problems as-

sociated with new cities, such as preliminary authorizations and the regularization of land ownership through partnerships with the private sector. Nonetheless, the Court criticized the limited functional role of new towns, which focus mainly on housing. To

convince, the Court cited the example of Tamansourt, which originally had residential, tourist, university, and ecological functions. In reality, the town has no tourism, hotel, or university projects.

The same is true of Tamesna, which is mainly residential.

These new towns were initiated without a financing plan in line with the volume of investment required, particularly for the construction of facilities. In this context, it should be noted that financing for the construction of the four new towns relies mainly on partnerships with the private sector. Difficulties have arisen in executing agreements with partner developers. By the end of 2023, 52% of the 88 partnership agreements with private developers in the new towns had been terminated or were in the process of being terminated. This situation has led to unbalanced growth in these towns, characterized by uneven development of the urban fabric. □

Mohamed CHAOUI