

# Weekly highlights by L'ECONOMISTE



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### EDITORIAL

### Books

Khalid BELYAZID

**F**OR books just as is the case for our homes, a beautiful exhibition space or living room can hide a poor kitchen. The Book Fair held this year in the city of Rabat deserves its fame due to its good organization and due to the quality of its guests. But the Book Fair may not hide one essential fact, namely the poverty of our book industry, which has become a heroic artisanal industry, with the exception, of course, of schoolbooks. When a book sells 1,000 copies it is a best seller; studies show that Moroccans spend on average a few minutes per year reading a book or a newspaper. And yet, there is no lack of talented writers in the country, both in Arabic and in French. Moroccan writers often have the style and imagination required for novels, and the relevance required for their essays. For a long time our illiteracy rate was a pretext. Today we have millions of students, college graduates, we have freedom of speech...

and few readers. The new excuse are digital technologies. Paper books would be replaced by smartphones, which once connected, become a library. Many books are accessible on digital devices, including page-sized tablets. But, in our country, these books are not successful, because it is not the texts that mobilize the attention of smartphone addicts for hours, who scroll over snippets of sentences and above all watch short videos. It's the era of Tik Tok, not the era of famous writers of the 19th century. It is not a question of paper or digital medium, but a question of reading, a natural and pleasant activity, once it has been well learned at school. *"Read and understand well"* was the basic textbook for our school children. Because beyond reading, there is the need to be informed, to know, to reflect. It is not certain that school still inculcates all these reflexes which are essential to the knowledge society. A subject that deserves a whole book. □



## Weekly highlights

# Soaring production costs

**T**HERE will be no turning back concerning the liberalization of the price of petroleum products. Prices have soared and the government is trying to manage the various repercussions while ruling out any fuel subsidies. At least this is what Nadia Fettah Alaoui, Minister of Finance, declared to M.P.s on Monday, June 6th.

This surge in the price of petroleum products is raising questions and concerns in business circles and among households. *"Their sharp rise since the beginning of the year should, given the cost structure, have a significant impact on producer prices. The direct and indirect cumulative effect is, all other things being equal, estimated to result in an increase in producer prices of 5.1%"*, estimates the Centre Marocain de Conjoncture (CMC) observatory. This increase varies from one sector to another and depends on the share of oil in intermediate consump-



*This year, around thirty ferries will provide more than 570 weekly maritime connections between Morocco and the main Spanish, French, and Italian harbors (Ph. L'Economiste)*

tion. Transport, electricity production, and construction activities will have to suffer the greatest increases with a rise in producer prices varying between 7.4% and 15.4%. The manufacturing industry should experience a relatively more moderate increase in production costs, on average by 6.7%. The impact on production costs is deemed lower in

tertiary activities excluding transport, ie an average of 2.5%.

It must be said that the share of refined oil is around 37% of the total intermediate consumption of the transport branch, 35% for maritime fishing activities, 20% for extractive industries, and 8% for agriculture. This share of refined oil is 5% of the value of inter-

mediate consumption in the industrial sector. *"The construction and public works branch, like all tertiary activities, has fairly comparable intermediate consumption of petroleum products, with input coefficients in relation to the total varying on average between 2 and 4%"*, emphasizes the CMC observatory.

For the experts of the Centre Marocain de Conjoncture, the rise in the price of petroleum products weighs on costs and on the purchasing power, and runs counter to any recovery in the economic activity, whether through investment, consumption, or external demand. This increase in the price of petroleum products thus adds to the difficulties of an atypical economic situation, marked by weak growth prospects (1.8% growth of GDP) due to the poor performance of the agricultural sector and to the deterioration in external demand. □

**Khadija MASMOUDI**

## School: wasted time for the reform?

**W**ITH the 2015-2030 strategy, followed by the Framework Law on Education of 2019, everything indicated that the time for extended consultations and diagnoses had passed, and that an action-oriented phase had to begin. To develop the 2030 vision, the Ministry of National Education held national consultations which brought together more than 100,000 participants. Studies and surveys by various bodies, including the Higher Council for Education, followed suit. Today, the ministry is launching a new series of consultations, involving nearly 6,200 focus groups, for a new roadmap for public school reform. Minister Chakib Benmoussa denies carrying out yet another diagnosis of the field through these meetings.

However, isn't there a risk of getting lost in meetings, conferences and reports which could ultimately prove to be not very useful, given the quantity of meetings, studies, and diagnoses already carried out?

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*"Education reform is first and foremost a matter for experts", underlines a specialist in the education system, who was a former senior official in the sector. "If we entrust the reform to the general public, we risk having dissonant answers, and in the end not satisfying anyone"*

*dissonant answers, and in the end not satisfying anyone. Some will want more Islamic education, others want to integrate the teaching of Chinese in schools... Participants can be educated or ignorant, with ideological convictions, political influences... It's a dangerous game"*, he warns. For our specialist, the biggest mistake would be to try to prepare a recipe for everyone. Often, solutions are decreed from the capital city for the whole system without distinction.

Each school, and even each class, has its own specificities. A diagnosis would make it possible to determine a starting point, and according to the predefined point of arrival, to draw up a work plan. The idea is to understand why a child poorly assimilates the learning he or she is supposed to accumulate during a given year, and to schedule support sessions allowing him or her to improve their fundamentals to better understand the following educational levels. The 2015-2030 strategic

vision for the reform has already shown the way forward, insisting on the *"institutionalization"* of the school project.

The sector now has two founding documents, the 2015-2030 vision, broken down into a framework law, and the Education and Training Charter of 1999. These are documents which are rich in terms of guidance and recommendations. Now the move to action remains to be accelerated. □

**Ahlam NAZIH**

## Cannabis legalization: Things are getting serious

**T**HE legalization of cannabis for medicinal use is taking a new step. After the adoption of the law by Parliament last year and the determination of the three zones authorized to produce this crop, the site is entering the final straight line of its operationalization. Indeed, the National Agency for the Regulation of Cannabis-related Activities held its first board meeting last week under the chairmanship of the Minister of the Interior. Abdelouafi Laftit was accompanied by several of his colleagues including Nadia Fettah in charge of Finance, Mohamed Sadiki of Agriculture, and Riad Mezzour of Trade and Industry. Also part of the board are representatives of other departments as well as the directors of ONSSA (Food Safety Agency) and AMDIE (Moroccan Agency for the Development of Investments and Exports). For now, the CEO of the Agency is not yet known. Given that this Agency is on the list of strategic establishments, the appointment of its boss will be deliberated during a Council of Ministers meeting, chaired by the King.

The Agency's action plan for this year includes several components. One involves the adoption of specifications which set the technical criteria relating to the cultivation, production, processing and industrialization



The Agency's action plan for 2022 includes several components. One concerns the adoption of specifications which set the technical criteria relating to the cultivation, production, processing, and industrialization of cannabis, as well as its seeds and plants (Ph. Bziouat)

of cannabis, as well as its seeds and plants. This extends to the marketing, export and import of these products for industrial purposes. It is also a question of starting the procedures for granting authorizations to Moroccan and international operators in the medical and industrial cannabis industry, to seed companies, nurseries, and transport companies. Ditto for the creation of the first cooperatives for the processing and industrialization of local products whose members are lo-

cal farmers. The new regulations give farmers the power to negotiate with industrialists, a power that farmers did not have when they were in front of a trafficker. In any case, several national and foreign investors are rubbing their hands at the idea of embarking on this adventure.

The Agency is a public institution, endowed with legal personality and financial autonomy, which ensures the implementation of the Government's strategy in the field of culture, produc-

tion, manufacturing, processing, marketing, export of cannabis, and import of its byproducts for medical, pharmaceutical, and industrial purposes. The Agency is responsible for granting, renewing, or withdrawing authorizations. It is responsible for maintaining the state of cannabis stocks, the labeling, and the packaging of products, as well as for supervising advisory services for the public sector and for the professionals concerned. □

Mohamed CHAOU

## Risk of rising bankruptcies

**T**HE expiry of tax benefits, the end of moratoria on loan repayments, as well as the monetary tightening... These are all risks that threaten the viability of businesses this year. More precisely, the Dun & Bradstreet World / Infors study on bankruptcies in 2021 predicts "an increase in insolvencies in the second half of 2022", especially since the Covid episode is not entirely over, not to mention the persistent supply chain disruptions. In Morocco, as elsewhere, the Government has put in place support measures to deal with the economic repercussions of the health crisis. Taken in 2020, some of these measures have been extended until 2021 or even 2022. This has been a lifeline for many companies on the edge of the abyss, thus keeping defaults low.

Except that the means put in place differ from one country to another. In Morocco, the guaranteed loans that have been granted, the postponement of the tax filing deadlines, the assistance provided by the Social Security agency (CNSS) to failing companies, and other factors have enabled companies to hold on, but without managing to save everyone, as evidenced

by the statistics on bankruptcies in 2021 which increased by 59%. In any case, the cumulative budgetary measures taken by the various countries represented 18% of the world GDP. This has resulted in a significant drop in insolvencies, and in some countries

they have reached their lowest level in ten years. "Much of this stems from advanced economies, which on average have provided fiscal support to the tune of 28.4% of their GDP", the study points out. This is a level that exceeds by several points the stimulus

**Support measures by the government: a lifeline for many companies on the edge of the abyss**

packages provided by these economies in response to the Global Financial Crisis of 2008 (packages worth just 2.6% of their GDP). During the pandemic, access to low-cost liquidity has been a defining feature of financial markets. In addition, the total stock of debt securities (amount borrowed on the domestic and international markets, raised by non-financial compa-

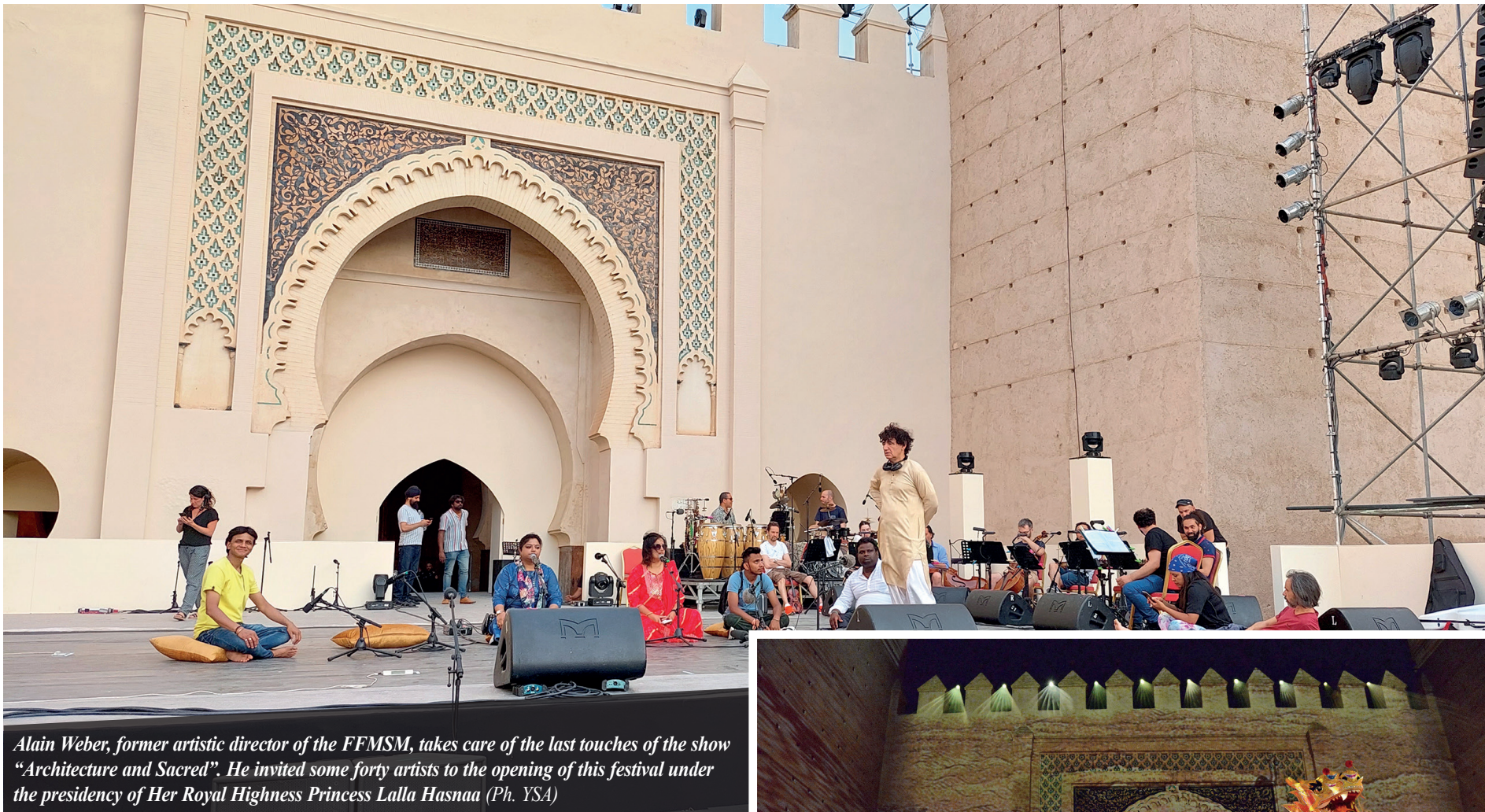
nies) increased sharply: it amounted to 19.05 billion dollars in June 2021, indicates the study based on data from the Bank for International Settlements (BIS).

For their part, central banks around the world moved quickly to ease monetary conditions. "32 of the 35 countries for which data is available have cut their policy rates in response to the pandemic. These economies have, on average, lowered their policy rate by 123 basis points, according to BIS data. This is a significant drop, given that the average policy rate of these 32 economies stood at 2.01% in March 2020", explain the experts. Other measures include changes to bankruptcy laws to give businesses more breathing room and prevent hostile takeovers by predatory corporations. □

Khadija MASMOUDI

## Weekly highlights

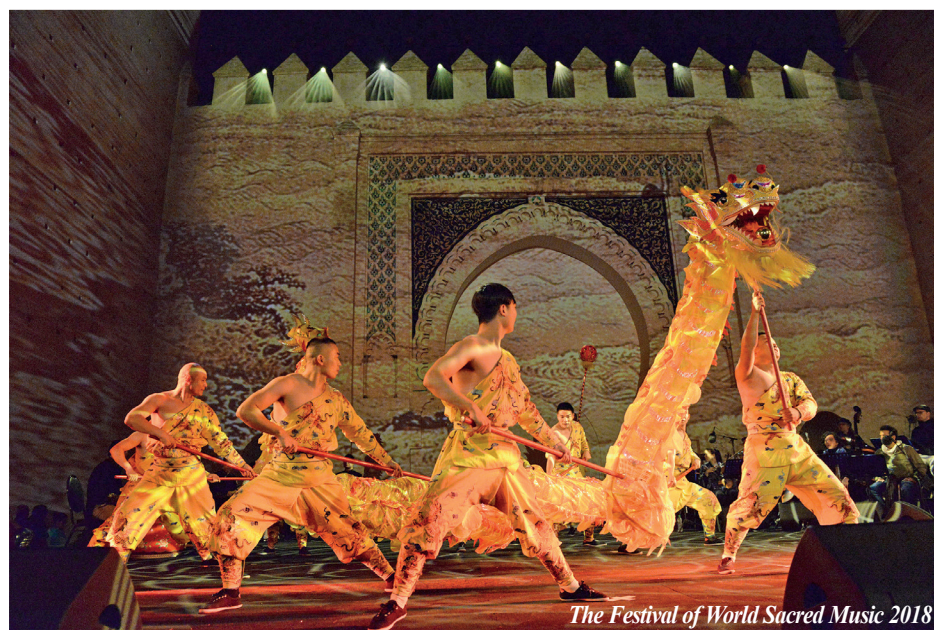
# The Fez Festival of World Sacred Music The 26th edition kicked off last Thursday



Alain Weber, former artistic director of the FFMSM, takes care of the last touches of the show "Architecture and Sacred". He invited some forty artists to the opening of this festival under the presidency of Her Royal Highness Princess Lalla Hasnaa (Ph. YSA)

**T**HE twenty-sixth edition for the Fez Festival of Sacred Music of the World (FFMSM) is now under way! The spiritual capital's flagship cultural event kicked off on Thursday, June 9, 2022 at Bab El Makina, under the chairmanship of Her Royal Highness Princess Lalla Hasnaa, and in the presence of several distinguished guests, including ministers, ambassadors and other friends and sponsors of the festival. "This edition is the occasion for a journey through the World and through Time. We will explore how people of all faiths have expressed their quest for the sacred through architecture. The exploration of some of the most emblematic religious buildings in the world will transport us into this long and rich dialogue between men and the divine", says Abderrafie Zouitene, president of the Spirit of Fez Foundation, a foundation which is the initiator of the FFMSM Festival. According to Abderrafie Zouitene, "in History, synagogues, churches, mosques, and temples are not simply the materialization of beliefs; they are also the physical testimony of great historical movements, such as

migrations, conquests, philosophical and artistic revolutions, and the evolution of dogmas". Morocco is one of the oldest kingdoms in the world which perfectly embodies this logic. Its history is marked by the construction of magnificent places of worship and knowledge such as the Hassan II Mosque, the Quaraouiyine University, the great Mosque of Taza, the mosque of Tinmel, and other monuments. These exceptional places have made it possible to shape this spirit of tolerance and openness which is characteristic of our country. The Fez festival testifies to the continuity of this spirit of tolerance. The program for this edition will see the presence of artistic troupes from more than 15 countries, including the Sultanate of Oman, Kazakhstan, India, France, Italy, Senegal, to name a few.. The artists include stars such as Ibrahim Maalouf and the Haidouti Orkestar, the Roohani Sisters, and so many others that the public will experience with great emotion, especially after two years of absence. "The creation of the opening night will take you on a journey from Fez to Jerusalem via Tibet, the Taj Mahal, the Notre-Dame cathedral, to end in



The Festival of World Sacred Music 2018

Casablanca with the great Hassan II Mosque", confides Zouitene. The Bab El Makina stage will thus welcome actor Anas El Baz as well as some forty artists from Fez, from other regions of Morocco, and from elsewhere. Through narration, music, choreography and songs, their show, against a backdrop of exceptional mapping, will outline the geometry of buildings, calligraphy, and arabesques of ornamentation. The ambition of this creation is to revisit with music the "architecture and the sacred" nature of the historic city. "It is therefore based on this idea, by following the possibilities offered by sacred -and unique- music encountered from Morocco to Asia, passing through Africa and bathing in the Mediterranean which has since lin-

ked East and West for centuries, that the festival team has put together the program for this 26th edition, made up of architecture, spirituality, and music, with the constant concern to offer to festival-goers a musical festival worthy of the "Zaouia of Fez" (holy place)", says Bruno Messina, artistic director of the FFMSM Festival. The program he has concocted will also pay special tribute to the musical traditions of Fez and Meknes during an evening dedicated to Bab El Makina. Finally, the Fez Forum on June 11 will welcome several national and international speakers who will open up new prospects around the theme of the festival, namely "Architecture and the Sacred". □

Youness SAAD ALAMI