

# Weekly highlights by L'ECONOMISTE



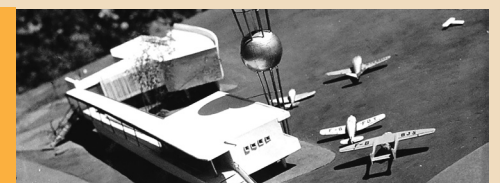
## Tourism: The recovery is confirmed



**The construction sector is sinking into crisis**

**+0.8% GDP growth expected in the third quarter**

**Taxes: The social contribution renewed in 2023**



**Tit Mellil, chronicles of an air traffic controller**

**EDITORIAL**

**Selection**

Ahlam NAZIH

**T**WO-thirds of junior high school candidates passed their “*baccalauréat*” (G.E.D.) exam this year, from the first session. This is practically the same percentage as last year, except for two points. Should one rejoice at this fact? What a question, some would say. In fact, the answer is both yes and no. Yes, because year after year, the score is improving. Until 2016, less than 50% of candidates managed to get their baccalauréat degree in the normal June session. After the re-sit exams in July, the final success rate could still exceed 80% to reach a new record. Except that this does not mean that all is well at the Moroccan school, because, by what miracle could the situation have improved in such a short time, when little has changed, when studies, national and international, follow one another to raise only one and unique observation: the absolute system disaster? It is not a question here of shouting

at the inflated grades, or at the simplified tests, but of underlining a phenomenon which would explain in large part the improvement, as a smokescreen, of the success rate at the “*baccalauréat*” (exam), that of the selection, not in the Darwinian sense of the term, but insofar as only the most privileged students manage to stay in the system until the end. Those who have access to bibliographical resources at home, a computer, an internet connection..., who are lucky enough to be able to benefit from support courses, a stimulating environment... The other students are simply ejected along the way. In the end, there are only those left who are able to complete the course, or who still have the energy to fight. It is therefore difficult to rejoice at such a situation. Even if the percentage of people who got their baccalauréat degree is encouraging, it should still be taken with a pinch of salt. □



## Weekly highlights

# The construction sector is sinking into crisis

**T**HE National Federation of Building and Public Works (FNBTP) has just elected its new president, during an ordinary elective general meeting (OEGM) held on Tuesday, June 28, in Rabat. The new president is Mohamed Mahboub who will take over from the outgoing president, El Mouloudi Benhamane. The mission of the new management of the federation will not be easy, given the critical situation in which the construction sector finds itself. The causes of this crisis were apprehended by the outgoing president in his speech delivered on the occasion of the holding of the OEGM. After a flourishing period in the construction sector between 2000 and 2012, the latter is gradually moving towards a crisis which will worsen further following an unfavorable international situation marked by the ongoing military conflict between Russia and Ukraine. The first blow taken by the construction sector dates back to 2013, when the government decided to remove 15 billion MAD from the budget of the Ministry of Equipment, remembers the former president of the FNBTP federation. That measure has reduced the volume of public orders for



companies in the sector. That measure has also sparked fierce and unfair competition from the informal sector, particularly in construction, which has led to a spiral of price cuts in the bids from companies. The situation worsened further with the arrival of the pandemic. *"The drop in activity and the continuation of the price crash will put the entire sector in danger, leading to the collapse of prices and the explosion of a form of unfair competition"*, observes Benhamane. Thus, public or private project owners will be forced to accept

offers that have no relation to reality, he adds. This will negatively impact the cash flow of construction companies by dragging them into a vicious circle of dependence on banks that are reluctant to support construction companies in times of crisis. Another dark spot is that of late payments by project owners who are criticized for not applying national preference in terms of calls for tenders. *"This crisis in the sector could result in layoffs estimated at nearly 200,000 jobs"*, Benhamane warns. Today, the war between Russia

and Ukraine is a deathblow for the construction industry. It triggered an inflationary spiral in the prices of building materials and energy. For diesel, the price per liter has doubled from 8 Dirhams to more 17 Dirhams currently, recalls the former president of the FNBTP. The same goes for steel, the price of which has reached 14 MAD versus 7 MAD per kilo and also that of bitumen previously purchased at 5,000 MAD per ton versus nearly 9,000 MAD currently. □

N.E.A.

## Taxes

# The social contribution renewed in 2023

**I**F there was any doubt as to the fate of the social solidarity contribution planned until the end of 2022, such a doubt has just been lifted. Fouzi Lekjaâ, Minister Delegate for the Budget, has just announced that the measure will indeed be renewed in the 2023 Appropriations Bill. The information is not really a surprise since the social solidarity contribution, introduced for the first time in 2013, has been renewed on a regular basis in recent years in the Appropriations Bills. The Minister justified the maintenance of the social solidarity contribution by the Government's desire to provide a source of financing for the generalization of social protection, the completion of which is planned by the end of 2025. This is a major project which will require no less than 14 billion MAD, and which should be financed, it seems, by the solidarity tax which brought the Treasury revenues of 4.44 billion MAD in 2021, an amount well below the financing needs. Should one infer

from this that the tax schedule will this time be higher than in past years or that the tax will also be extended to salaries or other categories of income? The Moroccan employers' association CGEM, which expected the lifting of this provision has not yet officially made a statement. In principle, it will soon make its position public. But members of the employers' association are already protesting against the Government's decision. *"The social contribution was supposed to be exceptional in consideration of the impacts of Covid. Now the health crisis is over. The renewal of the social tax in 2023 therefore seems to us to be out of step with the essential causes. For companies already drained, which are currently facing rising costs, this is a real problem"*, says a member of the board of directors of the employers' confederation. The latter declares that

***"The social contribution was supposed to be exceptional in consideration of the impacts of Covid"***

it is necessary to wait to see the final configuration of the tax before formulating any observations. *"Whether the solidarity contribution essentially affects the activities that have benefited the most from the coronavirus crisis and which generate exceptional surpluses, this seems obvious to us. On the other hand, if the solidarity contribution still has to affect SMEs which have made a small profit from 1 million MAD, this is unjustified because it is much more an accounting result than a profit"*, warns our interlocutor. For 2022, the social contribution starts from a profit or income of 1 million MAD, taxed at 1.5%. Beyond 40 million MAD, the rate is 5%. According to statistics of the TGR (Treasury of the Kingdom), the social contribution brought in just over 4 billion MAD in 2021 versus 2.2 billion a year earlier. The social tax targets not

only companies that are subject to ordinary law but also the entities located in the financial center of Casablanca, and the industrial acceleration zones (former free zones). The particularity of this measure in 2022 consists in the taxation of natural persons with professional income as defined by Articles 30 (1st and 2nd paragraph) and 46 of the General Tax Code and who are subject to the income tax according to the actual net income regime. Are concerned pharmacists, accounting professionals, real estate developers, farmers with a turnover of more than 5 million Dirhams, and some other professions. Only about thirty entities benefiting from the exemption of the corporate tax on a permanent basis are exempt. Employees who have been spared this year could be called upon again to contribute in 2023. Companies benefiting from the exemption from corporate tax on a temporary basis were until then exempt from social tax. Will they be asked to contribute this time? □

Hassan ELARIF

## Tourism: The recovery is confirmed



According to Fatim-Zahra Ammor, Minister of Tourism, a series of actions are currently being carried out to "highlight the tourist assets available to the different regions of Morocco". This would enable, according to her, "all territories to take advantage of this recovery, and not only the known destinations" (Ph. L'Economiste)

**T**HE recovery of the tourism sector is confirmed. This is what emerges from the speech of Fatim-Zahra Ammor, minister in charge, in front of the M.P.s. Questioned during the weekly question time, the minister insisted on the importance of the efforts made for several months to reposition Morocco as a destination on the world tourist scene. Today, a series of actions are carried out to "promote the tourist assets that are available in different regions of Morocco". For the minister, this "would allow all territories to take advantage of this recovery, and not only known destinations".

### ■ Overnight stays:

In the field, several regions have benefited from the revival of tourist activities. In terms of overnight stays

in tourist accommodation establishments, the number has tripled at the level of traditional destinations such as Marrakech and Agadir. At the same time, the number of overnight stays has also doubled in other cities such as Errachidia and Dakhla, which have been attracting more and more tourists in recent months. Ditto for Tangiers, Rabat, and Casablanca. The overnight recovery rate is 100% for destinations such as Laâyoune -Sakia El Hamra. The rate stands at 86% in Dakhla-Oued Eddahab, 76% in Beni Mellal-Khenifra and the Oriental region of Morocco, and 66% in Tangiers-Tetouan-Al Hoceima. This momentum has had repercussions on the volume of tourism receipts at the national level. According to preliminary figures presented by Ammor, tourism receipts in foreign currency

reached 20 billion MAD in respect of first 5 months of the year. This represents an increase of 173% compared to last year, marked in particular by the restrictions linked to the management of the pandemic. Compared to 2019, the reference year, revenues show a recovery rate of 71%.

### ■ Air connections:

During this period, the number of arrivals is also on the rise. It has been multiplied by 4.5 compared to 2021, i.e. 2.3 million tourists. This represents a recovery rate of 52% compared to 2019. The aircraft load factor reached 75% at the end of May, according to the minister. This is due in particular to "the efforts of the Moroccan National Tourism Board, ONMT, with the airlines, which have made it possible to currently have

a capacity greater than the one recorded in 2019", it is indicated.

### ■ Upgrading:

The strong resumption of tourist activities is also based on the upgrading of facilities and accommodation establishments. A support program in this direction has been set up by the line ministry. The goal is to provide support for hotels in terms of maintenance, upgrading, and training. Fatim-Zahra Ammor announced the granting of financial support to 737 tourist accommodation establishments. "The requests covered all regions", she said. To date, the amounts of subsidies granted have varied, depending on the need, ranging from 2,500 Dirhams to 7 million Dirhams. □

M.A.M.

## +0.8% GDP growth expected in the third quarter

**I**NFLATION and very weak growth... The cocktail is rather explosive. The forecasts of the High Commissioner's Office for Planning (HCP) for the third quarter do come in an international environment still marked by great uncertainties. In any case, these forecasts are far from being encouraging: barely 0.8% versus 8.7% in the same quarter of 2021. The dynamics of trade at the global level would depend on the evolution of inflation, geopolitical tensions in Ukraine, the sanitary situation, and the impact of tighter

monetary policies on investment and consumption. Under these conditions, global demand addressed to Morocco would not exceed 4.2%, versus 7.3% in the third quarter of last year. Domestically, demand is likely to be weak. A slowdown in household consumption and investment is expected. Since the second quarter, a deceleration in domestic demand has been observed. Final consumption remained moderate in an inflationary environment characterized by the decline in rural incomes. In the wake of the increase in opera-

ting expenditure, general government consumption remained at 5.9% while that of households did not exceed 1.8% when it stood at 13.6% last year. "The slight surplus in domestic consumption may have been fueled by an increase in the flow of consumer loans, a reduction in savings and by the continued strengthening of transfers from Moroccans living abroad. The surplus may have largely benefited spending on services, in particular health and communication, while spending on manufactured goods, especially imported ones, may

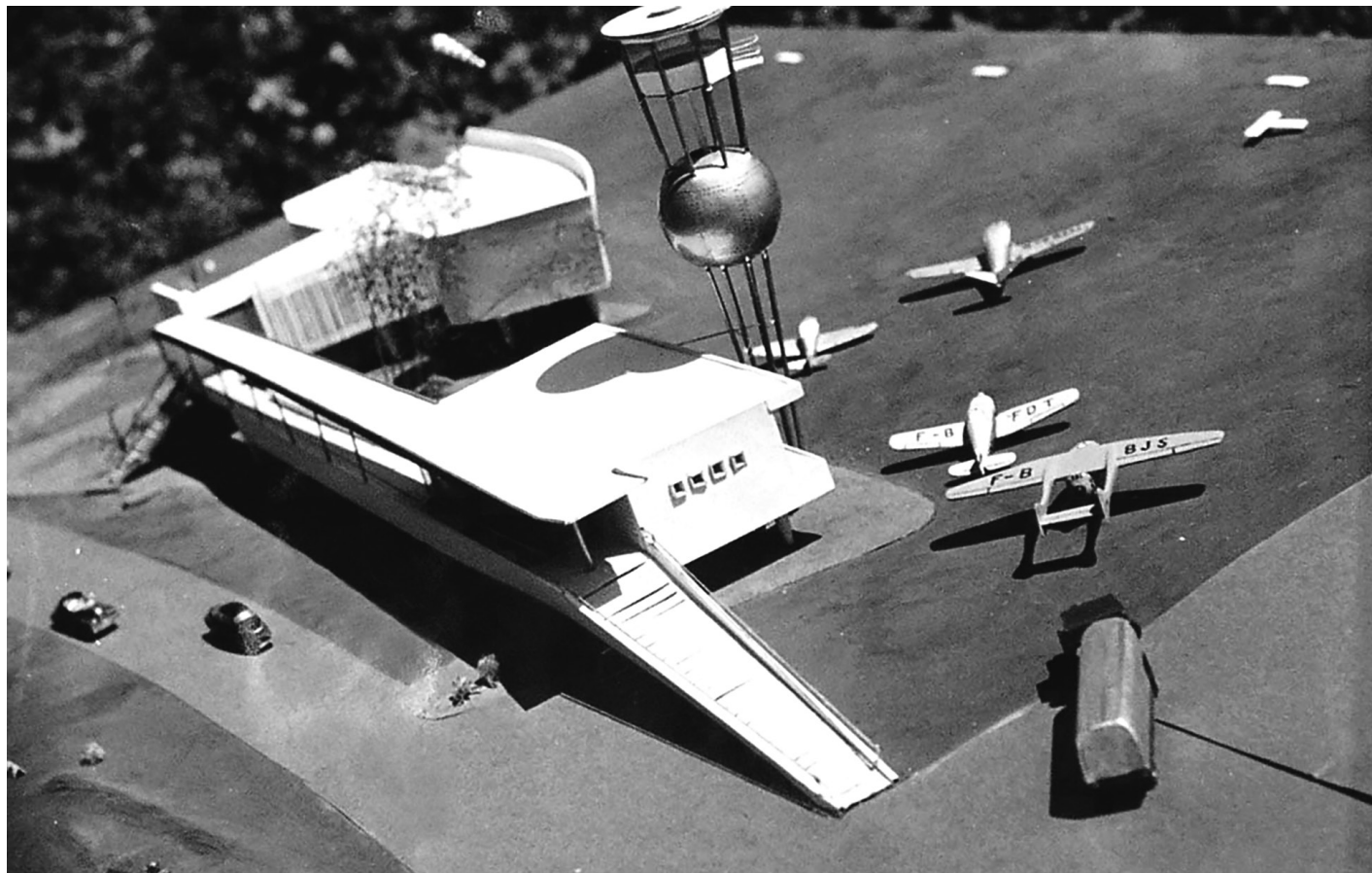
have fallen significantly", indicates the HCP in its latest economic note. Investment also declined: -1.3% instead of +7.3% a year earlier. This situation can be explained, among other things, by "the continued destocking of companies that began at the beginning of the year, particularly in the extractive industries sector and by the slowdown in investment in construction". On the other hand, in industry, investment "improved slightly" in line with the increase in imports of industrial capital goods. □

Khadija MASMOUDI

## Weekly highlights

# Tit Mellil, chronicles of an air traffic controller

**D**OCUMENTS, photos, testimonies of a bygone era. The book *"Tit Mellil, more than an airfield"* which accompanies the exhibition of the same title at Mohammed V airport (on view until August 23, 2022) is a tribute from a son to his father. They are also chronicles of the golden age of an airfield that marked the glorious years of civil aviation in Morocco until the 1970s. The book, produced in partnership with the Atelier de l'observatoire and INDA, is built around the archives of Farid Ahmed Bennani, air traffic controller who, freshly graduated in 1967, landed on the light aircraft airfield of Tit Mellil. The dashing air controller was entrusted with the heavy responsibility of directing planes on the ground and especially in the air: granting authorizations, sounding the weather, avoiding overflights of certain sites sensitive to flights, or even no-fly zones, checking flight plans, the reliability of the pilot and his mood



Photograph of the model of the Tit Mellil air terminal, by JF Zevaco (Photo by Zevaco Fund, SIAF/Cité de l'architecture et du patrimoine/ Archives of 20th century architecture)



The airfield has attracted the interest of the greatest architecture journals in the world. The club building, placed on stilts, represents a national heritage of Morocco's aviation history (Ph DR)

of the moment... More than a job, an all-consuming passion was born. Farid Ahmed Bennani exercised his passion for thirty-eight years, involving his whole family in this adventure. "Born in 1989, I did not know the most effervescent period since my father retired in 2005 and the activity was in decline. However, I spent many Sundays there when he was on duty, playing in the sports center and walking along the sheds scrutinizing each of the airplanes and other aircrafts in preparation or under repair. Going up the slope of the terminal, I used to join my father

to eat with him, sometimes interrupted by his radio calls. I did not understand much of his gibberish, except that the plane must always take off and land facing into the wind: Alpha Bravo hello- 5/5- runway in use 36 QNH 1210-QFE 1009- cleared to taxi to the point of waiting and call back..." remembers Réda Bennani, author of the book and son of the air traffic controller who died in 2020. Réda's father left however important archives that the son completed over the course of his research and multiple meetings with people who knew the airfield either as profes-

sionals or as amateurs. The author has collected more than a thousand photos from signalmen, pilots, and active members at the airfield as well as press articles, digitized VHS, flight logs, parachute jumps, and testimonials. From these private archives, documentary research, interviews, and several contributions between France and Morocco, Réda Bennani tells the story of Tit Mellil, its construction, its particular archi-

ecture, and its key personalities such as Touria Chaoui (first Arab woman pilot and third in the world at the age of 16). Réda also recounts the air rallies of the time, aerobatics, parachuting, and crashes. It offers a panorama of what existed by bringing the reader back to a bygone era, which undeniably raises the question of the future of abandoned places and neglected stories. □

Amine BOUSHABA

### An exceptional architecture

**L**IKE the Tit Mellil Observation and Rehabilitation Center (both designed by Jean François Zevaco), the airfield has attracted the interest of the greatest architecture journals in the world. The exceptional building, with its retro futuristic look, represents a national heritage in Morocco's aviation history. The construction of its terminal began in 1951 and was completed in 1955. It is the result of collaboration between three architects: Jean-François Zévaco and his partner, Paul Messina, as well as Dominique Basciano, an Italian architect working in Morocco. The building is made up of two separate parts linked together by a 28-metre span walkway. The first part, flanked

by the parking runways and the control tower, is dedicated to the terminal and its administrative premises. The second, opening to the east onto a large terrace overlooking the grounds, houses the club, its lounges, and its restaurant. High sunshades shelter the space to the west. The whole thing is on curved V-stilts. The access ramp covered by a cantilevered awning allows tourists to access customs control, then the flying club. The flying club lounge contains a fireplace with a local stone mantle placed in the center of the room. Its inverted V-shaped frame comes out of the mantle and is thus treated in a sculptural way. The walls of the lounge are white and smooth. □