

Weekly highlights by L'ECONOMISTE



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ISO 9001
version 2015
Système de Management de la Qualité
certifié ISO 9001 version 2015 par
BUREAU VERITAS MAROC



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EDITORIAL

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Radia LAHLOU

ONE day, not as far away as we think, when we shall turn on the water taps, there will be no water available. And we will remember, if we are still alive by then, with nostalgia, the hot baths that we used to take in winter, or those swimming pools in which we used to snort when we were young. Today's severe drought is only the precursor to the climate apocalypse that is looming in the very near future, Cambridge experts warn. This climate apocalypse would come with a cascade of consequences of which the Covid pandemic has given us a very bitter taste. *"Ripple effects such as financial crises, conflicts and new epidemics could trigger other calamities"*. Let us not mince words: we have carelessly consumed the planet and caused irreversible change, and Mother Nature is revolting. The world had long been warned. Many times the IPCC had sounded the alarm, but climate skeptics dismantled the arguments piece by piece. In 2006, a disaster documentary, *"An Inconvenient Truth"*, presented by Al Gore, warned of the urgent need to take appropriate

measures to successfully reverse the trend. Three years later, the *"Home"* documentary, by (French photographer, reporter, director, and environmental activist) Yann Arthus-Bertrand issues another reminder: there are only 10 years left to act, but nothing has really changed in 2022. As a result, the world is experiencing an unprecedented heat wave but still has some water available, the slightest drop of which will have to be managed sparingly. The drought calls for humility, which we have lost, and we will have to change our relationship to water. It will be necessary to develop a model for managing this resource at the global level and to put in place martial laws to enforce this duty. The duty is to protect the life and future of the upcoming populations. Today, golf greens, swimming pools, and garden watering are already singled out, but it will be necessary to go further, otherwise people's migration will multiply. The *"cooler"* countries will be invaded by climate refugees, and it will take much more than a visa to stop those refuges from migrating. □

Weekly highlights

Thirst awaits the residents of Casablanca!

THE situation is critical in Casablanca. The municipality has just launched an appeal to Casablancans urging them to rationalize drinking water resources. Water-consuming activities are thus prohibited in the metropolis (watering green spaces, washing vehicles, cleaning public spaces, etc.). Local officials prefer for the time being to raise awareness among the populations, before arriving at more drastic measures (reduction of the flowrate, even cutting off the water supply). For now, the watchword is vigilance to avoid the worst and find alternatives to cutting service. This situation is due to the low rainfall which led to a shortage of dam reservoirs and groundwater. *"The months of August and September do not experience any rainfall as a general rule, so it will still be necessary to hold out at least 3 months in the current situation"*, explains Fouad Amraoui, university professor and president of the association called *"Action for sustainable development"*. In the meantime, it will be imperative to rationalize resources and raise awareness among users. *"Morocco experienced a similar situation in the 1980s, but today the population has increased sharply*



Last year, the Lydec water utility "listened" to approximately 18,000 kilometers of networks during night inspection operations. The teams detected and repaired nearly 16,700 water leaks at pipes, connections and metering stations, saving more than 10 million cubic meters of drinking water in 2021 and more than 74 million cubic meters of water compared to 1997, which is equivalent to the annual volume of water needed by more than 1.2 million inhabitants (Photo courtesy of Lydec)

and the demand for drinking water has exploded", continues Amraoui, hence the need for an *"electroshock"* in order to encourage residents to realize the seriousness of the current situation. The worst, according to this researcher, is that *"we have no visibility on the years to come"*. In the meantime, the seawater desalination station in Sidi Rahal remains embryonic (at the study stage). Its production can complement the water coming from dams, in particular for agricultural irrigation needs. The metropo-

lis consumes on average the equivalent of 500,000 to 730,000 cubic meters per day and 219 million cubic meters/year. The needs of the city come from two main sources, namely Oued Bouregreg (Sidi Mohammed ben Abdellah dam (107 million m³) and Oued Oum Er-Rbia (109 million m³). A minority contribution comes from 2 additional sources (Tit Mellil and Sidi Moussa Ben Ali), but the water situation in the Oum Er-Rbia basin is very critical given the low filling rate of the dams, in particular the Al Massira dam (5.5%), which supplies other cities (Marrakech, El Jadida, Safi, and Settat). In order to avoid compromising the supply of drinking water in the Southern zone served by this watershed (Marrakech and its region), the Casablanca water utility Lydec has reinforced the drinking water supply of the Greater Casablanca via the Bouregreg supply lines, replacing part of the water coming from the Oum Er-Rbia basin. Indeed, the situation of the Sidi Mohammed Ben Abdellah dam (Bouregreg river), which supplies Rabat and its coastline and part of Kenitra, is a little better with an occupancy rate of around 31%. □

Aziza EL AFFAS

The Oriental region under high water pressure

THE Oriental region is hit hard by the harmful consequences of water stress. This is an alarming situation that has worsened since the 2019/2020 agricultural season. The dams in this region are almost dry with a filling rate of less than 8.65%. These low surface water storage rates are beginning to be felt by the multiplication of water cuts accentuated by strong demand in these times of heat wave and high tourist influx. As far as the aquifers are concerned, they are overexploited. The example of the city of Oujda, supplied 100% by underground water, is typical. The risk of water shortage is looming because these aquifers are not limitless reservoirs. Worse still, many people are not aware of the importance of moderation in the use of water. Despite multiple awa-



Among the direct consequences of the scarcity of rains is the drying up of hillside dams and water reservoirs in the highlands (Photo courtesy of AFP)

reness campaigns on water saving, the reflexes do not follow suit. In addition to these classic actions, the ministry in charge of Water is planning the construction of a desalination plant in Nador which will have a production capacity of 100 million cubic meters expandable to 200 million cubic meters, and will supply drinking water to the (Northeastern)

towns of Nador, Driouch, Zaio, and related centers. However, the region needs other desalination plants to meet part of the demand. □

Ali KHARROUBI

Cereal season: Free fall

IT is official: the delay in rainfall and their scarcity have had a strong impact on the 2021/2022 grain season. The final production of the main cereals for this season is about 34 million quintals, i.e. a drop of 67% compared to the previous crop year which recorded an exceptional performance of 103.2 million quintals, explains the ministry of Agriculture. Its press release published on Monday August 8th draws up an inventory per region and per month. Thus, the very low rainfall, or even its absence in several regions of the Kingdom during the months of January and February, caused a delay in the growth of cereals and a more or less significant drop in yields depending on the region. Cereals in favorable areas fared relatively better following the rainfall of the last dekad of February, March, and early April.

The cereal area sown for this season is 3.6 million hectares versus 4.35 million hectares during the



previous season. By species, cereal production is as follows: 18.9 million quintals of soft wheat, 8.1 million quintals of durum wheat, and 7.0 million quintals of barley.

Nearly 58% of production comes from the favorable regions of Fez-Meknes and Rabat-Salé-Kenitra. Irrigated cereals contributed only 20.7% of the total production. "This

is due to the decline in the irrigated area of cereals and irrigation restrictions in the large hydraulics perimeters", say the officials.

As a reminder, the 2021/2022 agricultural season experienced rainfall which at the end of May 2022 reached 199 mm, down 44% compared to the 30-year average (355 mm) and a drop of 34% com-

pared to the previous season (303 mm) on the same date.

This crop year was also characterized by a poor temporal distribution of rainfall, with nearly a third of the rainfall occurring during the months of November and December and 53% of the cumulative rainfall occurring in the months of March and April.

Overall, the forecast value added should register a drop of 14%. It would result in a drop in growth points of 1.8. Several factors would contribute to this, taking into account the final production of cereals, the performance of arboriculture, market gardening, and spring crops, as well as the positive effects of the program aiming at mitigating the effects and the impact of the rainfall deficit, in particular on livestock breeding.

In anticipation of the next 2022-2023 crop year, the line ministry is planning a series of measures, including subsidies, storage payments, supply of fertilizers, selected seeds, and other measures. □

Fatim Zahra TOHRY

Tourism: Marrakech makes up for lost time

DESPITE the strong heat of July, Marrakech attracts international and domestic tourists. The destination continues on its upward trend in terms of arrivals and overnight stays. The clubs record occupancy rates of more than 80%, while in the other categories, this rate ranges between 50 and 60%. In the eyes of tourism professionals and in particular hoteliers, the occupancy rate is the true indicator of the health of tourism in Marrakech. This rate rose from 58 to 63% over the first 6 months of the year. "It's still not enough", says Lahcen Zemat, vice-president of the Marrakesh regional council for tourism (CRT), and president of the National federation of the hotel industry. Since the opening of the air borders, foreign tourists have returned, says the line department, and this is the case for all Moroccan tourist cities. The pace accelerated in June, a month which recorded more than 1,140,000 tourist arrivals

with a growth of 5% compared to June 2019, insists the department of tourism. Moroccans residing abroad (MRA) contributed strongly to this growth, with the arrival of "620,000 MRA in June, representing a growth of 27% compared to June 2019". These arrivals should experience a peak from August 15 2022 onwards. Marrakech monopolizes the lion's share thanks to its hotel infrastructure, its parks, its swimming pools, and its nightlife. In Marrakech, it must be said that the professionals who have shown themselves to be resilient during the crisis despite closures during the periods of the pandemic, make the "Ocher City" a special case in the development of Moroccan tourism.

Marrakech is gradually regaining its health. Its Jemaa El Fna square has regained its soul and its collective identity with its shows and restaurants. The great monuments are also regaining vigor, like the Ben Youssef madrasa, which reopened



The Jemaa El Fna Square has regained its former life. Domestic and international tourist arrivals are on the rise and suggest a good winter season if the pace is maintained (Photo by L'Economiste)

after a rehabilitation that lasted 4 years. In the heart of the old medina of the Ocher City, this madrasa is also a jewel of arab-andalusian architecture dating back more than four centuries. Finally, the outlook for september and october is good, according to a local tour operator.

The Ocher City should regain its place as the african capital of events. For their part, professionals hope to exceed the 60% mark as an occupancy rate and regain the confidence of investors. □

Badra BERRISSOULE

Weekly highlights

Guidelines for preparing the Draft Budget Law for 2023

THE deadline for ministers to submit their proposals regarding the budgets allocated to them is August 31. The ministers must submit the proposals to the budget department of the ministry of Economy and Finance. Indeed, the members of the cabinet received before the weekend of Saturday 6th the guidance note for the preparation of the Draft Budget Law (DBL) for 2023. The guidance note is accompanied by the draft budget for each ministry, with a schedule of meetings with the ministry of Finance to make the necessary tradeoffs. In addition, these ministries are required to provide the data and documents needed to prepare the reports that accompany the DBL. In the meantime, this is the first time that the Head of Government has signed a guidance note for the Draft Budget Law. Said guidance note has set 4 priorities for the DBL 2023, inspired by the royal orientations, the New Model of Development, and the government program.

These priorities include the strengthening of the foundations of the welfare state, the revival of the economy through the support of investment, and the consecration of spatial equity. The last priority involves the restoration of financial margins to ensure the



The Government will have to maintain support for the public investment effort alongside incentives for private investment (Photo by L'Economiste)

sustainability of the reforms.

With regard to the revival of the economy, Morocco has capacities and characteristics that allow it to take advantage of opportunities to strengthen its position on the continental and international level. After the steps taken in improving the business climate, the country has unique and modern basic logistical infrastructure, in addition to being at the forefront in the production of renewable energies at the continen-

tal level. This is why the government will maintain support for the public investment effort alongside the incentives for private investment.

For the Government, investment is an essential lever for emerging from the crisis, consolidating the pillars of the welfare state, and establishing a fairer and more prosperous national economy. The operationalization of the Mohammed VI Fund for Investment will also increase the attracti-

veness of the Kingdom and make it a regional and international hub to attract foreign investment. This guidance note has reiterated the investment rule which consists in giving priority to projects already in progress, particularly those which have been the subject of national and international agreements signed before the King. Ditto for the projects signed with international institutions or donor countries. In any case, it is a matter of continuing the public investment effort, particularly in terms of infrastructure and sectoral strategies, including Green Generation, industrial transformation, tourism, crafts, and the social economy. At the same time, it is necessary to promote national products, through local production and the encouragement of the competitiveness of the Made in Morocco label.

Another major priority is scheduled in the guidance note, namely the need to ensure the full participation of Moroccan women in all areas, in accordance with the last Speech from the Throne, and this, in particular through the promotion of the condition of women by offering them all the possibilities of fulfillment and by granting them the place which they deserve. □

Mohamed CHAOU

Low-income housing

A new approach in preparation

SINCE the end of the social housing program in 2020, real estate developers, who used to sign agreements with the Governments, no longer had visibility. Today, the situation has changed with the Head of Government who unveiled a tiny part of the new strategy that the minister of Housing intends to deploy, through a guidance note for the preparation of the Draft Budget Law (DBL) for 2023 that he signed at the end of last week. Indeed, the Government attaches particular importance to access to decent housing. It therefore decided to opt for a new approach to granting subsidies. Thus, the Government wishes to replace the granting of tax exemptions - the economic and social impact of which is difficult to assess - with direct support to families for the purchase of housing. This will

be carried out according to a methodology based on dialogue and consultation with the various stakeholders, according to this guidance note.

In any case, the 2022 tax expenditure report says a lot about the extent of the exemptions granted to companies in the real estate sector. Indeed, the total tax expenditure in 2021 is estimated at 29.501 billion MAD versus 27.827 billion MAD in 2020. Real estate activities channeled 6.546 billion MAD. Thus, the real estate sector, which comes first, represents 22.2% of the total amount of these exemptions.

Meanwhile, the ministry of Housing and Urban Planning does not want to reveal the content of this new strategy. Fatima Zahra Mansouri contented herself with making announcements to parliamentarians during oral questions on the holding



In the guidance note for the preparation of the Draft Budget Bill 2023, the Government attaches particular importance to access to decent housing. It therefore decided to opt for a new approach to granting grants (Photo by L'Economiste)

of a national and regional dialogue last July, but, obviously, the line minister has not obtained the necessary validations in the meantime. Officially, her department is in the process of putting the finishing touches to these foundations, which will be marked by consultations with all stakeholders in the urban planning and housing ecosystem, the ministries, the state owned enterprises and agencies, the business operators, the banking sector, and local

governments. Participants will come out with recommendations that are the substance of this new vision based on direct assistance to buyers. The central idea is to develop a program able to meet the needs of the population. Thus, this program will be intended for all segments of the population, with mainly the middle class and vulnerable people, among other social categories. □

Mohamed CHAOU