

Weekly highlights by L'ECONOMISTE



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EDITORIAL

Back to school

Khalid BELYAZID

A school is the country in miniature, a copy of one's society, regardless of the means, and scholarly pedagogies. From Socrates and Ibn Khaldoun (Muslim Arab sociologist, philosopher, and historian) to the sadistic fqih (Koranic schoolmaster) of the M'sid (Koranic schools), everyone has their own idea of a good education. To collect some ideas, the Minister of National Education, Mr. Chakib Benmoussa, has prepared at the beginning of this school year a major "consultation", mobilizing thousands of stakeholders, hundreds of workshops, and a digital platform "madrastna.ma". As a good engineer that he is, he wanted to rebuild, and as a good manager, he organized the participation, and found the slogan of "a quality school for all". Quality is already difficult to achieve even in well-organized companies and administrations. Let's hope anyway for this first back-to-school without Covid, to see some improvements being made in the system, which is neither good nor bad, but looking like Morocco. It is here that the weight of demography appears clearly. With this weight, our teaching system generates excellence which conquers the (French prestigious engineering schools like) Polytech-

nique school, and generates mediocrity when 60% of schoolchildren struggle to read, write, and count. As is the case for the economy, the Moroccan education system operates in a public mode, and a private mode for those who can pay, with multinational companies, these so-called "foreign missions" for those who can pay even more. Our education system no longer knows which teaching language to choose from (between the Arabic, French, and other languages), in the land of text messages being sent in Darija, the Moroccan language, but written in Latin characters. Our education system has its teachers, heroes who selflessly devote themselves to their profession in the mountains and remote areas of the country, and sleep in the classrooms, for lack of other accommodation; on the other hand, our educational system has its racketeering teachers who claim to be poorly paid and enrich themselves through private lessons and overtime provided to students who demand good grades by spending hours on TikTok. The list would be long. Our schools must make up for social shortcomings, develop skills, good manners, equality, morality... demands society. But the copy cannot be better than the original. □

Weekly highlights

Public markets

Four ways to pass on price increases

SINCE the surge in the prices of building materials and other inputs such as energy, the revision of the financial conditions of public contracts has become a leitmotiv among construction operators. The latter have still not found, together with their line ministry, an effective formula for passing on the increases. The problem is more acute for entities that had won public contracts before the outbreak of the health crisis, relating to the construction of large-scale infrastructure still under construction. Large corporations, in serious financial difficulties, are experiencing significant delays in the performance of certain public contracts or have simply asked to terminate their contract and have their bank guarantees being confiscated, so much so that the National Federation of Construction and Public Works (FNBTP) has sounded the alarm to demand the reactivation of the price index. Obviously, the databases have never been correctly



For updating the price indexes of the main construction materials (cement, concrete, iron, wood, glass, etc.), the Ministry of Equipment does not have an efficient and up-to-date tariff data collection system

updated to reflect the reality of prices. Consequently, the National Federation of Construction and Public Works is coming back and proposes, in concert with the Ministry of Equipment, a series of measures capable of remedying the dysfunctions that have been noted. These proposals revolve around four essential points.

The first step is to quickly update the price indices and ensure that the values assigned monthly are as representative as possible. To do this, the FNBTP will supply the DATRP (Direction of Technical Affairs and Relations with the Profession, under the Ministry of Equipment) with data relating to the prices of building materials.

The second axis relates to the adaptation of the formulas of revision by way of amendment for the contracts in the course of execution, including the firm contracts and those capped. The goal is to guarantee the economic balance of the contracts and to not penalize companies financially, as provided for in the circular issued last April by the Head of Government. The third proposal by Mohamed Mahboub, new president of the FNBTP, involves the overhaul of price revision formulas, in particular those with global indices which today pose a problem due to the obsolescence of the weighting parameters based on a circular from the ministry of Equipment dating from 1987. The Ministry of Equipment had proposed to study the possibility of reviewing through an amendment a new price revision formula which would favor simple indices by highlighting the most important indicators and changing their weighting. The business community is still waiting. □

Hassan EL ARIF

Dams: A latent crisis on borrowed time!

THE current situation of the dams hardly lends itself to optimism. The filling rate is at its lowest level. “We are in proportions that are similar to those of the three years of drought from 1980 to 1983 or even of the beginning of the 1990s. But the difference is that current water needs are much greater, particularly in agriculture, industry, tourism, or even taking into account the demographic evolution, the size of the cities, the rural world ...”, insists Fouad Amraoui, professor-researcher in hydrology and expert in water management. It is a real latent crisis that is looming in relation to the availability of the resource and the drinking water needs, confirms the expert: “One should not look only at the big cities, there are also important needs in the open country where the population risks not having enough water to drink”. If the rains of next October and November are slow to come, the situation could worsen with serious collateral consequences, warns the researcher in hydrology. The Al Massira dam in the Settat region, which is also one of the most important structures in Morocco, is only 4% full! Even the Sidi Mohammed Ben Abdellah dam, which



The Sidi Mohammed Ben Abdellah dam, which is exclusively dedicated to the production of drinking and industrial water, is getting emptier day after day. It stands at 27.9% versus 54.3% in September 2021, meaning losses equivalent to almost 50% in one year!

is exclusively dedicated to the production of drinking and industrial water, is getting empty. Fortunately, Al Wahda, one of the largest dams in Morocco (number 1), which safeguards the entire Gharb plain, is nearly 44% full, says the water management expert, putting things in perspective.

To avoid the worst scenario, a set of measures must be taken immediately. Admittedly, the public authorities have

implemented a certain number of initiatives, in particular tanks in the rural world, restrictions, rationing in some towns, the basin interconnection project, desalination... But this will not be enough. “One will have to make heavy investments in terms of transferring water from the North to the South of the country”, recommend experts. “This year is a great test to review our water policy, especially in agriculture

by reducing the varieties and crops that consume a lot of water... The issue of water will now have to be made a national priority in political choices”, maintains Professor Fouad Amraoui. Despite this critical situation, there are still huge water losses in the cities. Moreover, half of the drinking water is lost each year in the networks, confirms the expert. □

Amin RBOUB

The price of school notebooks soars



Bookstore owners, who are of the opinion that they are being left behind in the deal between the government and schoolbook publishers, are asking for support measures

IF official schoolbooks will benefit from a subsidy in order to prevent its increase, school notebooks will undoubtedly cost more at the start of the 2022-2023 school year. “The 24-page notebooks, for example, which were sold at 1.50 MAD apiece, will now be offered at 3 MAD apiece. The price of the 96-page one will go from 3 MAD to 6 MAD. The 384-page notebook whose price was 15 MAD will jump to 23 MAD. The increase is explained by the soaring price of paper and transport”, explains Mohamed Barni, bookseller in the city of Salé and member of the Moroccan Association of Booksellers. Asked by L’Economiste, Tariq Lallouch, president of the Moroccan Group of Printers (GMI), confirms “the soaring prices, given the price of paper, especially since the price of the notebook is free”. The increase is not limited only to notebooks, but also extends to other supplies such as binders, whether locally manufactured or imported, the prices of which sometimes range from simple to double.

To mitigate the impact of these increases, the government plans to



allocate a subsidy to publishers with the aim of preventing the increase in the price of official schoolbooks. This announcement generates an outcry from the other component of the publishing ecosystem, namely booksellers. Their association, chaired by the newly elected Samira Chair has just officially expressed its outcry about “this decision which is sowing confusion in the minds of parents”. “The government statement remains ambiguous and could suggest that all schoolbooks will be

subsidized, including those imported. This could result in quarrels with customers”, underlines the bookseller. The press release dated Monday, August 29 speaks of “increases in imported schoolbooks varying among certain importers between 5 and 25%”. The increases do take place at each start of the school year due to the lack of regulation of imported books. These are not the only sources of concern for booksellers. The distribution of certain schoolbooks should be delayed

this year a few days before the start of the school year classes, according to the association.

The association’s statement indicates that the volume of books distributed so far does not cover the needs of some 3.6 million students targeted by the operation. To remedy this situation, it is proposed to market substitute books. In addition to the delay in the distribution of some textbooks, attributed to negotiations between publishers and the Government, the booksellers complain about “the reduction in the profit margin that was diminished from 20% to 10%, the difference being promised by certain publishers after the payment of the subsidy promised by the government”. The sale of textbooks by some private schools continues to cause the anger of booksellers who believe that it is a “usurpation of function”. The association therefore calls for the prohibition via a ministerial decree of the sale of textbooks by private schools, something that had already been promised to them by Saïd Amzazi, former Minister of Education, but which ultimately did not come into being. □

Hassan ELARIF

Weekly highlights

The Quagmire of Corporate Failures

IF business creation is doing well, boosted among other things by the programs put in place by the government, failures do continue, nonetheless. In the first half of the year, 5,646 companies went bankrupt, up 10.3% compared to the first half of 2021. The pace especially accelerated in the second quarter of the year under the effect of the repercussions of the Russian war waged in Ukraine. In this situation marked by the lack of visibility, the good news comes from the pace of growth in business creations. This progression of creations is stronger than that of failures. The ecosystem renewal indicator, which measures creations versus failures, stands at 5.9. In other words, when a company goes bankrupt, six are created, according to the Inforisk study on bankruptcies in the first half of the year. The challenge for these new enterprises is to manage to stay alive and get through the first five years of

operations, a period during which new enterprises rarely generate profits and need cash to finance themselves and find markets. Moreover, the median age of companies that have filed for bankruptcy is 4.8 years for a share capital of 100,000 Dirhams (10,000 USDs). It is above all small businesses that have not managed to stay alive: they represent 99.9% of all companies that went bankrupt in the first half of the year, versus 0.5% for SMEs while large companies were not affected. The economic situation remains difficult for companies that have been unable to leave the zones of turbulence for more than 2 years. Moreover, as of last March, two support measures were put in place by the government to deal with the war in Ukraine.

“With the increase envisaged this year (+14%), insolvencies in Morocco will have experienced an average annual growth of 34% since 2020”

The first measure relates to the guarantee ceilings under the classic Tamwilcom offering, which have been raised in order to increase the potential for the supply of cash loans. The second measure concerns the rescheduling of the “Oxygen” and “Relance (Stimulus)” loans for a period of up to three years. The expected goal is to strengthen support for the financing of the operating cycle, and the reactivation of business investment. A month later, a circular from the Head of Government in favor of the construction sector was signed, again with the aim of reducing the economic impact of the crisis on contractors who had been awarded public supply and works contracts, as well as on procurements related to works contracts. Even with

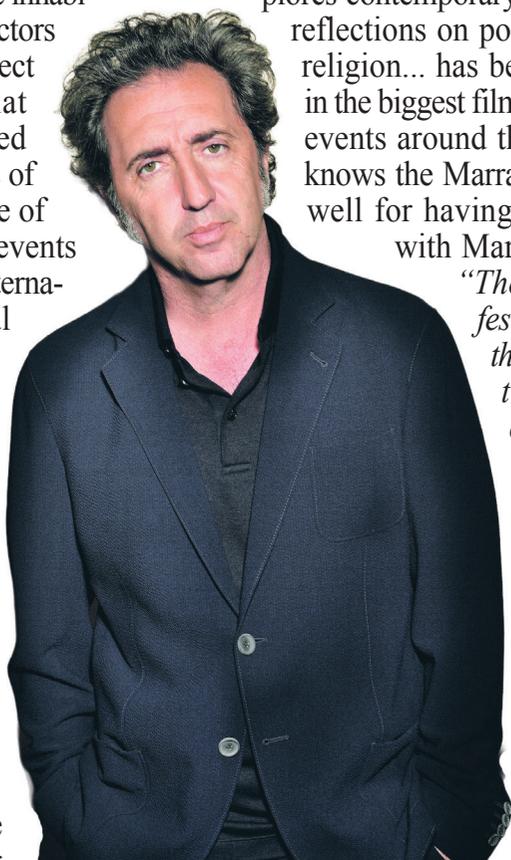
these provisions, businesses, especially small ones, remain in a delicate situation. “Macroeconomic factors are added to other structural factors, in particular the payment periods which continue to lengthen considerably, and contribute to the lasting weakening of a large part of our businesses, in particular the VSMEs which are the most fragile”, underlines Amine Diouri, Director in charge of Studies and Communication at Inforisk. For him, “with the increase envisaged this year (+14%), insolvencies in Morocco will have experienced an average annual growth of 34% since 2020. I think that with these figures, we are a bit drifting away from normalcy”.

Today, the tragedy is mainly observed in the retail sector, followed by real estate and construction, and, to a lesser extent, in the transport and manufacturing industries. □

Khadija MASMOUDI

Marrakech reconnects with its International Film Festival

THEORETICALLY, it is a beautiful autumn season that awaits Marrakech. The calendar of events, particularly the cultural ones, seems rather busy and suggests an intense season for the “Ocher City”, whose inhabitants, tourists, and actors are going to reconnect with animation that had been interrupted during the two years of the health crisis. One of the most expected events is the Marrakech International Film Festival (FIFM) scheduled to take place from November 11 to November 19, 2022. The Festival will consist of nine days of films and of a competition between fourteen first and second international feature films, dedicated to discovering filmmakers around the world. And this year, the filmmaker Paolo Sorrentino is presiding over the jury for the



Oscar-winning director and screenwriter Paolo Sorrentino will chair the jury of the nineteenth edition of the Marrakech International Film Festival (FIFM) (Ph. Claudio Porcarelli)

nineteenth edition of the FIFM. Oscar-winning director and screenwriter Paolo Sorrentino is today one of the most famous representatives of Italian cinema. His work is rich with a dozen films and series. The author who explores contemporary themes with reflections on power, politics, religion... has been rewarded in the biggest film festivals and events around the world and knows the Marrakech festival well for having participated with Martin Scorsese. “The Marrakech festival is for me the place where the dream of watching many Scorsese films and spending entire days talking about cinema with him and other talented colleagues came true. Coming back this year as president of the jury is an



In 2018, during its seventeenth edition, the festival paid tribute to Robert De Niro in the presence of the great Martin Scorsese, friend of the FIFM Festival (Ph. Bziouat)

honor”, says Sorrentino. “I want to believe that movie theaters will fill up again and I want to witness this revival from such a symbolic place”. Sorrentino chairs a jury made up of several artists and directors who will award the Gold Star to one of the fourteen films in competition for this nineteenth edition of the FIFM. As a reminder, the eighteenth edition of the festival - held in December 2019 - ended with the awarding of the Gold Star to the Colombian film “Valley of souls” by Nicolás Rincón Gille, delivered by the president of the jury,

the Scottish actress Tilda Swinton. In 2019, the festival had gathered some 105,000 spectators and screened 98 films. In 2020 and 2021, due to the Covid, the festival was canceled, and the Foundation that is the initiator of the festival had organized the third and fourth digital editions of “Les Ateliers de l’Atlas”, the support program for Arab and African professionals, created in 2018. For its nineteenth edition, will the festival regain its pre-Covid momentum? □

Badra BERRISSOULE