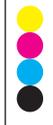


Weekly highlights by L'ECONOMISTE



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going bankrupt**



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bottom**



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Europe?**

EDITORIAL

Sweeping in front of one's home

Radia LAHLOU

A People no longer trifle with the occupation of the public spaces. The authorities have decided to hunt down the offenders, and now stringently enforce the rules, with tax increases that are likely to infuriate the most pacifist restaurant owners, in Rabat. Tenants, café owners, and others, for their part, are crying foul. They denounce the sharp increase in new taxes which exceeds 500% in some upscale districts of the capital city. The taxable persons intend to pay their debt, but not to give in to the whims of the administration, which, according to them, does not fulfill the terms of the contract either. That's the current buzz. Basically, the new tax decree came to change legislation that was more than a century old. This new decree dusted off certain provisions and added others relating to the environmental impact, the duration of the lease, the fees to be paid, their rescheduling, and all the rest. The decree also specifies the fines and penalties incurred in the event of

non-compliance with all these new rules, which is quite normal, except that before tightening the screw, you must first sweep in front of your home, put an end to old habits, set an example, and above all apply the law to all, without exception. When one sees the anarchy that still prevails in the public spaces, the stalls, the street vendors occupying the broken sidewalks, the electric wires protruding from everywhere, and the badly closed manholes, one wonders why some would pay the "full price" while others would continue to occupy public spaces without being disturbed. One wonders where the taxpayers' money is going, and why the authorities remain impassive in the face of this deterioration. We walk with our eyes focused on the soil so as not to fall. One wonders why cities abroad are cleaner and better maintained than ours. Respect, cleanliness, maintenance... that's what jumps at us, as soon as we set foot abroad... on perfect sidewalks. □

Weekly highlights

A hundred private higher schools afraid of going bankrupt

“We are not outlaws”, protested one of the members of the Moroccan Association for Private Higher Education (Amesup), an association bringing together more than a hundred schools, and which today is stepping up to the plate. The reason for that? Lack of recognition by the Government. Currently, less than 20% of non-university paying schools (i.e. 24 out of a total of nearly 132 authorized in 2021-2022) benefit from such Government recognition. The more than 80% who do not benefit from it claim to be suffering a real “massacre” today. Being so-called “unrecognized” (by the Government), these schools suffer from an image that makes look in the eyes of students and parents as “infringing” educational institutions. Year after year, these schools lament a loss of Moroccan students, replaced by registrations of international students, particularly sub-Saharan students. “However, all our courses are authorized and accredited by the Ministry of Higher Education”, claim the representatives of Amesup. If for international students having or not the Government label makes no difference, since the diplomas of



Moroccan private schools are perfectly equivalent internationally, for national students, it is another story. Indeed, in Morocco, only recognized educational institutions can deliver equivalent diplomas, opening the way to the civil service and to the exercise of regulated professions. Until recently, everyone had come to terms with this situation, but a decision came to shake the whole sector.

■ **An average loss of 20 students per day:** The Gabonese Embassy in

Morocco recently notified schools of the decision of the National Scholarship Agency of Gabon (ANBG) to redirect its scholarship students (even those in training) to recognized educational institutions (in Morocco). As a reminder, Gabon is one of the top 5 countries providing students to Morocco. The stakes are therefore high. “Our schools are losing an average of 20 students each a day. With small numbers in terms of students, many schools will not be able to open this fall. If we continue in this direction,

schools will disappear, obviously resulting in the destruction of jobs”, confides the member of Amesup. “The ministry is not doing anything about this situation, and if we are not in good standing with the law, why does the Ministry then allow recognized schools and universities to enroll our students?”, argues the member of Amesup.

■ **“We refuse to disappear for administrative reasons”:** Recognition has, despite everything, made it possible to breathe new life into the sector. Many business or engineering schools, motivated by access to the label, have raised their standards, increased their recruitment, and cleaned up their situation. However, with the restrictive conditions required for access to the label, this latter remains inaccessible for the vast majority. “The ministry was supposed to support the schools towards recognition, but it never did! We refuse to disappear for administrative reasons. We prefer that employers sanction us on the basis of the quality of our graduates”, Amesup officials say. □

Ahlam NAZIH

The school abyss

“It is important to shift paradigm to move from schooling to learning because the quality of learning is a serious problem today”. This sentence was pronounced by Fouzi Lekjaâ, during the Convention of the National Initiative for Human Development (INDH) held last Monday in the city of Skhirat. For the Minister in charge of the Budget, it is imperative to rethink the education system towards a qualitative approach around three pillars: the student, the teacher, and the school. Today, the situation is clear: initially, there are 4 million pupils in primary education, then only 1.9 million in higher education. Along the way, more than 50% of the total is lost. Of this number of students, only 900,000 get their university degrees. Even worse, only 20% of this number enter the job market. Suddenly, the losses are estimated at more than 3 million people excluded during this long road, while so many efforts have been made so



that in the end less than 200,000 people find a job, says the minister. “Today, what society do we want for our country in 2050?”, asked Fouzi Lekjaâ who thinks that this major subject is so crucial that we cannot afford the luxury of spending a few years of political debates on the language. It should be said, however,

that public education policies have been well supported financially. To convince his audience, Fouzi Lekjaâ mentioned some figures. Indeed, the successive reforms which concerned the sector have swallowed up staggering sums. In 2000, the National Education and Training Charter was put in place. The Charter was

followed by the emergency plan in 2008. From 2015, the strategic vision was translated into a framework law. For these reforms, significant budgets have been mobilized. Indeed, from 2001 to 2014, nearly 450 billion MAD (about 45 billion USDs) were injected into National Education, and between 2015 to 2022, nearly 410 billion MAD (about 41 billion USDs). In addition, the National Education budget has increased from 21 billion MAD in 2001 to reach 62.5 billion MAD in 2022. This represents 5 points of GDP and 20% of the general state budget. Similarly, this project was accompanied by the recruitment of staff (civil servants and teachers). Overall, the ministry has benefited from an attrition replacement rate of around 200% and of a strong increase in the wage bill, i.e. more than 10 billion MAD (nearly 1 point of GDP) for the 2015-2022 period, said the minister. □

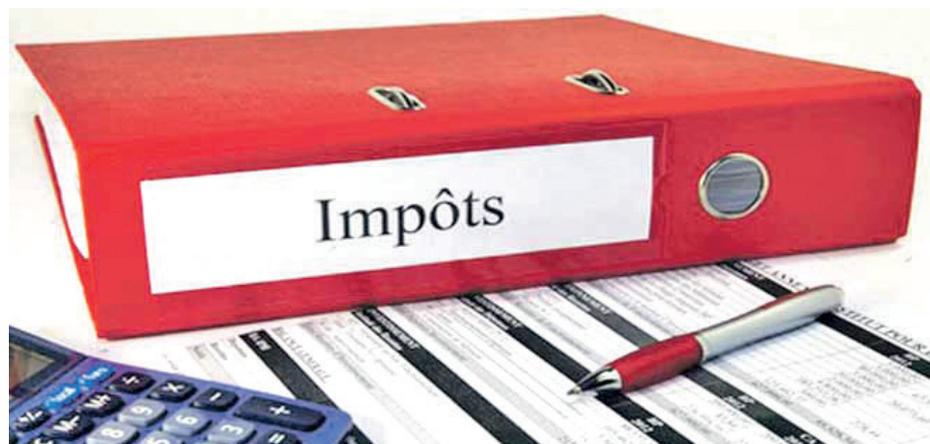
Mohamed CHAUI

Why the taxman is scanning your lifestyle

DOES a taxpayer who has been subject to a tax audit or compulsory taxation run the risk of double penalty by undergoing a review of his entire tax situation at the same time? The procedure consists of scrutinizing the tax situation of a taxpayer by scrutinizing all of his expenses and income. The goal is to determine inconsistencies between the declared professional, agricultural, and property income and the lifestyle led by the taxpayer. *“There can be an off-site or onsite tax audit on documents only if a tax return is filed. Clearly, the inspector or auditor first checks a tax return”*, explains Mohamed Fdil, tax expert and former Secretary general of the National Commission for Tax Appeals (CNRF). Thus, the tax authorities can only assess the overall income for taxpayers who have not filed their tax returns after the prior initiation of the ex officio taxation procedure provided for in article 228 of the General Tax Code (CGI) in the event of non-declaration of the overall income or of the property income.

Moreover, the selection of taxpayers, whether natural or legal persons, who will undergo an audit is neither random nor arbitrary. Their selection of taxpayers to be scrutinized often follows a completely automated procedure. It is a scoring system via a computerized platform set up by the tax administration and which leads to checking files with *“high (suspicion) scores, indicative of a significant tax risk”*.

In practice, each file receives a score which determines the type of check that will be carried out or indicates whether the taxpayer is in compliance



with the legislative provisions on taxes. The system is continuously updated, rectified, and finetuned. Youtubers and other influencers had a *“taste”* of this system recently when they were finally scrutinized the tax authorities.

The review of the entire tax situation is triggered by the competent services when the overall annual income of the

taxpayer (declared or taxed automatically or being exempted from filing a tax return) is not consistent with his expenses, which are listed in article 29 of the CGI tax code.

Two conditions must be met: *“the amount of these expenses must be greater than 240,000 Dirhams (24,000 USDs) per year. In addition, the procedure for examining the taxpayer’s*

overall tax situation can only be initiated when the amount of expenditure referred to in Article 29 exceeds the amount of the declared income by more than a quarter. However, the taxpayer can justify, within the framework of the adversarial procedure, his resources by any means of proof”, underlines the tax specialist.

The tax adviser recalls, moreover, that when the tax authorities find that an offending taxpayer, concerned by the examination of the tax situation, has not filed the tax identity form provided for by Article 78 of the CGI, nor the declaration of existence (Article 148-I of the CGI), tax authorities may automatically assign a tax identifier to such an offending taxpayer. The next step will be to initiate the automatic taxation procedure provided for by Article 228 of the CGI. □

Hassan ELARIF

LA NEWSLETTER

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L'ECONOMISTE
LA RÉFÉRENCE AU QUOTIDIEN

Weekly highlights

Water stress: Morocco hits rock bottom

NIZAR Baraka is a methodical person. Since he has been at the head of the Ministry of Equipment and Water, he has made a point of presenting to his colleagues, at regular intervals, the water situation and the measures taken to remedy the recorded deficits. During the last Council of Government meeting last week, the Minister sounded the alarm concerning the emergency situation in which Morocco finds itself.

■ **Water supply in the Casablanca-South region until November 15:** In any case, three major regions are in the red. This is the case for the water system of the Al Massira dam which serves Casablanca-South, El Jadida, Safi, Sidi Bennour, El Yousoufia, Berrechid, Settat, Marrakech, Benguerir, and the neighboring centers. Their water needs are estimated at 235 million cubic meters. The

volume of water reserves of the Al Massira dam that was estimated in September 2021 to revolve around 264 million meters, currently stands at 96.7 million cubic meters, i.e. a filling rate of 3.6%. This stock will ensure the water supply until November 15.

■ **Marrakech is also in the red**

THE volume of storage in the dams supplying this city is estimated at 30 million cubic meters. This ensures supply until November 10, i.e. 50 days, said the minister. In order not to stand idly by in the face of this catastrophic situation, Nizar Baraka has multiplied initiatives by supporting the supply of the Greater Marrakech area from the dams of Moulay Youssef and Al Massira. The minister also tightened control over the ring road and Tassaout pipelines. Similarly, the Nizar Baraka demanded the exploitation of groundwater according to the

program drawn up by the producers and distributors of drinking water. As a reminder, this stock reached 130 million cubic meters at the beginning of September 2021.

■ **Water available until December for the cities of Oujda and Taourirt**

Nizar Baraka highlighted the situation of the cities of the Oriental region, supplied by the dams of Mohammed V and Machraâ Hamadi. This is the case of Oujda, Nador, Berkane, Saidia, Taourirt, Oriental Laâyoune, Zaio, and Cap de l'eau, which have needs estimated at nearly 80 million cubic meters. The volume of the reserves of these two dams was 40 million cubic meters in September 2021. For the time being, Berkane and Nador are supplied satisfactorily from the groundwater. Ditto for the supply of the cities of Oujda, Taourirt, and Laâyoune, except that this exploitation runs until next Decem-

ber. In these areas, the Government has equipped wells and boreholes to exploit these waters. Added to this is the strengthening of inspections to prohibit the use of unauthorized water.

■ **Rationalization of use is imperative:**

In parallel with these actions, measures have been taken such as awareness-raising for the rationalization of water use. Ditto for the construction of new boreholes to support the supply of different areas with drinking water, as is the case for example of the city of Marrakech. Also on the menu is the strengthening the control of undeclared water extraction operations. Similarly, more than 100 public and semi-public entities in Marrakech are switching to consumption control with a view to improving water efficiency. □

Mohamed CHAOUI

Who are these young Moroccans residing in Europe

“**M**OROCCO, by the grace of the Almighty, has an expat community of about five million people, in addition to hundreds of thousands of Moroccan Jews around the world”. The last royal speech on the occasion of the celebration of the Anniversary of the Revolution of the King and the People was a call for the involvement of Moroccans around the world in the development process in Morocco, especially since “the firm human bonds as well as the pride taken in belonging to Morocco are not limited to first-generation immigrants. They are passed on, from one generation to the next, up to the third and fourth generations”, underlined the Sovereign. This reality is supported by several field studies, including the report produced in 2020 by the Council of the Moroccan Community Abroad (CCME), to “Understand young Moroccans in Europe”.

■ **Identity:** This shows the presence of a “Moroccan identity affirmed by almost all young people, with also a national belonging claimed in connection with the country of residence”. This latter tendency is more



“Two thirds of the young people surveyed have the nationality of the country of residence”, but the feeling of belonging is “more moderate than the one felt towards Morocco” (Ph. L’Economiste)

pronounced among Moroccans living in France. Added to this is “a great diversity in the circle of relations, whether coming from the Moroccan community or not”. The same applies to Moroccans in other countries of Europe where “the local language of the country of residence is widely spoken, written, and read in most countries, with the exception of Ita-

ly”. In contrast, “the Arabic language is less mastered by young Moroccans in Europe, with the exception of those living in Italy and Spain, where the Arabic language is read, written and spoken by more than 70% of the young people surveyed”. In terms of religion, access is “largely relayed by the family. Places of worship have a more secondary role”.

■ **Difficulties:** Regarding their involvement in the socio-economic life of the country of residence, “two thirds of the young people surveyed have the nationality of the country of residence”, but the feeling of belonging is “more moderate than the one felt towards Morocco”. This trend is particularly marked in France, as this document shows. Another peculiarity is the fact that “young Moroccans in Italy seem a bit less integrated than other Moroccans residing in Europe”. These young people also seem to be divided on the one hand between “the feeling that the inhabitants of their country of residence have a good image of their community and of Morocco”, and on the other hand, the persistence of “a certain number of difficulties in their daily life”. This concerns in particular the difficulties of access to employment, housing, the practice of religion, and other issues. “Nearly 8 out of 10 young Moroccans in Europe nevertheless say they are confident about their professional future in the country of residence”. □

M.A.M.