

TOUS AVEC NOS LIONS

L'ECONOMISTE

Weekly highlights by



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EDITORIAL

Thank you, Lions!

Meriem OUDGHIRI

HISTORY was written before our eyes. The World Cup in Doha energized a whole people, generated adrenaline, and showed the fighting spirit and the impetus of a team that did not give up, leading the country to the quarterfinals. The Moroccan football team has thus beaten the great team of Spain where Real Madrid and the FC Barcelona play. The selection of coach Walid Regragui fought to the end by offering us an unprecedented show. The Atlas Lions have “given their all” for their country, regardless of critics who say that most players, with an immigrant background, play in European clubs. Being together and united, they clung to a common project, beyond divisions and social affiliations. Throughout the Cup, they symbolized a country that rightly thrives on this diversity at all times and a country whose members come together to win. Each member of the national soccer team trusted the other to seize opportunities and not let the team be

destabilized by the many influences. And appetite comes with eating, as the president of the Royal Moroccan Football Federation, Fouzi Lekjaâ, likes to say, who will have won the bet of having dared to change the coach of the Moroccan national team a few months before the World Cup. Regragui took up the challenge and proved his ability to deploy all the ingredients to push its selection to excel. Today, with this performance, the Atlas Lions have broken the glass ceiling that immobilized the national teams of several countries in Africa and the Arab world, that are able to compete with the others in Europe and Latin America. These teams are now psychologically freed to cross swords and defeat those who made them tremble. The path crossed by the National Soccer Team is also the victory of competency, determination, and the fury to win... of all these common values that were needed to deploy a whole future that still remains to be built. Thank you, Lions!

Weekly highlights

Aviation industry: The sector gains momentum

THE aeronautical platform achieved 16 billion Dirhams (about 1.6 billion USD) in exports during the first nine months of the year. Better still, the sector is preparing to exceed 20 Moroccan billion Dirhams (2 billion USD) by the end of 2022 following the resumption of orders from major contractors. *"Today, the aeronautical platform is involved in several aircraft programs, in particular with renowned leaders such as Airbus and Boeing... In addition, the sector is diversifying its value chain. It is moving upmarket with 35% of reactors, including sensitive reactor parts that are under extremely high pressure in our factories in Casablanca. We are at the very top in terms of what can be done in terms of precision, machining, and other fields... Aeronautics is today our showcase in terms of cutting-edge technology and precision"*, says the minister in charge. Invited by the Club de L'Economiste, Ryad Mezzour, Minister of Industry and Trade, said he was proud of the progress made by factories and equipment manufacturers specializing in aeronautics made in Morocco, especially since in each plane, each fleet wherever it is... there is at



"The sector is diversifying and moving upmarket with 35% of reactors including sensitive reactor parts... We are at the very top in terms of what can be done in terms of precision and machining", said the Industry minister.

least one part made in a factory based in Morocco, essentially in Casablanca. *"We started from hyperspecialization with a large engine-manufacturing group who had trust in made-in-Morocco products and services, and it is around this manufacturer that we have built the entire production base. Then we moved towards more technologically accessible products such as fuselage... Moreover, we are starting to produce the whole aircraft in the form*

of the fuselage, parts of the wings, and content with high added value... To put it simply, we are starting to get into the carcass of the plane", the Minister of Industry proudly announced. Another novelty and not the least is the fact that the sector has also begun to approach the cabin, the aircraft yokes, the dashboards, and other parts... It is also planned to work at a later stage on cabin equipment, the seats, and other elements. A whole background work has

been started to move upmarket in terms of local integration. It should be recalled that the current rate of integration of made-in-Morocco components ranges between 40 and 42%, in accordance with the goals as set by the supervisory authority for the end of 2022. *"This industry is of paramount importance not so much in terms of jobs, nor on local integration, or even less on exports... It is Morocco's showcase in terms of precision, quality, and technology"*, said Minister Ryad Mezzour. Today, the aeronautical sector is achieving a high performance with more than 58.5% in exports. Better still, *"we will reach, for the first time in history 20 billion Dirhams of exports in a sector which was completely devastated a year and a half ago"*, recalls Mezzour, who added that *"somehow, the crisis has been very useful for this sector, because aeronautics is an industry that is based on 15-year programs. As a result, when you miss out on a program, you miss out on 15 years of ability to integrate it. And this crisis not only stopped certain programs, but it made it possible to create others for a restart with new assets"*. □

Amin RBOUB

Behind the latest tax digitization wave

CHARTERED accountants and notaries are better prepared for the future digitization wave by the tax authorities. Electronic invoices and computerized accounting will be generalized in 2024 (see L'Economiste issue # 6394 of November 22, 2022). Other professions, especially judicial ones, such as lawyers, are lagging behind in terms of digitization. The 2023 Draft Budget Bill will however change the tax regime for lawyers: 10% for companies and 5% for individuals. The goal among others is to increase tax revenues, but not only that. The tax authorities identified 186,231 new taxpayers in 2021. *"The interconnection of its files with those of other administrations finetunes targeting and tax control"*, confides a senior finance official who wished to remain anonymous. There is also the tracking of dirty money and other financial crimes. It is in this context that the partnership between the Association of Chartered Accountants and the German group Unifiedpost was made. It was

signed on October 20, 2022 in Casablanca. *"It aims to set up a collaborative platform to facilitate the financial administration of the company and to digitize exchanges with its accountant. Banqup is an IT solution that maintains the role of the accountant or chartered accountant as guarantor of document flows"*, explains Unifiedpost General Manager Tom Van Acker. Time is running out, and not just for chartered accountants. The Moroccan legislation has increased financial traceability obligations by one notch since September 2022, and for good reason, the digital policy -especially tax administration- is rooted in international commitments relating to the transparency and legality of financial and commercial flows. To the fight against fraud and tax evasion as well as the

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fight against money laundering are added the tracking of dirty money and the financing of terrorism. The Kingdom of Morocco is on the gray list of the Financial Action Task Force (FATF), an intergovernmental body created in 1989, hence the amendment of the law on money laundering and financing of terrorism. The Arabic language version of the amendment to the law is available in the Moroccan Official Gazette issue number 6995 of June 14, 2021 and the French edition was published in issue number 7018 of September 02, 2021. And what about cash in this matter? The aim is to limit its use in commercial transactions as much as possible. This is the wish of the executive. *"Cash expresses the nature of the relationship that a citizen has with the State, and above all, the*

degree of trust in a government. Morocco is one of the countries with the most recourse to cash. There is no downtrend looming ahead", said the General Manager of Cash Plus, Hazim Sbata. This further complicates the situation for public authorities and their representatives in the fight against financial crime. Notaries, lawyers, bankers, chartered accountants, and approved accountants are among the professions required to make suspicious transaction reports, ie alert to any suspicious transaction or funds of dubious origin. These professions are qualified in the legal jargon as being *"subject"* to the anti-money laundering law. These figures and legal professionals are required to make declarations to the National Financial Intelligence Unit. The Ministry of Finance also sent a questionnaire to chartered accountants. They had until the end of October 2022 to respond. This deadline had been extended to the end of November 2022. □

Faiçal FAQUIHI

Fertilizer: OCP bets big on “green” investment



OCP continues to strengthen its position on the fertilizer market, while committing to green development. In 2016, the group launched Africa Fertilizer Complex in Jorf Lasfar, for an investment of 5.3 billion Dirhams (530 million USD). The project has an integrated 62-megawatt thermoelectric plant, helping to reduce CO2 emissions by more than 70% (Photo: OCP)

THE OCP group (Office Chérifien des Phosphates) is resolutely in tune with the times. The phosphate giant has just announced its new “green” investment program of 130 billion Dirhams (13 billion USD) over the 2023-2027 period, with “the achievement of a local integration rate of 70%, the support of 600 Moroccan industrial companies, and the creation of 25,000 direct and indirect jobs”, specifies a press release from the Royal Cabinet. The announcement comes at a time when climate change is entering the WTO commitments for the first time (ministerial conference of last June), and when countries are negotiating a new generation of sustainable, green, and responsible investments. The program was presented on Saturday, December 02, during a ceremony presided over by HM the King at the Royal Palace in Rabat. “This ceremony is part of the proactive orientation promoted by HM the King for several years, in terms of transition to green energies and a low-carbon economy. It comes in the wake of the working meeting chaired by the Sovereign, on November 22, devoted to the development of renewable energies and to the new prospects in this field”, underlines



the Royal Cabinet. A memorandum of understanding has been signed with the Government. It is a question for OCP of increasing its fertilizer production capacity, while committing to achieve carbon neutrality before 2040. OCP will have to increase its output from the current 12 million tons to 20 million tons in 2027. The phosphate company will thus operate an extension of mining capacities, through the opening of a new mine in Meskala, and the installation of a new chemical and mining complex in Mzinda. The latter will process rock from the Benguerir and Youssoufia

mines, as well as the new Meskala mine. The phosphate giant also plans to supply all of its industrial facilities with green energy by 2027. All of its electricity will therefore come from wind, solar, hydroelectric, and cogeneration sources. The carbon-free energy produced would also be used for the new seawater desalination facilities, both to meet the group’s needs, and to supply drinking water and irrigation to the areas bordering the OCP sites. Moreover, before the end of the year, the group will have already commissioned 40 million cubic meters of desalinated water,

which will supply drinking water to the cities of Safi and El Jadida. By investing in the renewable energy - green hydrogen - green ammonia sector, OCP could free itself from its imports of ammonia, of which it is the world’s largest customer. “This will enable (OCP) to enter the market for green manures and of fertilization, adapted to the specific needs of the different soils and cultures”, explained the press release from the Royal Cabinet.

By financing industrial SMEs operating in energy and agriculture, the group will be able to rely on a national ecosystem, and at the same time generate new job opportunities. The ambition of the OCP group is to “promote the development of agricultural practices, by providing fertilizers adapted to the specific needs of different types of soil and crops”. On the continent in particular, this “truly sustainable” approach to fertilization is being rolled out through the “customization” of fertilizers. “The group is thus participating in the realization of a green agricultural revolution on the scale of the continent, which will play a fundamental role in global food security”, said the management of the Group, in conclusion. □

Ahlam NAZIH

Weekly highlights

Men and women do not share chores!

HERE was a time, not so long ago, when men proudly displayed their photos on social networks in front of the stove or performing household chores. It was a time when Mankind, taken aback by an unprecedented health crisis, began to dream of a better and more equitable tomorrow. This commendable attitude only lasted for a small number of years...

In its report on the repercussions of the Covid-19 pandemic on the economic, social, and psychological situation of households in Morocco, the High Commission for Planning (HCP) announces a return to good old habits: *“Return to the usual time allocated to pre-pandemic household chores and disengagement of men after their involvement during the quarantine period”*, said the HCP in its monitoring of the evolution of social relations between men and women in terms of time use in all its dimensions.

The reader learns that the average time reserved for housework (cooking, dishes, laundry, etc.) is 2 hours in total per day. Except that on clo-



ser inspection, the High Commission specifies that women devote 3 hours 51 minutes to housework and men only 05 minutes! It is even specified that it is married women who toil most with more than 4 hours and 45 minutes versus 2 hours 52 minutes for singles. Women working outside the home do not escape from cleaning chores either, since they devote 3 hours and 17 minutes to them.

The average time assigned to this type of task has dropped by 40 minutes

for men, compared to the lockdown period where this time recorded an average increase of 33 minutes per day compared to a normal day before the lockdown period. It should be noted that this activity, as painful as it is, almost concerned mainly women, all social categories combined, since 92% of them were involved versus 24% of men at the national level.

The proportion of men involved in this work has declined by almost half compared to the lockdown period,

i.e. 45% at the national level, 49% in urban areas, and 37% in rural areas. When it comes to domestic chores outside the home (shopping, paying bills, administrative affairs, water, and wood supply, and other chores), men are more involved, since they devote 33 minutes to them, whereas women do not exceed 26 minutes a day. This situation has not changed compared to the pre-pandemic period for more than 90% of the men and women concerned. However, some activities, even external ones, concern women more, such as the average time allocated to school support for children under 15 years of age. 27% of women are more involved than men (20%). Women also spend five times more time caring for children within the household than men. This is an inequitable distribution since men do not exceed four minutes a day versus 24 minutes for women. However, there are a few Moroccan households where task sharing is a reality. They are one in ten couples who have adopted this distribution of tasks, namely among couples with a higher level of education. □

A. Bo

Compulsory medical insurance for the self-employed Delicate collection of contributions

THIS is a somewhat reassuring signal on the financing of health cover for self-employed workers. Out of 2.51 billion Moroccan Dirhams of contributions due on November 1, only 540 million have been recovered, which represents barely 22% of the total amount, namely a level which could perhaps also alert on the financial situation of certain categories of self-employed workers in an environment marked by rising inflation and an economic slowdown. This is the case, for example, for farmers, barely 1% of whom have contributed, taxi drivers with a rate of 7%, and craftsmen 4%. Among the medical and paramedical professions as well as the legal and judicial professions, these rates were 54% and 61% respectively at the end of October.

Out of more than 2 million people, barely 238,419 have paid their contribution, i.e. barely 12% of the total, which could also be explained by the reluctance of certain categories who relied on the Ramed or who did not



see the need to contribute until they had a medical file to submit. However, the default interest starts to be charged very quickly: 1% for each month, within the limit of a ceiling of one month of contribution per year.

For the time being, the AMO (Compulsory Medical Insurance) for self-employed workers is well and truly operational. Support is granted and refunds are made. More than 300 million Dirhams have been disbursed by the CNSS (National Social Security Fund) for the benefit of its policyhol-

ders under the AMO for the self-employed.

This being so, the CNSS favors the *“amicable”* way to collect unpaid contributions as soon as three unpaid debts are observed: telephone calls, text messages, and e-mails... forced collection of debts being the final stage. It must also be said that the costs are sometimes significant compared to the amount of the debt due. This makes the use of forced collection rather expensive. In any case, the Fund has set a threshold of 5,000 Dirhams

(500 USD) beyond which it triggers this procedure, especially since the seizure of bank accounts (the famous notices to third party holder, ATD) is for the moment excluded, because, since 2017, the GPBM (Moroccan Bankers Association) had taken the decision to give full effect to the case law of the Court of Cassation to no longer accept ATDs from the fund for lack of legality. The judgment delivered by the Court of Cassation on September 14, 2017 specified that the CNSS, although it is a public body and its debts have the status of public debts, cannot in any case initiate this procedure. But the situation could change if the overhaul of the provisions relating to inspection and control as well as recovery is validated. This overhaul would allow, among other things, the CNSS to reactivate the seizure of bank accounts (the ATD), which is feared by the company even if it is framed by regulatory provisions. □

Khadija MASMOUDI