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Mohamed Ali MRABI

RAPID urbanization requires an urgent revision of the methods for designing the roles of territories and of their specializations. The coherence of the territorial development of our cities and regions is at stake, especially since this development is already beginning to pose problems in terms of the distribution of resources and the occupation of spaces. In the absence of well-thought-out urban planning strategies, population growth often leads to the sprawl of cities, with an evolution in the form of “oil spots”. New arrivals generally settle on the outskirts of large cities or in old fabrics, without access to basic services, equipment and infrastructure... It is with this logic that improvised urban development, often without coordination between the different levels of a territory concerned, causes the loss of many economic and social opportunities. This is evidenced by the fiasco of some new cities, whereas territories must be designed as spaces for facilitating social, economic, and environmental progress, and other types of progress. Territories are supposed to provide citizens with a decent, integrated, and coherent living environment, with a social and functional mix. To promote this trend, it is urgent to carry out the long-awaited overhaul of urban planning documents. The elected councils, particularly at the regional level, are eagerly awaited to act concerning this issue. Thanks to their new attributions, elected councils must become the best documented connoisseur of local realities. This is what will allow them to be the vector of articulated programs and to guide the regional implementation of public policies. Taking into account territorial realities well in advance will prevent, for example, regional development programs from remaining simple catalogs of projects without consistency.❏

Weekly highlights

Taxes: Last deadline for amnesty

TAX lesson for lawyers. The Casablanca Regional Tax Department held a meeting on Friday, December 23, with the Casablanca Bar Association at the Bouskoura club. Several hundred practitioners came to listen religiously to the explanations of the tax services about their new tax system.

At the beginning of his speech, Hassan El Ktini, interprefectural director of taxes, explained that the tax system in Morocco is based on the principle of spontaneous declaration of taxpayers within the framework of the rule of law. The meeting was an opportunity to recall that lawyers who practice as natural persons and who do not yet have a tax ID have until December 31 to report to the tax services to register for the business tax. In return, they will benefit from total amnesty on taxes due on income generated before the date of its identification which will have to take place no later than December 31.

"The Regional Tax Department and the (bar) association have put in place a procedure for the regularization of the lawyers concerned and we have already started to receive the files of those interested. We hope to continue at this pace to ensure the success of this operation", explained El Ktini during the meeting.

In fact, the amnesty does not only target lawyers, but all persons exercising an activity liable to income tax and who are still not enrolled on the tax registers. In accordance with the agreement between the administration and the lawyers, the latter have the choice between two options.

The first relates to the spontaneous payment of deposits to the clerk at the cash desk of the court on behalf of the collector of the tax administration. The amount of the deposit has been reduced to 100 DH (US$10) for each file in a single payment for each case for which a lawyer has received all or part of his or her fees. Payment occurs when filing or registering a request, an appeal, an entrustment, or assistance before the courts. A single payment covers all the stages of a trial, i.e. the different levels of jurisdiction. Lawyers are exempted from the payment of installments for files relating to orders on motions and reports in accordance with the provisions of article 148 of the Code of civil procedure, cases exempted from the legal tax or benefiting from legal aid. According to article 173-III of the General Tax Code, the payment is made for these cases only after the execution of the final judgment. Lawyers who have just obtained a tax identification number are exempt from tax installments for 60 months.

The second option consists of making a spontaneous payment to the tax authorities via the internet before the end of the month following the end of the financial year, i.e. January 2024 in respect of income for the year 2023. The amount of the installments, set at 100 Dirhams, is multiplied by the number of cases handled during a financial year and for which lawyers have received part or all of the fees on the basis of the lists communicated to the tax authorities. ❑

Hassan EL ARIF

Pensions: A high-risk reform

"THE main basic schemes are in a difficult financial situation marked overall by the size of their implicit debts and the depletion of their reserves over various time horizons." This was one of the main conclusions of the Systemic Risk Coordination and Monitoring Committee, which recently held its sixteenth meeting. The solution would come from systemic reform, which should make it possible to introduce balanced pricing, but also to absorb, to a significant extent, past uncovered commitments, and thus to restore financial balances in the future. This reform will require sacrifices to ensure the sustainability of the system. Nonetheless, already, Miloudi Mokharek, Secretary General of UMT (Moroccan Labor Union), warns that his union opposes *"any increase in contributions, lower pensions, and the obligation to retire at 65. The postponement of the retirement age should remain optional"*. For Miloudi Mokharek, it is important to preserve the purchasing power of future retirees while the problem faced by some funds is more related to their governance and to the investment policy relating to reserves. So far, three meetings have been held by the trade unions, the employers' association CGEM, the pension funds, and the firm commissioned by the ministry of Finance to study pension schemes. If the diagnosis is accepted, the proposed reform scenarios do generate some fears. In any case, trade unionists do not hide their fears about the cap on pensions, the contribution base, and other issues. *"The proposed options include the rapid transition to two clusters, both public and private, with a first mandatory level capped at twice the minimum wage, a compulsory supplementary insurance, and a third pillar that would be optional"*, says a senior union official, adding that *"the use of a point-based system would give visibility to the system but penalize taxpayers"*.

The overall scheme adopted several years ago remains the establishment of two clusters, both public and private, one basic scheme, and supplementary schemes. Such a scheme would require the unification of calculation methods and rules to ensure convergence, reduce disparities, and provide fair remuneration in relation to the contributions paid. For the time being, the social partners are waiting for the meeting scheduled for January to unveil their position.

"The government is expected to decline its proposals in January. That's when the serious stuff will start", says one trade unionist. Politically, the subject remains very sensitive, especially in this difficult situation. The subject also remains highly technical and engages not only current assets but also future generations. . ❑

Khadija MASMOUDI

Weekly highlights

Social dialogue at a standstill

THE laborious social dialogue between the government, employers, and the most representative trade unions (UMT, UGTM and CDT) led to an agreement on April 30 relating to several issues. Some of these points, such as a first 5% increase in the minimum wage on September 1st with retroactive effect to January 1st, 2020, have already been implemented. At the end of its Council meeting on Friday, September 16, the Government declared that it had met the commitments made during the first round of the social dialogue, namely the reduction of the contribution period from 3,240 days to 1,320 days in order to receive an old-age pension. In addition, people who have reached the legal retirement age and totaling 1,320 days can collect their contributions. It should also be recalled that the revaluation of 5% with retroactive effect to January 1, 2020 of Social Security pensions in favor of 600,000 retirees was finally implemented at the end of last November. Nonetheless, many other points are well overdue. Among the latter is the enactment of the law on the exercise of the right to strike, where the new piece of legislation was planned within the framework of the same social dialogue by January 2023 at the latest. With less than a week to go before the end of the year, no draft law has come into being, and therefore can never be discussed between stakeholders before it is introduced into the legislative circuit. Some sources speak of results to be achieved the end of January 2023, which is impossible to do since this period is too short. According to our information, the employers have officially contacted the ministries concerned to have more visibility on the enactment of the law in January 2023 as provided for by the agreement, but for the moment no answer has been sent to the employers' association (CGEM).

When questioned by our newspaper, a member of the UMT union, which is a stakeholder in the social dialogue, said *"that what is urgent is rather the improvement of the purchasing power of employees and the fight against soaring prices"*, adding that *"if the piece of legislation suffers delays in its implementation, it is because the government is waiting for the right moment"*. The agreement specifies that the three signatory parties would work for *"the piece of legislation to be enacted before the end of the first session of the current legislative year"*, that is to say before the beginning of January 2023.

In the email, he had sent to the members of its employers association, on Saturday, April 30, Chakib Alj, president of CGEM, made it clear that *"the second increase in the minimum wage of 5%, scheduled for September 2023, is conditioned by the respect of the following two commitments: the enactment of the law on the exercise of the right to strike on January 1, 2023 and the amendment of the Labor Code on July 1, 2023"*. Though, for employers, the second increase in the minimum wage is conditional on the implementation of these two points, this obligation does not appear in the final version of the agreement. The latter is content to speak rather of "commitments".

The draft text could be proposed as a working basis for social dialogue. The social partners will then be invited to make proposals. But for the moment, no information has been leaked as to the timing of the talks between social dialogue stakeholders. ❑

Hassan EL ARIF

The law on the exercise of the right to strike enactement and the review of the income tax grid were among the issues agreed upon as part of the social dialogue. These issues shall be implemented in January 2023 *(Ph. L'Economiste)*

Weekly highlights

Health: The new territorial governance is taking shape

BEFORE going on holidays, head of government Aziz Akhannouch chaired a Government Council meeting that adopted several draft laws relating to the reform of the health system. This is the case with the creation of Territorial Health Groups (GST). Indeed, minister of Health Khalid Ait Taleb has come to the conclusion that the efforts in terms of investments in the sector and the improvement of the care offering to meet the needs of citizens have not so far changed the situation on the ground, since several shortcomings hinder the achievement of the goals that had been set. The Ministry of Health and Social Protection underlined in particular the dysfunction of the provision of care at the territorial level, marked by the weakness of care provision and the lack of supervision among professionals, due to the lack of synergy in terms of human resources between the institutions concerned. The other weakness lies in the lack of coordination between health institutions at the level of university hospitals, regional and provincial hospitals, and local health centers. Thus, to overcome the constraints and obstacles that characterize the current situation, the Minister wants to tackle the issue of governance and implement the levers of the health system reform. It is in this spirit that Khalid Ait Taleb prepared the draft law on the creation of Territorial Health Groups (GSTs), set up as public institutions with legal personality and administrative and financial autonomy. Tomorrow, these GSTs will have to oversee all healthcare entities in a territory. In this operation, this draft law takes account of the strategic choices contained in the report on the New Development Model, in particular the proposal relating to the merger of the university hospitals and of all the regional hospital units, within a single autonomous government entity. The latter will be responsible for hospital care, training, and research with a view to optimal coordination of the public provision of care at the regional level, in accordance with the provisions of Article 32 of the Framework Law on the Reform of the National Health System. Thus, the piece of legislation provides for the creation of a GST in each region, on the basis of legislation aimed at determining the headquarters of each group and of the healthcare institutions that constitute it. The definition of the missions of these groups is limited to the territory they cover, particularly in terms of the implementation of the Government policy in the field of health. Each group includes all institutions on its territory except those subject to special regulations, military hospitals, and municipal health services. ❏

Mohamed CHAOUI

New Year: Marrakech hotels almost full

END-of-year celebrations rhyme with Marrakech. The ochre city is popular for the last week of 2022. Six days before December 31, it was very difficult to find a room in the hotels of the city. For once, it is luxury and 5 stars that drive demand, followed by hotel clubs that are doing very well. This craze also benefits three- and two-stars hotels whose prices are still affordable for latecomers. Thus, the public rates displayed for a room in a good three-star hotel start from 1,200 Dirhams (US$120) per night, twice the price displayed in low season. Like popular destinations, Marrakech is all the rage, and insiders and specialists alike know that the ochre city is almost full two to three times a year: end-of-year celebrations, spring, and during special events such as COP22 or the World Bank meetings (scheduled for October 2023). *"As in any tourist destination in high season, to be able to benefit from a good price, you have to start early and book at least two months in advance"*, says Mustapha Amalik, hotelier and Secretary General of the association of the hotel industry of the Marrakech-Safi region. Otherwise, latecomers will suffer the rules of the last-minute game and rates that may seem exorbitant whether in terms of air fares, 3 to 5 stars hotels room fees, guest houses, or even Airbnb. According to professionals, foreign visitors should be more numerous from December 25 as usual and the city should finish with an average occupancy rate of 67% (forecast), the fourth week being that of the great rush with occupancy rates of 90% in the luxury category, 88% in 5-star hotels, 97% in hotel clubs, and 80% in guest houses. For this potential clientele as well as for the city's partygoers, hoteliers have all prepared festive programs for New Year's Eve. Nothing could be more normal since customers are looking for animation. Also, as usual, hotel managers show a lot of imagination. Shows and decorations, foie gras and caviar... At the Royal Mansour hotel, one must pay 8,000 Dirhams (US$800) for a luxury dinner. At the Moroccan restaurant of the Mamounia hotel, it is 4,900 Dirhams (US$490). At restaurant Nouba, it costs 2.500 Dirhams (US$250) per person. At the Luma Restaurant, New Year's Eve dinner is priced at 1,700 Dirhams (US$170) per person. Previously, celebrations will also to be found in the Jemâa El Fna square with the "Stars In The Place" free concert of singer Maître Gims scheduled for December 29. The mega-concert will feature artists Dadju, Nej, Naps, Rym, Black M, Linh, Eva, Grini, and Camélia Jordana. The organizers of the concerts expect records in terms of attendance with an estimated peak of more than 200,000 spectators.❏

Badra BERRISSOULE