

Weekly highlights by L'ECONOMISTE



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EDITORIAL

Three hundred years

Meriem OUDGHIRI

THIS year, on the occasion of the International Women's Day on March 8, L'Economiste joins forces with thirteen media around the world to highlight initiatives that advance gender equality in all sectors of society. From Morocco to Japan, via India, Afghanistan, Lebanon, Switzerland, or even Spain and Nigeria, everywhere on the planet, women want to become actors of their own change. The challenge is a daunting one, and the role of the media is essential in this respect for raising awareness. This unique editorial collaboration will continue over several days (on our columns and our website) to give a voice to women, men, NGOs, or citizen initiatives, working at their level to make gender equality a reality. We will publish progressive and inclusive narratives sharing stories that design innovative and

impactful solutions to reduce disparities, and these latter are blatant. According to the UN, it will take almost 300 more years to close the gender gap in the world, while no country is on track to achieve this SDG (Sustainable Development Goal) by 2030. Today, behind the figures, the real "March 8" is in fact that of daily life, of the dictatorship of quotas, of violence in all its forms, or of the sclerosis of many still neurotic societies. It is the "March 8" of the employment ordeal or of the labor market that women decide to quit for various reasons, and the curves of the statistics attest to this dramatic decline, particularly with the Covid crisis. In Morocco, the debate on rights, equality, and inclusion also continues, but our biggest battle will undoubtedly and again consist in changing mentalities. □

Weekly highlights

Real estate developers in dire straits

PEOPLE left behind, business failures, serial bankruptcies, over-indebtedness, an accumulation of agios, job losses, lack of visibility... Residential building professionals are in disarray. The entire ecosystem (industries, businesses, design and control offices, building and construction professionals, developers, companies of all trades, etc.) is collapsing. In this same context of gloom, the low-income housing system has been suspended since 2020, without any alternative being put in place since the program was stopped more than 2 years ago. In addition, there is no offer or adapted system that meets the specific needs of the middle class... Worse still, this deadlock has resulted in a wait-and-see attitude of buyers who postpone purchases indefinitely, hoping in vain for new incentives. The result is that the real estate sector is experiencing a drastic drop in transactions. This is the direct consequence of the combination of several factors: the difficult situation marked by inflation, the collapse of the purchasing power, and the increasingly expensive real estate loans, to which one must add the soaring prices of inputs and building materials (steel, concrete reinforcing bars, aluminum, glass, wood, tiles, sanitary facilities, etc.) or again the scarcity and high cost of land with



a price per square meter that reaches record highs in large cities like Casablanca (up to 100,000 Dirhams (US \$ 10,000) per square meter in the Racine district!)

The guests of the Club de L'Economiste, two vice-presidents of the National Federation of Property Developers (FNPI), Anice Benjelloun and Adil Bouhaja, are sounding the alarm. The two vice-presidents drew up a worrying picture of the situation and analyzed the complex situation of one of the strategic ecosystems of the national economy, which contributes, it should be remembered, up to 15% of the national GDP.

Main observation: The indicators are alarming! "We have recorded a 50%

drop in applications for building permits. This resulted in a 50% drop in housing starts. At the same time, requests for bank loans for real estate development fell by 50%, all against a backdrop of substantial declines in transactions", said Adil Bouhaja, vice-president of the FNPI. In addition to these red indicators, "there is a real problem linked to the decline in purchasing power which began with Covid-19 and which has been worsened since 2022 with the crisis of the war in Ukraine and the generalized skyrocketing prices, and the rise in the cost of living...", explained Anice Benjelloun, especially since banks have tightened the conditions for granting loans. "Banks are increasingly

careful when financing and granting loans to buyers", added Benjelloun. Moreover, given inflation and the rise in the interest rate, the risk of non-repayment is high, and as a result, banks revise downwards the amounts of the loans requested, even for solvent customers who fulfill the conditions. "The increase in bank interest rates has led to the selective granting of loans to buyers", notes the Federation of Property Developers. Obviously, this deadlocked situation had snowball effects, such as, for example, the drop in cement deliveries by 10.65%, standing at 12.48 million tons at the end of December 2022, while the real capacity is standing at around 22 million tons. □

Amin RBOUB

Tax evasion: The Directorate is getting tough

APPARENTLY, the Directorate General of Taxes wants to restructure its strategy to fight fraud and tax evasion. It decentralizes its action by delegating full powers to the regions while ensuring good coordination with the services concerned for better efficiency and to avoid any drift. This is at least what one can infer from the recent memorandum sent by the Directorate General to all the heads of service and the offices and sections of judicial affairs within the regional and prefectural directorates. This action is part of the implementation of the provisions of Article 231 of the General Tax Code, dealing with "the procedure for the enforcement of criminal sanctions to tax offences". It should be recalled that since 2021,



Obviously, Younes Idrissi Kaïtouni, Director General of Taxes, wants to put his own stamp on the fight against fraud and tax evasion (Ph. DR)

in the event of tax evasion, the DGI may forgo the opinion of the Tax Offenses Commission, which has never seen the light of day, and prosecute the perpetrators of the offenses. Thus, the DGI asks its staff to establish coordination with the Service responsible for monitoring legal proceedings, attached to the Division of internal control and monitoring of corrective actions against tax evasion, the goal being to allow this department to ensure a good defense of the Administration in the face of the various courts of the Kingdom.

For the regional services, therefore, it is a matter of filing complaints and courts relating to cases of tax evasion, drafting briefs, and participating in expert opinions and hearings of litigants with a view to

questioning and pleadings. Authorized officials will also have to submit documents and other briefs to the investigating judges and competent magistrates responsible for judging the cases. It will also be necessary to withdraw documents and directives, judgments, and other decisions on behalf of the Director General of Taxes. The regional and prefectural directors of taxes are called upon to ensure the strict application of the memorandum from the Directorate General.

The mobilization of the heads of departments concerned for the activation of criminal proceedings in cases of fraud and tax evasion comes after the taking of a certain number of measures. □

Hassan ELARIF

Aeronautical and automotive records

“Aeronautics is a source of pride for the national industry. Most aircraft components are manufactured in Morocco by local talented people”, the former Minister of Trade and Industry, Moulay Hafid Elalamy, used to say. His successor Ryad Mezzour repeated the same reply in front of the MPs members of the House of Representatives Productive Sectors Committee, on Friday, March 3rd, 2023. In any case, this sector has achieved a turnover that exceeds 21 billion Dirhams (US \$ 2.1 billion) in 2022. This is a record figure compared to pre-Covid achievements. Anyway, in his presentation, the Minister recalled that in less than 20 years, Morocco has been able to build an aeronautical industry of superior, diversified and competitive quality. This long-term work has made it possible to achieve significant growth and dynamics, since Morocco has seen the emergence of new professions with high added value. These trades cover a diversified range of specialties from different sectors, such as cabling and



component assembly. To face global challenges, particularly the scarcity of imported raw materials that the international market is experiencing, several measures have been put in place. One measure involves support for pioneering professions belonging to the industrial ecosystems of the aeronautics sector, particularly projects related to composite products. Another measure concerns the work

to be carried out to attract manufacturers and distributors of raw materials in order to complete the supply chain and consolidate the competitiveness of the aeronautical industrial base in Morocco. The goal is also to increase industrial sovereignty and alleviate the impacts of exogenous crises. Another measure is necessary because the aeronautical industry is required to rely increasingly on clean

renewable energies. The automotive industry has not been left out. Indeed, exports in 2022 exceeded 120 billion Dirhams (US\$ 12 billion), a record figure compared to previous years, despite the crisis and the rise in raw materials prices in the sector. For the month of January alone, the sector achieved more than 10 billion Dirhams (US\$ 1 billion) in turnover. To cope with this increase, the line ministry is working to define a list of these raw materials and to seek to implement them in Morocco in order to gain independence and competitiveness. Similarly, the project aiming at decarbonizing the Moroccan industry will contribute to significantly reducing the energy bill of companies, which is considered an important factor in the overall cost of production. The goal is to connect car and spare parts manufacturers to clean, wind and solar energy at a competitive cost, which will allow products to be exported to the European Union without barriers. □

Mohamed CHAOUI

IMF: Morocco on the verge of securing a 5 billion dollar Flexible Credit Line arrangement

WITH the Flexible Credit Line (FCL), Morocco settles in a Rolls Royce in the midst of unforeseen events and global financial turbulence. The metaphor, drawn from the colorful language of Mrs Fouzia Zaaboul, Director of Treasury and External Finance, provides information on the importance of the step that Rabat is preparing to take by asking the International Monetary Fund (IMF) for this financial facility. If the process materializes, the Flexible Credit Line is worth 5 billion US dollars, or nearly 50 billion Dirhams. But beware, for the time being, nothing is yet in the pocket, because the suspense continues while waiting for other stages. At the end of the informal meeting on Monday, March 06, Kristalina Georgiva, Managing Director of the IMF, recommended the approval of this facility to the Fund's next board meeting on March 26. It is during this official meeting that the fate of the FCL will be decided. In the meantime, the management of the IMF is favorable to the idea



According to specialists, with this gesture, the IMF wants to salute the firm commitment of the Moroccan government to implement global structural reforms, particularly the generalization of social protection, health, and national education

of such a line in favor of Morocco. As a reminder, this IMF facility constitutes insurance which, like the Precautionary and Liquidity Line (PLL), allows beneficiary member countries to cope, when necessary, with exogenous shocks. The idea is to help countries preserve their macroeconomic stability, especially since Morocco has already bene-

fited from the PLL between 2012 and 2020. This time, Rabat has officially asked the IMF to examine the possibility of benefit from the FCL. This facility is more advantageous and reserved for a limited number of countries, having more solid economic fundamentals in comparison with the PLL, notes an official at the Ministry of Economy and Finance.

Morocco's recourse to this facility falls within the framework of the Government's anticipatory approach aimed at protecting itself against external shocks and contributing to ensuring the conditions conducive to the continued implementation of the reform agenda. It is also a question of reinforcing the achievements in terms of consolidating the economic fundamentals. Indeed, and despite the resilience it has shown, the Moroccan economy is not immune to external shocks linked, in particular to the surge in the prices of energy and food products, the economic recession in the Euro zone, and the tightening of international financial conditions.

This agreement will support Rabat's economic strategy, by strengthening the confidence of partners and investors. It will contribute to macroeconomic stability, in particular by ensuring the availability of financial resources in the event of severe blows that would put pressure on the balance of payments. □

Mohamed CHAOUI

Weekly highlights

Walking and dancing in Marrakech



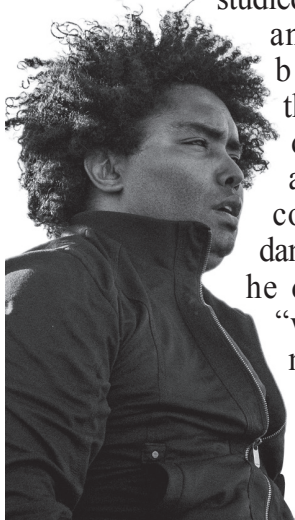
It is now a tradition that is part of the urban landscape of the city of Marrakech. Every year, the “ocher city” as it is nicknamed takes to the dance floor, with the “On Marche” International Contemporary Dance Festival, which is in its sixteenth edition. This year’s edition will take place from March 10 to 18, 2023, after two major dance tours. The first one took place in December 2022 which was the first edition of the “Caravan of the Body” (Kafilat Al Ajssad) that went to meet the Moroccan audience. This concept was created by Taoufiq Izzeddiou (founder of the “On Marche” festival and renowned choreographer). Then, in January 2023, the successful tour of the artist’s Hmdacha choreography took place, through the French (Cultural) Institutes of the kingdom, as part of the France - Morocco 2023 cultural season. This show was a great success at each of its stages. The festival, which aims to be a real popular celebration, defends itself against any elitism, a notion that could stick to contemporary dance and the choreographic arts. The event is therefore aimed at all audiences: youth, families, amateurs, performing arts professionals, dancers, and even programmers. The shows, free of charge, will be deployed throughout the city thanks to

historical partnerships and thanks to the people who join the adventure. Thus, “On Marche” will be performed at the open-air theater and in the Leïla Alaoui hall of the French (Cultural) Institute in Marrakech, at the Denise Masson house, at the Es-Saadi Marrakech Resort, on the Jemaa El Fna square, at the museum of the Palmeraie, at the ESAV School of Visual Arts, at the M’Art

studio and at the Meydene space on M Avenue. The festival offers to the public high-level contemporary dance performances by artists from Tunisia, Palestine, Burkina Faso, France, Belgium, Côte d’Ivoire, Mali, and Morocco, among other countries. Its program also offers, among other things, master-classes and meetings to learn and

Born to dance

A native of Morocco and now based in Aix-en-Provence (Southern France), Taoufiq Izzeddiou is a choreographer, teacher, and artistic director of the Anania Dance Company and of the “On Marche” festival in Marrakech. Taoufiq Izzeddiou studied architecture and practiced boxing and theater before discovering a passion for contemporary dance, a training he describes as “wild”. Bernardo Montet introduced him to the world of the professional



scene in 1997 and shared with him, in the years that followed, his questions about origin and identity. Alongside his career as a professional dancer, notably at the National Choreographic Center of the city of Tours (France), Taoufiq Izzeddiou signed his first choreography in 2000, then founded with his friends the first contemporary dance company in Morocco, called Anania. Concerned about transmission and pedagogy, Izzeddiou set up the first Moroccan contemporary dance training, Al Mokhtabar, from which several dancers from the Anania Dance Company came. Izzeddiou is also at the origin of the “On Marche” festival, which he still directs today. Recently, he launched the first school of choreographic arts in Marrakech, called Nafass (meaning “breath”). □



discuss

and the dancing body with professionals from the US, Morocco, Tunisia, from the Northern Ballet of the Roubaix National Choreographic Center (France), from the National Choreographic Center Belfort (France), and other professionals. The “On Marche” Festival intends to go beyond the simple show in front of which festival-goers would be only simple and static spectators for a moment. “With «On Marche», people look, yes, it’s true. But, people dance, people exchange, and people reflect, and spectators become actors of the dancing act”, say the organizers. New features will also be on the program for this 16th edition, like the Taklif prize which will reward young choreographers during training, dance workshops, and during a discussion forum. □

Amine BOUSHABA