

AFRICA RISK CONSULTING**Morocco Monthly Briefing January 2019**

Morocco Summary 21 January 2019

Internal rows intensify within the Parti de la Justice et du Développement (PJD), major member of the ruling coalition, over a murder trial and religious conformity. The opposition Parti Authenticité et Modernité (PAM) appears to reach consensus over its disputed leadership. The energy ministry is revising Morocco's energy strategy and announces delays in the gas plan initially scheduled for 2021. The European Union (EU) and Morocco sign a controversial trade deal in the wake of the Geneva (Switzerland) talks to settle the Western Sahara issue in December, rekindling tensions between Morocco and the Polisario Front over the disputed territory. A terrorist attack in Imlil in the north-east of Morocco, potentially led by the Islamic State of Iraq and Sham (ISIS), kills two Scandinavian tourists. The heightened risk of terrorist attacks in the coming months could negatively impact the tourism sector, which generated \$7.5 billion revenue for Morocco in 2017.

Murder trial and social medial scandal rock the PJD ...

Two recent events have deepened divisions with a major member of the ruling coalition, the Islamist **Parti de la Justice et du Développement (PJD)**. The **Fès Cour d'Appel** (criminal court) prosecuted PJD member **Abdelali Hamidine** on 25 December for allegedly participating in the premeditated murder of student **Mohammed Aït El Ljid Benaïssa** in 1993 during clashes between socialist and Islamist students at the **Dhar Lmehraz University** in Fès.¹ Following the judicial decision to re-open the case on 7 December, the PJD has appointed a special committee to deal with the issue.² PJD secretary general and prime minister **Saadeddine Othmani** and justice and liberties minister **El Mostafa Ramid**, also of the PJD, held an exceptional meeting on 10 December to agree on a communiqué for the PJD. In a communiqué released on 11 December, the PJD declared its "great surprise" over the re-opening of the trial for an alleged crime for which Hamidine had already been judged and acquitted.³ The PJD said the trial "constitutes a breach to the criminal procedure as well as to the International Covenant on Civil and Political Rights."⁴ The communiqué claims that the judicial decision is "politically motivated" and "strikes a blow at the rule of law".⁵ The justice minister is **Rassemblement National des Indépendants (RNI)** politburo member **Mohamed Aujjar**.

In a further blow to the PJD, a scandal broke out on 5 January over PJD member of parliament (MP) **Amina Maelainine** after the Moroccan newspaper **Al Akhbar** published photos of her without a veil in **Paris (France)**⁶, contrasting with her usual more modest public appearances in Morocco.⁷

¹ Medias 24, 10 Dec 2018.

² Huffpost Maghreb, 11 Dec 2018.

³ Huffpost Maghreb, 11 Dec 2018.

⁴ Huffpost Maghreb, 11 Dec 2018.

⁵ Huffpost Maghreb, 11 Dec 2018.

⁶ 360, 7 Jan 2019.

⁷ Tel Quel, 14 Jan 2019.

Unbeknownst to Maelainine, the photos went viral on social media and attracted harsh comments.⁸ While Maelainine claims she is being slandered,⁹ El Othmani declared during a national council that:

*"... the PJD should remain bound to the Islamic referential... and should behave as a role model, especially for those directly exposed to public opinion."*¹⁰

PJD leader and former prime minister **Abdelilah Benkirane** countered that wearing the veil is a matter of "individual freedom" and "should not be of political concern".¹¹ Hinting at deeper motives, PJD deputy **Mustapha Ibrahim** claimed that there are "some individuals who are seeking to destabilise the PJD".¹² During its national council held on 12 and 13 January in **Salé**, PJD members focused more closely on defusing the two scandals rather than on assessing the 2018 political state of affairs or discussing the political agenda for 2019.¹³

Fellow coalition member, the Rassemblement National des Indépendants (RNI), appears to be making an early start on campaigning for the legislative elections slated for 2021. RNI leader and agriculture minister **Aziz Akhannouch** spearheaded an RNI campaign on 12-13 January in the eastern region that Moroccan newspaper *Tel Quel* referred to as a "charm offensive".¹⁴ The campaign reportedly gathered more than 3,000 supporters.¹⁵ Justice minister and RNI politburo member **Mohamed Aujjar** expressed the RNI's confidence in its election odds during the campaign:

*"The RNI will certainly win the upcoming legislative elections thanks to the dynamic that Akhannouch has created."*¹⁶

... while the opposition PAM reconciles its differences

Opposition political party **Parti Authenticité et Modernité (PAM)** appears to have resolved the difficulties it faced in December when party members criticised PAM secretary general **Abdelhakim Benchemach's** "unilateral" management (see *ARC Morocco Briefing December 2018*).¹⁷ In a gesture of reconciliation, the party organised an internal meeting on 5 January to settle its disputes.¹⁸ The PAM settled on a system of two-way management, appointing **Marrakech-Safi** regional council president **Ahmed Akhchichine** as PAM vice-secretary. PAM deputy **Milouda Hazib** said the decision has helped to resolve the internal crisis within the party by "defusing clan conflicts to put in place a new dynamic of unitary action within the party".¹⁹

Some PAM members see in Akhchichine's appointment the possibility that he may become the future leader of the party. There is precedent for this: the previous deputy secretary general, **Elyas El Omari**, under the leadership of **Mustapha Bakkoury**, in turn became secretary general.²⁰ The PAM will hold its congress in October to renew its bodies in the run-up to the 2021 legislative elections.²¹

⁸ 360, 7 Jan 2019.

⁹ Jeune Afrique, 11 Jan 2019.

¹⁰ Tel Quel, 14 Jan 2019.

¹¹ Tel Quel, 14 Jan 2019.

¹² Jeune Afrique, 11 Jan 2019.

¹³ Tel Quel, 14 Jan 2019.

¹⁴ Tel Quel, 14 Jan 2019.

¹⁵ Tel Quel, 14 Jan 2019.

¹⁶ Tel Quel, 14 Jan 2019.

¹⁷ Tel Quel, 27 Nov 2018.

¹⁸ Medias 24, 7 Jan 2019.

¹⁹ Medias 24, 7 Jan 2019.

²⁰ Medias 24, 7 Jan 2019.

²¹ Medias 24, 7 Jan 2019.

The PAM has seen considerable turnover over the last ten years, with five different secretaries-general with two-year mandates reflecting a lack of internal stability within the party.²²

2019 finance law draws mixed reception among political and economic elite

The **Chambre des Représentants** (house of representatives, lower house of parliament) adopted the 2019 finance law on 18 December.²³ The main aspects of the 2019 finance law feature a change in firms' taxation, a raise in minimum contribution from 0.5% to 0.75%, and a new social contribution of solidarity rate of 2% for companies that achieve a net profit equal to or greater than 50 million Moroccan dirhams (DH) (\$5.22m) over two consecutive years.²⁴

The **Confédération Générale des Entreprises du Maroc (CGEM)** (Moroccan confederation of business associations) stated that is "*generally satisfied*" with the 2019 finance law. However, the president of the fiscal commission and the exchange rate regime within the CGEM, **Mohamed Hdid**, expressed mixed feelings about the budget during a press conference on 24 December.²⁵ Hdid attributed the final version of the 2019 finance law to the efforts of the CGEM, highlighting the CGEM's influence on the government regarding the decision to include the progressive taxation on companies in the finance law:

*"Until the very last minute, the unique company tax of 10% was still on the agenda."*²⁶

Hdid acknowledged some failures in the negotiations on the new finance law, including the increased rate on the minimum contribution in the enterprise tax from 0.5% to 0.75%:

*"Nothing has been adopted for the revival of investment and employment. The amendments we suggested were not taken into account."*²⁷

The new finance law includes a controversial 50% increase in the tax on non-alcoholic and sugary beverages. The finance law raises the tax to DH 45 (\$4.7) tax per hectolitre (100 litres) as of 1 January, from DH 30 (\$3.1).²⁸ The provision was enacted at the expense of industrial lobbyists and of the CGEM.²⁹ Defenders of this provision claim a public health rationale behind the decision, with diabetes and obesity rife in Morocco. PJD MP and medical doctor **Mustapha Brahimi** points to the relentless rise of diabetes in Morocco that affects about 2.5 million people.³⁰ Brahimi defends the tax on health grounds:

*"We should rather discourage the industrial companies from adding sugar in beverages than waiting for demands to raise the health ministry budget."*³¹

Morocco lags behind its **European** counterparts in taxing sugary drinks to fight obesity and diabetes. In **Belgium**, the tax on sugary, non-alcoholic beverages is as high as 12 euros (\$13.8) per hectolitre.³²

²² L'Economiste, 9 Jan 2019.

²³ L'Economiste, 19 Dec 2018.

²⁴ Huffpost Maghreb, 15 Oct 2018.

²⁵ Multiple sources: Tel Quel, 24 Dec 2018 and L'Economiste, 24 Dec 2018.

²⁶ Tel Quel, 24 Dec 2018.

²⁷ Tel Quel, 24 Dec 2018.

²⁸ L'Economiste, 19 Dec 2018.

²⁹ Tel Quel, 24 Dec 2018.

³⁰ L'Economiste, 19 Dec 2018.

³¹ L'Economiste, 19 Dec 2018.

³² L'Economiste, 19 Dec 2018.

Energy ministry reviews Morocco's energy strategy

Energy and mining minister **Aziz Rabbah** announced on 9 January that the Moroccan gas plan would not be ready by 2021 as initially scheduled.³³ The energy ministry is continuing to prepare a new roadmap for 2019 for the energy sector that will provide a few amendments to the initial Moroccan gas plan. These include the extension of the **Maghreb-Europe Gas Pipeline** contract which was due to end in 2021. The energy roadmap could also settle the Gas to Power project that former energy and mining minister **Abdelkader Aâmarafour** introduced four years ago. The DH 45 billion (\$4.7 billion) project aims to strengthen reliance on natural gas instead of charcoal in the energy mix and to reduce dependence on **Algerian** energy.³⁴

The energy plan will focus on electric interconnection with **Europe**. Overall, the gas plan corresponds to a DH 1.5 billion (\$15.6m) investment in logistic platforms only.³⁵ The ministry's final objective is to achieve a 52% electric dependence on renewable energy by 2030.³⁶ Rabbah recalled that renewable energies represented a 35% share of the electricity mix by 2018, and aimed to achieve a 42% share by 2020.³⁷

Rabbah also noted that he would review the mining code to tackle clandestine mines, a phenomenon that has led to the death of several miners and triggered social protests in 2018. The energy and mining ministry promised to close down the 1,500 remaining clandestine wells in the country.³⁸

*"The Moroccan authorities have closed down 2,000 abandoned and illegally exploited wells out of 3,500 in the old mining locality of Jerada."*³⁹

EU-Morocco trade deal raises tensions with Polisario Front

The **European Union (EU)** and Morocco signed a long-awaited trade deal on 16 January at the **European Parliament**. The initial vote rallied the support of 444 members of the European Parliament (MEPs) against 167, with 68 abstentions, but is subject to change due to potential voting errors from MEPs.⁴⁰ The deal extends tariff preferences to the **Western Sahara** territory within the EU-Moroccan agreement to settle a traceability mechanism in order to define the origin of exported products.⁴¹ For Morocco, this deal represents the opportunity to secure a bigger EU fishery agreement as well as the tacit EU endorsement of Moroccan control over the Western Sahara territory.⁴² Foreign affairs minister **Nasser Bourita** highlighted Morocco's success in securing a strategic partnership with the EU:

*"During this period, our partnership demonstrated its resilience to any attacks, manoeuvres as well as any intention standing in the way to create a crisis between Morocco and the EU."*⁴³

Some MEPs claim the deal sets a dangerous precedent in the dispute over the Western Sahara territory, a territory that the EU does not recognise under international law. **Finnish Green** MEP and vice president of the European Parliament **Heidi Hautala** noted concerns about credibility:

³³ Tel Quel, 10 Jan 2019.

³⁴ Tel Quel, 10 Jan 2019.

³⁵ L'Economiste, 14 Jan 2019.

³⁶ Medias 24, 1 Nov 2018.

³⁷ Tel Quel, 10 Jan 2019.

³⁸ Jeune Afrique, 9 Jan 2019.

³⁹ Jeune Afrique, 9 Jan 2019.

⁴⁰ EU Observer, 16 Jan 2019.

⁴¹ AFP, 16 Jan 2019.

⁴² EU Observer, 16 Jan 2019.

⁴³ Multiple sources: MAP, 17 Jan 2019; H24, 17 Jan 2019.

"What credibility will we now have towards external observers when we promote the rule of law and respect for international law?"⁴⁴

The signed deal has sparked animosity between MEPs and **Dutch** liberal MEP **Marijete Schaake** – the MEPs' lead on the file – who voiced her dissatisfaction by referring the case to the **European Court of Justice (ECJ)**. Schaake intends to settle the legal issue and obtain the ECJ's decision on whether the **Saharawi** people's consent was acquired before the deal was signed.⁴⁵

This deal also risks fueling further tensions between Morocco and the **Polisario Front** as it implicitly legitimises Moroccan control over the Western Sahara territory. The Polisario Front reacted on 16 January saying it:

"...unconditionally rejects this agreement which clearly violates European and international laws."⁴⁶

The trade deal was signed against the backdrop of attempts to settle the Western Sahara issue at talks in **Geneva (Switzerland)** on 5-6 December that hosted the four parties concerned, Algeria, **Mauritania**, Morocco and the Polisario Front (see *ARC Briefing Morocco December 2018*).⁴⁷ The EU-Moroccan trade deal risks compromising the **United Nations (UN)** efforts to reach a peaceful agreement over the Western Sahara issue. In 2016, the Polisario Front won a legal battle against the EU-Morocco liberalisation agreement before the ECJ.⁴⁸ If the Polisario Front wins the current legal battle, it could lead to deadlock of any chance of a peaceful settlement over Western Sahara, or worse, mounting conflict between the two parties. Six days before the trade deal was signed, Moroccan ambassador to the UN **Omar Hilale** addressed a letter to the UN Secretary General **Antonio Guterres** and to the **Security Council**, stating that:

*"The Polisario strives to violate and provoke agreements in the buffer zone of **Guergarate**, as well as at the East of the defence disposal in the Moroccan Sahara."⁴⁹*

Terrorism looms seven years after last terrorist attack in Morocco

An attack on 17 December on two female **Scandinavian** tourists in **Imlil** by four individuals who may be members of the **Islamic State of Iraq and Sham (ISIS)** terrorist organisation may have negative repercussions for Morocco's tourist industry. The four individuals are accused of raping and killing a 24-year-old **Danish** woman and a 28-year-old **Norwegian** woman.⁵⁰ The Moroccan government remained silent in the days following the incident until it received confirmation on 20 December of a terrorist rationale being behind the attack.⁵¹ A video was released on social media platforms **Twitter** and **Instagram** on 19 December by an unidentified source in which four individuals – including three corresponding to the arrested individuals whose pictures were released in the press – stand in front of an ISIS flag and claim allegiance to ISIS leader **Abou Bakr Al-Baghdadi**.⁵²

Three weeks after the Imlil terrorist attack, the **Bureau Central d'Investigation Judiciaire (BCIJ)** (central judicial investigation bureau) dismantled a terrorist cell in **Nador** in north-eastern Morocco, comprised of three individuals who *"were ready to perpetrate attacks on the territory"*, under ISIS's

⁴⁴ EU Observer, 16 Jan 2019.

⁴⁵ EU Observer, 16 Jan 2019.

⁴⁶ AFP, 16 Jan 2019.

⁴⁷ AFP, 16 Oct 2018.

⁴⁸ EU Observer, 23 Dec 2016.

⁴⁹ Tel Quel, 11 Jan 2019.

⁵⁰ Le Monde Afrique, 21 Dec 2018.

⁵¹ Medias 24, 20 Dec 2018.

⁵² Le Monde Afrique, 21 Dec 2018.

orders.⁵³ In the weeks following the Imlil terrorist attack, the Moroccan government has arrested 22 individuals suspected to be tied to a terrorist organisation.⁵⁴

Former right-wing **British National Party (BNP)** MEP **Nick Griffin**, in an interview with the **Sputnik** newspaper, attributed the Imlil terrorist attack to the latest developments in **Iraq** and **Syria**, and predicted more attacks to come in Morocco:

*"The defeat on ISIS and **Al-Qaida** inflicted by Syria and its **Russian** and shiite allies means that a tremendous number of terrorists will henceforth infiltrate the **Maghreb** countries as well as European states...because of the geographic proximity of Morocco with Algeria – a country flooded with Islamists – and Algeria's border with **Libya** – a failed state because of the British, French and American intervention – makes it a recruiting ground for salafist terrorism."*⁵⁵

Although Morocco has been considered a relatively peaceful tourist destination since the last terrorist attack in 2011, the Imlil attack is likely to hit the tourism sector. Tourism represents an important share of Moroccan revenues, reaching MAD 70 billion (\$7.3 billion) in 2017⁵⁶ and representing 6.8% of the Moroccan gross domestic product (GDP) in 2017.⁵⁷ A slow-down in tourism could deal a blow to Morocco's economic growth, estimated at 2.9% for 2019 by the **World Bank**, compared to 3.2% growth in 2018, depending on "*entrepreneurial reforms and improvements in the tourist sector*".⁵⁸

In the wake of the Imlil incident, foreign affairs departments of countries that record a significant number of tourists to Morocco updated their websites with security warnings to their citizens. However, the general risk assessment for Morocco after the attacks remained unchanged.⁵⁹ The French **Quai d'Orsay** (foreign affairs department) continues to present Morocco as the only country in **Northern Africa**⁶⁰ where tourists should simply be "*watchful when travelling, especially when going to remote places*".⁶¹

⁵³ Jeune Afrique, 8 Jan 2019.

⁵⁴ Jeune Afrique, 8 Jan 2019.

⁵⁵ Sputnik news, 26 Dec 2018.

⁵⁶ Morocco World News, 12 Feb 2018.

⁵⁷ Infomédiaire, 18 Oct 2018.

⁵⁸ Medias 24, 9 Jan 2019.

⁵⁹ Sputnik news, 26 Dec 2018.

⁶⁰ Sputnik news, 28 Dec 2018.

⁶¹ www.diplomatie.gouv.fr

Planner

2019: Scheduled election of the president of the **Chambre des Représentants** (house of representatives, lower house of parliament);

April 2019: National council of the PAM

October 2019: National congress of the PAM

2019: Energy and mining minister will introduce a roadmap for the energy sector

First quarter 2019: **Geneva (Switzerland)** Second round of talks over the **Western Sahara** issue between **Algeria, Mauritania, Morocco**, and the **Polisario Front**;

2021: Scheduled legislative, regional and local elections

Chronology

16 Jan 2019 **Brussels (Belgium)** *Medias 24*: The **European Union (EU)** and **Morocco** sign a long-awaited and controversial trade deal at the **European Parliament**;

10 Jan 2019 **Rabat (Morocco)** *Tel Quel*: King **Mohammed VI** grants clemency for 783 persons during the commemoration of Morocco's independence;

9 Jan 2019 **Rabat (Morocco)** *Tel Quel*: Energy and mining minister **Aziz Rabbah** announces a delay in the Moroccan gas plan initially scheduled for 2021;

8 Jan 2019 **Nador (Morocco)** *Jeune Afrique*: Moroccan authorities announce the dismantling of a terrorist cell, acting under **Islamic State of Iraq and Sham (ISIS)**, in north-east Morocco, in the **Nador** region;

5 Jan 2019 **Paris (France)** *360*: Pictures of **Parti de la Justice et du Développement (PJD)** member of parliament (MP) **Amina Maelainine** published in Moroccan newspaper **Al Akhbar** trigger a scandal in the Moroccan social media;

3 Jan 2019 **Rabat (Morocco)** *Medias 24*: Germany-based holding company **Scholz** claims over €60m from the Moroccan government for its "*discriminatory and arbitrary*" measures in the steel industry ahead of the **Centre International pour le Règlement des Différends relatifs aux Investissements (CIRDI)**;

18 Dec 2018 **Rabat (Morocco)** *L'Economiste*: The House of Representatives (lower house of parliament) adopts the 2019 finance law;

16-18 Dec 2018 **Nouakchott (Mauritania)** *Afrique La Tribune*: The economic forum gathering Moroccan and Mauritanian business leaders takes place in **Nouakchott (Mauritania)**;

17 Dec 2018 **Imlil (Morocco)** *Medias 24*: Moroccan authorities confirm a terrorist motive in the killing of two **Scandinavian** tourists;

About Africa Risk Consulting:

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