

## AFRICA RISK CONSULTING

### Morocco Monthly Briefing November 2020

#### Morocco Summary 18 November 2020

*Moroccan authorities extend the state of emergency until 10 December as the rising number of Covid-19 infections break national records. The first vaccination campaign of 10 million doses from China's state-owned pharmaceutical company, Sinopharma, is planned to start in December, as another national lockdown looms. Morocco's agriculture and transport ministers initiate projects aiming to reduce water scarcity in drought-stricken regions. Desalination plants, dams, and adjustments to agricultural irrigation are under development. The ceasefire in Western Sahara between Morocco and the Polisario Front is breached in significant clashes over a traffic blockade on the border of Mauritania. Polisario declares war and demands a referendum on independence, rebuking Morocco's offer of autonomy.*

#### Morocco announces vaccination campaign as Covid-19 cases rise

King **Mohammed VI** (1999-present) announced on 9 November that a large-scale vaccination campaign against **Covid-19** is set to begin in Morocco in the coming weeks.<sup>1</sup> The campaign will prioritise essential workers, followed by the elderly and high-risk individuals.<sup>2</sup> The director of a biotechnology laboratory in **Rabat** has confirmed that 10 million doses will be available in the initial rollout.<sup>3</sup> Prime minister **Saad Eddine El Othmani** confirmed that **China's** state-owned **Sinopharma** produces the vaccine, which is currently in phase three of clinical trials.<sup>4</sup> Othmani told **Reuters** that the country has ordered a second vaccine from **United Kingdom (UK)**-headquartered pharmaceutical company **AstraZeneca**,<sup>5</sup> also in phase three of clinical trials, which media sources report to be for 17 million doses.<sup>6</sup>

Cases of Covid-19 infection continue to spike in Morocco: the country has reported four 24-hour records of confirmed cases in November alone. Most recently, on 12 November the government reported a record 6,195 new infections.<sup>7</sup> The country has experienced a steep upward trend in cases and deaths since September (see *ARC Briefing Morocco September-October 2020*). As of 18 November, Morocco has confirmed 306,995 total cases in its population of 36 million with a recovery rate of 253,351 and 48,631 active cases.<sup>8</sup> The mortality rate is 135.23 deaths per one million inhabitants, almost double that of 73.16 in October (see *ARC Briefing Morocco October 2020*).

COVID-19 deaths per one million population <sup>9</sup>			
	Confirmed deaths	Deaths per million	Population (millions)
<b>Morocco</b>	4,932	135.23	36.03
<b>Qatar</b>	235	82.98	2.78
<b>UAE</b>	538	55.06	9.63
<b>Saudi Arabia</b>	5,692	166.1	33.7

<sup>1</sup> Atalayar, 10 Nov 2020; Morocco World News, 11 Nov 2020

<sup>2</sup> Arab Weekly, 11 Nov 2020; Morocco World News, 11 Nov 2020

<sup>3</sup> Morocco World News, 11 Nov 2020

<sup>4</sup> Reuters, 17 Nov 2020

<sup>5</sup> Reuters, 17 Nov 2020

<sup>6</sup> Atalayar, 10 Nov 2020

<sup>7</sup> Morocco World News, 12 Nov 2020

<sup>8</sup> Worldometers, 18 Nov 2020

<sup>9</sup> Statista, 18 Nov 2020

Othmani warned on 3 November of the potential for a return to total lockdown if the increase in infections continues,<sup>10</sup> going so far as to say this outcome is “*very likely*” considering the current epidemiological situation combined with the impending winter season.<sup>11</sup> Morocco was one of the first countries in the **Middle East and North Africa (MENA)** region to enforce strict lockdown measures in response to Covid-19 by imposing a state of health emergency from 19 March. The eighth extension of the state of emergency was announced on 5 November, pushing the state of emergency that was scheduled to end 10 November to 10 December.<sup>12</sup> **Casablanca**, a hotspot for both infections and deaths due to Covid-19,<sup>13</sup> extended its curfew on 2 November to at least 30 November.<sup>14</sup>

Discontent amongst healthcare professionals over working conditions and lack of hospital capacity has continued.<sup>15</sup> A doctors’ union went on strike nationwide on 4-5 November to protest the lack of capacity and poor working conditions,<sup>16</sup> with nurses following suit on 14 November.<sup>17</sup> To address these issues, Morocco has received international assistance to upgrade its health facilities. The **African Development Bank (AfDB)** approved a €118m (\$139.5m) loan on 3 November.<sup>18</sup> In August, the **European Investment Bank (EIB)** released €100m (\$118.4m) of a €200m (\$236.8m) package (see *ARC Briefing Morocco September 2020*).

Morocco’s aggressive response initially limited cases and maintained a low mortality rate (see *ARC Briefing Morocco August 2020*). Along with economic pressures, this led Moroccan authorities to begin a slow re-opening of borders from 15 July (see *ARC Briefing Morocco June- October 2020*). A return to total lockdown would be economically disastrous,<sup>19</sup> in no small part due to Morocco’s reliance on tourism, which accounts for 11% of the GDP.<sup>20</sup> On 19 October, Morocco welcomed its first international tourists since the March border closure. The group arrived from the UK on a newly instated **RyanAir** flight,<sup>21</sup> one of an increasing number of airlines that are being permitted to operate flights in and out of Morocco.<sup>22</sup>

Pandemic-related restrictions have largely been enforced by the **Forces Armées Royales (FAR)** (Moroccan royal armed forces), who have also assisted in medical and logistical support in handling the pandemic. **Moroccan Institute for Policy Analysis** director **Mohammed Masbah** argues that this role has garnered popular support for the military and improved civil-military relations.<sup>23</sup>

### ... as projects aim to mitigate impact of drought on agricultural sector

Agriculture minister **Aziz Ahkannouch** presented a draft budget to the **House of Representatives** on 9 November, including a projection that the 2021 subsidies from the state’s agricultural development fund will reach MAD 4.2 billion (\$460m).<sup>24</sup> The draft budget accounts for a large and necessary upgrade to irrigation systems, which will include conversion of local irrigation systems to drip irrigation in order to save water. The minister’s plans for 2021 identify 50,000 hectares for conversion to drip irrigation.<sup>25</sup> A climate change adaptation adviser notes:

*“Large-scale water-saving initiatives – such as changes in agricultural irrigation practices – will make a big difference in the long term. They are incredibly important to include alongside other*

<sup>10</sup> North Africa Post, 5 Nov 2020; Morocco World News, 3 Nov 2020

<sup>11</sup> Al Khaleej Today, 4 Nov 2020

<sup>12</sup> North Africa Post, 5 Nov 2020; Asahrq Al-Awsat, 6 Nov 2020

<sup>13</sup> Morocco World News, 7 Nov 2020

<sup>14</sup> Garda World, 2 Nov 2020

<sup>15</sup> North Africa Post, 5 Nov 2020

<sup>16</sup> Garda World, 4 Nov 2020; Morocco World News, 5 Nov 2020

<sup>17</sup> Garda World, 13 Nov 2020;

<sup>18</sup> L’Economiste, 4 Nov 2020; Morocco World News, 4 Nov 2020; Arab Weekly, 6 Nov 2020

<sup>19</sup> Analyst, San Francisco

<sup>20</sup> Morocco World News, 22 Apr 2020

<sup>21</sup> North Africa Post, 19 Oct 2020; Africa Business Intelligence, 26 Oct 2020

<sup>22</sup> L’economiste, 30 Oct 2020; Trade Arabia, 4 Nov 2020; Aviation24.be, 23 Oct 2020; Aviation24.be, 16 Nov 2020

<sup>23</sup> Arab Weekly, 22 Oct 2020; 16 Oct 2020, Carnegie Middle East Center

<sup>24</sup> Morocco World News, 11 Nov 2020

<sup>25</sup> Morocco World News, 11 Nov 2020

*strategies to address water scarcity. The drip irrigation conversion is a good start for Morocco, although the country still has a long way to go.*<sup>26</sup>

Morocco has other strategies under way to overcome water stress. The **Spanish** government on 3 November approved a loan to Morocco for €5m (\$5.9m) to build two desalination stations in the Moroccan cities of **Assa Zag** and **Moulay Brahim**,<sup>27</sup> adding to Morocco's growing portfolio of desalination development. Transport minister **Abdelkader Amara** announced on 10 November the launch of construction on what will be the largest desalination plant in **Africa**, located in Casablanca.<sup>28</sup> Amara said 14 dams are under construction across the country in the regions of **Errachidia, Taroudant, Tetouan, Larache, Khemisset, Tangier, Sefrou, Zagora, Al Hoceima, Guelmim, Laayoune, Guercif, Al Haouz, and Taounate**. Five more dams are planned for 2021 thus far.<sup>29</sup> A **United States (US)**-based climate change adaptation adviser applauded Morocco's varying efforts, because *"strategic diversity is essential to successfully reducing water scarcity."* A partnership between the **Observatoire du Sahara et du Sahel (OSS)** (**Sahara** and **Sahel** observatory) and **l'Agence française de développement (AFD)** (**French** development agency) signed on 5 November intends to further this through the exchange of knowledge on shared issues in order to develop innovative solutions to climate change and increasing water stress across **North Africa**.<sup>30</sup>

Mitigating the effects of drought is essential to the agricultural sector and to the Moroccan economy as a whole.<sup>31</sup> The agricultural sector contributes 14% of Morocco's GDP and farming creates two in five jobs.<sup>32</sup> However, drought and the depletion of groundwater over the last several years threaten the success of the agriculture sector.<sup>33</sup> The country has recorded a steady decline in rainfall since 2015, and has just weathered a year characterised by several heat waves.<sup>34</sup> The **Agadir** authorities in south-western Morocco have already had to choose between providing potable water and irrigating significant amounts of farmland for produce such as citrus and seasonal vegetables.<sup>35</sup> A main source of water for Agadir and the wider **Souss-Massa** region is the **Abdelmoumen** dam; on 30 October, it held only 1.2% of its capacity.<sup>36</sup> Reservoirs nationwide have experienced significant deficits since the year prior.<sup>37</sup> Despite this year's heightened environmental challenges, the global economic downturn and a generalised decrease in Moroccan exports, Morocco's citrus exports have risen 8% in the last year.<sup>38</sup> Rabat's agricultural authorities project that the region's 2020-2021 year will see a 77% increase in production from the previous year, an unprecedented increase attributed in part to *"localised irrigation...driven by state subsidies"* that allows for continuous and rational irrigation, perhaps showing one way forward for authorities in drought-stricken places like Agadir.

### Western Sahara ceasefire is threatened

Conflict has re-ignited in the disputed territory of **Western Sahara** at Morocco's southern border, escalated by a traffic obstruction put in place on 21 October by the separatist militia **Polisario Front**, a separatist movement formed in 1973 to achieve independence for indigenous Saharawi people.<sup>39</sup> The blockade, in a buffer zone near **Guerguerat** on the border of **Mauritania** and Morocco,<sup>40</sup> stranded 200 Moroccan truck drivers for three weeks and obstructed a significant African trade

<sup>26</sup> Source, climate change adaptation adviser, Cape Town

<sup>27</sup> L'conomiste, 4 Nov 2020; Morocco World News, 4 Nov 2020

<sup>28</sup> Morocco World News, 10 Nov 2020

<sup>29</sup> Morocco World News, 12 Nov 2020

<sup>30</sup> Econostrum, 6 Nov 2020

<sup>31</sup> Analyst, San Francisco

<sup>32</sup> Reuters, 21 Oct 2020

<sup>33</sup> Reuters, 21 Oct 2020

<sup>34</sup> Morocco World News, 30 Oct 2020

<sup>35</sup> Arab Weekly, 2 Nov 2020

<sup>36</sup> Morocco World News, 30 Oct 2020

<sup>37</sup> Morocco World News, 4 Nov 2020

<sup>38</sup> Reuters, 21 Oct 2020

<sup>39</sup> BBC, 14 May 2018

<sup>40</sup> Atalayar, 14 Nov 2020

route.<sup>41</sup> Polisario swiftly refused The **United Nations (UN) Security Council's** urging to remove the barrier.<sup>42</sup> This may have been an attempt to gain leverage with the UN<sup>43</sup> after the recent Security Council statement that “welcomed” Morocco’s “serious and credible” efforts towards achieving peace in the region.<sup>44</sup> On 30 October, the UN Security Council voted on a resolution that extended for another year the mandate of the **United Nations Mission for the Referendum in Western Sahara (MINURSO)**, its peacekeeping mission in Western Sahara. The resolution also called for negotiations to resume between Morocco, Polisario, Mauritania, and **Algeria** (whose government supports Polisario) in order to find a realistic and sustainable solution.<sup>45</sup> The Security Council and various foreign governments have expressed support for the Moroccan “*autonomy plan*”, which proposes that Western Sahara fall under Moroccan sovereignty but be given full ruling autonomy.<sup>46</sup> Polisario maintains that the only solution is a referendum of Sahrawi people on self-determination, a condition included in the 1991 ceasefire.<sup>47</sup>

Morocco annexed the former Spanish colony of Western Sahara (1884-1976) in 1975 amidst territorial claims from neighbouring Mauritania as well as the Polisario Front.<sup>48</sup> A ceasefire brokered by the UN in 1991 has remained, with intermittent violations from both sides (see *ARC Briefing Morocco October 2020*). Polisario declared an end to the ceasefire on 14 November<sup>49</sup> in response to the Moroccan military intervention on 13 November that dispersed the three week-long blockade.<sup>50</sup> A Moroccan military press release maintains that it was a non-offensive operation<sup>51</sup> forced by the “*destabilising acts*” of Polisario.<sup>52</sup> An exchange of fire was reported on 13 November, followed by numerous reports of shooting through 16 November.<sup>53</sup> Polisario reported that they had dealt “*heavy blows*” to the Moroccan army, including fatalities,<sup>54</sup> while Moroccan authorities denied any claims of violent confrontation.<sup>55</sup> On 17 November, King Mohammed VI reaffirmed his dedication to the ceasefire, but noted that Morocco would respond to security threats with firmness and legitimacy.<sup>56</sup>

The current clash is likely a turning point for the 30-year stalemate.<sup>57</sup> Unrest has spread to other locations, including an invasion of the Moroccan consulate in **Valencia** (Spain) by Polisario supporters. Looking forward, Morocco certainly has the advantage of international support, as the king has spent significant energy on the creation of diplomatic inroads throughout Africa and the MENA region within the last few years. The consistent opening of consulates and diplomatic representations to Morocco in the Western Saharan cities of **Laayoune** and **Dakhla** has significantly increased foreign support for the “*Moroccanness*” of the Sahara.<sup>58</sup> On 23 October, **Burkina Faso**, **Equatorial Guinea** and **Guinea Bissau** each opened a consulate in Dakhla,<sup>59</sup> closely followed on 27 October by **Zambia's** and **Eswatini's** respective consulate openings in Laayoune.<sup>60</sup> The same day, the **United Arab Emirates** announced that it would become the first Arab nation to open a consulate in

<sup>41</sup> Morocco World News, 6 Nov 2020; International Business Times, 15 Nov 2020

<sup>42</sup> Africa News, 4 Nov 2020

<sup>43</sup> Analyst, San Francisco

<sup>44</sup> Atalayar, 31 Oct 2020; Morocco World News, 30 Oct 2020

<sup>45</sup> Atalayar, 31 Oct 2020; Econostrum, 2 Nov 2020; Africa News, 4 Nov 2020

<sup>46</sup> Morocco World News, 30 July 2020; Morocco World News 16 Nov 2020; Emirates News Agency, 15 Nov 2020; North Africa Post, 26 Oct 2020;

<sup>47</sup> Atalayar, 31 Oct 2020; France24, 13 Nov 2020

<sup>48</sup> New York Times, 14 Nov 2020

<sup>49</sup> Atalayar, 14 Nov 2020; Middle East Eye, 13 Nov 2020; Reuters, 14 Nov 2020

<sup>50</sup> Garda World, 13 Nov 2020; Arab News, 13 Nov 2020;

<sup>51</sup> APA News, 13 Nov 2020

<sup>52</sup> Arab Weekly, 13 Nov 2020

<sup>53</sup> Arab Weekly, 17 Nov 2020

<sup>54</sup> Bloomberg, 14 Nov 2020; Atalayar, 15 Nov 2020

<sup>55</sup> Reuters, 13 Nov 2020

<sup>56</sup> Arab Weekly, 17 Nov 2020

<sup>57</sup> Analyst, San Francisco

<sup>58</sup> Morocco World News, 27 Oct 2020

<sup>59</sup> North Africa Post, 23 Oct 2020

<sup>60</sup> Morocco World News, 27 Oct 2020

the Western Saharan capital.<sup>61</sup> Despite what seems to be a supportive global majority for Morocco's autonomy plan, a seasoned political negotiator asserted that it is "very, very possible" that war may resume in Western Sahara:

*"International support, including from the UN, for Morocco's territorial claim may stave off full-blown armed conflict, but it cannot be sustainable without support from Polisario and the Sahrawi people."*<sup>62</sup>

## Planner

2021 **(Morocco)** Scheduled legislative, regional and local elections;

2022 **Marrakech (Morocco) International Monetary Fund and World Bank** annual meetings to take place in Morocco;

## Chronology

16 Nov 2020 **Rabat (Morocco)** *Morocco World News*. **Spain** and Morocco announce plans to implement a third electricity cable between the two countries, furthering Morocco's status as a net exporter of electricity;

11 Nov 2020 **Rabat (Morocco)** *Morocco World News*. The **Moroccan** energy ministry announces a commission for the development of marine current energy;

11 Nov 2020 **Rabat (Morocco)** *North Africa Post*. **Moroccan** industry and trade minister signs 17 investment agreements totalling \$93.6m across several sectors with the intent to create jobs and promote domestic industry;

11 Nov 2020 **Casablanca (Morocco)** *L'Economiste*. **Auplata Mining Group**, which holds 37.05% stake in **Morocco's Compagnie Miniere de Touissit** (Touissit mining company), estimates a loss of €10m (\$11.83m) for the 2019 financial year;

9 Nov 2020 **Rabat (Morocco)** *France24*. **King Mohammed VI** endorses a decision by the national scientific committee to launch a nationwide vaccination campaign against **Covid-19**;

9 Nov 2020 **Rabat (Morocco)** *North Africa Post*. **United Kingdom**-based potash development company **Emmerson PLC** announces 2021 construction plans for **Africa's** largest potash project in **Khemisset** in northern Morocco;

7 Nov 2020 **Rabat (Morocco)** *Morocco World News*. The governor of the **Guelmim-Oued Noun** region in southern Morocco announces several new infrastructure projects, including a new road between coastal cities **Tighit** and **Mirleft**;

5 Nov 2020 **Rabat (Morocco)** *Morocco World News*. **Morocco** awards French transport company **Alstom** a €130m (\$153.7m) contract to supply tramway cars for the expansion of **Casablanca's** transit network;

5 Nov 2020 **Rabat (Morocco)** *Morocco World News*. Supporters of **Sahrawi** rebel national liberation movement **Polisario Front** continue a three-week traffic blockade in **Guerguerat, Western Sahara**, stranding 200 **Moroccan** truck drivers at the border crossing;

4 Nov 2020 **Rabat (Morocco)** *Morocco World News*. Morocco grants **United Kingdom**-based **Europa Oil & Gas (Holdings)** a one-year extension to its existing permit for offshore oil exploration in **Inezgane** due to **Covid-19**;

3 Nov 2020 **Rabat (Morocco)** *Africa Business Intelligence*. **United States Agency for International Aid (USAID)** announces plans to invest \$100m in **Morocco** over the next five years, with a focus on economic growth and education;

<sup>61</sup> Reuters, 27 Oct 2020

<sup>62</sup> Source, political negotiator, New York

3 Nov 2020 **Casablanca (Morocco)** *L'Economiste*. **World Bank** grants \$150m to **Morocco** to finance existing urban transport infrastructure projects;

2 Nov 2020 **Casablanca (Morocco)** *Economostrom*. **Agence Française de Développement (AFD)** has granted a MAD 1.1 billion (\$120.4m) loan to the Moroccan tramway company for the construction of two new tram lines in Casablanca;

31 Oct 2020 **Rabat (Morocco)** *Morocco World News*. **United Nations Security Council** adopts **Resolution 2548**, renewing the mandate of **Western Sahara** peacekeeping mission **MINURSO** for one year;

27 Oct 2020 **Rabat (Morocco)** *EMPEA*. **SEAF Morocco Growth Fund** acquires an undisclosed stake in **Moroccan Capital Market Authority** regulated investment fund **Deepsense**, a biometrics security company that provides an instant identity verification solution that detects online fraud attempts;

27 Oct 2020 **Rabat (Morocco)** *Reuters*. The **United Arab Emirates (UAE)** announces plans for a consulate in **Moroccan-controlled Laayoune**, Western Sahara, becoming the first **Arab** state to do so;

26 Oct 2020 **New York (US)** *United Nations Conference on Trade and Development (UNCTAD)*. **UNCTAD's Investment Trends Monitor** attributes **Morocco's** 6% increase of Foreign Direct Investment (FDI) in the first half of 2020 to a diverse investment profile, despite a sharp global decline;

23 Oct 2020 **London (UK)** *Reuters*. **United States**-based credit rating agency **Fitch Ratings Inc.** lowers **Morocco's** credit rating to junk, citing financial vulnerabilities brought out by **Covid-19**;

23 Oct 2020 **Stockholm (Sweden)** *Renewables Now*. **Sweden**-based energy storage company **Azelio AB** signs an MoU with **Moroccan** solar company **Jet Energy**, partnering to provide 45 MW of energy storage in Morocco and **francophone Africa** by 2025;

19 Oct 2020 **Rabat (Morocco)** *Africa Business Intelligence*. **French** transport manufacturer **Alstom** inaugurates a new production site in **Fez**;

19 Oct 2020 **Rabat (Morocco)** *Morocco World News*. **Moroccan** telecommunications company **Maroc Telcoms** reports a MAD 27.49 billion (\$3 billion) turnover in 2020 thus far, a 0.7% increase from the year prior;

16 Oct 2020 **Rabat (Morocco)** *Morocco World News*. **Morocco's** government council approves the **2021 Finance Bill**, which focuses on economic revival from impacts of **Covid-19**;

15 Oct 2020 **London (UK)** *Financial Times*. **Financial Times'** FDI Intelligence releases its annual report on global free zones, awarding Morocco's **Tangier Med Zones** number two in the world;

15 Oct 2020 **Rabat (Morocco)** *Morocco World News*. **French** automobile manufacturer **Renault** announces Morocco as the sole production location for its Dacia Sandero model, moving its production from **Romania** to plants in **Casablanca** and **Tangier**.

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