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President of the General Confederation of Moroccan Companies (CGEM)

First of all, I would just like to say that I think this morning's message from His Majesty King Mohammed VI to this conference, saying that Africa should be in the new world stage, is important for all the micro-approaches that you just mentioned, about growth, human capital, and all the agricultural potential and different resources that Africa does have.

As regards the three major challenges – I would like to review three of them – that we face as investors, the first challenge is more regulatory in doing business. You highlighted Rwanda. Rwanda is really exceptional in terms of doing business. Fast, zero corruption – so things that are music to the ears of private investors, so it is easy to do business, and in regulation. The legal framework and the regulatory framework are often either non-existent or flooded with delayed investments, and sometimes they even compromise the viability of the investors. Doing business is often related to red tape, bureaucracy. Heavy bureaucracy, unclear procedures – this is a challenge for private investors, who must find their way, understand that the potential is there, and find out how to access it in a short and clear way. It does cost a lot in terms of investment, when you are not in the same time zone, let us say, as the bureaucracy within the country that you want to invest in as a private sector. This is the paradigm that is important to highlight.

Secondly, education. As investors, we see education as human capital skills. We need skilled human resources, so we can match our competitiveness and productivity, and we can see that my friends, bankers and insurance companies, that have one of the biggest networks in our continent, have invested a lot in terms of vocational training and capacity building, but also industry – I can see my friends from CID engineering firm: they are key players in terms of assets for investors. We can also highlight the fact that Moroccan investors have been doing some tutoring, also in terms of facilitating the channels for each other. When we go to a country, and we know that OCP is there or CID is there, we created a kind of hub where we can discuss our problems, thanks to our Minister of Foreign Affairs, which is very exceptional. You were talking about the vision of His Majesty, and the will to make a good South-South integration, but it is also through administration that the Ministry of Foreign Affairs has been playing a key role in facilitating business, for Moroccan companies to go and invest – besides, of course, the banking and insurance companies that are there.

I would like to go to the third issue, which is economic infrastructure, which does cost a lot in terms of investment. First, the energy cost is not competitive in most of the African countries. It is two or three times the price in any Southern Europe country such as France – they do not have any fossil energy, so access to energy is expensive. Then come connectivity and logistics; connectivity does cost a lot in terms of GDP – 20%, when elsewhere, it is only between 8 and 10, up to 12%, so it does impact our competitiveness. Another challenge is that we do not have a “Plug and Play” area. When you do invest, you want to have a platform where you can go. Either you are industrialist, or in logistics, or an engineer, you do not find a zone – we can talk about an industrial zone where you go, and you have just to plug and play. You have electricity, you have roads and so on... So, to wrap up, three challenges that I talked about, and it does impact competitiveness, but still opportunities are there, so those who go there have to address those issues to make their project viable and competitive in the end.

Jean-Michel SEVERINO

Despite all the problems you clearly mentioned, which are also a shopping list of reforms for African governments or international public aid, why does Morocco continue investing in this region if it is so difficult?

Miriam BENSALAH-CHAQROUN

First, Africa is not a country; it is a continent, and therefore a group of countries. New political leaders with fresh mindsets are coming on the scene. As opportunities arise new political players are arriving with real economic and social development plans as well as programmes to fight corruption and the bloated bureaucracy. They have real crosscutting programmes, such as Morocco's green plan for agriculture, industry and energy. That already increases visibility.



Before, we almost had a kind of near-sightedness. We could not see further than two or three years ahead. Now we are starting to have visibility. When the head of a company starts to assess his risks, to measure them better and to have visibility, he forges ahead despite the problems. He manages to circumscribe the risks and understand them better, but at the same time he has visibility on public policies and strategies. Another key point is that in some African countries the private sector is increasingly associated upstream with sector-based strategic plans. So there is this prism of the private sector, which is added value, a real partner, and there are opportunities ready to be seized. I think Morocco has played a key role in South-South integration.