

PAYMENT SURVEY



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Morocco Corporate Payment Survey: shortened delays in 2021

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During the second quarter of 2021, Coface conducted its fifth survey on the payment behaviour of companies in Morocco, with the objective to monitor the evolution of payment terms and delays. Payment behaviour reflects both the evolution of the economic conjuncture and the business environment.

According to the results of this survey, contractual payment terms in Morocco remain long, reaching 79 days on average. Although still high, they have improved significantly, shortening by about 14 days compared to our survey conducted in early 2019. Nevertheless, our results also suggest that payment delays remain widespread, with almost half of our sample reporting payments delays of more than three months in the last six months. While gross domestic product (GDP) contracted in 2020 (-6.3% estimated in 2020 after 2.5% in 2019, Coface forecasts 4.5% in 2021), more companies have perceived a deterioration.

This deterioration is the result of the major impact of the COVID-19 pandemic, which was accompanied by drastic government measures¹ that hampered economic activity (lockdowns, curfews, closure of borders to foreign tourists,

closure of schools and workplaces, travel ban). Despite the aid provided by the state for households, particularly the most vulnerable (financial aid for informal workers or those without social security coverage), and for companies (facilitated access to credit in the form of Damane Relance, Damane Oxygene, Relance TPE; deferral of social charges and taxes), particularly in the most affected sectors (tourism, transport, aeronautics, automobile), the crisis has been felt by companies. This was particularly true for small and very small enterprises (VSEs). However, only a quarter of respondents declared having benefited from aid.

For 2021, almost half of the surveyed companies expect payment terms to remain stable and more than a third anticipate an increase. Our respondents probably believe that the improvement in the economic situation will not result in a decrease in payment terms, due to a lack of visibility on the evolution of the pandemic and on the end of the state of emergency (scheduled for 31 January 2022).

The persistently long payment terms suggest that, in the absence of implementing legislation on late payment compensation, the law on payment terms² is difficult to implement.

¹ The Stringency Index calculated by Oxford University was above 90 between March and June 2020 (on a scale of 0-100) and is still at 60.

² In particular, this concerns the texts adopted in 2011 (Law 32-10) and 2016 (Law 49-15).