

SUMMARY OF THE REPORT ON HUMAN RESOURCES - FINANCE BILL 2016

The Moroccan civil service, subject to the royal decree No. 1.58.008 of 4 Chaabane 1377 (February 24, 1958), has in 2015, a workforce of 585.503 civil servants whose career is governed by 36 special statutes.

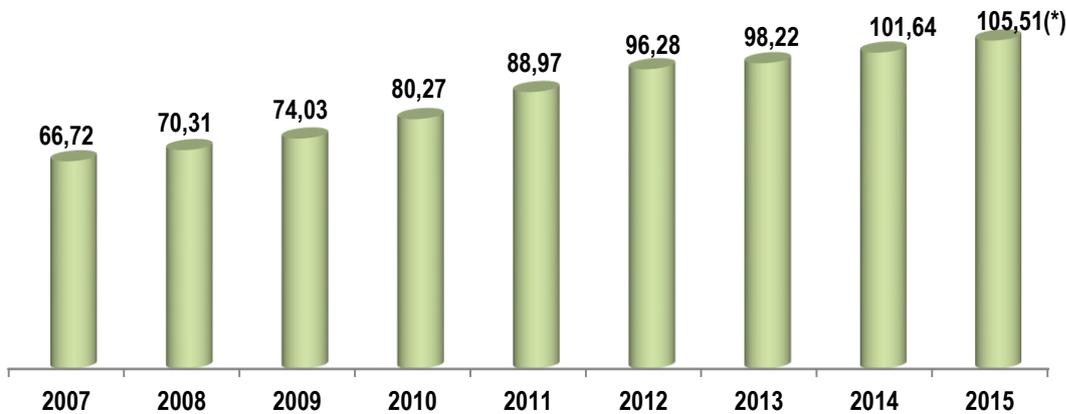
The analysis of the evolution of the number of civil servants for the period 2007-2015 highlighted the following findings:

- ✚ An annual average increase rate of 1.37% and an overall increase of 11.51%;
- ✚ A relatively stable ratio of civilian workforce to total population being around 1.7%, while the ratio of civilian workforce / active population has improved going up from 4.71% to 5.02%;
- ✚ 86% of employees are concentrated at the level of four ministries (national education, Interior, Health and Higher Education);
- ✚ The operational staff represents in 2015 nearly 20%, the civil servants positioned at the salary scales 7 to 9 (supervisory staff) represent 17% and 63% of civilian staff are executives.
- ✚ 169,471 jobs created of which more than 83% reserved for social sectors and security. Nearly 54% of positions have been created in the last four years. Recruitments of operational staff represented 32% in 2015 (18% in 2007), the intermediate staff (salary scales 7-9) has regressed by 31 points going down from 46% in 2007 to 15% in 2015 and the rank scales 10 and over (executives) have benefitted from more than 52% of jobs created.
- ✚ Not taking into account any possible reform of the pension scheme in 2015, the flow of retirements is marked by a strong upward trend. Thus, the number of retirements would reach by the end of 2015, 14,632 retirements against 13,338 in 2014, that is, an increase of 10%. There were 4.676 retirements in 2007. This upward trend lasts for the next years.
- ✚ 4.8% of civil servants are under 25 years old, 22% are under 35 years old and 54% of the staff of the Civil Service was aged over 45 years old.

- ✚ 8% of the civilian staff of the Civil Service has a seniority of less than 5 years (new recruits), more than 29% of the civilian workforce has a seniority of less than 10 years, 50% has seniority between 10 and 30 years and 21% has over 30 years of effective service.
- ✚ The feminization rate in the Civil Service has slightly improved going up from 35.11% in 2014 to 36.8% in 2015.
- ✚ 69% of civil servants are married and 31% are single;

With regard to the wage and salary bill, the State employees' expenditures increased by 58.13%, rising from 66.7 billion in 2007 to nearly MAD 105.5 billion in 2015, that is, an annual average increase rate of 6%.

Evolution of the Salary Bill – in Billion Moroccan Dirhams



- ✚ In 2015, the State personnel expenditures represent: :
 - ✓ 10.63% of the GDP;
 - ✓ 33% of the general budget;
 - ✓ 53.6% of the operating budget;
 - ✓ 52.7% of ordinary revenues and 57.1% of tax revenues.
- ✚ The salary bill paid to the State personnel shows a strong concentration at the level of six departments (75%);
- ✚ The breakdown of salary bill according to salary scales is given as follows:
 - The State personnel positioned at the salary scales 6 to 9 represent 36.3% of the total workforce; they have more than 31.4% of the salary bill.
 - The employees of the salary scales 10 and 11 represent 52.8% of the workforce and absorb approximately 44% of State personnel expenditures.
 - The "highest salary scale" category concerns 10.9% of the workforce, and holds nearly 25% of the salary bill.
- ✚ The salary bill is strongly affected by the following factors:

1. **The salary level:** The minimum salary has risen from 1586 Moroccan dirhams in 2007 to MAD 3000 in 2015 and the net average monthly salary in the civil service in 2015 has reached nearly MAD 7 381 against MAD 5333 in 2007, that is, an increase of around 38%. It represents 3.1 times the GDP per capita, against 1.4 in Tunisia, 1.6 in Turkey and nearly 1 in France and 1.2 in Spain.

In respect of 2015, the analysis according to salary brackets highlighted the following findings:

- ✓ Nearly 9.23% of civil servants of the State receive a monthly net salary ranging between MAD 3.000 (minimum wage) and MAD 4.000;
 - ✓ Almost 39% of this workforce has a net monthly salary of less than MAD 6.000;
 - ✓ About 54% of the State civil servants receive net monthly salaries between MAD 6,000 and MAD 14,000.
 - ✓ 2.36% have a salary exceeding 20.000 MAD /month.
2. **The grade and within-grade promotions** absorb annually about 2.7% of the wage and salary bill.
 3. **Job creation:** over the period 2007-2015, the overall number of government jobs created under finance laws has reached 169.471 posts for a budget of nearly MAD 17.56 billion, that is, an annual average of nearly 2.25% of the salary bill paid during this period.

✚ The salary bill which includes the structural annual expenditures, the credits of grade and within-grade promotions and the back pay arising thereof as well as the budget dedicated to the recruitments would reach, for the year 2016, an amount of MAD 106.8 billion, That is, an increase of 1.22% compared with those provided for 2015.