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United States and Morocco Launch Free Trade Negotiations

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WASHINGTON - U.S. Trade Representative Robert B. Zoellick and Moroccan Minister-delegate of Foreign Affairs and Cooperation Taib Fassi-Fihri today announced the launch of negotiations on a free trade agreement between the two countries. The agreement would eliminate tariffs and other barriers to trade in goods, agriculture, services, and investment between the U.S. and Morocco.

"A free trade agreement with Morocco will expand our already strong relationship with a key economic and political partner in the Middle East," said Zoellick. "This agreement will create economic opportunities for America's farmers, workers, and businesses as well as bolster economic reforms and foreign investment in Morocco."

The first round of the negotiations will begin Tuesday, January 21, in Washington, D.C. Subsequent negotiation rounds will alternate between Morocco and the U.S. with a goal of completing the negotiations by the end of 2003. President George W. Bush and Morocco's King Mohamad VI announced in April, 2002 that the two countries would seek a free trade agreement.

"The President's commitment to free trade supports the development of tolerant, open, prosperous societies," Zoellick said.

Morocco is an emerging market at the crossroads of Europe, Africa, and the Middle East that imports \$11 billion worth of goods and products each year. The United States currently exports an average \$475 million worth of products to Morocco each year. Leading exports include aircraft, corn, and machinery. Recently, exports of fabrics and pharmaceuticals have increased significantly. Currently, U.S. products entering Morocco face an average tariff of over 20 percent, while Moroccan products are subject to an average tariff of 4 percent as they enter the United States.

Background

The democratically-elected Moroccan government has launched a comprehensive economic reform program that is aimed at reducing inflation, developing the tourism sector and liberalizing and privatizing key sectors, such as telecommunications. A free trade agreement with the United States, with its emphasis on the rule of law, improved competition and trade liberalization, would enhance and solidify those reforms.

The government of Morocco has also launched an initiative to streamline investment procedures and eliminate barriers to foreign and domestic investment. A free trade agreement would have provisions to help improve Morocco's investment climate, as well as protecting U.S. investments.

During the negotiations, the U.S. will seek to eliminate tariffs and other duties on trade between Morocco and the United States on the broadest possible basis, improve intellectual property rights protection, and eliminate barriers in Morocco's services markets. The U.S. seeks to liberalize trade through multilateral, regional, and bilateral initiatives. A free trade agreement with Morocco is an important element of this strategy.

The World Trade Organization (WTO) was founded in Marakesh, Morocco, in April 1994. A free trade agreement between the U.S. and Morocco will support ongoing WTO negotiations.

The U.S. is refocusing its existing development assistance program to link it more closely with a free trade agreement and help Morocco meet a free trade agreement's significant obligations. In addition to building trade capacity, U.S. technical assistance will help Morocco in critical areas, such as agriculture sector reform.

In addition to the launch of negotiations with Morocco and press conference, Zoellick and Minister Fassi-Fihri will participate in a luncheon hosted by the U.S. - Morocco Business Coalition for senior U.S. business executives.

This month, the United States has also launched negotiations for free trade agreements with the five nations of the South African customs union and five nations of Central America. In December and January, the United States also completed free trade agreements with Chile and Singapore, which it expects to sign and forward to Congress later this year.

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