

**MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS**

Communication from Morocco

The following communication, dated 15 April 2003, has been received from Morocco.

1. Morocco attaches great importance to the Doha Round negotiations on market access for non-agricultural products.
2. Although various negotiating rounds have led to substantial reductions in tariffs on non-agricultural products, Morocco is convinced that further improvements are needed, in accordance with paragraph 16 of the Doha Declaration which provides, *inter alia*, that Members shall conduct "... negotiations which shall aim, by modalities to be agreed, to reduce or as appropriate eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs, and tariff escalation, as well as non-tariff barriers, in particular on products of export interest to developing countries ...".
3. At Doha, the Ministers also agreed that, *"The negotiations and other aspects of the Work Programme shall take fully into account the principle of special and differential treatment for developing and least-developed countries embodied in: Part IV of the GATT 1994; the Decision of 28 November 1979 on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries; the Uruguay Round Decision on Measures in Favour of Least-Developed Countries; and all other relevant WTO provisions."* (paragraph 50 of the Doha Declaration).
4. The development component is thus a central element of all the Doha Round negotiations, including those on market access for non-agricultural products.

**I. SCOPE OF THE NEGOTIATIONS**

5. Morocco considers that the objectives of the negotiations on market access for non-agricultural products should be to enhance competition, promote the development of global trade and strengthen the integration of developing countries in the multilateral trading system.
6. Morocco is of the view that the negotiations should include all non-agricultural products without any a priori exclusions.

## **II. TARIFF REDUCTIONS**

7. Unlike the requests-offers process, a formula-based approach to reductions would save a great deal of time and effort.

8. Nevertheless, pursuant to the Doha Declaration, the needs and interests of developing and least-developed countries must be taken into account in the ongoing negotiations.

9. In this connection, paragraph 16 of the Doha Declaration states that "*The negotiations shall take fully into account the special needs and interests of developing and least-developed country participants, including through less than full reciprocity in reduction commitments, in accordance with the relevant provisions of Article XXVIII bis of GATT 1994 and the provisions cited in paragraph 50 below.*"

10. Consequently, Morocco considers that an approach based on a formula is the most appropriate and that the formula chosen should not be applied in the same way by all the WTO's Members. It should provide different levels of reduction for developing countries.

11. As far as least-developed countries are concerned, Morocco considers that they should be given more flexibility and be able to make reduction offers that are in line with their development objectives.

12. In addition, the supplementary approaches should only be considered after the completion of the Group's negotiations on the core modality for tariff reductions. Participation in the supplementary approaches should be voluntary in order to achieve reductions over and above those obtained through the core modality.

13. Developing countries should be able to retain their lowest tariffs because these duties earn substantial customs revenue and have a negligible impact on market access.

## **III. PERIOD OF IMPLEMENTATION**

14. The commitments to reduce tariffs that will be agreed should be implemented gradually so as not to jeopardize the economic development objectives of Members, especially the least-developed among them.

15. Morocco proposes that Members should put the aforementioned reductions into effect in equal annual instalments over a period of five years as of 1 January 2005. In the context of special and differential treatment, however, developing countries should be given an additional period so that their industrial sectors can be adequately prepared to meet the competition that will result from tariff reductions.

## **IV. BASIS FOR TARIFF REDUCTION AND AUTONOMOUS LIBERALIZATION MEASURES**

16. It should be emphasized that the majority of the WTO's Members have not yet adopted the HS2002. Consequently, Morocco proposes that the negotiations should be based on the schedules of concessions expressed in HS96 until all Members have finished transposing their schedules into the 2002 version of the HS.

17. In addition, Morocco considers that one of the major objectives of these negotiations is to enhance the predictability of global trade in non-agricultural products. In order to achieve that objective, Members need to make efforts to ensure generalized binding of tariffs.

18. In parallel with what was decided by the special session of the Council for Trade in Services, market access modalities for non-agricultural products should be established in respect of autonomous liberalization measures. These liberalization efforts made by Members, particularly developing countries, should be viewed as liberalization credits in favour of those countries on the basis of the bindings made during the Uruguay Round.

19. It is therefore proposed that the reduction bases emerging from these negotiations should be the current bound rates.

## **V. PREFERENTIAL MARGINS**

20. The negotiations on market access for non-agricultural products within the WTO are taking place at the same time as a series of economic integration processes, both at the regional and bilateral levels, whose main objective is to eliminate tariffs and non-tariff barriers.

21. Morocco therefore proposes that the erosion of preferences that would follow the tariff reductions implemented as a result of the negotiations should be taken into account. This erosion will have a negative impact on the regional integration efforts under way. This concern could be met by adapting the tariff reductions and the time-limit for their implementation when they affect preferences for products whose export is of importance to developing countries and least-developed countries benefitting from these preferential regimes.

## **VI. NON-TARIFF MEASURES**

22. After several negotiating rounds in the multilateral trading system, important non-tariff barriers are still applied by Members and lessen the impact of tariff reductions.

23. Morocco attaches considerable importance to the work of the Negotiating Group on Market Access for non-agricultural products in relation to non-tariff barriers which, in accordance with the provisions in paragraph 16 of the Doha Declaration, should lead to " ... *the reduction or elimination of ... non-tariff barriers, in particular on products of export interest to developing countries*".

24. Morocco considers that the enumeration of non-tariff measures is an important first step in fulfilling the relevant mandate in the Doha Declaration, but that it must be followed by substantive work in order to eliminate these barriers.

25. Morocco also believes that it would be useful to take into account the work carried out by other WTO bodies, in particular on trade facilitation.

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