

TRADING ARRANGEMENTS WITH MOROCCO

Request for an extension of a waiver

1. Request

As provided for in paragraph 2 of the Understanding in respect of Waivers of Obligations under GATT 1994, any waiver in effect on the date of entry into force of the WTO Agreement shall terminate, unless extended, on the date of its expiry or two years from the date of entry into force of the WTO Agreement, whichever is earlier. As a result, the waiver for Trading Arrangements with Morocco, which had originally been granted for an unlimited time period by Decision of the CONTRACTING PARTIES of 19 November 1960¹ (hereinafter referred to as "the waiver"), will terminate on 31 December 1996, unless it is extended. It is recalled that the waiver grants France a derogation from the provisions of paragraph 1 of Article I of the General Agreement (now GATT 1994) to the extent necessary to permit the application on importation into France of duty-free tariff quotas to a number of products originating in parts of the territory of the Kingdom of Morocco not covered by the provisions of paragraphs 2 and 4 of Article I of the GATT 1947 (now the GATT 1994).

The European Communities herewith request extension of the waiver until the entry into force of the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Kingdom of Morocco, of the other part (hereinafter referred to as "the Euro-Mediterranean Agreement with Morocco") or until 31 December 1997, whichever is earlier.

2. Description of the measures for which an extension of the waiver is requested

The measures for which an extension of the waiver is requested have been described in the original waiver decision. They have not changed in substance.

3. Specific policy objectives pursued

The original waiver was requested in order to ensure that trade between France and Morocco could be conducted under uniform trade and exchange regulations, given France's right under paragraphs 2 and 4 of Article I of the General Agreement to maintain certain preferences for a number of goods originating in the former French zone of Morocco. The waiver extended these preferences to the other parts of the territory of Morocco. These trading arrangements with Morocco aim at assisting the sound economic development of Morocco, in light of the traditionally strong ties France has with

¹BISD 9S/39

it, in a manner consistent with the objective of the WTO and not at raising undue barriers or at creating undue difficulties for the trade of other WTO Members. This aim continues to exist.

4. Reasons for the request for an extension of the waiver

The advantages which Morocco derives from these trading arrangements have been taken into account in the Euro-Mediterranean Agreement with Morocco. Until the date on which the Agreement enters into force, however, there is a need for the waiver to remain in force. Entry into force of the Agreement is expected well before the end of 1997. However, in order not to request an extension for a time period which could in theory be unlimited, the European Communities accept that should entry into force of the Agreement not occur before the end of 1997, a renewal of the waiver would have to be requested.

5. Continued existence of the exceptional circumstances justifying the waiver

The circumstances justifying the waiver, in particular the traditionally strong ties between France and Morocco and the trade, financial and development needs of the latter, continue to exist.

6. Fulfilment of the terms and conditions attached to the waiver

The original waiver did not contain any terms and conditions. The European Communities accept that extension of the waiver be made subject to the usual terms and conditions attached to waivers. As the extension of the waiver is requested for one year at most, an annual report to the General Council is not required. The European Communities wish to assure the other WTO Members that they will, upon request, promptly enter into consultations with any interested WTO Member with respect to any difficulty or matter that may arise as a result of the extension of the waiver.