

## II. TRADE POLICY REGIME: FRAMEWORK AND OBJECTIVES

### (1) General framework

1. Under the Moroccan Constitution, the King is the Head of State.<sup>1</sup> He appoints the Prime Minister who is responsible for forming the Government and coordinating the activities of Ministers. The King signs and ratifies international treaties and presides over the supreme judicial authority. Executive power is vested in the King and the Government. The latter's composition must reflect that of the Chamber of Representatives which holds the legislative power and is responsible, with the King, for initiating any revision of the Constitution (Article 97 of the 1992 Constitution). The Government is placed under the authority of the King but is required to submit its programme to the Chamber for a vote of confidence.<sup>2</sup>

2. The Chamber of Representatives has 333 members elected for a term of six years; two thirds of them are elected by direct universal suffrage, the others by an electoral college. The one third elected indirectly comprises 69 town councillors, 32 representatives of trade organizations, including chambers of commerce in particular, and 10 workers' representatives. Depending on the importance of questions placed before the Chamber of Representatives for a vote, the required majority varies between: two thirds of members for proposed constitutional revisions; an absolute majority for censure motions and votes of no confidence; and a majority of the votes cast for most legislation and private member's bills. Morocco's most recent general elections were held in September 1993.

3. All new legislation is initiated by the Prime Minister on the proposal of the Minister responsible for the question concerned or the Chamber of Representatives. Bills are adopted by the Government Council and subsequently by the Council of Ministers, before being submitted for consideration to the Parliamentary Commission specializing in the area concerned.<sup>3</sup> After adopting a bill, the Commission submits it to the plenary Chamber of Representatives for a vote. Laws must be promulgated within 30 days following their transmission to the Government.

4. Since 1 April 1994, decrees, including those relating to customs matters, have been issued by the Prime Minister after being countersigned by the Minister of Finance and the other ministers concerned. Decrees are then submitted to the Government Council and the Council of Ministers in succession, before being approved by the King. They become enforceable once they are published in the Official Bulletin.

---

<sup>1</sup>ABECOR (1994), Crédit Lyonnais (1993), Europa Publications (1994). The present Constitution of the Kingdom of Morocco was adopted by national referendum on 4 September 1992.

<sup>2</sup>The Chamber may force a government to resign by a vote of no confidence or a motion of censure.

<sup>3</sup>The difference between the Government Council and the Council of Ministers is that the former meets regularly under the chairmanship of the Prime Minister, while the latter is presided over by the King.

5. The Supreme Court is composed of six chambers. The judges are selected on the recommendation of a Supreme Council presided over by the King. All courts have jurisdiction to hear all cases, including those relating to trade. At present, therefore, there are no courts specializing in commercial matters. Moreover, the ordinary courts have jurisdiction to try customs offences.<sup>4</sup>

6. A Constitutional Council to review the validity of general elections, referendums, basic laws and rules of procedure of the Chamber of Representatives was set up under the 1992 Constitution and is already at work. It is composed of a President, four members appointed by the King and four others appointed by the Speaker of the Chamber of Representatives. Its members are as a rule appointed for a term of six years; half the members of each group will have their terms of office renewed every three years. A system of local authority councils, whose members are appointed, is currently in place.<sup>5</sup> It is also planned to establish an Economic and Social Council.

(2) Procedure for the formulation and implementation of trade policy

7. The Ministry of Foreign Trade frames government policy in this field. According to the nature of the questions considered, it coordinates this policy with the various Ministries concerned (Ministries of Finance and Foreign Investment; of Trade, Industry and Handicrafts; of Agriculture and Agricultural Development; and of Foreign Affairs, among others). Tariff changes are always ratified in the Finance Act of the year following the decision. They are therefore adopted retrospectively by the Chamber of Representatives.

8. Before any foreign trade bill is prepared, private sector views are ascertained through trade associations. A National Foreign Trade Council (CNCE), set up in July 1993, is composed of 30 representatives of the administration and 36 representatives of the business community. It is responsible for preparing advisory opinions on foreign trade issues and putting forward suggestions aimed at strengthening the competitiveness of Moroccan products and services. The CNCE draws up an annual report on trends in Moroccan foreign trade.

9. A Consultative Commission on Imports (CCI) was established in 1993 and issues opinions on all matters relating to applications for tariff or quota protection and requests for emergency measures by the producers, importers or users of a given product. The Commission is chaired by the Director of Foreign Trade Policy in the Ministry of Foreign Trade and is made up of representatives of several

---

<sup>4</sup>The Kingdom of Morocco has six main types of court. The municipal and district courts have very limited jurisdiction, while the courts of first instance are divided into sections, depending on the nature of the cases. The administrative courts have original jurisdiction in proceedings to annul administrative decisions for illegality, disputes relating to administrative contracts and actions for damages in respect of acts or activities of public corporations. These courts are also empowered to hear disputes arising from the enforcement of legislation and regulations concerning electoral and fiscal matters, recovery of Treasury debt and the right of expropriation in the public interest. The courts of appeal are courts of second instance responsible for ruling on appeals against first instance decisions and orders issued by the presidents of administrative courts. The appeal courts also have jurisdiction in criminal cases at first and last instance. The essential function of the Supreme Court is to supervise the application of the law and ensure uniform standards of judicial interpretation on the basis of appeals on points of law against last-instance decisions by any of the Kingdom's courts. Finally, the Court of Audit is the highest authority responsible for supervising the implementation of financial legislation and evaluating the management of agencies under its control.

<sup>5</sup>The provincial or prefectorial assemblies are composed of two categories of councillors whose numbers are variable. Representatives of trade bodies have numerical ascendancy over other councillors. The assemblies are empowered to resolve administrative and economic issues of concern to their areas of jurisdiction, following deliberation.

Ministries, one representative of customs and excise, one representative of each of the trade associations deemed most representative and one representative from each of the Federations of Chambers of Commerce and Industry, Chambers of Agriculture and the Federation of Craft Chambers.

10. Under the supervision of the Prime Minister, the Ministry of Finance and Foreign Investment, the Ministry of Foreign Trade, the Ministry for the Promotion of the Economy and Bank Al-Maghrib, among others, produce an annual evaluation of the Moroccan economy. In addition, the Planning Directorate of the Ministry responsible for population affairs is currently finalizing an outline macroeconomic evaluation of policies implemented over the last decade, combined with an analysis of medium-term growth scenarios. Workshops and seminars are frequently organized for exchanges of views between the administration, certain academic bodies (institutes and research centres) and associations of economists specializing in trade matters.

(3) Trade policy objectives

11. Morocco is pursuing the policy of liberalization initiated in the mid-1980s. It expects the opening and deregulation of markets to reduce economic distortions, improve productivity and increase flexibility in response to market fluctuations. Action to combat unemployment, a major objective of economic policy, is being pursued through the modernization and restructuring of the economy.<sup>6</sup> The various laws on foreign trade currently in force are being reviewed to bring them into line with the WTO Agreements.

12. It is the government's intention to achieve complete convertibility of the dirham, to transform all quantitative trade restrictions into tariffs and to introduce legislation relating to emergency measures (Section IV.2(ix)). Agriculture will continue to be the sector with the highest level of protection. Goods not produced or not expected to be produced by Morocco will rapidly become the subject of liberalization; customs duties will be substantially reduced. Owing to the frequency of droughts over the last decade, self-sufficiency in food has become a long-term objective. In the short and medium term, the government is looking to achieve food security.

13. In the context of export promotion policy, the government has set itself the goal of encouraging the processing of raw materials in order to increase the share of semi-finished and finished products in the country's exports. Morocco also intends to diversify its product base and foreign markets. It is planned to modernize export firms and encourage partnerships. The various tariff exemption and concession schemes currently used to shelter these firms from the direct cost of import restrictions will be overhauled and could be strengthened.

14. Morocco intends to pursue its privatization reforms. The gradual reduction of State involvement and the opening up of most economic activities to foreign participation are among the measures designed to encourage technology transfers.

(4) Laws and regulations in the field of trade

15. The main instrument governing Morocco's foreign trade is Law No. 13-89 of 9 November 1992.<sup>7</sup> The Law comprises 20 Articles divided among four parts dealing *inter alia* with the protection of domestic industry (Articles 2 to 14), measures to protect domestic industry against unlawful trade

---

<sup>6</sup>Statements by the Moroccan authorities at the GATT Ministerial Conference in Marrakesh (12-15 April 1994).

<sup>7</sup>Prior to November 1992, a disparate array of provisions governed Morocco's foreign trade, some of them dating back to the beginning of the last century.

practices (Article 15), import procedures (Articles 16 and 17) and export procedures (Articles 18 and 19). Following Morocco's ratification of the WTO Agreements, a bill to amend Law No. 13-89 has been prepared. Having already been approved by the Ministers concerned, the bill is in the process of enactment.

16. Table II.1 gives a list of the main trade-related statutes in force in Morocco. A new commercial code will shortly be approved by the Chamber of Representatives to replace the 1913 Code currently in force.<sup>8</sup> A companies bill has been drafted and is in the process of being enacted by the Chamber of Representatives. A bill on competition is in preparation (Section IV.4(iii)(a)).

---

<sup>8</sup>This Code will repeal the rule of marital supervision under which the husband's authorization is required for the exercise of commercial activities by a married woman. It will establish a general requirement of entry in the commercial register, even for public corporations engaged in industry and trade. It will make payment by cheque compulsory in transactions between traders involving sums of DH 5,000 or more. The draft Code extends the bankruptcy regime to the administrators and managers of public and private limited companies when the bankruptcy is caused by serious errors of management.

**Table II.1**  
**Trade legislation in Morocco**

Field	Legislative enactment	Date of entry into force
Customs procedures	Customs and Excise Code	1977 <sup>a</sup>
Customs tariffs	Import duty rates	1957 <sup>b</sup>
Levies and charges	Finance Acts	Annual
	Foreign Trade Law	1992
Import and export control	Ministerial Order ("Arêté")	1994
Technical standards and regulations	Dahir on industrial standardization	1970
	Decree on industrial standardization	1970
	Decree on trademarks or certificates of conformity with Moroccan standards	1993
	Order concerning the sale of Moroccan standards	1979
Government procurement	Decree concerning government procurement	1976
Rules of origin	Customs Code	1977
	Bilateral or regional agreements	
Emergency measures	Foreign Trade Act	1992
	Decree and Order	1993 and 1994
Export promotion	2 dahirs, 1 law and 2 decrees on incentives for industrial and handicraft exporters	1973, 1977 and 1988
	Finance Acts	Annual
	Export Code	13 August 1973
Privatization	Law authorizing transfer of public enterprises to private ownership and implementing decree	1990, 1995 and 1990
Intellectual property	Dahir relating to industrial property	1916
Foreign investment	Industrial Investment Code	17 January 1983
	Maritime Investment Code	5 October 1984
	Property Investment Code	17 August 1985
	Mining Investment Code	29 December 1986
	Tourism Investment Code	3 June 1983
	Handicrafts Investment Code	13 August 1973
Foreign Trade	Commercial Code	1913
Enterprises	Companies Act	1967

a Last update: January 1995.

b Last update: 1994.

Source: Government of Morocco.

17. Moroccan law is based on the general principle of the subordination of domestic law to international legal instruments.

(5) Trade and cooperation agreements

(i) Multilateral agreements

18. Morocco acceded to the GATT in June 1987. After hosting the Marrakesh Ministerial Conference in April 1994, it immediately accepted the WTO Agreements, and this enabled it to become one of the founder Members of the Organization. Morocco has entered into commitments under all the WTO Agreements resulting from the Uruguay Round, except for the Plurilateral Agreements on

Trade in Civil Aircraft and Government Procurement and the International Dairy and Bovine Meat Agreements. The Moroccan authorities have consistently expressed their unwavering support for an open multilateral system and compliance with its rules. Morocco's accession to regional or bilateral agreements is dictated not only by economic considerations but by traditional political and cultural links with the partner countries; such agreements are considered to complement those of the WTO.

19. Morocco is a Member of the United Nations and its agencies. It is also a Member of the International Monetary Fund and the World Bank.

(ii) Regional agreements

20. The Arab Maghreb Union (AMU), set up in February 1989, groups together Algeria, Libya, Morocco, Mauritania and Tunisia. Two conventions have been signed within the framework of this Union. The first, dating from 1991, which has not yet come into effect for want of ratification, grants exemption from customs duties and charges of equivalent effect for all products from Member countries, exempts a number of goods from non-tariff barriers and provides for the application of an offsetting tax of 17.5 per cent on products benefiting from a special customs regime. The second convention, dating from 1990, concerns only trade in agricultural products. Discussions are currently taking place with a view to the establishment of a free-trade area among the Member countries of the AMU.

21. Morocco is a Member of the African Development Bank, the Islamic Development Bank, the Arab Fund for Economic and Social Development, the Organization of the Islamic Conference and other institutions.

(iii) Bilateral agreements

(a) Relations with the European Union

22. The European Union (EU) is Morocco's principal trading partner. Trade relations were initially governed by a cooperation agreement signed in 1976, which entered into force in 1978. Under that Agreement, Moroccan exports of industrial products are granted free access to the EU market as long as they conform to the rule of origin. Trousers are the only product still subject to voluntary restraint (Section IV.3(iv)). Subject to the observance of a timetable and a reference price, exports of agricultural products are granted preferential treatment (seasonal tariff quotas). Based on the same principles, an additional protocol to the Agreement was concluded in 1988 following the enlargement of the Union to include Spain and Portugal. The two parties are in the process of negotiating an association agreement which will replace the 1976 Agreement. The centrepiece of the new agreement would be the introduction of a free-trade area. Pending the conclusion of this agreement, a provisional arrangement has been approved concerning quota levels for the year 1994-1995 (Section V.2(iii)(c)).

23. A fisheries agreement between Morocco and the EU defined the conditions of access to waters under Moroccan jurisdiction for ships flying European flags, in consideration of a financial package. The Agreement provided for tariff dismantling on a sliding scale for Moroccan exports of sardines. In the context of discussions at the half-way stage, the two parties agreed to terminate the second agreement in April 1995. Negotiations for the conclusion of a new agreement are under way.

24. A framework agreement on trade and investment between Morocco and the United States was signed on 16 March 1995. It is designed to strengthen bilateral cooperation in the fields of trade, taxation, intellectual property and investment.

(b) Agreements with Arab and African countries

25. Morocco's trade with the Maghreb countries and such countries as Jordan, Iraq, Saudi Arabia, Sudan, Egypt, Senegal and Guinea is governed by bilateral trade and tariff conventions. The latter provide for exemption from duties and, in some cases, from certain charges having equivalent effects. A review of these various agreements is currently in progress (and has been completed in the case of those with Jordan and Egypt), in order to bring them into line with new Moroccan and international regulations and those in force in the countries concerned. Morocco does not grant non-tariff preferences favouring particular partners in such fields as government procurement.

(iv) Other agreements and arrangements

26. On a non-reciprocal basis, Morocco enjoys the benefits of the Generalized System of Preferences (GSP) afforded by industrialized countries, including Japan, the United States, Canada and Switzerland. Under this arrangement, Moroccan exports of the products concerned enter those countries duty-free or at preferential duty rates.

27. Morocco was one of the first developing countries to sign the Agreement relating to the Global System of Trade Preferences (GSTP) in April 1988. It will recover its status as participating member (which it lost through failure to ratify the Agreement within the required time-limits) in July 1992, during the second round of negotiations. Morocco has thus rejoined the GSTP on the basis of its initial 1988 offer and is currently negotiating bilateral concessions with the other GSTP partners. So far, Morocco has not carried out any commercial operations within that system.

28. Following its withdrawal from the International Natural Rubber Agreement (INRO) in 1994, Morocco is no longer a party to international commodity agreements. It is, however, a member of the Common Fund for Commodities, having ratified the relevant agreement in 1987.