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TRADE POLICY REVIEW BODY

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TRADE POLICY REVIEW MECHANISM

Review of Morocco

Communication from the Discussants

In pursuance of Annex 3, paragraph C(iv) of the WTO Agreement, the following are outlines of the main points to be raised by Mr. Stuart Harbinson (Hong Kong) and Mr. Ole Lundby (Norway) at the review of Morocco on 17-18 January 1996.

It is recalled that the discussants act in their personal capacity.

(a) Mr. Stuart Harbinson

1. Morocco's active participation in the Uruguay Round and the commitments it has undertaken in this regard demonstrate its commitment to the multilateral trading system.
2. Liberalization of the economy and consolidation of its openness to the outside world are the laudable principles of Morocco's economic policy. What are the main factors currently influencing the pace of progress in putting these principles into practice?
3. Morocco has rightly been praised for its process of autonomous trade liberalization starting in the early 1980s. There are, however, recent suggestions that, despite the favourable results achieved, the initial enthusiasm for this process has been somewhat blunted.
4. Privatization is an important element in the process of economic liberalization. The privatization programme approved in 1989 is said to cover 40 per cent of the State's portfolio of ownership. An update on progress, and an account of the future outlook for further privatization, would be useful.
5. Considerable progress has clearly been made in recent times in deregulating the economy and simplifying bureaucratic procedures. However, it appears that the Government still plays a very significant rôle in commercial life through such procedures and measures as registration, licensing, import indentures, fiscal levies on imports, duty and tax exemption and refunds, incentives, subsidies and other measures to protect domestic production, price regulation and domestic content requirements.
6. The services sector has especially benefitted from the process of liberalization to date and it is hoped that Morocco will be encouraged to continue this process and to participate actively in future services negotiations.
7. Adoption of laws to give effect to WTO provisions in the area of emergency action (safeguards, anti-dumping, subsidies).

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(b) Mr. Ole Lundby

1. Implementation of Uruguay Round results: overview of the current situation in individual sectors. Salient issues in this context include the question of tariffication in agriculture and intended changes, \$if any, to sectoral policy régimes (e.g. motor vehicles).
2. Future tariff policies.
Some official tariff rates (column G) appear to be higher than the bound rates. Any changes under consideration? Intentions to simplify the tariff structure through reducing the number of different rates and aligning the official with the currently applied rates?
3. Future use of export promotion policies, including tariff and duty exemptions. Are there any plans to facilitate the integration of the export sector in the domestic economy?
4. Interaction of multilateral and regional trade policy objectives and instruments. Points for discussion would include Morocco's future status in EU markets, given competition from new preferential suppliers, and the impact of the MFA phasing-out.