

GENERAL AGREEMENT ON TARIFFS AND TRADE

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EUROPEAN COMMUNITIES - ASSOCIATIONS WITH MOROCCO AND TUNISIA

Communication from the European Communities

The following communication, dated 28 February 1975, has been received from the Permanent Delegation of the Commission of the European Communities.

I have the honour to enclose herewith, for communication to the contracting parties, an information note on the evolution of the situation within the framework of the agreements establishing an association between the European Communities and Morocco and between the European Communities and Tunisia, respectively.

IMPLEMENTATION OF ASSOCIATION AGREEMENTS EEC - MOROCCO AND EEC - TUNISIA

Information for the contracting parties to GATT

1. The progressive elimination of obstacles with respect to substantially all the trade between the EEC and Morocco, on the one hand, and between the EEC and Tunisia, on the other hand, has proceeded in accordance with the provisions of the association agreements since their entry into force on 1 September 1969.

In the past two years, Morocco and Tunisia have continued to enjoy exemption from customs duties and charges having equivalent effect on imports into the Community, as well as the elimination of quantitative restrictions on industrial products mentioned by the association agreement, and the tariff reductions stipulated in the agreement in respect of agricultural products. As provided in the agreement, the Community for its part has enjoyed in respect of its exports the advantages granted by Morocco and Tunisia in the field of quantitative restrictions, and by Tunisia alone in the tariff field.

2. The foreign trade of Morocco and Tunisia has developed as follows in the past two years (see table in annex):

(a) Morocco

After a small increase in 1972, Morocco's imports from the Community developed very strongly in 1973, exceeding the increase in imports from third countries (+ 2.1 per cent in 1972, 43.6 per cent in 1973 in respect of the EEC¹; 0.5 per cent in 1972 and 18.5 per cent in respect of third countries). Morocco's exports to the Community and to third countries developed at a very satisfactory rate during the two years under reference.

(b) Tunisia

In 1972 and 1973 the growth rate of imports from Tunisia was appreciably higher for imports from the Community (30.8 per cent and 27.5 per cent respectively) than for those from third countries (14.4 per cent in 1972 and 8.5 per cent in 1973). On the export side, deliveries to the Community developed very substantially in 1972, by 49 per cent. In 1973 the increase was by 3.2 per cent. Inversely, exports to other countries developed normally in 1972 (by 13.5 per cent) and showed a vigorous increase in 1973 (26 per cent).

3. Protocols have been concluded between the EEC and the two associated States in order to establish the provisions necessary by reason of the accession to the Community of Denmark, Ireland and the United Kingdom. These Protocols entered into force on 1 January and 1 August 1974 respectively.

Under these Protocols, the new member States apply to Morocco and Tunisia the reductions in customs duties provided under the association agreements, on the understanding, however, that the duties resulting from those reductions may in no case be lower than those applied by the new member States to the Community as originally constituted. Tunisia, for its part, is implementing the tariff reductions that it also granted under the association agreement, but is doing so in stages.

As regards quantitative restrictions, the new member States and likewise Morocco and Tunisia apply among themselves the provisions of the association agreements as from the entry into force of the Protocols. In this connexion, the

¹The evaluation of the development of the foreign trade of Morocco and Tunisia with the EEC does not take account in 1973 of the results in respect of the new member States, whose accession to the Community made necessary the conclusion with Morocco and Tunisia of a protocol that entered into force in the course of 1974.

quotas and shares opened by Morocco and Tunisia in respect of products originating in the Community have been enlarged proportionately to their imports from the new member States, calculated on the same basis as had been used for the agreements themselves.

4. Under Article 14 of the association agreements, the parties set themselves as an objective the conclusion of new agreements on a broader basis. It has not been possible to complete the negotiation of these agreements which, in addition to trade matters, must make provision for action in the field of co-operation, within the period set by the agreements. Accordingly, as a transitional measure, the parties agreed to extend the validity of the existing association agreements which were to expire on 31 August 1974. The procedures for signature and ratification of agreements providing for such an extension are under way, but the parties have already, on an autonomous basis, taken the necessary measures to allow the trade régime established by the agreements in force to be maintained beyond 31 August 1974.

Negotiations concerning the agreements on a broader basis were resumed in recent weeks and are expected to be completed very shortly.

DEVELOPMENT OF FOREIGN TRADE OF MOROCCO

(in '000 dirhams^{1/})

	1969	1970	1971	1972	1973
<u>Imports</u>					
EEC	1,489	1,762	1,737	1,773	2,546 ^{2/}
Third countries	1,355	1,709	1,796	1,804	2,138
TOTAL WORLD	2,844	3,471	3,533	3,577	4,684
<u>Exports</u>					
EEC	1,044	1,507	1,431	1,724	2,418 ^{2/}
Third countries	1,011	943	1,095	1,229	1,328
TOTAL WORLD	2,455	2,450	2,526	2,953	3,746

^{1/} 1 dirham = US\$0.1074 (official par value prior to 20 December 1971)

^{2/} Including the new member States which, in imports and exports, represent approximately 160.0 and 180.0 respectively.

Source: National statistics of Morocco.

DEVELOPMENT OF FOREIGN TRADE OF TUNISIA

(in '000 dinars^{1/})

	1969	1970	1971	1972	1973
<u>Imports</u>					
EEC	73.6	87.3	99.9	130.7	166.6 ^{2/}
Third countries	66.2	73.1	80.0	91.5	99.3
TOTAL WORLD	139.8	160.4	179.9	222.2	265.9
<u>Exports</u>					
EEC	47.7	54.8	60.7	90.5	93.4 ^{2/}
Third countries	39.3	41.0	52.6	59.7	75.2
TOTAL WORLD	87.0	95.8	113.3	150.2	168.6

^{1/} 1 dinar = US\$1.905 (official par value prior to 20 December 1971)

^{2/} Including the new member States which, in imports and exports, represent approximately 9.5 and 4.3 respectively.

Source: National statistics of Tunisia.