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MORROCO

Statement by H.E. Mr. Alami Tazi Minister of Commerce, Industry and Handicrafts

The WTO Ministerial Conference taking place in Seattle from 30 November to 3 December 1999 will mark an important stage in the evolution of the multilateral trading system, whose foundations were laid at Marrakesh in April 1994.

On this occasion, Morocco reaffirms its commitment to the objectives of the multilateral trading system as set out in the WTO Agreements. It will therefore continue to contribute as actively as possible to consolidating multilateral rules and disciplines.

In this regard, Morocco recalls that the efficacy of WTO rules must be gauged not only in terms of their role in the expansion of international trade and the opening of markets, but also in terms of their part in improving social and economic indicators in developing countries.

Significant headway has been made in the orderly and responsible liberalization of world trade. This trend should be continued into the forthcoming WTO negotiations, bearing in mind the proven beneficial effects of such liberalization on growth, development and on the welfare of populations.

It is equally important to ensure that future multilateral negotiations allow for full participation by developing countries. That is a *sine qua non*, not only for ensuring the stability of the multilateral trading system, but even more so to make development the over-arching theme of the forthcoming round of negotiations. That was one of the core elements of the recommendations made by the Ministerial Conference of the Group of 77 and China held in Marrakesh in September 1999.

By way of decisions, the documents adopted by that Ministerial Conference included the Marrakesh Declaration, the Action Plan and the Bangkok Draft. These documents reflect clearly and precisely the concerns and proposals of developing countries in regard to development issues which Morocco earnestly hopes to see examined further at the Seattle Conference and at the Tenth UNCTAD Conference scheduled for February 2000 in Bangkok.

The Marrakesh Declaration sets out the development strategy that participants hope to implement in the years ahead. It calls for the launching of a new dialogue on the topics of interest to developing countries such as trade, finance, debt, investment and technology.

The Action Plan starts by evaluating the impact of globalization and goes on to outline measures and initiatives that could guarantee the incorporation of developing countries in the world economy.

The draft Bangkok Consensus proposes a new development model underpinned by growth, stability and fairness. It describes the main features of such a model by highlighting both general policy approaches and general principles, such as the need for an evolutionary partnership and for drawing up democratic rules of international decision-making.

Furthermore, meeting in Marrakesh, the Ministers agreed to transmit a message to the Seattle Conference expressing their resolve to ensure that the forthcoming negotiations will produce specific responses to the expectations of developing countries, especially by rectifying the failings of the Uruguay Round Agreements and achieving greater integration of these countries into the world economy.

I. IMPLEMENTATION OF THE AGREEMENTS

Morocco reaffirms its commitment to the full implementation of the existing WTO Agreements and Decisions. It has respected all its undertakings with regard to the Organization.

Nevertheless, it must be observed that implementation of the Agreements has produced mixed results. Therefore, and as agreed in September 1999 in Marrakesh at the Ninth Ministerial Meeting of the Group 77 and China, this matter must be given a central place in future negotiations by adjusting and adapting existing provisions. The following are the main subjects concerned:

- Trade protection systems (anti-dumping and subsidies)

In this regard, Morocco considers it important to strike a certain balance between the need to allow developing countries more leeway for reacting to any unfair trade practices on the one hand, and strengthening the activities of the competent committees in order to guarantee the transparency and legality of such measures on the other.

- Rules of origin

Morocco observes that the ongoing negotiations on rules of origin within the WTO Committee have run into some difficulties. It is therefore necessary to organize a high-level meeting immediately after the Seattle Conference to give fresh impetus to those negotiations. The matter of rules of origin is of crucial importance to future negotiations aimed at more broad-based liberalization.

- Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) Measures

An assessment of the implementation of the TBT and SPS Agreements shows that international standards are emerging at a rapid pace. It is necessary to introduce greater transparency in this sphere and ensure the active participation of developing countries in all stages of standard-setting within a specialized international institution so that the implementation of those standards does not come to constitute new non-tariff barriers detrimental to the set objectives.

- Trade-related investment measures

Morocco believes that this Agreement should be reviewed in order to examine the developing countries' need for a measure of freedom in the use of regulatory measures, to be able to promote investment in some export-oriented sectors. Such measures would also favour the industrialization process in developing countries and promote foreign investment flows as well as the transfer of technology towards those countries.

- Trade-related aspects of intellectual property rights

Since the creation of the WTO, Morocco has endeavoured to modernize the legal and institutional framework for the protection of intellectual property (the enactment in April 1997 of the law on the protection of new plant varieties and the current process of passing a law on industrial property and another that envisages the establishment of the Moroccan Trade and Intellectual Property Office (OMPIC). Furthermore, Morocco believes that it would be necessary to:

- Conduct a case-by-case study of the situation of developing countries which, while reaffirming their commitment to implementing the Agreement, do not seem able to do so as of 1 January 2000. Consideration needs to be given to this postponement of the implementation of the TRIPS Agreement on a comprehensive basis, so as to avoid marginalizing these countries. Nevertheless, Morocco would be flexible on the matter of extending the transition period accorded to developing countries if it is regulated in conformity with the TRIPS Agreements as of the year 2000.
- Extend the international protection of geographical indications to products other than wines and spirits. Granting such additional protection of geographical indications is a matter of paramount interest, as that would make it possible to counteract certain unfair practices involving counterfeits and to avoid misleading the public.
- Expressly identify the specific instruments for fostering the transfer of technology under equitable and mutually beneficial conditions and for closing the technological gap between developed and developing countries.

- Special and differential treatment

Morocco deems it necessary to redefine the essence of special and differential treatment so that, while adapting the concept to new developments in international trade relations, it would also be made to embody a pragmatic approach that translates the current provisions of the various agreements into specific actions.

- Technical Cooperation

Morocco believes that technical cooperation should be considered as an integral part of WTO activities and should be assigned a special annual budget with the view to better integrating developing countries into the multilateral trading system. To that end, it is essential to achieve greater harmonization between the WTO and the other international institutions and regional agencies so as to streamline efforts in this sphere.

II. NEW ROUND OF NEGOTIATIONS

- Principles and structure of the negotiations

Morocco believes that the proper approach to the forthcoming negotiations should be a comprehensive and balanced one that reflects the legitimate interests of all WTO Members and incorporates the development dimension as a fundamental element.

Morocco is also favourable to the option of a "single undertaking" for adopting the agreements arising from the next round of negotiations. That option could make for the steady progress of the negotiations and ensure balanced results.

A comprehensive approach and a single undertaking must not, however, turn into a protracted round of negotiations. Morocco supports the proposal to limit the forthcoming round of multilateral

trade talks to three years. However, some topics are more sensitive than others and could therefore require extended negotiations. Morocco therefore remains flexible in regard to the timeframe, provided that the negotiations do not become too drawn out.

Morocco is of the opinion that the General Council should oversee the negotiations in order to enable the various Members of the WTO to follow the evolution of the talks.

- Negotiating topics

- Agriculture

Morocco considers that the forthcoming negotiations on agriculture provide an opportunity to correct certain shortcomings that are still evident in world agricultural trade and which stem from practices that are in breach of the fundamental principles of the WTO. These are mainly the increasing use of certain forms of export subsidies and domestic support and more frequent recourse to unjustified measures that restrict market access. These negotiations should abide strictly by the provisions of Article 20 of the Agreement on Agriculture concluded at Marrakesh as part of the Uruguay Round, in particular subparagraphs (c) and (d).

It is also indispensable to establish a link between the liberalization of trade in agricultural products and implementation of other WTO Agreements, which should go hand in hand with greater transparency, especially as regards those agreements on technical barriers to trade, sanitary and phytosanitary measures and rules of origin.

Morocco is furthermore of the opinion that the new undertakings should appreciably improve access for agricultural products that are of special interest to developing countries. In this connection, it attaches particular interest to the following issues:

- The need to include horticultural products (fresh and processed) in the forthcoming multilateral negotiations.
- Dismantling non-tariff barriers to all products, especially horticultural products of special interest to countries of the southern Mediterranean.

Morocco furthermore believes that the TSD should be an integral part of the negotiations so as to make allowance for the developmental and food security needs of developing countries, especially in the light of the following factors:

- Considerable population segments are rural dwellers. In the case of Morocco for instance, that segment is almost 50 per cent.
- Developing countries are either net importers of certain commodities, or their industries are still competitively weak.
- Services

The outcome of negotiations on the basic telecommunications and financial services sector is encouraging. Morocco would like to see similar progress in other sectors in which developing countries have appreciable export potential.

Therefore, and in order to ensure balance between the rights and obligations of all Members during the forthcoming negotiations, developed countries should launch a constructive initiative to guarantee broad market access to developing countries in spheres where they are competitive, in

particular, in computer-related services, those associated with construction and in professional services.

In this connection, it is important for the developed countries to make substantial efforts to liberalize the movement of natural persons by entering into more coherent undertakings in that domain and avoiding confusion between migration and the movement of natural persons. Besides, the matter of rules on qualifications, degrees and professional recognition should be examined.

- Negotiations on market access for non-agricultural products

Already at the special meeting of the WTO General Council in September 1998, Morocco stated its agreement with including the accelerated liberalization of industrial products in future WTO negotiations. Nevertheless, it pointed out that those negotiations should be guided by a comprehensive and balanced approach.

Morocco therefore believes that certain conditions should be met if the forthcoming negotiations on industrial products are to achieve the hoped for success:

- The inclusion of products of export interest to developing countries. In this connection, customs duties on these products should be restructured for the sake of greater simplicity and visibility. The same applies to tariff escalation and tariff peaks whose levels should be lowered in order to make for access by these countries to developed country markets.
- The importance of establishing a link between the prospect of accelerated liberalization and the drafting of precise and transparent rules in the sphere of non-tariff measures that constitute a form of disguised protection that could cancel out the benefits of any such liberalization. The measures in question relate, *inter alia*, to rules of origin, trade protection, technical barriers to trade, and investment.
- The sectoral initiatives proposed by a good many countries (eg. the APEC Initiative) could have an adverse effect on the balanced results expected from the forthcoming round and more than this, could rob those negotiations of any meaningful content. Hence the importance of including industrial negotiations in the package.
- The need to provide for some flexibility for developing countries in implementing the results of the new negotiations. Past experience has clearly demonstrated the importance of an orderly and progressive approach to liberalizing world trade so that each Member can participate actively in the process at its own pace and in accordance with its capabilities.

- The fisheries sector

Maritime fishing is one of the main components of economic activity in Morocco and is of strategic importance to lasting social and development plans. In Morocco's opinion, the future negotiations should include this topic.

Aware of the vulnerability and fragility of fishery resources worldwide and convinced of the need to institute improved methods of exploiting them by preserving the fundamental balances in marine ecosystems:

- Morocco favours the elimination of subsidies that are conducive to the over-exploitation of fishery resources.

- Morocco supports the creation of a working group on subsidies granted to the fisheries sector.

As regards the liberalization of the trade in fishery products:

- Morocco favours substantially reducing or even eliminating export subsidies, which are at the root of international trade distortions.
- Morocco proposes the holding of negotiations aimed at improved market access for fishery products.

- Trade facilitation

Exploratory work by the WTO on trade facilitation has been important in that it has led to the drafting of a work programme setting out the core areas to be studied. Further work is needed along these lines in order to examine the various facets of this issue in depth with a view to the eventual conclusion of an agreement in this sphere. Priority should therefore be placed on technical assistance and capacity-building for the benefit of developing countries.

III. OTHER ELEMENTS OF THE WORK PROGRAMME

- Investment, competition and transparency of government procurement

Morocco favours continued study of these topics by the WTO working groups under their terms of reference established at the Singapore Conference. Indeed, these questions need further analysis in order to gain a precise understanding of the linkages between these topics and trade, as well as their implications for international trade. Morocco would prefer to see these matters included in the WTO work programme and not in the negotiations in the New Round.

- Environmental and labour questions

Morocco is convinced that the WTO should not depart from its commercial orientation. Let us not claim that the WTO will be able to provide adequate answers to specific matters that fall within the purview of other international bodies. This was clearly affirmed at the Ninth Ministerial Meeting of the Group of 77 and China in Marrakesh.

With regard to the environment, it would be appropriate, in the first place, for the WTO to undertake the following:

- Evaluate the impact of the Multilateral Environmental Agreements (MEAs) on international trade in order to circumscribe precisely the issues linked to environmental protection that are a source of conflict between these Agreements and the rules and disciplines of the multilateral trading system.
- Look into the "sustainable development" dimension of topics of interest to developing countries. The first such topic would be the potential environmental benefits of the removal of trade restrictions and distortions from the agricultural, industrial and fishery sectors. The second would relate to the need to mobilize sufficient funding to support environmental upgrading programmes in developing countries, while the third would be capacity building and the strengthening of know-how in these countries for the purposes of studies and analyses of environmental problems with trade implications.

- Heighten the awareness of political decision-makers in developing and developed countries as to the complementarity existing between the environment and the multilateral trading system. We must do the utmost in these two areas to create a constructive synergy that would be conducive to sustainable development.

With regard to labour questions, we are convinced that the International Labour Organization (ILO), which currently enjoys universal support and recognition in the promotion of fundamental labour rights, remains the only competent body in that sphere.

It would be important to ensure that environmental and labour issues do not become new forms of disguised protectionism.

IV. IMMEDIATE DECISIONS IN SEATTLE

It would be a good thing if some decisions could be taken in Seattle, for two main reasons:

- It would give substance to the Ministerial meeting;
- such decisions could send a powerful message to the public at large and to the private sectors that the Conference has actually produced concrete results.

In this connection, Morocco would support the adoption of decisions on the following topics: activities in favour of LDCs, technical cooperation, a review of the Dispute Settlement Understanding and the transparency of the WTO. Morocco would also wish for a decision on accessions to be taken in Seattle in order to underscore the universal dimension of the Organization. In this regard, we would wish that special attention be given to membership of developing countries and LDCs.

In contrast, Morocco is not in favour of the immediate adoption of decisions on the following topics: transparency in government procurement, the accelerated tariff liberalization and the Agreement on Information Technology. Such decisions would diminish the efficacy and substance of the forthcoming negotiations.

In respect of electronic commerce, with a view to further consolidating consensus, Morocco believes that the moratorium on the application of customs duties to this type of commerce could be extended to the fourth Ministerial Conference, thus leaving the relevant WTO bodies time to continue their analytical and impact studies.

V. CULTURE AND TRADE POLICY

Morocco supports the concept of cultural diversity. Indeed, Morocco does not consider it desirable to treat culture simply as an item of merchandise or to leave it up to the standardizing influence of market forces within the WTO.
