

RESTRICTED

L/5030
29 September 1980
Special Distribution

GENERAL AGREEMENT ON TARIFFS AND TRADE

Original: French

APPLICATION OF THE EEC-ALGERIA, EEC-MOROCCO AND EEC-TUNISIA CO-OPERATION AGREEMENTS

For Information of the Contracting Parties to the GATT

The provisions relating to trade in the Co-operation Agreements between the EEC and each of the three Maghreb countries have been applied since 1 July 1976, when they entered into force on the basis of interim agreements. This has resulted in the elimination of customs duties and other restrictive trade regulations by the Community for the bulk of its trade with the three countries concerned, as envisaged by the GATT for the establishment of a free-trade zone. For products other than what are considered agricultural products, i.e. for raw materials and industrial products (including those in the sphere of the European Coal and Steel Community), Algerian, Moroccan and Tunisian exports have free access to the market of the Communities. The interim exceptions agreed on for cork products and refined petroleum products were eliminated, as planned, at the end of 1979. In agriculture, most of the exports of these countries enjoy trade concessions. It must be noted, however, that owing to the serious crisis of the textile industry in the EEC, Morocco and Tunisia have accepted, under special arrangements, to limit their exports for certain textile products. Those voluntary limitations will cease as soon as possible.

Thus far, these partners have not granted the Community any concessions under the terms of the Agreements, which at their initial stage do not provide for any reciprocal free-trade obligation, in keeping with the principles of Part IV of the General Agreement.

The Agreements, which were concluded for an indeterminate period, provide moreover for a general review after 1 January 1978, at which the parties shall, in particular, study the possibility of making progress towards the elimination of trade barriers. As the Co-operation Agreements did not enter into force in their totality until 1 November 1978, this review has not yet been held. So far, only exploratory conversations with Morocco have taken place.

(a) Algeria

On average, Algerian exports to the Community have remained at the same level after 1975 and, to judge from the provisional results so far known, even declined in 1978. Meanwhile, exports to third countries made significant progress.

Algeria's imports from the Community and third countries during this same period showed steady growth.

(b) Morocco

Moroccan exports to the Community declined between 1975 and 1977 but increased slightly in 1978. Exports to third countries showed a decrease between 1975 and 1978. During the same period, imports, both from the Community and third countries, increased constantly till 1977 but showed a substantial decrease in 1978.

(c) Tunisia

Tunisian exports to the EEC rose considerably after 1975. Exports to third countries experienced even greater growth. However, there was also a large increase in imports from the EEC.

Development of Algeria's Foreign Trade
(In million dinars)

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u> ^{1/}
<u>Imports</u>				
EEC	14.847	13.292	17.463	19.917
Third countries	8.908	8.935	11.690	13.991
World	23.755	22.227	29.153	33.908
<u>Exports</u>				
EEC	10.023	10.903	11.612	8.991
Third countries	8.539	11.302	14.961	14.814
World	18.562	22.205	26.573	23.805

^{1/} Provisional

Development of Morocco's Foreign Trade

(In million dirhams)

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u> ^{1/}
<u>Imports</u>				
EEC	5.386,3	5.991,3	7.340,7	6.076,1
Third countries	5.006,9	5.563,3	7.060,7	6.285
World	10.393,7	11.554,6	14.401,4	12.361,1
<u>Exports</u>				
EEC	3.375,4	3.191	3.277,5	3.565
Third countries	2.852,3	2.388,3	2.582,1	2.696,1
World	6.227,7	5.579,3	5.859,6	6.261,1

^{1/} Provisional.

Development of Tunisia's Foreign Trade

(In million dinars)

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u> ^{1/}
<u>Imports</u>				
EEC	363,9	401,3	456,1	574,7
Third countries	31,6	105,0	325,3	306,8
World	445,5	506,3	782,4	881,7
<u>Exports</u>				
EEC	165,3	175,3	227,8	259,8
Third countries	94,5	80,4	170,4	193,5
World	259,8	255,7	398,2	453,3

^{1/} Provisional.