

U.S.-Morocco Free Trade Agreement Market Access Results

Textiles and Apparel

Trade and Tariffs

The textiles and apparel sector contains a large variety of products, ranging from yarns, fabrics, and apparel, to made-up goods, certain luggage items, and other miscellaneous goods which contain textile components. In 2001, the United States exported textiles and apparel worth approximately \$26 million, which was approximately 0.1% of total textile and apparel exports for that year. That same year, the United States imported more than \$98 million worth of textiles and apparel from Morocco, representing less than 0.15% of total textile and apparel imports into the United States.

Morocco's tariffs on textiles and apparel goods range from 2.5 to 50 percent. The highest tariffs are applied to certain fabrics, apparel, home furnishings, and carpet.

U.S. tariffs on textiles and apparel goods range from 0 to 32.3 percent ad valorem.

Tariff Elimination

Tariffs will be phased out according to four tariff eliminations categories: immediate elimination, equal cuts over six years, equal cuts over nine years, and non-equal cuts over ten years (for worn clothing and other worn articles). In addition, a group of originating goods will be eligible for tariff preference quotas, which will offer zero duties up to a certain annual quantity of goods, and then the six-year phasing schedule for quantities exceeding the quota. The non-equal cuts for worn clothing will involve three percent cuts for five years and then reductions of 15 percent every year until the goods are duty-free, effective in the tenth year.

Rules of Origin

The U.S.-Morocco FTA consists of a yarn-forward rule largely consistent with other free trade agreements the United States has participated in. This means that most apparel and fabric must contain yarn spun in either party to the agreement, in order to qualify under preferential treatment under the FTA. In this agreement, both sides will also receive preferential treatment for 30 million square meter equivalents (SME) of non-originating fabric and apparel annually for four years, and decreasing quantities for the last six. Also, this agreement contains a provision, in addition to the general consultation provision, which allows consultations if trade in certain categories of lingerie items does not increase.

This agreement will also permit preferential treatment for cotton knit fabric and cotton yarns using cotton fiber from Sub-Saharan African countries. The quantities of non-originating cotton knit fabric and cotton yarn using Sub-Saharan cotton is limited to 1,067,257 kilograms per year.

Other Provisions

The Parties agreed to a Safeguard Mechanism applicable to textiles and apparel and Customs Cooperation Procedures that address fraud and transshipment concerns.