

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

Capital Goods

Trade and Tariffs

The capital goods sector includes the agriculture and construction equipment sectoral initiatives, as well as other machinery and equipment products. Capital goods accounted for 19 percent of total U.S. non-textile industrial exports to Morocco, totaling \$72 million¹. Water tube boilers, bulldozers, dumpers and electric motors lead U.S. exports in this sector.

Moroccan tariffs on capital goods range from 2.5 to 50 percent, averaging 14.4 percent. Tariffs in this sector tend to be highest on insulated conductors, refrigeration, and valves.

Morocco exports minimal capital goods to the United States.

The United States imposes tariffs on capital goods of 0 to 14 percent, with an average of 1.8 percent. The highest tariffs are applied to railway cars.

Tariff Elimination

Tariffs will be phased out according to five tariff elimination categories: immediate elimination, equal cuts over two years, equal cuts over five years, equal cuts over nine years, and for some used products, non-equal cuts over ten years. Duties on used goods will decrease by 3 percent for the first five years and then by 15 percent until duty-free in year ten.

Overall, 94 percent of U.S. industrial exports will receive duty-free treatment immediately upon implementation of the agreement. Tariffs on 6 percent of exports will be eliminated over nine years. Less than 1 percent of U.S. exports will be subject to a five-year non-linear tariff elimination. Used tires and stoves are examples of products subject to non-linear ten-year staging.

The United States agreed to eliminate duties on all capital good tariffs immediately.

Subsectors: Agricultural Equipment, Construction Equipment, Printing, Publishing, and Converting Equipment, and Woodworking Machinery

100 percent of U.S. exports to Morocco in woodworking machinery and printing, publishing and converting equipment will be duty-free immediately upon implementation of the agreement.

98 percent of U.S. agricultural equipment exports will be duty free upon implementation of this agreement. The remaining two percent will be phased – out over a course of nine years.

94 percent of U.S. construction equipment exports will be duty free upon implementation of this agreement. The remaining four percent will be phased – out over a course of nine years.

¹ Based on Moroccan Imports for Consumption from the United States (Average 1999-2001)