

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

## Energy

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### Trade and Tariffs

The energy sector includes a variety of products used in energy production and distribution, including fuels, generators, electrical machinery, and batteries. Energy products accounted for 19 percent of total U.S. non-textile industrial exports to Morocco averaging \$73 million<sup>1</sup>. Water tube boilers and coal are the major U.S. exports in the sector.

Moroccan tariffs on energy products range from 2.5 to 50 percent, averaging 22.6 percent. The high tariffs in this sector apply to heating boilers, batteries and tanks made from iron or steel.

Moroccan exports to the United States in this sector were about \$3.9 million, or about 1.3 percent of Morocco's total non-textile industrial exports to the United States<sup>2</sup>.

The United States applies tariffs on energy products of zero to 6.5 percent, with an average of 1.3 percent. The highest tariffs are applied to electric motors.

### Tariff Elimination

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

Overall, 98 percent of U.S. exports will receive duty-free treatment immediately upon implementation of the agreement. Tariffs on the remaining 2 percent of exports will be eliminated over nine years. Duties on used mobile cranes will be phased out with non-linear cuts over ten years.

The United States will eliminate duties on all energy products upon implementation of this agreement.

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

<sup>2</sup> Based on U.S. Imports for Consumption from Morocco (Average 1999-2001)