

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

Transportation Equipment

Trade and Tariffs

The transportation sector covers motor vehicles and parts, including tires. Transportation equipment accounted for 2 percent of total U.S. non-textile industrial exports to Morocco, averaging \$6 million.¹ Large-sized autos and parts are the lead U.S. exports in this sector.

Moroccan tariffs on transportation products range from 2.5 to 50 percent, averaging 29.9 percent. The highest tariffs in this sector apply to motor vehicles parts.

Moroccan exports to the United States are minimal, less than 1 percent of total non-textile industrial exports to the United States.²

U.S. tariffs applied to the transportation sector range from 0 to 25 percent, with an average of 2.4 percent.

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 non-equal cuts over 10 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 in year ten.

Overall, 54 percent of U.S. exports will receive duty-free treatment immediately upon implementation of the agreement. Less than 1 percent of additional U.S. transportation exports will be eliminated in two and five years, with the remaining 46 percent to be eliminated in nine years. Used tires will be staged out over 10 years.

The United States agreed to eliminate duties on all transportation equipment coming from Morocco immediately. Prior to this Agreement, Moroccan parts used in the overseas repair of U.S. ships were subject to a 50 percent duty.

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

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