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### Morocco

Post: Rabat

### **US-Morocco FTA - Market Access Changes in 2019**

#### **Report Categories:**

Trade Policy Incident Report Country/Regional FTA's Livestock and Products Poultry and Products Grain and Feed Tree Nuts Fresh Fruit

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#### **Report Highlights:**

Now in the 14<sup>th</sup> year of the U.S.-Morocco FTA, this report contains an unofficial translation of Moroccan Customs Circular N° 5888/222, issued December 28, 2018. Most notably, it contains the 2019 tariff-rate quotas for U.S. poultry, beef, wheat, and almonds. It also enforces an accelerated tariff phase out for several products subject to the preference clause.

Rabat, December 28, 2018

#### **CIRCULAR N ° 5888/222**

**SUBJECT:** - Morocco-USA Free Trade Agreement.

- 14th year of tariff dismantling.
- Changes to the customs nomenclature (Finance law for 2019 budget year).

**REFER:** - Base Circular No. 4977/222 of December 30, 2005 as amended.

- <u>Circular No. 5887/210</u> of December 27, 2018.
- Correspondence of the Department of Agriculture 3212 and 3334 DSS/DDM/SMCA of December 20 and 27, 2018.

The service is informed that in accordance with the provisions of this Agreement, tariff dismantling will be carried out in its 14th year, starting on January 1, 2019. This dismantling applies to the products listed in **Annex II** referred to and whose dismantling schemes are given in **Annex I** to the same circular.

It should be noted that **Annex II** has been furthermore:

- supplemented by **Annex II Table A**, entitled "Preferential treatment under the non-Annex IV C preference clause";
- amended to take account of the **nomenclature changes** introduced by the Finance Act for the 2019 budget year, in accordance with the concordance table annexed hereto.

In addition, **Annexes IV** and **V** to the aforementioned circular have been updated for the period from January 1 to December 31, 2019. They concern:

- **Annex IV A**: Agricultural products subject to tariff quotas according to a calendar specific to each product;
- **Annex IV B**: Agricultural products initially subject to quotas but whose tariff dismantling has ended;
- **Annex IV** C: Agricultural products initially subject to quotas but whose treatment has been updated in accordance with the preference clause.
- **Annex V**: Additional duties to be applied for agricultural safeguard measures.

Annexes IV, V and II Table A are attached to this circular.

Director General of the Administration of Customs and Indirect Taxes

Nabyl LAKHDAR

# Annex II to Circular No 4977/222 of December 30, 2005 as amended Table A- Treatment under the preference clause (excluding Annex IV C)

HS 2017	Product designation	Quantity	Preferential tariff
1003.90.0090	Barley, other than seed and other than brewery	unlimited	0.0%

### Annex IV to Circular No 4977/222 of December 30, 2005 as amended

## A- Agricultural products enjoying preferential tariff advantages within the limits of a tariff quota for the period from January 1 to 31, December 2019

		Quota				Out of Quota	
HS 2017	Product Designation	Quantity	Preferential tariff	Calendar	Quota Admin	Rate to Apply	Calendar
0201.10.0011						200.0%	
0201.10.0019	1					200.0%	
0201.20.1190	1					200.0%	
0201.20.1990						200.0%	
0201.30.1190						200.0%	
0201.30.1990				F 1	1st	200.0%	F 1
0202.10.0010	Standard	2,390.1	0.0%	From Jan 1 to Dec 31,	come	200.0%	From Jan 1 to Dec 31,
0202.20.1090	beef	MT	0.0%	2019	1st	200.0%	2019
0202.30.1990				2017	serve	200.0%	2019
0206.10.9190						200.0%	
0206.21.0091						40.0%	
0206.22.0091						200.0%	
0206.29.9190						40.0%	
1602.50.0090						40.0%	
0201.20.1110				From Jan 1 to Dec 31, 2019	1st come 1st serve	61.1%	
0201.20.1910						61.1%	
0201.30.1110						61.1%	F I 1
0201.30.1910	High quality	6,600 MT	0.0%			61.1%	From Jan 1 to Dec 31, 2019
0202.20.1010	beef	0,000 1/11	0.0%			61.1%	
0202.30.1910						61.1%	
0206.10.9110						61.1%	
0206.29.9110						11.1%	
0207.11.0000	****			Б т 1	1st	68.6%	From Jan 1 to Dec 31,
0207.12.0000	Whole chicken and	2,550 MT	0.0%	1.U% I to Dec 31.	come		
0207.24.0000	turkey	2,330 WH	0.070		1st	00.070	2019
0207.25.0000	turkey			2019	serve		2019
0207.13.0029	Poultry	6 600 <b>)</b> (T	0.00/	From Jan 1	1st	100.00/	From Jan 1
0207.14.9291	thighs and wings	6,600 MT	0.0%	to Dec 31, 2019	come 1st	100.0%	to Dec 31, 2019
0207.14.9219	Other poultry meat, frozen and deboned but not mechanically	141 MT	0.0%	From Jan 1 to Dec 31,	1st come 1st	68.6%	From Jan 1 to Dec 31,
		559 MT <sup>(1)</sup>	23.2%	2019	serve		2019
1001.19.0010	Durum wheat	-	-	-	-	170% <sup>(2)</sup>	From Jun 1 to Jul 31,

1001.19.0090		380,000 MT	0% <sup>(2)</sup>	From Jan 1 to Dec 31, 2019, excl. Jun and Jul	ONICL tenders	2.5% <sup>(2)</sup>	From Jan 1 to Dec 31, 2019, excl. Jun and Jul
1101.00.1000 1103.11.0001 1103.11.0009 1103.11.0041 1103.11.0049 1902.30.1000 1902.40.1110 1902.40.1191 1902.40.9110 1902.40.9191 1902.40.9191 1902.40.9191 1902.11.0010 1902.11.0090 1902.19.0019 1902.30.9000 1902.40.1900 1902.40.1900	Products derived from durum wheat	1,940.8 MT	0.0%	From Jan 1 to Dec 31, 2019	1st come 1st serve	70.0% 70.0% 70.0% 70.0% 70.0% 70.0% 70.0% 50.0% 50.0% 50.0% 50.0% 40.0% 40.0% 40.0% 40.0% 40.0% 40.0%	From Jan 1 to Dec 31, 2019
1902.11.0010 1902.11.0090 1902.19.0019 1902.19.0099 1902.30.9000 1902.40.1900 1902.40.9900		3,050 MT <sup>(1)</sup>	35.0%	From Jan 1 to Dec 31, 2019	1st come 1st serve	40.0%	From Jan 1 to Dec 31, 2019
1001.99.00.11 1001.99.00.19 1001.99.00.90	Common wheat	TBD based on 2019 production	0.6% 9.9%	From Jan 1 to Dec 31, 2019, excl. Jun and Jul	ONICL tenders	2.5% 30% <sup>(2)</sup>	From Jan 1 to Dec 31, 2019
1101.00.9000 1103.11.0020 1103.11.0030 1103.11.0050 1103.11.0080	Products derived from common wheat	1,940.8 MT	40.9% 42.8% 42.8% 42.8% 42.8%	From Jan 1 to Dec 31, 2019	1st come 1st serve	66.0% 70.0% 70.0% 70.0% 70.0%	From Jan 1 to Dec 31, 2019
0802.11.0091 0802.11.0099 0802.12.0091 0802.12.0099	Almonds	83.3 MT	0.0%	From Jan 1 to Dec 31, 2019	1st come 1st serve	3.3%	From Jan 1 to Dec 31, 2019

<sup>(1)</sup> The additional quota will be effective only after the principal quota has been exhausted. (2) Rate applied to the value range less than or equal to  $1000 \, dh$  / ton, the portion above  $1000 \, dh$  / ton is subject to an import duty of 2.5%.

### Annex IV to Circular No 4977/222 of 30 December 2005 as amended

## B- Agricultural products initially subject to quotas but whose decommissioning has come to an end

HS 2017	Product designation	Preferential treatment	
0207.14.9212	Skinless chicken leg meat, frozen and deboned but not mechanically deboned	Rate: 0%	
0808.10.1000 0808.10.9010 0808.10.9020 0808.10.9090	Fresh apples	Quantity: unlimited	

### Annex IV to Circular No 4977/222 of December 30, 2005 as amended

## C- Agricultural products initially subject to quotas but whose treatment has been updated in accordance with the preference clause

HS 2017	Product designation	Quantity	Preferential tariff	
0206.10.1000				
0206.21.0010	Standard beef			
0206.22.0010	Standard beer			
0206.29.1000				
0201.10.0090				
0201.20.9090				
0201.30.9090				
0202.10.0090				
0202.20.9090	Standard non-domestic beef <sup>(1)</sup>		0.0%	
0202.30.9000				
0206.10.9900				
0206.21.0099		Unlimited		
0206.22.0099				
0206.29.9900				
0201.20.9010				
0201.30.9010	High quality non-domestic beef <sup>(1)</sup>			
0202.20.9010				
1104.29.1010				
1104.29.3010	Products derived from durum wheat			
1104.29.5010				
1104.29.1090				
1104.29.3090				
1104.29.5030				
1104.29.5090	Products derived from common wheat			
1104.29.1020				
1104.29.3020			21.9%	
1104.29.5020	]			

<sup>(1)</sup> The preferential treatment for these products will be applied only after notification by the department concerned of the operationalization of the concession from the point of view of sanitary control.

# Annex V to Circular No 4977/222 of December 30, 2005 as amended Additional duty to be applied to imports originating in the USA as part of the implementation of agricultural safeguard measures (MSA) for the period from January 1 to December 31, 2019

HS 2017	Product Description	Base rate in %	Decommissioning category (a)	Preferential rate in% (1)	MSA Trigger volume in MT	Additional duty to apply in (2)	Total import duty to be applied
0207.11.00.00	Roosters and hens, fresh or chilled	124	R	68.6		15.7	84.3
0207.12.00.00	Roosters and whole hens frozen	124	R	68.6	3,315	15.7	84.3
0207.24.00.00	Fresh or chilled turkeys and	124	R	68.6	3,313	15.7	84.3
0207.25.00.00	Frozen turkeys and	124	R	68.6		15.7	84.3
0713.20.90.10	Dried chickpeas in grain except seed	50	K	22.1	500	9.0	31.1
0713.20.90.90	Other dried chickpeas, except seeds and grains	50	К	22.1		9.0	31.1
0713.40.90.10	Dry lentils in grain except seed	50	K	22.1	833	9.0	31.1
0713.40.90.90	Other dry lentils except seeds and grains	50	К	22.1		9.0	31.1
0802.11.00.11	Fresh bitter almonds in shell	50	J	3.3	108	18.4	21.7
0802.11.00.19	Bitter almonds dried in	50	J	3.3		18.4	21.7
0802.12.00.11	Fresh bitter almonds without	50	J	3.3		18.4	21.7
0802.12.00.19	Bitter almonds dried without	50	J	3.3		18.4	21.7

<sup>(</sup>a): See the dismantling scheme as described in Annex I to Circular No. 4977/222 of 30/12/2005.

### **Table of Concordance Annex II** (Finance Act for 2019 budget year)

<b>Cancelled Position</b>	<b>Created Position</b>	Base rate	Category of dismantling
0.40711.0010	Ex 0407111000 (*)	52	G
0407110010	0407119010	52	G
0407110000	Ex 0407111000 (**)	50	J
0407110090	0407119090	50	J
0407190011	Ex 0407191000	52	G
040/190011	0407199011	52	G
0407190019	Ex 0407191000	52	G
040/190019	0407199019	52	G
0407190091	0407199091	17.5	A
0407190099	0407199099	50	J
2101110011	2101111100	50	G
	2101111911	50	G
2101110019	2101111919	50	G
	2101111990	50	G
2101110090	2101119000	50	G
3001901000	3001901010	32.5	F
3001901000	3001901090	32.5	F
	9028301011	50	F
9028301000	9028301019	50	F
	9028301090	50	F

<sup>(\*)</sup> Poultry eggs from barnyard. (\*\*) Other than barnyard poultry eggs.