

ROYAUME DU MAROC

Ministère délégué auprès du Ministre de
l'Industrie, du Commerce, de l'Investissement
et de l'Economie numérique chargé du
Commerce extérieur



المملكة المغربية
الوزارة المنتدبة لدى وزير الصناعة
والتجارة والاستثمار والاقتصاد الرقمي
المكلفة بالتجارة الخارجية

22 JAN 2016

January 14, 2016

Mr. Joshua Teitelbaum,
Chairman
Committee for the Implementation of Textile Agreements
Room H3 100
U.S. Department of Commerce
14th Street and Constitution Avenue
Washington, DC 20230
United States of America

Subject: Request to Modify the Rules of Origin for Certain Apparel Articles under the United States-Morocco Free Trade Agreement

Dear Mr. Teitelbaum,

On behalf of HTL FASHION, company located in Morocco, I hereby submit this request regarding the amendment of rules of origin applicable to certain apparel Articles, to allow the use of certain third-country fabrics not commercially available in the countries of Morocco and the United states, in accordance with the provisions of Article 4.3 of our Free Trade Agreement (FTA).

HTL FASHION manufactures in Morocco and is one of the leaders of the best fashion brand and exports about 80% of the total production but 90% have been destined to the US market. As a fast fashion supplier, HTL Fashion has to ship the apparel good to the US market within a delay from one to two weeks and has to satisfy the highly-specialized commercial US client's requirements.

As you know, HTL Fashion, has been using the Tariff Preference Level "TPL" provision of the FTA with the United States to allow duty-free access for garment sector. However, knowing that this flexibility is set to expire on December 31st, 2015, the company will face serious difficulties and loss of employment in the sector.

According to the HTL Fashion, the fabric used by the company in its production is not commercially available in the territory of Morocco, neither in USA. That's why we request to allow importation from third countries, in accordance with the provisions of Article 4.3 of our free trade agreement.

The fabric subject to this request is composed of:

- 100% viscose classified under HTS subheading 5408.24 ; knowing that Viscose Crinkle fabric would be covered under the definition of fabric # 131 of the short supply list in the recently concluded



Trans-Pacific Partnership treaty, which is a confirmation that such fabric is not available in the United States. Further details are shown in the accompanying attachment.

Knowing that HTL FASHION relies on the importation of such fabric to manufacture apparel goods (dresses, skirts, blouses and tops classified under the chapter 62), and since there is no source of supply in Morocco neither in the USA for the fabrics identified above, it is our hope that the government of USA takes appropriate steps to initiate a speedy consultations with the government of Morocco and undertakes the necessary measures to complete rapidly all the necessary reviews and assessments.

Meanwhile, we would like to reiterate our request for the renewing of TPL and we are waiting for any further consideration by the US Congress and US Administration on this issue, since the textile sector is one of the key industries of Moroccan economy, as a driver of growth in terms of job creation and export development. Moreover, 80% of jobs created by the textile sector are intended for women, who are usually the family support.

We believe that working cooperatively can accelerate the process to ensure that the benefits of the FTA are not interrupted nor reduced for U.S or Moroccan companies. The Government of Morocco stands ready to work with the Government of the United States to achieve this mutually beneficial outcome.

The attention of your good offices to consider this request at an early opportunity would be much appreciated. If you have any questions or require further information, please contact the focal point Ms. Latifa El Bouabdellaoui, Director of the International Trade Relations and let me know who will be designated from your side to handle this consultation between our two governments.

Sincerely,

Mohammed Abbou
Minister Delegate In Charge of Foreign Trade
Kingdom of Morocco

Mohammed ABBOU
Ministre Délégué auprès du Ministre
De l'Industrie, du Commerce, de l'Investissement
et de l'Economie Numérique
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