

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

71-544



المملكة المغربية

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

19 NOV. 2015

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 the Government of Morocco, I am writing to express strong support for the requests made to you in letters dated November 12, 2015 by Swimwear Commission Corporation (SCC) of New York, the U.S. subsidiary of Gottex Swimwear Brands LTD, and November 13, 2015 from American Eagle Outfitters (AEO). These requests ask the Government of the United States to take the appropriate steps to modify the rules of origin for certain apparel articles under the United States-Morocco Free Trade Agreement (FTA).

In this regard, we request you to take appropriate steps to initiate immediate consultations for the amendment of rules of origin, as proposed by SCC and AEO, in accordance with the provisions of Article 4.3 of our free trade agreement.

Given the impending expiry, on December 31, of the tariff preference level (TPL) flexibility granted by our bilateral free trade agreement, we wish a speedy response to the requests made by SCC and AEO, knowing that :

- Gottex relies on the importation of knitted or crossed fabrics to manufacture women's swimwear exported to the United States and
- AEO relies on woven fabric of heading 5408 to manufacture apparel programs in Morocco.

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We are fully aware that there is no source of supply in Morocco for the fabrics that are identified in both requests.

As you know, given the forthcoming expiry of the TPL, and unless we receive a speedy answer to this request, there will be a sizeable negative impact on Morocco's exports and employment in our garment sector.

In addition, we would like to reiterate again our request for the renewing of TPL and we stand ready to work with you also in that regard.

Once, after consultation made under Article 4.3 of our free trade agreement, if our governments determine that certain fabrics have issues of availability, we can agree to modify the rules of origin applicable for apparel goods to allow the use of fabrics sourced from outside Morocco or the United States.

We understand that in both cases, the fabric and end use items requested are consistent with short supply designations included in the Trans-Pacific Partnership (TPP) list, suggesting these items are not available in the United States. In the case of SCC, the fabric and end use items requested are consistent with TPP short supply # 98, and in the case of AEO, the fabric and end use items requested are consistent with TPP short supply #136.

Consequently, we wish to reach an agreement that the following fabrics for the specified end use items are not available in the two countries and that the rule of origin be changed to allow fabrics from third countries to qualify for duty-free entry under the terms of the free trade agreement:

(1) printed and piece-dyed warp knit fabrics of polyester or nylon fibers classified in subheadings 6004.10 containing between 3% and 41% elastomeric yarns, in which the elastomeric yarns were engineered for chlorine resistance, for use in women's or girls' swimwear classified in subheading 6112.41; and

(2) 100 % rayon woven fabric of heading 5408 for use in women's and girls' garments of chapter 62.

As mentioned above, and based upon the inclusion of such fabrics in the TPP short supply list, we believe they would not be available in the United States, we request speedy consultations under Article 4.3, and we wish that those consultations be completed in a period of time no longer than the 60 days specified in Article 4.3.



We believe that working cooperatively we can accelerate the process to ensure that the benefits of operating under the terms of the FTA are not interrupted or 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 official at the Ministry designated by me to be responsible for this matter is Ms. Latifa El Bouabdellaoui, Director of the International Trade Relations, and I would ask that you let me know who will be designated by you to handle this consultation between our two governments.

I am also available to discuss this matter personally with you at any time.

Sincerely,

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

