

House votes to make Morocco free trade partner

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WASHINGTON (AP) — Congress on Thursday approved Morocco as America's latest free trade partner, completing its second trade agreement in just two weeks and bolstering the market-opening credentials of the Bush administration.

The House voted 323-99 to make Morocco the eighth nation with which the United States has a free trade agreement. Morocco has had only modest economic relations but long-standing political ties with the United States. The Senate endorsed the Morocco deal Wednesday on a 85-13 vote.

Last week Congress passed the implementing legislation making Australia the seventh free trade partner. The others are Israel, Canada, Mexico, Jordan, Chile and Singapore.

Congressional action on the Morocco and Australia agreements came as a surprise to many who predicted that there would be little will to take up trade pacts in an election year, when lawmakers are open to criticism that lowering trade barriers poses a threat to American jobs.

But the United States enjoys trade surpluses with both Australia and Morocco and both have been steadfast political allies. Democrats who tend to be more vigilant about free trade deals said they were satisfied that Morocco is trying to raise labor standards and protect worker rights.

The White House, in a statement, praised the agreement as "a significant opportunity to encourage economic reform and development in a moderate Muslim nation."

Under the Morocco agreement, more than 95 percent of consumer and industrial products will become duty-free immediately, and other tariffs will end within nine years.

"This free trade agreement with Morocco, our first with an African country and our second with an Arab country, signals our commitment to deepening America's relationship with the Middle East and North Africa," said U.S. Trade Representative Robert Zoellick in a statement. He said it was a major step in advancing President Bush's plans for a Middle East Free Trade Area.

The next step in the trade arena could be more difficult, with strong resistance in Congress to a free trade agreement signed recently with six Central American countries. At issue is whether those countries have the labor and environmental standards needed to maintain fair trade relationships.

One controversy in both the Australia and Morocco deals was inclusion of patent protection language that critics said was inserted at the urging of the pharmaceutical industry and could impede consumer access to cheap drugs.

In the case of Morocco, the issue was whether its citizens would be able to obtain generic drugs to deal with health emergencies.

The office of the trade representative issued a statement affirming that global trade rules allow countries to issue “compulsory licenses” to produce and import drugs needed to fight epidemics and deal with public health crises.

Opposition to the Moroccan deal was led by Democrats whose states have been hit hard by foreign competition. “These trade agreements aren’t translating into more jobs, and people at home know that,” said Rep. Sherrod Brown, D-Ohio.

The two countries last year had two-way trade of about \$860 million, with the United States enjoying a \$66 million surplus on exports of such items as aircraft, corn and machinery.

Currently, U.S. products face an average tariff entering Morocco of more than 20 percent, while Moroccan products are levied with an average 4 percent tariff in this country. The agreement is expected to double trade between the two countries.

The agreement also has protections for digital copyrights and trademarks, expands protection for patents and contains tough penalties for piracy and counterfeiting.

The bill is H.R. 4842.

On the Net:

U.S. Trade Representative on Morocco: <http://www.ustr.gov/new/fta/morocco.htm>