

5TH EUROMED TRADE MINISTERIAL CONFERENCE

CONCLUSIONS

Marrakech, Morocco, 24 March 2006

Euromed Trade Ministers held their fifth meeting in Marrakech on 24 March 2006 following those in Brussels (2001), Toledo (2002), Palermo (2003) and Istanbul (2004). The Marrakech meeting expanded on the declaration agreed at the Barcelona Summit of November 2005 which celebrated the 10th anniversary of the Barcelona process. It set the course for ongoing and new initiatives in the trade field leading to the establishment of the Free Trade Area in 2010, in line with the "Five year work programme" adopted at the Barcelona Summit, and in the wider context of the European Neighbourhood Policy.

Building on the progress achieved so far, in particular in terms of trade liberalisation (mainly on goods) and growth of exchanges (+8% for Med exports annual average) but also taking shortcomings into account, the conference gave a new impetus to the trade chapter of the Euromed process.

The road towards the Euromed Free Trade Area

Euromed Ministers welcomed the recent entry into force of the EU Association Agreement with Algeria and of the agreements between Turkey and Tunisia, Turkey and Morocco, and Israel and Jordan. They also welcomed the imminent entry into force of the Association Agreement with Lebanon as well as the signature of agreements between Turkey and Egypt, and the ongoing negotiations between Turkey and Jordan, Turkey and Lebanon.

The EU encouraged the other Southern Mediterranean countries to accelerate signature, conclusion and entry into force of Free Trade Agreements among themselves so as to strengthen regional integration and allow the establishment of a fully-fledged regional Free Trade Area by 2010.

Following the adoption by the EU of the new PanEuroMed Protocol of origin on 11 October 2005, Ministers noted that Morocco, Israel and Egypt have endorsed the protocol, allowing its inclusion in their Association Agreements. Ministers stressed that cumulation of origin, combined with the implementation of Free Trade Agreements between Mediterranean partners can increase the competitiveness of the Euromed partners. They called for a swift adoption of the Protocol by all Mediterranean partners, as well as its inclusion in the Free Trade Agreements concluded between them.

Ministers agreed to pursue trade liberalisation in the Euromed process in the framework of a balanced approach that includes services, investment and agriculture.

They agreed on the need to have a clear vision on the future of textile/clothing sector to allow Euromed partners to face the challenge of increased competition in this sector.

Ministers also welcomed the proposal to involve the private sector in identifying and addressing barriers to trade in the Euromed context.

Liberalising trade in services and investment

Ministers reiterated their commitment to complement the liberalisation of trade in goods with an integrated free trade area for services and investment across the Euromediterranean region. They pointed out that the economic benefits in terms of market integration, Foreign Direct Investment attraction, employment and growth resulting from a substantial liberalisation of services and investment could significantly contribute to economic development by enhancing regional economic integration.

They considered that the liberalisation of services and the right of establishment is an indispensable step in establishing a genuine Free Trade Area by 2010 and welcomed the launch of negotiations on the liberalisation of services and the right of establishment between the EU and some Mediterranean partners in conformity with WTO rules and inspired by a regional and development dimension. They also reiterated their willingness to use the Framework Protocol agreed in Istanbul in 2004 as a non-binding template for the negotiations which should lead to a coherent network of agreements, also taking account of the specificity of each Mediterranean partner.

Ministers took note of the possibility for other Mediterranean partners to join the negotiations process in due course. Negotiations on services and right of establishment will also be conducted with Turkey in the framework of its accession talks.

Strengthening regulatory convergence on industrial products

Ministers acknowledged the importance of regulatory convergence in the Euromed to facilitate trade, with particular emphasis on the approximation of technical legislation, standards and conformity assessment procedures with the EU system. Such a convergence would remove regulatory and technical barriers and facilitate the free circulation of industrial products in the Mediterranean region.

Ministers welcomed the progress achieved in the approximation of legislation so far which has led to the identification of priority sectors by Mediterranean partners and to the inception of the process of harmonisation. They encouraged Mediterranean partners to accelerate reforms, step up regulatory convergence and to upgrade their quality infrastructure with a view to opening negotiations for agreements on conformity assessment (ACAA) as soon as possible.

Deepening agricultural liberalisation

Ministers agreed to deepen agricultural trade liberalisation on the basis of the Rabat roadmap and the principles of the Barcelona declaration. They confirmed their commitment to a progressive liberalisation of trade in agricultural, processed agricultural and fisheries products with a possible selected number of exceptions. Timetables for gradual and asymmetrical implementation will ensure that differences and individual characteristics of the agricultural sector in different countries will be taken into account. They welcomed the launch of negotiations with a number of Mediterranean countries as from the beginning of 2006.

Reinforcing the institutional and legal framework for Euro-Mediterranean trade

Ministers noted that the increase in trade in goods and services requires the adoption of a clear and streamlined mechanism to resolve trade disputes. To this end, they agreed to strengthen the rules of procedures in the Association Agreements by negotiating an efficient and proportionate dispute settlement mechanism specifically applicable to the trade domain. Ministers agreed to launch negotiations between the EU and the Mediterranean partners on

this mechanism with the objective of concluding the first bilateral protocols by the end of 2007.

Developments on the WTO Doha Development Agenda

On the Doha Development Agenda, Ministers agreed to enhance cooperation both at technical and senior officials' level with a view to achieving an ambitious and balanced outcome for the DDA. They agreed in particular that in agriculture, the outcome should ensure additional market access in products and markets of interest to developing countries and in a manner consistent with our preferential trading arrangements. They also stressed that an ambitious reduction of trade distorting domestic subsidies in agriculture and the elimination of all forms of export support are an essential part of the single undertaking. In NAMA, They agreed on the need to achieve real new market access and in particular to open up access for Med countries to the markets of advanced developing countries as well as developed countries. They finally agreed to strive for parallel and satisfactory progress in the rules and services areas of the negotiation, including geographical indications and trade facilitation, in a manner consistent with each country's ability to contribute to the Round.