

INFORMATION NOTE

EU-Morocco Euro-Mediterranean air transport Agreement

1. Introduction

The Commission services negotiated a Euro-Mediterranean air transport agreement with the Kingdom of Morocco, on the basis of a mandate agreed at the Transport Ministers' Council of the European Union of 10 December 2004. The negotiations were launched in May 2005 in Rabat and in total five rounds of negotiations took place.

The Agreement was initialled at Marrakech on 14 December 2005 by Vice-President Barrot and Minister Ghellab. Internal procedures have been launched (in Europe, submission to the Council of Transport Ministers of the European Union) in view of signatures mid-2006.

The Euro-Mediterranean agreement in the field of aviation between the Community and the Kingdom of Morocco is not merely an agreement to open markets between the two parties but also includes an extensive alignment of aviation legislation with key parts of the Community rules and regulations, including on safety, economic regulation and in particular competition laws, air traffic management and consumer protection. The agreement would also offer a gradual opening of market access between Morocco and the EU, providing substantial opportunities for passengers and industry on both sides. Finally, this agreement provides a concrete example of what can be achieved within the Euro-Mediterranean partnership.

2. Background and objective of the Agreement:

In March 2005, the European Commission presented a Communication on external aviation relations, followed in June 2005 with Conclusions of the Council of Transport Ministers of the EU. These texts set an ambitious roadmap to develop the external aviation relations of the European Community, according to which the EU policy is based on three pillars which respectively aim at 1- ensuring legal certainty of existing bilateral agreements notably through new designation clauses, 2- developing the wider European Common Aviation Area by 2010 and 3- establishing a web of new comprehensive agreements laying out the inseparable twin aims of, on the one hand, market opening creating new economic and investment opportunities and, on the other hand, a process of regulatory convergence that ensures a satisfactory level playing field with fair and equitable competition conditions.

The European Common Aviation Area seeks to cover all neighbourhood countries of the European Union.

Along these lines, the UE – Morocco agreement is clearly the test-case and the first of a new generation of agreements of unprecedented scope and value. As a matter of fact and if one excepts the case of the EU – US negotiations, the text is the first agreement in the history of the EU with a country located outside Europe. Moreover, it covers issues not only of traffic and basic economic rights, but of all fields of the aviation operations. It may therefore serve as a reference for any other neighbouring countries who may wish to harmonize their legislations with the Community in order to promote economic interdependence.

Market opportunities will also increase: with a Moroccan population of around 31 million and an EU population of 450 million, current annual growth of air traffic is already around 7%. Removal of all capacity limitations between Morocco and the EU may also attract new entrants to the market and create opportunities to operate to underserved airports. New rights in code-sharing and wet-lease will provide further opportunities to the carriers and develop the market. But above all, it is a tool to bring people on both sides closer together and promote economic activity.

3. Content of the Agreement

The negotiations of the horizontal agreement (correction of existing bilateral agreements to include notably the right of establishment) took place in February 2005. Negotiations for a global EU – Morocco agreement started in May. The latter is organised in two phases:

- 1st Phase:

Regulatory convergence starts from Phase 1. The entry into force of the Agreement is upon satisfactory evaluation on some essential aspects, notably safety. Other elements such as the ban of State aids and main competition rules start from Phase 1.

Market access during Phase 1 is as follows:

For Moroccan carriers:

- unrestricted 3rd - 4th freedoms between Morocco and the EU;
- Moroccan carriers may operate from any point in Morocco to any point in Europe.

For EU carriers:

- unrestricted 3rd - 4th freedoms between the EU and Morocco;
- EU carriers may operate from any point in Europe to any point in Morocco including co-terminalisation.

- 2nd Phase:

The satisfactory implementation of the relevant European legislation as detailed in Annex 6 of the Agreement, as validated by a consensus decision of the Joint Committee, is a prerequisite for the beginning of Phase 2. This relevant European legislation covers the essential of some 28 European regulations or directives (e.g. safety, Air Traffic Management, denied boarding, environmental and noise restrictions etc.).

Market Access in Phase 2 is as follows:

For Moroccan carriers:

- consecutive 5th freedom rights in Europe.

For EU Carriers:

- 5th freedom passenger rights beyond Morocco to countries involved in the Neighbourhood Policy;
- 5th freedom cargo rights to all third countries.

- Joint Committee:

From Phase 1, a joint body is established to discuss matters related to the implementation of the Agreement as well as decide the integration of new legislation into it. The Joint Committee will seek for the evolution of the Agreement, address social issues and economic proposals on ownership and control.

UE – Morocco comprehensive agreement

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