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NOTE VERBALE DATED 29 AUGUST 1990 FROM THE PERMANENT REPRESENTATIVE OF  
MOROCCO TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

The Permanent Representative of the Kingdom of Morocco to the United Nations presents his compliments to the Secretary-General and has the honour to transmit to him, in reply to his note No. SCPC/7/90(1) dated 8 August 1990, the text of a note dated 29 August 1990 on the measures taken by Morocco in application of Security Council resolution 661 (1990).

The Permanent Representative of the Kingdom of Morocco would be grateful to the Secretary-General of the United Nations if he would kindly have the present note distributed as a Security Council document.

ANNEX

Note dated 29 August 1990 on the measures taken by Morocco in  
application of Security Council resolution 661 (1990)

Following the invasion of Kuwait by Iraqi troops, Morocco, after an extraordinary meeting of the Council of Ministers presided over by His Majesty King Hassan II, condemned that occupation.

This invasion, carried out in violation of the fundamental principles of international law and the ethical norms governing international relations, is also a breach of the United Nations Charter and the Charter of the League of Arab States.

Consequently, despite the serious domestic economic difficulties this situation will inevitably create, Morocco has decided to take certain measures in application of Security Council resolution 661 (1990) imposing economic sanctions against Iraq.

Measures relating to foreign trade:

Although Iraq is Morocco's major trade partner in the Arab world (the overall volume of trade in 1989 being 3.6 billion dirhams, or about 30.6 million dollars), Morocco has decided:

(1) To prohibit the export of all goods bound for Iraq or Kuwait. It should here be noted that 70 Moroccan firms are seriously affected by the crisis either because they specialize in exports to Iraq (textiles, shoes, canned goods, etc.) or because Iraq has not paid outstanding debts (which will have to be honoured by the insurance on exports).

(2) To suspend all imports from Iraq and Kuwait, despite Morocco's needs.

Regarding its crude oil supply, two thirds of which comes from Iraq and Kuwait (57 per cent from Iraq, and 8.5 per cent from Kuwait), Morocco has not received two deliveries of Iraqi crude which were on route well before the imposition of the embargo.

In order to meet its needs for the remainder of the year, Morocco will have to seek alternate sources of supply. It should be pointed out in this connection that Morocco used to obtain Iraqi oil at preferential prices and that it was partly payable by offset transactions, to the benefit of both its balance of payments and its exports.

Economic and financial measures:

Moroccan firms are prohibited from maintaining any relations with their Iraqi and Kuwaiti counterparts, this prohibition to remain in effect until the sanctions imposed under Security Council resolution 661 (1990) are lifted.

Iraqi and Kuwaiti assets have been frozen and all financial transfers to Iraq have been blocked.

It should be noted that events have disrupted relations between Morocco and Kuwaiti financial institutions (such as the Kuwait Fund for Arab Economic Development (KFAED)) and the Arab financial institutions with headquarters in Kuwait (such as the Arab Fund for Economic and Social Development (AFESD)). These various institutions are actually financing some major projects in Morocco (agriculture, equipment, basic infrastructure) in whole or in part. Their execution could therefore be delayed or jeopardized.

Measures concerning air and maritime transport:

There is a freeze on all transactions involving transport permits issued by Iraqi Airways, pursuant to the International Air Transport Association (IATA) decision.

There is a ban on the conveyance of goods of any kind whatsoever bound for or coming from Iraq or Kuwait by any ship flying the Moroccan flag and acting on behalf of the State or chartered by a private company, whether Moroccan or foreign.

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