



Bahrain-United States Free Trade Agreement

Textiles and Apparel

The Textiles and Apparel Chapter of the FTA addresses all matters concerning trade in textile and apparel goods. The provisions of the chapter include rules of origin specific to textiles and apparel as well as customs cooperation provisions aimed at preventing circumvention of the rules governing textiles and apparel trade.

Market Access

The FTA provides fully reciprocal market access for Bahrain and U.S. textile and apparel producers. Tariffs on textiles and apparel trade will be eliminated immediately, promoting new opportunities for Bahrain and U.S. fiber, yarn, fabric, and apparel manufacturing.

Rules of Origin

The Textiles Chapter includes specific rules for determining whether a textile or apparel good is an “originating good.” The Chapter follows a “Yarn-Forward” rule of origin. A textile or apparel good will general qualify as an “originating good” only if all processing after fiber formation, such as yarn-spinning, fabric production, cutting, and assembly, takes place in the territory of Bahrain or the United States, or both, or if there is an applicable change in tariff classification.¹

The rule incorporates a *de minimis* exception for non-originating yarns or fibers, a rule for treatment of sets, and consultation provisions. The *de minimis* rule applies to goods that ordinarily would not be considered originating goods because certain of their fibers or yarns do not undergo an applicable change in tariff classification. Under the rule, the Parties will consider a good to be originating if such fibers or yarns constitute seven percent or less of the total weight of the component of the good that determines the tariff classification. This special rule does not apply to elastomeric yarns.

¹ For further details, please refer to Annex 3-A of the FTA Textiles Chapter, available at www.fta.gov.bh

Tariff Preference Levels

The Agreement provides “tariff preference levels” (TPL) for a limited quantity of specific fabric and apparel goods from third-country sources whereby such goods will be accorded preferential tariff treatment as if they were originating goods.

Under the TPL regime, up to 65 million square meters of Bahrain’s production of textiles and apparel that does not meet the Yarn-Forward requirement may be exported to the United States free of customs duties for the first 10 years of the FTA.

Special Safeguards

The Agreement provides for special safeguard measures that allow either party to take an “emergency action” of re-imposing tariffs on imports of textiles or apparel goods that cause or threaten serious damage to a domestic industry. A Party applying emergency action must provide the other Party with mutually agreed compensation.

Enforcement Provisions

The Agreement includes special customs enforcement and cooperation provisions designed to prevent circumvention of the Agreement’s rules governing textiles and apparel. Bahrain and U.S. customs authorities will cooperate in enforcing relevant laws, ensuring the accuracy of claims of origin, and preventing circumvention of relevant international agreements.