



# Trade Facts

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## **U.S. - Bahrain Free Trade Agreement**

### **FTA Creates Opportunities for Agricultural Exports**

- Under the Agreement, which covers all agricultural products, Bahrain will provide immediate duty-free access for U.S. agricultural exports in 98% of agricultural tariff lines
  - Bahrain will phase out tariffs on the remaining products – alcohol and tobacco – within ten years
- Agricultural commodities that could benefit from increased market access include U.S. meats, fruits and vegetables, cereals, and dairy products
- U.S. agricultural exports to Bahrain in recent years have ranged from a high of \$35 million per year in 2001 to \$22 million in 2004
  - These have included cotton, poultry meat, beef, processed fruit and vegetables, and snack foods
- The Agreement includes tough rules of origin for sensitive agricultural products to ensure that the intent of the FTA is not undermined by the use of third-country inputs in the production of sensitive value-added products in Bahrain
- Tariffs on all alcohol and tobacco products will be eliminated for imports from the United States beginning in the tenth year of the Agreement
- Alcohol and tobacco were sensitive for Bahrain for cultural and public health reasons – the ten-year phase out is not an unusually long period for tariffs on sensitive products