

U.S. - Bahrain Free Trade Agreement Market Access Results

Chemicals

Trade and Tariffs

The Chemical Harmonization Agreement defines the chemicals sector, and includes pharmaceuticals, fertilizers and agro-chemicals, and cosmetics. Chemical products accounted for 13.7 percent of total U.S. non-textile industrial exports to Bahrain, averaging \$21.3 million¹. Supported catalysts, polyethylene, and medications. lead U.S. exports in this sector.

Bahraini tariffs on chemicals range from zero to 20 percent, averaging 4.9 percent. The highest tariffs in this sector generally apply to herbicides and glues.

Bahraini exports to the United States in this sector were about \$41.8 million², or about 39.2 percent of the country's total non-textile industrial exports to the United States.

The United States, as a party to the Chemical Harmonization Agreement, applies duties ranging from zero to 6.5 percent on most chemicals, with some 8 and 14 percent duties on rubber products.

Tariff Elimination

Tariffs on chemical product exports will be phased out according to two tariff elimination categories: immediate elimination and equal cuts over ten years.

Overall, nearly 100 percent of U.S. exports will receive duty-free treatment immediately upon implementation of the agreement. Tariffs on less than 1.0 percent of exports will be eliminated over ten years.

The U.S. agreed to the immediate elimination of duties on Bahraini chemical exports.

Subsectors: Pharmaceuticals, Fertilizers and Agro-Chemicals, and Cosmetics

Pharmaceuticals: Sixty-one percent of U.S. pharmaceuticals exports will be duty-free immediately upon implementation of the agreement. Tariffs on the remaining 39 percent of exports will be eliminated over nine years.

Fertilizers & Agro-Chemicals: Twenty-six percent of U.S. fertilizers and agro-chemicals exports will be duty-free immediately upon implementation of the agreement. Tariffs on another 7 percent of exports will be eliminated over two years. All remaining duties will be eliminated over nine years.

Cosmetics: All Bahraini Duties on cosmetics are to be phased out over nine years. The United States will eliminate all duties on cosmetics immediately.

¹ Based on Bahraini Imports for Consumption from the United States (Average 1999-2001)

² Based on U.S. Imports for Consumption from Bahrain (Average 1999-2001)