



## 2015 Brings Complete Duty-Free Treatment for U.S. Exports to Australia, Bahrain, CAFTA-DR and Morocco and continued reductions in Peru

On January 1, 2015, more products became duty-free as U.S. trade agreement partners continued to phase out tariffs on eligible U.S. industrial goods exports. Select tariffs were fully eliminated on eligible U.S. industrial<sup>1</sup> goods exports to Australia, Bahrain, CAFTA-DR countries and Morocco and tariff reductions continued in Peru. This presents new opportunities for U.S. exporters and gives U.S. exports an advantage in these markets.

### *Fully Implemented*

#### Australia

- On January 1, 2015, Australia and the United States both eliminated their remaining tariffs on eligible textile and apparel imports from the partner country.
- As a result, all textile and apparel tariffs under the U.S.-Australia agreement have been fully implemented. Eligible industrial and textile and apparel goods traded between the United States and Australia are now completely duty-free.
- The United States-Australia Free Trade Agreement entered into force January 1, 2005. Total U.S. goods exports to Australia were an estimated \$24 billion in 2013.

#### Bahrain

- The elimination of all industrial tariffs on January 1, 2015 allows U.S. companies to export eligible industrial goods to Bahrain duty-free under the final tariff reductions. Sectors with a number of products that became duty-free include: **Chemicals, Metals, Paper** and **Consumer Goods**.
- In 2015 the United States also eliminated tariffs on eligible products from Bahrain. As a result, both parties have now fully implemented their tariffs commitments on all industrial goods under the U.S.-Bahrain Trade Agreement.
- The United States-Bahrain Free Trade Agreement entered into force in January 11, 2006. Total U.S. goods exports to Bahrain nearly \$1 billion in 2013.

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<sup>1</sup> For this exercise, industrial goods represent HS chapters 3 and 25 to 97. This paper does not include any information agriculture products.



## CAFTA-DR

- The elimination of tariffs on January 1, 2015 allows U.S. companies to export eligible industrial goods to countries under the (Dominican Republic-Central America-United States Free Trade Agreement) CAFTA-DR duty-free under a significant number of tariff lines that had previously been subject to import tariffs.
  - El Salvador (662 tariff lines), Costa Rica (1,041 tariff lines), Dominican Republic (823 tariff lines), Guatemala (759 tariff lines), Honduras (842 tariff lines) and Nicaragua (899 tariff lines), each fully implemented their tariff commitments on industrial goods tariff lines.
- The sectors with the largest number of products that became duty-free on January 1, 2015 across all the CAFTA-DR countries were: **Chemicals, Consumer Goods** and **Metals**.
- In 2015, the United States also eliminated tariffs on eligible products from CAFTA-DR countries. As a result of these tariff eliminations, all industrial goods tariff commitments under the CAFTA-DR agreement have been fully implemented. Eligible industrial goods traded between the United States and CAFTA-DR countries are now completely duty-free.
- The CAFTA-DR Trade Agreement has been in force with all seven countries since January 1, 2009. It entered into force for the United States, El Salvador, Guatemala, Honduras, and Nicaragua during 2006, for the Dominican Republic on March 1, 2007, and for Costa Rica on January 1, 2009.

## Morocco

- On January 1, 2015, Morocco and the United States both eliminated their remaining tariffs on eligible industrial imports from the partner country. Sectors with the largest number of products that became duty-free on January 1, 2015 were: **Motor Vehicles, Infrastructure Machinery and Rubber**.
- As a result, all industrial tariffs under the U.S.-Morocco agreement have been fully implemented. Eligible industrial goods traded between the United States and Morocco are now completely duty-free.



## INTERNATIONAL TRADE ADMINISTRATION

- The United States-Morocco Free Trade Agreement entered into force on January 1, 2006. In 2013, the U.S. exported an estimated \$2.5 billion in total goods to Morocco.

### *Continued Tariff Reductions*

#### Peru

- The elimination of tariffs on January 1, 2015 allows U.S. companies to export eligible industrial goods to Peru duty-free under an additional 39 tariff lines that had previously been subject to import tariffs.
- Sectors with a number of products that became duty-free on January 1, 2015 include: **Chemicals, Infrastructure Machinery and Paper.**
- With the elimination of additional tariffs this year, U.S. eligible industrial goods exports now have duty free access on 96 percent of Peru's industrial goods tariff lines.
- The U.S.-Peru Trade Promotion Agreement entered into force on February 1, 2009. U.S. total goods exports to Peru \$ 8.8 billion in 2013.

#### More Information

- To find out when tariffs on your specific products go to zero, consult the [FTA Tariff Tool](http://export.gov/FTA/FTATariffTool) at <http://export.gov/FTA/FTATariffTool>.