



TRANS-PACIFIC PARTNERSHIP APPAREL COALITION

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FABRIC FORWARD PROGRAMS

WHAT ARE FABRIC FORWARD PROGRAMS IN U.S. FREE TRADE AGREEMENTS?

Many, but not all, U.S. free trade agreements are built on a “yarn forward” principle – which requires all the yarns and fabrics for the component that confers the essential character of a textile article to originate. Embedded within these “yarn forward” rules are a number of instances where the rules of origin for a particular garment or article is fabric forward.

Fabric forward provisions require originating fabric but do not require originating yarn. Thus, although the fabric has to be knit or formed in an FTA partner, the yarn can be spun or extruded anywhere. These provisions highlight the difficulty to meet a yarn-forward rule of origin.

WHAT U.S. FTAS HAVE FABRIC FORWARD PROGRAM?

In practice, just about all “yarn forward” FTAs contain some provisions that are fabric forward (even though those agreements are marketed as “yarn forward.”) Several notable examples are:

Wool apparel under the CAFTA-DR: According to the U.S. Commerce Department website for CAFTA-DR: “A ‘fabric-forward’ rule applies for wool fabric and apparel. The wool fabric must be formed in one or more of the CAFTA-DR countries. However, the wool yarn for use in qualifying textile and apparel goods can be sourced from outside the region.”

Elastic strips and visible linings (components that must originate according to the chapter notes) in CAFTA-DR: The U.S. Commerce Department website further reports: “Narrow elastic fabrics of HTSUS 5806.20 and 6002 must be sourced in the region and meet a ‘fabric-forward’ rule of origin (yarns permitted from anywhere). Visible lining fabrics must be sourced in the region and meet a ‘fabric-forward’ rule of origin (yarns permitted from anywhere).”

Textile Travel Goods in Chile: According to the U.S. Commerce Department website: “For textile travel goods a change to subheading 4202.12, 4202.22, 4202.32 or 4202.92 from any other chapter, provided that the product uses fabric made in the United States or Chile.”