

2022 Tralac Alumni Conference

11-12 October 2022

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Kenya – United States trade negotiation

From a Free Trade Area to a Strategic

Economic Partnership



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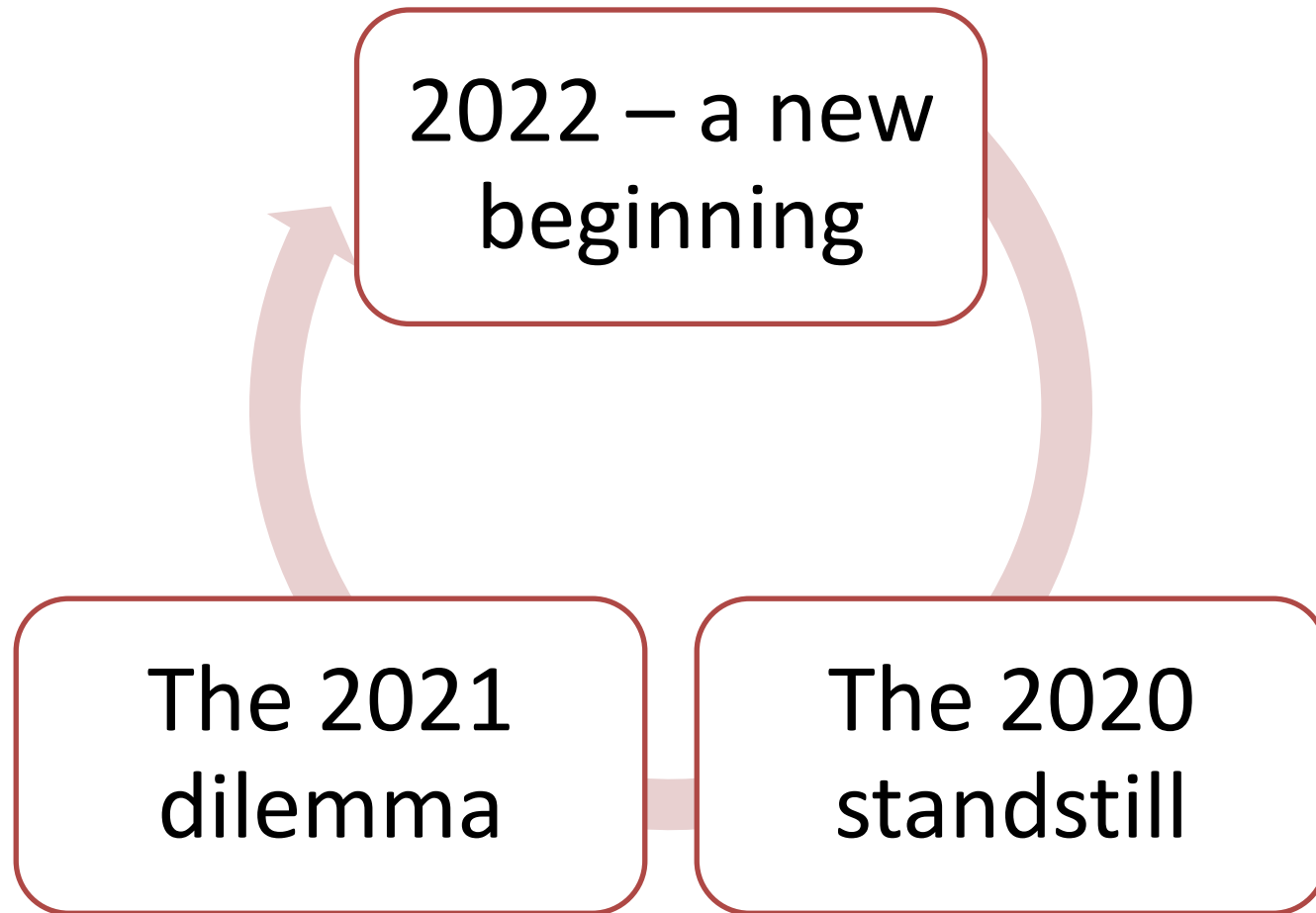
Kenya's current trade with the United States under AGOA

- Bilateral preferential trade between the United States and Kenya commenced through the enactment of the African Opportunity and Growth Act (AGOA) as Title I of The Trade and Development Act, signed in the year 2000.
- The Act offers tangible incentives for African countries – such as duty free and quota free access to markets – so African countries can continue their efforts towards opening their economies. A proportion of 70-80% of Kenya's exports to the United States enjoy zero import duties due to AGOA.
- AGOA expanded the list of products eligible for zero import duty under the Generalized System of Preferences (GSP) for Sub-Saharan African Countries. Where GSP covers only approximately 4600 products, AGOA applies to more than 6500 products.

Negotiating a Kenya – United States Free Trade Area

- AGOA is set to expire in 2025, leaving countries such as Kenya, in a rush to negotiate bilateral preferential trade agreements in order to continue benefitting from duty-free and quota-free market access.
- On 6th February 2020, the former President of the United States - Donald Trump announced US intention to initiate bilateral negotiations for a free trade area (FTA) in order to proceed and extend the trade relationship both countries enjoy under the Africa Growth Opportunity Act.
- The target of the Kenya-US FTA was to allow continued duty and quota free access for Kenyan goods into the United States, and increase predictability in trading with the United States thus being a model to the rest of the Sub-Saharan African countries.

Negotiating a Kenya – United States Free Trade Area



From a Free Trade Area to a Strategic Trade and Investment Partnership

- During a virtual meeting on 14th July 2022, US and Kenya Trade Representatives met and launched the United States-Kenya Strategic Trade and Investment Partnership (STIP) which would act as a “placeholder” for a full Free Trade Area.
- STIP contains the following negotiation objectives:
 - Agriculture
 - Anticorruption
 - Digital trade
 - Environment and climate action
 - Good regulatory practices
 - Micro, small and medium enterprises
 - Promoting workers’ rights and protections
 - Supporting participation of women, youth and other in trade,
 - Standards collaboration
 - Trade facilitation
 - Customs procedures

A call for comments by the Kenya and United States Government

- Kenya and the United States governments, based on STIP, asked firms from Kenya and America to share their views on the proposed areas that will be the basis for a new trade deal.
- In response to the request for comments by the Office of the United States Trade Representative (USTR) on the proposed STIP, the United States Computer & Communications Industry Association (CCIA) that represents various technology companies raised several comments on the way forward for the bilateral negotiation.

Current Status of Negotiations



THANK YOU FOR YOUR TIME

