

## tralac Annual Conference

### Session 2

## Africa in a changing global context

# Africa and the USA / AGOA

18 May 2023

*Eckart Naumann*



# **Africa and the United States : Reflections on AGOA and the road ahead**

- ✓ **AGOA: A few facts**
- ✓ **Performance, value of AGOA to Africa**
- ✓ **Timelines to expiry and what happens next?**

# AGOA: A few facts

US legislation that provides a framework for a closer U.S.-Africa relationship more broadly, beyond simply providing trade preferences

- ✓ **Market access:** Legal basis for enhanced **non-reciprocal** preferential market access to the U.S. market
- ✓ **Political dimension:** Platform for greater US-Africa **engagement** and dialogue
- ✓ **Support:** Technical, development and business
- ✓ **Soft power** (alongside other US programs like PowerAfrica, PEPFAR etc.)

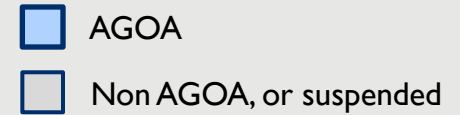
# What does AGOA offer Africa that other U.S. preference schemes do not?

- ✓ **Amends US tariff schedule** by adding AGOA program indicator 'D' to approximately **6,750 tariff lines (out of +- 11,000)**
  - *incl. 5,050 products that have GSP status*
  - *incl. almost 300 products that have no GSP status ('sensitive')*
  - *incl. 1,400 textile and clothing products*
  - **97% of all tariff lines are duty-free**
- ✓ **Removing CNLs** (product graduation, based on trade volumes)
- ✓ Ground-breaking **Rules of Origin** for 'apparel'
- ✓ **Longer time horizons** / few Congressional renewal processes
- ✓ **But: What is AGOA not?** Quotas, trade remedies, eligibility rules

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# AGOA : Performance



## 35 AGOA beneficiaries

49 SSA countries. Status: 2023



## 2022: \$10.2b AGOA exports incl. \$5.7b non-oil AGOA goods

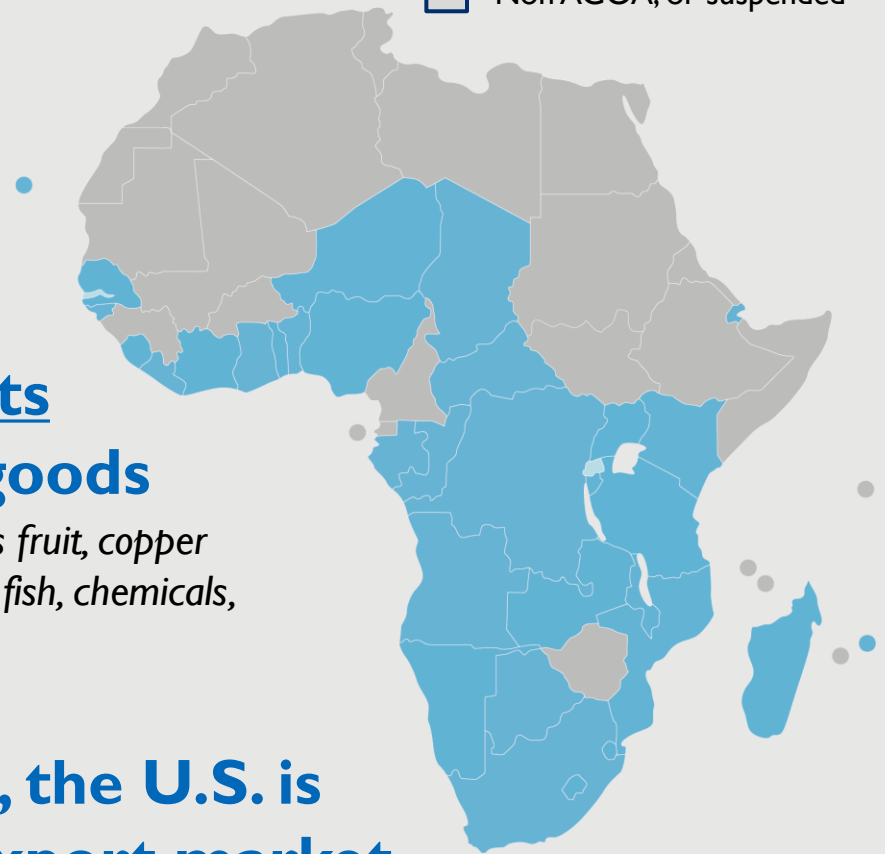
>> *Motor vehicles, jewelry, clothing, nuts, citrus fruit, copper products, wine, sugar, grapes, chocolate, cocoa, fish, chemicals, pleasure craft, leather products etc.*



## For some AGOA countries, the U.S. is now the most important export market



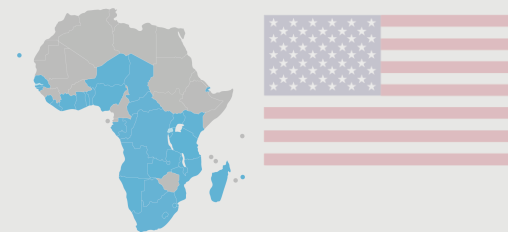
## U.S. imports from AGOA beneficiaries resulted in only \$101m duties (1% on trade value)



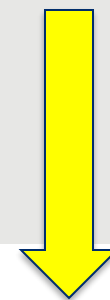
# Africa and the United States : Reflections on AGOA and the road ahead

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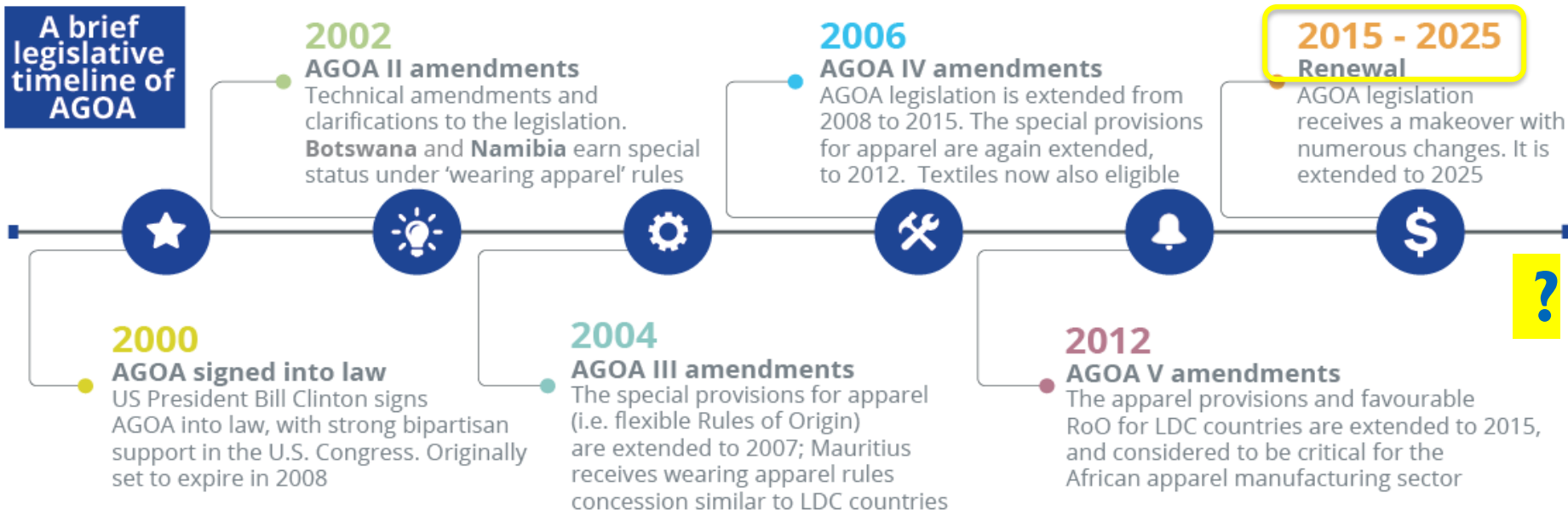
# AGOA: Timeline to expiry



- Renewals → 2015 → → Expiry 30 September 2025



## A brief legislative timeline of AGOA





# Future of AGOA and U.S. preferences?

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- ✓ AGOA renewal is **prerogative of the U.S. Congress** – does not fall under fast-track authority (*2015 Trade Promotion Authority*) that allows the executive to ‘negotiate’ trade agreements subject to guiding principles
- ✓ **Congress requested AGOA impact study – recently completed**  
*‘AGOA impact on economic development, regional integration, workers, underserved communities (is) **limited outside** of some countries and sectors’*
- ✓ **The (GSP) fallback remains unavailable and uncertain**  
*-- Special concern for non-LDC countries like SA, Kenya, Mauritius, Botswana, Namibia (limited GSP)*

# Future of AGOA and U.S. preferences?

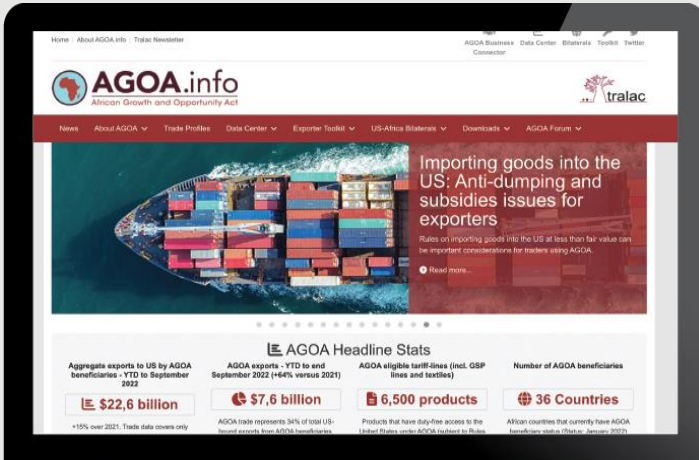
- ✓ **Eligibility criteria** – U.S. enforces these – rule of law and political pluralism criteria most common reasons for loss of AGOA status
  - What about ‘*must not undermine United States national security or foreign policy interests*’
- ✓ What about other, similar programs like the *Caribbean Basin Initiative* programs? (permanent + 2030 expiry)
- ✓ Kenya-U.S. *Strategic Trade and Investment Partnership (STIP)*
  - Incl. Agriculture trade, digital trade, regulatory practices, standards, environment, SMEs...*
- ✓ **Prosper Africa** – U.S. whole-of-government initiative (trade & investment)
- ✓ **Strategic value of AGOA** and competing interests for Africa...Europe, China, Russia... – can the U.S. really allow AGOA to expire (without a worthy replacement)?

# PROSPER AFRICA

A U.S. TRADE AND INVESTMENT INITIATIVE

## Participating Agencies





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**AGOA.info**  
African Growth and Opportunity Act

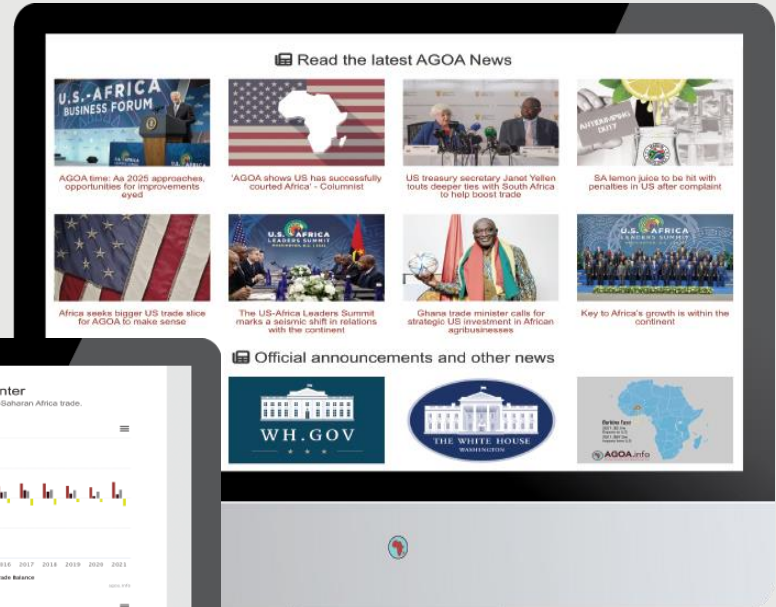
News About AGOA Trade Profiles Data Center Exporter Toolkit US-Africa Bilateral Downloads AGOA Forum

**Importing goods into the US: Anti-dumping and subsidies issues for exporters**  
Rules on importing goods into the US at less than fair value can be important considerations for traders using AGOA.  
[Read more...](#)

**AGOA Headline Stats**

Aggregate exports to US by AGOA beneficiaries - YTD to September 2022	AGOA exports - YTD to end September 2022 (+64% versus 2021)	AGOA eligible tariff-lines (incl. GSP lines and tariff-free)	Number of AGOA beneficiaries
<b>\$22,6 billion</b>	<b>\$7,6 billion</b>	<b>6,500 products</b>	<b>36 Countries</b>

+15% over 2021. Trade data covers only AGOA trade represents 34% of total US-bound exports from 2022 beneficiaries. Products that have duty-free access to the United States under 2070A subject to Rules. African countries that currently have AGOA beneficiary status (March, January 2022).

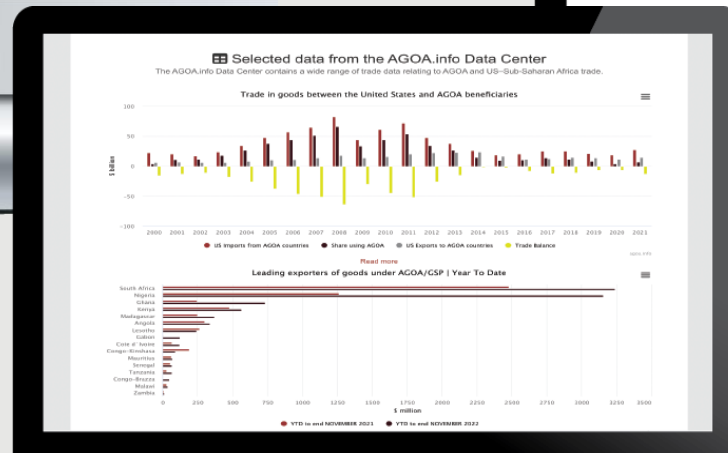


**Read the latest AGOA News**

- U.S.-AFRICA BUSINESS FORUM**  
AGOA time: As 2025 approaches, opportunities for improvements eyed
- 'AGOA shows US has successfully courted Africa' - Columnist**
- US treasury secretary Janet Yellen touts deeper ties with South Africa to help boost trade**
- SA lemon juice to be hit with penalties in US after complaint**
- AGOA trade**
- U.S.-AFRICA BUSINESS FORUM**  
The US-Africa Leaders Summit marks a seismic shift in relations with the continent
- U.S.-AFRICA BUSINESS FORUM**  
Ghana trade minister calls for strategic US investment in African agribusinesses
- U.S.-AFRICA BUSINESS FORUM**  
Key to Africa's growth is within the continent

**Official announcements and other news**

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- AGOA.info**





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Eckart Naumann  
*tralac Associate* ([tralac.org](http://tralac.org))

[eckartnaumann@gmail.com](mailto:eckartnaumann@gmail.com)