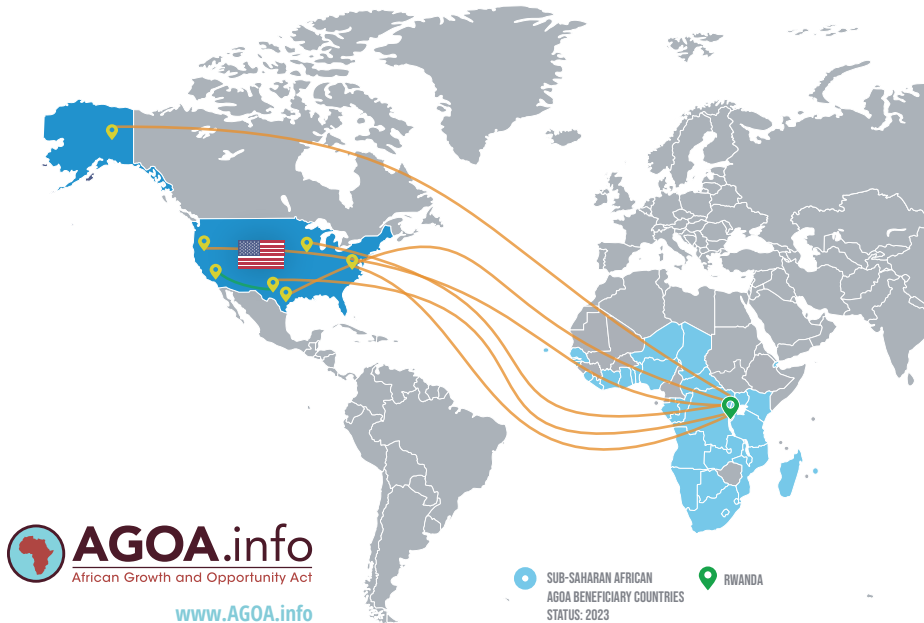
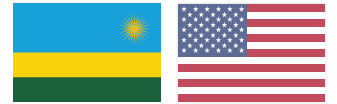


AGOA AND RWANDA

THE AFRICAN GROWTH AND OPPORTUNITY ACT



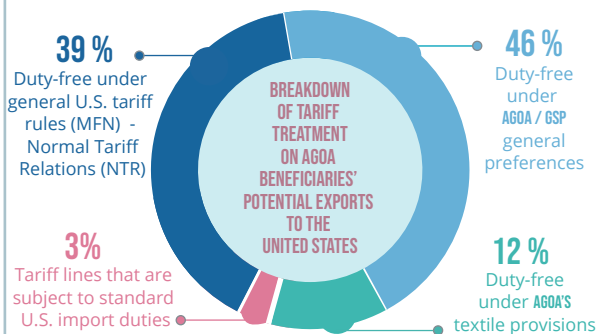
AGOA.info
African Growth and Opportunity Act
www.AGOA.info

SUB-SAHARAN AFRICAN
AGOA BENEFICIARY COUNTRIES
STATUS: 2023

- Rwanda is one of currently 35 Sub-Saharan African countries that benefit from preferential access to the United States market under the African Growth and Opportunity Act (AGOA), which grants +/- 6,700 products duty-free status.
- United States importers of products that are made in Rwanda are able to import these goods duty-free, enhancing price competitiveness. These preferences are currently available until end September 2025, unless the AGOA legislation is extended or replaced by another arrangement beyond that date.

RWANDA'S PREFERENTIAL MARKET ACCESS TO THE UNITED STATES

PERCENTAGES RELATE TO +/- 11,000 POSSIBLE TARIFF LINES



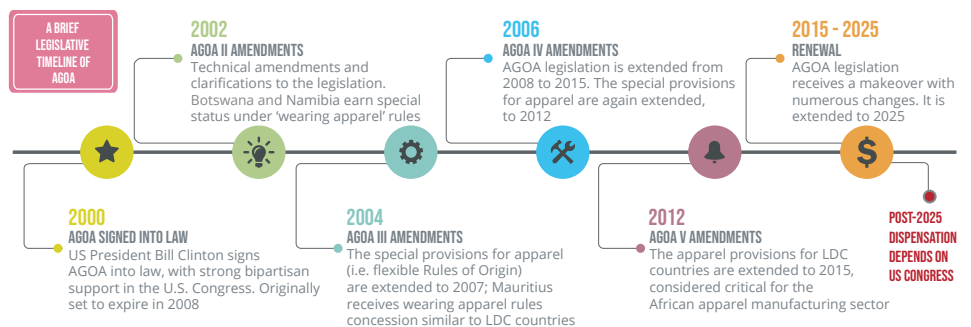
WHAT IS AGOA ?

- AGOA, the acronym for the **African Growth and Opportunity Act**, forms part of United States trade legislation, having been signed into law in May 2000 as Public Law 106. It offers special access to the U.S. market for qualifying exports from Sub-Saharan African beneficiary countries including **Rwanda**, but also provides a framework for other US support to, and engagement with, African countries. AGOA was originally set to expire after 8 years (in 2008) but has subsequently been extended a number of times, most recently in 2015 for a period of 10 years (now set to expire only in **2025** unless further extended by the U.S. Congress).
- AGOA broadens and enhances the trade preferences of the U.S. Generalized System of Preferences (GSP). While virtually all products that are GSP eligible also qualify under AGOA, the coverage of AGOA preferences is significantly greater. It is important to note that the GSP is subject to more regular congressional re-authorization and last 'expired' at the end of 2020; AGOA is therefore currently the only preferential market access arrangement that provides qualifying Sub-Saharan African beneficiary countries with duty-free access to the U.S. market, for approximately **6,700 products**, including in numerous categories generally considered to be 'sensitive'.
- Qualifying products* under AGOA include textiles and clothing, motor vehicles and parts, many agricultural products including nuts, leather products, chemicals, wine, travel luggage, machinery and equipment, and many more.

* Subject to complying with the Rules of Origin (local processing/content requirements)

AGOA RULES OF ORIGIN

RULES OF ORIGIN (RoO) are prescribed criteria used to determine the national origin of a product. RoO form an integral part of preferential trade arrangements, and help ensure that market access preferences are correctly linked to imports from an AGOA beneficiary country. AGOA has different RoO criteria for apparel, and general goods. The RoO prescribe the minimum processing or local content required for a product to obtain origin status of the (exporting) country: only 'originating' products receive preferential entry (into the United States) in terms of the AGOA legislation.



AGOA RULES OF ORIGIN: TEXTILES AND CLOTHING

- Qualifying apparel (garments) must be made up locally (cut, make, trim); however fabric sourced from anywhere in the world* may be used for this purpose.
* RWANDA HAD ITS TEXTILE AND APPAREL PROVISIONS REVOKED ON 31 JULY 2018
- Textiles (yarns, fabric of Chapters 50-60, and 63) from **Rwanda** or any other AGOA 'lesser developed beneficiary country' also qualify under AGOA provided that they are wholly produced from local fibres, yarns, fabrics, or components knit-to-shape in such countries.

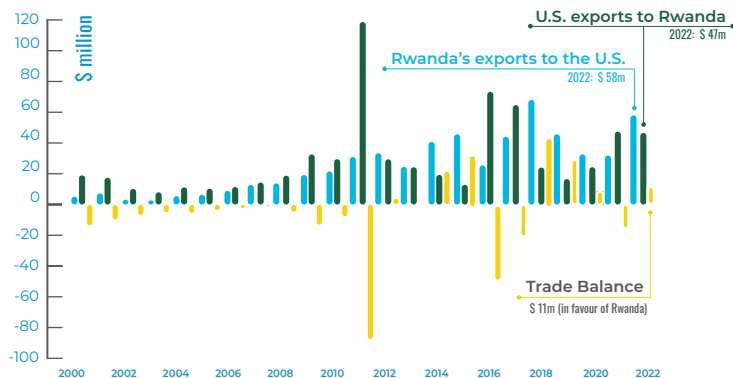
AGOA RULES OF ORIGIN: OTHERS PRODUCTS

- Products must be the 'growth, product or manufacture' of one or more AGOA beneficiary countries, or if some imported / non-originating materials are used, the cost of local materials + direct cost of processing must equal at least **35% of the product's appraised value** at the U.S. port of entry. Up to 15% (of the 35%) may consist of U.S. materials.

BASIC AGOA EXPORT CHECKLIST

- Correctly identify the unique HTS tariff code of product
SEE: [HTTPS://HTS.USITC.GOV](https://hts.usitc.gov) [TURN OVER PAGE FOR QR CODE]
- Check if product is AGOA / GSP eligible (0% duty)
[TARIFF CODE 'D' FOR AGOA, OR 'A' FOR GSP]
- Alternatively: Check applicable duty, or whether duty-free status under general US import tariff rules
- Ensure compliance with **Rules of Origin** requirements
- Obtain certificate of origin / endorsement from national customs / revenue service

UNITED STATES TRADE IN GOODS WITH RWANDA SINCE THE START OF AGOA PREFERENCES IN 2000



Trade in goods between the U.S. and Rwanda	2000	2021	2022
Rwanda's exports to the United States	\$5m	\$32m	\$58m
United States exports to Rwanda	\$19m	\$47m	\$47m
Balance of Trade (pos. values = in favour of Rwanda)	-\$1m	-\$15m	\$11m

Data in \$ million. Source: USITC Dataweb database.
U.S. domestic exports (FAS) vs. U.S. imports for consumption (at customs value)



United States exports to Rwanda | 2021-2022

Two-way trade between the United States and Rwanda has grown more than four-fold since 2000, and in 2022 has resulted in a trade surplus in favour of Rwanda. U.S. exports comprise mainly pharmaceuticals and medicines, followed by goods for the aviation sector. Exports of food products to Rwanda - including fresh meat products such as poultry - have also increased in recent years.

The leading U.S. exports to Rwanda over the period 2021 - 2022 are listed in the table below.

	2021	2022		2021	2022
Pharmaceuticals & medicines	\$21.6m	\$18.9m	Prepared sauces, mayo, dressings	\$1.9m	\$2.3m
Aircraft engines & equipment	\$7.9m	\$5.7m	Medical equipment & supplies	\$0m	\$2.0m
Plastic materials & resins	\$0.1m	\$2.4m	Computer equipment	\$1.9m	\$1.3m
Poultry	\$1.7m	\$2.4m	Other special classification provs.	\$1.0m	\$1.3m

Rwanda's exports to the United States, by programme, 2000-2022 | \$ million

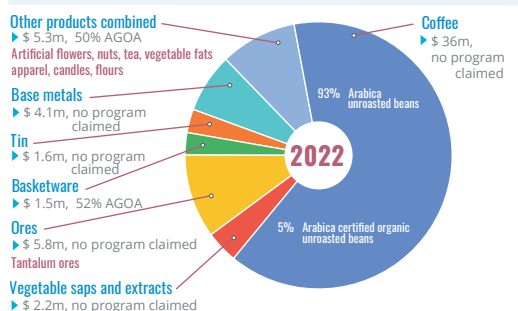
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Exports under AGOA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	2	4	1.5	1.5	1	2.8
Exports under GSP*	0.3	0	0	0	0.1	0.1	0.9	4.1	1	0	0	1	0	1	0	0	1	2	1	2.6	2.8	2.3	1.8
No preferences claimed	4.7	6.9	3.1	2.6	5.3	6.2	8	8.6	12.5	18.9	20.9	30.3	32.9	23.6	40	44.9	23.4	39.1	62.7	41.5	28.3	28.6	53.4
TOTAL country exports to U.S.	5	6.9	3.1	2.6	5.4	6.3	8.9	12.7	13.5	18.9	20.9	31.3	32.9	24.6	40	44.9	24.4	43.1	67.7	45.6	32.6	31.9	58

Data in \$ million. Source: USITC Dataweb database. Totals may not perfectly correspond due to rounding * The GSP had not been re-authorized in 2021/2022 and any preference claim is deferred

Rwanda's exports to the United States in 2022 | leading products

Any % values denote share that entered the U.S. duty-free under AGOA. Remaining trade is mostly duty-free under MFN

The graphic below provides an overview of the spread of Rwanda's exports to the United States during Year 2022



% denotes share utilizing AGOA. Rest of trade is mostly duty-free under the standard U.S. tariff schedule

US destinations of Rwanda's exports, by district

New York, New York - \$17.3m (+213%)
Products shipped: Coffee, ores, base metals
Houston, Texas - \$6.8m (+83%)
Products shipped: Coffee
Savannah, Georgia - \$6.6m (+252%)
Products shipped: Coffee
San Francisco, California - \$6.6m (-0.5%)
Products shipped: Coffee
Charleston, S. Carolina - \$5.4m (+751%)
Products shipped: Coffee
Baltimore, Maryland - \$4.9m (-17%)
Products shipped: Coffee, tin
Dallas-Fort Worth, Texas - \$2.2m (+85%)
Products shipped: Vegetable products, baskets
Chicago, Illinois - \$1.6m (+24%)
Products shipped: Travel goods

- Leading destinations, by district of U.S. entry.
- Accounts for 89% of Rwanda's exports to the U.S.
- % denotes year-on-year change 2021-2022

Overview: Rwanda's trade with the United States

Rwanda was a net exporter to the United States in 7 of the last 10 years (2013-2022), after recording trade deficits with the U.S. in the first 12 years since AGOA's inception in 2000. However, AGOA trade has been a relatively small contributor to this, with most export trade taking place in agricultural and resource-based categories.

During 2018, Rwanda's AGOA preferences for its textile exports were suspended. This follows an eligibility review triggered by U.S. private sector complaints that found Rwanda's ban on the import of second-hand clothing to be contrary to AGOA's eligibility criteria.

Rwanda's exports to the U.S. have grown more than 10-fold since 2000, with 70% of trade in the agricultural sector. Coffee is Rwanda's largest export to the U.S. (60% of the total).

Very few of Rwanda's exports are subject to U.S. import duties; in 2022, just over 10% of Rwanda's non-preferential exports to the U.S. took place in dutiable categories.

Goods classified as AGOA eligible qualify for duty-free import into the United States only when they meet the Rules of Origin provisions (35% local content for non-textile goods). \$164,597 in import duties was payable on U.S. imports sourced from Rwanda during 2022 (on \$5.5m dutiable trade); these were levied mainly on unwrought tantalum ore.

* Normal U.S. import duties (only when applicable to a product) are levied when local origin status of the preferential exporter country (through compliance with the relevant Rules of Origin) can not be demonstrated on importation.

SELECTION OF RWANDA'S EXPORTS TO THE UNITED STATES SINCE 2000

Coffee (HTS 0901)

2022: \$36 million in exports to the U.S.

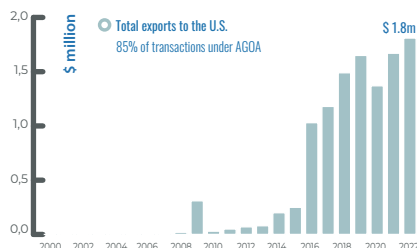
While Rwanda's coffee industry is younger than that in many other countries, it has established a reputation for premium quality, and its beans are desired globally. It also represents Rwanda's largest export category to the United States, and since 2000, more than \$350m worth of coffee has been exported by Rwanda to the U.S. During the most recent year, 2022, Rwanda recorded its highest level of exports to the U.S. to date.



Travel goods (HTS 4202)

2022: \$1.8 million exports to the U.S.

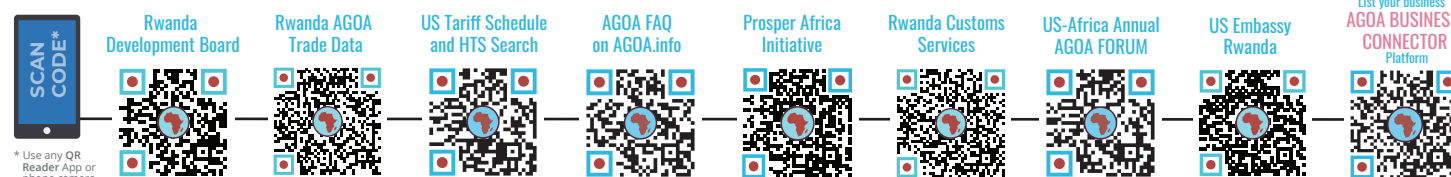
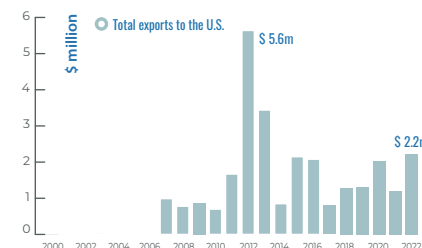
The U.S. has become a lucrative market for Rwanda's exports of travel goods, reaching \$1.8m in 2022, its highest level to date. The country's exports within this category comprise mostly leather bags, including general leather bags and hand bags. Most trade within this category takes place in duty-free tariff lines under AGOA preference.



Vegetable saps/extracts (HTS 1302)

2022: \$2.2 million exports to the U.S.

Rwanda exports vegetable saps and extracts to many international markets, including the U.S. These saps and extracts are used in the food industry, for example the vegetable saps from the tamarind tree which are used in common food products such as desserts, sauces and curries. Rwanda's exports in this category are duty-free in the U.S. under its general tariff provisions.



* Use any QR Reader App or phone camera



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