



**AFRICAN GROWTH
AND OPPORTUNITY
ACT**

The Four Pillars of U.S. Policy in Africa

1. Strengthen Democratic Institutions
2. Spur Economic Growth, Trade and Investment
3. Advance Peace and Security
4. Promote Opportunity and Development



What is the African Growth and Opportunity Act?

- ▶ USG's signature trade initiative with sub-Saharan Africa.
- ▶ Est. in May 2000, most recently reauthorized on June 2015, until 2025.
- ▶ Provides more liberal access to the U.S. market than any of our other unilateral trade preference arrangements.
- ▶ Reinforces African reform efforts, improves access to capacity building and technical expertise through regional Trade Hubs.



What Benefits Does AGOA Offer?

- ▶ **Duty-free treatment** to more than 6,400 products (with at least 35% African value-added):
 - ▶ >1,800 tariff lines in addition to the standard 4,600 through the General System of Preferences (GSP).
- ▶ Under a Special Rule (“Third Country Fabric” provision), lesser-developed countries can enjoy an *additional* preference of duty-and quota-free access for apparel made from fabric **of any origin**.



AGOA Eligibility

- ▶ President conducts an annual determination of beneficiary countries' adherence to eligibility criteria.
- ▶ AGOA-eligible countries have to have established, or be making continual progress toward establishing:
 - 1) market-based economy;
 - 2) rule of law, political pluralism, and right to due process;
 - 3) elimination of barriers to U.S. trade and investment;
 - 4) economic policies to reduce poverty;
 - 5) a system to combat bribery and corruption; and
 - 6) protection of internationally recognized worker rights
- ▶ Countries must also not engage in activities that undermine U.S. national security or foreign policy interests; and not engage in gross violations of internationally recognized human rights.

Congress Approves AGOA Renewal

On June 25, 2015 the Senate approved legislation to re-authorize AGOA for ten years. President Obama signed the “Trade Preferences Enhancement Act of 2015” on June 29, 2015.

- ▶ Provides a 10 year extension of AGOA;
- ▶ Retains AGOA’s existing product coverage and includes third country fabric provision;
- ▶ Enhances and streamlines trade capacity building;
- ▶ Updates the eligibility criteria and review processes;
- ▶ Updates rules of origin to encourage regional cumulation.



Key Issues for AGOA

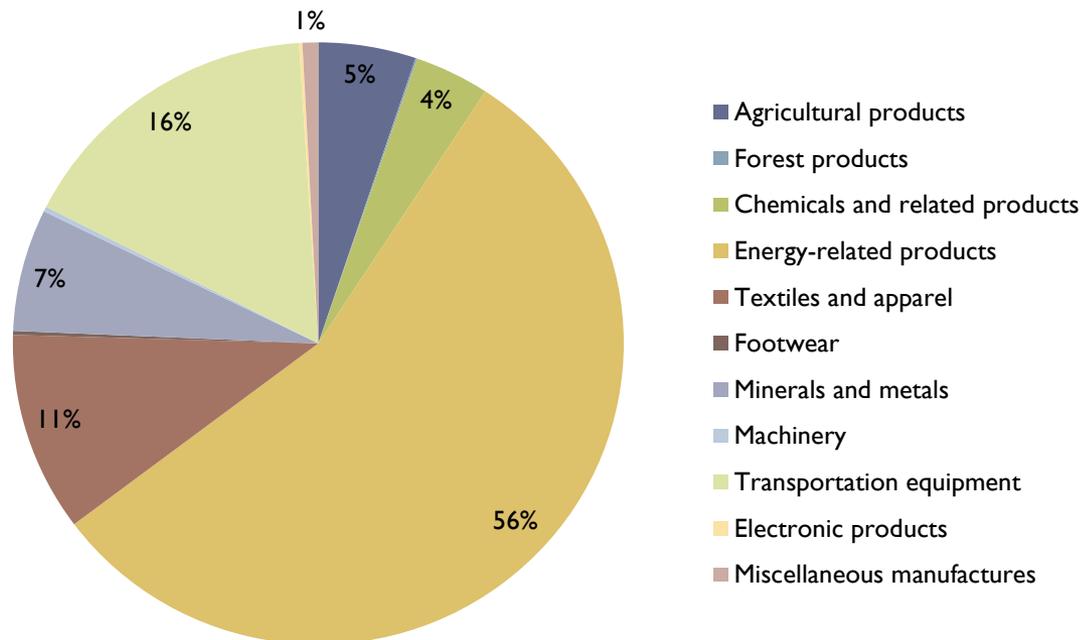
- ▶ Boosting AGOA utilization in the remaining ten years.
- ▶ Preparing for a more reciprocal U.S.-Africa trade and investment relationship.
- ▶ Ensuring Africa is not left behind as the rest of the world signs on to increasingly liberal “plurilateral” trade agreements.



2015 AGOA Snapshot

- ▶ \$19 billion total exports ; \$9.3 billion under AGOA + GSP
- ▶ Top beneficiaries: South Africa, Angola, Chad, Nigeria, Kenya, Lesotho

AGOA including GSP provisions 2015



2014 AGOA Exports from the Region

- ▶ Angola: \$4.4 billion
- ▶ South Africa: \$3.1 billion
- ▶ Lesotho: \$289 million
- ▶ Malawi: \$60 million
- ▶ Botswana: \$9 million (*\$7.5 million in 2015*)
- ▶ Mozambique: \$9 million
- ▶ Zambia: \$5 million
- ▶ Namibia: \$0
- ▶ Swaziland and Zimbabwe: Not Eligible



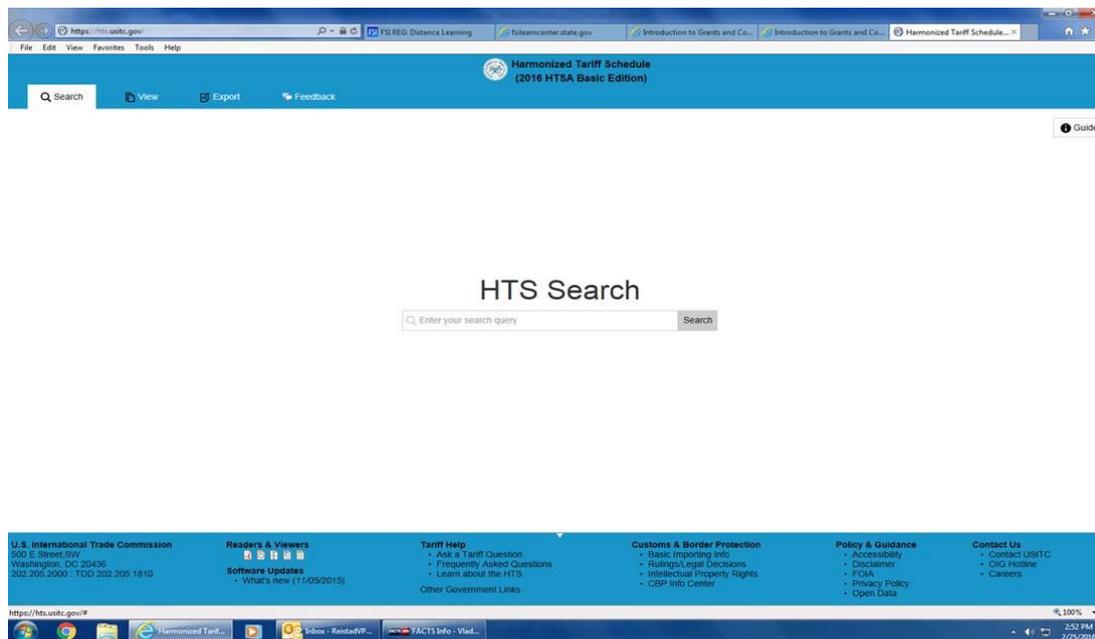
Key AGOA Eligible Products

- ▶ Apparel and footwear
- ▶ Jewelry
- ▶ Leather
- ▶ Certain motor vehicle components
- ▶ A variety of agricultural products
- ▶ Arts and crafts
- ▶ Chemicals and steel
- ▶ Full product list at <http://agoa.info/about-agoa/products.html>



Looking for a Specific Product?

- ▶ Visit the U.S. Harmonized Tariff Schedule at <https://hts.usitc.gov/>
- ▶ The U.S. Trade Representative's guide at <http://trade.gov/agoa/eligibility/product-eligibility.asp>



What Are the Challenges?

- ▶ Timeline requirements
- ▶ Large volume demand
- ▶ Quality standards
- ▶ Import procedure requirements
- ▶ International competition
- ▶ Finding a U.S. buyer





EXPORTER READINESS

Doing business with the United States can be very rewarding. At the same time, it is a challenging undertaking that requires producers and exporters to be well-equipped to deal with. This section provides resources on helping to guide the Africa-based exporter to successfully trade with the United States.



DOWNLOADS >



Doing business with the United States

This presentation by the West Africa Trade Hub covers the following: Common Myths US Business Culture West African Business Culture -Practicalities Bridging the Gap Market

AUTHOR VANESSA ADAMS
ORGANISATION WA TRADEHUB
VIEW DETAILS **SIZE:** 988 KB

Competitiveness



Export readiness assessment

The following "Export Readiness Assessment" is a set of questions designed to assess how prepared your company is to begin exporting to the U.S. The test is designed to identify weak areas in your company's planning so they can be redressed before...

AUTHOR BELISA DE LAS CASAS AND LUKE ZAHNER

LATEST NEWS



Trade between the United States and AGOA countries continues to decline



US poultry on its way to South Africa



Apparel sourcing: Is Africa ready for a rush?



Direct shipping service from Gulf of Mexico to West Africa signals diversifying AGOA trade



AGOA: US investments in Ethiopia climb to \$4 billion in 2015



Swaziland to fulfill ILO benchmarks in June - sources

More AGOA Resources

- ▶ **Exporter Toolkit**
 - ▶ Guide on doing business with the U.S.
 - ▶ Export readiness assessment
 - ▶ A guide for small foreign exporters
 - ▶ Information of sanitary and phytosanitary measures
- ▶ **Botswana Investment and Trade Center**
- ▶ **Botswana's Embassy in Washington D.C.**
- ▶ **Botswana Government Strategies**
- ▶ **Private partners**
 - ▶ U.S. companies and associations
 - ▶ Multinational companies
 - ▶ Regional marketing companies



Trade Shows of Interest

- ▶ **Heimtextil 10–13 January 2017: Messe Frankfurt, Germany**
 - ▶ Home and contract textiles
- ▶ **Handcrafters Art and Craft Shows 18–19 March 2016: Northville, USA (three times per year)**

Handmade and decorative items, ceramics and pottery, clothing and textiles, photography, metal and wood products
- ▶ **Baby World Riga 8-10 April 2016: Riga, Latvia**
 - ▶ Apparel, clothing, gifts, handicrafts, sporting goods, baby and children clothing, maternity wear
- ▶ **Source Africa 8–9 June 2016: Cape Town, South Africa**
 - ▶ Apparel, textile and footwear
- ▶ **Magic 15-17 August 2016: Las Vegas, USA**
 - ▶ Apparel, footwear, leather goods



More Information at:

- ▶ <http://agoa.info>
- ▶ <http://botswana.usembassy.gov/>

Contact U.S. Embassy Gaborone:

- ▶ Phone: 373-2354/2431
- ▶ Email: CommercialGabs@state.gov

