



**AGOA FORUM 2015:
GABON**

*Direct Line to U.S. Business
Friday, March 27, 2015*

What is the African Growth and Opportunity Act (AGOA)?

- ▶ AGOA is the USG's signature trade initiative with sub-Saharan Africa.
 - ▶ AGOA was signed into law in May 2000 as Title I of the U.S. Trade and Development Act.
 - ▶ Through several revisions, the legislation extends preferential access for imports from beneficiary countries until September 30, 2015.
- ▶ It provides the most liberal preferential trade access to any country or region with which we do not have a free trade agreement.
- ▶ AGOA reinforces African reform efforts, provides improved access to U.S. credit and technical expertise, and establishes an annual high-level dialogue on trade and investment.



What Benefits Does AGOA Offer?

AGOA goes beyond the GSP preference offered to all LDCs to allow duty free access for value-added goods, in an effort to promote higher skill jobs and economic growth in Africa.

- ▶ AGOA provides **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 available to GSP beneficiary countries.
- ▶ AGOA offers duty-free and quota-free treatment for eligible *apparel* articles made in qualifying African countries.
- ▶ 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

The legislation calls on the President to conduct an annual determination of country adherence to eligibility criteria.

Eligibility Requirements:

The country has established, or is making continual progress toward establishing:

- a) Market-based economy
- b) Rule of law, political pluralism, and right to due process
- c) Elimination of barriers to U.S. trade and investment
- d) Economic policies to reduce poverty
- e) System to combat bribery and corruption
- f) 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.

2014 AGOA Snapshot

- ▶ \$25.5 billion total exports (33% decrease from 2013)
- ▶ Top beneficiaries: South Africa, Nigeria, Angola, and Kenya
- ▶ Top products: Oil, Machinery and Transportation Equipment, Textiles and Apparel



2015 Trade Agenda and AGOA Renewal

▶ Trade Agenda

- ▶ Trade Promotion Authority
- ▶ Trans-Pacific Partnership (TPP)
- ▶ AGOA Renewal

▶ Key Issues for AGOA Renewal

- ▶ Market access for U.S. exports
- ▶ European Union Economic Partnership Agreements (EPAs)
- ▶ Length of extension and future of U.S. – Africa Trade Relationship



The Administration's Recommendations for AGOA Renewal

Congress holds the pen on AGOA legislation and is considering several enhancements

- ▶ *Approve a Long Term Extension of AGOA including “Third Country Fabric”*
- ▶ *Expand AGOA’s product coverage*
- ▶ *Enhance and streamline Trade Capacity Building*
- ▶ *Update Eligibility Criteria and Review Processes*
- ▶ *Update Rules of Origin to encourage regional “cumulation”*



Background on the AGOA Forum

- ▶ AGOA legislation mandates that senior officials from the U.S. and AGOA-eligible countries meet annually to foster close economic ties and to discuss expanding trade and investment relations.
- ▶ This annual **U.S. Sub-Saharan Africa Trade and Economic Cooperation Forum** (commonly known as the AGOA Forum) rotates between Washington and sub-Saharan Africa.
- ▶ In addition to this Ministerial-level Forum, the private sector and civil society groups have typically held related forums co-located with the Ministerial. African Women's Entrepreneurship Program (AWEP) alumnae hosted AGOA side events in 2011 and 2013 and plan to be active at the 2015 Forum.



Background on the AGOA Forum

Host governments, the U.S. government interagency planning committee, and the African Diplomatic Corps work together to choose a theme and develop a program.

**Mauritius
2003**

- ▶ “Trade and Investment: Tool for Growth and Development”

**Senegal
2005**

- ▶ “Expanding and Diversifying Trade to Promote Growth and Competitiveness”

**Ghana
2007**

- ▶ “As Trade Grows, Africa Prospers: Optimizing Benefits Under AGOA”

**Kenya
2009**

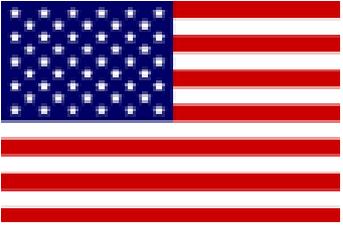
- ▶ “Realizing the Full Potential of AGOA through Expansion of Trade and Investment”

**Zambia
2011**

- ▶ “Enhanced Trade through Increased Competitiveness, Value Addition and Deeper Regional Integration”

**Ethiopia
2013**

- ▶ “Sustainable Transformation Through Trade and Technology”



Preliminary Ideas for AGOA 2015



“AGOA at 15: Charting a course for a sustainable U.S.-Africa Trade and Investment Partnership.” August 25-27, 2015

- Developing our vision for our trade relationship beyond renewal
- Trade capacity building to address African economic diversification and growth
- Fostering partnerships between African and American SMEs for enhanced utilization of AGOA
- Offering concrete, relevant programming, e.g., B2B matchmaking, business pitch competitions, expert speaker programs

➤ ***.....Your ideas?***



THANK YOU

We hope you
will attend the
forum!

