In November 2010, Africa’s trade ministers met in Kigali to assess U.S.-African trade after a decade of AGOA. The ministers noted that there had been an “evident economic payoff” for countries such as Kenya, Lesotho, Madagascar, Mauritius, South Africa, Swaziland and Botswana, and, to a lesser extent, Ghana, Ethiopia, Malawi, Tanzania, Uganda and Cape Verde. They also cautioned, however, that “the benefits to African economies should not be overstated.”33 The African Union indicates, for example, that whereas Kenya has benefited from AGOA in job creation and additional exports in the textile sector, the majority of new firms entering are non-Kenyan businesses utilizing the country’s export-processing zones. The ministers’ report gives other examples, including Lesotho, where the linkages to the local economy for its clothing exports are minimal and subject to the inconsistent rules of origin regulations. Increased foreign investment and job creation, however, must also be recognized as a benefit. The need to deepen the impact of investment stimulated by AGOA is accepted as a priority issue.

With regard to foreign direct investment, the ministers acknowledged that there has been an increase in export-oriented investments attributable to AGOA. For example, in Malawi, European and Taiwanese companies invested in two garment factories to take advantage of AGOA, and it was estimated that total employment would increase by 10,000. In Tanzania, a U.S. firm partnered with local interests to expand a textile mill involving 1,000 jobs. In Cape Verde, a fish-processing company was acquired by a U.S. company, and two new investments by Portuguese firms in the apparel industry were announced. In South Africa, a Malaysian company announced an investment of $100 million in a garment facility with the expectation of creating 13,000 jobs.

In commenting on how to enhance AGOA, the ministers argued that the renewal of AGOA “should take into account major shortcomings to render AGOA more “inclusive, accessible and permanent” (emphasis in the original). The ministers contend that “preferences ought to be strengthened, enhanced and improved,” so that trade and investment, which so far have relied on transient preferential market access, can be channeled in a durable manner toward sectors with export potential.34

More recently, in May 2011, the U.N. Economic Commission for Africa conducted a survey of AGOA’s benefits that was based on 103 completed questionnaires from 29 beneficiary countries. Of the respondents, 80 percent were companies. Three-quarters of this group viewed AGOA as “very important” (58 percent) or “important” (17

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33 African Union Conference of Ministers of Trade, Sixth Ordinary Session, Kigali, October 29-November 2, 2010.
34 Ibid.
percent). When asked why AGOA was important, three-quarters emphasized the significance of the U.S. market for African products.\textsuperscript{35}

When companies experienced difficulties with AGOA, these were related to capacity and financing constraints, an inability to obtain visas to travel to the U.S., and trouble in securing distribution channels and conducting market research. Interestingly, 75 percent of the companies that responded to the questionnaire indicated that AGOA had contributed to job creation and capacity building.

In terms of the future of AGOA, respondents indicated that their priority areas for strengthening AGOA were enhancing production capacity and increasing inputs to enable companies to more effectively comply with standards and training workers.\textsuperscript{36} The vast majority of respondents were opposed to extending AGOA-type opportunities to other countries outside Africa, such as Bangladesh, Vietnam and Sri Lanka.

When asked specifically how AGOA should be revised, a majority of the respondents emphasized the importance of business support services, such as greater technical assistance for conforming with Sanitary and Phytosanitary Standards, and promoting African products in the U.S. market. The respondents also indicated a need to improve the environment for doing business in Sub-Saharan Africa. Access to financing and capital for businesses engaged in exporting is also an issue.

Similar sentiments were expressed by John Kufuor, who was president of Ghana from 2000 to 2008, in a recent interview. When asked about AGOA, he praised the legislation as a “stimulus” for African manufacturers and as “a welcome challenge” for African companies, which must meet its rigorous criteria for accessing the U.S. market. At the same time, he said that there was not enough support for African entrepreneurs with little experience competing globally and especially in the U.S. market. In his view, AGOA needs more time beyond 2015 to reach its potential, but he expressed confidence that the legislation could also help American companies compete effectively in Africa with companies from China and elsewhere.\textsuperscript{37}


\textsuperscript{36} In a recent survey of products that were refused entry into the U.S., the Southern Africa Trade Hub found that in the case of South Africa, 40 percent of its products were declined access to the U.S. market. For Ghana and Nigeria, the proportion was 13 and 12 percent, respectively. Cos Manmhunze, “Export Digest: Product Entry into the US Market: Why Some Goods are Refused,” Southern Africa Trade Hub Digest, March 19, 2012.

\textsuperscript{37} Interview with John A. Kufuor, former president of Ghana (2001-9), Washington, April 17, 2012.