Executive Summary

This report examines the impact of the African Growth and Opportunity Act during the past 12 years. AGOA “offers tangible incentives for African countries to continue their efforts to open their economies and build free markets.” The report concludes that AGOA continues to be the cornerstone of the U.S.-African commercial relationship and should be extended for 10 years beyond its scheduled expiration in 2015.

AGOA has had success in creating jobs and building stronger commercial ties between the U.S. and Africa at a time when the region is poised for an economic takeoff and has remained resilient in the wake of the 2008 global economic downturn. Since the legislation went into effect, exports under AGOA have increased more than 500 percent, from $8.15 billion in 2001 to $53.8 billion in 2011. About 90 percent of these exports have been oil, which underscores Africa’s growing strategic importance to the U.S.

Under AGOA, the volume of non-energy exports to the U.S.—which is where the growth in jobs and economic development has occurred—has increased 275 percent, from $1.2 billion to $4.5 billion between 2001 and 2011. The number of countries exporting non-energy products under AGOA has also increased, from 13 to 22 during this period. If the life of AGOA is extended and the legislation is strengthened, it can have an even stronger developmental impact, which will benefit both the U.S. and the 40 countries in Sub-Saharan Africa that are currently eligible under AGOA.

A number of U.S. agencies—such as the Office of the U.S. Trade Representative (USTR), the U.S. Agency for International Development (USAID), the Export-Import Bank (Ex-Im) and the Africa Bureau at the State Department—are actively contributing to stronger commercial ties between the U.S. and Africa. However, as this report argues, the White House needs to take a more active role in coordinating the work of these and other agencies to strengthen AGOA’s impact and deepen the United States’ commercial involvement in Africa.

Recently, the Increasing American Jobs through Greater Exports to Africa Act was introduced in Congress. This legislation calls on the Obama administration to develop a comprehensive trade and investment strategy for Africa that would triple U.S. exports to the region and increase the number of jobs created in the U.S. This proposed legislation, combined with a strengthened AGOA, would potentially enable the U.S. to become a competitive commercial collaborator with African countries. It would also transform the traditional U.S.—African donor—recipient relationship into a more genuine partnership that positions the U.S. to benefit from the many emerging opportunities in Africa outside the extractive sectors.

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