

Event Summary

Revising AGOA: Enhancing Regional Integration and Building Trade Capacity

July 14, 2014

12:00pm – 1:30pm EDT

Rayburn House Office Building

On Monday, July 14, the Africa Growth Initiative at Brookings (AGI) and the Congressional African Staff Association (CASA) hosted a briefing for congressional staffers on ways that the African Growth and Opportunity Act (AGOA) could better support regional integration and trade capacity building. Panelists included Angela Ellard, chief trade counsel (majority) and trade subcommittee staff director for the House Committee on Ways and Means; Moono Mupotola, division manager for regional integration and trade at the African Development Bank; Thomas J. Herlehy, practice area manager for crops at Land O'Lakes; and Witney Schneidman, AGI nonresident fellow and senior advisor for Africa at Covington and Burling, LLP. Nilmini Rubin, senior advisor for global competitiveness for the House Foreign Affairs Committee, moderated the discussion.

This event is part of the Africa Policy Dialogue on the Hill a regular congressional briefing series hosted by AGI and CASA on topical issues relevant to Africa's growth and security.

Throughout the discussion, panelists focused on ways to achieve a more effective AGOA before its expiration in September 2015. Panelists emphasized that policymakers should be making regional integration as well as trade capacity building top priorities while drafting the new legislation.

Since AGOA was enacted in 2000, non-oil exports from sub-Saharan Africa have increased fourfold. However, the total amount of non-oil exports stood at only \$4.8 billion in 2013 compared with \$26.3 billion in oil exports in the same year. Thus, there is still room for further utilization of the AGOA non-oil preferential product lines. Some participants noted that the United States and African countries should consider using AGOA to promote African products that contribute to global value chains, e.g., cashews and shea butter. One panelist noted that products like these empower and raise the incomes of women in particular because women frequently harvest these types of goods. However, participants noted that AGOA has only been somewhat successful for industries like these and still finds most of its success in natural resource industries. Still, some encouraged a move away from this trend.

Many also agreed that AGOA-eligible countries to be proactive in terms of engagement and coordination. Ethiopia was mentioned as a prime example of utilizing AGOA effectively as it has already has outlined a strategy to assist Ethiopian businesses utilize AGOA preferences and is creating an institutional framework to support that strategy. On the other hand, countries like Uganda and Namibia

lack a definite strategy for AGOA and so are not benefiting from the preferences as much as they could be. One panelist recommended that AGOA beneficiary countries “really do their homework and due diligence on what their comparative advantage is.” One panelist argued that African countries should look to the U.S. to learn successful trade promotion strategies, not only look to benefit from AGOA, encouraging African governments to emulate institutions like the U.S. Small Business Administration.

At the close of the dialogue, panelists agreed it would be ideal to see a new AGOA bill before Congress sometime later this year or very early next year. Especially since businesses in Africa that currently utilize the AGOA preferences will rely on the certainty of AGOA extension when setting up contracts for 2015.