Africa Growth Initiative
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THE AFRICAN GROWTH AND OPPORTUNITY ACT:

Looking Back, Looking Forward

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with Zenia A. Lewis

June 2012

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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."[1] 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.

[1] International Trade Administration, U.S. Department of Commerce, "Welcome to AGOA!" www.agoa.gov.

Recommendations

- Congress should extend AGOA for 10 years, from 2015 to 2025.
- Congress should extend AGOA's third-country fabric provision immediately, and make the life of the provision coterminous with that of the entire legislation.
- The Obama administration should support the passage of the Increasing American Jobs through Greater Exports to Africa Act.
- The Obama administration should create a position on the National Economic Council responsible for developing a "whole of government" approach to the implementation of AGOA and coordinating the many agencies involved.
- The Obama administration should create a summit mechanism in cooperation with the heads of state of the AGOA-eligible countries that, as one of its priorities, will focus on AGOA and U.S. trade and investment in Africa.
- Based on the experience of the trade hubs in West, East, Central and Southern Africa, USAID, working with the Commerce Department and other U.S. agencies, should develop a network of commercial resource centers throughout Sub-Saharan Africa to enhance AGOA's effectiveness and support American investors, especially small and medium-sized businesses.
- USAID should coordinate the trade hubs' activities more closely to enhance their impact.
- Congress should amend AGOA to mandate that the activities of the U.S. Department of Agriculture support the implementation of AGOA.
- Congress and USTR should be encouraged to conclude a regional investment treaty with the East African Community.
- USTR should use the trade and investment framework agreements (TIFAs) to set clear goals and objectives for increasing exports under AGOA, the removal of barriers to U.S. investment and enhancing regional integration.
- Congress and USTR should amend the TIFAs so that private sector representatives from the U.S. and host countries and regions can provide direct input into the TIFA discussions.
- The State Department and USTR should engage their African counterparts in a discussion with the European Union on those aspects of the economic partnership agreements that undermine regional integration.
- Congress should amend AGOA to include a zero tax on repatriated earnings from investments in AGOA-eligible countries by U.S. companies outside the extractive sectors in order to stimulate more American investment in Africa.

1. Introduction

President Bill Clinton introduced a fundamental change to U.S. policy toward Sub-Saharan Africa when he signed the African Growth and Opportunity Act into law on May 18, 2000. Until then, U.S. relations with Africa had been defined largely by Cold War calculations, donor-recipient relations, aid for poverty alleviation and emergency relief. But AGOA moved the U.S. away from a singular reliance on development assistance as a strategy for engaging African countries and introduced trade between these countries and the U.S. and investment by the United States as stimuli for economic development and poverty reduction. During the last 12 years, moreover, AGOA has both contributed to and benefited from the many transformative trends in Africa.

One of the most significant of these trends has been the increase in democratic governance. The liberation of the states of the Soviet Union and Central and Eastern Europe from communism after the fall of the Berlin Wall in 1989 also created a demand for greater accountability and governance in many African nations. As Steve Radelet notes in *Emerging Africa*, the number of democracies in Sub-Saharan Africa has increased from 3 to 23 within the last 25 years.[2]

A second major trend is related to economic growth. The 1990s were a lost decade for Africa as far as economic growth was concerned. In 1995, when a small group in Congress started to develop the concept of AGOA, the per capita growth rate in Sub-Saharan Africa was negative, at –1.1 percent.[3] By the end of the decade, as African governments put in place market-based policies and commodity prices improved, the regional growth rate on a per capita basis had increased to 2.9 percent in 2001, the first year that AGOA was in effect. Between 2000 and the onset of the global financial and economic crisis in 2008, the region's average growth was just under 5 percent. And the projected growth rate in Sub-Saharan Africa for 2012 is 5.5 percent. In addition, last year *The Economist* indicated that six of the top 10 fastest-growing economies of the last decade were in Africa.[4] Even in the past few years, the World Bank's and International Financial Corporation's *Doing Business* indicators have shown

[2] Steve Radelet, *Emerging Africa: How 17 Countries are Leading the Way* (Washington: Center for Global Development, 2010), 16.

[3] The initial "AGOA Coalition" was made up of members of Congress, staff, the private sector and civil society. Some of the original members of this group included U.S. representatives McDermott, Royce, Rangel, Jefferson, Houghton, Crane and Payne. Key staff members included Mike Williams, Rosa Whitaker, Tom Sheehy, Irv Williamson and Greg Simpkins. Private sector members included representatives from Chevron, Mobil, Coca Cola, the Limited Brands, and individuals Witney Schneidman, Ambassador Mike Samuels, Tony Carroll, Steve Lande and Paul Ryberg. The Corporate Council on Africa and the U.S. Chamber of Commerce also have provided support to AGOA as has the Constituency for Africa and the Foundation for Democracy in Africa.

[4] "A More Hopeful Continent? The Lion Kings," *The Economist,* January 6, 2011, www.economist.com/node/17853324

positive change for a majority of Sub-Saharan African countries, indicating that African governments are prioritizing improvement of the business environment.[5]

AGOA was intended to bolster these trends toward democratic governance and economic progress. The legislation was also designed to stimulate light manufacturing in Africa in order to contribute to job creation, poverty reduction and greater industrialization. Finally, AGOA was a recognition that increasing African countries' exports and strengthening their integration into the global economy had a vital role to play in accelerating economic development and that this would strengthen U.S.–African relations.

The passage of AGOA created a strong bipartisan consensus in Congress, which recognized that the U.S. had interests in Africa and thus it was worth investing there. Congress extended and strengthened AGOA on three occasions during the Bush Administration. As a nonreciprocal trade agreement, AGOA has been a unique initiative in that the duties and tariffs on about 6,400 products coming into the U.S. from Africa were dropped to zero. At the AGOA Forum in Lusaka in 2011, Secretary of State Hillary Clinton and the U.S. trade representative, Ambassador Ron Kirk, called for a "seamless extension" of AGOA, which is due to expire in 2015.[6]

This report is intended to contribute to the debate on AGOA's future—for what period should the legislation be extended, and how might it be amended to more effectively contribute to encouraging more trade and investment by U.S. companies in Africa? The report starts by looking at what AGOA has achieved in terms of exports to the U.S. from Africa and its contribution to economic development. It then examines the trend in U.S. exports to Africa. Even though the United States' commercial engagement in the region was not a priority when AGOA was passed into law, the increase in American exports to Africa is an important new dimension, especially in light of President Barack Obama's commitment to double U.S. exports by 2014 through the National Export Initiative. Equally important is the increased competition from other nations for a share of African markets and the receding U.S. commercial presence in the region, which are discussed in the final section.

The report also provides an overview of how several U.S. agencies have supported the implementation of AGOA, specifically USAID, Ex-Im, the Overseas Private Investment Corporation and the U.S. Trade and Development Agency. It also examines the growth of Africa's other trading partners, notably China, India and Brazil. Finally, it makes recommendations for enhancing the legislation and deepening the commercial relationship with Africa.

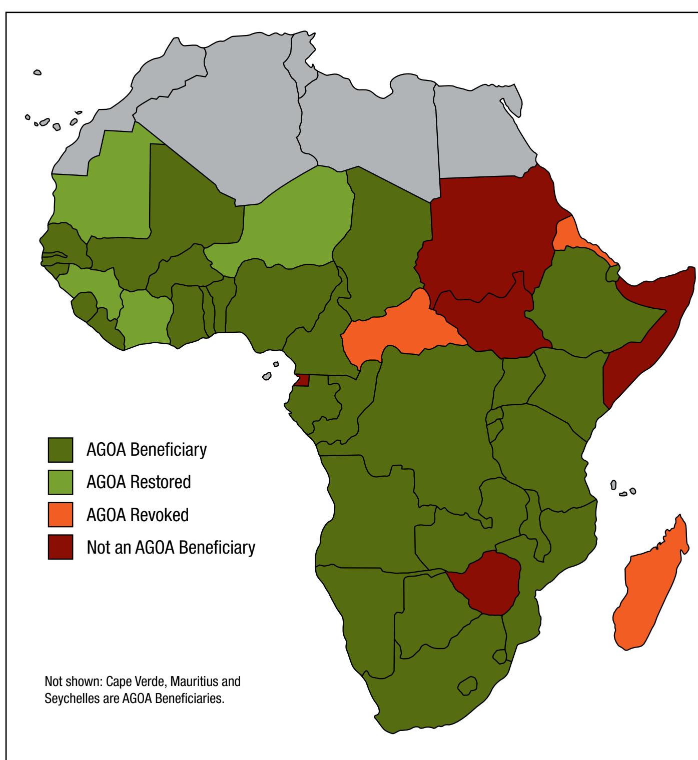
[5] See the rankings at the Doing Business: Measuring Business Regulations Web site, www.doingbusiness.org/rankings.
[6] "African Countries Want AGOA Extension," *East African Business Week*, June 20, 2011.

2. Understanding AGOA

Eligibility for AGOA

According to the AGOA regulations, the U.S. president designates as beneficiaries on an annual basis those countries in Sub-Saharan Africa that are eligible to receive duty-free treatment for certain articles that are "the growth, product or manufacture" of that country.[7] The legislation indicates that a country's eligibility for AGOA depends on three major requirements: (1) having established, or currently be making progress toward, a market-based economy, the rule of law, the elimination of trade barriers, economic policies that reduce poverty, systems to combat corruption, and protecting workers' rights; (2) not engaging in activities that undermine U.S. national security; and (3) not engaging in gross violations of human rights or support for terrorism. For a country to become an AGOA beneficiary, the president must determine that the country fits these criteria.

Figure 1. Map of AGOA Beneficiary Countries Currently Eligible, Restored, and Revoked, 2011



When AGOA was passed by Congress and signed into law by the president, 34 countries were designated as eligible to receive benefits under it. Currently, there are 40 beneficiary countries. The AGOA eligibility statuses of Sub-Saharan African countries as of May 2012 is shown in figure 1 and are listed in the appendix. As part of the legislation, all beneficiaries are required to undergo

[7] Vivian C. Jones, "U.S. Trade and Investment Relationship with Sub-Saharan Africa: The African Growth and Opportunity Act," Congressional Research Service, 7-5700, February 4, 2010, 12.

an annual review to determine whether they are conforming with AGOA's conditionalities.[8] Some countries have lost their AGOA eligibility due to undemocratic changes of government, such as Côte d'Ivoire in 2005, Madagascar following the coup d'état in 2009, and both Guinea and Niger in 2010. Some countries—such as Côte d'Ivoire, Guinea and Niger—have regained their eligibility following the completion of a democratic transition of governmental power. Mauritania actually lost its eligibility on two separate occasions for undemocratic transfers of power but managed to regain its eligibility both times following democratic elections. Other countries, such as Madagascar, have continued to remain ineligible for AGOA benefits because there has not been a restoration of democratic governance since the 2009 coup. However, there has been continuity in eligibility for the vast majority of AGOA-eligible countries.

Benefits of AGOA

According to Subtitle B of AGOA, benefits of AGOA include preferential duty-free treatment for certain articles under the U.S. Generalized System of Preferences (GSP). The GSP program is a unilateral trade preference arrangement that allows a wide range of products from designated developing countries (currently 129 countries) to enter the United States duty free. The GSP program currently includes more than 3,400 products, and it provides 1,400 additional product preferences for least-developed beneficiary countries (a group that includes most Sub-Saharan African countries). Combining AGOA and GSP means that nearly 6,400 products are eligible for duty-free and quota-free treatment. Certain categories of articles are deemed to be "import sensitive" under GSP and thus are ineligible. The U.S. president, in the context of AGOA and with input from the International Trade Commission, can make the determination that certain products are not import sensitive. Other categories of GSP products have import limits or ceilings to cap the number of duty-free goods entering the United States. Beneficiaries of AGOA are exempt from certain GSP limits via a waiver for "competitive need limitations."[9]

At the heart of the AGOA regulations are provisions that allow for duty-free and quota-free treatment for eligible textile and apparel products. The key element of the AGOA apparel program is the so-called third-country fabric rule of origin, which allows least-developed AGOA beneficiaries to utilize yarn and fabric from any country, such as India or China. The third-country fabric rule accounts for 95 percent of the apparel imports under AGOA. However, this provision is scheduled to expire on September 30, 2012—and this would threaten the continued viability of the more than $800 million in apparel exports from Africa to the U.S. and cause further declines in apparel exports under AGOA.

For textiles and apparel to receive duty-free and quota-free treatment, beneficiary countries must establish a visa system to prevent the unlawful transshipment of apparel produced in non-AGOA countries. The visa systems must comply with standards established by the U.S. Customs Service. Currently, 27 countries have visa systems to export apparel and textiles to the U.S. under AGOA. In practice, however, only a small group of countries with approved visa systems have succeeded in exporting significant volumes of apparel to the United States under AGOA: Botswana, Ethiopia, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mauritius, South Africa, Swaziland, Tanzania and Uganda.

Under AGOA, the secretary of commerce is required to monitor AGOA imports for "surges" that would result in the possible withdrawal of duty-free treatment if imports rise beyond a certain level. This has not occurred in AGOA's lifetime.

[8] U.S. International Trade Commission, *U.S. Trade and Investment with Sub-Saharan Africa: Third Annual Report*, Investigation 332-415 (Washington: U.S. Government Printing Office, 2002), 20.
[9] Ibid., 12.

Past Revisions to AGOA

The U.S. Congress and executive branch have amended AGOA on four occasions (or five, if the third-country fabric provision is passed). In 2002, through the Trade Act of 2002, Congress doubled the cap for apparel made with third-country yarns and fabrics to 7 percent. Namibia and Botswana were also granted lesser-developed country status for the purposes of AGOA, even though their per capita income levels exceeded AGOA's limits.[10]

Congress amended AGOA a second time in July 2004, under the AGOA Acceleration Act, extending the life of the legislation from 2008 until 2015. This was done to provide more certainty to investors, importers and potential manufacturers as well as a longer lead time in which to stimulate use of the legislation. The third-country fabric provision was also extended from September 2004 to September 2007.

The AGOA Acceleration Act included a number of directives for the Executive Office in an effort to enhance the utilization of AGOA. One directive was for the Department of Agriculture to assign U.S. personnel to at least 10 AGOA beneficiary countries to help exporters comply with Sanitary and Phytosanitary Standards for exporting agricultural products to the U.S. Another directive stipulated that the government was to conduct a study of AGOA beneficiary countries to determine how U.S. technical assistance could help each country focus on potential growth sectors and how to overcome barriers to growth.

The Miscellaneous Trade and Technical Corrections Act of 2004, passed in December of that year, was intended to provide a minute retroactive technical correction to the AGOA Acceleration Act.

In December 2006, Congress passed the Africa Investment Incentive Act of 2006. This legislation extended the third-country fabric provision until 2012.

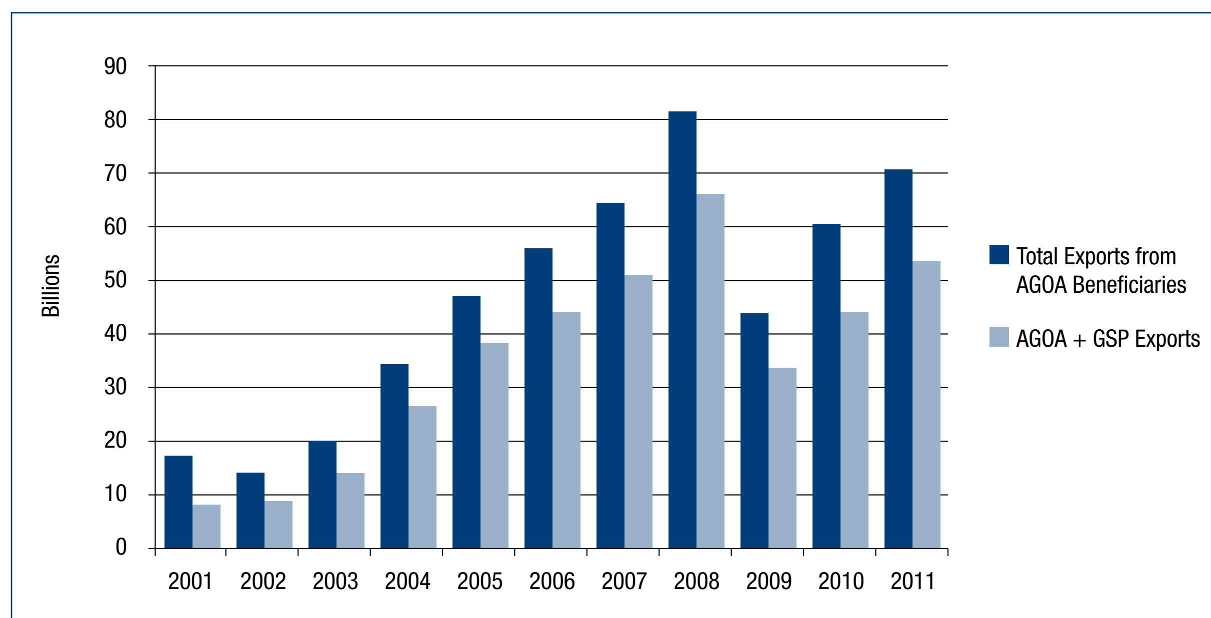
[10] For other amendments in 2002, see Jones, "U.S. Trade and Investment Relationship with Sub-Saharan Africa," 13.

3. The Achievements of AGOA

Ten Years of Growth

When AGOA is looked at in its entirety, the value of products coming into the U.S. has shown relatively strong growth. Exports from AGOA beneficiaries were $53.8 billion in 2011. This represents a 21.5 percent increase in AGOA exports from 2010 and a more than 500 percent increase from the initial $8.15 billion in AGOA exports in 2001 as shown in figure 2. Mineral fuels and crude oil drove this increase and accounted for 91.6 percent of AGOA exports in 2011 (figure 3 and 4). The AGOA share of total U.S. imports, an amount totaling $2.19 trillion in 2011, although still relatively small as an aggregate number, grew from 0.7 percent to 2.5 percent during this 10-year period.[11] In addition, during the last 10 years, on average more than 70 percent of Sub-Saharan Africa's exports to the U.S. have been duty free under AGOA or GSP.

Figure 2. Exports from AGOA Beneficiaries: Total Exports and AGOA and GSP Eligible, 2001-2011

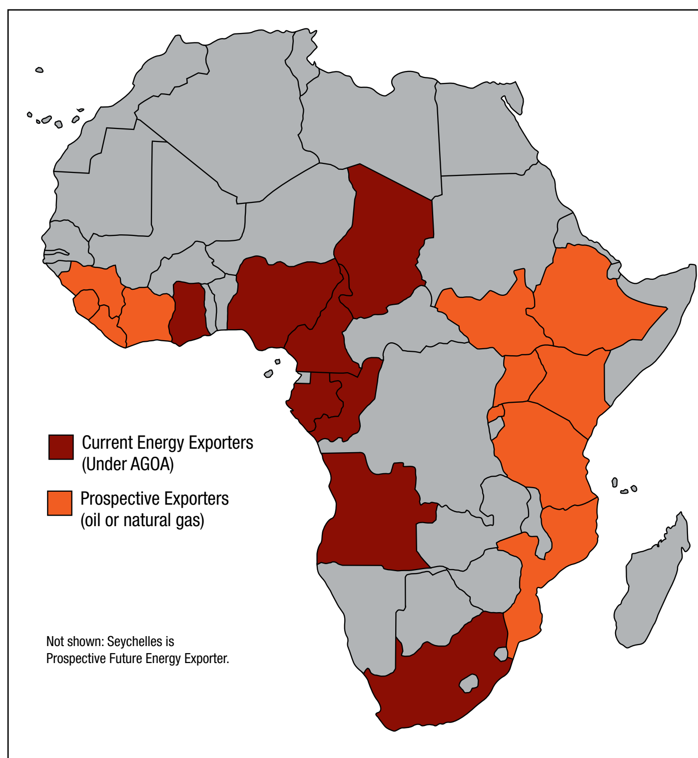


[11] These data were compiled from the U.S. International Trade Commission Tariff and Trade's DataWeb. The data at this Web site are compiled using tariff and trade data from the U.S. Department of Commerce and the U.S. International Trade Commission. Unless otherwise noted, import data are categorized as U.S. imports for consumption.

Over the course of the decade, petroleum products accounted for roughly 89 percent of AGOA imports (figure 4). This was not really due to AGOA, however, because most of these imports would have entered the U.S. duty free under GSP even if AGOA had never been enacted. Nonetheless, oil imports underscore the growing importance of Sub-Saharan Africa as a source of imported energy resources. For example, Angola and Nigeria have consistently accounted for about 10 percent of U.S. imported oil during the last decade. Moreover, given the recent discoveries of oil in other countries in the Gulf of Guinea, U.S. reliance on imported oil from Sub-Saharan Africa will likely continue to grow. The region provides a proportion of U.S. oil imports comparable to the Middle East (in fact, slightly higher in 2010).[12] In addition, the quality of West Africa's crude oil and the region's proximity to the eastern United States, especially in comparison with the countries in the Middle East, have made the region an important source of oil and one of increasingly strategic significance for the U.S.

The United States' reliance on imported oil from Africa has made a limited contribution to economic development on the continent. Although some U.S. energy companies have trained local nationals in management and technical skills and put in place corporate social responsibility programs, such initiatives have not created large numbers of new jobs. To make a fair assessment of AGOA, therefore, it is necessary to focus on the impact of increased non-energy AGOA imports into the U.S. and the role of these imports in poverty alleviation and economic development.

Figure 3. Map of Current and Prospective AGOA Eligible Oil and Natural Gas Exporters



Source for Current Exporters under AGOA: U.S. Energy Information Administration and U.S. International Trade Commission; Source for Prospective Oil/Natural Gas Exporters: Analysis of recent news and interviews with industry officials.

*South Africa exports a much smaller amount than all other countries in this category. In 2011 it exported less than $10 million of oil, while the next closest was Ghana with over $70 million.

** South Sudan is GSP eligible, but not yet AGOA eligible.

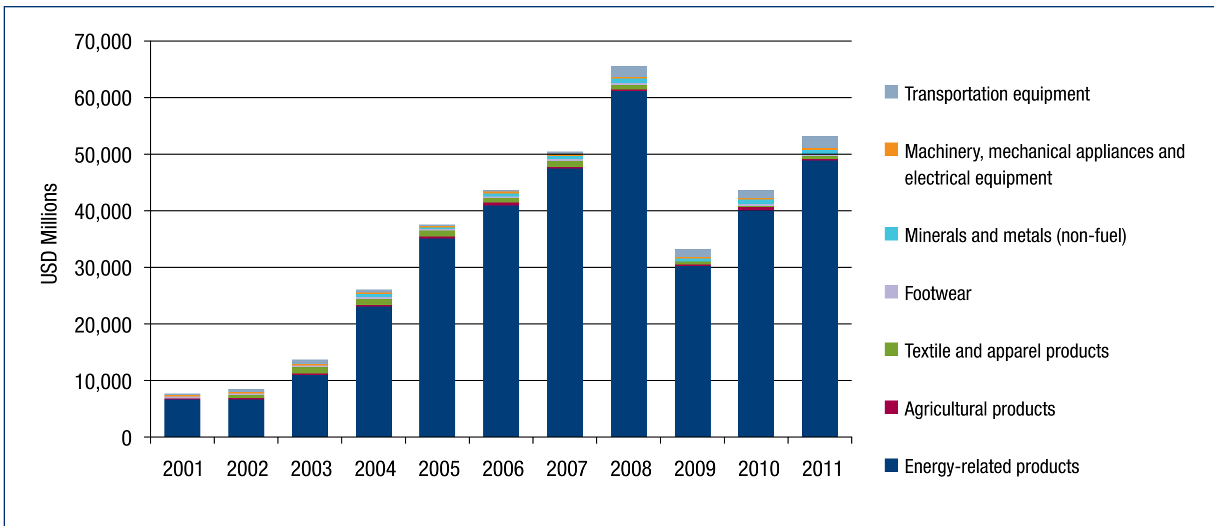
AGOA's Non-Energy Exports

Analyzing and disaggregating nonpetroleum imports shows the value of AGOA for job creation and light manufacturing in Africa. AGOA's nonpetroleum exports showed steady growth between 2001 and 2011, virtually tripling from about $1.2 billion to $4.5 billion, and peaking at $4.7 billion in 2008 (figure 5).

In the early years of AGOA, the number of countries and the variety of sectors reflected in the nonpetroleum exporter group were small. In AGOA's first year, only 13 of the 34 eligible

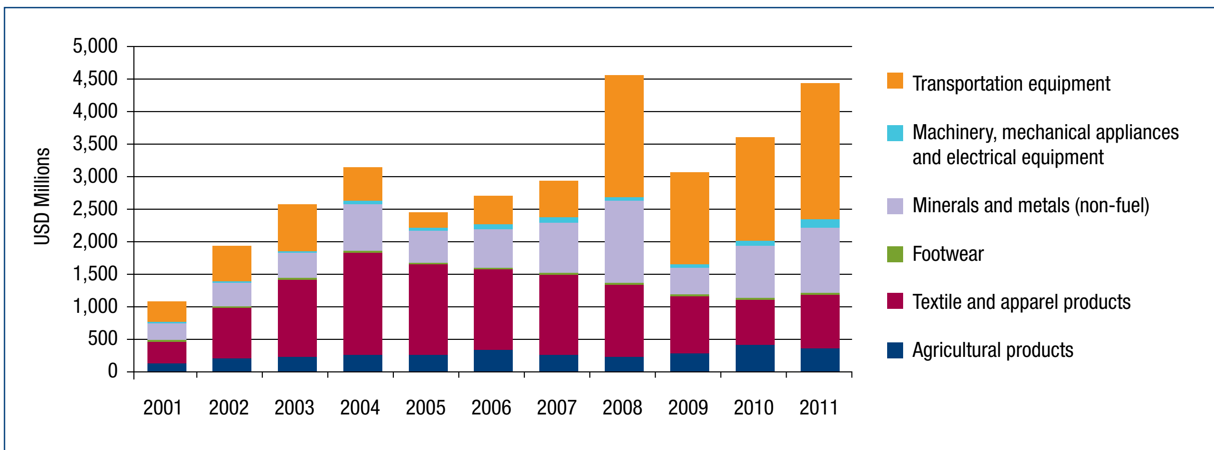
[12] Corey Flintoff, "Where Does America Get Oil? You May Be Surprised," National Public Radio, April 12, 2012, www.npr.org/2012/04/11/150444802.

Figure 4. Composition of AGOA and GSP Exports, 2001-11



Data Source: U.S. International Trade Commission Trade and Tariff Dataweb. Sector categories are estimates using the chapters of the U.S. Harmonized Tariff Schedule. Does not include all sectors.

Figure 5. Composition of AGOA and GSP Exports, Excluding Energy-Related Products, 2010-11



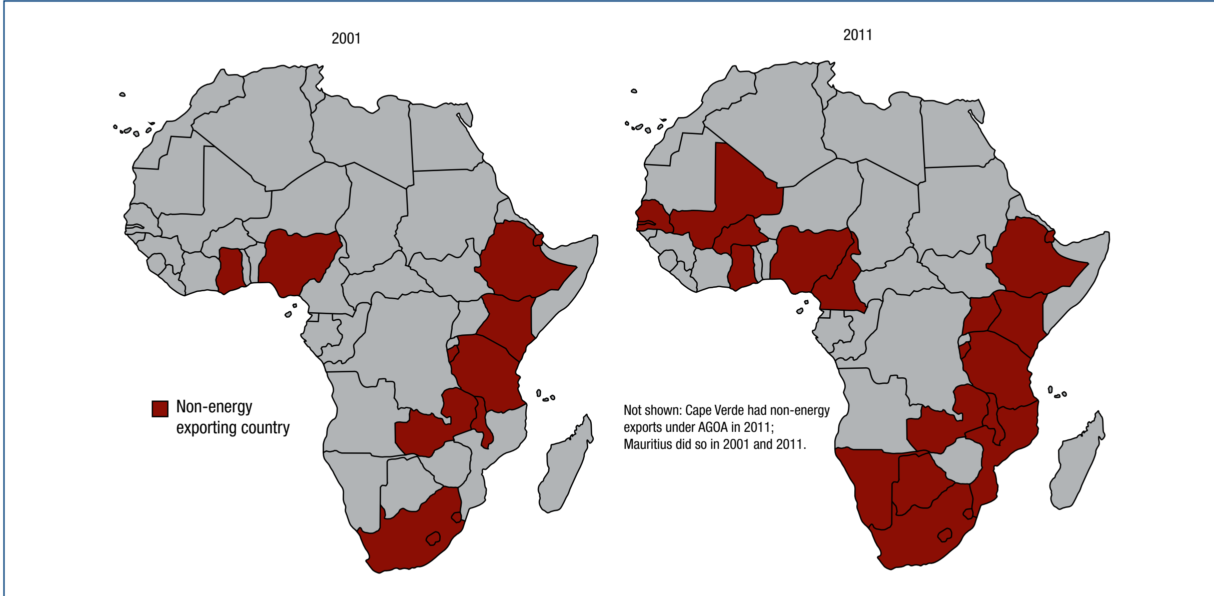
Data Source: U.S. International Trade Commission Trade and Tariff Dataweb. Sector categories are estimates using the chapters of the U.S. Harmonized Tariff Schedule. Does not include all sectors.

countries exported nonpetroleum products to the U.S. under AGOA. Textile and apparel accounted for more than $850 million in 2011, which was more than double the level of 2001, although a decline from a peak of more than $1.6 billion in 2004. Transportation equipment imported under AGOA, mostly automobiles from South Africa, grew from $296 million in 2001 to $2.1 billion in 2011. This was due to the fact that auto manufacturers based more production in South Africa to take advantage of duty-free entry to the U.S. market.[13]

In 2011, 11 years after AGOA was enacted, the number of countries exporting nonpetroleum products to the U.S. had expanded to 22, more than half of those eligible (figure 6). South Africa

[13] U.S. Department of Commerce, *U.S.-African Trade Profile* (Washington: U.S. Government Printing Office, 2003), 15.

FIGURE 6. COUNTRIES EXPORTING NON-ENERGY EXPORTS UNDER AGOA, 2001 AND 2011



has remained a major AGOA exporter. Mauritius, Lesotho, Swaziland and Kenya exported the largest percentage of apparel and textiles to the U.S. Smaller suppliers of apparel products were Botswana ($15.5 million), Malawi ($13.5 million), Ethiopia ($10.0 million), South Africa ($6.1 million), Tanzania ($5.2 million) and Ghana ($1.3 million).[14]

The evidence suggests that under AGOA, countries that were on the margin of the global economy, especially in terms of light manufacturing, are beginning to participate more actively, at least in trade with the U.S. Therefore, the policy questions are: During the next 10 years, will the current AGOA beneficiaries be able to again triple the volume of their nonpetroleum imports, as they have in the past decade? And will there be another doubling of the number of countries exporting non-energy products to the U.S. under AGOA, as there was during the first 10 years? If AGOA is extended and strengthened, and if African governments continue to work to take advantage of the legislation, this will be achievable.

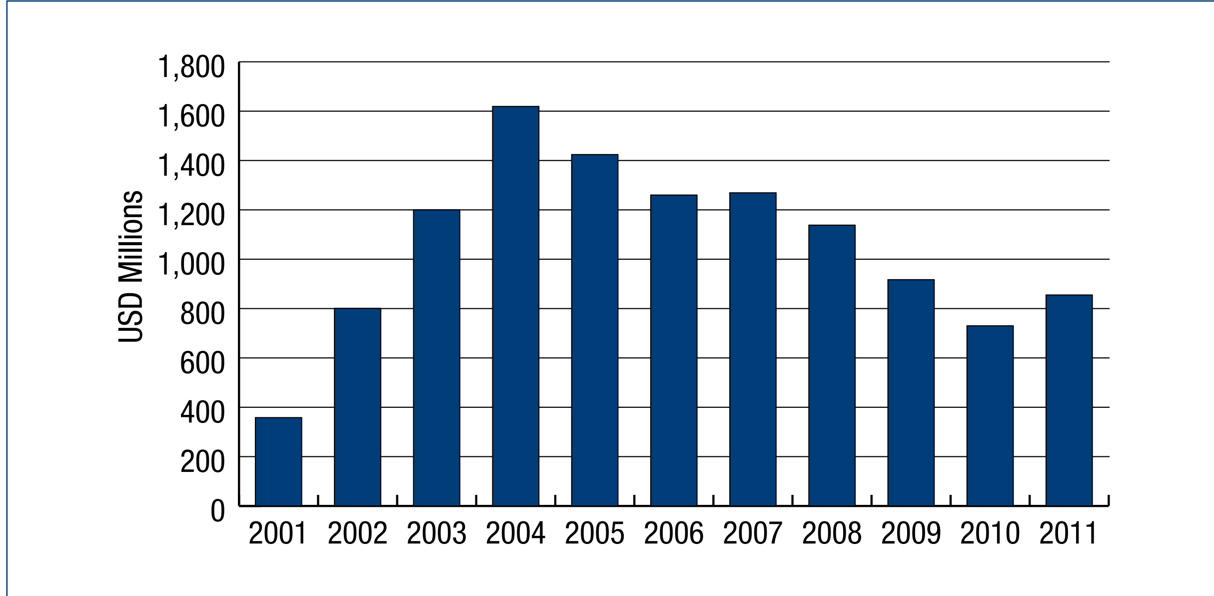
Textile and Apparel Imports

In fundamental respects, AGOA targeted Africa's textile and apparel sector as having the most potential to expand production for the U.S. market. AGOA in fact succeeded in attracting leading American companies to source from Africa. Levi's, Wal-Mart, Gap, Old Navy, Victoria's Secret, Target, Calvin Klein, Gloria Vanderbilt, Vanity Fair and Lands' End have sourced t-shirts, jeans and shirts from a group of AGOA beneficiaries, especially Lesotho, Kenya, Swaziland, Mauritius and Madagascar (before it lost its AGOA eligibility in 2009).

Between 2001 and 2005, U.S. companies imported more than $5.5 billion worth of textiles and apparel from AGOA beneficiaries, an average of more than $1 billion per year. On January 1, 2005, the Multi-Fiber Agreement expired, which abolished World Trade Organization's quotas on the amounts of textiles and garments that developing countries could export to industrial nations.

[14] U.S. International Trade Commission, "Textiles and Apparel: U.S. Imports from Sub-Saharan Africa under the Generalized System of Preferences and the African Growth and Opportunity Act, Year-to-Date from Jan.–Dec.," 2012, http://reportweb.usitc.gov/africa/by_sectors_agoa.jsp?sectorcode=TX.

Figure 7. AGOA and GSP Textile and Apparel Exports, 2001-11



Data Source: U.S. International Trade Commission Trade and Tariff Dataweb. Sector categories are estimates using the chapters of the U.S. Harmonized Tariff Schedule.

Because China was the principal beneficiary of the MFA's expiration, the U.S. and other nations imposed temporary restrictions on Chinese textile exports in early 2006. These restrictions expired at the end of 2008. As a result of increased competition from China and other Asian producers beginning in 2005, textile and apparel exports to the U.S. under AGOA declined from a high of $1.7 billion in 2004 to $870 million in 2011—on par with their 2002 export levels (figure 7).

Agriculture

Agriculture has not played a central role in the accomplishments of AGOA. Agriculture provides 70 percent of employment in Sub-Saharan Africa and 30 percent of the region's gross domestic product. Agricultural products, on the other hand, are less than 1 percent of AGOA exports (figure 8). This is in part because a large proportion of U.S. agricultural imports from Sub-Saharan Africa are covered by the most-favored-nation system, and thus already have duty-free access. There is also a general lack of adding value to agricultural products in Africa. In addition, the U.S. is not the most suitable destination for some agricultural goods coming from Sub-Saharan Africa, such as cut flowers, especially when compared with the European Union's closer proximity. A recent report indicates that AGOA's agricultural benefits are constrained by quotas that predate AGOA and by the exclusion of some agricultural products from AGOA.[15]

Sanitary and Phytosanitary Standards, though important for maintaining food quality and protecting human, plant and animal health, do impose additional demands on exporters, and can limit agricultural market access for AGOA-eligible products. Although the U.S. provides a great deal of capacity-building support to Africa, more support is needed to help countries meet these standards and export agricultural goods to the U.S. market—as well as coordinate the activities of the U.S. agencies that provide this support.

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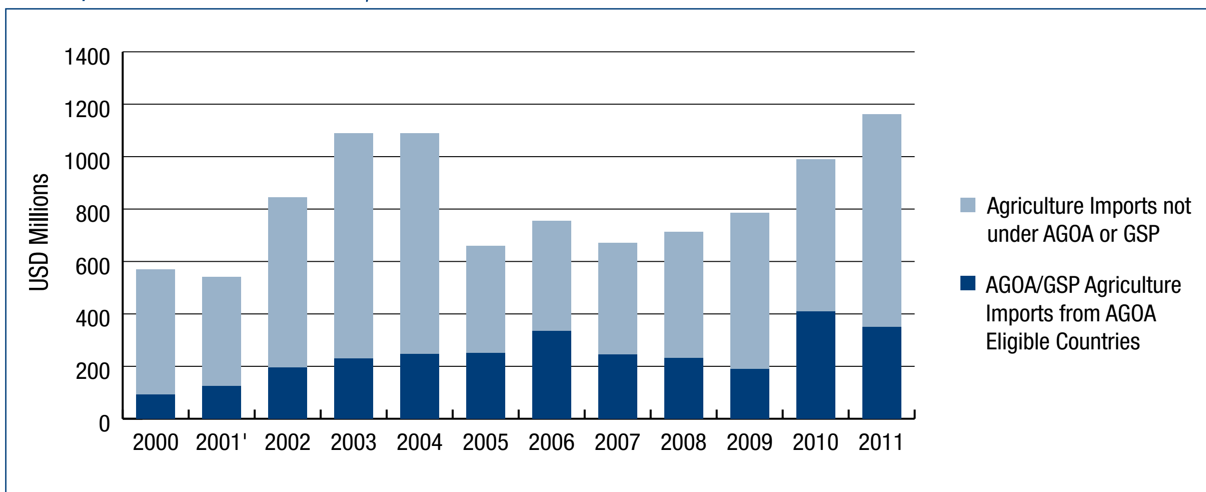
[15] International Food and Agricultural Trade Policy Council and Partnership to Cut Hunger and Poverty in Africa, "AGOA and Agriculture," August 2009, http://www.agritrade.org/Publications/documents/PCHPAIPC_JointPolicyBrief_Aug3.pdf.

FIGURE 8. AGRICULTURE EXPORTS FROM AGOA-ELIGIBLE COUNTRIES: AGOA/GSP DUTY-FREE EXPORTS AND AGOA/GSP INELIGIBLE EXPORTS, 2001-11



Data Source: U.S. International Trade Commission Trade and Tariff Dataweb. Sector categories are estimates using the chapters of the U.S. Harmonized Tariff Schedule.

Job Creation under AGOA

AGOA has left a clear imprint on Africa, even if only about 300 of the 6,400 product lines have been utilized and some sectors have benefited more than others.[16] One direct benefit is the jobs that have been created in AGOA-eligible countries as a result of the legislation. Although this can be a difficult number to track precisely, there are some clear indicators.

Rosa Whitaker, the first assistant U.S. trade representative for Africa and now the CEO of the Whitaker Group, estimates that 300,000 jobs have been created. Paul Ryberg, the president of the African Coalition on Trade, which has companies and trade organizations in 19 African countries, confirms this number and contends that as many as 1.3 million jobs have been created indirectly by AGOA, supporting up to 10 million people.[17] The majority of these jobs are in those countries that have been at the forefront of textile and apparel exports to the U.S. In Kenya, the National Economic Survey finds that direct employment in the apparel sector, which is supported by AGOA, grew to 25,776. In South Africa, AGOA is estimated to have created 62,395 jobs.[18] In Lesotho, the Central Bank indicates that employment in the textile and garment sector grew from about 19,000 jobs in 1999, before AGOA went into effect, to about 45,700 jobs in 2011.[19]

In short, it is apparent that AGOA has led to job creation in those countries that have taken advantage of the non-energy exports, especially apparel and textile products. Many of these jobs are also held by women, which is important given that African women are more likely to invest job-related income in the

[16] U.S. International Trade Commission Tariff and Trade's DataWeb.

[17] "AGOA Is a 'Phenomenal Success,'" *West Africa Trade Hub: Tradewind Trade News*, August 8, 2010, www.watradehub.com/activities/tradewinds/aug10/agoa-phenomenal-success; interview with Paul Ryberg, president of the African Coalition for Trade, April 24, 2012.

[18] Aloyce R. Kaliba, *Economic Potential and Limitation of AGOA in Sub-Saharan Countries* (Ithaca, NY: Strategies and Analysis for Growth and Success), http://www.saga.cornell.edu/images/caurepts/kaliba-polrel.pdf.

[19] Ibid. "Africa Growth and Opportunities Act (AGOA): Economic Impact and Future Prospects," *CBL Economic Review* 131, June 2011; Youssuf Keita, "U.S.' African Growth and Opportunity Act: Influence upon Poverty Reduction with Evidence from Kenya, Lesotho and Mauritius," Consultancy Africa Intelligence, August 16, 2011; Kaliba, *Economic Potential*. Prince Osei Bonsu, "Obama Administration, Congress and Africa Celebrate 10 Years of AGOA," JobServeAfrica.Com, May 21, 2010.

welfare of their families. The African Women's Entrepreneurship Program, established in 2010, is a commendable effort at furthering the ability of women to benefit from AGOA. The program is managed in partnership with the U.S. State Department's Office of Global Women's Issues, the Bureau of African Affairs, and the Bureau of Economic and Business Affairs. The program works specifically to empower and provide capacity building support to female business owners. In addition to textile and apparel manufacturing, many jobs have been created in South Africa due to its steady exporting of automobiles and other transportation equipment. AGOA is clearly contributing to poverty alleviation through the creation of employment, and this trend needs to be accelerated.

In addition to job creation, there has also been foreign direct investment in the textile sector, especially from Asian investors. Taiwan, for example, has apparel production facilities in Kenya, Lesotho, Swaziland and Botswana.

Expanding Efforts of Regional Integration

AGOA has contributed to Africa's efforts to further regional integration, mostly through the creation of regional value chains and corresponding increases in intra-African trade partnerships. Most of these chains have been concentrated in the apparel sector, because the legislation allows for multiple countries to provide inputs via its special "rules of origin" provision. One example of highly inclusive regional integration is the apparel industry in Madagascar, before the revocation of its AGOA benefits. Its apparel exports increased from $53 million in 1992 to $469 million in 2004 (before the expiration of the Multi-Fiber Agreement), and its apparel industry was part of an extensive regional supply chain—with zippers from Swaziland, denim from Lesotho and cotton yarn from Zambia and South Africa.[20] Unfortunately, this example also showcases the fragility of such regional value chains under AGOA, especially in the case of Madagascar, which was declared ineligible following the 2009 coup. This has had a significant negative impact on the cross-border production chain.

[20] John Page and Nelipher Moyo, "Supporting Deeper Regional Integration in Africa," Brookings, 2011.

4. Implementing Commercial Engagement in Africa

Since AGOA went into effect, various U.S. government agencies have worked to facilitate America's trade with Africa and to assist African trading partners to take full advantage of the legislation. Coordination among the various U.S. agencies working to support AGOA continues to be more relevant than ever. This section briefly examines the roles of some of the leading U.S. agencies in implementing AGOA and supporting American trade and investment with Africa.

The Role of the U.S. Department of Commerce

When AGOA was first enacted, little thought was given to U.S. exports to Africa and how the U.S. might engage the African market. In improving this situation, a key person was the late U.S. Secretary of Commerce Ron Brown, who advocated the importance of the African market. Brown visited Côte d'Ivoire, Ghana, Kenya, Uganda and Botswana in 1996, where he signed a memorandum of understanding with the Southern Africa Development Community on trade and investment promotion. As a result, he pushed for an increased presence in Africa, stating that "the United States will aggressively compete against, and eventually surpass, its global competitors within the African marketplace."[21]

U.S. Secretary of Commerce William Daley visited Africa in 1998, and Secretary Dale Evans visited the region in 2002. Since then, however, no commerce secretary has visited Sub-Saharan Africa. In addition, during the past several years, the Foreign Commercial Service (FCS) of the Commerce Department has substantially reduced its presence in Africa and its ability to support American business. AGOA originally directed the Commerce Department to ensure there were at least 20 full-time Commercial Service officers stationed in 10 Sub-Saharan African countries. Currently, there are five FCS officers stationed in Sub-Saharan Africa, in Ghana, Kenya, Nigeria, and South Africa (where there are two). The FCS has closed its offices in Dakar, Abidjan and Durban. The FCS officer in Accra will not be replaced once she departs in the summer of 2012, according to U.S. government officials, and the office there will be staffed with locally hired people, as has been the situation in the Commerce Department office in Cape Town for several years. Although locally hired staff are important for understanding and engaging the local market, there is no substitute for career FCS officers supporting and implementing U.S. commercial diplomacy. The Commerce Department also closed the Ron Brown Commercial Center in Johannesburg and moved the staff into the Consulate (although

[21] "Secretary Brown's Commercial Development Mission to Africa Advocates for U.S. Firms, Addresses Policy Issues, and Identifies Specific Business Opportunities," *Business America*, March 1996.

largely for security reasons). It is unfortunate that at a time when the competition for the African market is intensifying, the Commerce Department is withdrawing resources from this market. This also negatively impacts the ability of African businesses to export to the U.S. under AGOA.

Table 1. Sub-Saharan African Trade Agreements with the United States

Individual countries with trade and investment framework agreements (TIFAs):	
Angola	Mozambique
Ghana	Nigeria
Liberia	Rwanda
Mauritius	South Africa
Regional economic groups with trade and investment frameworks (TIFAs):	
Common Market for Eastern and Southern Africa (COMESA)	
East African Community (EAC)	
West African Economic and Monetary Union (WAEMU)	
Bilateral investment treaties (BITs):	
Cameroon	Mozambique
DRC	Rwanda
Congo (Brazzaville	Senegal
*In negotiation: Mauritius	
Trade, investment and development cooperative agreements (TIDCAs):	
Southern African Customs Union (includes Botswana, Lesotho, Namibia, South Africa and Swaziland)	

The Role of the Office of the U.S. Trade Representative

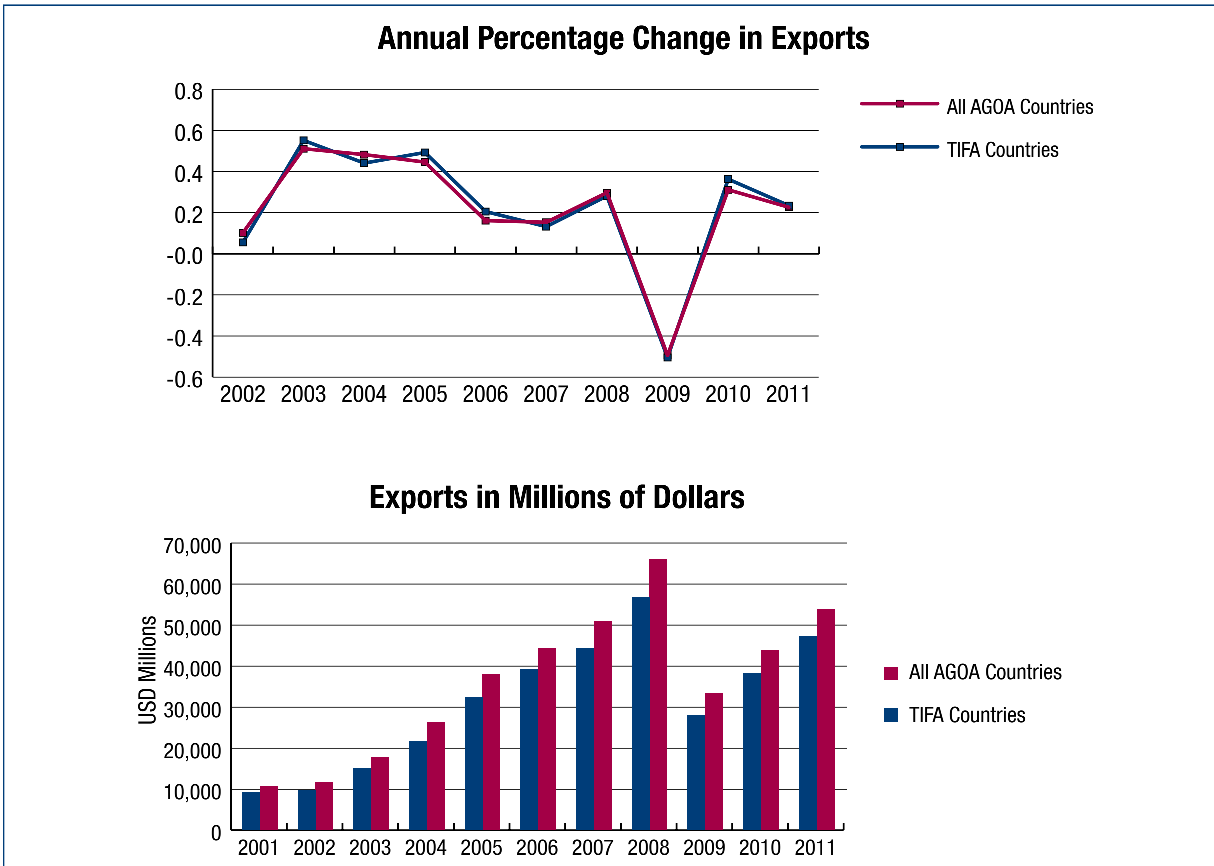
The Office of the U.S. Trade Representative has worked diligently to enhance the U.S. commercial presence in Sub-Saharan Africa. The assistant U.S. trade representative for Africa, a position created by AGOA, oversees these efforts.

USTR has developed a series of trade and investment framework agreements that provide the context for a policy dialogue on steps that can be taken to expand the trade of goods and services, and to enhance private sector investment, as shown in table 1. The U.S. has TIFAs with Angola, Ghana, Liberia, Mauritius, Mozambique, Nigeria, Rwanda and South Africa. TIFAs have also been developed with several subregional organizations, including the Common Market for Eastern and Southern Africa, the East African Community and the West African Economic and Monetary Union (Union Économique et Monétaire Ouest-Africaine). The eight countries that have TIFA agreements with the U.S. also make up a large proportion of the total U.S.-AGOA imports from Africa. Countries that have TIFAs, however, have not seen significant differences in the annual percentage change of AGOA exports when compared to those countries that do not have TIFAs, as shown in figure 9.

In addition to these TIFAs, the U.S. has bilateral investment treaties (BITs) with six countries (see table 1), and is in the process of negotiating a seventh with Mauritius. For U.S. businesses, BITs are important to protect private investment, develop market-oriented policies in partner countries, and promote U.S. exports. In 2008, the U.S. established a trade, investment and development cooperative agreement (TIDCA) with the member states of the South African Customs Union (SACU). This TIDCA aims to provide a forum for discussions and cooperative work on a wide variety of trade-related issues. According to USTR, special focus of the TIDCA are customs and trade facilitation, technical barriers to trade, Sanitary and Phytosanitary Standards and trade and investment promotion.

Between 2002 and 2006, USTR made a concerted effort to negotiate a free trade agreement (FTA) with the five countries of the SACU. But the negotiations ultimately floundered. USTR concluded that a number of the SACU members did not have the economic, administrative and regulatory capacity to enact the policies and reforms that would have been required for a comprehensive FTA with the U.S. South Africa reportedly also wanted the FTA to be similar to the one it had with the European Union, and be based on a "positive list" of items that could be included in the agreement, as opposed to a "negative list" of items that would be excluded. The SACU negotiators also raised

Figure 9. Export Effects of AGOA and GSP Exports from TIFA and Non-TIFA Countries, 2001-11



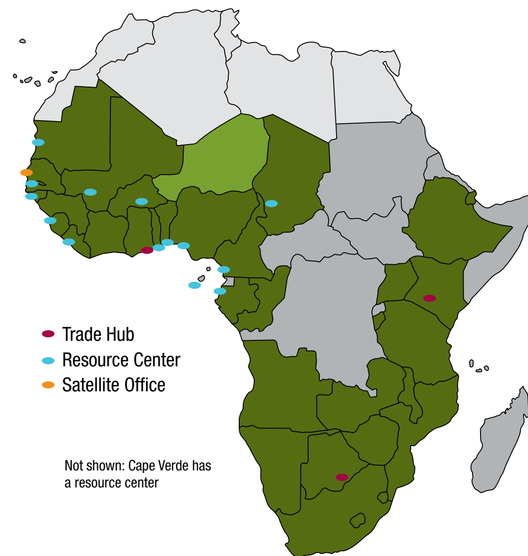
concerns about the flexibility of the United States' FTA model and its relevance to least developed countries.[23]

The Role of the U.S. Agency for International Development

USAID has played a critical role in supporting the implementation of AGOA, especially in enhancing capacity building for trade.

In 2002, USAID created a multiyear trade capacity building initiative, Trade for African Development and Enterprise, which was designed to promote regional integration and strengthen the ability of African businesses to develop their export sectors. To help implement the program, three regional trade hubs—in Nairobi, for East and Central Africa; in

Figure 10. Location of USAID Trade Hubs and their Satellite offices and Resource Centers



[22] Office of the U.S. Trade Representative, *2008 Comprehensive Report on U.S. Trade and Investment Policy Toward Sub-Saharan Africa and Implementation of the African Growth and Opportunity Act* (Washington: U.S. Government Printing Office, 2008), 41.

Accra, for West Africa; and in Gaborone, for Southern Africa—were established (figure 10). Each hub is staffed by a team of trade experts who are focused on responding to specific regional needs and serve as a "one-stop shop" for African government agencies, civil society organizations and companies to obtain support for accessing the U.S. and other markets. These hubs also partner with USAID's bilateral missions on many country-specific trade capacity initiatives as well as initiatives intended to increase regional integration.[23]

At the 2005 AGOA Forum in Dakar, Secretary of State Condoleezza Rice announced the establishment of a satellite office in Dakar. The West Africa Trade Hub has also worked in 18 other countries in the region to establish AGOA "resource centers." These centers, located in different host government facilities, consist largely of terminals and software that provide information on accessing the U.S. market.

In 2006, USAID established the $200 million, five-year African Global Competitiveness Initiative (AGCI) as a follow-on to the Trade for African Development and Enterprise initiative. As a continuation of the program, USAID announced the African Competitiveness and Trade Expansion Initiative (ACTE) at the AGOA Forum in Lusaka in 2011, a commitment of up to $30 million annually for four years to boost trade capacity. ACTE also sought to strengthen the ability of the hubs to facilitate agricultural trade and assist African firms in meeting plant health and food safety standards for their exports.

The trade hubs appear to have contributed to enhanced exports under AGOA. The West Africa Trade Hub, for example, reports that it facilitated more than $100 million in exports from the region between 2007 and 2011 and trained more than 7,000 people. Export development has taken place in several sectors, including specialty foods, cashew, shea, home decor and manufactured apparel. According to USAID, AGCI trade and investment programs through 2010 supported $178 million in AGOA exports, provided export capacity building assistance to more than 234,000 firms and trained nearly 660,000 Africans in trade skills.[24]

The Organization for Economic Cooperation and Development and the World Trade Organization did an analysis of the trade hubs in 2011, focusing on their effectiveness in facilitating regional trade. The report concluded that the hubs had been largely successful in developing "best customs practice procedures, processes and technology" consistent with the AGCI's objectives.[25] The study noted that specific results had been achieved in several areas. These results included speeding up customs clearances in Mozambique, improving customs procedures in Southern Africa and establishing a model for regional economic commissions to harmonize standards, monitor compliance with trade protocols and facilitate the analysis of technical trade issues.

The Role of the U.S. Department of Agriculture

The U.S. Department of Agriculture (USDA) provides trade capacity building and technical assistance to AGOA countries through its Foreign Agricultural Service (FAS). The FAS helps beneficiary countries improve their regulatory environments and assists them in meeting U.S. and international Sanitary and Phytosanitary Standards to foster increased exports. The FAS currently has 10 officers, in Nigeria (two officers), Senegal (two officers), South Africa (three officers), Ethiopia, and Kenya (two officers).

In addition to the FAS, the USDA has organized trade and investment missions for Central, East and West Africa. It also has agriculture education and research programs that have benefited AGOA countries, including the Cochran Fellowship

[23] Ibid., 47.

[24] West Africa Trade Hub, April 2012, www.watradehub.com; "U.S. Announces New African Trade Capacity Building Initiative at AGOA Forum," June 9, 2011, Public Information: 202-712-4810.

[25] Shubha Sastry, "Aid-for-Trade Case Study, United States," World Trade Organization, March 2011.

Table 2. The Role of the U.S. Export-Import Bank in Authorizations for Sub-Saharan Africa

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total US Exports to Sub-Saharan Africa (USD Millions)	6,950	6,032	6,879	8,357	10,218	11,867	14,306	18,488	15,171	17,134	21,249
Ex-Im Bank Authorizations (US Millions)	584	914	85	383	462	532	434	575	412	812	1,392

Source: Export-Import Bank http://tse.export.gov/

Program that provides technical agricultural training and has worked with participants from 24 AGOA-eligible countries, and the Normal E. Borlaug International Agricultural Science and Technology Fellowship Program. Although it is not specifically mandated under AGOA, USDA has been an important part of the United States' capacity building strategy in the region.

The Role of the U.S. Export-Import Bank

Although the Commerce Department has pulled back from Africa, the U.S. Export-Import Bank has become increasingly aggressive in promoting U.S. trade with the region. Between 2009 and 2011, the value of transactions supported by Ex-Im increased from $412 million to $1,392 billion, a record level for the agency, and from 132 to 179 transactions (table 2).

Under the leadership of Chairman Fred Hochberg, Ex-Im has identified seven markets in Africa as key to its strategy on the continent. These include South Africa and Nigeria, which have been designated as "strategic markets," as well as Angola, Ghana, Kenya, Mozambique and Tanzania. These seven markets account for 75 percent of U.S. exports to the region, while South Africa and Nigeria together account for slightly more than half this volume.

In terms of coverage, Ex-Im financed exports to 31 countries in Sub-Saharan Africa in 2011. The majority of these exports were relatively small transactions under $200 million. Large transactions—such as support for Boeing aircraft to Rwanda and Angola, and GE locomotives to Transnet in South Africa—account for the lion's share of Ex-Im's financial portfolio in Sub-Saharan Africa. At the same time, of the 179 transactions that Ex-Im authorized to the region in 2011, 139 had small business components totaling approximately $100 million. Of the 49 countries in Sub-Saharan Africa, Ex-Im is open in 43 countries in the short term, 29 countries in the medium term, and 19 countries over the long term.[26] Globally, Ex-Im supports about 4 percent of U.S. exports through its various programs. In Sub-Saharan Africa, Ex-Im supports about 8 percent of U.S. exports.

Although Ex-Im has been responsive to the opportunities presented to U.S. companies in the emerging markets of Africa, the U.S. Exports to Africa bill introduced in March 2012 would enhance Ex-Im's capacity to support the competitiveness of American companies in the region. This legislation calls on Ex-Im to utilize its profits to assign no fewer than three of its full-time employees to U.S. embassies in Africa. The legislation would also increase funding for U.S.-Africa projects.

[26] Open letter from Fred P. Hochberg, president of the Export-Import Bank of the United States, to Steve Hayes, president of the Corporate Council on Africa, November 4, 2011. This letter was in response to testimony that Hayes gave to the Senate Foreign Relations Committee on November 1, 2011 in which he characterized Ex-Im's engagement in Africa as having "fallen woefully short" in providing financing for U.S. companies exporting to Africa.

Some U.S. companies have expressed concerns about Ex-Im's local content requirements. Ex-Im has also been criticized for the long "cycle time" required to complete its transactions, and for its low risk tolerance when compared with other export credit agencies. It has taken steps to address these concerns and, according to its officials, 80 percent of its transactions are now completed in 30 days and 90 percent are completed in under 100 days.

The Role of the Overseas Private Investment Corporation

The Overseas Private Investment Corporation facilitates U.S. investment in the developing world by offering financing, insurance and other products. AGOA directed OPIC to create an equity fund for infrastructure and a fund to support women entrepreneurs. OPIC is prohibited by its charter from supporting projects in "sensitive sectors," such as textiles and apparel and agribusiness, because of concerns that these projects might eliminate U.S. jobs or compete with U.S.-based companies. For example, OPIC would not be able to finance an investment in an apparel company in Africa that would export to the U.S. A recent study on enhancing capital flows to Africa suggested that OPIC should deal with individual investments on a case-by-case basis to determine the prospective impact on the U.S. economy of any specific investment.[27]

Increasingly, OPIC is playing a growing role in facilitating investments by U.S. companies in Sub-Saharan Africa. In the past decade, the total volume of investments that OPIC has made in Sub-Saharan Africa has increased by nearly 1000 percent, from $110 million in 2006 to $968 million in 2011.[28]

These OPIC-assisted investments are in productive sectors, including microfinance, small and medium-sized enterprises, renewable and clean energy projects, as well as infrastructure projects. OPIC has also invested in a number of other funds that in turn invest in small and medium-sized enterprises in Africa.

The Role of the Millennium Challenge Corporation

Even though it was created after AGOA went into effect, the Millennium Challenge Corporation has contributed to AGOA. The majority of MCC's compacts and threshold grants have trade capacity components, known as Aid for Trade programs. Of the $4.4 billion in compacts concluded with 11 AGOA-eligible countries by May 2011 (this includes Madagascar, which became ineligible for AGOA and the MCC following a coup in the country), more than 61 percent, or about $2.7 billion, went to Aid for Trade initiatives.[29]

In Benin, for example, MCC invested $171 million to expand and modernize the port of Cotonou in an effort to reduce delays and increase the volume of imports and exports. MCC invested $181 million in Mali's Bamako-Senou Airport in an effort to increase its ability to handle freight and passenger traffic. In Tanzania, the MCC is investing $369 million to upgrade aspects of the national road network. These investments in infrastructure are critical to expanding Africa's export capability, as are the MCC's investments that build institutional capacity in areas such as customs and national standards.

The Role of the U.S. Trade and Development Agency

The U.S. Trade and Development Agency has made Africa and, more recently, AGOA a focal point of its programs. In fact, one of USTDA's first projects was initiated in Tanzania in 1981. Since then, USTDA has undertaken a number of projects in

[27] James A. Harmon, "A Ten-Year Strategy for Increasing Capital Flows to Africa," Commission on Capital Flows to Africa, June 2003, 17.
[28] Email from Mimi Alemayou, executive vice president of the Overseas Private Investment Council, to Witney Schneidman, nonresident fellow, Brookings Institution, March 23, 2012.
[29] "MCC's Contribution to Trade for Aid: Fact Sheet," Millennium Challenge Corporation, May 25, 2011.

Africa, mostly focused on infrastructure and trade capacity building, which benefits AGOA. For example, USTDA created the African Trade Lanes Partnership, which works to further develop Africa's trade lanes and transportation networks.[30] The partnership's projects also include regional rail integration projects in West Africa and the East African Community, which are aimed at expanding ports in Ghana, Kenya, Liberia and Tanzania, and a number of initiatives to increase energy generation capacity throughout Africa. Although USTDA does not work explicitly with businesses on the ground, these regionally focused projects are consistent with AGOA's objectives and enhance Africa's overall trade capacity.

Although USTDA has a focus on Africa, its primary mission is to create U.S. jobs through the export of U.S. goods and services, especially in the area of creating sustainable infrastructure and promoting economic growth in U.S. partner countries. During the last 30 years, USTDA has facilitated more than $2 billion in U.S. exports to Sub-Saharan Africa.

[30] Paul Marin, "U.S. Trade and Development Agency: Sub-Saharan Africa Regional Brief," 2011, www.ustda.gov/program/regions/subsaharanafrica/USTDARegionalBrief_SubSaharanAfrica.pdf.

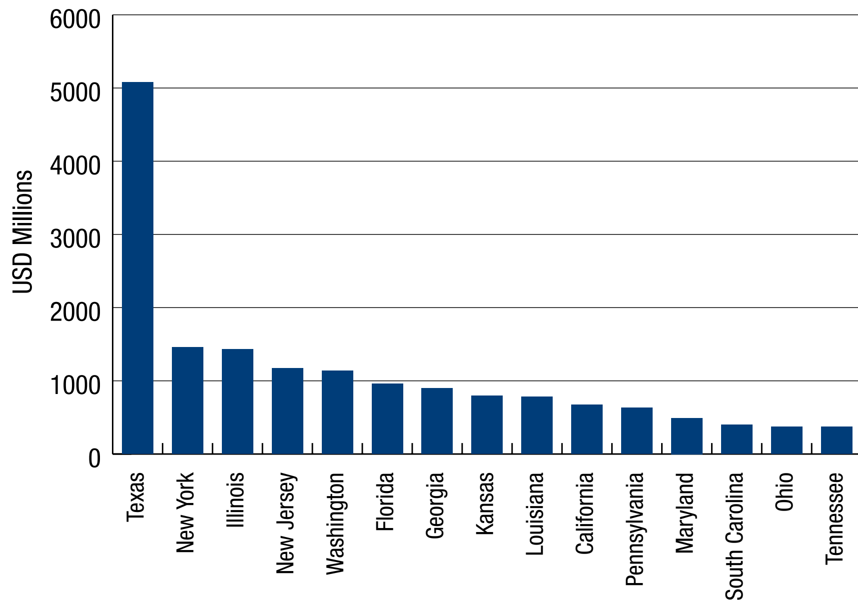
5. U.S. Business Trends in Africa

The U.S. commercial presence in Africa is not large, but it is increasing. In fact, the U.S. investment position in Sub-Saharan Africa is less than 1 percent of U.S. direct investment worldwide. According to the Commerce Department, U.S. direct investment in the region at the end of 2009 was $22.6 billion. This was a 17 percent increase from the year before, and an even greater increase in certain countries—Nigeria, 63 percent; Mauritius, 35 percent; and South Africa, 20 percent.[31]

There has also been a steady increase in U.S. exports to the region. In fact, U.S. total exports to Sub-Saharan Africa tripled between 2001 and 2011, rising to $21.1 billion; between 2010 and 2011 alone there was a 20 percent increase.

In 2011, every state in the U.S. exported products to Africa. As figure 11 shows, five states—Texas, New York, Illinois, New Jersey and Washington—exported more than $1 billion worth of

Figure 11. Top 15 States in the U.S. Exporting to Sub-Saharan Africa, 2011



[31] International Trade Administration, U.S. Department of Commerce, *U.S.–Sub Saharan Africa Trade Profile* (Washington: U.S. Government Printing Office, 2010). For the Commerce Department, the direct investment position is a measure of the stock of foreign direct investment as opposed to the flows.

goods, while another seven states exported more than $500 million worth of goods. The largest categories of products were noncrude oil, machinery, electronics, aircrafts, parts and jewelry. According to the Commerce Department, an estimated 5,000 jobs in the U.S. are created or sustained for every $1 billion worth of exports. In 2011, U.S. exports to Sub-Saharan Africa accounted for more than 100,000 jobs in the U.S.[32]

During the Obama administration, the State Department has emphasized the importance of encouraging U.S. investments and exports to emerging markets in an effort to stimulate job creation and economic renewal in the U.S. In support of this goal, Secretary Hillary Clinton hosted the first Global Business Conference at the State Department in partnership with the U.S. Chamber of Commerce. Before the conference, the assistant secretary of state for African affairs, Johnnie Carson, in conjunction with the Corporate Council on Africa, led a trade mission to Ghana, Mozambique, Nigeria and Tanzania that focused on increasing the role and investment of U.S. companies in enhancing power generation in Africa.

Nevertheless, there is concern in Washington that the U.S. is missing out on the commercial opportunities being created by the emergence of the African markets. This concern is the motivation for legislation proposed in Congress in March 2012, the Increasing American Jobs through Greater Exports to Africa Act, which explicitly proposes to "create jobs in the United States by increasing United States exports to Africa by at least 200 percent in real dollar value within 10 years." This legislation reflects the growing importance of the region, specifically mentioning the rapid growth and development taking place in Africa and its position as the "next frontier market."

One of the key recommendations of this legislation is for the White House to create a coherent trade and investment strategy for enhancing American business in Sub-Saharan Africa, and to create a position in the White House for a senior official to ensure the implementation of this strategy. Presumably, this official would be assigned to the National Economic Council. Equally as important, the legislation seeks to triple the amount of U.S. exports to Africa during the next 10 years by improving and harmonizing U.S. government export assistance programs. It will have a specific focus on small and medium-sized businesses in the U.S.—recognizing that these businesses comprised the majority of U.S. exporters to Africa in 2010. It will also ensure that no less than 25 percent of available Ex-Im funding goes to U.S.-Africa projects.

If successful, the legislation would result in the volume of exports to Sub-Saharan Africa increasing from $21 billion to more than $60 billion worth of goods and services. Under these circumstances, trade with Africa would support more than 310,000 jobs in the U.S. Not only is this significant in itself, but it also indicates that the United States' relationship with Africa is changing fundamentally from the time when AGOA was developed and went into effect.

[32] U.S. Department of Commerce, International Trade Administration, "U.S. Export Fact Sheet," May 2011 Export Statistics Released July 12, 2011. http://trade.gov/press/press-releases/2011/export-factsheet-july2011-071211.pdf

6. African Perspectives on AGOA

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

[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.[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.[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.[37]

[35] Stephen Karingi, Laura Paez, and Derrese Degefa, *Report on a Survey of AGOA's Past, Present and Future Prospects: The Experiences and Expectations of Sub-Saharan Africa*, Working Paper 89 (Addis Ababa: United Nations Economic Commission for Africa, 2012).

[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, while most other countries were 5 percent or less. Cos Manmhunze, "Export Digest: Product Entry into the US Market: Why Some Goods are Refused," *Southern Africa Trade Hub Digest*, March 19, 2012.

[37] Interview with John A. Kufuor, former president of Ghana (2001-9), Washington, April 17, 2012.

7. Africa's Changing Investment Environment

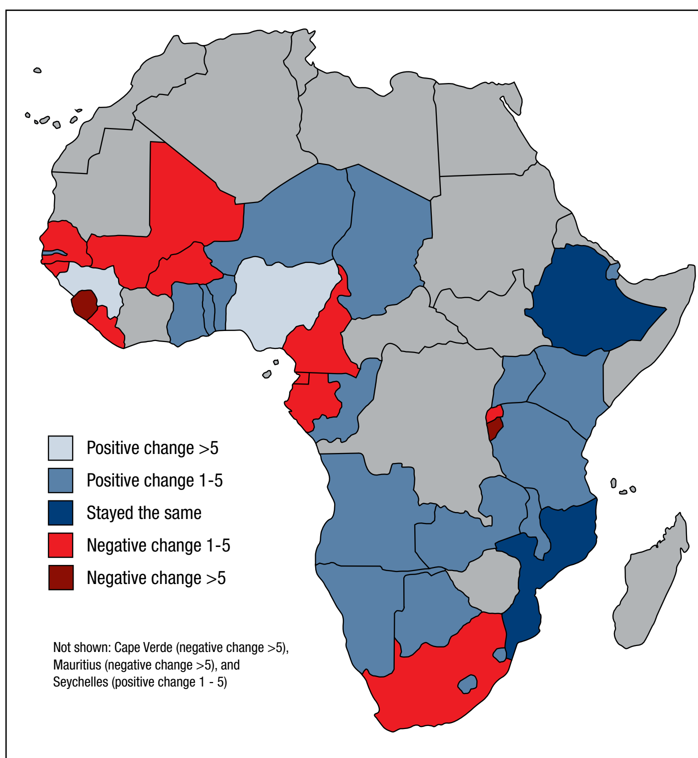
The Overall Picture

Obiageli Ezekwesili, the former vice president for the World Bank's Africa Region, recently noted that there is a "palpable dynamism" in Africa due to the economic growth and innovation taking place.[38] This sentiment was echoed in a 2010 analysis by the McKinsey Global Institute, which contends that "Africa's economic pulse has quickened, infusing the continent with a new commercial vibrancy."[39]

In fact, investment in Sub-Saharan Africa has expanded rapidly since 2000. Overall capital flows to the region reached $48.2 billion in 2011, just shy of the 2007 pre–global recession peak of nearly $50 billion. Foreign direct investment accounts for more than three-quarters of these capital flows.

And as McKinsey found, the rate of return on foreign investment in Africa is higher than in any other developing

Figure 12. Map of Doing Business Indicators for Sub-Saharan Africa, Showing Changes from 2010 to 2011.



Source: World Bank and International Financial Corporation Doing Business Indicators

[38] World Bank, *Africa Pulse: An Analysis of Issues Shaping Africa's Economic Future*, vol. 5 (Washington: World Bank, 2012).
[39] McKinsey Global Institute, "Lions on the Move: The Progress and Potential of African Economies," June 2010, 1.

region. Moveover, the rise of the African consumer will help to fuel long-term growth. The number of households with discretionary income is projected to grow by 50 percent over the next 10 years, to 128 million. By 2030, Africa's 18 leading cities are projected to have a combined spending power of $1.3 trillion.[40]

In a more recent survey of 15,000 African consumers in 10 countries, McKinsey found that growing consumer awareness has become one of the principal factors that will define the growth of the African retail market. For example, an estimated 40 percent of the African population is under the age of 14 years, and these children and youths will be the principal beneficiaries of both Africa's transformation in various sectors, especially telecommunications, and also the growing resilience of African economies.[41]

These trends are also reflected in a recent African Development Bank report, which found that Africa's middle-class consumers now constitute more than a third of its population, totaling more than 300 million people—a consumer class on par with that of India's.[42] Private consumption has also grown across Africa by more than 50 percent during the past five years.[43] A significant contributing factor to this growth has been the improved business environment, with the majority of countries making it easier to do business (see figure 12).

Trends of Major Non-U.S. Investors

Although the vibrancy in many African markets has largely escaped the notice of most American investors, the same is not true for businesses based in other nations. For instance, China, India, Brazil and the European Union are moving aggressively to establish a presence in African markets—just as the U.S. increasingly is being marginalized commercially in Africa.

China's Commerce in Africa

In 2000, when the United States' two-way trade with Africa was $29.4 billion, China's trade with it was just $10 billion. Between then and 2008, however, the average annual growth rate of China–Africa trade was 33.5 percent.[44] In 2009, China overtook the U.S. as Africa's largest trading partner, and China's annual trade with Africa reached $160 billion in 2011.

Some sources indicate that China's state-owned and private companies have made investments in 49 African countries, although it is difficult to obtain reliable data on the cumulative amount of Chinese investment in Africa.[45] In terms of sectors, Chinese investments range from mining, drilling and infrastructure to transportation and telecommunications to catering, entertainment and real estate. China has also set up the China–Africa Development Fund, which supports Chinese companies investing in Africa and further incentivizes China's commercial investment in the region.

In certain respects, China's trade with Africa mirrors that of the U.S., in that the largest proportion is concentrated in just a few of Africa's countries. For example, 70 percent of Africa's exports to China are oil and emanate from 4 countries: Angola (34 percent), South Africa (20 percent), Sudan (11 percent) and the Republic of the Congo (8 percent). Six countries receive a total of 60 percent of China's exports to Africa: South Africa (21 percent), Egypt (12 percent), Nigeria (10 percent), Algeria (7 percent), Morocco (6 percent) and Benin (5 percent). In comparison, Nigeria, Angola, the Republic of the Congo, South

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[40] Ibid.

[41] McKinsey & Company, "The Changing Face of the African Consumer," cited in "News Analysis: African Consumer Grows," Xinhua, April 26, 2012.

[42] Mthuli Ncube, Charles Leyeka Lufumpa, and Desire Vencatachellum, *The Middle of the Pyramid: Dynamics of the Middle Class in Africa*, Market Brief (Tunis: African Development Bank, 2011).

[43] Befekadu Degefe, "Private Consumption a Central Factor in Bright Regional Outlook," *Emerging Markets Monitor* 17, issue 46 (March 5, 2012).

[44] Ibid.

[45] This is according to the Chinese government's Web site and report, "Full text: China-Africa Economic and Trade Cooperation." http://english.gov.cn/official/2010-12/23/content_1771603_3.htm

Africa, Chad and Equatorial Guinea accounted for 97 percent of the United States' trade with Sub-Saharan Africa in 2009.[46]

China's robust trade with Africa is matched by its equally proactive diplomacy. Beijing has negotiated bilateral investment agreements with 33 African governments. President Hu Jintao has made seven trips to Africa, five as head of state, visiting at least 17 countries. And the Forum for Chinese African Cooperation was established in 2000 and meets at the head-of-state level every three years.

Several African countries, including Nigeria, have a percentage of their current account designated in the Chinese currency, the renminbi, in effort to facilitate trade and lower costs. For example, the Standard Bank of South Africa estimates that $100 billion in trade between China and Africa will be settled in renminbi by 2015.[47]

India's Investments in Africa

Trade between India and Africa is also growing rapidly. In 2002, it stood at $3 billion. Indian and African leaders had previously set a goal of two-way trade reaching $70 billion by 2015. But because the trade level was already $62 billion in 2011, India's commerce and industry minister, Anand Sharma, announced a revised goal of $90 billion by 2015 at a recent meeting of the India–Africa Business Council.[48] Sharma also said that within the next two to three years, India will set up an "integrated textiles cluster" in Africa that is expected to attract $350 million in investments and provide employment for 60,000 people.

As these data indicate, Indian companies are very active in Africa. Indian telecommunications firms have also made significant investments in the region, such as Bharti Airtel's $10.7 billion purchase of Zain Africa in 2010. Several major Indian companies—such as Tata Motors, the Mahindra Group, Cipla and Ashok Leyland—are active in South Africa. Likewise, South African Breweries has taken a majority stake in Mysore Breweries in India, and the South African energy giant Sasol is assessing the viability of establishing a multi-billion-dollar plant in India. Foreign direct investment from India to South Africa alone is $3.8 billion. And last year, India announced plans to invest $70 billion in Africa by 2015.[49]

Brazil's Investments in Africa

With the election of Dilma Rousseff as its president, Brazil has intensified its focus on Africa as a prospective trading partner and an alternative to the slower-growing economies of Europe and the U.S. Although Africa's total share of Brazil's trade is small, at slightly more than 5 percent, it has quadrupled since 2002, to $20.6 billion in 2010.[50]

After returning from a trip to South Africa, Mozambique and Angola in October, 2011, Rousseff created an Africa Group in her administration, led by her trade and industry minister, Fernando Pimentel, to deepen Brazil's commercial engagement in Africa. This initiative builds on efforts made by former president Luiz Inácio Lula da Silva, who visited 25 African countries during his tenure and doubled the number of Brazilian embassies in the region.[51]

The European Union's Investments in Africa

Sub-Saharan Africa has a long trading history with the countries that now belong to the European Union that is closely related to their colonial ties with the region. Before the global financial and economic crisis of 2008, the EU had a fairly consistent trade deficit with its partners in Africa.

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[46] Saliha J. Loucif and David Rubin, *U.S.–Sub-Saharan Africa Trade Profile 2010*, Report for U.S. Department of Commerce (Washington: U.S. Government Printing Office, 2010), 12.
[47] "South Africa to Back Renminbi as International Currency in BRICS Summit: Report," *Economic Times* (India), March 25, 2012.
[48] "India, Africa Set Trade Target of $90 Billion by 2015," *Economic Times,* March 17, 2012.
[49] Scott Baldauf, "India Boosts Bid to Rival China in Africa," *Christian Science Monitor,* May 25, 2011.
[50] Stuart Grudgings, "Analysis: As Rich World Sputters, Brazil Looks to Africa," Reuters, November 17, 2011
[51] Ibid.

During the past several years, however, the European Union has been aggressively competing with other emerging powers in the African market through the imposition of reciprocal free trade agreements, known as economic partnership agreements (EPAs). The stated goals of these EPAs are to enhance trade and development, sustainable growth and poverty reduction.[52] The EPAs would replace the preferential, nonreciprocal trade system between the EU and the African, Caribbean and Pacific Group of States that expired in 2007.

The EU has initiated EPA negotiations with more than 35 African countries. However, the EU has also encountered resistance in some African capitals. Talks have stalled with the East African Community, for example, due to concerns over reduced tariff revenue, damage to local industry from EU imports and a loss of related development assistance. The EPAs would also confer most-favored-nation status on EU-based companies. Not only would this undermine regional integration by creating an impediment for African companies investing in other African nations, it would put U.S. companies at a commercial disadvantage in Africa.

Under the EPAs' provision for "sensitive product" exemptions, African countries are allowed to maintain existing tariffs on 20 percent of their tariff lines. The remaining 80 percent of the tariff lines would be liberalized for European imports, which would undermine the product diversification of Africa's private sector and create a disincentive for innovation.[53] As Chukwuma Charles Soludo, the former governor of the Central Bank of Nigeria, put it in a recent article in the *Financial Times*, the EPAs are "harmful and unnecessary" and will divide Africa in a way similar to the 1884–85 Conference of Berlin.[54]

The EU Commission has informed its African partners that more stringent rules of origin and higher duties on imports into the EU will be imposed if the EPAs are not concluded by December 31, 2013. Only Mauritius and Botswana have concluded EPAs.

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[52] European Commission, "Economic Partnerships," http://ec.europa.eu/trade/wider-agenda/development/economic-partnerships/index_en.htm.
[53] Katrin A. Kuhlman and Mwangi S. Kimenyi, "Building Regional Markets: AGOA and Economic Partnership Agreements," in *Improving AGOA*, 22.
[54] Chukwuma Charles Soludo, "Africa Needs Honesty from Europe over Trade Deals," *Financial Times*, April 10, 2012.

8. Conclusion: The Steps Needed to Strengthen AGOA

Twelve years since AGOA was signed into law, the legislation continues to be a work in progress. The volume of AGOA imports has increased 500 percent, from $8.15 billion in 2001 to $53.8 billion in 2011, and non-energy AGOA imports have increased 275 percent, from $1.2 billion to $4.5 billion. In many respects, the non-energy imports are the most important because they have the largest impact on economic development. Although the volume of non-energy AGOA imports is still relatively small, there is no question that AGOA has had a beneficial impact—in terms of job creation, poverty reduction and strengthening commercial and diplomatic relations between the U.S. and the majority of countries in Sub-Saharan Africa. The assistant U.S. trade representative, Florizelle Liser, was correct when she said in recent testimony before Congress that AGOA continues to be "at the heart of our engagement with Sub-Saharan Africa."[55]

The immediate challenge for both the United States and AGOA beneficiary countries, nevertheless, is how to strengthen and deepen the legislation's benefits. The U.S. is also facing a challenge in how to build on AGOA in a way that will increase the American commercial presence in African markets. In short, the U.S. needs a comprehensive trade and investment strategy that not only ensures that AGOA achieves its full potential but also supports American companies as they pursue commercial success in Africa.

Extending AGOA

One of the most significant constraints on AGOA's continuing effectiveness is the uncertainty about when it will expire. When AGOA was first passed, its benefits were set to expire after eight years, and they were subsequently extended another seven years, to 2015. AGOA's third-country fabric provision, perhaps its most critical aspect, was extended in December 2006 until September 2012. As of this writing, this provision has not been extended further—even though, reportedly, there is no opposition in Congress to doing so. Because of this uncertainty about AGOA's future, an estimated 35 percent of apparel orders have been lost as American customers have sought greater product certainty from other non-African producers.

The message is clear: A precondition for AGOA's effectiveness is greater predictability and certainty about its lifetime. Congress, therefore, should extend AGOA for another 10 years, from 2015 through 2025, to give African producers more time to learn how to access the U.S. market. And AGOA's third-country fabric provision should also

[55] Testimony of Florizelle Liser, assistant U.S. trade representative for Africa, Office of the U.S. Trade Representative, Hearing before the House Subcommittee on Africa, Global Health and Human Rights, April 17, 2012.

be extended until 2025, provided Congress acts to extend it in 2012.

The Trade Hubs

The three trade hubs overseen by USAID have the most impact in providing technical assistance to African producers and entrepreneurs to help them export under AGOA and to access other markets. Even though commercial conditions differ across Africa, the three hubs could benefit from having a more uniform strategy for enhancing AGOA-eligible exports. For example, the 21 resource centers created throughout West Africa by the hub in Accra have not only increased USAID's ability to provide technical assistance, but also have the potential to strengthen U.S. commercial diplomacy, especially in accessing local markets, buyers, suppliers and entrepreneurs. Unfortunately, there are no resource centers in other regions. As a 2010 assessment concluded, the trade hubs' priorities "have more often than not been driven by political and financial, rather than programmatic imperatives."[56] The study also noted that the hubs, to their credit, have "contributed significantly" to two-way trade between the U.S. and AGOA beneficiaries, empowering African entrepreneurs—especially women—and contributing to regional integration.

USAID, working with other U.S. agencies, especially the Commerce Department, should develop a network of resource centers throughout Sub-Saharan Africa. This network would provide a platform for the creation of commercial centers to assist African businesses as well as American investors and exporters.

Regional Integration and TIFAs

One of the highest priorities in Africa is to foster more regional trade. This was evident most recently at the January 2012 meeting of the African Union, where the AU's heads of state committed to the creation of a Continental Free Trade Area by 2017. This initiative would build on the Tripartite Agreement between the Common Market of East and Central Africa, the South African Development Community and the East African Community to create a regional free trade area later this year.

Although regional integration was not emphasized in the original AGOA, it has nevertheless become a priority for the U.S., and appropriately so, especially as U.S. companies seek larger markets. It is a welcome development, therefore, that USTR is working toward a new trade and investment partnership with the East African Community. This partnership is being planned to include the negotiation of a regional investment treaty, focused trade capacity building initiatives in targeted sectors and strengthening trade facilitation agreements. Congress and USTR should be encouraged in these efforts while exploring similar investment treaties with West, Central and Southern Africa.

The bilateral and regional TIFAs that USTR has developed are useful vehicles to expand the policy dialogue on constraints to trade, investment and economic growth. The business advisory group Manchester Trade contends that the TIFAs should be utilized to address trade complaints and investment barriers that limit both regional trade and U.S. companies.[57] It would also be useful if the TIFAs could foster more direct dialogue between U.S. companies and their counterparts in countries and regions with which the U.S. has TIFAs. The TIFAs could also be valuable for identifying specific sectors that have the potential to increase AGOA-eligible exports most rapidly.

In the original AGOA, Congress encouraged the negotiation of "mutually beneficial trade agreements,

[56] U.S. Agency for International Development *African Trade Hub Best Practices Review: Building on Successes and Lessons Learned for the Next Generation of Trade Hubs*, Report Submitted by DAI/Nathan Group (Washington: U.S. Government Printing Office, 2010), vi.

[57] Stephen Lande et al., "AGOA Enhancement through a Partnership for Regional Integration Investment, Competitiveness and Employment (PRIICE)," Manchester Trade Limited, Inc., February 19, 2012, www.manchestertrade.com/22FEB-BAS-PRIICE.pdf.

including the possibility of free trade areas."[58] Although an FTA between the U.S. and the East African Community is a worthy objective, the U.S. is probably well served, at least in the near term, to work on negotiating a regional investment treaty with the East African Community and other agreements that might ultimately provide the foundation for an FTA. Moreover, USTR and the State Department should initiate a dialogue with AGOA partners and the European Commission to limit the negative impact of the EPAs. And attention should also be given to how the U.S. can support, and participate in, the development of the proposed Continental Free Trade Agreement.

The Role of Agriculture

As was noted above, AGOA does not provide a great deal of assistance for Sub-Saharan Africa's agricultural exports. Unfortunately, U.S. agricultural subsidies make changes to agricultural import duties difficult to achieve, especially in the more sensitive import categories. However, AGOA could be amended to strengthen agricultural exports. The USDA is not specifically mandated to perform under AGOA, but it should be—USDA officers, especially those in the Foreign Agricultural Service, already have a presence in the region. Formalizing USDA's role within the legislation so that it would become an integral part of AGOA, and thus be able to work more closely with USTR, USAID and other agencies to support capacity-building efforts for agriculture, would contribute to greater export growth in this sector.

The United States' Commercial Engagement in Africa

AGOA was not designed to support U.S. trade and investment in Africa, apart from improving Africa's investment environment and strengthening African entrepreneurs. However, given the increased competitiveness in African markets and the Obama administration's effort to increase exports as a stimulus to U.S. job creation, Africa's commercial potential has taken on a new importance for the U.S. In this context, the legislation introduced in Congress in March 2012, the Increasing American Jobs through Greater Exports to Africa Act, is well timed. As noted above, this proposed act's recommendations are important for expanding U.S.–Africa commercial engagement in a mutually beneficial way.

If there is a shortcoming in this proposed act, it is the lack of a reference to AGOA. Therefore, the official in the White House who is coordinating the "whole of government" approach to enhancing U.S. trade and investment in Africa should also have the responsibility for ensuring that there is a "whole of government" approach to the implementation of AGOA.

Of course, a person in a responsible position in the White House alone will not ensure that the U.S. becomes more competitive in Africa. Toward this end, the U.S. should initiate a summit mechanism to include the heads of state of all AGOA-eligible countries. The nations of Africa meet regularly at the summit level with their most important commercial partners, including the European Union and China. The U.S. and African nations similarly could benefit from regular meetings at the highest levels of government. After all, the United States' relationship with Africa is changing to one that is increasingly mutually beneficial; at the same time, the nations of Africa have more options for commercial partners than ever before.

In addition to a summit mechanism and a position in the White House to develop and coordinate a U.S. investment strategy vis-à-vis Africa, the Commerce Department needs to elevate Africa as a priority region. Most immediately, this would lead to an increase in the number of foreign commercial officers in Africa, as are called for in the Increasing American Jobs through Greater Exports to Africa Act. This proposed act also calls for the commerce secretary to lead a trade mission to Africa within

[58] Trade and Development Act of 2000.

a year of the legislation's enactment. Without the support of the Commerce Department, American investors are denied a valuable resource and tool of U.S. commercial diplomacy.

It is a reality that most American investors continue to see tremendous risk associated with investing in Africa. One strategy for lowering this risk would be to provide a zero tax on repatriated earnings on investments by U.S. companies in AGOA-eligible countries, outside the extractive sectors. The Commission on Capital Flows to Africa found that nonpetroleum U.S. investments in Africa would increase by 20 percent with such a tax incentive. It also found that the loss to the U.S. Treasury would be minimal, about $70 million a year, and that there would be a boost to African gross domestic product and job creation.[59]

Although Africa is still confronting many challenges, it is increasingly a continent of opportunity. U.S. policy needs to respond accordingly by strengthening and extending AGOA and passing and implementing the Increasing American Jobs through Greater Exports to Africa Act. These initiatives would enable the United States to pursue a deeper, more mutually beneficial commercial relationship with its partners in Sub-Saharan Africa.

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[59] Harmon, "Ten-Year Strategy," 17.

Appendix: AGOA Country Eligibility and Visa Status

Country	Eligible	Restored	Revoked	Not a beneficiary	Visa System for exporting apparel
Angola	30-Dec-03				
Benin	2-Oct-00				Yes
Botswana	2-Oct-00				Yes
Burkina Faso	10-Dec-04				Yes
Burundi	1-Jan-06				
Cameroon	2-Oct-00				Yes
Cape Verde	2-Oct-00				Yes
Central African Rep.			1-Jan-04		
Chad	2-Oct-00				Yes
Comoros	30-Jun-08				
Congo (DROC)			1-Jan-11		
Congo (ROC)	2-Oct-00				
Côte d'Ivoire		25-Oct-11			
Djibouti	2-Oct-00				
Equatorial Guinea				Not a beneficiary	
Ethiopia	2-Oct-00				Yes
Eritrea			1-Jan-04		
Gabon	2-Oct-00				
Gambia	31-Dec-02				Yes
Ghana	2-Oct-00				Yes
Guinea		25-Oct-11			
Guinea-Bissau	2-Oct-00				
Kenya	2-Oct-00				Yes
Lesotho	2-Oct-00				Yes
Liberia	29-Dec-06				Yes
Madagascar			31-Dec-09		
Malawi	2-Oct-00				Yes
Mali	2-Oct-00				Yes
Mauritania		23-Dec-09			
Mauritius	2-Oct-00				Yes
Mozambique	2-Oct-00				Yes
Namibia	2-Oct-00				Yes
Niger		25-Oct-11			Yes
Nigeria	2-Oct-00				Yes
Rwanda	2-Oct-00				Yes
Sao Tome & Prin	2-Oct-00				
Senegal	2-Oct-00				Yes
Seychelles	2-Oct-00				
Sierra Leone	23-Oct-02				Yes
Somalia				Not a beneficiary	
South Africa	2-Oct-00				Yes
Sudan				Not a beneficiary	
South Sudan				Not a beneficiary	
Swaziland	17-Jan-01				Yes
Tanzania	2-Oct-00				Yes
Togo	17-Apr-08				
Uganda	2-Oct-00				Yes
Zambia	2-Oct-00				Yes
Zimbabwe				Not a beneficiary	

AGOA's Top 10 Non-Oil Export Products and Countries from 2011

Includes top five AGOA exports from each country with values over 500,000 USD (does not include GSP)

Country	Items	Amount (USD)
Botswana		
	Articles of apparel and clothing accessories, knitted or crocheted	10,333,780
	Articles of apparel and clothing accessories, not knitted or crocheted	5,141,450
Ethiopia		
	Articles of apparel and clothing accessories, knitted or crocheted	6,821,868
	Articles of apparel and clothing accessories, not knitted or crocheted	3,144,753
	Footwear, gaiters and the like; parts of such articles	630,084
Ghana		
	Articles of apparel and clothing accessories, not knitted or crocheted	1,263,956
Kenya		
	Articles of apparel and clothing accessories, knitted or crocheted	142,154,640
	Articles of apparel and clothing accessories, not knitted or crocheted	116,731,590
	Edible fruit and nuts; peel of citrus fruit or melons	23,658,495
	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	2,620,782
	Tobacco and manufactured tobacco substitutes	1,485,000
Lesotho		
	Articles of apparel and clothing accessories, knitted or crocheted	170,823,715
	Articles of apparel and clothing accessories, not knitted or crocheted	143,487,437
Malawi		
	Tobacco and manufactured tobacco substitutes	37,960,659
	Articles of apparel and clothing accessories, knitted or crocheted	13,468,370
	Edible fruit and nuts; peel of citrus fruit or melons	4,700,947
Mauritius		
	Articles of apparel and clothing accessories, not knitted or crocheted	138,530,362
	Articles of apparel and clothing accessories, knitted or crocheted	14,897,713
	Edible preparations of meat, fish, crustaceans, molluscs or other aquatic invertebrates	2,191,236
South Africa		
	Vehicles, other than railway or tramway rolling stock, and parts and accessories thereof	2,038,106,546
	Iron and steel	204,501,643
	Edible fruit and nuts; peel of citrus fruit or melons	72,308,685
	Miscellaneous chemical products	47,955,570
	Beverages, spirits and vinegar	47,641,319
Swaziland		
	Articles of apparel and clothing accessories, knitted or crocheted	40,464,970
	Articles of apparel and clothing accessories, not knitted or crocheted	36,114,540
Tanzania		
	Articles of apparel and clothing accessories, knitted or crocheted	5,114,598

Data Source: U.S. International Trade Commission Trade and Tariff Dataweb.

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