On 18 May 2000, the United States enacted legislation that granted goods produced in eligible sub-Saharan African countries preferential access to the US market, on a non-reciprocal basis. This legislation, known as the African Growth and Opportunity Act (AGOA), significantly expanded market access preferences that the US grants least-developed and some developing countries under the US Generalized System of Preferences (GSP). The AGOA legislation is currently set to expire in September 2025 at which stage these preferences fall away, unless renewed or replaced by other preferences, or by bilateral trade agreements.

AGOA allows eligible goods to enter the US free of import duty. Textiles and apparel produced in AGOA beneficiaries are included in the list of products that qualify, subject to conditions, which includes special Rules of Origin requirements, and trade monitoring systems. AGOA removes import duties that can be as high as 32% for certain articles of apparel, providing exporters with a significant boost to their competitiveness.

**KEY FEATURES: PREFERENTIAL ACCESS TO THE US MARKET**

**AGOA expiry**
Preferences for textiles and apparel are linked to the current expiry date of the AGOA legislation, which is set to take place on 30 September 2025. It would require an Act of Congress to extend any trade benefits, or a bilateral trade agreement that locks in preferential market access.

**Visa system for apparel**
The AGOA apparel visa system is a compulsory administrative system that beneficiary countries must have implemented before preferences for textiles and clothing can be claimed. It is intended to prevent illegal trans-shipment and use of counterfeit documentation and serve as a mechanism for effective enforcement and verification.

**Country eligibility**
In order to be able to export textiles and apparel duty-free under AGOA, countries must have in place an apparel visa system (see above). Of the 40 AGOA beneficiaries in 2018, 26 countries are able to export textiles and clothing under AGOA preference.

**Local processing rules**
AGOA benefits are subject to a product being produced in or substantially transformed in an AGOA beneficiary country. Various different local processing categories exist, including apparel made from third country fabric. Textiles also qualify subject to being manufactured within an AGOA beneficiary country.

**Origin certification**
A special certificate of origin must be provided for textile and apparel shipments under AGOA. Shipments must also have a relevant visa, which involves a special stamp on the original invoice (this visa can also be submitted electronically).

**Traditional textiles**
Special provision has been made for handloomed, handmade, folklore articles, or ethnic printed fabrics, that are made in beneficiary sub-Saharan African countries, to receive duty-free access to the US market. These are also known as the «Category 9» textile provisions; 18 AGOA beneficiaries currently have the relevant authorization.

**Import duties**
AGOA removes US import duties on textiles and clothing when produced in and exported by an AGOA beneficiary country.

**Which products are included?**
AGOA covers textiles and apparel subject to conditions. Apparel must be made in accordance with the relevant Rules of Origin provisions (see elsewhere), while textiles (yarns and fabrics, household goods) also qualify when produced in and exported by an AGOA beneficiary country that is designated a ‘lesser developed beneficiary country’ in terms of the legislation.
APPAREL EXPORTS TO THE US MARKET UNDER AGOA

For the sub-Saharan African apparel manufacturing sector, AGOA has been the single most important factor that has driven export-led growth. The substantial preference margin over competing exports from other countries, stemming from the removal of US import duties on qualifying African exports combined with very favourable Rules of Origin provisions, has been a critical pillar of support for manufacturers. By 2017, Kenya has become the largest exporter to the US, followed by Lesotho (most apparel exports from an AGOA beneficiary since 2001) and Madagascar. Ethiopia, Madagascar and Ghana (albeit off a low base) have shown the strongest year-on-year growth over the most recent period.

AGOA - RULES OF ORIGIN CATEGORIES

Rules of Origin (RoO) are the prescribed criteria to determine the national origin of a product, by specifying the local content and minimum processing required for a product to earn ‘local origin’ status. Under AGOA, the general 35% local content rule does not apply to textiles and clothing. Rather, duty-free entry is granted under AGOA provided that a product that is produced by an AGOA-eligible country can be classified within one of the RoO categories listed alongside.

AGOA APPAREL - OTHER PROVISIONS

- Regional cap: By law, AGOA limits imports of apparel made with regional or third country fabric to a fixed percentage of the total square meter equivalents (SME) of all apparel articles imported into the US. Given the extent of this quota, AGOA imports have never been at any real risk of exceeding it.
- Findings, trimmings, interlinings, de minimis: The AGOA legislation provides a 25% allowance on certain non-originating components (10% for fibers and yarns as relevant). More details at: https://agoa.info/about-agoa/apparel-rules-of-origin

AGOA.info
African Growth and Opportunity Act
www.AGOA.info

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