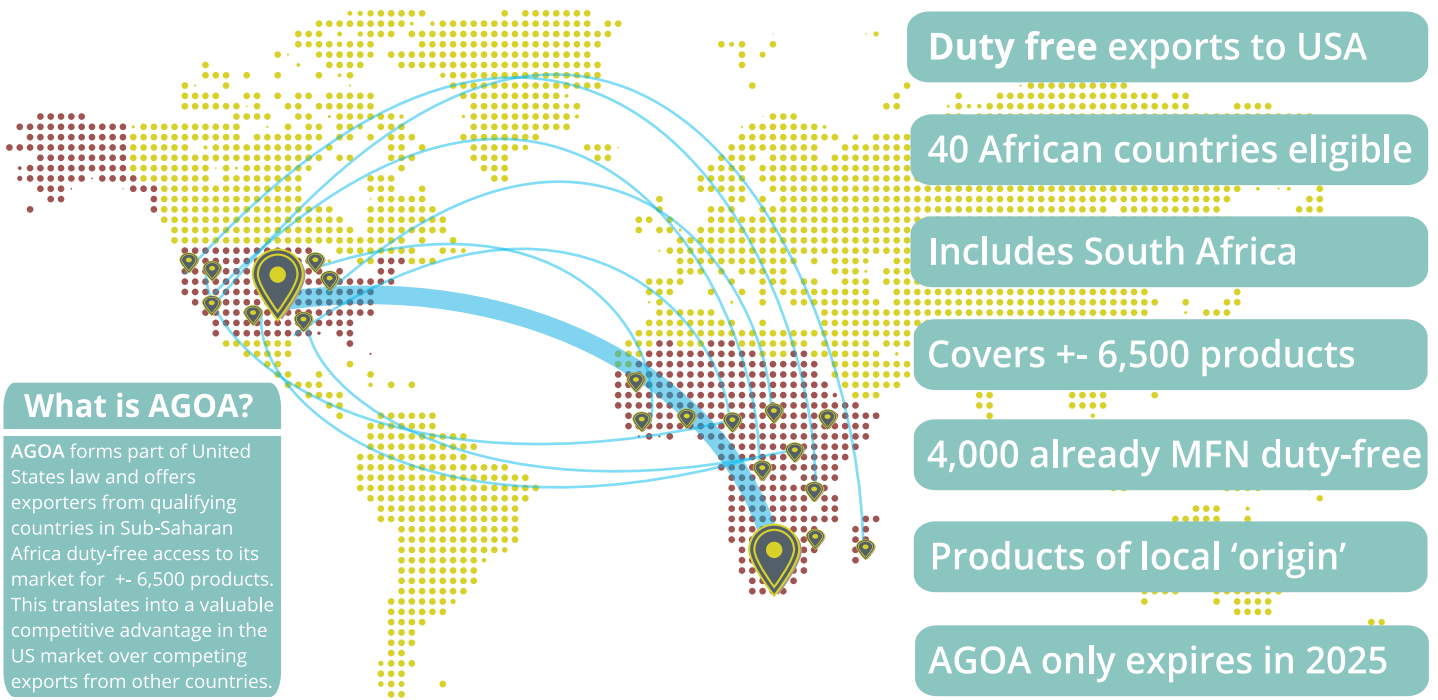


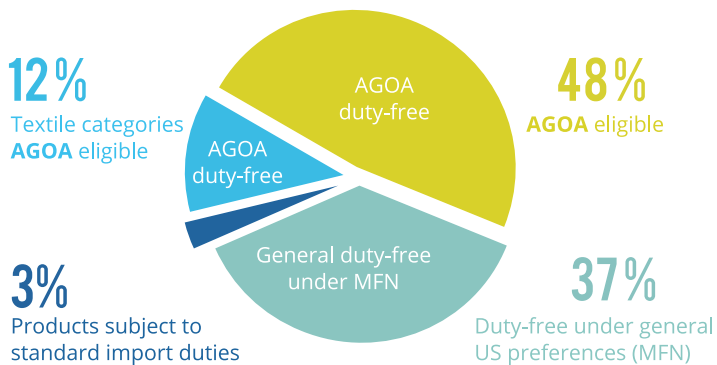
AGOA AND SOUTH AFRICA

THE AFRICAN GROWTH AND OPPORTUNITY ACT



MARKET ACCESS TO THE UNITED STATES

• TOTAL: 10,800 tariff lines



RULES OF ORIGIN



Qualifying products must 'originate' in an eligible exporting country to qualify

• GENERAL REQUIREMENT

Products included in the list of qualifying goods must be a "growth, product or manufacture" of one or more AGOA beneficiary country. The direct cost of the materials plus the direct cost of processing must equal at least 35% of the product's appraised value at the US port of entry. Up to 15% of the 35% local content requirement may consist of US-originating parts and materials.

• 'WEARING APPAREL' REQUIREMENT

AGOA maintains a separate set of rules for qualifying garments. Countries must have in place and maintain an 'apparel visa' system. South African exporters must utilise fabric made locally or in another AGOA beneficiary country, in turn made from African or US yarn. Other AGOA beneficiaries are not subject to this rule and may utilise fabric sourced from anywhere in the world, provided that it is assembled locally prior to duty-free export to the United States under AGOA. Textiles from Chapters 50-60 + 63 also qualify if made from local / AGOA inputs.

2002

AGOA II amendments

Technical amendments and clarifications to the legislation. Botswana and Namibia receive special status for 'wearing apparel' origin rules

2006

AGOA IV amendments

AGOA legislation is extended from 2008 to 2015. The special provisions for apparel are again extended, to 2012

2015 - 2025

Renewal

AGOA legislation receives a makeover with numerous changes. It is extended to 2025

2000

Signed into law

US President Bill Clinton signs AGOA into law, with strong bipartisan support in the US Congress. Originally set to expire in 2008

2004

AGOA III amendments

The special provisions for apparel (i.e. flexible Rules of Origin) are extended to 2007

2012

AGOA V amendments

The apparel provisions for LDC countries are extended to 2015, considered critical for the African apparel manufacturing sector

UNITED STATES' COMBINED NON-OIL AGOA IMPORTS FROM ELIGIBLE COUNTRIES

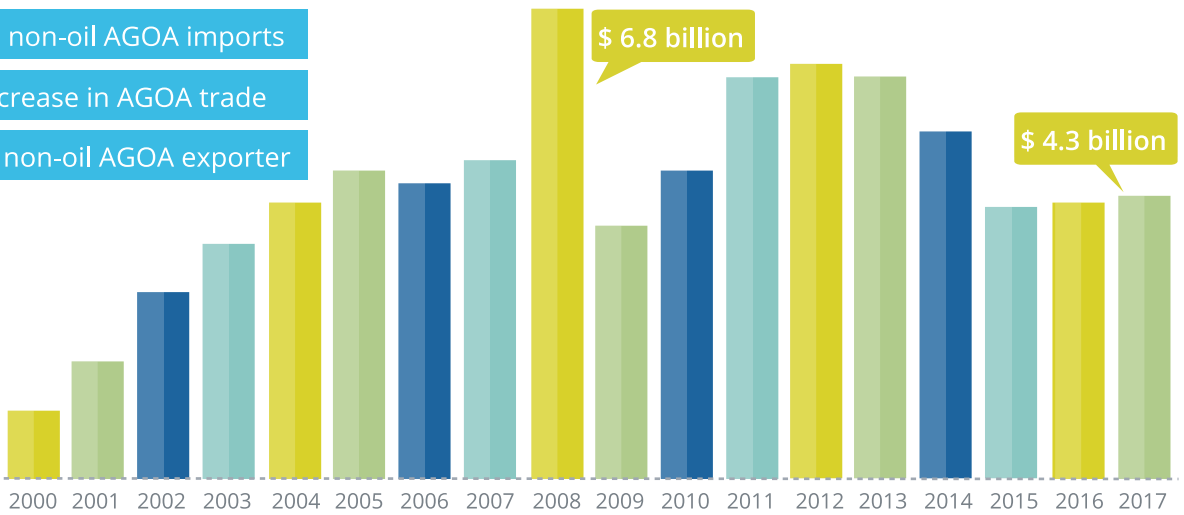
2000-2017: \$78 billion non-oil AGOA imports

2000-2017: 6-fold \$ increase in AGOA trade

South Africa: leading non-oil AGOA exporter

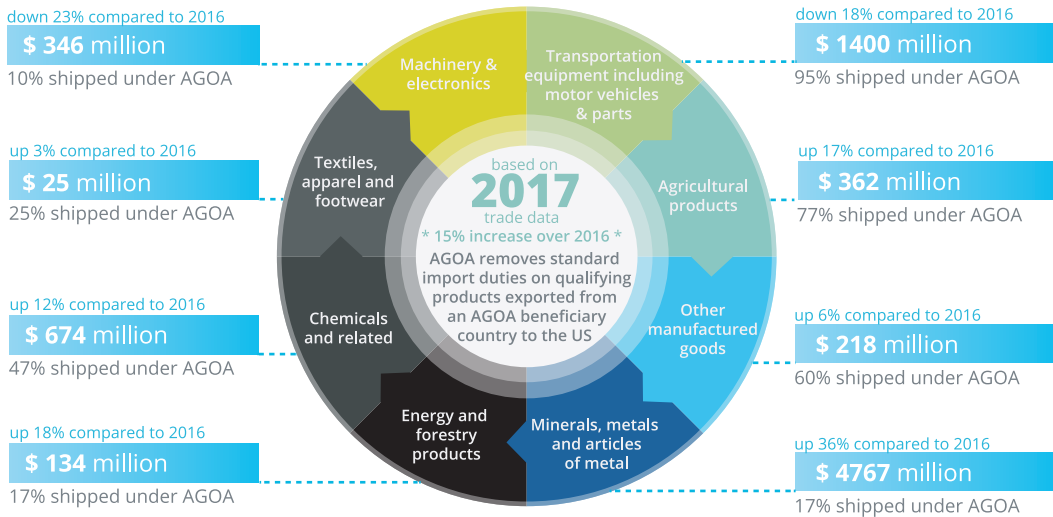
Trade data note:
US oil import data from AGOA beneficiaries has been excluded from the totals alongside, as the large scale and fluctuations *inter alia* due to oil price movements distort a more meaningful display of manufacturing and agricultural exports under AGOA

Non-oil AGOA trade



UNITED STATES' AGOA PLUS NON-AGO A IMPORTS FROM SOUTH AFRICA

EXPORT PROCESS



Stage 1
Register the company as an exporter, obtain exporter number where applicable. Identify product's unique HTS code and check whether AGOA eligible, or applicable US import duties

Stage 2
Exporter checks relevant US regulations and SPS measures for food, agric and animal products
(e.g. APHIS, FDA, USDA etc.) - see web links at bottom

Stage 3
Exporter obtains, from local customs, certificate of origin or respective AGOA apparel visa as proof for meeting AGOA's Rules of Origin

Stage 4
Manage logistics process including exporter insurance, letter of credit, packaging, storage, shipping and related arrangements

Stage 5
Importer completes the process by clearing goods in US, makes relevant declarations, including on origin and value

AGO A ELIGIBILITY REQUIREMENTS

While AGOA is a *non-reciprocal* US trade law - meaning eligible African countries are not required to offer the same preferences to United States exporters - eligibility is not *unconditional*. AGOA's qualifying criteria pertain to eligible countries wishing to use preferences, and include (a country having) established a market based economy, (the) elimination of barriers to US trade and investment, (the) protection of internationally recognised worker rights, etc. The US government, on an ongoing basis, monitors compliance and can remove a country's eligibility when these criteria are no longer being met. Certain countries have had, from time to time, their AGOA preferences revoked (some have later regained their AGOA beneficiary status).

SELECTED AGOA RELATED RESOURCES

AGOA web portal	www.AGOA.info	US Dept Agriculture	www.usda.gov	US Customs	www.cbp.gov
Food and Drug Administration	www.fda.gov	US Office of Textiles and Apparel (OTEXA)	otexa.trade.gov		
US International Trade Commission (USITC)	www.usitc.gov	Trade Law Centre (TRALAC)	www.tralac.org		
Southern African Trade and Investment Hub	www.satihub.com	Animal & Plant Inspections	www.aphis.usda.gov		
East African Trade and Investment Hub	www.eatradehub.org	South African Revenue / Customs	www.sars.gov.za		

AGOA.info
African Growth and Opportunity Act
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Acknowledgements
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Eckart Naumann/TRALAC 2018