

AGOA Forum 2018, Washington D.C. Private Sector Readout



The AGOA Private Sector Forum explored two main themes: lessons learned from AGOA success stories; and the future U.S.-Africa trade relationship beyond AGOA.

- There was general agreement that AGOA has provided a good base over the last 18 years for eligible African countries to establish markets in the U.S. Several participants noted approvingly that the range of AGOA products continues to broaden.
- Unfortunately, there was also a general sense that African countries could and should do much more to take advantage of the access they have under AGOA during the remaining seven years of eligibility.
- Observers offered specific suggestions of things African companies can do to improve their performance, including sharpening their understanding of and compliance with the customs filing requirements, such as obtaining AGOA textile visas.
- Participants also recommended that African companies develop a more sophisticated understanding of exactly who their customers might be in the

United States, and making sure that they can provide the quality and sustained delivery and service that American customers demand.

- There was also a clear sense that African governments can do more to make their companies successful. One important step would be for those 26 countries which have not yet completed an AGOA utilization strategy to work with the U.S. regional trade hubs to do so.
- African governments should also consider steps to expedite their customs procedures at the border and to open new market sectors. Increasing connectivity is one-way countries can achieve that. One participant noted that Kenya's support for establishing direct air service to New York would not only bring more businessmen in both directions – it would also suddenly make it more viable to export items like cut flowers to the U.S.
- African governments can also do a lot to open markets in both directions by adopting more international standards. In the case of medical devices, altering regulatory requirements to treat these products like equipment, rather than like pharmaceuticals, would open possible local partnerships, which in turn would spur the development of modern innovative health sectors.
- Governments can also consider taking steps to address important constraints, particularly for smaller businesses, such as providing technical support to help businesses improve competitiveness, to develop backward linkages in supply chains including development of local packaging, and to link more farmers and women micro-entrepreneurs to AGOA trade.
- African governments could also think through how they might better support companies moving up the value chain to process products in Africa, rather than looking to export raw or unfinished products.
- There was a real sense that the signing of the Africa Continental Free Trade Agreement (AfCFTA) in March has created a buzz that hasn't been seen in several years. As one member of the President's Advisory Council on Doing Business in Africa noted, African companies are more ready than ever to do business with American partners. Bearing this out, it was noted that

companies signed more than one billion dollars in deals during the recent PAC-DBIA trip to four African countries.

- The panel on the future of trade and investment beyond AGOA agreed that the key will be to build trust between U.S. and African governments and businesses and thereby expand these partnerships and networks. There was a general sense that companies want to support Africa's efforts at deepening their integration and development, both through their regional agreements and the AfCFTA.
- The participants in the Forum were briefed on current U.S. Government thinking and informed of a recent USTR report on U.S. trade with Africa, which shows a 6% increase in overall trade, and ever-greater diversification of goods being exported to the U.S. under AGOA.
- It was noted that today's Africa is not the Africa of 18 years ago, as African countries now export sophisticated products to the U.S. and other developed markets, while signing FTAs with some of our competitors.
- Taking that development into account, the current thinking in the USG is that it's time to explore concluding an FTA with one African country that could then serve as a model for other countries.
- Several participants suggested that in many ways, it will be up to one or several countries to explore and try out ways to create better opportunities to increase U.S.-African trade and investment. As soon as one or several countries find the right formula, others will likely follow.
- While the panel concluded with enormous optimism, there was also agreement that we don't have much time left to chart a long-term and mutually prosperous future for the U.S-Africa trade and investment relationship. The sooner we start, the better.