

AGOA FREQUENTLY ASKED QUESTIONS



WHAT IS AGOA?

AGOA - the acronym for '**African Growth and Opportunity Act**' - is the name of US legislation known formally as the '**Trade and Development Act of 2000**' which - on a unilateral basis - provides highly preferential access to the US market for thousands of products produced in, and exported by, qualifying countries in Sub-Saharan Africa (SSA). AGOA extends duty-free access to products designated under the country's Generalized System of Preferences (GSP) as well as more than 2,000 additional tariff lines. Consequently, less than 3% of all products remain subject to any duty. In order for a country to be AGOA eligible, it must be a SSA country, GSP eligible, and meet AGOA's eligibility requirements. Qualifying products must furthermore meet the relevant Rules of Origin criteria.

About AGOA



DO AGOA BENEFITS EXPIRE?

The AGOA trade preferences are currently set to expire in **September 2025**, and unless extended, will end at that point. The GSP legislation may however, if still active, continue to provide preferential market access to many products (approximately 4,500 tariff lines). However, the GSP likewise forms part of trade legislation and is subject to periodic renewal by the US Congress. It should also be noted that if the US imposes special safeguard tariffs on certain products from time to time, then this will usually override any preferences offered under AGOA.



WHICH COUNTRIES DOES AGOA APPLY TO?

As of the beginning of 2019, 39 countries in Sub-Saharan Africa have AGOA beneficiary status. An eligible country's AGOA status is subject to ongoing compliance with AGOA's eligibility criteria, and the legislation makes provision for countries to lose their AGOA status for various reasons. A number of African countries have previously lost beneficiary status, and some have been reinstated later (examples: *Swaziland/Eswatini*, *Madagascar*). Countries can also have their AGOA status withdrawn on a temporary, or on a sectoral, basis.



AGOA countries



IS THERE EXPORTER REGISTRATION FOR AGOA?

The AGOA legislation does not directly require any registration by exporters (or importers) to claim benefits. However, most countries impose their own national exporter registration requirements. When claiming AGOA preference status, the importer needs to specify AGOA status (symbol 'D') when clearing the goods duty-free on importation into the US.



WHERE DO I FIND THE AGOA LEGISLATION?

The AGOA legislation was enacted in May 2000 by US President Bill Clinton as Public Law 106-200 and integrated with the US legislative code as part of the country's trade legislation under Title 19 (*Customs Duties*), Chapter 23 (*Extension of certain benefits to Sub-Saharan Africa*). The relevant parts of the legislation can be accessed at the link alongside. The original AGOA legislation can be downloaded on AGOA.info under the *Downloads / Legal* menu.

AGOA Law 2000



US trade legislation



WHAT ARE AGOA'S ELIGIBILITY CRITERIA?

AGOA preferences are available only to eligible countries in Sub-Saharan Africa and which have obtained 'beneficiary status' by fulfilling AGOA's eligibility criteria. These criteria are set out in Section 104 of the legislation, and include a country having or making progress toward:

- *establishing a market based economy*
- *respect for the rule of law*
- *elimination of barriers to US trade and investment*
- *protection of intellectual property rights*
- *economic policies to reduce poverty, and increasing availability of healthcare*
- *systems to combat corruption and bribery*
- *protection of internationally recognized worker rights (including right of association and to bargain collectively)*
- *must not engage in activities that undermine US security for foreign policy interests*
- *must not violate internationally recognised human rights.*

AGOA
ELIGIBILITY
CRITERIA



HOW DOES A PRODUCT OBTAIN PREFERENTIAL STATUS UNDER AGOA? WHAT ARE THE RULES OF ORIGIN?

A product must be AGOA eligible (in the US tariff book, such products are designated with the preference symbol 'D') to claim duty-free preferences on entry into the US market.

Additionally, all eligible products entering the US under AGOA preference must fulfil the relevant **Rules of Origin**. These are the criteria that determine whether a product originates in the exporting country (thus claiming preference status). There are two broad sets of criteria that are used to determine origin status: one for textiles and apparel, and the other for all other / general goods.

General goods: AGOA 'origin' status is obtained when a product is wholly produced in the exporting country, or when at least **35%** of its appraised value at the US port of entry consists of materials and processing in an AGOA beneficiary country (or in more than one AGOA beneficiary country)

Textiles and apparel goods: AGOA 'origin' status is obtained when a product falls within one of 10 origin 'groupings'. These include the following:

- Apparel made in a least-developed beneficiary country from fabric sourced from anywhere
- Apparel made from fabric produced in an AGOA country from US or African yarn
- Textiles (fabrics and yarns) produced in a 'least-developed AGOA beneficiary country'.

General
Rules of Origin



Apparel
Rules of Origin



Apparel
Certificate of Origin



WHAT BENEFITS DOES AGOA OFFER?

The AGOA legislation represents a package of trade preferences for eligible Sub-Saharan African countries, but also provides a framework for various US support services to benefit African countries.

- In terms of its trade provisions, AGOA provides duty-free market access for approximately 6,500 tariff lines. This includes longer-term duty-free status on products qualifying under the Generalised System of Preference (GSP) - when the GSP expires, the underlying benefits do not fall away for AGOA beneficiaries - while also adding a further approximately 2,000 tariff lines to the list of products that are already duty-free on entry into the US. This waiver of import duty waiver on qualifying products makes African products more competitive in the US market.

- AGOA also provides a waiver to beneficiary countries on the Competitive Need Limitation (CNL), which is a system that restricts preferential imports of a product into the US when such imports exceed a certain annual threshold (ceiling).
- Favourable Rules of Origin (RoO), especially for the textile and apparel sector, are another important feature of AGOA and have been an important driver of African countries' strong apparel exports to the US since 2000.
- The annual AGOA Forum (see separate section) is also mandated by the AGOA legislation and brings together representatives from the US and African governments, the private sector and civil society each year.

WHAT IS THE AGOA FORUM?

The AGOA Forum - known more formally by the name '*United States-Sub-Saharan Africa Trade and Economic Cooperation Forum*' - is an annual event mandated by the AGOA legislation (Section 105). This annual Forum includes high-level engagement between officials of the US government and officials representing the governments of Sub-Saharan African countries, with the aim of fostering close economic ties between the US and Sub-Saharan Africa.

The Forum venue alternates between an African AGOA beneficiary country and the US (in Washington, D.C.). Recent Forums have taken place in Washington (2018), Togo (2017), Gabon (2015) and Ethiopia (2013), Zambia (2011). Cote d'Ivoire is set to host the 2019 Forum.

View and download recent AGOA Forum Agendas and Outcomes from the Ministerial, Private Sector and Civil Society Meetings



www.AGOA.info/forum

HOW DO I KNOW WHETHER MY PRODUCT QUALIFIES FOR AGOA PREFERENCES?

Approximately 97% of all product tariff lines qualify for duty-free access to the US market when (it is) the 'growth or manufacture' of an AGOA beneficiary country or countries. Approximately 37% are already duty-free under general US tariff rules, while approximately 60% of tariff lines qualify under AGOA/GSP preference - subject to meeting the **Rules of Origin**. Preferential import status is claimed by the US importer when clearing goods for import, with the relevant fields on the import forms designated with the 'D' (=AGOA preferences) symbol.

Check tariff schedule & AGOA status



US Customs Entry Form for Imports



Guidelines for completing US Customs Form



AGOA product list on AGOA.info



WHERE CAN A TRADER OBTAIN CERTAINTY ABOUT THE PREFERENCE STATUS OF A PRODUCT?

Sometimes it is challenging to correctly classify a product according to its accurate HTS code, an essential part of correctly claiming preferential import status. To avoid uncertainty, an importer or other interested party can apply for a binding pre-entry classification from US authorities. This ruling may be obtained from the US Customs and Border Protection Office of Regulations and Rulings through an electronic request or a letter describing in detail the product, along with the submission of a sample.

US Customs and Border Protection (CBP) Binding Ruling Program



WHAT IS THE HARMONIZED TARIFF SYSTEM (HTS)

The **HTS** is the US tariff classification system, and all traded goods can be classified according to a unique coding category. International trade typically expects a trader to allocate the correct 8-digit code to their product.

Example:

Section II represents *vegetable products*

Chapter 08 covers *edible fruit and nuts, peel of citrus/melons*

Heading 0804 covers *dates, figs, pineapples, avocados etc.*

Sub-Heading 0804.30 covers (only) *pineapples*

The 8-digit **sub-division 0804.30.40** '*pineapples in crates or other packages*'

WHERE CAN ONE OBTAIN ADVICE AND SUPPORT RELATING TO AGOA?

Exporting products to the US market can be a complex undertaking, but one that can be very lucrative and rewarding. A producer and exporter must consider many aspects related to producing and exporting a product for which there is demand in foreign markets. Considerations include production, packaging, preservation, marketing, trade finance, obtaining relevant authorisations (for example those relating to exports of agricultural products), logistics, payments, finding buyers, contracting, certificates of origin, administrative paperwork and so forth. Various organisations are well suited to assist in this process, and there are many online resources as well as various US agencies that provide support.

AGOA portal
www.AGOA.info

AGOA Website Resources

Contact details
US embassies in Africa

USAID Southern Africa
Trade & Investment Hub

USAID East Africa
Trade & Investment Hub

AGOA.info
Business Connector

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