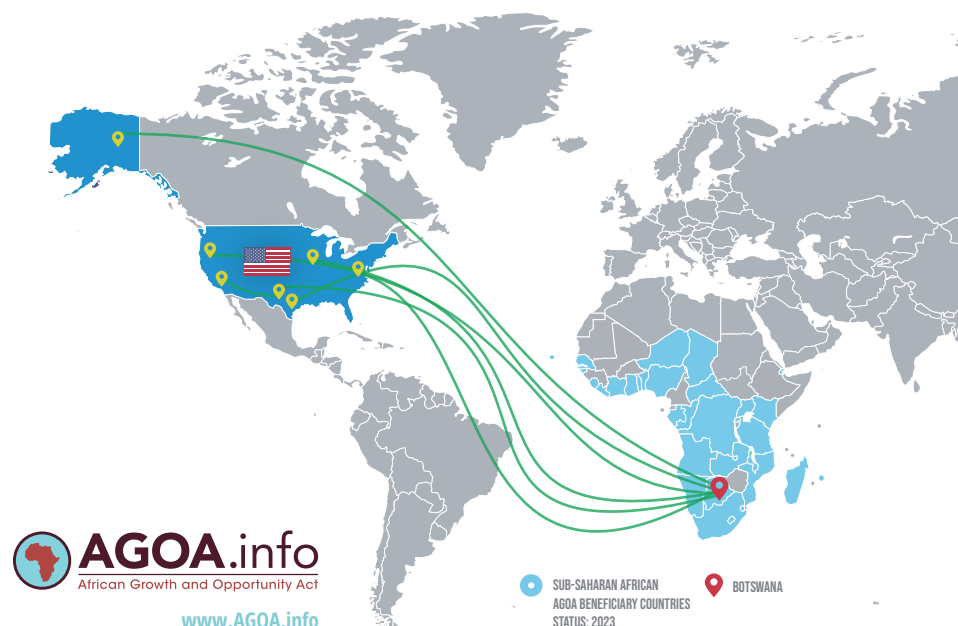
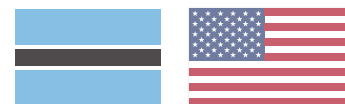


# AGOA AND BOTSWANA

## THE AFRICAN GROWTH AND OPPORTUNITY ACT

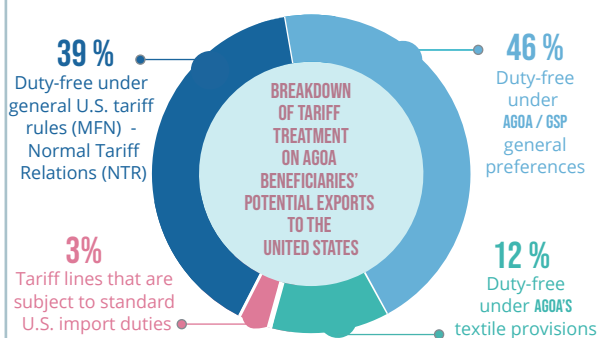


**Botswana** is one of currently **35** Sub-Saharan African countries that benefit from preferential access to the United States market under the African Growth and Opportunity Act (AGOA), which grants **+/- 6,700** products duty-free status.

United States importers of products that are made in **Botswana** are able to import these goods duty-free, resulting in enhanced price competitiveness. These preferences are currently available until end September 2025, unless the AGOA legislation is extended or replaced by another arrangement beyond that date.

### BOTSWANA'S PREFERENTIAL MARKET ACCESS TO THE UNITED STATES

PERCENTAGES RELATE TO +/- 11,000 POSSIBLE TARIFF LINES



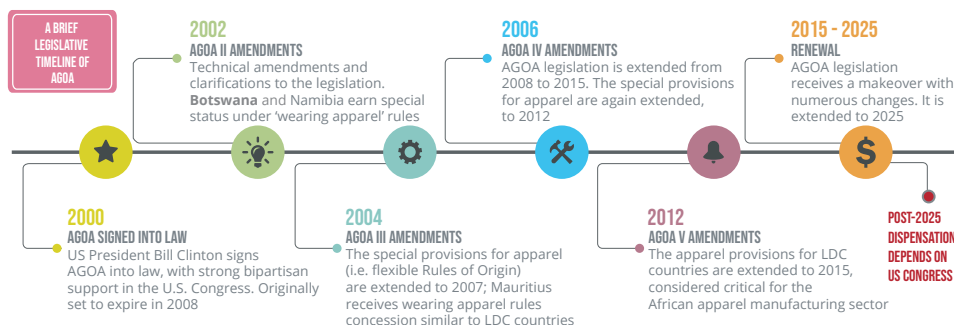
### WHAT IS AGOA ?

- AGOA, the acronym for the **African Growth and Opportunity Act**, forms part of United States trade legislation, having been signed into law in May 2000 as Public Law 106. It offers special access to the U.S. market for qualifying exports from Sub-Saharan African beneficiary countries including **Botswana**, but also provides a framework for other US support to, and engagement with, African countries. AGOA was originally set to expire after 8 years (in 2008) but has subsequently been extended a number of times, most recently in 2015 for a period of 10 years (now set to expire only in **2025** unless further extended by the U.S. Congress).
- AGOA broadens and enhances the trade preferences of the U.S. Generalized System of Preferences (GSP). While virtually all products that are GSP eligible also qualify under AGOA, the coverage of AGOA preferences is significantly greater. It is important to note that the GSP is subject to more regular congressional re-authorization and last 'expired' at the end of 2020; AGOA is therefore currently the only preferential market access arrangement that provides qualifying Sub-Saharan African beneficiary countries with duty-free access to the U.S. market, for approximately **6,700 products**, including in numerous categories generally considered to be 'sensitive'.
- Qualifying products\* under AGOA include textiles and clothing, motor vehicles and parts, many agricultural products including nuts, leather products, chemicals, wine, travel luggage, machinery and equipment, and many more.

\* Subject to complying with the Rules of Origin (local processing/content requirements)

### AGOA RULES OF ORIGIN

**RULES OF ORIGIN (RoO)** are prescribed criteria used to determine the national origin of a product. RoO form an integral part of preferential trade arrangements, and help ensure that market access preferences are correctly linked to imports from an AGOA beneficiary country. AGOA has different RoO criteria for apparel, and general goods. The RoO prescribe the minimum processing or local content required for a product to obtain origin status of the (exporting) country: only 'originating' products receive preferential entry (into the United States) in terms of the AGOA legislation.



#### AGOA RULES OF ORIGIN: TEXTILES AND CLOTHING

- Qualifying apparel (garments) must be made up locally (cut, make, trim); however fabric sourced from anywhere in the world\* may be used for this purpose.  
\* **BOTSWANA QUALIFIED FOR THE 'THIRD COUNTRY FABRIC' PROVISION ON 27 AUGUST 2001**
- Textiles (yarns, fabric of Chapters 50-60, and 63) from **Botswana** or any other AGOA 'lesser developed beneficiary country' also qualify under AGOA provided that they are wholly produced from local fibres, yarns, fabrics, or components knit-to-shape in such countries.

#### AGOA RULES OF ORIGIN: OTHERS PRODUCTS

- Products must be the 'growth, product or manufacture' of one or more AGOA beneficiary countries, or if some imported / non-originating materials are used, the cost of local materials + 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%) may consist of U.S. materials.

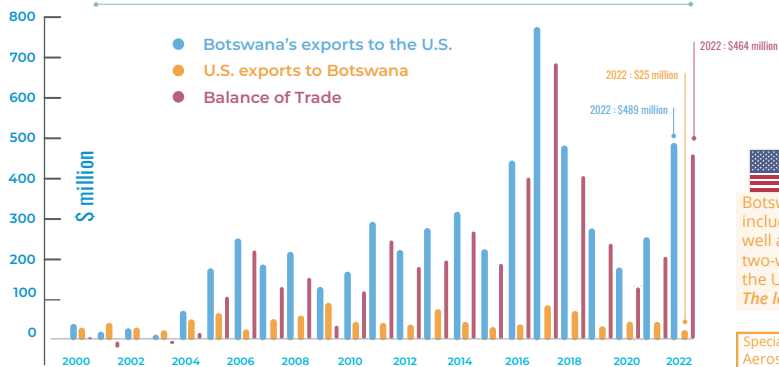
#### BASIC AGOA EXPORT CHECKLIST

- Correctly identify the unique HTS tariff code of product  
SEE: [HTTPS://HTS.USITC.GOV](https://hts.usitc.gov) [TURN OVER PAGE FOR QR CODE]
- Check if product is AGOA / GSP eligible (0% duty)  
[TARIFF CODE 'D' FOR AGOA, OR 'A' FOR GSP]
- Alternatively: Check applicable duty, or whether duty-free status under general US import tariff rules
- Ensure compliance with **Rules of Origin** requirements
- Obtain certificate of origin / endorsement from national customs / revenue service



# UNITED STATES TRADE IN GOODS WITH BOTSWANA SINCE THE START OF AGOA PREFERENCES IN 2000

## U.S. - Botswana trade 2000-2022



Trade in goods between the U.S. and Botswana	2000	2021	2022
Botswana's exports to the United States	\$ 41m	\$ 255m	\$ 489m
United States exports to Botswana	\$ 31m	\$ 45m	\$ 25m
Balance of Trade (pos. value = in favour of Botswana)	\$ 9m	\$ 210m	\$ 463m

Data in \$ million. Source: USITC Dataweb database.  
U.S. domestic exports (FAS) vs. U.S. imports for consumption (at customs value)



## United States exports to Botswana | 2021-2022

Botswana sources a diverse range of mainly manufactured goods from the United States, including products for the aviation sector, machinery (construction and agriculture sector), as well as various other types of equipment and technology. Following a decline in 2019-2020, two-way trade has increased substantially, driven by Botswana's rising diamond exports to the United States.

The leading U.S. exports to Botswana over the period 2021 - 2022 are listed below.

	2021	2022		2021	2022
Special classification provisions	\$22m	\$12m	Other general purpose machinery	\$0.3m	\$1.4m
Aerospace products	\$4.7m	\$1.9m	Engines and transmission equipment	\$0.2m	\$0.7m
Agri and construction machinery	\$3.5m	\$1.8m	Other fabricated metal products	\$0.9m	\$1.0m
Control instruments	\$1.7m	\$1.7m	Communications equipment	\$0.8m	\$1.0m

## Botswana's exports to the United States, by programme, 2000-2022 | \$ million

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Exports under AGOA	0	0	3.7	6.3	20.1	30	28.2	31.3	15.8	12.4	11.6	15.5	10.4	5.9	9.5	8.3	4.8	1	0	0	0	0.1	0.2
Exports under GSP	2.9	1.2	0.9	0	0	0	0	0.3	0.1	0	0	1.6	1.8	0.1	0	0	0.1	0	0	0	0	0	0
No preferences claimed	38	20	25	7.3	53	148	224	156	203	120	158	276	211	272	309	217	440	775	482	277	180	255	488.4
TOTAL country exports to U.S.	41	21	30	13.6	73	178	252	188	219	132	170	293	224	278	318	225	445	776	482	277	180	255	489

Data in \$ million. Source: USITC Dataweb database. Totals may not perfectly correspond due to rounding \* The GSP had not been re-authored in 2021/2022 and any preference claim is deferred

## Leading exports from Botswana to the United States in 2022, by product

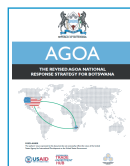
Non-industrial diamonds, worked, but not mounted	\$400m	Duty-free for Botswana (NTR)
Non-industrial diamonds, unworked or simply sawn	\$86m	Duty-free for Botswana (NTR)
Industrial diamonds, unworked	\$0.71m	Duty-free for Botswana (NTR)
Starter motors and starter-generators	\$0.13m	Duty-free for Botswana (NTR)
Television cameras	\$0.11m	Duty-free for Botswana (NTR)
Musical instruments	\$0.07m	Duty-free for Botswana (NTR)
Parts and accessories of motor vehicles	\$0.05m	Duty-free for Botswana (NTR)

NTR: Normal Tariff Relations (standard U.S. tariffs)

### U.S. destinations of Botswana's exports, by district

New York, New York	\$478m (+92%)
Products shipped: Diamonds	
Los Angeles, California	\$3.9m (+315%)
Products shipped: Diamonds	
New Orleans, Louisiana	\$2.8m (+80%)
Products shipped: Clothing, Coffee	
Cleveland, Ohio	\$1.4m (+77%)
Products shipped: Diamonds, electrical goods	

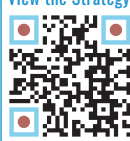
% denotes year-on-year change 2021-2022



### Botswana's National AGOA Response Strategy

The 10-year AGOA extension currently in place from 2015 to September 2025 recommends that each AGOA-beneficiary country develops an AGOA utilization (response) strategy. In January 2021, Botswana published a revised national AGOA response strategy for the period through 2025, updating and refocusing its earlier 2017 AGOA strategy. The revised strategy places a greater focus, inter alia, on efforts that support Botswana firms in their efforts to become export-ready, thereby ensuring a better balance between interventions that are focused on market access, and capacity building.

### View the Strategy



Download: [bit.ly/botswana-strategy](https://bit.ly/botswana-strategy)

Also read: [bit.ly/botswana-launches-strategy](https://bit.ly/botswana-launches-strategy)

Scan the Code

## Overview: Botswana's duty-free exports to the United States

Botswana's exports to the U.S. grew significantly until 2017 (\$776m) after which they declined to \$180m in 2020, prior to rebounding to \$489m in 2022. Exports have become concentrated in natural resources, specifically diamonds. In recent years, the only noteworthy non-diamond exports to the U.S. have been garments (up until 2017), with exports under AGOA preference falling away almost entirely.

While Covid-19 appears to significantly affect trade in recent years, there has been a significant increase in Botswana's exports to the U.S. in 2021-2022.

Botswana's main imports from the US comprise special classification provisions (e.g. goods returned after repair), machinery, metal products, aircraft parts etc.

Very few of Botswana's products overall are subject to U.S. import duties\* and in 2022 virtually all of Botswana's exports to the US entered the US duty-free (approximately \$8,000 in duties were payable on U.S. imports of certain musical instruments, synthetic diamonds, and certain parts of motor vehicles). Each of these goods (incl. HTS 9207.10.00 and HTS 8708.99.68), duties were paid despite the goods qualifying for AGOA preference. Obtaining preferential entry into the U.S. always depends not only on the AGOA status of a product, but complying with the Rules of Origin criteria (see Page 1).

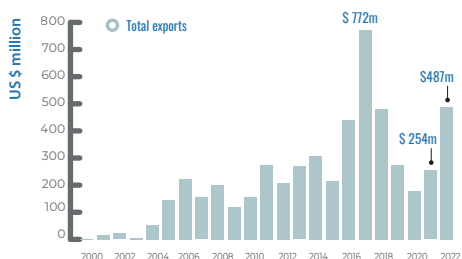
\* Normal U.S. import duties (only when applicable to a product) are levied when local origin status of the preferential exporter country (through compliance with the relevant Rules of Origin) can not be demonstrated on importation.

## SELECTION OF BOTSWANA'S EXPORTS TO THE UNITED STATES SINCE 2000

### Diamonds (HTS 7102)

#### 2022: \$487 million in exports to the U.S.

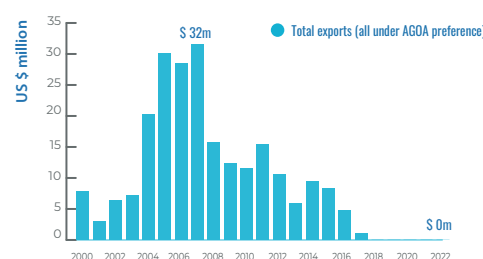
Botswana's exports to the US are concentrated in diamonds classified under HTS heading 7102; in 2022 these represented 99.6% of Botswana's U.S.-bound export trade. Most of these now comprise (worked) non-industrial diamonds, following the steep decline in the export of unworked non-industrial diamonds, which a few years previously (2017) still accounted for more than 80% of Botswana's diamond exports to the U.S.



### Apparel products (HTS Ch. 61 + 62)

#### 2000-2022: \$230 million exports to the U.S.

Over the years, AGOA has provided a valuable competitive edge to Botswana apparel exporters, including favourable RoO that allow the use of third country fabric inputs. In recent years, the country's textile exporters have focused more on the local and regional market; notwithstanding this development and although no U.S. exports occurred in 2018-2022, the country continues to enjoy the same preferential market access to the U.S. at least until September 2025 under AGOA.



## OTHER POTENTIAL EXPORTS FROM BOTSWANA

Botswana's exports to the U.S. have become less diversified in recent years, following the strong rise in diamond exports to the US, and declining exports from sectors such as the apparel sector. The following products are however among those exported in significant quantities by Botswana to other destinations, and each would qualify for duty-free entry to the U.S. market.

- HTS 854430 Ignition wiring sets
- HTS 260300 Copper ores and concentrates
- HTS 283620 Disodium carbonate
- HTS 250100 Salts
- HTS 391723 Tubes, pipes, of vinyl chloride
- HTS 630260 Kitchen linen and toweling
- HTS 300230 Vaccines for veterinary uses

\* Use your phone camera or any QR Reader App

[National AGOA Strategies](#)

[Botswana AGOA Trade Data](#)

[US Tariff Schedule and HTS Lookup](#)

[AGOA FAQ on AGOA.info](#)

[Botswana Customs and Revenue Service](#)

[Business Botswana](#)

[US-Africa Annual AGOA FORUM](#)

[US Embassy Botswana](#)

[AGOA BUSINESS CONNECTOR](#)  
[agoa.info/connect](https://agoa.info/connect)



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