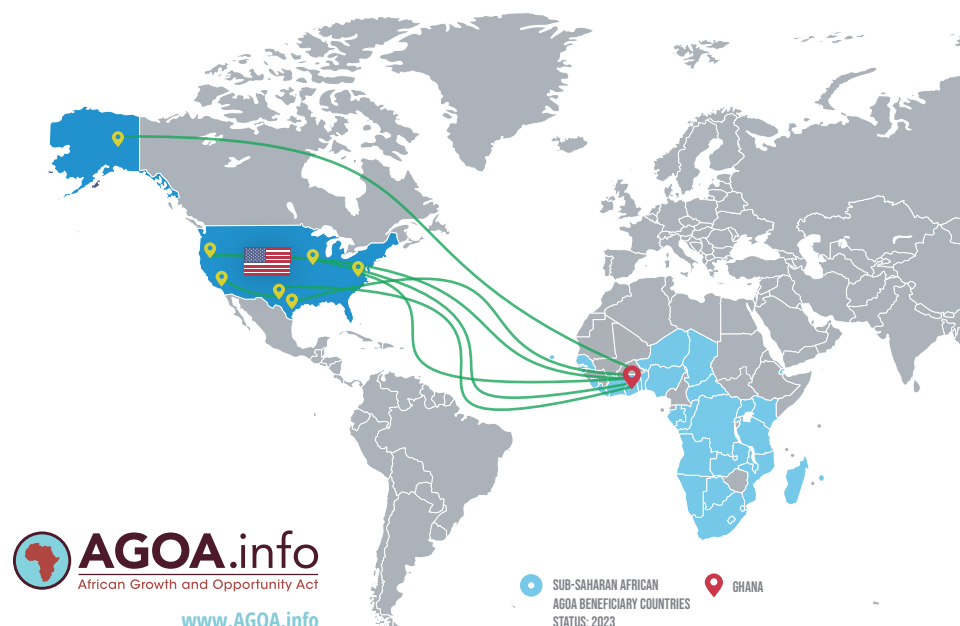
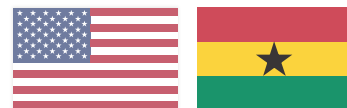


AGOA AND GHANA

THE AFRICAN GROWTH AND OPPORTUNITY ACT



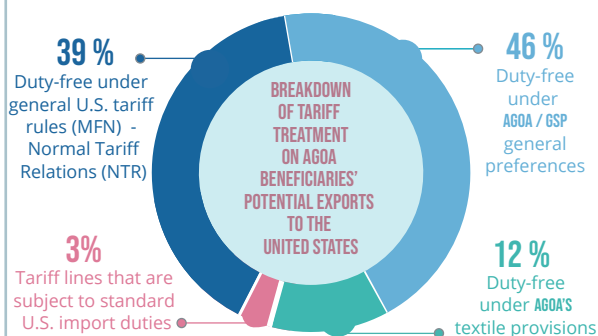
Ghana is one of currently 35 Sub-Saharan African countries that benefit from preferential access to the United States market under the African Growth and Opportunity Act (AGOA), which grants +/- 6,700 products duty-free status.

United States importers of products that are made in **Ghana** can 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.



GHANA'S PREFERENTIAL MARKET ACCESS TO THE UNITED STATES

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



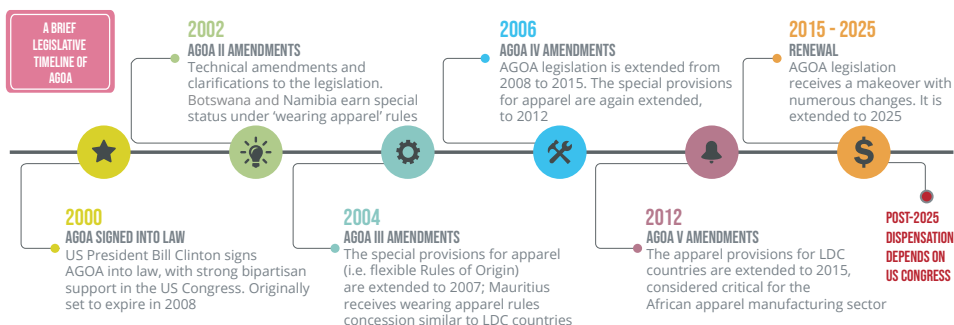
WHAT IS AGOA ?

- 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 **Ghana**, 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.
* GHANA QUALIFIED FOR THE 'THIRD COUNTRY FABRIC' PROVISION ON 2 MARCH 2002
- Textiles (yarns, fabric of Chapters 50-60 and 63) from **Ghana** or any other AGOA 'lesser developed beneficiary country' also qualify under AGOA provided that they are wholly produced from locally made fibres, yarns, fabrics, or components knit-to-shape in such countries.

AGOA RULES OF ORIGIN: OTHERS PRODUCTS

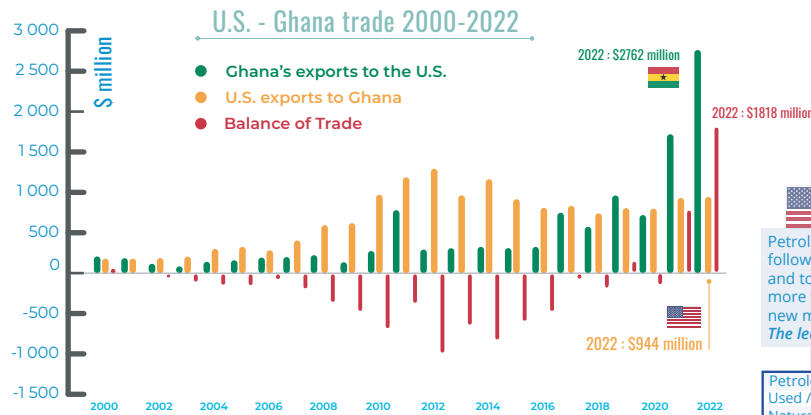
- Products must be the 'growth, product or manufacture' of one or more AGOA beneficiary countries, or if some imported / non-originating materials are used, the cost of local materials + direct cost of processing must equal at least **35% of the product's appraised value** at the US port of entry. Up to 15% (of the 35%) may consist of US 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 GHANA SINCE THE START OF AGOA PREFERENCES IN 2000



Trade in goods between the U.S. and GHANA	2000	2021	2022
Ghana's exports to the United States	\$ 206m	\$ 1720m	\$ 1762m
United States exports to Ghana	\$ 179m	\$ 931m	\$ 944m
Balance of Trade (pos. values = in favour of Ghana)	\$ 28m	\$ 789m	\$ 818m

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 Ghana | 2021-2022

Petroleum & coke products represents the largest export category by the U.S. to Ghana, followed by 'Used or second hand goods' (comprising mainly used passenger motor vehicles, and to a lesser extent industrial goods such as front-end loaders). Exports of natural gas have more than doubled between 2021-2022. A diverse range of mainly industrial goods, poultry and new motor vehicles account for much of the remaining trade.

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

	2021	2022		2021	2022
Petroleum & coal products	\$6m	\$98m	Resin/rubber/synthetic fibers	\$54m	\$70m
Used / secondhand merchandise	\$173m	\$96m	Poultry products	\$93m	\$60m
Natural gas	\$44m	\$95m	Motor vehicles	\$64m	\$38m
Agric. and construction machines	\$69m	\$76m	Pharmaceuticals and medicine	\$43m	\$31m

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

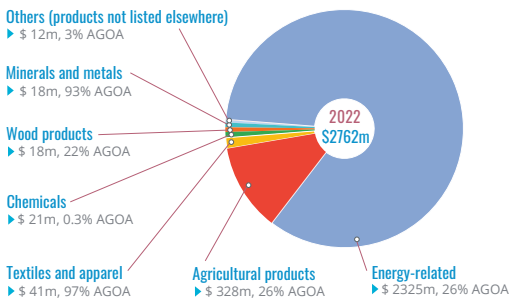
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Exports under AGOA	0	33	23	29	63	50	35	56	32	2.3	2	414	17	61	57	10	30	312	331	417	107	303	722
Exports under GSP*	14	10	12	11	11	10	11	12	11	17	45	41	45	31	23	25	37	32	26	24	30	21	25
No preferences claimed	193	143	81	43	67	100	147	130	180	116	226	324	230	217	245	275	258	403	217	520	583	1395	2016
TOTAL country exports to US	206	185	116	84	140	159	192	199	222	135	273	779	292	308	325	309	324	748	774	961	719	1,720	2,762

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

Ghana's exports to the United States in 2022, by sector

Any % values denote respective share of country's respective sector exports that entered the U.S. duty-free under AGOA.

The graphic below provides an overview of the sectoral spread of Ghana's exports to the United States during 2022.



US destinations of Ghana's exports, by district*

New York, New York - \$1857m (+110%)
Mineral oils, cocoa, vegetables, organic chemicals
San Francisco, California - \$482m (+48%)
Mineral oils
Philadelphia, Pennsylvania - \$212m (+91%)
Cocoa, mineral oils
Los Angeles, California - \$56m (-78%)
Mineral oils, wood products
Savannah, Georgia - \$44m (+83%)
Apparel
Chicago, Illinois - \$35m (+13%)
Cocoa
Charleston, South Carolina - \$20m (-24%)
Rubber and articles thereof
Baltimore, Maryland - \$17m (+24%)
Lead and articles thereof

* Leading destinations by district of entry. Accounts for 99% of Ghana's exports to the U.S. in 2022.

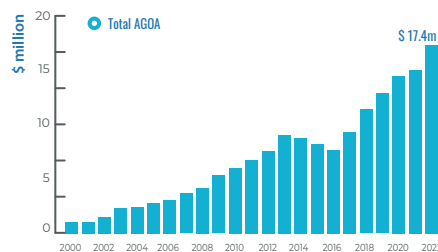
Non-AGOA trade in each category is mostly duty-free under the standard U.S. tariff schedule

SOME OF GHANA'S AGOA EXPORTS TO THE UNITED STATES SINCE 2000

Yams and similar root veg (HTS 0714)

2022: \$17.4 million exports under AGOA

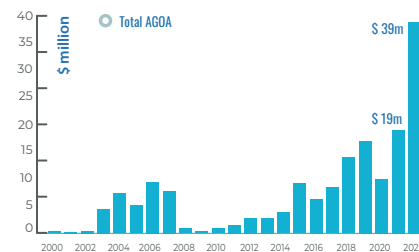
Ghana has been steadily increasing its exports of yams ('fresh, chilled, whether or not sliced or in the form of pellets') to the U.S., with all exports benefiting from AGOA/GSP preferences, thereby avoiding standard U.S. import duties (under 'normal tariff relations') of 7.9% - 11.3%. Between 2000-2022, Ghana's exports of yams under this heading amounted to \$163m.



Apparel (HTS Chapters 61, 62)

2022: \$39 million exports under AGOA

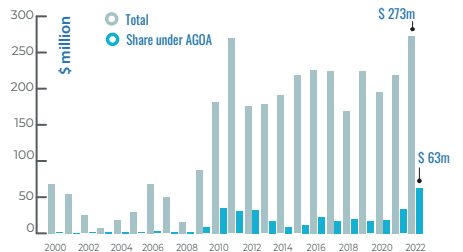
Apparel qualifies for AGOA preferences along with flexible rules of origin that allow the use of local or imported fabric. Between 2000-2022, Ghana has exported \$167m worth of apparel to the U.S. under duty-free AGOA preference, with a strong upward trajectory in recent years. Most apparel exports are made up of knitted sweaters and men's shirts, of man-made fibers.



Cocoa - beans/powder/paste (HTS Ch 18)

2022: \$273 million exports to U.S.

Cocoa has been one of Ghana's most valuable export commodities to the U.S. over the past two decades, with \$3.2 billion in US-bound exports over the period 2000-2022. While the majority comprises cocoa beans (duty-free under normal tariff relations), almost 30% comprises cocoa in powder or in paste form; of this, a significant share is imported by the U.S. from Ghana under AGOA preference (cocoa powder, defatted cocoa paste).



Use any QR Reader app or scan code with your phone camera

List your business
AGOA BUSINESS
CONNECTOR
→ agoa.info/connect



This guide is made possible by the support of the American People through the United States Agency for International Development (USAID).
The contents of this guide are the sole responsibility of tralac and do not necessarily reflect the views of USAID, Prosper Africa, or the United States Government.