AGOA and Ghana

The African Growth and Opportunity Act

“Duty-free access to the United States market for Ghana’s exporters”

“Trade preferences available until 2025”

“AGOA has assisted Ghana’s apparel, cocoa and vegetable exports to the US”

“AGOA provides exporters with a competitive advantage”

Ghana is one of 40 Sub-Saharan African countries that currently enjoy duty-free export status to the United States for + 6,500 products through a combination of AGOA and GSP preferences.

**Ghana’s Preferential Market Access to the United States**

- **12%** Textile products AGOA eligible (duty-free)
- **48%** General products AGOA eligible (duty-free) incl. GSP
- **37%** Duty-free under general US tariff regime (MFN)
- **3%** Remaining products subject to standard import duties

**AGOA Rules of Origin**

Rules of Origin (RoO) are the criteria used to determine the national origin of a product. RoO form an integral part of preferential trade arrangements, and under AGOA help ensure that market access preferences are correctly linked to imports from an AGOA beneficiary country. The RoO prescribe the minimum local 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.
- Textiles (yarns, fabric of Chapters 50-50 and 63) from Ghana or any other AGOA ‘lesser developed beneficiary country’ also qualify under AGOA provided that they are wholly produced from locally produced 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 Trade Checklist**

- Correctly identify unique HTS tariff code of product
  - See: https://www.usitc.gov
- 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 from local customs / revenue authority (Ghana Revenue and Customs Authority)
United States' Trade in Goods with Ghana since the Start of AGOA in 2000

**Ghana's exports to the United States**
- $748 million
- $833 million
- $3 million

**United States exports to Ghana**
- $206 million
- $170 million

**Balance of Trade (negative values = trade deficit with United States)**
- $28 million

### Trade in goods between US and Ghana
<table>
<thead>
<tr>
<th>Year</th>
<th>Exports to US</th>
<th>Exports under AGOA</th>
<th>Exports under GSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2001</td>
<td>33</td>
<td>0</td>
<td>33</td>
</tr>
<tr>
<td>2002</td>
<td>29</td>
<td>0</td>
<td>29</td>
</tr>
<tr>
<td>2003</td>
<td>50</td>
<td>0</td>
<td>50</td>
</tr>
<tr>
<td>2004</td>
<td>56</td>
<td>0</td>
<td>56</td>
</tr>
<tr>
<td>2005</td>
<td>32</td>
<td>0</td>
<td>32</td>
</tr>
<tr>
<td>2006</td>
<td>2.3</td>
<td>0</td>
<td>2.3</td>
</tr>
<tr>
<td>2007</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>2008</td>
<td>414</td>
<td>0</td>
<td>414</td>
</tr>
<tr>
<td>2009</td>
<td>17</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td>2010</td>
<td>61</td>
<td>61</td>
<td>0</td>
</tr>
<tr>
<td>2011</td>
<td>57</td>
<td>57</td>
<td>0</td>
</tr>
<tr>
<td>2012</td>
<td>30</td>
<td>30</td>
<td>0</td>
</tr>
<tr>
<td>2013</td>
<td>112</td>
<td>112</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>45</td>
<td>45</td>
<td>0</td>
</tr>
<tr>
<td>2015</td>
<td>45</td>
<td>45</td>
<td>0</td>
</tr>
<tr>
<td>2016</td>
<td>31</td>
<td>31</td>
<td>0</td>
</tr>
<tr>
<td>2017</td>
<td>25</td>
<td>25</td>
<td>0</td>
</tr>
</tbody>
</table>

### Leading exports from Ghana to the United States in 2017, by sector
- **Energy (oil, gas)**: $413 million (73% AGOA)
- **Agricultural products**: $254 million (12% AGOA)
- **Chemicals / related**: $24 million (12% AGOA)
- **Forest products**: $16 million (19% AGOA)
- **Textiles and apparel**: $9 million (98% AGOA)

### Some of Ghana's Product Exports to the United States
- **Cocoa products (HTS Ch. 18)**
  2017: $224 million in exports to US
  - The export of cocoa products accounts for a large share of Ghana's exports to the US (80% of the total in 2017). While most tariff lines are exempt from US import duties, some are not, and form part of AGOA / GSP preferences. Defatted cocoa paste is one such product and accounts for much of the AGOA share of cocoa exports.

- **Wearing apparel (HTS Ch. 61 + 62)**
  2017: $8.5 million exports under AGOA
  - Ghana's garment manufacturing sector is relatively small but has been able to harness the preferential access it has to the US market and export $72 million worth of garments since 2000; 95% of all apparel exports to the US from Ghana since that year have been able to utilise AGOA preferences.

- **Yams, cassava (HTS Heading 0714)**
  2017: $9.3 million exports under AGOA
  - Yams, cassava and similar root vegetables are included in the AGOA / GSP schedule and benefit from preferential access to the US market. Ghana has exported $393 worth of products in this category to the US since 2000, 99% of which has benefited from the available trade preferences (AGOA / GSP).

---

**Overview: Ghana's duty-free exports to the United States**
- Ghana is a net importer of goods from the US; fluctuating exports have been impacted by changes in Ghana's oil exports to the US; in some years, these accounted for up to 40% of the country's US-bound exports. Exports to the US include cocoa products, yams / cassava, clothing, wood, fruit / juices (mainly orange), as well as fruit and vegetables.

- Ghana's exports to the US during 2017 were worth $748 million, while the country imported goods worth $933 million from the US during the same year. Ghana's key imports from the US include mainly motor vehicles, cable / wire, petroleum gas, poultry and steel products.

- Very few products are subject to US import duties; the rest qualify for GSP / AGOA, or are duty-free under the US WTO commitments.

**Some notes:**
- Most of Ghana's US exports are either duty-free* under general market entry rules, or are shipped duty-free under AGOA/GSP. Duties of $145,000 were due on US imports from Ghana in 2017, mostly for mineral oils, and some clothing.

* Normalized import duties (if applicable) are charged when a tax/foreign status (compliance with the relevant Rules of Origin) cannot be demonstrated.