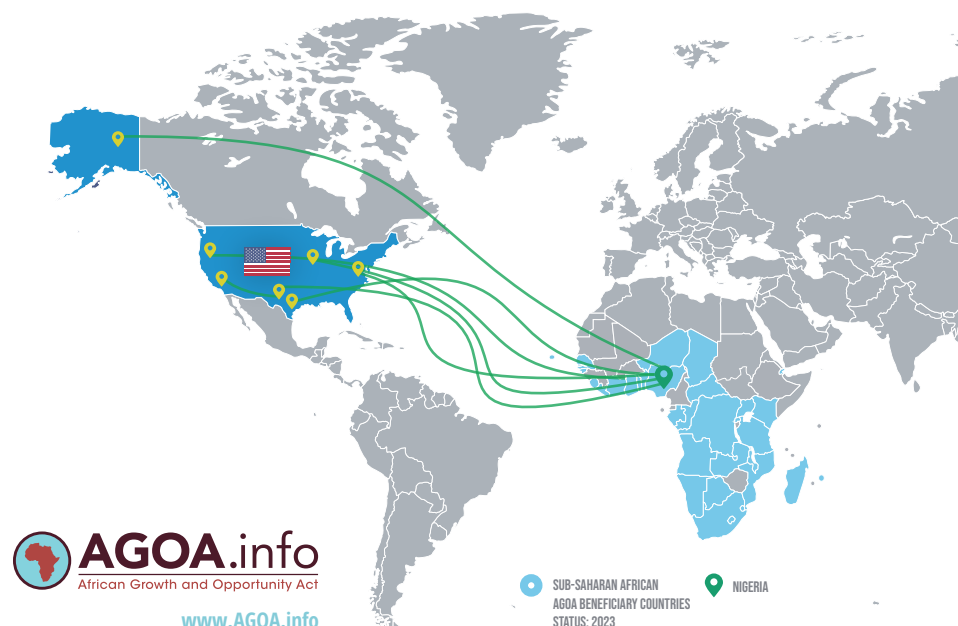


AGOA AND NIGERIA

THE AFRICAN GROWTH AND OPPORTUNITY ACT



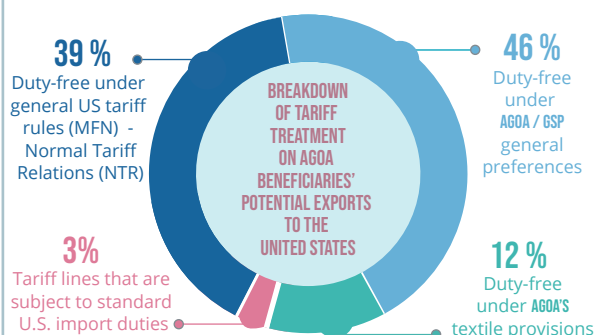
AGOA.info
African Growth and Opportunity Act
www.AGOA.info

Nigeria 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 **Nigeria** 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.

NIGERIA'S PREFERENTIAL MARKET ACCESS TO THE UNITED STATES

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



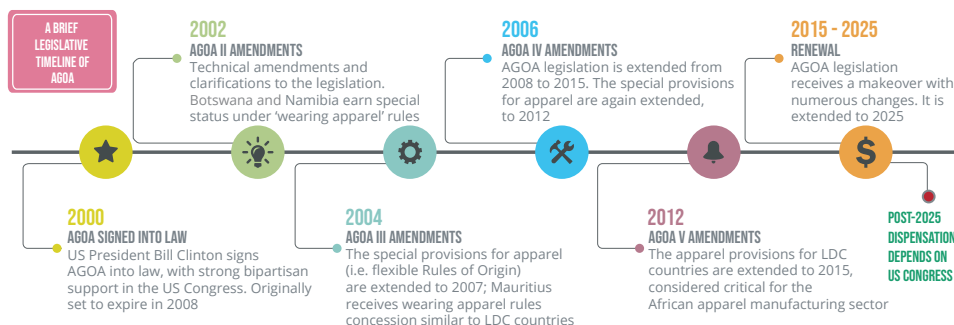
WHAT IS AGOA ?

- 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 **Nigeria**, 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 US 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.
* NIGERIA QUALIFIED FOR THE 'THIRD COUNTRY FABRIC' PROVISION ON 14 JULY 2004
- Textiles (yarns, fabric of Chapters 50-60 and 63) from **Nigeria** 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

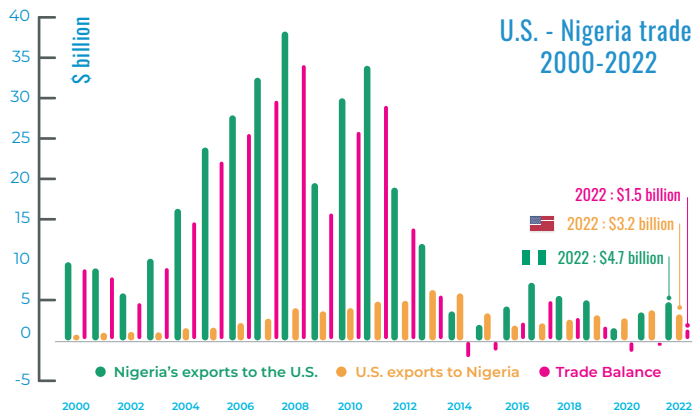
- Products must be the 'growth, product or manufacture' of one or more AGOA beneficiary countries, or if some imported / non-originating materials are used, the cost of local materials + direct cost of processing must equal at least **35% of the product's appraised value** at the US port of entry. Up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



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

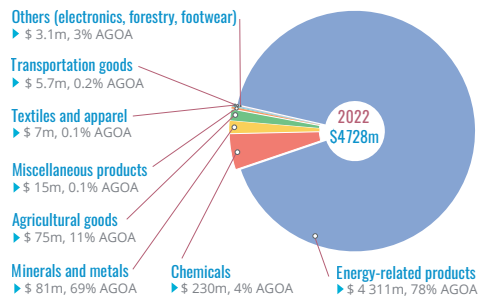
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Exports under AGOA	0	5,688	5,409	9,354	15,416	22,460	25,823	30,137	35,366	17,228	25,154	31,171	17,557	10,819	2,798	1,403	3,180	5,808	4,359	3,129	465	1,399	3,418
Exports under GSP	0.1	0.4	0.5	2.1	0.7	0.6	1.2	1	1.3	1.4	3.9	4.8	6.1	4.4	2.5	4.4	3.1	8.2	2.5	6.4	19	13	8
No preferences claimed	9,860	3,228	410	758	879	1,415	2,039	2,387	2,869	2,244	4,819	2,825	1,351	1,119	785	518	1,012	1,319	1,144	1,831	1,029	2,049	1,301
TOTAL country exports to US	9,680	8,917	5,820	10,114	16,295	23,876	27,863	32,525	38,237	19,474	29,977	34,001	18,914	11,942	3,586	1,925	4,916	7,135	5,505	4,967	1,514	3,463	4,728

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

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

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

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



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

U.S. destinations of Nigeria's exports, by district*

- Philadelphia, Pennsylvania - \$3.1b (+135%)
- Mineral oils, cocoa, cement
- New York, New York - \$1,075m (-19%)
- Mineral oils, organic chemicals, cocoa, vegetables
- New Orleans, Louisiana - \$181m (+225%)
- Fertilizers
- San Juan, Puerto Rico - \$104m (+86%)
- Mineral oils, residues from food industry
- Baltimore, Maryland - \$79m (+206%)
- Lead and articles thereof, coffee
- Houston-Galveston, Texas - \$44m (-62%)
- Fertilizers, precious metals / stones
- Tampa, Florida - \$33m (+110%)
- Mineral oils
- Boston, Massachusetts \$17m (+24%)
- Mineral oils

* Leading destinations by district of entry. Accounts for 98% of Nigeria's exports to the U.S. in 2022

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

Following a decline in 2020, Nigeria's exports to the United States have rebounded in 2021-2022 as a result of increasing crude oil exports. But apart from oil, various agricultural products (cocoa beans, bran, nuts, oil seeds etc.), fish (crustaceans), as well as a range of other products (e.g. unwrought lead, fertilizers, wigs etc.) are exported from Nigeria to the U.S.

Nigeria's imports from the U.S. are diverse and comprise manufactured, agricultural and capital goods, including motor vehicles and parts, wheat, gas, machinery, etc.

While few of Nigeria's exported products to the US are subject to U.S. import duties*, during 2022 US... importers paid \$1.7m in duties on imports from Nigeria, much of which related to certain crude oil (HTS 2709.00.20) that was not cleared under the relevant AGOA provisions, or where origin status was not established. Other products on which duties were levied include unwrought lead, synthetic fibers, sheep skins, certain milk products, certain textile articles, and others.

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).

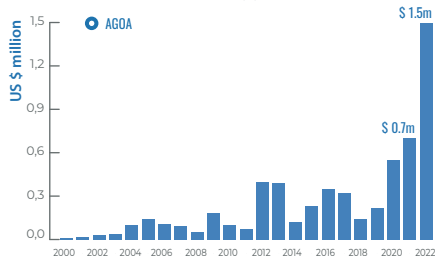
* Normal U.S. import duties (only when applicable to a product) are levied when local origin status of the preferential exporter country (through compliance with the relevant Rules of Origin) can not be demonstrated on importation.

SELECTION OF NIGERIA'S AGOA EXPORTS TO THE UNITED STATES SINCE 2000

Spices (HTS 0910)

2022: 1.5 million exports to the US (AGOA)

Nigeria exports a variety of spices to the U.S., with one third falling under AGOA preference while the remainder enters the U.S. duty-free under standard MFN provisions. Leading tariff lines within HTS0910 are whole ginger (making up approximately half of the total), and crushed or ground ginger, turmeric, as well as a variety of other spices. Since 2000, exports of whole ginger valued at \$41m have been shipped to the U.S.



Agricultural products combined (HTS Ch. 1-24)

2022: \$74 million exports to the US

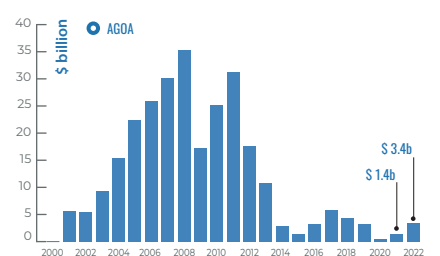
Exports of agricultural products account for a significant share of Nigeria's non-oil exports to the U.S. Nigeria exports a diverse number of agricultural products to the U.S., led by cocoa beans (\$16m in 2022), nuts (\$13m), plants used in perfumery (\$12m), cereals (\$7m). While most enter the U.S. duty-free on a MFN basis, \$7.4m worth of agricultural exports (representing 10% of the total) benefited from AGOA preferences in 2022.



Mineral oils (HTS Ch. 27)

2022: \$3.4 billion exports to the U.S.

The majority of Nigeria's US-bound exports comprise mineral oils (mostly crude oil under HTS 2709.00.20). The standard US tariff on this amounts to 10.5c/bbl. The value of oil trade between Nigeria and the US - most of which takes place under AGOA preference - is heavily impacted by global supply and demand patterns, and fluctuations in the commodity price of oil. During 2000-2022, Nigeria exported \$277b worth of oil to the US under AGOA.



SCAN CODE*

* Use your phone camera or any QR Reader App