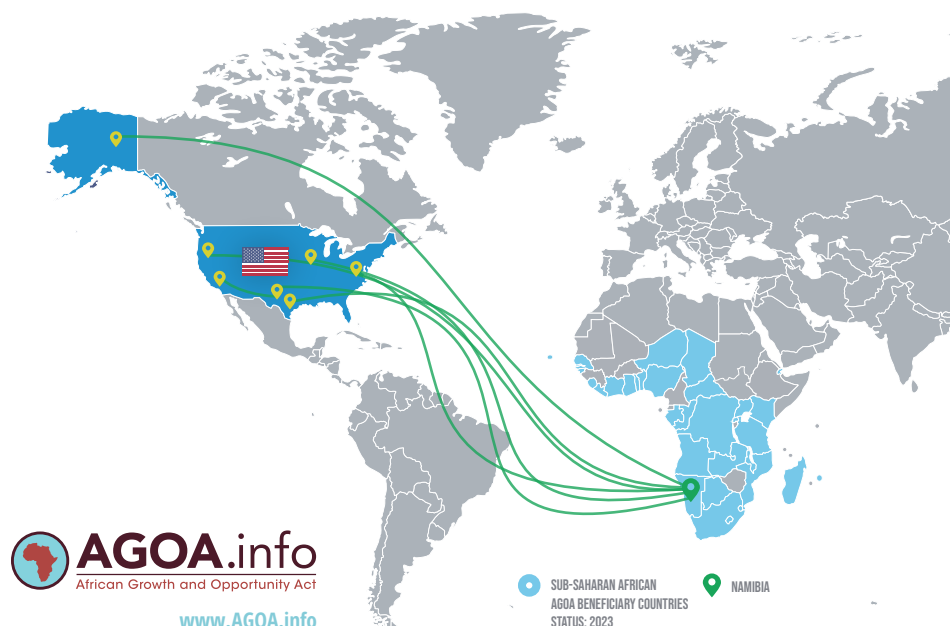
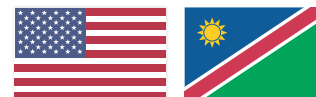


AGOA AND NAMIBIA

THE AFRICAN GROWTH AND OPPORTUNITY ACT



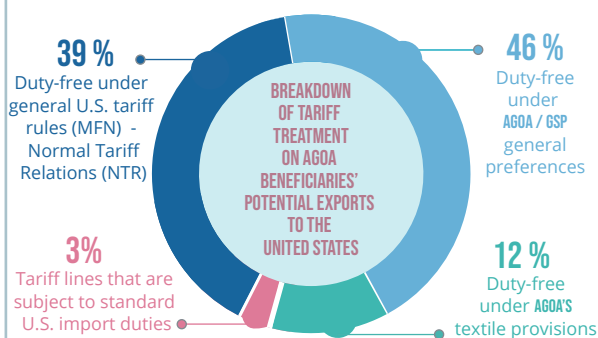
AGOA.info
African Growth and Opportunity Act
www.AGOA.info

Namibia 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 **Namibia** 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.

NAMIBIA'S PREFERENTIAL MARKET ACCESS TO THE UNITED STATES

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



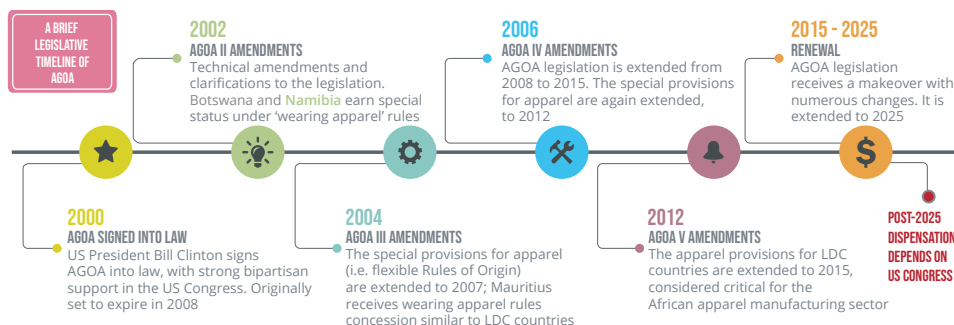
WHAT IS AGOA ?

- 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 **Namibia**, 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.
* **NAMIBIA QUALIFIED FOR THE 'THIRD COUNTRY FABRIC' PROVISION ON 3 DECEMBER 2001**
- Textiles (yarns, fabric of Chapters 50-60 and 63) from **Namibia** 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

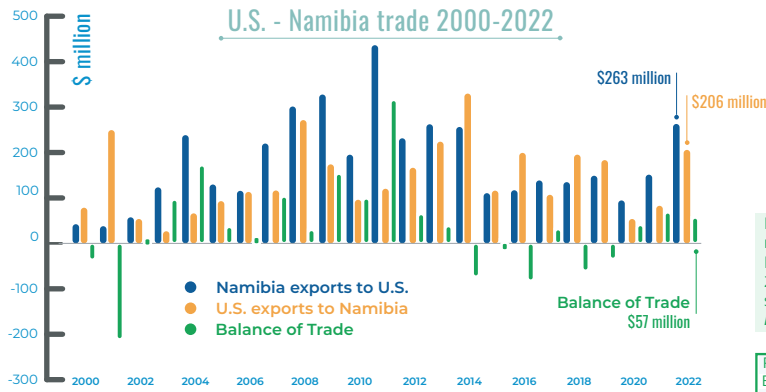
- Products must be the 'growth, product or manufacture' of one or more AGOA beneficiary countries, or if some imported / non-originating materials are used, the cost of local materials + direct cost of processing must equal at least **35% of the product's appraised value** at the US port of entry. Up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



Namibia'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	2	32	76	53	33	29	0	0	0	0	0.2	0.6	0.4	0	0	0	0.3	1.4	3.4	4.4	6.3
Exports under GSP*	0.2	0.1	0.2	14.6	85.3	0.2	0.2	3.2	3.4	1.6	0.7	134	1	0.6	0.4	0.2	1.5	2.3	1.4	3.2	5.9	5.7	3.2
No preferences claimed	42	38	56	77	77	76	82	188	298	326	194	302	230	262	256	110	116	136	133	145	85	141	253
TOTAL country exports to US	42	38	58	123	238	130	116	220	301	328	195	436	231	263	256	111	117	139	135	149	95	151	263

Data in \$ million. Source: USITC Dataweb database. Totals may not perfectly correspond due to rounding

Trade in goods between the U.S. and Namibia	2000	2021	2022
Namibia's exports to the United States	\$ 42m	\$ 151m	\$ 263m
United States exports to Namibia	\$ 79m	\$ 83m	\$ 206m
Balance of Trade (pos. value = in favour of Namibia)	-\$ 36m	\$ 69m	\$ 57m

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 Namibia | 2021-2022

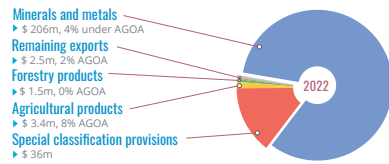
Namibia sources a range of mainly manufactured goods from the United States, as well as machinery and small quantities of frozen fish. This trade takes place on a non-preferential MFN basis, i.e. under normal trade relations. Following a sharp decline in overall trade in 2020, exports to the U.S. rebounded strongly over the past two years, resulting in a trade surplus in 2022 of \$ 57m (reversing the trade deficit of \$34m with the U.S. in 2019).

Leading U.S. exports to Namibia over the period 2021 - 2022 are listed below.

	2021	2022		2021	2022
Petroleum & coal products	\$0.1m	\$60m	Other fabricated metal products	\$8m	\$8m
Basic chemicals	\$12m	\$23m	Other general purpose machinery	\$2m	\$6m
Ag and construction machinery	\$12m	\$19m	Iron, steel & ferroalloy	\$0.3m	\$6m
Aerospace products & parts	\$8m	\$13m	Fish & other marine products	\$1.2m	\$5.8m

Leading exports from Namibia to the United States in 2022, by category

% values denote share that entered the U.S. under AGOA in 2022. Remaining trade is mostly duty-free



NAMIBIA AGOA STRATEGY

In April 2021, Namibia launched its own National AGOA Utilization Strategy, facilitated by the USAID TradeHub, covering the period through 2025. It can be accessed at the following web link: bit.ly/namibia-strategy

Get the Strategy



The United States authorises imports of Namibian beef

On 20 September 2016, Namibia became the first (and currently only) African country to receive authorization from the U.S. Department of Agriculture to export raw beef / veal to the U.S. This follows a lengthy application and audit process underway since 2002. This authorization is subject to ongoing monitoring and certain conditions, as well as further inspection at the U.S. port of entry. In 2020, Namibia finally exported its first shipments of beef (meat of bovine animals, frozen), worth \$2.7m, to the United States, accounting for almost 90% of Namibia's agricultural product exports to the U.S. in that year.

Also read: bit.ly/namibia-first-beef

More info: <https://agoa.info/profiles/namibia.html>

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

Namibia's exports to the US have fluctuated in recent years, but grew to a 8-year high in 2022, driven by mainly as a result exports of non-industrial diamonds. The country's exports are highly concentrated in natural resources, led by diamonds. Exports of building/monumental stone to the US (2022: \$9m) have also increased rapidly over the past two years and is mostly covered by AGOA preferential status.

Namibia's exports to the US in 2022 were worth \$263 million vs. \$206m in imports, showing rapid growth after a significant downturn during the Covid-19 period.

Namibia's main imports from the US comprise chemical products, rubber tyres, equipment and parts for pipes, machinery and parts, and aircraft parts.

Overall, very few of Namibia's exports attract US import duties; most are duty-free under general trade, or benefit from GSP / AGOA preferences.

Obtaining preferential entry into the US depends not only on the AGOA status of a product, but complying with the Rules of Origin criteria. U.S. imports from Namibia overall attracted less than half the US import duty in 2022 compared to 20 years previously, when AGOA preferences first became available (2000).

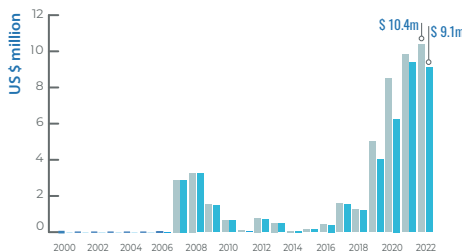
* Normal U.S. import duties (only when applicable to a product) are levied when local origin status of the preferential exporter country (through compliance with the relevant Rules of Origin) can not be demonstrated on importation.

SUCCESS UNDER AGOA: SOME OF NAMIBIA'S PRODUCT EXPORTS TO THE UNITED STATES

Monumental / Building stone (HTS 6802)

2022: \$10.4 million exports to the U.S.

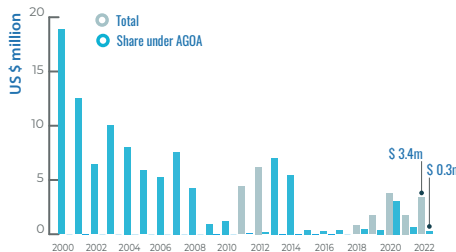
Namibia's US-bound exports of monumental / building stone have been growing steadily over the past few years. This classification category includes marble and granite stone and tiles. 89% of exports under this heading entered the U.S. duty-free under AGOA/GSP preferences; standard tariffs would have been in the range of 3-6% according to the U.S. tariff schedule.



Agricultural products (HTS Ch. 1-24)

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

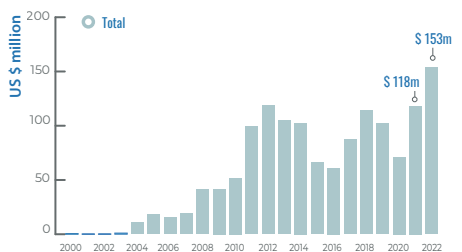
Since 2000, Namibia has exported 'agricultural' worth \$117m in to the U.S. Recent trade included some beef, having received special authorization under strict U.S. protocols relating to such imports. These accounted for exports worth \$ 2.7m in 2020. In the early 2000s, most exports consisted of frozen fish fillets (hake); prior exports include parts of plants used in the pharmaceutical industry.



Diamonds - not mounted (HTS 7102)

2022: \$114 million exports to the U.S.

Diamonds represent the bulk of Namibia's exports to the U.S. by value, having risen rapidly until 2012 and maintaining significant levels since then. During 2000-2022, Namibia has exported over \$1.4 billion worth of diamonds to the U.S., peaking in 2022. Most consist of worked / processed (and to a lesser extent: unworked) non-industrial diamonds.



* Use your phone camera or any QR Reader App



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