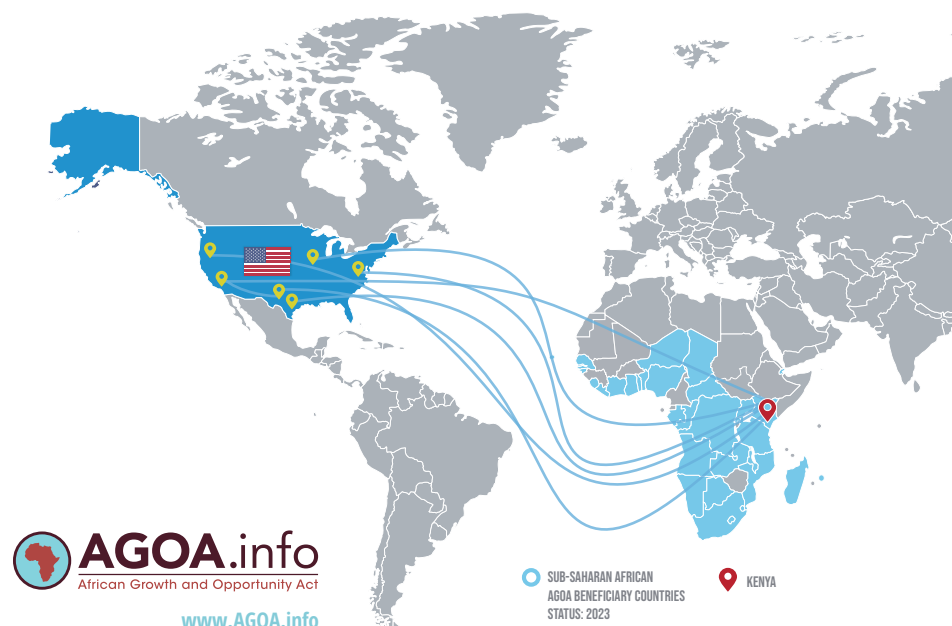


# AGOA AND KENYA

## THE AFRICAN GROWTH AND OPPORTUNITY ACT

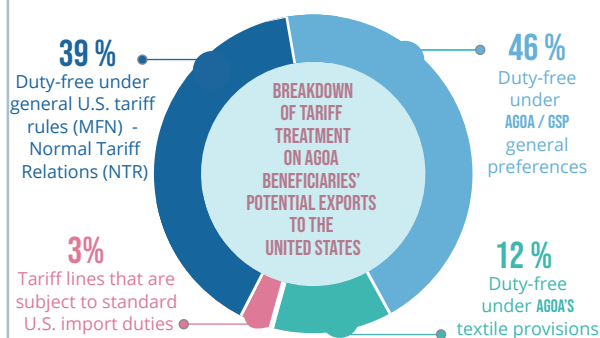


Kenya is one of currently 35 Sub-Saharan African countries that benefit from preferential access to the United States market under the African Growth and Opportunity Act (AGOA), which grants +- 6,700 products duty-free status.

United States importers of products made in Kenya 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.

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

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



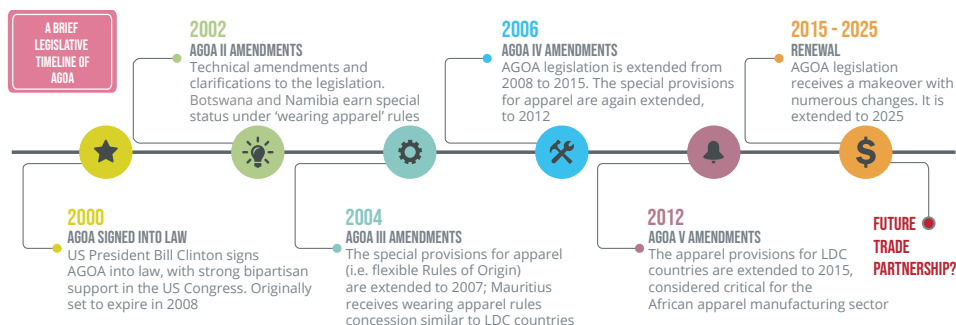
### WHAT IS AGOA ?

- 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 Kenya, 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)  
\*\* Kenya is the leading exporter of apparel under AGOA preference

### 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.  
\* KENYA QUALIFIED FOR THE 'THIRD COUNTRY FABRIC' PROVISION ON 18 JANUARY 2001
- Textiles (yarns, fabric of Chapters 50-60 and 63) from Kenya 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 KENYA SINCE THE START OF AGOA PREFERENCES IN 2000



Kenya'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	55	124	181	280	272	265	250	252	205	221	288	288	337	417	428	391	403	467	512	428	517	603
Exports under GSP*	4	4	5	4	7	6	8	5	3	3	5	4	5	6	6	6	5	5	4	6	8	6	7
No preferences claimed	105	70	60	65	65	69	80	71	87	72	86	88	97	91	168	139	157	164	173	149	133	163	282
TOTAL country exports to US	109	129	189	249	352	348	353	326	344	280	311	381	390	433	591	573	553	572	645	667	569	686	892

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

Trade in goods between the U.S. and KENYA	2000	2021	2022
Kenya's exports to the United States	\$ 235m	\$ 685m	\$ 892m
United States exports to Kenya	\$ 109m	\$ 526m	\$ 555m
Balance of Trade (pos. values = in favour of Kenya)	\$ 126m	\$ 159m	\$ 337m

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 Kenya | 2021-2022

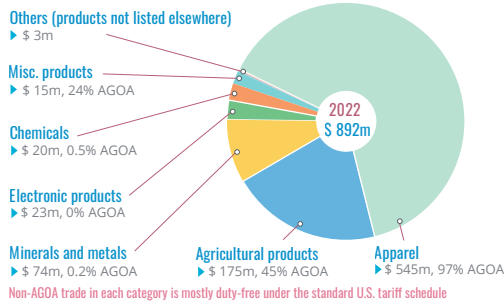
Petroleum gases along with civilian aircraft (incl. parts, engines) accounted for a significant share of U.S. exports to Kenya in 2022. Pharmaceuticals are the third largest category, albeit at lower levels than in 2021. A diverse range of mainly industrial goods account for much of the remaining trade, although exports of agricultural goods are also traded in significant quantities, including dried leguminous vegetables, dairy products, vegetable fats and seeds. The leading U.S. exports to Kenya over the period 2021 - 2022 are listed below.

	2021	2022		2021	2022
Oil & gas	\$137m	\$221m	Paper and mill products	\$14m	\$20m
Aerospace products & parts	\$39m	\$69m	Resin, synthetic rubber etc.	\$10m	\$19m
Pharmaceuticals	\$72m	\$34m	Dairy products	\$0.1m	\$17m
Oilseeds & grains	\$44m	\$21m	Basic chemicals	\$7m	\$13m

## Breakdown of Kenya's exports to the United States in 2022, by sector

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

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



### U.S. destinations of Kenya's exports, by district\*

New York, New York - \$226m (+52%)  
Apparel, nuts  
Savannah, Georgia - \$166m (+30%)  
Apparel, nuts, coffee, tea, articles of iron or steel  
Houston-Galveston, Texas - \$149m (+19%)  
Apparel, electrical articles, coffee  
New Orleans, Louisiana - \$86m (+97%)  
Apparel  
Charleston, South Carolina - \$45m (+5%)  
Ores, coffee, apparel  
Los Angeles, California - \$23m (+8%)  
Essential oils / cosmetics, nuts  
San Francisco, California - \$20m (-8%)  
Nuts, coffee  
Cleveland, Ohio - \$9m (+33%)  
Apparel

\* Leading destinations by district of entry. Accounts for 90% of Kenya's exports to the U.S. in 2022

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

Kenya's exports to the United States have risen steadily over the past two decades, reaching their highest ever level of \$892m in 2022 (+30% over 2021). This performance has been largely driven by strong growth in apparel trade, underpinned by favourable AGOA Rules of Origin criteria, which continues to represent the country's most important export category to the U.S.

Over the past seven years, Kenya has enjoyed a surplus in its two-way trade with the U.S.; in 2022 the country's trade surplus with the US was \$337m.

Kenya's imports from the US are diverse, and include petroleum gases, manufactured goods (such as civilian aircraft and parts, steam boilers), chemicals and food products.

Very few of Kenya's products (exported to the US) are subject to US import duties\*; in 2022 U.S. importers paid \$5.6m in duties on \$892m worth of Kenyan imports (of which \$43m were dutiable), compared with \$ 8m in 2000 on \$235m worth of imports. In 2022, some duties were paid on certain imports of apparel, steel, fats and oils, edible fruit and some other categories; obtaining preferential entry into the U.S. always depends not only on the AGOA status of a product, but also on compliance with the Rules of Origin criteria (see Page 1).

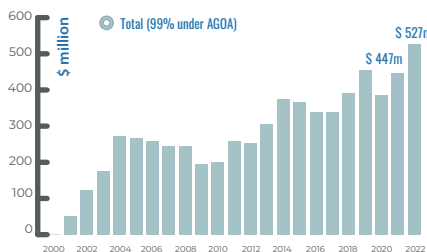
\* Normal U.S. import duties (only when applicable to a product) are levied when local origin status of the preferential exporter country (through compliance with the relevant Rules of Origin) can not be demonstrated on importation.

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

### Wearing apparel (HTS Ch. 61 + 62)

#### 2022: \$527 million exports under AGOA

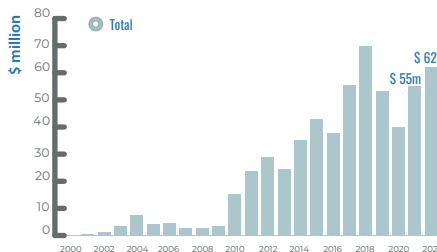
Kenya's garment manufacturing sector benefits significantly from AGOA. Since 2000, Kenya has exported \$6.5 billion worth of garments to the United States duty-free under AGOA. Kenya is also the largest garment exporter under AGOA, well ahead of Lesotho, and with higher US exports than Mauritius and Madagascar combined.



### Nuts (HTS 08.02)

#### 2022: \$62 million exports under AGOA

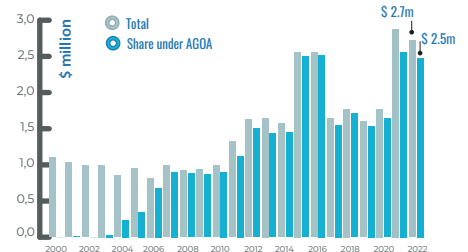
Kenya's exports of nuts to the United States have been an important AGOA success story. Between 2000 and 2022, Kenya has exported nuts worth \$ 577million to the U.S. duty-free under AGOA. Most exports comprise macadamia nuts, which would be subject to an import duty of (U.S.) 5c/kg under normal trade relations. In 2022, Kenya supplied 34% of the U.S.' global imports of macadamia nuts (of HTS 080261 / HTS 080262).



### 'Artificial flies' (HTS 95.079070)

#### 2022: \$2.5 million exports under AGOA

Kenya has carved out a specialised niche export category in artificial flies (used in the sport of fly-fishing). During 2000-2022, Kenya exported artificial flies worth \$34 million to the US, mostly duty-free under AGOA. Small quantities are also shipped from other AGOA beneficiaries; Kenya however accounted for 94% of total exports of artificial flies from AGOA beneficiaries in 2022.



KENYA AGOA News

KENYA AGOA Trade Data

US Tariff Schedule and HTS Lookup

AGOA FAQ on AGOA.info

Kenya Revenue Authority

Kenya Assoc. of Manufacturers

Follow US-Kenya STIP negotiations

US Embassy in Kenya

List your business AGOA BUSINESS CONNECTOR  
agoa.info/connect

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



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