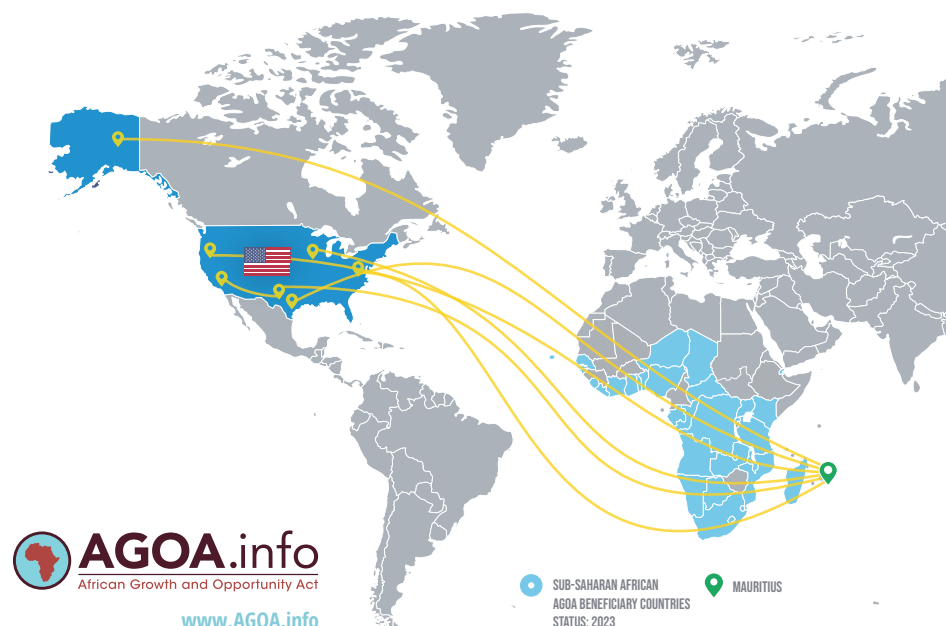


AGOA AND MAURITIUS

THE AFRICAN GROWTH AND OPPORTUNITY ACT



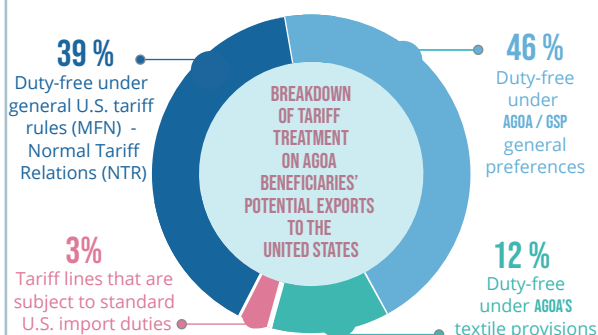
AGOA.info
African Growth and Opportunity Act
www.AGOA.info

Mauritius 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 **Mauritius** are able to 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.

MAURITIUS' PREFERENTIAL MARKET ACCESS TO THE UNITED STATES

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



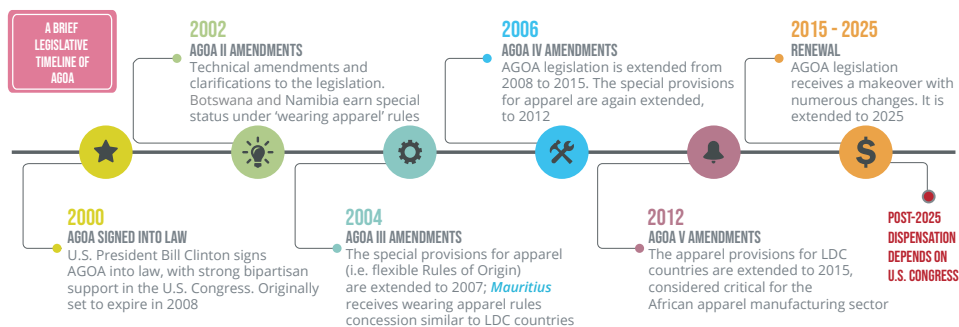
WHAT IS AGOA ?

- 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 **Mauritius**, 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.
* MAURITIUS QUALIFIED FOR THE THIRD COUNTRY FABRIC PROVISIONS IN 2004
- Textiles (yarns, fabric of Chapters 50-60, and 63) from **Mauritius** or any other AGOA 'lesser developed beneficiary country' also qualify under AGOA provided that they are wholly produced from local fibres, yarns, fabrics, or components knit-to-shape in such countries.

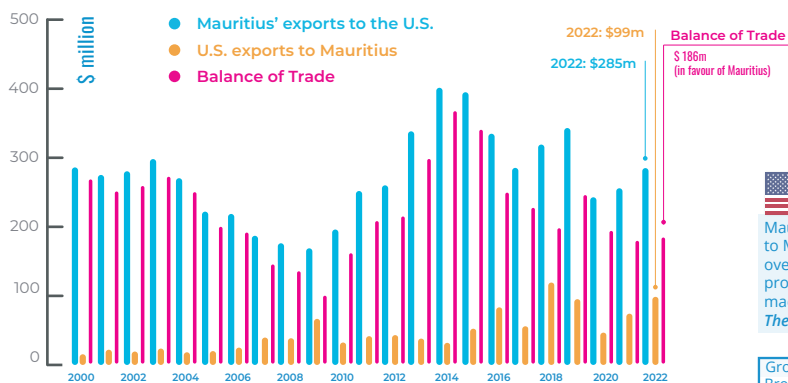
AGOA RULES OF ORIGIN: OTHERS PRODUCTS

- 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 U.S. 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 MAURITIUS SINCE THE START OF AGOA PREFERENCES IN 2000



Trade in goods between the US and Mauritius	2000	2021	2022
Mauritius' exports to the United States	\$286m	\$256m	\$285m
United States exports to Mauritius	\$15.5m	\$74m	\$99m
Balance of Trade (pos. values = in favour of Mauritius)	\$271m	\$182m	\$186m

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 Mauritius | 2021-2022

Mauritius enjoys a sizeable trade surplus in its goods trade with the United States. U.S. exports to Mauritius have increased in recent years and reached \$99m in 2022, its second-highest level over the past two decades. Exports comprise mainly mineral products (magnesite, used in the production of fertilizer, synthetic rubber and magnesium chemicals). Other exports include machinery and equipment, computers and other manufactured goods and technology items. The leading U.S. exports to Madagascar over the period 2021 - 2022 are listed in the table below.

	2021	2022		2021	2022
Ground minerals (magnesite etc.)	\$39m	\$53m	Computers	\$1.78m	\$3.8m
Broadcast and wireless equip.	\$0.8m	\$8.1m	Construction machinery	\$0.7m	\$2.6m
Mining machinery	\$0.5m	\$6.2m	Tools	\$0.5m	\$1.0m
Other special class. provs.	\$4.7m	\$4.5m	Farm machinery	\$1.3m	\$1.0m

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

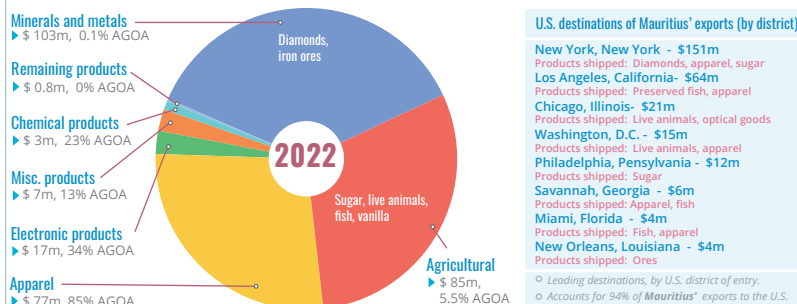
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Exports under AGOA	0	39	107	135	148	147	146	112	97	99	118	156	160	188	218	207	188	141	144	129	77	61	70
Exports under GSP*	10	15	8	8	13	6	12	8	5	4	11	13	15	11	9	11	13	18	13	15	14	6	4
No preferences claimed	276	221	166	155	110	69	61	67	74	66	67	83	85	139	175	177	134	126	161	199	152	189	211
TOTAL country exports to U.S.	286	275	280	298	270	222	219	187	176	169	196	252	260	338	401	395	335	285	319	343	243	256	285

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

Mauritius' exports to the United States in 2022 | leading products

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

The graphic below provides an overview of the sectoral spread of Mauritius' exports to the United States during Year 2022



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

Overview: Mauritius' duty-free exports to the United States

Mauritius has taken advantage of the trade preferences offered by AGOA mainly for its apparel manufacturing sector, which is able to access the U.S. market on a duty-free basis, with 85% of all textile and apparel category goods utilizing AGOA preferences. Other products benefiting from these preferences include leather products, sugar, eyewear and frames, jewelry and paints.

Mauritius' exports to the U.S. during 2022 were worth \$285 million, exceeding imports from the U.S. almost three-fold (\$99 million).

Mauritius' imports from the US comprise mainly mineral products (magnesite), with the remainder consisting of machinery and manufactured goods.

Few products shipped to the U.S. are subject to U.S. import duties; the rest qualify under AGOA, or are duty-free under the general U.S. tariff schedule. In 2022, importers of goods from Mauritius were subject to \$2.4m duties (compared with year 2000: \$44m), on the remaining \$63m worth of dutiable trade.

Goods classified as AGOA eligible qualify for duty-free import into the United States only when they meet the Rules of Origin provisions* (35% local content for non-textile goods).

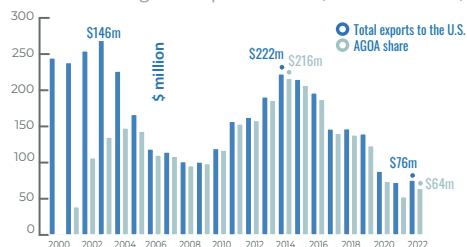
* Normal U.S. import duties (only when applicable to a product) are levied when local origin status of the preferential exporter country (through compliance with the relevant Rules of Origin) can not be demonstrated on importation.

SELECTION OF MAURITIUS' EXPORTS TO THE UNITED STATES SINCE 2000

Apparel (HTS Ch. 61 + 62)

2022: \$76 million in exports to the U.S.

Mauritius has exported \$3.8 billion in apparel to the U.S. since 2000. Following a downturn in 2005, when global quotas were largely abolished under the Multifiber Agreement leading to greater U.S. sourcing from China and elsewhere, exports recovered strongly, albeit have declined subsequently. During 2022, 85% of Mauritius' apparel exports claimed duty-free status in the U.S. using AGOA preferences (74% since 2000).



Fish (HTS Chapter 3 & HTS 1604)

2022: \$40 million exports to the US

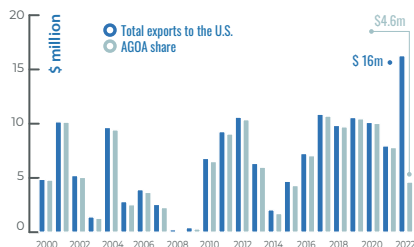
Mauritius has been a prolific exporter of fish and related marine products for the past two decades. Most trade takes place in HTS 1604 (prepared or preserved fish), and the majority in duty-free categories under the general U.S. tariff schedule provisions. A spike in AGOA-eligible exports occurred in 2006, when \$35m worth of tuna in bulk containers were exported under AGOA (HTS1604.14.40)



Sugar products (HTS Ch. 17)

2022: \$16 million exports to the US

2022 saw Mauritius' highest level of sugar product exports to the U.S., following a \$10m jump in exports of cane sugar (in solid form) from the previous year. Since 2000 most trade has been in duty-free categories, with 90% of exports since then (\$138m of \$154m) eligible for AGOA/GSP preferences.



* Use any QR Reader App