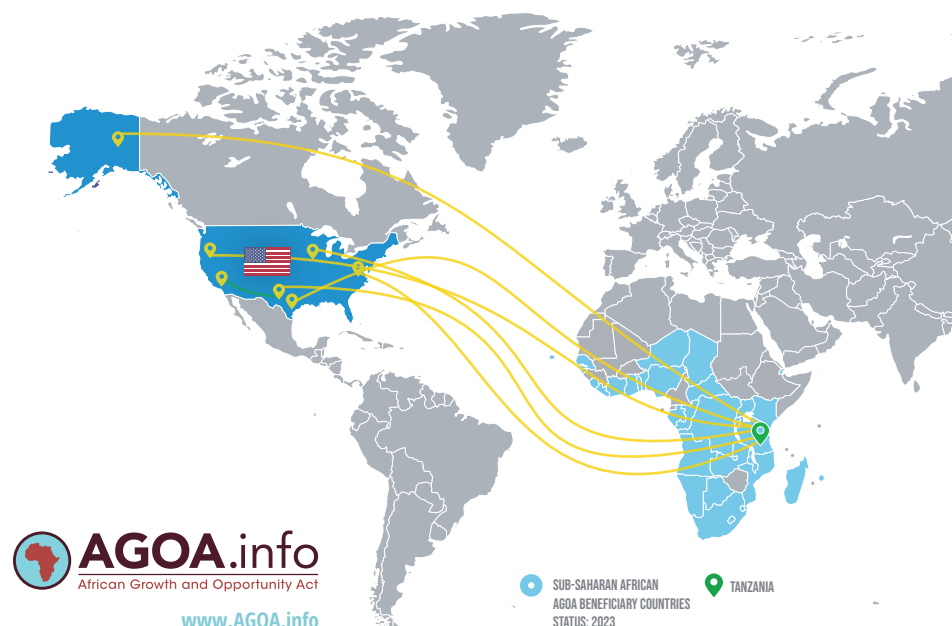


AGOA AND TANZANIA

THE AFRICAN GROWTH AND OPPORTUNITY ACT

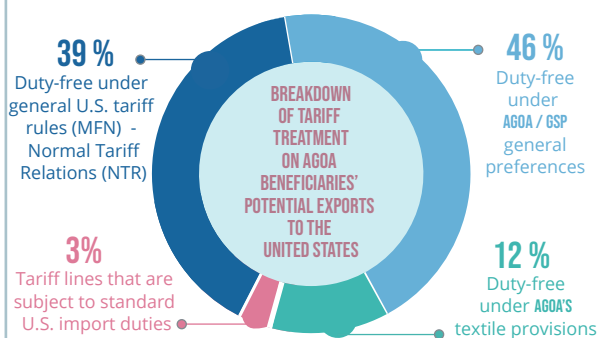


Tanzania is one of currently 35 Sub-Saharan African countries that benefit from preferential access to the United States market under the African Growth and Opportunity Act (AGOA), which grants +/- 6,700 products duty-free status.

United States importers of products that are made in **Tanzania** are able to import these goods duty-free, enhancing 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.

TANZANIA'S PREFERENTIAL MARKET ACCESS TO THE UNITED STATES

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



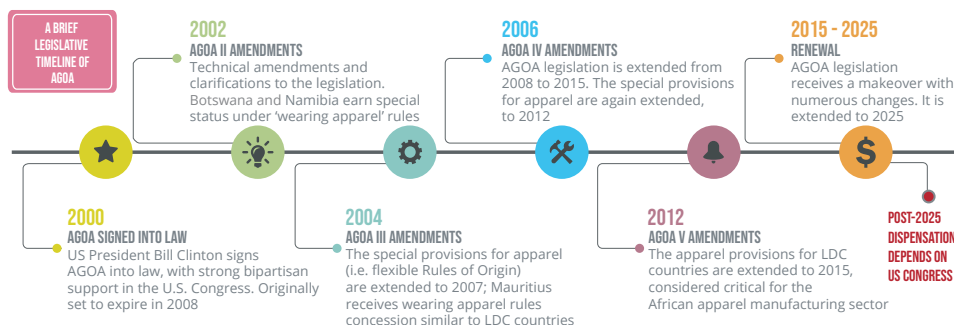
WHAT IS AGOA ?

- 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 **Tanzania**, 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.
* TANZANIA QUALIFIED FOR THE AGOA WEARING APPAREL PROVISIONS ON 04 FEBRUARY 2002
- Textiles (yarns, fabric of Chapters 50-60, and 63) from **Tanzania** 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.

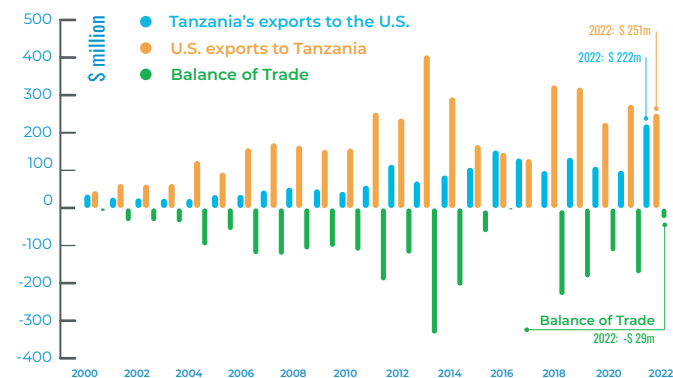
AGOA RULES OF ORIGIN: OTHERS PRODUCTS

- 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 TANZANIA SINCE THE START OF AGOA PREFERENCES IN 2000



Tanzania'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	0.02	0.64	1.11	2.98	2.81	3.02	2.81	1.53	1.01	1.85	5.13	10.45	10.36	17.49	28.17	37	40.5	42.4	52	39.6	32.8	74.5
Exports under GSP*	1.39	0.89	0.65	0.46	0.62	0.98	0.67	1.7	0.52	0.85	0.27	0.62	1.4	0.63	0.79	0.43	0.5	0.3	0.4	3.4	0.6	0.2	0.3
No preferences claimed	33.9	26.33	24.05	22.67	20.22	30.27	30.87	41.67	51.75	47.51	40.7	53.2	103	59.34	67.93	78.09	115.2	90.6	55.2	77.5	69.1	64.8	147
TOTAL country exports to U.S.	35	27	25	24	24	34	35	46	54	49	43	59	115	70	86	107	153	132	98	133	110	99	222

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 Tanzania	2000	2021	2022
Tanzania's exports to the United States	\$35m	\$99m	\$222m
United States exports to Tanzania	\$45m	\$274m	\$251m
Balance of Trade (neg. values = in favour of the U.S.)	-\$10m	-\$175m	-\$29m

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 Tanzania | 2021-2022

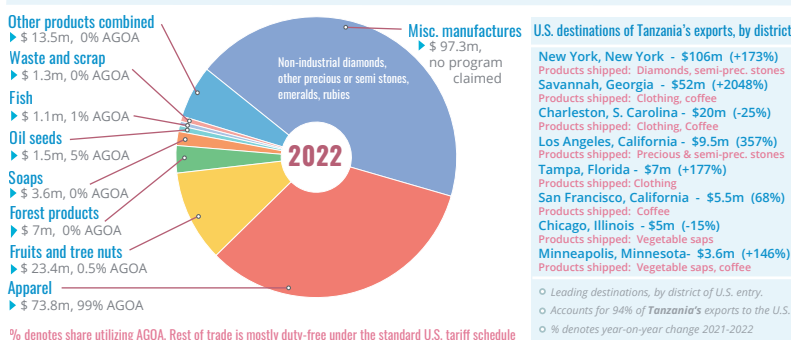
The United States has been a consistent net exporter to Tanzania over the past two decades. Two-way trade between the United States and Tanzania has grown 8-fold between 2000 and 2022, with U.S. exports to Tanzania dominated by oil and gas since 2000, has resulted in a trade surplus in favour of Rwanda. Other U.S. exports comprise mainly pharmaceuticals and medicines, machinery, aircraft parts and various other capital and manufactured goods. The leading U.S. exports to Tanzania over the period 2021 - 2022 are listed in the table below.

	2021	2022		2021	2022
Oil and gas	\$166m	\$102m	Special classification provisions	\$8.8m	\$9.5m
Pharmaceuticals and medicines	\$23m	\$27m	Paper products	\$6.8m	\$7.1m
Machinery	\$9m	\$23m	Used or second-hand merchandise	\$6.0m	\$6.9m
Aviation products	\$2.4m	\$10.1m	Other general purpose machinery	\$2.7m	\$6.3m

Tanzania's exports to the United States in 2022 | leading products

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

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



Overview: Tanzania's trade with the United States

While Tanzania's exports to the U.S. have increased considerably since 2000, the country recorded a trade deficit with the U.S. in most years. Over this period, two-way trade increased from \$80m to \$473m (2022).

Apparel has been Tanzania's most important export over the past decade, more than doubling in value between 2021 and 2022. Of this, 99% entered the U.S. under AGOA preference, with t-shirts (HTS 6109) being the largest sub-category.

Very few of Tanzania's exports are subject to US import duties*; the rest qualify for GSP / AGOA, or are duty-free under standard trade terms.

During 2022, import duties of \$138,000 were due on \$3.5m in dutiable trade (this represents 4% on dutiable trade, and effectively 0.06% on total U.S. exports).

Two thirds of Tanzania's U.S. exports took place on a non-preferential basis, with only relatively few of those products being subject to U.S. import duties. Diamonds and semi-precious stones together accounted for the bulk of general U.S. exports (44%).

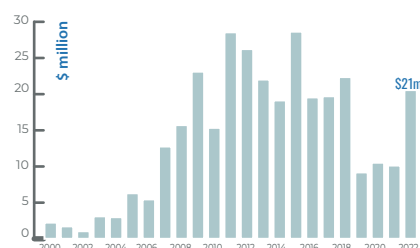
* Normal U.S. import duties (only when applicable to a product) are levied when local origin status of the preferential exporter country (through compliance with the relevant Rules of Origin) can not be demonstrated on importation.

SELECTION OF TANZANIA'S EXPORTS TO THE UNITED STATES SINCE 2000

Coffee (HTS 0901)

2022: \$21 million exports to the U.S.

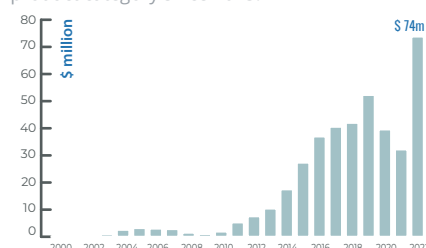
Tanzania has significantly increased its exports of coffee to the US over the past two decades. During the 2000 - 2022 period, coffee worth \$326 million was shipped to the U.S. and has become the most important agricultural export to the U.S. Coffee, contributing over 50% to the total. Coffee is however duty-free under standard US tariffs.



Wearing apparel (HTS Ch. 61 + 62)

2022: \$74 million exports under AGOA

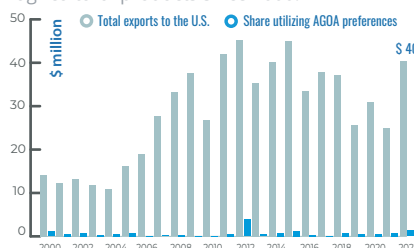
Tanzania's garment manufacturing sector is the largest AGOA beneficiary in the country. Between 2000 and 2022, Tanzania exported \$402 million worth of garments to the US duty-free under AGOA, with strong AGOA-led export growth since particularly 2011. While knitwear exports (Ch. 61) exceed wovens (Ch. 62), there has been strong growth in the latter product category since 2015.



Agricultural exports (HTS Ch. 1-24)

2022: \$40 million exports to the U.S.

While coffee remains the largest contributor to Tanzania's agricultural exports to the U.S. in 2022, other U.S. exports include cashew nuts, vegetable saps, beeswax, seaweed products, vanilla, tea and cocoa beans. AGOA exports have included natural honey and tobacco and comprise 2.5% of the total of \$660m in agricultural products since 2000.



SCAN CODE*

* Use any QR Reader App

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