

READOUT

AGOA Ministerial Forum

“Beyond 2025: Reimagining AGOA for an Inclusive, Sustainable and Prosperous Tomorrow”

July 25, 2024

Washington, DC

9:40 – 9:45 am **Readout from AGOA Private Sector Forum**

The AGOA Private Sector Forum convened on July 24 in Washington with more than 800 delegates participating in person and online. The Forum welcomed the high-level participation from both the U.S. Government and the African Union, with in-person welcoming remarks from Secretary of State Blinken, USTR Amb. Tai, AU Commissioner Muchanga, South African Minister of Trade, Industry and Competition Tau and Deputy Secretary of Commerce Graves.

Private sector representatives welcomed the strong support the U.S. Government officials conveyed from President Biden and the U.S. administration for the renewal of AGOA.

Sessions at the forum included:

- **“AGOA Renewal: Setting the Stage for the Next Phase of U.S.-African Economic Partnership.”**
- **“Scaling to Success: Building Stronger Partnerships in Textiles, Automotives and Agribusiness.”**
- **“Beyond AGOA” and “Recommendations for the Future of U.S.-African Trade and Investment.”**

Private sector representatives agreed that renewing AGOA is an important way to support the development of the African Continental Free Trade agreement (AfCFTA). Although only three years old, AfCFTA is already having important

impacts in creating regional and continental value chains, and AGOA is well placed to deepen U.S.-Africa trade ties and lead to greater U.S. investment. The private sector also welcomed Commissioner Muchanga's charge to offer specific recommendations for African governments to facilitate more U.S. trade with and investment in African nations.

- The most important recommendation is for Congress to renew AGOA as soon as possible, certainly in 2024, and for as long as possible (such as 16 or 20 years).
- AGOA would be even more effective if it allows for cumulation of AfCFTA signatories (including North Africans) for the purposes of meeting AGOA rules of origin, as this will reflect the Continental scope of AfCFTA.
- It would be helpful to reduce uncertainty, improve predictability, and incentivize more U.S. trade and investment specifically by changing the annual review period to once every two or three years. It would also help to remove uncertainty by addressing graduation issues to avoid punishing countries for success.
- The U.S. and African Governments can support greater inclusion by companies in a broader range of sectors and smaller companies by helping African companies better understand the specific U.S. market requirements, including SPS standards and how to meet them. Noting that African governments that have developed AGOA utilization strategies have helped their companies be more successful, African governments should consider updating or creating strategies.
- African regional economic communities should also consider developing regional AGOA utilization strategies, recognizing the opportunity to develop regional value chains. There are also opportunities for Africa to develop sectoral AGOA strategies that could better support the development of their priority sectors like automotive, agribusiness, pharmaceuticals and transportation.
- The United States should not make access to AGOA more complex than it already is by adding new eligibility requirements.

- While suggestions to strengthen AGOA utilization and African industrialization are very welcome and appropriate, it will be important to work with the private sector to get the sequence right. Specifically on textiles and apparel, there is an opportunity to support the creation of a domestic fabric supply chain, but only after the African apparel manufacturing sector grows significantly larger. Therefore, the AGOA Private Sector Forum recommends against any elimination of AGOA's third country fabric provisions.

There are significant opportunities for the U.S. Government to support Africa's AGOA exports and industrialization in ways that would deepen trade and investment ties in both directions. The U.S. could consider adopting restrictions on used car exports, for instance, that would support the development of Africa's automotive sector, particularly if the U.S. offered greater engagement to promote adoption of U.S. standards on Africa.

- The U.S. and Africa should pursue partnerships beyond the specific confines of AGOA, including taking the time to develop reciprocal partnerships to develop sectors like critical minerals and ICT. Developing these sectors will bolster opportunities under both AGOA and AfCFTA but should not complicate the renewal of AGOA.
- The U.S. can also support stronger trade and investment ties through efforts beyond AGOA, including facilitating greater access to trade financing and equity investment, including working with African institutions like Afreximbank.
- The AGOA Private Sector Forum calls on representatives of the U.S. and African Governments to meet with your partners – the private sector and civil society/labor – to follow up strategically from this year's AGOA Forum to work together to renew AGOA with appropriate enhancements as soon as possible and for as long as possible.