

US-Africa duty-free programme needs changes -US trade official

By <u>Joe Bavier</u> 27 Oct 2023

The United States should make changes to its flagship trade initiative with Africa that would increase its impact as part of a potential reauthorisation by Congress, a senior US trade official said on Thursday, 26 October.



Source: Reuters.

Launched in 2000, the African Growth and Opportunity Act (Agoa) grants exports from qualifying countries duty free access to the US market. It is set to expire in September 2025, but discussions are already under way over whether to extend it and for how long.

"We need to do better," assistant United States trade representative for African affairs, Constance Hamilton told a media briefing ahead of a meeting of US officials and African trade ministers in South Africa next week.

"Some countries have benefited greatly from Agoa, but the majority have not," she said.

A research report requested by US lawmakers and published earlier this year found that Agoa had helped reduce poverty and create jobs in certain countries, particularly for women.

But over three quarters of duty-free non-petroleum exports to the United States under the programme during 2014 to 2021 came from just five countries: South Africa, Kenya, Lesotho, Madagascar and Ethiopia.

African governments and industry groups are pushing for an early 10-year extension without changes in order to reassure business and new investors who might have concerns over Agoa's future.

Such a reauthorisation is also supported by some in Congress, who worry that revising the programme could delay or derail its renewal.

A bipartisan group of 13 senators headed by Democrat Chris Coons and Republican Tim Scott wrote to the Senate leadership on Thursday, 26 October, urging it to make Agoa a legislative priority.

"While there are aspects of Agoa that Congress should seek to improve, we believe the priority should be renewing the programme as soon as possible and for a lengthy period," they said in their letter.

Republican Senator John Kennedy last month proposed a 20-year extension of Agoa without changes, stating that it would play a key role in deterring "China's growing influence throughout the region".

Hamilton, however, said the Office of the US Trade Representative hoped Congress would look at measures "to make the programme more impactful" without giving further details.

"Not trying to change the programme and make it better is a wasted opportunity," she said.

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