

African Growth & Opportunity Act

BACKGROUND

The African Growth and Opportunity Act (AGOA) www.agoa.gov was signed into law on May 18, 2000 as Title 1 of The Trade and Development Act of 2000. The Act offers tangible incentives for African countries to continue their efforts to open their economies and build free markets. President Bush signed amendments to AGOA, also known as AGOA II, into law on August 6, 2002 as Sec. 3108 of the Trade Act of 2002. AGOA II substantially expands preferential access for imports from beneficiary Sub-Saharan African countries.

By modifying certain provisions of the African Growth and Opportunity Act (AGOA), the AGOA Acceleration Act of 2004 (AGOA III, signed by President Bush on July 12, 2004) extends preferential access for imports from beneficiary Sub Saharan African countries until September 30, 2015; extends third country fabric provision for three years, from September 2004 until September 2007; and provides additional Congressional guidance to the Administration on how to administer the textile provisions of the bill.

AGOA provides reforming African countries with the most liberal access to the U.S. market available to any country or region with which the United States does not have a Free Trade Agreement. It supports U.S. business by encouraging reform of Africa's economic and commercial regimes, which will build stronger markets and more effective partners for U.S. firms.

AGOA expands the list of products which eligible Sub-Saharan African countries may export to the United States subject to zero import duty under the Generalized System of Preferences (GSP). While general GSP covers approximately 4,600 items, AGOA GSP applies to more than 6,400 items. AGOA GSP provisions are in effect until September 30, 2015.

AGOA can change the course of trade relations between Africa and the United States for the long term, while helping millions of African families find opportunities to build prosperity:

- By reinforcing African reform efforts;
- By providing improved access to U.S. technical expertise, credit, and markets; and
- By establishing a high-level dialogue on trade and investment.

Since its implementation, AGOA has encouraged substantial new investments, trade, and job creation in Africa. It has helped to promote Sub-Saharan Africa's integration into the multilateral trading system and a more active role in global trade negotiations. It has also contributed to economic and commercial reforms which make African countries more attractive commercial partners for U.S. companies.

Source: www.agoa.gov