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## Before the Office of the U.S. Trade Representative

Docket No. USTR\_FRDOC\_0001

### Request for Comments To Assist in Reviewing and Identifying Unfair Trade Practices and Initiating All Necessary Actions To Investigate Harm from Non-Reciprocal Trade Arrangements

#### *AGOA Has Been a Success for the United States*

The African Coalition for Trade (ACT) is pleased to submit this statement for the record of the U.S. Trade Representative's investigation of Harm from Non-Reciprocal Trade Arrangements, Docket No. USTR\_FRDOC\_0001, 90 Fed. Reg. 10677 (February 25, 2025).

ACT is a nonprofit association of African private sector organizations and individual companies trading with the United States under the African Growth and Opportunity Act (AGOA). ACT has served as the primary spokesperson for the African private sector in the development, enactment, implementation and amendments to AGOA since its inception. ACT's members come from the private sectors in Kenya, Madagascar, Lesotho, Tanzania, Mauritius, and Eswatini (formerly Swaziland). These countries supply the preponderance of U.S. apparel imports under AGOA and are among the main beneficiaries of AGOA.

AGOA was signed into law in May 2000, offering almost all African products duty-free access to the U.S. market. AGOA was renewed most recently in 2015, running through September 30, 2025. With only seven months remaining in AGOA's current authorization, this is an appropriate time to assess what AGOA has accomplished, with an eye specifically on whether AGOA is consistent with the "America First Trade Policy." Although AGOA is a non-reciprocal trade preference program, it has not harmed the United States.<sup>1</sup> On the contrary, AGOA has provided huge benefits to the United States, as illustrated below.

#### **Growing U.S. Exports to the AGOA Countries**

During the 24 years AGOA has been in effect, it has had a very positive impact on U.S.-Africa trade flows. Non-petroleum imports by the United States from the AGOA countries have shown strong growth, up more than 200% from \$6.7 billion in 2000 to \$21.8 billion in 2024.<sup>2</sup> Equally important, U.S. exports to

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<sup>1</sup> The case of Mauritius is unusual and may be unique among AGOA beneficiaries in that Mauritius maintains zero tariffs on all imports from the United States. As a result, the trade relationship between the United States and Mauritius is already reciprocal. Indeed, the reciprocity is tilted in the favor of the United States because AGOA does not extend duty-free treatment to all products, whereas Mauritius' zero duties apply to all imports from the United States.

<sup>2</sup> In analyzing the impact of AGOA, it is useful to exclude petroleum imports because every barrel of oil imported from Africa since 2000 would have been imported even if AGOA had never been enacted. In other words, AGOA has had very little impact on petroleum trade other than to reduce the cost of African petroleum products by eliminating duties that otherwise would have applied. Petroleum imports from the AGOA countries initially represented the lion's share of total imports from Africa – fully 68% of total imports in 2000. By 2024, however, petroleum imports accounted for just 28% of total imports under AGOA. U.S. petroleum imports from all origins fell sharply since 2000, as the United States has become more energy self-sufficient and petroleum prices had generally declined.

the AGOA countries have increased from \$5.2 billion in 2000 to \$16.5 billion in 2024, an increase of 217%. On the other hand, failure to renew AGOA will cause serious economic injury to various countries in Africa, handicapping their ability to buy U.S. products, thereby undermining the strong growth in U.S. exports to the AGOA countries.

The U.S. trade in goods balance (all products) with the AGOA countries as a group has improved by 32% from a deficit of -\$17.7 billion in 2000 to a deficit of -\$12.0 billion in 2024.<sup>3</sup> Digging a little deeper tells an even more positive story. The U.S. trade in goods balance with the AGOA countries (excluding petroleum products) reached a \$1.1 billion trade surplus in 2019, but the impact of the COVID-19 pandemic on trade pushed the trade balance back into deficit in 2020. In 2024, the United States had a bilateral trade surplus with more than half of the individual AGOA countries.<sup>4</sup> Moreover, just three AGOA countries – Nigeria, Angola, and South Africa (in declining order) – by themselves accounted for nearly one-third of the total trade deficit in 2024. Viewed from another perspective, one product – petroleum – accounted for nearly one-third of the total trade deficit in 2024. In short, what at first blush appears to be a goods trade deficit on closer analysis shows a strong and improving trade balance with most of the AGOA countries in most products.<sup>5</sup>

## **U.S. Jobs Created by AGOA**

It is widely known that AGOA has created hundreds of thousands of jobs in Africa. Less well known is the fact that bilateral trade in goods and services with Africa is likewise linked to hundreds of thousands of U.S. jobs. The U.S. Department of Commerce has reported that 101,224 U.S. jobs were supported by goods exports from the United States to Africa in 2022 (the most recent year for which such statistics are available), and an additional 61,764 U.S. jobs were linked to services exports to Africa in 2022.<sup>6</sup> It has also been estimated that U.S. imports from Africa under AGOA have created approximately 300,000 U.S. jobs, mostly in the retail and transportation sectors.<sup>7</sup> Taken together, two-way trade with Africa in goods

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<sup>3</sup> All trade in goods statistics in these comments come from the U.S. International Trade Commission Dataweb.

<sup>4</sup> The United States had country-by-country trade surpluses in 2024 with the following 18 AGOA countries (in declining order of the size of the surplus): Tanzania, Togo, Republic of Congo, Liberia, Mauritania, Guinea, Benin, Senegal, Djibouti, Sierra Leone, Gambia, Kenya, Eswatini, Rwanda, Cabo Verde, Comoros, Guinea-Bissau, and Sao Tome and Principe.

<sup>5</sup> Statistics on the U.S. services trade balance with the AGOA countries are not readily available to the public. However, Census Bureau data shows that the United States enjoys substantial trade in services surpluses with virtually all countries and all regions for which data is publicly available. See [https://www.census.gov/foreign-trade/Press-Release/current\\_press\\_release/index.html](https://www.census.gov/foreign-trade/Press-Release/current_press_release/index.html). It seems very likely, therefore, that the United States also has a services trade surplus with the AGOA countries.

<sup>6</sup> U.S. Department of Commerce, U.S. Jobs Supported by Exports by Destination, available online at: <https://www.trade.gov/data-visualization/jobs-supported-exports-destination>.

<sup>7</sup> In a 2012 report, the Heritage Foundation developed a methodology for estimating the number of U.S. jobs created by imports from China. Applying that methodology to imports from Africa under AGOA produces an estimate that approximately 337,000 U.S. jobs in the transportation and retail sector have been created by imports under AGOA. The

and services has created as many as 460,000 U.S. jobs. It is clear, therefore, that the United States has benefited from AGOA through increased job creation. Failure to renew AGOA, however, would put these U.S. jobs at risk.

### **AGOA as an Alternative Origin for Sourcing**

As U.S. companies seek alternatives to China as a source for manufacturing, AGOA's duty preference makes Africa an attractive and viable option. In June 2024, the Heritage Foundation published an Issue Brief, entitled "The Right Future for the Africa Growth and Opportunity Act," (June 10, 2024)(hereinafter cited as "The 2024 Heritage Foundation AGOA Report"). In relevant part, the Report notes:

"Since its inception, the program has fostered a stronger business environment for U.S. interests throughout the African continent. Better working relationships between U.S. investors and customers and African production normalizes Western business practices and expectations, introduces standards, laws, and protections, and demonstrates the value of free and fair markets. The legislation provides U.S. commerce predictability for future supply-chain planning which, should the U.S. hope to significantly diversify its supply chains from China, needs a reliable and consistent alternative."

(2024 Heritage Foundation AGOA Report at 2-3.) Failure to renew AGOA, however, would weaken these new supply chains and send manufacturing and jobs from Africa back to China.

### **Geo-Political Strategic Importance of AGOA**

As Chinese investment and influence in Africa has grown, AGOA stands as the main on-the-ground tool for preserving the United States' presence and influence in Africa. The 2024 Heritage Foundation AGOA Report emphasized this important element of AGOA's contribution to U.S. interests in the region:

"AGOA's importance expands beyond the commercial sphere. China's position on the continent is reinforced by an active trade and investment presence that outpaces U.S. commercial engagement. This relationship underpins further Chinese-Africa cooperation on foreign policy and security objectives, creating an influence capable of undermining U.S. interests throughout Africa and in the community of multilateral organizations, such as the United Nations or World Bank. AGOA will not remedy these issues alone, but it presents a point of engagement for securing bilateral relationships with a direct, positive impact on the African peoples."

(2024 Heritage Foundation AGOA Report at 3.)

### **Conclusion**

Although it is a non-reciprocal trade program, AGOA has succeeded in creating benefits for both the United States and Africa, with strong and growing bilateral trade, improving trade balances, hundreds of thousands of jobs in both the United States and Africa, and a viable alternative to China as a source for products not made in the United States. Looking beyond the commercial sphere, AGOA stands as the main U.S. geo-political engagement with Africa.

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It is of critical importance, therefore, that AGOA should be renewed well before its scheduled expiration on September 30, 2025. The Heritage Foundation reached the same conclusion in its Project 2025 Report:

“The Africa Growth and Opportunity Act (AGOA) provides Africa duty-free access to U.S. markets. The next Administration should extend AGOA beyond its 2025 term but within a strategic framework that rewards good governance and pro-free market economic policies.”

(Project 2025 Report at 276.)

The members of ACT in the African private sector appreciate the opportunity to share their views on the benefits AGOA has provided to both the United States and Africa. We would be happy to respond to questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Paul Ryberg". The signature is fluid and cursive, with the first name "Paul" and the last name "Ryberg" clearly distinguishable.

Paul Ryberg  
President

March 11, 2025