

One of the buzzwords in the recent news on African trade perspectives with third countries is: 'AGOA'. This is because of the yesterday's opening of the [20th AGOA Forum 2023](#), hosted from 1 to 4 November in South Africa (the main beneficiary of such programme), where a senior delegation from the United States and 35 Sub-Saharan Africa Trade Ministers will discuss on how to strengthen trade and investment ties. According to Section 105 of

[Public Law 106-200](#)

that introduced this trade regime, the President of the United States convenes annual high-level meetings between appropriate officials of the United States Government and officials of the governments of sub-Saharan African countries in order to foster close economic ties between the United States and sub-Saharan Africa. These meetings are organized with events called 'AGOA Forums'.

AGOA is the acronym of African Growth and Opportunity Act and is one of the two unilateral tariff concession schemes with which the United States grants duty-free access to its market to products originating from developing or less developed countries. The other scheme is the Generalized System of Preferences program, which currently covers more than 5,000 products and is applicable to countries from other regions of the world, not only Sub-Saharan Africa, like the AGOA. In fact, the latter is addressed exclusively to eligible sub-Saharan African countries (currently they are 35) and covers a list of more than 1,800 selected products, including textiles and minerals. 'Unilateral' means that in change of such preferential access to the US market, beneficiary countries do not have to adopt similar liberalization measures (in form of tariff reductions or exemptions) for US-originating products. However, the access to the AGOA does not come without conditions.

In fact, beneficiary countries are required to meet a set of quite strict conditions to qualify to trade under the programme. Among them, they must have in place a market-based economy that protects private property rights, incorporates an open rules-based trading system, and minimizes government interference in the economy through measures such as price controls, subsidies, and government ownership of economic assets. In addition, beneficiary countries are required to remove any barrier to US trade and investment, to protect internationally recognised human rights, and to adopt mechanisms aimed at combatting corruption and bribery.

Last but not least, such countries cannot engage in any activity which can undermine US national security or, (to be noted) 'foreign policy interests'. Even though the AGOA has the advantage to reduce the sale price of sub-Saharan Africa products on the US market (because of the removal of customs duties at their import in the US) - encouraging therefore their purchase by American citizens - because of the above conditions of access, the programme is perceived by many observers as a 'weapon' or as a retaliatory tool that United States can use

every time an African country does not align with their interests or adopts positions that they do not endorse. Even worse, the AGOA exclusion mechanisms are in some cases a potential source of trade wars between the United States and African countries.

A series of examples can illustrate this situation. In June 2023, a [group of US senators](#) asked the government to move away the 2023 AGOA Forum from South Africa to another country because of the South Africa's '[perceived](#)

' support for Russia in its war against Ukraine. In January 2022, Ethiopia was removed from the list of AGOA beneficiaries because of "gross violations of internationally recognized human rights" during the war in the northern Tigray region. This has been catastrophic for the country, which was participating to this programme since 2 October 2000. In fact, many companies in its industrial parks that used to export exclusively or predominantly to the United States have been compelled

[to close or to reduce their workforce substantially](#)

. According to Ethiopian

[sources](#)

, the country's withdrawal from Agoa saw about 100,000 people lose their jobs, the majority of which are women working in textile factories in the southern part of the country without any responsibility or connection to the conflict in the Tigray. In the end, ordinary citizens are those who are most affected by these measures.

On the other hand, this also shows how fatal can be the choice for a company to focus its entire export strategy on one or few markets, based on the opportunity that such markets grant duty-free access to its products.

However, the most controversial condition of access to the AGOA remains the obligation to remove all trade barriers to US imports. Also in this case an example can clarify the situation. In 2018, the United States blocked the attempt of the East African Community (EAC) to introduce a ban of second-hand clothes and footwear starting from 2019. The initiative caused the reaction of a group of US textile companies that lobbied the the Office of the US Trade Representative (USTR) by submitting a petition where they argued that this measure was going to cause a substantial prejudice to the US second-hand textile industry. This culminated into an ultimatum of the US government to the EAC member States dated 23 February 2018, where the United States threatened these countries with the exclusion from the AGOA. Rwanda, the only EAC country that went on with the ban, was finally (and is still) [excluded](#).

More recently, the US threatened Uganda to delist this country from the AGOA, because of the adoption of a new anti-homosexual law which is particularly repressive. This caused a 'mini' trade war between the two trade partners that risks to escalate, because in August this year, the

President of Uganda announced plans to introduce a ban on used clothing imports similar to the one adopted by Rwanda to [retaliate](#) against the US.

Currently, 35 out of 54 African countries trade under the AGOA, which is set to expire on 30 September 2025. Nevertheless, despite the above criticism, it will be probably extended for other 10 years, especially after the [statement](#) released by the US President on 1th November, who announced his support for the continuation of the programme. If this will happens, according to some [rumors](#) , the products that will be granted with duty-free access to the US market will increase. But the final word lies with the US Congress.