

South Africans will closely watch discussion on AGOA

By [Fred Meintjes](#) | 24 April 2023

South Africa's citrus sector in the western parts of the country has always retained a keen interest in US political views over promoting African trade to the US

Promoting better access for Africa into the US is done mainly under the AGOA (African Growth and Opportunities ACT) which have benefited exporters from Africa since 2000.

It will now be under review and perhaps re-negotiated during the next year if a new act has to come into effect in 2025.

It is certain that in the USA there will be calls for changes where the House of Representatives Ways and Means Committee will ultimately deliberate on the matter before the new act see the light of day.

Since 2000 AGOA South African citrus growers have developed a lucrative market in the US. Exports have risen from very small volumes in 2000 to around 80,000-100,000 tonnes annually.

In these matters it is often not normal trade issues that dominate, but also wider political views in the US.

One aspect in favour of retaining and expanding AGOA is the fact that recently there has been renewed interest in the US for developing ties with Africa.

Some experts have said that this was driven by the perception that Chinese expansion in Africa should be countered.

According to a *Reuters* report the major US trade preference programme for Sub-Saharan Africa has been successful in developing the region's apparel (clothing) sector in selected countries, but its benefits are not widespread throughout all countries and sectors.

The US International Trade Commission (USITC) said in its report that the African Growth and Opportunity Act (AGOA) benefits show that they have helped reduce poverty and create jobs in certain countries, particularly for women.

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Reported that 80% of duty-free non-petroleum exports to the US under AGOA during 2014-2021 came from just five countries, namely South Africa, Kenya, Lesotho, Madagascar and Ethiopia, the report said.

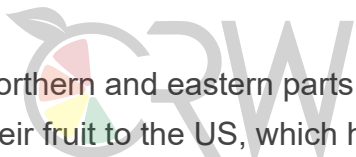
The research, requested by the US House of Representatives Ways and Means Committee, will help shape debate in Congress on whether to renew or restructure AGOA, which expires on 30 September 2025.

“AGOA benefits appear to be essential for Sub-Saharan Africa countries to maintain their apparel exports to the United States,” the USITC report said, noting that loss of AGOA benefits by failing to meet eligibility criteria resulted in a significant declines in exports to the US.

The report also noted less success in AGOA’s influence in reducing poverty for workers in other sectors including cotton farming, cocoa production and chemicals, due to lack of development of higher value-added downstream product production.

Of some concern for fruit exporters will be the views of US representative Richard Neal, the top Democrat on the Ways and Means Committee.

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“While certain sectors and countries have benefited from the programme, AGOA has not achieved all that we had hoped, and more work must be done to improve our economic relationships,” he said.


South African citrus growers in the northern and eastern parts of the country will remember that a proposal for expanding access for their fruit to the US, which has previously been agreed on, has for the past four years been gathering dust on the desk of the US secretary of agriculture.