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Updated February 28, 2025

African Growth and Opportunity Act (AGOA)

Overview

What is AGOA? AGOA (P.L. 106-200, as amended) created a nonreciprocal U.S. trade preference program, also referred to as AGOA, to provide duty-free access to the U.S. market for most exports from eligible countries in sub-Saharan Africa (SSA). The act also requires an annual gathering, known as the AGOA Forum, held between U.S. and AGOA country officials to discuss trade-related issues and AGOA implementation. Additionally, AGOA provides direction to selected U.S. government agencies regarding their trade and investment support activities in the region. AGOA has been a cornerstone of U.S. trade policy toward SSA since 2000. Through AGOA, Congress seeks to increase U.S. trade and investment ties with the region, promote economic growth through trade, and encourage the rule of law and market-oriented reforms. Congress may extend authorization for the program, which is scheduled to expire in September 2025, and modify the program to promote other congressional priorities in the region, such as strengthening U.S. trade and investment ties with SSA and increasing regional participation in global value chains.

Country Eligibility. There are currently 32 AGOA-eligible SSA countries, of 49 potential program country beneficiaries. AGOA eligibility criteria address issues such as trade and investment policy, governance, worker rights, human rights, and U.S. foreign policy interests, inter alia, which countries must satisfy to be beneficiaries of the program. The President annually reviews and determines each country's eligibility for the following calendar year.

Following the 2024 annual review, then-President Biden made no changes to the list of countries eligible for AGOA benefits for calendar year 2025. Seventeen SSA countries remain ineligible for the program's preference benefits in 2025. They are (with non-eligibility criteria noted): Burkina Faso, Gabon, Guinea, and Niger (rule of law); Burundi and South Sudan (political violence); Cameroon, Central African Republic, Eritrea, Ethiopia, and Uganda (human rights), Equatorial Guinea and Seychelles (income graduation), Mali (human rights, rule of law, worker rights); and Somalia, Sudan, and Zimbabwe (never eligible). Rwanda's AGOA benefits for apparel exports have been suspended since July 31, 2018, following an out-of-cycle review (outside of the annual review period) in response to increased Rwandan tariff barriers on used clothing imports from the United States.

Authorization. Congress established AGOA in 2000, and has amended its authorization law several times. The Trade Preferences Extension Act of 2015 (P.L. 114-27) extended AGOA's authorization for 10 years to September 2025. The African Growth and Opportunity Act and Millennium Challenge Act Modernization Act of 2018 (P.L. 115-167) required the Administration to provide information on AGOA through an official AGOA website; promote AGOA utilization by beneficiaries and diversification of exports under AGOA; support regional cooperation on trade facilitation; and educate African entrepreneurs on complying with U.S. security policies.

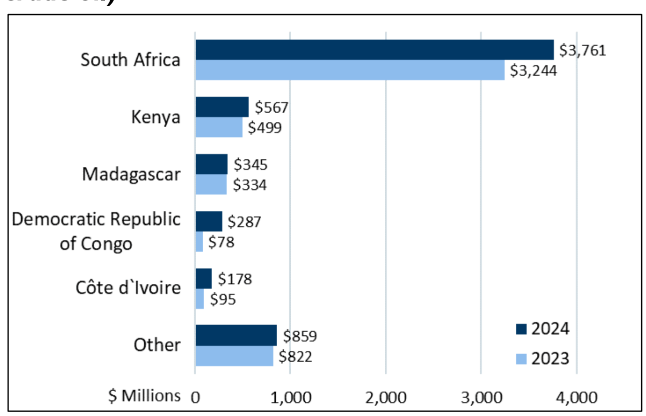
Views on AGOA. Some supporters of AGOA have argued that the program affords African producers a competitive advantage over other foreign producers in the U.S. market, thereby supporting exports, and potentially encouraging investment in the region, boosting private sector activity and economic growth in SSA, and potentially generating demand for U.S. goods and services as the region's economies develop. Others view AGOA as a U.S. policy tool for countering China's influence in the region.

Some opponents are U.S. producers that may face increased import competition from AGOA countries. For example, U.S. producers have lobbied to keep certain products, particularly sugar, out of the program. Other opponents have argued that the lack of reciprocity (e.g., market access) is not beneficial for U.S. exporters.

U.S. Imports Under AGOA

In 2024, U.S. AGOA imports totaled $8.0 billion, down 13% from $9.3 billion in 2023. AGOA imports remain concentrated in a few countries and industries, but diversification has grown since the 2000s.

Figure 1. AGOA Imports by Top Countries (excl. crude oil)



Source: CRS with data from U.S. International Trade Commission (ITC) Dataweb.

- Crude oil imports stood at $2.0 billion in 2024, and comprised 25% of AGOA imports. Such imports peaked in 2011 with a value of $48 billion, but have fallen partially due to expanded U.S. production. Nigeria was the top AGOA supplier of crude oil to the United States in 2024 ($1.6 billion).
- Non-energy imports in 2024 were valued at $6.0 billion. Top non-energy import categories include passenger vehicles ($2.4 billion), apparel ($1.2 billion), agricultural and food products ($949 million), base metals ($711 million), and chemicals ($251 million).

- South Africa is the top supplier of AGOA non-energy imports (**Figure 1**). Passenger vehicles and component accounted for 64% of its 2024 AGOA-eligible products.

Key Aspects of AGOA

Trade preferences. AGOA's main component is non-reciprocal duty-free treatment of U.S. imports of eligible products from beneficiary countries. This benefit seeks to help AGOA exporters, which often feature undiversified economies, compete with lower-cost producers elsewhere.

Relation to GSP. AGOA preferences include all products covered by the Generalized System of Preferences (GSP), a broader U.S. trade preference program, as well as some products excluded from GSP (e.g., autos and certain types of textiles and apparel). Eligibility for GSP is a prerequisite for AGOA eligibility (19 U.S.C. §2466). Both GSP and AGOA grant additional benefits to least-developed countries. AGOA beneficiaries have maintained access to both programs, even when GSP authorization has lapsed, which last occurred on January 1, 2021.

Apparel and Third-Country Fabric Provision. AGOA's duty-free treatment of certain apparel products is significant because (1) apparel articles face relatively high U.S. import tariffs; (2) they are generally excluded from GSP; (3) they can be readily manufactured in developing countries as their production requires relatively limited skilled labor and capital investment; and (4) production in this sector can be a first-step toward higher value-added manufacturing. The third-country fabric provision in AGOA is a major factor enabling AGOA countries' competitiveness in the sector. This provision allows limited amounts of U.S. apparel imports from least-developed SSA countries to qualify for AGOA duty-free treatment, even if the yarns and fabrics used in their production are imported from non-AGOA countries (e.g., apparel assembled in Kenya with Chinese fabrics can qualify for duty-free treatment under AGOA).

Trade Capacity-Building (TCB). AGOA directs the President to provide TCB to AGOA beneficiaries. The U.S. Agency for International Development (USAID) has administered certain TCB-related projects in support of AGOA, including funding African trade and investment hubs, which work to increase AGOA utilization and regional producers' access to international markets. On January 20, 2025, the Trump Administration "paused" foreign assistance programs for 90 days, "pending reviews." It remains to be seen what TCB or related programs, if any, may resume following reviews.

AGOA Forum. AGOA requires the President to convene an annual forum on trade and investment relations and AGOA implementation. The AGOA Forum typically alternates between the United States and an AGOA country. The Democratic Republic of Congo is scheduled to host the 2025 AGOA Forum.

Country Eligibility Reviews. The President determines AGOA country eligibility based on statutory criteria (19 U.S.C. §2462 and 19 U.S.C. §3703) and a process that includes an annual public comment period and hearing. The 2015 reauthorization amended the program to allow for out-of-cycle reviews in response to public petitions. The Administration may remove country eligibility entirely or for specific products, subject to congressional notification.

Reporting Requirements. The 2015 reauthorization requires the Office of the U.S. Trade Representative (USTR) to report biennially on U.S.-Africa trade and investment relations. USTR issued the latest report in 2024.

Reciprocal Trade Negotiations. Since 2000, Congress has directed the executive branch to seek reciprocal trade and investment negotiations with AGOA countries. The first attempt, with the Southern African Customs Union, was suspended in 2006 due to divergent views over scope. In his first term, President Trump initiated bilateral trade negotiations with Kenya in 2020. President Biden did not continue those negotiations and instead launched the U.S.-Kenya Strategic Trade and Investment Partnership (STIP) in 2022, which, unlike prior negotiations, did not cover market access. The current Trump Administration has not stated whether it will continue STIP negotiations. President Trump has generally expressed a preference for reciprocity in U.S. bilateral trade relationships and has ordered a comprehensive review of trading partners' trade practices, which may result in country-specific reciprocal tariff actions to address foreign trade barriers. Some African officials have argued for a broader regional approach to potential trade negotiations with the United States, rather than bilateral negotiations.

Issues for Congress

As Congress deliberates AGOA's potential reauthorization, it may consider proposals to refine AGOA's statutory goals. In the 118th Congress, two bills (S. 4110 and H.R. 10366) were introduced to, among other ends, extend AGOA; allow inputs from non-AGOA, African Continental Free Trade Area (AfCFTA) implementing countries; and require biennial rather than annual eligibility reviews. The Trump Administration has not expressed its views on AGOA reauthorization. USTR Jamieson Greer stated that he will consult with Congress on AGOA reauthorization based in part on a trade policy review ordered by President Trump. Other issues for consideration include

- **Trade Negotiations.** Should the Administration, in consultation with Congress, decide to pursue trade negotiations or other trade and investment initiatives in the region, key considerations may include (1) what flexibilities in comprehensive U.S. trade agreements commitments are appropriate in the region; (2) potential effects on broader AGOA utilization; and (3) potential effects on regional initiatives like the AfCFTA.
- **Supply Chain Resiliency.** As the United States seeks to strengthen supply chains in critical sectors (e.g., critical minerals), Congress may consider how AGOA could play a role in such efforts and expand SSA's integration in global value chains.
- **Third-Party Agreements.** Reciprocal agreements between AGOA beneficiaries and third parties (e.g., a European Union-South Africa accord) may disadvantage some U.S. exporters. Congress may examine possible U.S. responses to maintain U.S. businesses' competitiveness in the region.

Liana Wong, Analyst in International Trade and Finance

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