What Does it Take to Implement AGOA in the Field: Experiences and Challenges from the Southern Africa Trade Hub

June 4, 2007
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AGOA

• Eliminates tariffs on nearly all goods to the United States.

• 98% of Sub-Saharan African exports entered duty-free in 2006.

• Undeniable success: increased trade and jobs in eligible countries.

• Africa Investment Incentive Act – extends AGOA.
USAID TRADE HUB

- Professional practice, covering 12 countries.
- Long-term advisors supported by short-term assistance.
- Synergies between policy and transactions.
- Fostering public-private dialogue.
- Regional, demand-driven project.
- Collaboration with USG and donors.
PURPOSE OF THE TRADE HUB

- Increase the role of trade in African poverty reduction strategies.
- Improve delivery of public service supporting trade.
- Strengthen trade policy capacity.
- Improve the enabling environment for African businesses.
- Enhance competitiveness of African products.
BUILDING CAPACITY UNDER AGOA

Two areas of intervention:

1. National Level

2. Firm Level

*At the firm level, the Trade Hub has assisted firms in Southern Africa achieve nearly $5 million in new exports in the past two years.*
SPECIALTY FOODS: Capitalizing on Market Trends and Demands

• Market demand for gourmet foods in the United States – 30 billion dollars per year.
• Trade Hub is working with more than 30 companies in the gourmet food sector to achieve new exports to the U.S. market.
• Africa Pavilion: branding Africa.
• Training: preparing companies for the market.
• U.S. Buyer trips to Africa.
• Inputs into processed food products.
FRESH PRODUCE: Unlocking Market Opportunities

- Major breakthrough in exportable agriculture.
- Gap in supply for MD2 pineapple in South Africa.
- Trade Hub assisted in securing import permits for pineapple from Ghana.
- Assisted company in securing the market for fruit cup mixes in Europe.
- Value of deal: $750,000.
PRIVATE SECTOR ADVOCACY: Impacting Rural Incomes in Botswana

- Rural incomes depend on cattle.
- Botswana Meat Commission
- Trade Hub worked with farmers to form the Botswana Cattle Producers Association.
- Result: potential price increase (40%) that translates into higher rural incomes in Botswana.
Challenges

• Product to market: high transport costs.

• Lack of familiarity with U.S. market/African markets.

• Supply side constraints.

• Exporting from a small base: need for investment.
RESOURCES

- www.agoa.gov
- www.usitc.gov
- www.ustr.gov
- www.satradehub.org
SOUTHERN AFRICA GLOBAL COMPETITIVENESS HUB

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