

SOUTHERN AFRICA GLOBAL COMPETITIVENESS HUB



SOUTHERN AFRICA GLOBAL COMPETITIVENESS HUB

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

June 4, 2007
Lusaka, Zambia
Amanda Hilligas, Director
Trade Competitiveness Project

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.
- Promote US-Africa business linkages.
- 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 

INSIDE SOUTHERN AFRICAN TRADE

ISSUE 5 JUNE 2006

In this issue we look at logistics, transport and customs in the region. We find out what it takes to get goods to markets in Southern Africa, where we have come from, and where we are heading. Recent studies by the World Bank, UN Conference on Trade and Development (UNCTAD), and others have attempted to quantify the potential losses or gains that can be attributed to either poor or excellent trade facilitation. World Trade Organization (WTO) Members are also negotiating an agreement in this area. The findings of these studies are informative but, even without such academic studies, it is obvious that high logistics and transport costs will negatively impact a company's ability to compete. This is especially clear considering that logistics costs in Southern Africa are almost double those of many of its trading partners and competitors elsewhere in the world.

In this issue we reflect on what is needed to create an environment in which business can compete and flourish. We hope that you will enjoy this issue of INSAT and invite you to share your opinions and suggestions with us: insat@satradehub.org. Previous issues of INSAT are available on our website: www.satradehub.org.

INSIDE THIS ISSUE

Around Southern Africa:
High Hopes for Growth at Mozambican Port 2
News Briefs 5

INSIDE the Private Sector:
In the Spotlight: African Hot Spots, Good Business Sense for a Good Cause 6
WBCG Seeks New Markets 7

INSIDE the Diverse Community:
New DRD Programs to Increase Trade and Improve Border Crossings 8
Private Sector Forum Seeks to Expand AGOA Benefits 9

Around the World:
News Briefs 10
INSIDE the WTO 11

INSAT Focus:
Facilitating Trade in SADC: A Snapshot 12
We Speak To...
Wendy-Lee de Goede, Business Development Manager at Logistics Grant UTI 14

Guest Perspectives:
A Blueprint for Customs 16
Resources 18
INSIDE the Trade Hub 19



 **USAID** | **SOUTHERN AFRICA**
FROM THE INTERNATIONAL HUBS

Published by the Southern Africa Global Competitiveness Hub as part of its Trade Facilitation and Capacity Building Activities, and sponsored by USAID. However, the views expressed in this publication do not necessarily reflect the views of USAID or the US Government.

SOUTHERN AFRICA GLOBAL COMPETITIVENESS HUB

www.satradehub.org

www.satradehub.org/agoa

(+267) 3900884