

The AGOA Renewal and Enhancement Alliance (AREA) brings together diverse stakeholders – including U.S. and African companies, business associations, and the African diplomatic corps in DC – to support the African Growth and Opportunity Act and its immediate, long term renewal.

AREA supports the following core principles:

- 1. Early and Long Term AGOA Renewal is Critical**
- 2. Early AGOA Renewal Advances U.S. Strategic and Policy Goals in Africa**
- 3. Targeted Technical/Non-controversial AGOA Enhancements Can Positively Impact Its Success If They Don't Delay Its Renewal**

1. Early and Long Term AGOA Renewal is Critical

- Renewal of AGOA as soon as possible is critical to industry investment and planning. The industries most capable of utilizing AGOA operate on two-year cycles, meaning that new investment projects are already on hold, and they will begin cutting back on orders as early as this year if the statute has not been renewed.
- Delayed renewal also risks missing an important window of opportunity as companies are currently shifting production out of China due to increased costs, forced labor concerns, and political risks. Securing a lengthy AGOA renewal in 2023 will increase company interest in looking at opportunities to invest in and source from Africa.
- Renewal for less than ten years does not provide companies with the longer-term horizon they need to plan and execute investments or develop sourcing networks and distribution channels that will drive vertical integration of the continent to allow greater country participation.
- Longer term AGOA provides predictability to the more than 450,000 American workers (150,000 from American exports and 300,000 tied to U.S. imports) whose jobs are linked to U.S./African trade



2. Early AGOA Renewal Advances U.S. Strategic and Policy Goals in Africa

- AGOA is one of the most important tools and incentives to grow and diversify our trade and investment relationship with Africa and to counter the presence of China on the continent.
- Long-term renewal of AGOA supports economic integration under AfCFTA, one of America's top strategic goals in Africa.
- Extending AGOA supports ongoing African economic and business reforms, capitalizes on considerable infrastructure investment, and improves the business climate for growing U.S. investments into the continent.
- AGOA exports can quickly grow into a broader partnership that can lead to investment and trade in both directions, creating jobs and economic growth in both the U.S. and Africa.

3. Targeted Technical/Non-controversial AGOA Enhancements Can Positively Impact Its Success If They Don't Delay Its Renewal.

- A small number of targeted enhancements should be made to:
 - harmonize AGOA eligibility reviews with other U.S. government preference programs by converting the annual AGOA eligibility review to once every three years;
 - add a provision allowing cumulation from all AU Members that have ratified AfCFTA;
 - replace outdated textile visa requirements with closer Customs cooperation agreements;
 - adjust the size of the apparel quota; and
 - modify graduation criteria for AGOA countries.