

Davies Engages The Us On The Future Of Agoa

The Minister of Trade and Industry, Dr Rob Davies, has arrived in the country today, Sunday, 22 September 2013, after undertaking a successful visit to the United States (US). He visited the US to exchange views with different stakeholders on the future of the Africa Growth and Opportunity Act (AGOA) beyond 2015. AGOA was signed into law by President Bill Clinton on May 18, 2000, for a period of eight years and President George Bush later extended the programme to September 2015.

During his visit, Minister Davies met with the US Trade Representative Michael Froman, Senators, members of congress, think tanks as well as businesspeople represented through the US Chamber of Commerce and the Corporate Council on Africa. In his engagement with these role players, Davies central message was that AGOA is significant to the regional integration efforts in Africa.

He stated that Africa is pursuing a developmental integration with industrialisation and infrastructure development as its pillars, and as such AGOA would support the creation of regional value chain and value addition.

Both Minister Davies and Ambassador Froman agreed that the African Growth and Opportunity Act (AGOA) has benefitted the Sub-Saharan Africa countries and the US.

“AGOA is the only legal framework between the Sub-Saharan Africa and the United States and it has generated enormous goodwill between African countries and the United States of America. For South Africa, it has underpinned exports of diversified and value added products to the US markets. Further, The US investment such through Power Africa could help to support infrastructure development in Africa”, said Davies.

Trade statistics indicate that AGOA has truly transformed the way the US and Africa interact on trade and economic issues. The US total trade with sub-Saharan Africa (exports plus imports) have grown more than 250 percent from \$28.2 billion in 2001.

AGOA exports from Sub-Saharan Africa increased from US\$8.15 billion in 2001 to US\$34.9 in 2012, representing an increase of 328 percent in exports.