

Africa Asks for Long-lasting solution to AGOA

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WINDHOEK – Sub-Sahara African countries, including Namibia, are calling for a permanent and predictable African Growth and Opportunity Act framework through which they can trade with the US.

They say production capacity, high transportation costs as well as stringent sanitary and phytosanitary (SPS) measures are among key challenges hindering the expansion of trade between Sub-Sahara Africa and the US.

Lack of capacity to produce competitive goods and services due to supply-side constraints, lengthy procedures to comply with US standards and high transportation costs within Africa and to the US are some of the identified key challenges hindering the expansion of trade and investment between SSA and the US, African countries said at the forum.

Compounding these are low levels of research and development in Africa and lack of diversification of products produced in Africa.

Namibia's Minister of Trade and Industry, Hage Geingob, together with Jürgen Hoffmann for the agricultural sector and the head of the Namibian Manufacturers Association, Hennie Fourie, were among many African countries' representatives at the AGOA Forum that took place in Kenya last week. The meeting coincided with the visit to Africa by US State Secretary Hilary Clinton.

To address the problems the forum made several recommendations including the scaling up of aid to poor and vulnerable countries hit hard by the global economic crisis, US assistance in the development of capacity to enable African countries to meet the sanitary and phytosanitary measures.

Moreover, the forum realised the need to conclude the DOHA round of negotiations by 2010 and urged the US government to institute tax incentives for US companies to invest in Africa.

"The US Government should be engaged to ensure a permanent and predictable AGOA framework, enhanced and expanded to include currently excluded agricultural and textile products of export interest to SSA. Support should be obtained from the US for regional integration initiatives in Africa, especially those geared towards addressing supply-side constraints. Continuous co-operation should be facilitated between governments, private sector and civil society in an effort to exploit the opportunities created by AGOA," are some of the recommendations.

The forum further agreed to set for itself clear targets and benchmarks with measurable indicators to monitor and track progress of implementation of recommendations.

Nevertheless, the forum “recognised the fact that the AGOA legislation remains the most significant initiative between the US and Sub-Saharan Africa and that this has now matured into a partnership. The forum expressed concern over the fact that Africa’s share of global trade is only 2 percent (Africa has 11 percent of the global population).

An increase of 1 percent would generate more resources in Africa than all the overseas development assistance provided in a given year.”