

Office of the United States Trade Representative

Modernization of the African Growth and Opportunity Act

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I. Executive Summary

The African Growth and Opportunity Act (AGOA), first enacted in 2000 and most recently reauthorized through 2026, has served as the cornerstone of U.S. trade engagement with sub-Saharan Africa for a quarter century.¹ Its record is mixed.² AGOA has generated measurable benefits in specific sectors — such as apparel in Kenya, Ethiopia, and Lesotho — but aggregate utilization remains concentrated among a small number of countries and product categories, and the program has not catalyzed the broad-based industrial development that its architects envisioned.

Moreover, the strategic environment has changed fundamentally since AGOA’s original passage. China has emerged as Africa’s largest trading partner, largest bilateral creditor, and most active provider of infrastructure finance.³ The African Continental Free Trade Area (AfCFTA), which began trading in 2021, is creating a single continental market of 1.4 billion people, the regulatory architecture of which — on digital trade, intellectual property, and investment rules — is still being written.⁴ Demographic changes are accelerating as well. By 2050, one in four members of the global working age population will be African.⁵ The economic trajectory of the continent will shape global supply chains, commodity markets and geopolitical alignments for the remainder of this century.

Against this backdrop, the reauthorization of AGOA is not primarily a question of trade preference renewal. It is a question of whether the United States will compete seriously for economic and strategic goals in the world’s fastest-growing region, or whether it will cede that position to China by default. That would be a mistake. There is too much to gain for the United States.⁶

This submission argues for a fundamentally modernized AGOA framework built of three pillars:

- A long-term reauthorization of 10 to 15 years, calibrated to private sector capital expenditure cycles, with structured conditionality and reciprocity requirements embedded as statutory eligibility conditions

¹ Liana Wong, “African Growth and Opportunity Act (AGOA)” *Congressional Research Service*, February 17, 2026. (https://www.congress.gov/crs_external_products/IF/PDF/IF10149/IF10149.26.pdf)

² Bedassa Tadesse, “The Impacts of the African Growth Opportunity Act on the Economic Performances of Sub-Saharan African Countries: A Comprehensive Review,” *Sci*, 2024. (<https://www.mdpi.com/2413-4155/6/1/14>)

³ Chido Munyati, “Why strong regional value chains will be vital to the next chapter of China and Africa’s economic relationship,” *CNBC Africa*, June 25, 2024. (<https://www.cnbc africa.com/2024/why-strong-regional-value-chains-will-be-vital-to-the-next-chapter-of-china-and-africas-economic-relationship>)

⁴ Liana Wong and Nicholas Cook, “African Continental Free Trade Area (AfCFTA): Overview and Issues for Congress,” *Congressional Research Service*, May 3, 2023. (<https://www.congress.gov/crs-product/R47197>)

⁵ United Nations Economic Commission for Africa, “As Africa’s Population Crosses 1.5 Billion, The Demographic Window Is Opening; Getting The Dividend Requires More Time And Stronger Effort,” July 12, 2024. ([https://www.uneca.org/stories/\(blog\)-as-africa%E2%80%99s-population-crosses-1.5-billion,-the-demographic-window-is-opening-getting](https://www.uneca.org/stories/(blog)-as-africa%E2%80%99s-population-crosses-1.5-billion,-the-demographic-window-is-opening-getting))

⁶ Daniel Swift, “How Africa Can Shift Supply Chains from China,” *The National Interest*, October 7, 2025. (<https://nationalinterest.org/feature/how-africa-can-shift-supply-chains-from-china>)

- A reformed rules of origin framework that slowly phases out Chinese-origin fabric inputs and creates affirmative incentives for U.S. content
- A reconstituted U.S. government initiative to increase two-way trade and investment between Africa and the United States and to provide AfCFTA technical assistance and standards engagement

These three pillars are mutually reinforcing. Trade preferences without supply-side investments have not worked. A long authorization without conditionality sends no signal to beneficiary governments. Put these three pillars together, however, and the United States can compete with China, while simultaneously growing markets for U.S. exporters and workers.

II. Reauthorization Term and Structure

A 10—15-year Reauthorization

AGOA’s repeated short-term reauthorizations have been among its most significant structural failures.⁷ The uncertainty generated by near-term expiration dates — which have recurred throughout the program’s history — directly undermines the private sector investment the program is seeking to catalyze.

Manufacturing investment in apparel, food processing, light assembly, and other AGOA-relevant sectors typically involve multi-year capital expenditure cycles. A factory, processing facility, or logistics hub requires years to plan, finance, permit, and construct. It must generate returns over an extended operating period to justify the initial outlay. When AGOA’s continuation is uncertain beyond the next year, rational investors discount the value of AGOA preferences heavily or decline to invest at all. The program thus systematically fails to generate the investment it is theoretically designed to attract.

A reauthorization of 10 to 15 years would generally align AGOA’s horizon with private sector planning cycles. It would provide the certainty that lenders, equity investors, and multi-national supply chain managers require before committing capital. It would also signal to African partner governments that U.S. economic engagement is durable — a signal with independent strategic value in a competitive environment where China presents itself as a long-term partner.

The reauthorization term should be accompanied by a structural mid-term review — at the five- or seven-year mark — that assesses program utilization, evaluates country eligibility determinations, and considers whether adjustments are warranted. A model for this review process could be Article 34.7 in the U.S.-Mexico-Canada Trade Agreement.⁸ This review mechanism preserves congressional oversight while avoiding the market-distorting uncertainty

⁷ “African Growth and Opportunity Act (AGOA): Background and Reauthorization,” *Congressional Research Service*, June 16, 2015.

(https://www.everycrsreport.com/files/20150616_R43173_c89a4713cb8440a6e22c1bc08f73b8328ba5ce60.pdf)

⁸ [Canada] Global Affairs, “Canada-United States-Mexico Agreement (CUSMA) – Chapter 34 – Final provisions,” November 30, 2018. (<https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cusma-aceum/text-texte/34.aspx?lang=eng>)

of near-term expiration. Moreover, AGOA summits, which tie up scarce U.S. diplomatic capacity, need not be held annually.

Conditionality and Reciprocity as Statutory Requirements

AGOA's current eligibility framework establishes conditions related to market-based economies, rule of law, political pluralism, and the elimination of barriers to U.S. trade and investment.⁹ In practice, enforcement has been inconsistent, and the framework has not been updated to reflect current U.S. trade policy priorities or the strategic competition context.¹⁰ Reauthorization should focus eligibility requirements on two conditions.

Reciprocity. The elimination of barriers to U.S. trade and investment is already an AGOA eligibility requirement.¹¹ It should be enforced as one. Each country's eligibility review should include a specific assessment of non-tariff barriers and discriminatory sanitary and phytosanitary (SPS) measures affecting U.S. agricultural exports. Where such barriers exist, USTR should establish a remediation timeline as a condition of continued eligibility. Congress should make clear that countries that maintain unjustified SPS or non-tariff barriers against U.S. goods while receiving preferential access to U.S. markets are not meeting the program's existing statutory terms.

National Security. AGOA's existing eligibility criteria already require that beneficiary countries not undermine U.S. national security or foreign policy interests.¹² The administration can — and should — use this conditionality to cut off Hezbollah financing networks and to crack down on military cooperation with Iran and Russia.¹³ However, reauthorization should make clear that Chinese basing is a red line. A country hosting a People's Liberation Army base or entering into a basing agreement with Chinese-military affiliated entities presents a direct conflict with U.S. security interests. As China seeks to establish bases on Africa's Atlantic Coast, in particular, the reauthorization statute should direct USTR to treat Chinese military basing arrangements as a material factor in eligibility determinations.¹⁴

⁹ Liana Wong, "African Growth and Opportunity Act (AGOA)." *Congressional Research Service*, February 17, 2026. (<https://www.congress.gov/crs-product/IF10149>)

¹⁰ Mariel Ferragamo, Ivana Lefebvre d'Argence, and Helena Kopans-Johnson, "AGOA: The U.S.-Africa Trade Program," *Council on Foreign Relations*, October 1, 2025. (<https://www.cfr.org/backgrounders/agoa-us-africa-trade-program>)

¹¹ Office of the United States Trade Representative, Press Release, "Statement from Ambassador Jamieson Greer on the Reauthorization of the African Growth and Opportunity Act," February 3, 2026. (<https://ustr.gov/about/policy-offices/press-office/press-releases/2026/february/statement-ambassador-jamieson-greer-reauthorization-african-growth-and-opportunity-act>)

¹² "African Growth and Opportunity Act (AGOA): Background and Reauthorization," *Congressional Research Service*, June 16, 2015. (https://www.everycrsreport.com/files/20150616_R43173_c89a4713cb8440a6e22c1bc08f73b8328ba5ce60.pdf)

¹³ Daniel Swift, "To Squeeze Hezbollah, Look to West Africa," *The National Interest*, April 30, 2026. (<https://nationalinterest.org/feature/to-squeeze-hezbollah-look-to-west-africa>); Gerald Imray, "China, Russia and Iran join South Africa for naval drills as tensions run high," *Associated Press*, January 9, 2026. (<https://apnews.com/article/china-russia-iran-south-africa-naval-drills-bbb566d8f5374dca040b6d4714b99a71>)

¹⁴ David Vergun, "General Says China Is Seeking a Naval Base in West Africa," *U.S. Department of War*, March 17, 2022. (<https://www.war.gov/News/News-Stories/Article/Article/2969935/general-says-china-is-seeking-a-naval-base-in-west-africa/>)

III. Rules of Origin Reform

AGOA's third-country fabric provision allows lesser-developed beneficiary countries to use fabric of any origin — including Chinese-origin fabric — in AGOA-preference apparel.¹⁵ This provision has had the unintended consequence of integrating Chinese textile supply chains in AGOA production, effectively subsidizing Chinese fabric exporters through U.S. trade preferences.

The strategic context for reform has sharpened recently. China has used heavy-handed industrial policies and deep domestic imbalances to stop supply chains, such as apparel, from migrating out of the country — despite its increasing labor costs.¹⁶ Even when apparel supply chains manage to migrate, a substantial portion of the raw material still originates with Chinese suppliers, especially upstream textile production including fiber processing and fabric manufacturing.¹⁷ China's new supply chain regulations, released by the State Council in April 2026, expand government powers to investigate and impose countermeasures on foreign entities deemed to threaten the country's industrial supply chains, with possible consequences ranging from investment bans to sanctions on individuals.¹⁸

This submission recommends amending AGOA's rules of origin to phase out eligibility of Chinese-origin fabric over a defined transition period — sufficient to allow African mill operators and apparel manufacturers to adjust sourcing, attract investment in regional spinning and weaving capacity, and increase U.S.-sourcing. Affirmative incentives, including enhanced duty preferences for U.S. cotton and fiber inputs and U.S. development financing for regional textile mill development, should accompany the phase out.

IV. Reconstituting an Initiative on U.S.-Africa Trade and Investment

The first Trump Administration launched Prosper Africa in 2018 as part of its Africa Strategy.¹⁹ The initiative demonstrated genuine early promise as a U.S. government coordinating mechanism — facilitating cross-agency deal support, connecting U.S. firms with African counterparts and beginning to rationalize the fragmented landscape of U.S. economic statecraft on the continent.²⁰ It also operationalized the administration's "trade over aid" principle, linking U.S. businesses with counterparts on the continent.²¹ Prosper Africa, however, was eliminated by

¹⁵ Liana Wong, "African Growth and Opportunity Act (AGOA)." *Congressional Research Service*, February 17, 2026. (<https://www.congress.gov/crs-product/IF10149>)

¹⁶ Agatha Kratz, Lauren D. Piper, and Juliana Bouchaud, "China and the Future of Global Supply Chains," *Rhodium Group*, February 4, 2025. (<https://rhg.com/research/china-and-the-future-of-global-supply-chains/>)

¹⁷ "Vietnam Tops Garment Exports, China Controls Textile Supply," *Global Textile Times* (India).

(<https://www.globaltextiletimes.com/articles/vietnam-tops-garment-exports-china-controls-textile-supply/>)

¹⁸ Charlie Zhu, Jing Li, Fran Wang, and Colum Murphy, "China Issues Supply Chain Rules Targeting Foreign Disruption," *Bloomberg*, April 7, 2026. (<https://www.bloomberg.com/news/articles/2026-05-12/trump-faces-emboldened-xi-in-china-as-iran-war-clips-us-leverage>)

¹⁹ Ned Rauch-Mannino, "Prosper Africa at Four: Successes, Questions, and Next Steps," *The Heritage Foundation*, June 27, 2023. (<https://www.heritage.org/global-politics/report/prosper-africa-four-successes-questions-and-next-steps>)

²⁰ *Ibid.*

²¹ [United States of America] United States Mission to the United Nations, "Trade Over Aid," April 27, 2026. (<https://usun.usmission.gov/trade-over->

DOGE in 2025 before it was ever given the statutory authority, dedicated appropriation, or institutional permanence necessary to fulfill its mission at scale.

The Foundation for Defense of Democracies recently published an Economic Gameplan for U.S. Economic Security.²² A core insight from that memo is that U.S. economic statecraft tools have been “implemented in isolation rather than as part of a unified strategy,” with statecraft authorities “spread and siloed across dozens of agencies” and “coordination mechanisms are often ad hoc and ephemeral.” U.S. economic statecraft in Africa has been a case study in that failure. The United States government shows up in African markets as a collection of disconnected programs rather than as a strategic partner.

The United States needs a new initiative to bring together 17 U.S. government entities around a single mission — increasing trade and investment flows between the United States and Africa — under a defined set of metrics. The lesson of Prosper Africa’s first iteration is not that the concept failed — it is that the concept was never properly resourced or authorized to succeed. Coordinating U.S. government entities is difficult under the best of circumstances.

This submission recommends reconstituting a new initiative as a permanent, statutory office with the Department of State, led by the Assistant Secretary of State for African Affairs. Situating this initiative within the State Department — rather than as a standalone entity — reflects the reality that sustained economic engagement in Africa is inseparable from the diplomatic relationships and country-specific leverage that the Bureau of African Affairs already manages.

A reconstituted initiative could also take on the mandate of AGOA utilization through deal-sourcing, investor matchmaking, and transaction structuring for U.S. firms in AGOA-eligible countries. With USAID’s termination, the U.S. Development Finance Corporation lost hundreds of people sourcing, managing and promoting investment projects on the continent. This capacity should be rebuilt.

Finally, the U.S. Government needs an institutional home for AfCFTA technical assistance and standards engagement. AfCFTA’s protocols on digital trade, intellectual property, investment rules, and competition policy are still in progress.²³ China is currently providing technical assistance to African trade ministries and the AfCFTA Secretariat, embedding Chinese regulatory standards into AfCFTA’s foundational architecture and potentially locking in Chinese market norms and standards in the world’s fastest growing market.²⁴ The United States has a

[aid/#:~:text=The%20most%20effective%20economic%20development,nations%20implementing%20free-market%20reforms\)](#)

²² Elaine K. Dezenski and Josh Birenbaum, “A Gameplan for American Economic Security,” *Foundation for Defense of Democracies*, May 4, 2026. (<https://www.fdd.org/analysis/2026/05/04/a-gameplan-for-american-economic-security-supercharging-u-s-statecraft-from-an-economic-pentagon-to-the-near-global-economy/>)

²³ “African Continental Free Trade Area (AfCFTA) Legal Texts and Policy Documents,” *The Trade Law Centre* (South Africa), accessed May 12, 2026. (<https://www.tralac.org/resources/our-resources/6730-continental-free-trade-area-cfta.html>)

²⁴ Selassie Tay, “AfCFTA and the Creeping Power Play: Africa, the European Union, and China,” *The Policy Center for the New South* (Morocco), February 15, 2023. (<https://www.policycenter.ma/publications/afcfta-and-creeping-power-play-africa-european-union-and-china>)

narrow window to engage. Once these frameworks are finalized, the cost of displacing embedded standards rises drastically.

V. Conclusion

Sub-Saharan Africa will be home to more than two billion people by 2050 — the world's largest concentration of young workers, consumers, and entrepreneurs.²⁵ The United States has the assets to build durable relationships with that market. What it lacks is the policy architecture to deploy them coherently.

A reformed AGOA is the foundation of that architecture, but only if it is built to last. Durability requires tangible results for American workers and businesses — reciprocal market access, contracts signed, exports shipped — and clear boundaries that protect American security interests. Those requirements are mutually reinforcing, not competing. A program that delivers real commercial outcomes builds the domestic constituency that sustains long-term authorization. A program that enforces security criteria and decouples strategic supply chains builds the bipartisan support that survives changes in administration.

The recommendations in this submission are designed with that durability in mind. Reciprocity, security and coordinated implementation are not conditions imposed on African partners for their sake — they are the architecture that makes American commitment to Africa credible, sustainable, and worth something for both sides of the relationship.

²⁵ Alex Ezeh, Frances Kissling, and Peter Singer, “Why sub-Saharan Africa might exceed its projected population size by 2100,” *The Lancet*, October 17, 2020. ([https://www.thelancet.com/article/S0140-6736\(20\)31522-1/fulltext](https://www.thelancet.com/article/S0140-6736(20)31522-1/fulltext))