U.S.-AFRICA TRADE

Options for Congressional Consideration to Improve Textile and Apparel Sector Competitiveness under the African Growth and Opportunity Act

What GAO Found

Many of the options discussed by the panel of experts GAO convened address the need to consider the trade-offs inherent in trade preference programs. Furthermore, experts emphasized that the link between trade policy and economic development complicates potential policy responses. While AGOA has generous benefits for textile and apparel, many SSA countries face infrastructure and development challenges that must be addressed before they can fully take advantage of these benefits.

Recognizing this interplay, GAO’s panel of experts and key informants gave greatest priority to options they believed provide long-term investors with predictability of benefits and encourage regional commitments relative to other developing countries. Such options included:

- Extending the duration of the third-country fabric provision for least developed AGOA countries beyond 2012, and
- Extending the duration of overall AGOA benefits beyond 2015.

The panel similarly gave greatest priority to the options for other development measures that focused on supporting investment through trade capacity building. Many experts considered trade capacity building to be a key component of improving the competitiveness of African textile and apparel inputs production, and in developing the physical and market infrastructure needed for a vibrant export sector. Such options included:

- Funding regional trade hubs and focusing on market promotion and business linkages, and
- Aligning U.S. trade capacity building and development assistance with AGOA objectives.

U.S. Imports of Textile and Apparel from SSA, 1998 through 2009

Dollars in billions

Source: GAO analysis of official U.S. trade statistics.