AGOA Renewal Act of 2023
Sen. Chris Coons

The African Growth and Opportunity Act (AGOA) is the cornerstone of the United States’ economic relationship with Sub-Saharan Africa. By lowering the cost of trade and encouraging investment in the region, AGOA has created valuable opportunities for U.S. businesses, workers, and consumers, while promoting sustainable economic growth and development throughout the region. Reauthorizing AGOA would offer businesses the confidence to increase production in Sub-Saharan Africa at a time when many firms are looking to diversify their supply chains. But industry investment is often planned years in advance, and Congress must extend AGOA soon in order to capture this opportunity.

This discussion draft of the AGOA Renewal Act of 2023 includes the following updates to the program:

- **Extension (Sec. 2):** The bill would extend AGOA by 16 years, pushing back the program’s expiration from 2025 to 2041. This long-term extension would provide businesses the certainty needed to invest in sub-Saharan Africa, supporting economic growth and development in the region. The extension mirrors the 16-year sunset provision included in the U.S.-Mexico Canada Agreement.

- **Integration with AfCFTA (Sec. 3):** Signed in 2018, the African Continental Free Trade Agreement (AfCFTA), is intended to foster trade and spur economic integration and growth throughout the continent. While AGOA is limited to sub-Saharan African countries, the AGOA Renewal Act would modify AGOA’s rules of origin to allow inputs from North African AfCFTA members to count toward the requirement that 35% of a product’s value originate in the region. This change would help AGOA reinforce the AfCFTA’s promise to develop intra-African supply chains. Importantly, to participate in the expanded rules of origin, North African countries would be required to meet AGOA’s eligibility requirements related to governance, human rights, and foreign policy.

- **Graduation (Sec. 4):** Under current law, countries lose eligibility for AGOA once they become “high-income” according to the World Bank’s measure of GDP per capita. Yet developing economies often have volatile GDP numbers that fluctuate considerably year-to-year. What is more, the shock of losing access to AGOA can cause economic contraction—not just in the directly affected economy, but among regional trading partners, as well. The AGOA Renewal Act would ensure that countries do not lose eligibility until they have maintained “high-income” status for five consecutive years.

- **Eligibility Reviews (Sec. 5):** Current statute requires the President to undertake an annual review of all 49 AGOA-eligible countries to evaluate their continued eligibility for the program. The AGOA Renewal Act would reduce that obligation, requiring a review of each country at least once every three years. Triennial reviews are the standard practice for other trade preference programs, such as the Generalized System of Preferences (GSP). This change would free resources to focus on effective implementation of AGOA and enforcement of the program’s requirements. The President would retain the authority to conduct an out-of-cycle review of the eligibility of any country at any time, and the bill requires that USTR undertake an immediate out-of-cycle review of South Africa.

- **Textile Visas (Sec. 6):** Current statute requires AGOA beneficiaries to transmit a “textile visa” to U.S. Customs and Border Protection (CBP) with every shipment of apparel. Textile visas were once common, but CBP no longer needs them to effectively monitor imports, and today they are in use only because statute requires them for trade with AGOA beneficiaries and Haiti. The AGOA Renewal Act would facilitate trade by eliminating requirements for textile visas.

- **Production Verification Visits (Sec. 7):** Current statute mandates that CBP send “production verification teams” to “at least four” AGOA beneficiaries each year in order to monitor compliance with AGOA’s rules of origin. This requires CBP to devote disproportionate enforcement resources to sub-Saharan Africa. The bill would modify the requirement to require CBP to send production verification teams to sub-Saharan African countries “as necessary to verify compliance” with AGOA, freeing CBP to devote enforcement resources where they are needed most.

*Sen. Coons welcomes input on this discussion draft. Please send questions or comments to Sam_duPont@coons.senate.gov.*
To reauthorize the African Growth and Opportunity Act.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “AGOA Renewal Act
of 2023”.

SEC. 2. EXTENSION OF AFRICAN GROWTH AND OPPOR-
TUNITY ACT.

(a) In General.—Section 506B of the Trade Act
of 1974 (19 U.S.C. 2466b) is amended by striking “Sep-
tember 30, 2025” and inserting “September 30, 2041”.

(b) African Growth and Opportunity Act.—
(1) In general.—Section 112(g) of the African Growth and Opportunity Act (19 U.S.C. 3721(g)) is amended by striking “September 30, 2025” and inserting “September 30, 2041”.

(2) Extension of regional apparel article program.—Section 112(b)(3)(A) of the African Growth and Opportunity Act (19 U.S.C. 3721(b)(3)(A)) is amended—

(A) in clause (i), by striking “21 succeeding” and inserting “37 succeeding”; and

(B) in clause (ii)(II), by striking “September 30, 2025” and inserting “September 30, 2041”.

(3) Extension of third-country fabric program.—Section 112(c)(1) of the African Growth and Opportunity Act (19 U.S.C. 3721(e)(1)) is amended—

(A) in the paragraph heading, by striking “SEPTEMBER 30, 2025” and inserting “SEPTEMBER 30, 2041”;

(B) in subparagraph (A), by striking “September 30, 2025” and inserting “September 30, 2041”; and
(C) in subparagraph (B)(ii), by striking “September 30, 2025” and inserting “September 30, 2041”.

(e) Reporting Requirement.—Section 110(e) of the Trade Preferences Extension Act of 2015 (Public Law 114–27; 19 U.S.C. 3705 note) is amended by striking “September 30, 2025” and inserting “September 30, 2041”.

SEC. 3. SUPPORT FOR REGIONAL SUPPLY CHAINS IN AFRICA.

(a) Trade Act of 1974.—Section 506A of the Trade Act of 1974 (19 U.S.C. 2466a) is amended—

(1) in subsection (a), by adding at the end the following:

“(4) Eligible AfCFTA Countries.—The President is authorized to designate a country as an eligible AfCFTA country if—

“(A) that country has signed and ratified the African Continental Free Trade Agreement;

and

“(B) the President determines that the country meets the eligibility requirements set forth in section 104 of the African Growth and Opportunity Act (19 U.S.C. 3703).”;

“(4) Eligible AfCFTA Countries.—The President is authorized to designate a country as an eligible AfCFTA country if—

“(A) that country has signed and ratified the African Continental Free Trade Agreement;

and

“(B) the President determines that the country meets the eligibility requirements set forth in section 104 of the African Growth and Opportunity Act (19 U.S.C. 3703).”;

“(4) Eligible AfCFTA Countries.—The President is authorized to designate a country as an eligible AfCFTA country if—

“(A) that country has signed and ratified the African Continental Free Trade Agreement;

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“(B) the President determines that the country meets the eligibility requirements set forth in section 104 of the African Growth and Opportunity Act (19 U.S.C. 3703).”;

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“(B) the President determines that the country meets the eligibility requirements set forth in section 104 of the African Growth and Opportunity Act (19 U.S.C. 3703).”;

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“(A) that country has signed and ratified the African Continental Free Trade Agreement;

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“(B) the President determines that the country meets the eligibility requirements set forth in section 104 of the African Growth and Opportunity Act (19 U.S.C. 3703).”;

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“(A) that country has signed and ratified the African Continental Free Trade Agreement;

and

“(B) the President determines that the country meets the eligibility requirements set forth in section 104 of the African Growth and Opportunity Act (19 U.S.C. 3703).”;

“(4) Eligible AfCFTA Countries.—The President is authorized to designate a country as an eligible AfCFTA country if—

“(A) that country has signed and ratified the African Continental Free Trade Agreement;

and

“(B) the President determines that the country meets the eligibility requirements set forth in section 104 of the African Growth and Opportunity Act (19 U.S.C. 3703).”;

“(4) Eligible AfCFTA Countries.—The President is authorized to designate a country as an eligible AfCFTA country if—

“(A) that country has signed and ratified the African Continental Free Trade Agreement;

and

“(B) the President determines that the country meets the eligibility requirements set forth in section 104 of the African Growth and Opportunity Act (19 U.S.C. 3703).”;

“(4) Eligible AfCFTA Countries.—The President is authorized to designate a country as an eligible AfCFTA country if—

“(A) that country has signed and ratified the African Continental Free Trade Agreement;

and

“(B) the President determines that the country meets the eligibility requirements set forth in section 104 of the African Growth and Opportunity Act (19 U.S.C. 3703).”;

“(4) Eligible AfCFTA Countries.—The President is authorized to designate a country as an eligible AfCFTA country if—

“(A) that country has signed and ratified the African Continental Free Trade Agreement;

and

“(B) the President determines that the country meets the eligibility requirements set forth in section 104 of the African Growth and Opportunity Act (19 U.S.C. 3703).”;

“(4) Eligible AfCFTA Countries.—The President is authorized to designate a country as an eligible AfCFTA country if—

“(A) that country has signed and ratified the African Continental Free Trade Agreement;

and

“(B) the President determines that the country meets the eligibility requirements set forth in section 104 of the African Growth and Opportunity Act (19 U.S.C. 3703).”;

“(4) Eligible AfCFTA Countries.—The President is authorized to designate a country as an eligible AfCFTA country if—

“(A) that country has signed and ratified the African Continental Free Trade Agreement;

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“(B) the President determines that the country meets the eligibility requirements set forth in section 104 of the African Growth and Opportunity Act (19 U.S.C. 3703).”;

“(4) Eligible AfCFTA Countries.—The President is authorized to designate a country as an eligible AfCFTA country if—

“(A) that country has signed and ratified the African Continental Free Trade Agreement;

and

“(B) the President determines that the country meets the eligibility requirements set forth in section 104 of the African Growth and Opportunity Act (19 U.S.C. 3703).”;

“(4) Eligible AfCFTA Countries.—The President is authorized to designate a country as an eligible AfCFTA country if—

“(A) that country has signed and ratified the African Continental Free Trade Agreement;

and

“(B) the President determines that the country meets the eligibility requirements set forth in section 104 of the African Growth and Opportunity Act (19 U.S.C. 3703).”;

“(4) Eligible AfCFTA Countries.—The President is authorized to designate a country as an eligible AfCFTA country if—

“(A) that country has signed and ratified the African Continental Free Trade Agreement;

and

“(B) the President determines that the country meets the eligibility requirements set forth in section 104 of the African Growth and Opportunity Act (19 U.S.C. 3703).”;

“(4) Eligible AfCFTA Countries.—The President is authorized to designate a country as an eligible AfCFTA country if—

“(A) that country has signed and ratified the African Continental Free Trade Agreement;

and

“(B) the President determines that the country meets the eligibility requirements set forth in section 104 of the African Growth and Opportunity Act (19 U.S.C. 3703).”;
(2) in subsection (b)(2), by striking “former beneficiary sub-Saharan African countries” each place it appears and inserting “eligible AfCFTA countries”; and

(3) in subsection (e), by striking paragraph (2) and inserting the following:

“(2) the term ‘eligible AfCFTA country’ means a country that the President has determined is eligible under subsection (a)(4) of this section.”.

(b) AFRICAN GROWTH AND OPPORTUNITY ACT.—

Section 112 of the African Growth and Opportunity Act (19 U.S.C. 3721) is amended—

(1) in subsection (a), by striking “section 506A(c)” and inserting “section 506A(f)”; and

(2) in subsection (f)—

(A) in paragraph (2), by striking “section 506A(c)” and inserting “section 506A(f)”; and

(B) by striking paragraph (4) and inserting the following:

“(4) ELIGIBLE AFCFTA COUNTRY.—The term ‘eligible AfCFTA country’ means a country that the President has determined is eligible under section 506A(a)(4) of the Trade Act of 1974.”; and
(3) by striking “former beneficiary sub-Saharan African countries” each place it appears and inserting “eligible AfCFTA countries”.

SEC. 4. GRADUATION OF BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.

(a) In general.—Section 506A of the Trade Act of 1974 (19 U.S.C. 2466a) is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(2) by inserting after subsection (c) the following new subsection:

“(d) Mandatory Graduation of Beneficiary Sub-Saharan African Countries.—If the President determines that a beneficiary sub-Saharan African country has been classified, under the official statistics of the International Bank for Reconstruction and Development, as a ‘high income’ country for a period of 5 consecutive years, then the President shall terminate the designation of such country as a beneficiary sub-Saharan African country for purposes of this section and as a beneficiary developing country for purposes of this title, effective on January 1 of the second year following the year in which such determination is made.”.

(b) Conforming Amendments.—Title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.) is amended—
(1) in section 502(e), by striking “If the President” and inserting “Except as provided by section 506A(d), if the President”;

(2) in section 506A(a)(1)(B)—

(A) by striking “subsections (a), (d), and (e)” and inserting “subsections (a) and (d)”;

and

(B) by inserting “(other than subsection (e) of that section)” after “in section 502”; and

(3) in section 506B (19 U.S.C. 2466b), by striking “section 506A(c)” and inserting “section 506A(f)”.

SEC. 5. REVIEWS OF ELIGIBILITY.

(a) Triennial Reviews.—Section 506A(a)(2) of the Trade Act of 1974 (19 U.S.C. 2466a(a)(2)) is amended to read as follows:

“(2) Monitoring and review of certain countries.—

“(A) In general.—The President shall, not less frequently than once every 3 years, monitor, review, and report to Congress on—

“(i) the progress of each country listed in section 107 of the African Growth and Opportunity Act (19 U.S.C. 3706) in meeting the requirements described in
paragraph (1) in order to determine the current or potential eligibility of the country to be designated as a beneficiary Saharan African country for purposes of this section; and "(ii) the progress of each country that has signed and ratified the African Continental Free Trade Agreement in meeting the requirements described in paragraph (4) in order to determine the current or potential eligibility of the country to be designated as an eligible AfCFTA country for purposes of this section.

"(B) REPORTING.—The President's determinations, and explanations of such determinations, with analysis of the eligibility requirements described in paragraphs (1)(A) and (4)(B), shall be included in the report required by section 106 of the African Growth and Opportunity Act (19 U.S.C. 3705)."

(b) MANDATORY OUT-OF-CYCLE REVIEW OF ELIGIBILITY OF SOUTH AFRICA.—Section 506A(d)(4)(E) of the Trade Act of 1974 (19 U.S.C. 2466a(d)(4)(E)) is amended to read as follows:
“(E) INITIATION OF OUT-OF-CYCLE REVIEW OF SOUTH AFRICA.— The President shall initiate an out-of-cycle review under subparagraph (A) with respect to South Africa not later than 30 days after the date of the enactment of the AGOA Renewal Act of 2023.”.

SEC. 6. REPEAL OF OUTDATED TEXTILE VISA REQUIREMENTS.

The African Growth and Opportunity Act (19 U.S.C. 3701 et seq.) is amended—

(1) in section 112 (19 U.S.C. 3721)—

(A) by striking subsection (d); and

(B) by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively; and

(2) in section 113 (19 U.S.C. 3722)—

(A) in subsection (a)(1)—

(i) in subparagraph (A), by striking “an effective visa system, domestic laws,” and inserting “domestic laws”;

(ii) in subparagraph (D), by striking the semicolon and inserting “; and”;

(iii) in subparagraph (E), by striking “; and” and inserting a period; and

(iv) by striking subparagraph (F);
(B) in subsection (b)(5), by striking “the effectiveness of the visa systems and”; and

(C) in subsection (c)(1)(A), by striking “visa systems, legislation,” and inserting “legislation”.

SEC. 7. MODIFICATION OF PRODUCTION VERIFICATION TEAM VISITS.

Section 113(c)(2) of the African Growth and Opportunity Act (19 U.S.C. 3722(c)(2)) is amended to read as follows:

“(2) send production verification teams to beneficiary sub-Saharan African countries as necessary to verify compliance with this section; and”.