

Agoa conference to discuss value addition



USAID Agoa Advisor, Allan Scott (right) during a press briefing on July 16, 2009. With him are Ayoma Mutunga, Chairman of the Agoa-Civil Society Organizations Sub-Committee (centre) and Peter Aoga, the Kenya Civil Society National Coordinator. Photo/CHRIS OJOW

By SAMMY CHEBOI

Daily Nation

Posted Thursday, July 16 2009 at 14:16

Civil society organisations will be seeking ways to complement government efforts in promoting value addition among smallholder farmers and manufacturers during the forthcoming African Growth and Opportunity Act conference.

Kenyan farmers and manufacturers have not been able to effectively take advantage of preferential US market opening to the country due to low levels of awareness on the benefits of the American initiated trade pact with the country, said Ayoma Mutunga, chairman of the Agoa-Civil Society Organizations Sub-Committee.

The civil society organisations have in the past ignored their role in pushing for the utilisation of the Agoa principles to benefit local economy through revival of agriculture especially cotton industry, admitted Mr Mutunga.

“We have not done our part in ensuring that the country reaps maximum benefits from this trade arrangement but the conference will be a perfect opportunity for us to identify key areas we can come in,” he said on Thursday during a press conference at the Ministry of Trade headquarters, Teleposta.

In May 2000, the US Congress approved Agoa. The purpose of this legislation was to assist the economies of sub-Saharan Africa and to improve economic relations between the US and the region.

The trade pact enhances US market access for 39 sub-Saharan African countries by providing trade preferences for quota and duty-free entry into the US for certain goods.

The forthcoming conference, to be held at the Kenyatta International Conference Centre between August 4 and 6, is the eighth Agoa meeting and aims at asserting the involvement of the civil society in development programmes.

Mr Scott Allen, an Agoa adviser at the United States Agency for International Development, disclosed that 200 exhibitors have so far registered for the forum, majority being Kenyans.

He described Agoa as the most preferential US trade engagement with any other region, noting that about 7,000 product tariff lines under the combined Agoa/Generalised System Preferences (GSP) were available to African countries.

Mr Allen said the revised pact provides preferences to both raw materials and processed products, in the process promoting regional integration.

“It’s possible to have Ugandan raw materials being processed in Kenya and exported to the US. However, issues of quality standards and volumes of exports have to be satisfied,” he said.

The Agoa builds on existing US trade programs by expanding the benefits (duty-free) previously available under the GSP programme. There are 1,800 product tariff lines that were added to GSP by the Agoa legislation.

Kenya’s exports volume to the US under the trade arrangement has been on the rise, standing at \$275 million last year, up from \$250 million in 2007.

Every year, an Agoa forum bringing together government leaders, private sector and civil society stakeholders from Africa and the US is held.

The US is providing technical assistance to Agoa eligible countries through USAID to help them benefit from the pact.

It has also established three regional trade hubs in Africa for this purpose, in Accra, Ghana; Gaborone, Botswana and Nairobi.