

Local exports under Agoa still below target

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Kenya has managed to develop two products for export to the United States of America.

This, however, is still a long way short of the 6,000 products it can export to America under the African Growth and Opportunity Act (Agoa), Trade Minister Amos Kimunya has said.

He said though the country was the first country in sub-Saharan Africa to benefit from the US-Government sponsored Agoa that gives duty and quota free market access to 38 African countries, exporters have failed to fully utilise the facility.

The Act was launched in October 2000 as a vehicle to assist African countries to export to the world largest economy under preferential terms.

"Kenya has only been able to export a few products, specifically textiles and handicrafts due to demand and supply side constraints," Kimunya said during the monthly luncheon organised by the American Chamber of Commerce of Kenya yesterday.

High standards

Exports have been unable to produce goods that can meet the high standards required, while lack of direct cargo flights from Nairobi to major US cities has hindered exports of horticulture products like flowers. Textile exports from the Export Processing Zones are also threatened by stiff competition from exports from more efficient producers in Asia and mainly China, India and Bangladesh mainly after the expiry of the Multifibre Agreement in 2005.

The agreement had set textile quotas for every export country. The exporters have also been unable to compete, due to lack of local raw materials following the collapse of the local cotton industry.