



Kenya is one of the top five beneficiaries of the US-Africa trade initiative, the African Growth and Opportunity Act (AGOA). It also had the second-highest utilisation rate in 2018 with over 70% of its US exports covered by the programme.

Launched in 2000, the trade pact gives sub-Saharan Africa the most liberal access to the huge US market available to any country or region with which Washington does not have a free trade agreement. The initiative has had a significant impact on stimulating Africa-US trade. Exports to the US from eligible African countries grew by over 272%, from US\$22 billion in 2000 to US\$82 billion in 2008.

Probably due to COVID-19 disruptions, exports declined to US\$18.4 billion in 2020. Despite these fluctuations, Africa maintained a positive balance of trade with the US in the 2000-2020 period, thanks to AGOA eligible products. As of 2017, the trade initiative had created over 300,000 jobs in sub-Saharan Africa, many of which were in the apparel sector.

We recently carried out a Kenya country case study on the implementation of AGOA in the 2000 to 2016 period. We found that in this period, Kenya's total exports to the US grew by \$443.2 million (or 405%) from \$109.4 million to \$552.6 million. By 2020, the figure had risen to \$569 million, with most of the country's exports coming from eligible products.

Looked at differently, in the nine years before the trade programme (1992 to 2000), Kenya's average annual exports to the US were \$101 million. In the nine years after (2002 to 2010), average annual exports to the US rose to \$305 million. They rose further on average to \$557 million in the 2012 to 2020 period.

Moreover, in contrast with the 1990s, Kenya had a positive balance of trade with the US, averaging \$158 million per year since 2016.

Kenya's exports to the US under this programme have enabled the country to build a sizeable textile and apparel export sector. As of 2016, Kenya had 111 firms in its export processing zones that produced most of its \$634 million worth of exports. Calvin Klein and Tommy Hilfiger are some of the US brands that buy Kenyan apparel and clothing products.

The sector employed 52,000 workers, used over \$250 million in local resources and attracted in excess of \$710 million in total investments. But Kenya's apparel export sector is overwhelmingly dependent on the US market. This over-reliance on