

SENATE RESOLUTION NO. 74

Senators Geiss, Santana, Wojno, Anthony, Shink and Klinefelt offered the following resolution:

1 A resolution to urge the President of the United States and
2 the United States Congress to renew the African Growth and
3 Opportunity Act and to expand it to include other sub-Saharan
4 African countries.

5 Whereas, The African Growth and Opportunity Act (AGOA) was
6 enacted in May 2000 to provide eligible sub-Saharan African
7 countries with duty-free access to the United States market for
8 over 1,800 products, as well as over 5,000 products that are
9 eligible for duty-free access under the Generalized System of
10 Access Program. To become and remain eligible for duty-free access,
11 countries must establish or make continual progress towards
12 establishing a market-based economy, the rule of law, political

1 pluralism, and the right to due process. Eligible countries must
2 have also eliminated barriers to trade and investment with the
3 United States and enacted policies to reduce poverty, combat
4 corruption, and protect human rights; and

5 Whereas, Approximately forty sub-Saharan African countries are
6 eligible for AGOA beneficiary status. On October 2, 2000, President
7 Bill Clinton designated thirty-four countries as eligible for trade
8 benefits provided under the AGOA. Since the AGOA's enactment,
9 countries have been added and removed from the list of eligible
10 countries, including Cote d'Ivoire, the Central African Republic,
11 and the Democratic Republic of the Congo. Since 2019, Cameroon,
12 Ethiopia, Guinea, Mali, and Burkina Faso have had their AGOA
13 beneficiary status revoked, while the Democratic Republic of the
14 Congo was declared an eligible lesser-developed beneficiary sub-
15 Saharan African country; and

16 Whereas, The AGOA has been amended four times to clarify
17 preferential treatment terms, technical standards, and sunset
18 deadlines. With an initial expiration date of September 2007,
19 President George W. Bush signed the AGOA Acceleration Act in July
20 2004 and extended the act's expiration date to 2015. In June 2015,
21 President Barack Obama signed the Trade Preferences Extension Act,
22 thereby extending the AGOA's validity to its current expiration
23 date of 2025; and

24 Whereas, United States' imports under the AGOA continue to
25 grow. Total AGOA imports were valued at 9.4 billion dollars in
26 2022, an increase of 57 percent from 6.0 billion dollars in 2021
27 and more than double the value of imports in 2020, during the
28 height of the COVID-19 pandemic. Among these imports, energy
29 product imports, such as crude oil, increased from 1.9 billion

1 dollars in 2021 to 4.5 billion dollars in 2022, and accounted for
2 47 percent of AGOA imports. Nigeria was the top supplier of energy
3 products in 2022, with 3.4 billion dollars imported. Non-energy
4 imports, such as motor vehicles, textiles, and apparel, increased
5 by 21 percent in 2022 to 5.0 billion dollars. South Africa was the
6 top supplier of AGOA non-energy imports, with eligible imports
7 increasing by 46 percent from 2021 to 2022; and

8 Whereas, The State of Michigan is well-positioned to support
9 AGOA products from nations like Nigeria, South Africa, and other
10 sub-Saharan African nations to create a two-way pipeline of
11 investment for local entrepreneurs in our state. In 2022, Michigan
12 imported 153 billion dollars, making it the sixth largest importer
13 out of the 53 importers in the United States. As of May 2023,
14 Michigan imported 14.7 billion dollars, with cars, parts and
15 accessories for motor vehicles, delivery trucks, spark ignition
16 engines, and commodities that were not otherwise specified among
17 the top imports; and

18 Whereas, It is imperative that the United States renew the
19 AGOA and expand it to include other sub-Saharan African countries
20 in an effort to assist with sub-Saharan Africa's regional
21 integration efforts. Sub-Saharan Africa has already become more
22 integrated through tariff reduction and increasing trade in the
23 region. An increase in integration has already led to a growth in
24 regional exports. Coupled with the types of goods it exports, the
25 sub-Saharan Africa region is quickly become an attractive trading
26 partner for the State of Michigan. Expanding the AGOA to include
27 other sub-Saharan African countries may help Michigan businesses by
28 encouraging reform of economic and commercial regimes, leading to
29 stronger markets and more effective partners for the State of

1 Michigan; now, therefore, be it

2 Resolved by the Senate, That we urge the President of the
3 United States and the United States Congress to renew the African
4 Growth and Opportunity Act and to expand it to include other sub-
5 Saharan African countries; and be it further

6 Resolved, That copies of this resolution be transmitted to the
7 President of the United States, the President of the United States
8 Senate, the Speaker of the United States House of Representatives,
9 and the members of Michigan's congressional and senatorial
10 delegations.