Before the
U.S. INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 332-477

Written Statement
Submitted By

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This statement is respectfully submitted by the African Coalition for Trade (ACT) in connection with the October 23, 2007 hearing before the U.S. International Trade Commission (ITC) in Investigation No. 332-477 relating to factors that affect trade patterns of selected industries in sub-Saharan Africa (SSA). This statement will focus on the factors affecting U.S. apparel imports from SSA.

ACT is a non-profit trade association of African private sector companies and trade associations that are involved in trade with the United States under the African Growth and Opportunity Act (AGOA). ACT has been involved in the development, implementation and amendment of AGOA as one of the main spokespersons for the African private sector. Most of the leading African textile and apparel producers doing business under AGOA are members of ACT, either directly as individual companies or indirectly through their membership in local African trade associations that are in turn members of ACT.

As is clearly illustrated by the following table, AGOA's quota-free access and duty preference for apparel made in SSA was successful in encouraging a significant increase in apparel imports from SSA during first four years in effect. U.S. apparel imports from SSA grew by 106% during 2001-2004. However, with the end of the expiration of the Multi-Fiber Arrangement (MFA) effective January 1, 2005, quite a different pattern emerged. U.S. apparel imports from SSA declined by 26% during 2005-2006. It is evident, therefore, that AGOA's quota and duty preference was much more effective while the MFA restrained imports from other more competitive sources. With the end of such quotas, AGOA's duty preference alone has not been as successful in encouraging apparel trade with SSA.

U.S. Apparel Imports from AGOA Countries[1]
(in million square meter equivalents (sme))

Country	2001	2002	2003	2004	2005	2006	% Growth 2001-2004	% Growth 2004-2006
Lesotho	50.900	84.147	103.865	111.128	95.261	95.164	118%	-14%
Kenya	18.521	35.184	52.228	73.313	73.899	65.461	296%	-11%
Madagascar	37.479	22.161	45.639	69.408	62.565	55.200	85%	-20%
Swaziland	11.433	25.265	49.164	61.466	54.986	41.478	438%	-33%
Mauritius	41.072	46.901	45.124	37.183	29.210	21.892	-9%	-41%
South Africa	47.602	50.461	70.251	38.862	16.837	11.148	-18%	-71%
Namibia	0.081	1.393	10.543	18.344	16.091	10.301	22,547%	-44%
Ghana	0.214	0.628	6.176	9.278	6.410	7.267	4,236%	-22%
Botswana	1.286	3.006	3.051	5.834	7.687	7.290	353%	25%
Malawi	4.368	3.362	7.049	7.795	6.965	5.458	78%	-30%
Ethiopia	0	0	1.172	2.602	2.136	3.140	>100%	21%

[1] All data are derived from the U.S. Department of Commerce Office of Textiles and Apparel import statistics.

Country	2001	2002	2003	2004	2005	2006	% Growth 2001-2004	% Growth 2004-2006
Tanzania	0.001	0.048	0.345	0.803	0.840	0.668	>100%	-17%
Uganda	0	0	0.841	1.477	1.762	0.527	>100%	-64%
Mozambique	0	0	0.423	0.314	0.438	0.212	>100%	-32%
Cameroon	0	0	0	0	0.064	0.053	0%	>100%
Niger	0	0	0	0	0.001	0.038	0%	>100%
Cote d'Ivoire	0	0	0	0	0.020	0.026	0%	>100%
Mali	0	0	0	0	0.013	0.011	0%	>100%
Senegal	0	0	0	0	0.010	0.008	0%	>100%
DR Congo	0	0	0	0	0.001	0.001	0%	>100%
Cape Verde	0.636	1.124	1.271	1.146	0.914	0.000	80%	-100%
Zambia	0	0	0	0.029	0.000	0.000	>100%	-100%
Totals	**213.593**	**273.680**	**397.142**	**438.982**	**376.112**	**325.343**	**106%**	**-26%**

On the other hand, the U.S. Commerce Department's textile and apparel import data for January-July 2007, which is the most recent data currently available, shows modest growth of U.S. imports from SSA, which began with January 2007, following two years of disturbing declines since the expiration of the MFA. U.S. imports of textiles and apparel from Africa during January-July 2007 were 201.764 million square meter equivalents (smes), up 4.14% from January-July 2006, but still down -11.16% compared to January-July 2005, which represented the peak of U.S. imports from SSA just as the MFA quotas ended. Hopefully, the increase in imports in January-July 2007 represents a sustainable turn-around. If the increase becomes an ongoing trend, at least some of the credit can be attributed to Congress' renewal of AGOA's third- country fabric provision in the trade package enacted in December 2006.

Almost immediately following the expiration of the MFA in January 2005, U.S. textile and apparel imports from SSA began a sharp decline. Imports in 2005 were down -15.56% below 2004. By February 2006, the rate of decline had more than doubled to a painful -37%. The new African apparel industry that had been created in response to AGOA could not long survive losses of that magnitude. Beginning with April 2006, however, the rate of decline began to slacken. For calendar 2006, imports fell by -12.9%. While a -12.9% drop in trade would not ordinarily be cause for optimism, the small but steady improvement became a trend toward a sustainable level of apparel trade under AGOA. The new data for January-July 2007 is hopefully confirmation that African textile and apparel exports have finally turned the corner and are now recovering.

U.S. Textile and Apparel Imports from Africa
(in million sme)

Country	Jan.-July 2005	Jan.-July 2006	Jan.-July 2007	Jan.-July 2005 - 07 % Change	Jan.-July 2006 - 07 % Change
Botswana	2.894	4.278	2.93	1.24%	-31.52%
Cape Verde	0.758	0	0	-100.0%	0.00%
Ethiopia	1.079	2.593	1.583	46.71%	-38.93
Ghana	4.332	3.927	3.702	-14.54%	-5.72%
Kenya	43.613	36.157	37.97	-12.94%	5.01%
Lesotho	56.656	54.278	57.561	1.60%	6.05%
Madagascar	36.017	30.604	42.141	17.00%	37.70%
Malawi	4.399	3.085	3.841	-12.68%	24.51%
Mauritius	17.203	13.051	11.774	-31.56%	-9.79%
Namibia	8.066	7.129	7.061	-12.46%	-0.96%
South Africa	15.964	13.198	7.072	-55.70%	-46.64%
Swaziland	33.265	23.411	24.887	-25.19%	6.30%
Tanzania	1.032	0.739	0.503	-51.26%	31.99%
Uganda	0.834	0.454	0.131	-84.29%	-71.26%
Sub-Saharan Africa	**227.104**	**193.758**	**201.764**	**-11.16%**	**4.14%**

The progress reflected in the January-July 2007 import data, however, is not shared by all AGOA countries. Rather, most of the statistical recovery is attributable to import growth from just four countries: Kenya, Lesotho, Madagascar, and Swaziland. Putting these four countries aside for the moment, imports from the other AGOA beneficiaries are actually down –20.5% during January-July 2007, as compared to the same period last year. A disproportionate share of these losses has been suffered by Mauritius and South Africa, whose textile and apparel exports to the United States during 2005-2006 are down -53%. By contrast, imports from the AGOA lesser developed country (LDC) beneficiaries since the end of the MFA are down -6%. The primary reason for this difference is that the AGOA LDCs are allowed to use less expensive, more available Asian fabric – so-called "third-country fabric" – while Mauritius and South Africa are limited to using only African-origin fabric.

But regardless of this important distinction, U.S. apparel imports from all AGOA beneficiaries were down sharply following the end of the MFA quotas, mostly due to increased competition from China. It now appears, however, that the bilateral safeguard quotas imposed on textile and apparel imports from China in November 2005 have succeeded in slowing the shocking concentration of textile and apparel production in China, resulting in somewhat greater diversity in the sourcing of U.S. apparel imports. But the promising growth in imports from SSA in January-July 2007 may be only a temporary respite because the safeguard quotas on China, which apply to products that represent almost 90% of SSA's textile and apparel exports to the United States, are authorized only through 2008. Once the China safeguards expire, there is a serious risk that

U.S. apparel imports from SSA may once again begin to free-fall. The amendments to AGOA enacted in December 2006, including the extension of the third-country fabric provision, are intended to continue the duty-free advantage for African apparel to bolster the competitiveness of garments made in SSA as compared to those made in China and other hyper-competitive Asian producers.

Despite the safeguard quotas, U.S. textile and apparel imports from China during January-July 2007 were up by 20.74% over January-July 2006. By contrast, during 2005 U.S. imports from China shot up by a dramatic 57%. Moreover, none of the Chinese safeguard quotas, which are established on a product-by-product basis, had filled to more than 77% by October 2, 2007, with most of the quotas filled to a considerably lower level. The relatively low fill level is further evidence that U.S. importers are looking to origins other than China for a relatively larger portion of their textile and apparel requirements. Unfortunately, most of the resulting diversification has been to origins other than SSA.

2007 China Safeguard Quota Status Report
Through October 2, 2007

CATEGORY	LIMIT	UOM	RELEASED	%FILLED
200/301 Certain yarns and thread	8,659,019	KG	1,563,084	17.7%
222 Knit fabric	18,361,460	KG	7,102,177	37.9%
229 Special purpose fabric	38,467,942	KG	6,828,106	17.4%
332/432/632-T Hosiery	73,963,859	DPR	54,467,057	72.2%
332/432/632-B Hosiery	70,318,431	DPR	52,138,862	72.7%
338/339 Knit shirts	23,424,875	DOZ	17,042,637	71.3%
340/640 Men’s and boys’ shirts, non knit	7,586,600	DOZ	4,690,666	60.6%
347/348 Cotton Trousers	22,124,305	DOZ	17,475,933	77.4%
349/649 Brassieres	25,634,144	DOZ	14,143,495	54.1%
352/652 Underwear	21,317,554	DOZ	15,033,751	69.1%
359-S/659/S Other cotton apparel	5,164,454	KG	2,405,619	45.7%
363 Terry and other pile towels	116,231,482	NO	65,387,941	55.2%
443 Men’s and boys’ suits	1,514,342	NO	703,892	45.6%
447 Men’s and boys’ trousers	241,880	DOZ	117,296	47.5%
619 Polyester filament fabric	62,222,069	M2	21,372,518	33.7%
620 Other synthetic filament fabric	90,221,904	M2	16,073,238	17.5%
622 Glass fiber fabric	37,104,765	M2	9,355,900	24.7%
638/639 Knit shirts	9,067,571	DOZ	6,323,279	68.4%
345/645/646 Sweaters	9,201,612	DOZ	6,156,419	65.6%
647/648 MMF Trousers	8,955,399	DOZ	6,431,222	70.4%
666 Other MMF furnishings	1,084,516	KG	20,743	1.9%
847 Trousers	19,853,162	DOZ	8,632,431	42.6%

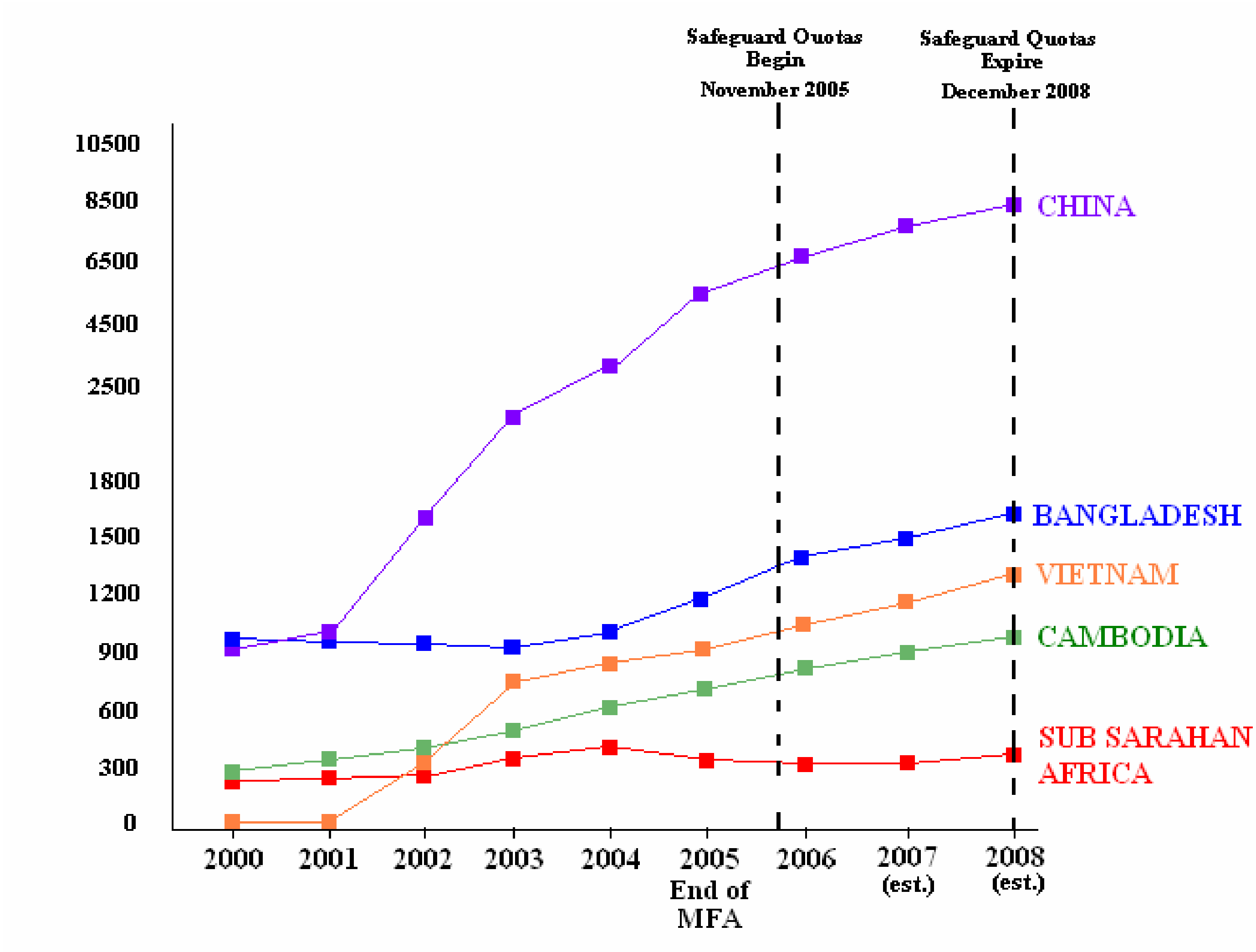
Through year-end 2005, SSA was the only region that had experienced a major decline in its apparel exports to the United States following the end of the MFA quotas. During 2006, however, both the Andean and Central American regions had also experienced declining apparel exports to the United States, down -6% and -11%, respectively, as compared to -13% for SSA.

Imports from other major suppliers were up sharply during 2006, with apparel imports from Bangladesh up 14%, Cambodia up 18%, India up 14%, and Pakistan up 8%. The pattern has changed somewhat in January-July 2007, however, with imports from Pakistan down-13.9% compared to January-July 2006. It is too early to tell whether this is an anomaly or an emerging new trend.

Post-Safeguard Quota Textile and Apparel Imports from Various Regions
January-July 2007 vs. January-July 2006

Region	**January-July 2006 msme**	**January-July 2007 msme**	**% Growth**
World	29,676.440	30,491.410	2.75%
China	9,799.670	11,832.090	20.74%
Bangladesh	854.078	925.858	8.40%
CBI (non-CAFTA)	160.544	169.056	5.30%
Sub Saharan Africa	**193.752**	**201.764**	**4.14%**
India	1,562.979	1,621.569	3.75%
Cambodia	472.252	486.083	2.93%
ASEAN Region	3,314.340	3,329.409	0.45%
CAFTA	1,996.707	1,977.063	-0.98%
Andean Region	153.721	150.716	-1.96%
Pakistan	2,196.256	1,891.024	-13.90%

The reconfiguration of U.S. textile and apparel imports since the end of the MFA is clearly illustrated in the following charts, which trace the concentration of orders initially in China and then in other competitive Asian origins, including Bangladesh, Cambodia and Vietnam in particular:



During January-July 2007, SSA supplied 0.66% of total U.S. textile and apparel imports, down from a high of 1.1% in January 2005, *i.e.*, just as the MFA system of quotas was expiring. In both 2003 and 2004, SSA held 0.99% of U.S. textile and apparel imports, while in 2002 Africa supplied 0.79%. SSA's share of U.S. imports has now fallen to below its 2001 level, when its market share was 0.71%. It is disappointing that SSA's current share of the U.S. apparel import market is only slightly greater than it was before AGOA was enacted in 2000, when SSA held a mere 0.57% of the U.S. market as measured by the volume of such imports.

In terms of value, U.S. textile and apparel imports from SSA during January-July 2007 amounted to $749.500 million, up from $720.521 million during January-July 2006, an increase of 4.02%. U.S. textile and apparel imports from SSA fell by -11.5% in 2006 compared to 2005, measured by value. This is in sharp contrast to a growth rate in the value of textile and apparel imports from Africa of 16.1% in 2004 over 2003 and 37.2% in 2003 over 2002. As measured by value, SSA supplied 1.38% of total U.S. apparel and textile imports during January-July 2007, as compared to 1.41% in 2006, 1.66% in 2005, 2.05% in 2004, 1.98% in 2003, 1.55% in 2002, 1.39% in 2001, 1.1% in 2000 and 0.95% in 1999.

Seven AGOA countries together accounted for 93% of total U.S. apparel and textile imports from SSA during January-July 2007 as measured by volume and 94% by value:

Country	MSME	% Share	$Million	% Share
Lesotho	57.561	28.5%	$226.235	30.2%
Madagascar	42.141	20.9%	$152.029	20.3%
Kenya	37.970	18.8%	$136.675	18.2%
Swaziland	24.887	12.3%	$79.642	10.6%
Mauritius	11.774	5.8%	$67.723	9.0%
Namibia	7.061	3.5%	$21.491	2.9%
South Africa	7.042	3.5%	$23.184	3.1%
Totals	188.436	93.4%	$706.979	94.3%

Focusing just on apparel trade (*i.e.*, excluding yarns, fabrics, and made-ups), these same seven countries again supplied the lion's share, 94% by volume and by value, but in slightly different proportions:

Country	MSME	% Share	$Million	% Share
Lesotho	57.561	29.3%	$226.235	30.7%
Madagascar	41.972	21.4%	$151.850	20.6%
Kenya	37.304	19.0%	$136.285	18.5%
Swaziland	24.887	12.7%	$79.642	10.8%
Mauritius	11.771	6.0%	$67.708	9.2%
Namibia	7.061	3.6%	$21.471	2.9%
South Africa	2.850	1.5%	$12.758	1.7%
Totals	183.406	93.5%	$695.949	94.3%

Virtually since the enactment of AGOA in 2000, apparel imports from six beneficiaries – Lesotho, Kenya, Madagascar, Swaziland, Mauritius, and South Africa – had been head-and-shoulders larger than the next largest AGOA producer. Since the end of the MFA, however, imports from South Africa have fallen so dramatically – a ruinous drop of -70% in two years – that Namibia has now passed South Africa to become the sixth largest AGOA exporter to the United States. For January-July 2007, imports from South Africa are down a staggering -46.64% compared to the first seven months of 2006.

Apparel imports from Mauritius have also been quite hard hit by the end of the MFA, falling by more than half. While imports from Mauritius rebounded slightly in February 2007, showing their first monthly growth since 2003, imports since March have declined again as compared to the same period in 2006. During July 2007, apparel imports from Mauritius were down -29% compared to July 2006. For January-June 2007, however, imports from Mauritius are down -9.79% compared to the same period last year.

On the other hand, Mauritius continues to have by far the highest value-to-volume ratio of all AGOA exporters. The fact that the value of Mauritius' apparel exports is consistently disproportionately greater than the volume of such exports demonstrates the success of the efforts by Mauritius to move "up-market" by focusing on higher value-added products. This strategy is intended to capitalize on the sophistication of the Mauritian industry and workforce, while minimizing the competitive disadvantage vis-à-vis neighboring countries of the region resulting from Mauritius' comparatively higher wages, coupled with the expiration of the special derogation that allowed Mauritius to utilize third-country fabric.

The foregoing discussion has addressed total apparel imports from SSA, including both imports that qualify for duty-free entry under AGOA and apparel that does not meet AGOA's rule of origin requirements. Focusing just on duty-free apparel imports, the statistics tell a similar story, with Lesotho in first place by a substantial margin. The following table is the rank order of top ten suppliers of duty-free apparel imports under AGOA during the first ten months of the 2006-07 TRQ, i.e., October 1, 2006-August 31, 2007:

Country	Duty-Free Apparel Imports
Lesotho	88.567 msme
Madagascar	62.219
Kenya	59.122
Swaziland	38.167
Namibia	9.651
Mauritius	8.599
Malawi	6.090
Botswana	4.961
South Africa	4.429
Ghana	3.714

In the foregoing data on duty-free apparel imports, Namibia, Malawi, and Botswana have all surpassed South Africa. It must be remembered, however, that virtually all garments made in these LDC beneficiaries qualify for duty-free treatment under the AGOA third-country fabric rule. South Africa, by contrast, is under the disadvantage of being limited to using only U.S. or African fabric, which is one of the main reasons for the sharp decline of its apparel industry since the end of the MFA. The fact that duty-free imports from Mauritius have not declined as sharply as those from South Africa reflects greater utilization of the AGOA short supply mechanism by Mauritian apparel producers, as well as recent investments in yarn and fabric production in Mauritius.

A total of 26 AGOA beneficiaries now have approved AGOA visa systems, qualifying them for duty-free access to the U.S. market. Fourteen of these 26 visa holders exported significant volumes of apparel to the United States during January-July 2007: Botswana, Ethiopia, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, and Uganda. Together, these 14 duty-free countries accounted for over 99% of total U.S. apparel imports from SSA during January-July 2007.

Apparel imports from these 14 countries with approved AGOA visa systems increased by 5.6% during January-July 2007, as measured by volume in sme, and by 4.1 % as measured by value. The AGOA beneficiaries that experienced growth in apparel exports to the United States during January-July 2007 were: Kenya, up 3.4% by volume but down -3.6% by value, Lesotho, up 6.1% by volume and 5.8% by value; Madagascar, up 37.2% by volume and 21.1% by value; Malawi, up 24.5% by volume and 33.7% by value; and Swaziland, up 6.3% by volume and 5.2% by value. By contrast, the following AGOA countries experienced further declines in exports in January-July 2007: Botswana -30.0%; Ethiopia -14.8%; Ghana, -6.0; Mauritius -9.8%, Mozambique -53.2%, Namibia -1.0%, South Africa -63.5%, Tanzania -30.3%, and Uganda-72.2%. The sharp drop in Uganda's exports in January-July 2007 is presumably due to the closure of the Tri-Star factory, which had been the largest producer in Uganda of apparel for export under AGOA.

Country	January-July 2006		January-July 2007		% Growth	
	msme	$ million	msme	$ million	msme	$ million
Botswana	4.187	$17.569	2.930	$17.678	-30.02%	0.62%
Cape Verde	0.000	$0.000	0.000	$0.000	0.00%	0.00%
Ethiopia	1.782	$2.753	1.518	$2.395	-14.81%	-12.99%
Ghana	3.921	$4.334	3.686	$5.559	-6.00%	28.26%
Kenya	36.087	$141.308	37.304	$136.285	3.37%	-3.55%
Lesotho	54.278	$213.912	57.561	$226.235	6.05%	5.76%
Madagascar	30.591	$125.428	41.972	$151.850	37.20%	21.06%
Malawi	3.085	$9.586	3.841	$12.814	24.51%	33.67%
Mauritius	13.047	$69.472	11.771	$67.708	-9.78%	-2.54%
Mozambique	0.124	$0.426	0.058	$0.161	-53.23%	-62.21%
Namibia	6.626	$18.808	7.061	$21.471	-0.96%	14.16%
South Africa	7.589	$25.085	2.850	$12.758	-62.45%	-49.14%
Swaziland	23.411	$75.418	24.887	$79.642	6.30%	5.18%
Tanzania	0.380	$1.603	0.265	$1.159	-30.31%	-27.70%
Uganda	0.454	$1.198	0.126	$0.475	-72.17%	-60.35%
Subtotal of 14 Visa Countries	185.562	$706.900	195.830	$736.190	5.53%	4.14%
Rest of Africa	0.490	$2.376	0.327	$1.471	-33.27%	-38.09%
Total	**186.052**	**$709.276**	**196.157**	**$737.661**	**5.43%**	**4.00%**

The following table shows textile and apparel imports from SSA during January-July 2007 broken down by country and by product category.

2007 U.S. Textile and Apparel Imports from Africa (million square meters) through July 31, 2007

Product Category	*Botswana*	Cape Verde	Ethiopia	Ghana	Kenya	Lesotho	Madagascar	Malawi
222 Knit fabric								
223 Non-woven fabric								
229 Special fabric								
237 Playsuit, sunsuit								
239 Baby garments					1.572	1.227	0.672	
332 Cotton Hosiery				1.587				
333 Suit-Typ Coat, M								
334 Oth. coats, M/B						0.634		
335 W/G Cot. coats			0.137		0.087		0.165	
336 Cotton dresses								
338 Knit shirts	0.647				0.320	6.941	4.208	
339 Knit blouses	0.932				3.081	8.909	1.638	0.791
340 Woven shirts M/B					0.246		0.998	
341 Woven blouses W/G							0.708	
342 Skirts					0.148	0.200	0.130	
345 Cotton sweaters								
347 Trousers	0.088				5.767	14.668	4.232	0.848
348 W/G slacks	0.020				17.163	13.164	18.087	
350 Dressing gowns							0.374	
351 Nightwear								
352 Underwear								
359 Oth. Cot. App.							0.501	
360 Pillowcases			0.022					
369 Other Cotton Manuf..								
400 Wool yarn								
433 Suit coats								
438 K Shirts, Blouse							0.001	
440 NK Shirts, Blouse								
443 M/B Wool Suits								
445 Wool Sweater, MB							0.043	
446 Wool sweater, W/G							0.035	
447 M Wool Trousers								
606 Non-textile yarn								
632 Hosiery				1.525				
634 Other Coats MB					0.083	0.113	0.027	
635 Coats W/G					0.657	0.760		
638 Knit shirts			0.373		1.274	2.256	1.657	
639 Knit blouses	0.611				1.299	1.386	0.352	1.579
640 N-K Shirts, MB					0.524		1.504	
641 N-K Blouses, WG					0.043			
642 Skirts								
644 MMF W/G Suits								
645 MMF M/B Sweater						1.073		
647 Trousers					3.243	1.330	2.334	
648 W/G slacks	0.321				1.265	2.716	0.973	
650 Dress Gown, Robe								
651 Nightwear, PJs								
652 M-MF Underwear								
659 Other MMF apparel			0.488			1.590	2.297	
847 S/V Trousers MB								
Totals by Country	**2.930**	**0.000**	**1.583**	**3.702**	**37.970**	**57.561**	**42.141**	**3.841**

2007 U.S. Textile and Apparel Imports from Africa (million square meters) through July 31, 2007

Product Category	Mauritius	Namibia	South Africa	Swaziland	Tanzania	Uganda	Total Sub-Sahara
219 Duck Fabric					0.237		0.240
222 Knit fabric			0.850				0.920
223 Non-woven fabric			0.048				0.048
229 Special fabric			1.592				1.602
237 Playsuit, sunsuit			0.152				0.305
239 Baby garments		0.180		0.286			4.001
332 Cotton Hosiery							1.623
334 Oth. coats, M/B							0.856
335 W/G coats	0.063						0.605
336 Cotton dresses							0.000
338 Knit shirts	1.567	0.328	0.657	1.704			16.786
339 Knit blouses	0.534	2.181	0.932	1.991			21.028
340 Woven shirts	5.790			1.379			8.517
341 W/G Non-knit blouses							1.189
342 Skirts							0.565
345 Cotton sweaters				1.219			1.746
347 Trousers	1.270	0.941		3.826		0.039	31.872
348 W/G slacks	0.430	2.744		3.846			55.904
350 Dressing gowns		0.083					0.485
351 Nightwear		0.201					0.370
352 Underwear							0.586
359 Oth. Cot. App.				0.050			0.709
360 Pillowcases							0.025
369 Oth. Cotton Manuf.							0.177
400 Wool Yarns			0.382				0.382
433 Suit coats			0.007				0.007
438 K Shirts, Blouse	0.001						0.001
443 M/B Wool Suits							0.000
445 Wool Sweater, MB							0.044
446 Wool sweater, W/G	0.002						0.037
447 M Wool Trousers							0.026
465 Floor Coverings			0.078				0.079
606 Non-textile yarn			0.167				0.167
632 Hosiery							1.730
634 Other Coats MB				0.112			0.340
635 Coats W/G				0.589			2.493
638 Knit shirts	0.190			1.129			7.122
639 Knit blouses	0.752			2.511			8.578
640 N-K Shirts, MB				0.605			2.905
641 N-K Blouses, WG							0.291
642 Skirts				0.333			0.399
644 MMF W/G Suits				0.135			0.135
645 MMF M/B Sweater							1.076
647 Trousers				0.714			7.775
648 W/G slacks		0.082		3.733			9.333
650 Dress Gown, Robe							0.077
651 Nightwear, PJs				0.145			0.225
652 M-MF Underwear	0.881						0.903
659 Other MMF apparel			0.253	0.132			5.006
847 S/V Trousers MB							0.000
Totals by Country	**11.774**	**7.061**	**7.042**	**24.877**	**0.503**	**0.131**	**201.764**

From the foregoing data, it is evident that a relatively small handful of products accounts for the vast preponderance of SSA's apparel exports to the United States:

Product Category	Jan-July 2007 Imports msme	% of Total Imports
347/348/647/648 Trousers/shorts	104.884	52.0%
338/339/638/639 Knit shirts/blouses	53.514	26.5%
340/341/640/641 Woven shirts/blouses	12.902	6.4%
239 Baby garments	4.001	2.0%
345/645 Sweaters	2.822	1.4%
Totals	**178.123**	**88.3%**

Broken down by AGOA visa product category, it is apparent that garments made in LDCs from third-country fabric account for by far the majorityof apparel imports from SSA, representing 91% of total imports.

AGOA Duty-Free Imports by Product Category During January-July 2007

AGOA Duty Free Apparel Imports	Botswana	Cape Verde	Ethiopia	Ghana	Kenya	Lesotho	Madagascar	Malawi	Mauritius
Cut U.S. Fabric				1.507					0.006
Uncut U.S. Fabric									
African Fabric						1.955			5.662
Third Country Fabrics (LDCs)	2.801	0.000	1.514	2.054	36.633	55.226	40.765	3.841	
Short Supply Fabric									5.484
Abundant Supply Fabric (Denim)						0.138			
Cashmere Sweaters							0.001		0.002
Fine Merino Sweaters							0.010		
Folkloric				0.011					
Total Duty-Free Imports	2.801	0.000	1.514	3.572	36.633	57.319	40.777	3.841	11.155
Dutiable Apparel Imports	0.129	0.000	0.002	0.114	0.671	0.242	1.195	0.000	0.656
Total Apparel Imports	**2.930**	**0.000**	**1.518**	**3.686**	**37.304**	**57.561**	**41.972**	**3.841**	**11.771**

AGOA Duty-Free Imports by Product Category During January-July 2007

AGOA Duty Free Apparel Imports	Mozambique	Namibia	South Africa	Swaziland	Tanzania	Uganda	Totals	% of Duty Free Import
Cut U.S. Fabric							1.507	**0.78%**
Uncut U.S. Fabric							0.006	**0.00%**
African Fabric			2.479		0.263	0.068	10.428	**5.42%**
Third Country Fabrics (LDCs)	0.058	7.042		24.857		0.059	174.849	**90.86%**
Short Supply Fabric			0.001				5.486	**2.85%**
Abundant Supply Fabric (Denim)							0.138	**0.02%**
Cashmere Sweaters							0.003	**0.00%**
Fine Merino Sweaters							0.010	**0.01%**
Folkloric							0.011	**0.01%**
Total Duty-Free Imports	0.058	7.042	2.481	24.857	0.263	0.126	192.439	**100.0%**
Dutiable Apparel Imports	0.000	0.019	0.369	0.030	0.002	0.000	3.418	
Total Apparel Imports	**0.058**	**7.061**	**2.850**	**24.887**	**0.265**	**0.126**	**195.857**	

During the process of implementing the new AGOA commercial availability provision, however, it became evident that the Department of Commerce's import statistics understate the volume of garments made in AGOA LDCs from regional fabric. This is because such garments could be legally entered under either Visa Category 4 or 5. Category 5 applies to garments made in LDCs "regardless" of the origin of the fabric. It is now obvious that, prior to the issuance of the new reporting rules, the vast majority of garments made from regional fabric in the LDCs had been reported under Category 5.

In summary, apparel imports from SSA were spurred by AGOA during 2001-2004. With the expiration of the MFA quotas, however, AGOA's duty-free preference has proven to be much less effective in maintaining the level of trade that had developed during AGOA first four years in effect. With the imposition of safeguard quotas on China, apparel imports from SSA have begun to stabilize, albeit at a significantly reduced level. It is likely that apparel imports from SSA will decline again when the safeguard quotas on China expire in 2008. It seems, therefore, that AGOA's duty-preference, by itself, will probably prove insufficient to sustain the level of apparel trade that had developed in response to AGOA.

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