

through September 30, 2015, and the third-country fabric provision for least developed beneficiary countries (LDBC) for 3 more years, through September 30, 2007. The extension of the LDBC third-country fabric provision was “considered by many to be the most important feature” of AGOA III.⁵ The cap on duty-free benefits for LDBC apparel made with third-country fabrics will remain at 2.3571 percent of total U.S. apparel imports in the 1-year period beginning October 1, 2003, rise to about 2.6 percent and 2.9 percent in the first two 1-year periods of the extension, and then decline by almost one-half to 1.6 percent in the third and final 1-year period. AGOA III reduced the cap on duty-free benefits for apparel of regional fabrics for the 1-year period beginning on October 1, 2003, from 4.7931 percent to 4.747 percent of total U.S. apparel imports; however, the cap will increase annually in equal increments to 7 percent for the 1-year period beginning on October 1, 2007, and remain at that level for the duration of AGOA.

AGOA III amended the textile provisions of AGOA to grant duty-free benefits to apparel made with certain nonoriginating, or third-country, components (namely, collars, cuffs, drawstrings, waistbands, belts attached to garments, patches, straps using elastic, and padding and shoulder pads). This provision is in addition to an existing AGOA rule that permits the use of third-country findings and trimmings (e.g., zippers) if their value is not more than 25 percent of the cost of the components of the article. AGOA III also amended the textile provisions of AGOA to increase the de minimis level for nonoriginating, or third-country, fibers and yarns in apparel from the

Table 2-1
Sub-Saharan African countries designated as beneficiary countries of AGOA as of December 31, 2003

| | | |
|-------------------|---------------|---------------------|
| Angola | Guinea-Bissau | São Tomé & Príncipe |
| Benin | Kenya | Senegal |
| Botswana | Lesotho | Seychelles |
| Cameroon | Madagascar | Sierra Leone |
| Cape Verde | Malawi | South Africa |
| Chad | Mali | Swaziland |
| Côte d'Ivoire | Mauritania | Tanzania |
| Djibouti | Mauritius | Uganda |
| DROC ¹ | Mozambique | Zambia |
| Ethiopia | Namibia | |
| Gabon | Niger | |
| The Gambia | Nigeria | |
| Ghana | ROC | |
| Guinea | Rwanda | |

¹ On Dec. 31, 2002, DROC was added to the eligibility list with delayed implementation of AGOA duty-free trade benefits. On Oct. 31, 2003, DROC was granted AGOA trade preferences.

Note.—Angola became eligible for trade preferences in Dec. 2003, effective 2004. Eritrea and the Central African Republic were designated as eligible for AGOA benefits during 2003, but removed from eligibility in 2004.

Source: USDOC, “AGOA Eligibility: Country Eligibility,” found at Internet address http://www.agoa.gov/eligibility/country_eligibility.html, retrieved Mar. 31, 2004.

⁵ U.S. House of Representatives, Committee on Ways and Means, *AGOA Acceleration Act of 2004: Report to Accompany H.R. 4103*, 108th Cong., 2nd sess., H. Rept. 108-501, p. 19.