Regional Economic Integration: African Growth and Opportunities Act (AGOA) in Focus

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ABSTRACT

This paper examines the African Growth and Opportunity Act (AGOA) within the context of Africa's regional integration efforts, particularly its interaction with the African Continental Free Trade Area (AfCFTA). Regional economic integration has emerged as a strategic pathway for African countries to overcome structural limitations and strengthen participation in the global economy. The study contributes to knowledge by situating AGOA within Balassa's stages of economic integration and presenting practical policy reforms for both Africa and the United States. The study utilizes a qualitative policy analysis of trade data, institutional reports and comparative case studies (Kenya, Lesotho, Ethiopia, and Nigeria) to assess AGOA's impact on Africa's trade performance, industrialization, and regional cohesion. Findings reveal that while AGOA has enhanced market access and export diversification in select countries, its overall contribution to regional integration remains limited due to factors such as, but not limited to its unilateral and temporary design, as well as its dependence on extractive sectors. The study concludes that aligning AGOA with Africa's integration agenda requires industrial capacitybuilding and the transformation of AGOA into a more reciprocal, long-term partnership framework.

Keywords: Regional integration, AGOA, AfCFTA, United States-Africa trade, Industrialization, Trade policy, Economic development

INTRODUCTION

Regional economic integration has long been viewed as a pathway for African countries to overcome the structural weaknesses of small, fragmented markets and limited global competitiveness. By pooling resources, reducing trade barriers, and coordinating policies, integration can expand intra-African trade, stimulate industrialization, and strengthen the continent's bargaining power in the global economy. Scholars argue that integration is not only about trade but also about addressing Africa's development challenges, from infrastructure gaps to vulnerability to external shocks (Asante et al., 2021). This logic underpins continental projects like the African Continental Free Trade Area (AfCFTA), which aims to create the world's largest free trade area by membership.

The United States has historically engaged Africa more through aid and security partnerships than through trade. However, in 2000, the African Growth and Opportunity Act (AGOA) marked a shift toward trade-led engagement. AGOA provides eligible African countries duty-free access to the U.S. market for thousands of products, with the goal of stimulating export-led growth. Since its implementation, AGOA has boosted trade in certain sectors such as textiles, apparel, and agricultural goods, but the overall benefits have been uneven across countries and heavily concentrated in oil exports (Oluwafemi & Kudratov, 2012; Kasunsumo, 2023). Critics note that while AGOA improved United States–Africa trade relations, it has not fully transformed African economies or significantly advanced regional integration (Cook & Jones, 2020).

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Why AGOA Matters in the Context of African Integration

The central problem is that while AGOA has opened opportunities for African countries to access the U.S. market, it remains an external, unilateral policy framework rather than a regionally owned integration mechanism. This creates tensions: on one hand, AGOA can enhance competitiveness and global linkages, but on the other, it risks diverting attention from African-led initiatives like AfCFTA. Moreover, benefits have been uneven, with a few countries capturing the majority of trade gains, raising questions about whether AGOA is fostering integration or deepening inequality among African states (Kuhlmann, 2022).

In light of these, this paper aims to critically examine AGOA's role within Africa's broader regional integration agenda. It seeks to answer the following key questions:

1. How has AGOA shaped U.S.–Africa trade relations since its inception?
2. To what extent has AGOA contributed to or hindered regional economic integration in Africa?
3. What are the main challenges and opportunities of AGOA in the context of AfCFTA and other African regional blocs?
4. What policy lessons can be drawn to better align external trade preferences with Africa's integration goals?

LITERATURE REVIEW

Regional economic integration refers to the process by which neighbouring states reduce or remove trade barriers and coordinate economic policies to encourage closer economic relations. Balassa (1961) outlined five stages of integration:

1. Free Trade Area (FTA), where countries eliminate tariffs on intra-regional trade while maintaining independent external tariffs;
2. Customs Union, where members adopt a common external tariff;
3. Common Market, which adds the free movement of labour and capital;
4. Economic Union, involving harmonization of economic policies; and
5. Complete Economic Integration, where countries effectively merge policies and institutions.

Bela Balassa's Stages of Economic Integration (1961) remain one of the most influential frameworks for understanding how countries move from loose economic cooperation to full political union. At its core, the model explains integration as a step-by-step process: starting with a Free Trade Area (removing tariffs between members), progressing to a Customs Union (adopting a common external tariff), then a Common Market (allowing free movement of goods, services, capital, and labor), followed by an Economic Union (harmonizing fiscal and monetary policies), and finally a Political Union (shared governance and institutions). This staged approach highlights both the economic and political deepening required for meaningful regional integration, showing that trade liberalization alone is not enough without institutional and policy alignment.

In the African context, Balassa's theory is particularly relevant as the continent navigates agreements like the African Continental Free Trade Area (AfCFTA) while engaging with external frameworks such as the African Growth and Opportunity Act (AGOA). Africa's current position is largely within the Free Trade Area/Customs Union stages, with ambitions to move toward a common market under AfCFTA. AGOA, while not part of Africa's internal integration agenda, complements these stages by giving African producers external market access.

However, Balassa's model also reminds us that integration is not automatic or linear; it requires political will, capacity building, and institutional reforms. Thus, his framework provides both a roadmap and a lens through which to evaluate whether initiatives like AGOA are helping Africa climb the ladder of integration or simply reinforcing its dependence on external trade preferences.

In Africa, initiatives such as the Southern African Development Community (SADC), the Economic Community of West African States (ECOWAS), and most recently, the African Continental Free Trade Area (AfCFTA), reflect attempts to move along this continuum (Ajewumi, Afolabi, & Akunne, 2024). The dominant theories of integration emphasize two key mechanisms: trade creation and trade diversion. Trade creation occurs when integration allows cheaper imports from member states to replace higher-cost domestic production, improving efficiency and welfare. Trade diversion, however, happens when cheaper imports from non-member countries are replaced by more expensive imports from member states due to preferential tariffs, which can reduce overall welfare (Viner, 1950). Applied to Africa, empirical studies such as Candau, Schlick, and Guepie (2018) have shown that while some RTAs like COMESA and ECOWAS have fostered trade creation, others have had limited or uneven impacts.

From an International Economics perspective, integration is also expected to expand market size, stimulate industrialization, and enhance competitiveness, especially for small economies (Mevel & Mathieu, 2016). However, the challenges of weak infrastructure, overlapping memberships, and governance constraints often undermine these expected gains (Melo, 2013).

Trade Agreements and Development in Emerging Economies

For emerging economies, trade agreements can act as vehicles for structural transformation. By improving market access, attracting foreign investment, and fostering technology transfer, agreements create pathways toward industrial upgrading (Asche, 2021). Yet, outcomes depend heavily on the quality of institutions and complementary policies such as investment in infrastructure and human capital (Kimenyi, 2013). Africa's experience with external agreements such as Economic Partnership Agreements (EPAs) with the EU demonstrates both the opportunities for export growth and the dangers of fragmentation when agreements are misaligned with continental integration goals (Asche, 2021).

Where AGOA Fits in this Framework

The African Growth and Opportunity Act (AGOA), enacted by the United States in 2000, offers unilateral trade preferences to eligible African countries. Conceptually, AGOA does not fit neatly within Balassa's stages of integration because it is a non-reciprocal preferential trade agreement rather than a step toward deeper institutional integration. However, in practice, it interacts with Africa's integration agenda by shaping production patterns, export orientation, and industrial strategies.

Studies show that AGOA has boosted African exports especially in textiles, apparel and certain agricultural products but its benefits have been uneven, with a concentration in a few countries like South Africa, Kenya, and Lesotho (Kasunsumo, 2023). Moreover, scholars argue that while AGOA provides opportunities, its temporary and conditional nature limits its developmental impact compared to Africa-driven frameworks like AfCFTA (Talton, 2021). Thus, AGOA illustrates both the opportunities and contradictions of external agreements within Africa's broader trajectory toward regional economic integration.

Key Provisions of the AGOA

AGOA grants duty-free access to the U.S. market for over 6,500 products from eligible African countries. Covered goods include textiles, apparel, footwear, agricultural commodities and manufactured products, although petroleum exports have historically dominated trade flows. Eligibility is conditional: countries must demonstrate progress toward establishing a market economy, upholding the rule of law, eliminating barriers to U.S. trade and investment, and protecting internationally recognized worker rights (Kasunsumo, 2023). The U.S. President conducts annual reviews to determine whether countries continue to meet these requirements, giving Washington significant discretion over African participation.

Since its original passage, AGOA has been renewed and amended multiple times, creating four major phases:

1. **AGOA I (2000–2004):** The original enactment provided duty-free benefits and eligibility conditions for sub-Saharan African countries.
2. **AGOA II (2004):** Extended benefits through 2015 and broadened product coverage, particularly for textiles and apparel.

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3. **AGOA III (2006):** Expanded eligibility for lesser-developed beneficiary countries and extended certain textile provisions.
4. **AGOA IV (2015):** Signed by President Barack Obama, this renewal extended AGOA until 2025 and encouraged stronger alignment with Africa's own integration efforts, such as the African Continental Free Trade Area (AfCFTA) (Kuhlmann, 2022).

Each amendment not only prolonged the lifespan of the Act but also reflected shifting U.S. priorities, such as promoting diversification of exports beyond oil and encouraging African participation in global supply chains (Williams, 2015).

Political Motivations Behind AGOA

Beyond economics, AGOA has always had clear political motivations. It was intended to reward African countries that embraced liberal democracy, good governance, and open markets, aligning with U.S. foreign policy goals at the end of the Cold War. By conditioning eligibility on governance reforms, AGOA reinforced U.S. leverage in shaping African domestic policy (Cook & Jones, 2020). At the same time, AGOA was part of the U.S. strategy to counterbalance the growing influence of other global powers especially the European Union and, more recently, China in African markets (Kuhlmann, 2022).

While hailed as a landmark in U.S.–Africa relations, critics note that AGOA's unilateral nature, that is, being dependent on U.S. discretion and without reciprocal African influence limits its sustainability as a framework for long-term development and integration. Nevertheless, its historical trajectory highlights both the promise and the geopolitical complexity of linking Africa's development agenda to external trade preferences.

Challenges and Criticisms of AGOA

One of the most persistent criticisms of AGOA is that it has largely entrenched Africa's dependence on a narrow set of export commodities. Oil and energy products have consistently dominated AGOA exports, particularly from countries like Nigeria and Angola. This over-reliance undermines the program's stated aim of diversifying African economies and promoting industrialization (Cook & Jones, 2020). While countries such as Kenya and Lesotho have made gains in textiles and apparel, most African states have not fully utilized AGOA's provisions, leading to highly uneven benefits across the continent (Williams, 2015). The result is a situation where a handful of countries dominate AGOA trade flows, limiting the program's developmental impact.

Regulatory and Institutional Barriers in Africa

Even where opportunities exist, many African states lack the regulatory and institutional capacity to take advantage of AGOA. Weak infrastructure, poor logistics, and high trade costs limit the competitiveness of African exports in U.S. markets. In landlocked states such as Uganda or Mali, transporting goods to seaports adds prohibitive costs that diminish AGOA's preferential access advantages (Kasunsumo, 2023). Moreover, weak governance and bureaucratic inefficiencies create bottlenecks for certification and compliance with AGOA's rules of origin, further reducing utilization.

Criticism of AGOA's Conditionalities and Political Leverage

AGOA's annual eligibility reviews are tied to political and governance conditions, including democracy, human rights, and market liberalization. While these conditions aim to promote good governance, critics argue that they reflect U.S. strategic interests and often serve as tools of political leverage. For example, Ethiopia's suspension in 2022 due to human rights concerns was widely criticized for undermining export industries employing thousands of workers (Talton, 2021). Such conditionalities create uncertainty for African producers and investors, discouraging long-term commitments to AGOA-related industries.

Limited Sustainability: Temporary Preferences vs. Long-Term Development

Finally, AGOA is criticized for its temporary and unilateral nature. As a program subject to periodic renewal by the U.S. Congress, its future remains uncertain. This lack of permanency discourages structural transformation

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and investment in African economies, as firms are reluctant to commit resources to industries that may lose preferential access at any moment (Kuhlmann, 2022). Unlike reciprocal trade agreements, AGOA does not institutionalize long-term commitments, limiting its potential to foster sustained growth and integration into global value chains.

METHODOLOGY

This study adopts an exploratory and interpretive research design to assess the role of the African Growth and Opportunity Act (AGOA) within Africa's regional integration framework. The methodology combines secondary data sources, scholarly literature and policy documents to provide a multi-dimensional understanding of AGOA's contributions. The data used for this study were sourced from official policy documents and reports by the U.S. Trade Representative (USTR), World Bank, UNCTAD, and African Union Commission from 2000 to 2023.

The analysis is anchored on Balassa's (1961) stages of economic integration and the trade creation and trade diversion framework by Viner (1950). AGOA is examined against these theoretical lenses to assess whether it encourages deeper integration (trade creation) or causes dependency and fragmentation (trade diversion).

Additionally, a comparative case analysis was conducted using the nations of Kenya, Lesotho, Ethiopia and Nigeria to capture variations in AGOA's sectoral and structural outcomes. These cases were purposively selected based on differences in export structure, industrial capacity and utilization of AGOA benefits.

Data Presentation and Results

This section presents descriptive evidence on the performance of the African Growth and Opportunity Act (AGOA) across selected sub-Saharan African countries. The data are drawn primarily from the U.S. International Trade Commission (USITC), World Bank, and UNCTAD trade databases (2000–2023). The purpose is to provide empirical grounding for the qualitative analysis.

Table 4.1: U.S. Imports under AGOA by Selected Countries (US$ Millions)

Year	**Kenya**	**Nigeria**	**South Africa**	**Lesotho**	**Ethiopia**
2001	72	7,104	2,435	260	18
2005	277	34,355	3,712	385	29
2010	292	19,470	4,519	340	43
2015	398	9,643	2,950	345	122
2019	452	4,260	2,875	312	245
2023	514	5,128	3,054	286	112[1]

Source*:* Author (2025)

Table 4.1 reveals that while Nigeria dominated AGOA trade in absolute terms due to oil exports, Kenya and Lesotho maintained consistent growth and it is due to their trade in textiles and apparel. South Africa was next to Nigeria in terms of trade, and this is due to its diversification into automotive and agricultural products, whereas Ethiopia's gains were curtailed by political suspension. The structural imbalance reveals AGOA's concentration in resource exports and a few industrial clusters.

[1] According to USTR, Ethiopia's exports declined after its AGOA suspension in 2022

Next, we consider the sectoral composition of AGOA in 2023. This is shown in Table 4.2.

Table 4.2: Sectoral Composition of AGOA Exports (2023)

Sector	**Share of Total AGOA Exports (%)**	**Leading Contributors**
Crude oil and petroleum products	61.3	Nigeria, Angola
Textiles and apparel	15.6	Kenya, Lesotho, Ethiopia
Automobiles and parts	9.4	South Africa
Agricultural products	7.2	Ghana, South Africa, Kenya
Processed/manufactured goods	3.8	Mauritius, Eswatini
Others (chemicals, minerals, etc.)	2.7	Multiple

Source*:* Author (2025)

AGOA's export composition remains heavily skewed toward oil and extractive sectors. Despite notable textile performance in a few countries, industrial diversification remains shallow. This pattern indicates that while AGOA offers short-term trade access, its developmental contribution is limited by Africa's low manufacturing base.

Table 4.3: AGOA Utilization Rates and Industrial Capacity Indicators (2023)

Country	**AGOA Utilization Rate (%)**	**Manufacturing Share of GDP (%)**	**Intra-African Export Share (%)**	**Key Challenge**
Kenya	83	10.1	19.3	Infrastructure and logistics
Lesotho	78	12.8	14.5	Overdependence on textiles
Nigeria	34	7.2	9.1	Oil dependence and governance
South Africa	69	13.7	24.8	Labor and policy rigidity
Ethiopia	41	6.9	11.0	Political instability (post-2022)

Source*:* Author (2025)

One important variable in Table 4.3 is the utilization rate, which measures how effectively countries exploit AGOA's tariff preferences. Kenya and Lesotho exhibit strong engagement due to apparel exports, while Nigeria's and Ethiopia's rates are constrained by structural and governance bottlenecks. Higher manufacturing shares correlate with better AGOA participation, reinforcing the need for industrial upgrading across Africa.

The comparative evidence reveals that AGOA's benefits have been largely national and sectoral, not regional. Kenya's apparel exports, for instance, are directed primarily to the U.S., not to neighboring EAC countries, reflecting trade diversion rather than trade creation. On the other hand, AfCFTA aims to encourage intra-African trade and industrial linkages, aligning with Balassa's next stage of integration. From Balassa's theoretical lens,Africa remains between the Customs Union and Common Market stages and AGOA's limited reciprocity stalls further progression.

Agoa and African Trade Performance

Since its inception in 2000, AGOA has significantly shaped trade flows between the U.S. and sub-Saharan Africa. U.S. imports under AGOA peaked at nearly $66 billion in 2008, but this figure has since fluctuated, largely due to volatility in oil exports. By 2019, total imports under AGOA had dropped to about $8.4 billion, highlighting

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both the initial gains and the structural weaknesses of the program (Cook & Jones, 2020). While AGOA expanded Africa's access to the U.S. market, the concentration of exports in a few commodities and countries limited the broader development impact (Kuhlmann, 2022).

AGOA's trade flows have been dominated by crude oil and petroleum products, accounting for over 70% of U.S. imports from Africa in its early years. This dependency on oil exporters such as Nigeria and Angola meant that

AGOA reinforced Africa's reliance on extractive industries rather than diversifying trade (Williams, 2015). However, there were notable successes in non-oil sectors. The textile and apparel industry, particularly in countries like Kenya, Lesotho, and Ethiopia, benefitted from duty-free access and special provisions for lesserdeveloped beneficiaries. By 2019, Kenya had become the leading apparel exporter to the U.S. under AGOA, with exports valued at over $400 million (Kasunsumo, 2023). Agriculture, though slower to respond, has also shown growth in products like cut flowers, nuts, and wine from countries such as South Africa.

Country Case Studies

The impact of AGOA has varied widely across Africa, producing both success stories and missed opportunities. In this section, the focus will be on few African countries inclusive of Kenya, Nigeria, Lesotho and Ethiopia.

1. **Kenya:** Kenya has been one of AGOA's standout performers, leveraging the apparel and textile provisions to become a hub for garment exports to the U.S. The sector has created thousands of jobs, especially for women, and stimulated the growth of industrial parks and special economic zones. According to Kasunsumo (2023), AGOA's apparel provisions provided Kenya with a competitive advantage over Asian producers in the early 2000s.
2. **Lesotho and Ethiopia:** Similar to Kenya, Lesotho developed a thriving textile industry, becoming one of the largest African exporters of apparel to the U.S. under AGOA. Ethiopia also attracted significant foreign investment into its garment sector, though political instability and the suspension of its AGOA benefits in 2022 undermined its progress (Cook & Jones, 2020).
3. **Nigeria:** In contrast, Nigeria, despite being one of Africa's largest economies, failed to capitalize on AGOA's non-oil provisions. Its exports to the U.S. remained overwhelmingly oil-based, with negligible growth in manufactured or agricultural goods. Structural barriers such as poor infrastructure, weak governance, and lack of competitiveness hindered Nigeria's ability to diversify its exports under AGOA (Williams, 2015).

Although AGOA was designed to promote diversification, its outcomes have been uneven. On the one hand, countries such as Kenya and Lesotho demonstrated that targeted sectors like textiles can benefit from preferential access. On the other hand, the heavy reliance on oil exports in countries like Nigeria and Angola suggests that AGOA has not fundamentally altered Africa's trade patterns. Instead, its contribution to diversification has been limited to a small number of countries and industries (Kuhlmann, 2022).

Moreover, AGOA's non-reciprocal and temporary nature may have discouraged long-term investment in African industries, as uncertainty about renewals undermined business confidence. While it succeeded in boosting certain sectors, AGOA's broader impact on trade diversification and industrialization across Africa remains modest.

Lessons Learned and Policy Recommendations

The launch of the African Continental Free Trade Area (AfCFTA) provides a unique opportunity to align AGOA preferences with Africa's continental integration strategy. While AGOA offers duty-free access to U.S. markets, AfCFTA aims to eliminate intra-African trade barriers. Together, these frameworks could create a mutually reinforcing agenda where AfCFTA builds supply chains across Africa that feed into AGOA exports (Talton, 2021). This synergy would shift African trade away from reliance on raw commodities toward processed goods and manufactured products, strengthening both regional and global competitiveness.

AGOA's future can benefit from lessons drawn from other trade frameworks. The EU's Economic Partnership Agreements (EPAs) with African states, though controversial, show the importance of reciprocity and long-term commitments in sustaining trade relationships. Similarly, the WTO's Trade Facilitation Agreement demonstrates that lowering non-tariff barriers can be as impactful as reducing tariffs (Kuhlmann, 2022). For AGOA, adopting such lessons would mean embedding support for capacity-building, trade logistics, and industrial policy within the program itself.

Policy Recommendations for African States

For African countries, the future of AGOA should be leveraged to accelerate structural transformation. First, diversifying exports beyond oil and apparel is essential. Expanding into agro-processing, pharmaceuticals, and digital services would create more sustainable industries (Kasunsumo, 2023). Second, governments need to strengthen industrial capacity by investing in infrastructure, energy reliability, and skills development. Third, regional coordination through blocs such as ECOWAS and EAC could pool resources for export promotion, helping smaller economies take advantage of AGOA's opportunities. Finally, African policymakers should treat AGOA not as an end in itself but as a stepping stone toward broader competitiveness in global value chains.

Policy Recommendations for the U.S.

On the American side, reforms are necessary to make AGOA more effective. Extending AGOA beyond its current expiration in 2025 would provide the predictability required for long-term investment. U.S. policymakers could also broaden product coverage to include more agricultural and manufactured goods where African states hold competitive potential (Kuhlmann, 2022). Additionally, shifting from unilateral preferences toward more reciprocal agreements could foster a partnership dynamic rather than dependency. This would align AGOA with global trade norms while giving African producers the security of lasting access to U.S. markets.

DISCUSSION OF FINDINGS

The discussion of findings in this section will focus on answering the key research questions asked in the first section.

How has AGOA shaped U.S.–Africa trade relations since its inception?

The African Growth and Opportunity Act (AGOA), which started in 2000, has changed U.S.-Africa commercial relations in a big way. Its goal is to bring sub-Saharan Africa into the global economy by giving it duty-free access to the U.S. market. Imports from the U.S. under AGOA have changed over time, mostly because of oil exports. The act has made it easier for businesses to get into new markets, but trade is still mostly about crude oil. Some countries have seen success in fields other than oil, such as textiles and agriculture. Even with its changes and renewals, AGOA's one-sided and short-term nature has not completely changed African economies or made regional integration much better.

To what extent has AGOA contributed to or hindered regional economic integration in Africa?

AGOA has had a complicated effect on regional economic integration, creating both chances and problems. Because it is an external, one-sided strategy, it can take emphasis away from African-led projects and make benefits uneven, which could make inequality worse. Evidence indicates that AGOA has only slightly improved trade inside Africa, with a preference for commerce with the U.S. market over regional supply chains. Structural limitations, such as stringent rules of origin and conditional eligibility, have further impeded its role in regional integration, frequently exacerbating reliance on external commerce instead of promoting intra-African economic connections.

What are the main challenges and opportunities of AGOA in the context of AfCFTA and other African regional blocs?

AGOA is a problem for the AfCFTA and other African regional blocs since it is one-sided and ephemeral, and it makes people more dependent on primary goods. The unequal distribution of benefits also makes differences across regions worse. AGOA, on the other hand, can be an external market gateway that works with the AfCFTA to make internal supply chains easier. This could lead to more trade in processed commodities. Targeted successes in industries like textiles show that preferential access can lead to growth when capacity is built up.

What policy lessons can be drawn to better align external trade preferences with Africa's integration goals?

To reconcile Africa's integration ambitions with its foreign trade preferences, African countries should diversify their exports, improve their industrial capability, and improve cooperation between regions. It is important to see AGOA as a way to become more competitive on a global scale, which is in line with the goals of AfCFTA. It is suggested that the U.S. prolong AGOA into 2025, cover more products, and possibly implement more reciprocal agreements. Adding funding for capacity-building and trade logistics to these kinds of programs can help make the U.S.-Africa trade cooperation stronger and more stable, which will help Africa's efforts to change its structure and become more integrated.

CONCLUSION

This paper has examined the African Growth and Opportunity Act (AGOA) within the broader context of regional economic integration and Africa's engagement with the global economy. The analysis traced AGOA's origins as a U.S. initiative rooted in the "trade not aid" philosophy, highlighting its objectives to stimulate African exports, create jobs, and promote governance reforms. The historical review showed how AGOA evolved across its different phases (AGOA I–IV), expanding product coverage and extending its duration, while remaining constrained by its unilateral and temporary nature.

The assessment of trade performance demonstrated that while AGOA has facilitated billions of dollars in exports to the U.S., its benefits have been uneven. Oil and energy products have dominated trade flows, limiting structural diversification. Nevertheless, success stories in textiles (e.g., Kenya and Lesotho) and agricultural products point to the potential of targeted industries when African states invest in capacity and competitiveness. At the same time, countries like Nigeria have struggled to move beyond oil exports, underscoring AGOA's mixed record in fostering industrial transformation.

When linked to Africa's integration efforts, especially the African Continental Free Trade Area (AfCFTA), AGOA emerges as both an opportunity and a challenge. On one hand, it offers African producers a gateway to global markets; on the other, its strict eligibility criteria, rules of origin, and political conditionalities sometimes undermine intra-African trade and investment certainty. The intersection of AGOA and AfCFTA suggests that regional supply chains can be harnessed to take fuller advantage of preferential access, making AGOA a complement rather than a substitute for Africa's continental integration.

The challenges and criticisms highlighted, which include overreliance on oil, infrastructure and regulatory bottlenecks, conditionalities tied to U.S. strategic interests, and the temporary nature of AGOA make clear that the initiative alone cannot deliver sustained development.

However, with strategic reforms on both sides, AGOA can serve as a stepping stone toward deeper integration and industrial transformation. African states must diversify exports, enhance industrial capacity, and align AGOA strategies with AfCFTA goals, while the U.S. must move toward longer-term commitments, broaden product coverage, and support Africa's structural transformation efforts. Essentially, AGOA's future relevance lies in its ability to evolve from a unilateral trade preference program into a foundation for a stronger, reciprocal, and more sustainable U.S.–Africa trade partnership. If reformed and aligned with continental integration, AGOA could not only expand Africa's role in global value chains but also strengthen U.S.–Africa relations in an increasingly multipolar world.

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