Zambian jewellery company, Jewel of Africa, exemplifies the potential that the United States' African Growth and Opportunity Act (AGOA) offers to African exporters.

Jewel of Africa (JOA) began selling jewelry to the U.S. in 2002. At the time, Rashmi Sharma, now Director of Sales and Marketing at JOA in Lusaka carried a mere US$20,000 worth of jewelry for 10 clients. At that level, getting through customs was a relatively simple process that required paperwork but no import duties. It was not long before Ms. Sharma was carrying US$250,000 worth of jewelry, and customs clearance grew complicated. On one trip, no sooner had Ms. Sharma landed than a U.S. Customs Officer forced her to take the next flight back to Africa because she did not have a clearing agent. That is when she turned to the United States Southern Africa Trade and Investment Hub (the Hub) for help.

The Hub linked JOA to a U.S. clearing agent, and helped the company take advantage of the African Growth and Opportunity Act (AGOA), which provides duty-free access to the U.S. for over 7,000 tariff lines from Sub-Saharan African states (see below). It has been several years since Jewel began leveraging AGOA’s benefits, which include exemption from the 4 and 7 percent duties levied on precious metals in which gemstones are set, and Jewel has become Zambia’s largest vertically integrated gemstone business, conducting the mining, smelting, cutting, and polishing of gemstones, operating six stores in Zambia and a sister company in the U.S., and planning to expand its Internet presence. According to Ms Sharma, AGOA also means that clearing customs is now a breeze.

JOA is one of the few Zambia companies to have fully realized the potential of AGOA. Today, JOA exports many more thousands of dollars’ worth of loose and set gemstones to the U.S. Chief among her products are Zambian emeralds, which rank among the world’s finest, but she also sells jewellery featuring tourmalines, amethyst, citrine, garnets and aquamarine.

“How can one not fall in love with gems? They are gods of beauty, they have positive energy, and their spectra of colours are endless. That’s why they are my first true love!”

- Rashmi Sharma, Head Gemologist FGA, GIA, MBA
AGOA

AGOA is the cornerstone of U.S. economic engagement with the countries of Sub-Saharan Africa. AGOA helps eligible nations diversify their exports by providing duty-free access for nearly 7,000 tariff lines to the U.S. market, creating jobs and fostering inclusive economic growth. Major AGOA eligible product lines from Sub-Saharan Africa include textiles and apparel; footwear; specialty foods; leather accessories, among others.

The USAID Southern Africa Trade and Investment Hub has helped Zambia’s government to develop an official AGOA Utilization Strategy that prioritizes key sectors and products for potential export to the United States, including textiles and apparel, leather goods and accessories, handicrafts and wood products, agro-processing (honey, cassava, legumes, beef, and fruit) and gems and jewelry.

Since AGOA was established, non-oil exports have increased almost 200 percent to $4.3 billion in 2017. This growth has spurred an estimated 300,000 direct jobs in beneficiary countries. AGOA benefits are currently extended to 40 countries in Africa.

THE HUB

Building a vibrant, broad-based and export-oriented private sector and promoting a governing environment that is conducive to business fosters resilience among Southern African economies and fuels demand for U.S. goods and services. The Southern Africa Trade and Investment Hub implements activities in four critical areas: finance and investment, enabling environment and trade facilitation, export competitiveness, and agribusiness.

The program works with eight Southern Africa Development Community member states: Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland and Zambia. The Hub is assessing potential activities in Angola, the Democratic Republic of Congo, and Zimbabwe.

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