

AGOA – Before and After

<u>Category</u>	<u>AGOA I</u>	<u>AGOA II</u>
Knit-to-Shape	The term “fabric” interpreted by U.S. Customs as excluding components that are “knit-to-shape” (<u>i.e.</u> components that take their shape in the knitting process, rather than being cut from a bolt of cloth).	Knit-to-shape apparel qualifies for AGOA benefits.
Lesser Developed Countries	Duty-free treatment for apparel articles assembled in less developed countries in Sub-Saharan Africa, regardless of origin of fabric.	LDC apparel eligible for duty-free treatment regardless of origin of fabric <u>and regardless of origin of yarn.</u>
Botswana and Namibia	Not treated as less developed countries because per capita GNP in 1998 exceeded \$1,500.	Specially designated as less developed countries.
Hybrid Cutting	Under U.S. Customs interpretation, cutting of fabric must occur either in U.S. or AGOA countries, but not both.	Hybrid cutting (<u>i.e.</u> , cutting that occurs both in U.S. and in AGOA countries) does not render fabric ineligible.
Volume cap on duty-free treatment for apparel made from fabric made in AGOA region or, for lesser developed beneficiary countries from fabric made anywhere.	Applicable percentages increase through October 1, 2007.	Applicable percentages doubled.