

As the United States prepares to review the African Growth and Opportunity Act (AGOA) ahead of its renewal in September 2025, Rwanda is once again under the global spotlight for its firm stance on trade policy. In a statement to the press, the Minister of Trade and Industry emphasized that **“industrial policy takes precedence over AGOA opportunities”** — signaling Rwanda’s continued commitment to building a sustainable local textile industry despite ongoing suspension from the U. S. trade deal.

AGOA, a U. S. trade law passed in 2000, grants eligible sub-Saharan African countries duty-free access to the American market for over 6,000 products. However, Rwanda was suspended from the agreement in 2018 after implementing a ban on second-hand clothing imports to promote local production — a move that clashed with AGOA’s free-market conditions.

Commenting on AGOA, Minister of Trade and Industry, Mr. Prudence Sebahizi, noted that while the suspension of AGOA limited Rwanda’s ability to export garments to the U.S., it also acted as a catalyst for accelerating domestic growth in the textile sector

“The suspension impacted our export opportunities, but it also triggered increased investment in local manufacturing. We are now reducing reliance on imported garments and expanding domestic production,” the Minister said.

Since the ban on second-hand clothing imports, the Government of Rwanda has rolled out a range of incentives and reforms to strengthen the textile sector. These include high import duties on used garments, tax exemptions on fabrics and capital goods, and a public procurement law that prioritizes local content.

The results are already visible. In 2015, second-hand clothing made up 32% of Rwanda’s textile and apparel imports. By 2021, that number had dropped to just 7%. During the same period, imports of fabrics — which support local manufacturing — rose from 16% to 32%.

Aida Kibirige Nattabi, a Research Analyst at the Economic Policy Research Center (EPRC), affirms that the phase-out of second-hand clothing has significantly stimulated Rwanda’s domestic textile industry. “Since 2016, we’ve seen a notable expansion in textile and leather firms,” she noted. “The Made-in-Rwanda policy, combined with tax incentives and industrial park development, has created a more enabling environment for local production.”

Investments in the garment sector have also surged, supported by programs under the **“Made in Rwanda”** initiative. According to the Minister, garment exports grew from \$3 million in 2016 to \$12.1 million in 2023, despite a decline in exports to the U. S., which dropped from \$1.2 million to \$172,000 due to AGOA restrictions.

“Lifting the restrictions on second-hand garment imports would undoubtedly create unfavorable competition for our emerging local garment industry,” the Minister stressed.

The Ministry has also strengthened its collaboration with the private sector — both local and international — to boost competitiveness. Through regular public-private dialogues, and by supporting affordable access to the raw materials, the government aims to create a level playing field for local producers.

To make the transition more inclusive, Kibirige recommends diversifying local garment offerings to suit different income levels and tastes, particularly among the youth. “Public awareness campaigns, improving style and finish, and supporting tailoring and skilling programs could go a long way in building consumer trust and creating more jobs in the value chain,” she suggested.

Furthermore, the Rwandan textile sector is being integrated into public procurement systems, with opportunities like the supply of school uniforms being reserved for local manufacturers.

However, Kibirige also pointed out that affordability remains a key barrier to scaling up local demand. “For many Rwandans, especially low-income households, second-hand clothes have provided an affordable lifeline. Without them, the cost burden increases. Locally made garments still struggle to compete on price, quality, and variety — which is why new imports, especially from China and the UAE, remain dominant,” she said. According to Trademap data, Rwanda imported over \$20 million worth of new clothes in 2023, primarily from Asian and regional markets.

In response to reduced access to the U. S. market, Rwanda has also turned to alternative trade partnerships, including the African Continental Free Trade Area (AfCFTA), the European Union, China, and East African Community (EAC) neighbors.

Drawing from successful regional and international examples, Kibirige pointed to Kenya’s garment manufacturing for global brands like Levi’s — a model that’s strengthened domestic industry even though second-hand imports remain high.

“Rwanda can emulate such models by targeting international production, while also fostering national pride in local fabrics like Ghana and Nigeria have done,” she said.

“Rwanda is already doing many things right — increasing import duties on SHC, reducing taxes on textile inputs, developing industrial zones, and supporting SMEs. But to fully close the gap, more work is needed on affordability, innovation, and regional market access,” Kibirige emphasized.

Despite these gains, the Rwandan government remains open to talks with the U. S. about restoring AGOA benefits.

“We welcome diplomatic engagement and trade cooperation with the U. S.,” the Minister affirmed. “However, our policy on second-hand clothing is intended to safeguard a sector critical to our national economy.”

“The phase-out of second-hand clothes has sparked domestic growth, but we must bridge the affordability gap and enhance local garment appeal to make the shift sustainable.”

— *Aida Kibirige Nattabi, Economic Policy Research Center*

As AGOA’s expiration looms, Rwanda’s firm position — balancing industrial growth with global trade — may influence future African trade narrative.

“While AGOA offers valuable access, our priority remains building an economy that can sustain itself through local production and value addition,” the Minister adds.