



UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

PUBLIC HEARING MATERIALS

January 23, 2018

MEMORANDUM

TO: Docket Services
Office of Administrative Services
Office of the Secretary

FROM: Tyrell T. Burch
Program Support Specialist

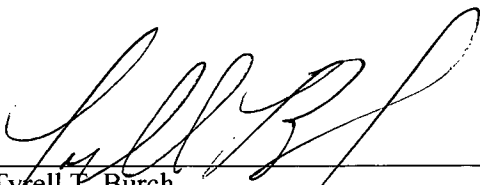
SUBJECT: **PUBLIC** Hearing Materials of January 23, 2018

RE: Inv. No. 332-564 (U.S. Trade and Investment with Sub-Saharan Africa:
Recent Development)

Attached please find the following **PUBLIC** hearing materials for the above referenced hearing:

- 1.) Memorandum of Record
- 2.) Final Calendar of Witnesses
- 3.) Oral Testimony and Hearing Exhibits of The Honorable Dédé Ahoéfa Ekoue, Embassy of Togo
- 4.) Hearing Exhibits of His Excellency Ambassador Mathilde Mukantabana, Embassy of Rwanda
- 5.) Oral Submission, His Excellency Ambassador Mninwa J. Mahlangu, Embassy of South Africa
- 6.) Testimony of Paul Ryberg , African Coalition for Trade Inc.
- 7.) Testimony of Lawrence Lieberman, Boston Agrex, Inc.
- 8.) Testimony of Stephen Lande, Manchester Trade Limited, Inc.

9.) Remarks of Florie Liser, Corporate Council on Africa



Tyrell T. Burch
Program Support Specialist

Office of the Secretary



UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC 20436

MEMORANDUM OF RECORD

RE: Investigation Nos. 332-564


Concerning: U.S. Trade and Investment with Sub-Saharan Africa:
Recent Developments

A public hearing in this investigation was held on:

January 23, 2018

A copy of the calendar of this hearing is attached. For further information, consult the transcript of the hearing, the exhibits, and the minutes of the Commission.

FILED BY:



William R. Bishop
Supervisory Hearings and Information Officer

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: U.S. Trade and Investment with Sub-Saharan Africa:
Recent Developments

Inv. No.: 332-564

Date and Time: January 23, 2018 - 9:30 a.m.

Sessions were held in connection with this investigation in the Main Hearing Room (Room 101), 500 E Street, S.W., Washington, DC.

EMBASSY WITNESSES:

**Embassy of the Republic of Togo
Washington, DC**

The Honorable Dédé Ahoéfa Ekoue, Minister, Advisor to the Togolese Head of State

**Embassy of the Republic of Côte d'Ivoire
Washington, DC**

**His Excellency Daouda Diabate, Ambassador of the Republic of Côte d'Ivoire to the
United States**

**The Honorable Kaladji Fadiga, Director General of International Trade, Ministry
of Trade, Craft, and SME Promotion**

**Embassy of the Republic of Rwanda
Washington, DC**

The Honorable Bonny P. Musefano, Commercial Attaché

**Embassy of the Republic of South Africa
Washington, DC**

**His Excellency Mninwa J. Mahlangu, Ambassador of the Republic of South Africa
to the United States**

The Honorable Yoliswa Mvebe, Deputy Chief of Missions

**Embassy of the Republic of Cameroon
Washington, DC**

**His Excellency Henri Etoundi Essomba, Ambassador of the Republic of Cameroon
to the United States of America**

EMBASSY WITNESSES (continued):

**Embassy of the Republic of Kenya
Washington, DC**

The Honorable David K. Gacheru, Deputy Chief of Mission

**Embassy of the Republic of Mauritius
Washington, DC**

The Honorable A.Y. Lam, Deputy Chief of Mission

PANEL 1

ORGANIZATION AND WITNESS:

**Atlantic Council Africa Center
Washington, DC**

Aubrey Hruby, Senior Fellow

**Hello Tractor
Washington, DC**

Martha Haile, Co-Founder and Chief Operating Officer

**African Coalition for Trade Inc.
Washington, DC**

Paul Ryberg, President

**Boston Agrex, Inc.
USA Poultry & Egg Export Council
Washington, DC**

Lawrence Lieberman, President, Boston Agrex, Inc.

Kevin J. Brosch, Principal, BroschTrade, LLC

**Common Market of Eastern and Southern
Africa ("COMESA")**

**Dennis Matanda, Lead Consultant for the Regional Strategy
on AGOA on behalf of the Secretary General of COMESA**

PANEL 1 (continued)

ORGANIZATION AND WITNESS:

Manchester Trade Limited, Inc.
Washington, DC

Stephen Lande, President

African Growth and Opportunity Act (AGOA) Civil Society Network
Washington, DC

Fred O. Oladeinde, Chairman

Corporate Council on Africa
Washington, DC

Florizelle Liser, President and Chief Executive Officer

-END-

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REPUBLIQUE TOGOLAISE
TRAVAIL - LIBERTE - PATRIE

**STATEMENT OF H.E MRS. DEDE EKOUE, MINISTER,
ADVISOR TO THE PRESIDENT OF TOGO
PRESENTING**

**A SUMMARY OF THE TOGOLESE GOVERNMENT'S REPORT
TO THE UNITED STATES INTERNATIONAL TRADE COMMISSION
RELATING TO THE CONSULTATION ON THE THEME:
U.S –SUB-SAHARAN AFRICA TRADE AND INVESTMENT:
NEW DEVELOPPEMENTS**

Lomé, January 22nd, 2018

Honorable Chairman

Distinguished Commissioners

Ladies and Gentlemen

1. I am honored and delighted to present the contribution of the Government of Togo in line with the investigation on the theme “U.S- Sub-Saharan Africa Trade and Investments: recent developments”. With me today is HE. Frédéric Hegbe, Ambassador of Togo to the United States.
2. Togo is honored to be invited for this major consultation by the United States International Trade Commission. This consultation is well timed, less than six months after the 16th U.S- Africa Trade and Economic Cooperation Forum (commonly known as AGOA Forum) co-hosted by the U.S and Togolese governments from August 8 to 10, 2017 in Lomé, Togo under the theme: “The U.S. and Africa: Partnering for Prosperity Through Trade”. The recommendations are included in the 16th AGOA Forum Summary report attached to the submission.
3. This hearing offers us the opportunity to share a few key proposals to gain better leverage on the 16th AGOA Forum recommendations with a view to enhancing trade between the United States and Africa, using Togo as a case study. Moreover, this consultation allows us to share a few thoughts on enhancing trade and investment between Togo and the USA in a win-win approach for both parties.

4. The submission of Togo covers six key points:
 - a. Togo's economic profile;
 - b. Overview of Togo's position in regional and global trade;
 - c. U.S-Togo trade facts;
 - d. Togo's support to sub-regional and regional economic integration;
 - e. Evolution of Foreign Direct Investments (FDIs) in Togo;
 - f. Outlooks for enhancing economic and trade ties between Togo and the U.S and between the U.S and Africa.

Honorable Chairman

Distinguished Commissioners

Ladies and Gentlemen

5. The vision of Togo for Trade and Investment between US and Sub-Saharan Africa is grounded in the search for shared prosperity for US and Africa. We need to pursue this vision by seizing the opportunity of a positive economic outlook for Africa for 2018 and 2019. The experience of Togo with an American company ALAFFIA co-founded by a member of Togolese diaspora shows clearly that it is possible to pursue trade and investment between Africa and the U.S. in a way that can be mutually beneficial to both parties. ALAFFIA Company is based in Washington State, U.S where it operates a production plant for the distribution of cosmetics in the U.S and European countries. This company managed to get into a partnership with Whole Food Markets. It employs 240 workers in the US and 700 in Togo. It has an

impact on over 10,000 households in both countries through indirect employment.

6. I would like to share with you a few quick facts about Togo. With a population of 7 million, Togo has recorded a sustained growth rate of 4.3 % between 2007 and 2015. This growth was due to an improvement of agricultural productivity, the boosting of phosphate production – fifth world biggest phosphate producer- and public investments particularly in a world class port and airport infrastructure. Togo has been working also to improve its business environment and according to the Doing Business 2017 Report, Togo is among the most performing reformers on business creation since 2011.
7. Togo is an important trade hub in West Africa. Togo has been investing significantly in transportation infrastructure and logistics to support its traditional role of Central Gateway of West Africa. With its deep sea port, its road networks connecting several landlocked countries to the port, a modern airport, and a private regional airline company ASKY, its financial hub with a regional Panafrican Bank ECOBANK and several banks head offices, Togo is a key actor for trade facilitation within the African region, and between Africa and other continents. In addition, re-exports constitute almost 30% of average total exports over the period 2008-2016, demonstrating the active role Togo plays in connecting the region to other continents.

8. At the continental level, particularly at the African Union, the country plays a very active role and it is actively engaged with other African countries to help put in place the continental free trade agreement.
9. As for sub-regional integration, Togo is one of the founding members of the Economic Community of West African States (ECOWAS). The Head of State of Togo, H.E Faure Essozimna Gnassingbé currently chairs the conference of Heads of State and government of the ECOWAS. A cornerstone of his agenda is to remove barriers to the free movement of people and goods and to abolish non-tariff barriers and implementing ECOWAS' Common External Tariff (CET). A specific report on regional integration will be shared by the Government of Togo through its embassy.
10. Trade between Togo and the United States is limited and has been declining during the last three years even though *United States (4.2%) is the 5th largest exporter of goods to Togo.*
11. Exports to US are around 10 million dollars but very little of these exports were done under AGOA because of several challenges. To address this situation, the government of Togo put in place an action plan for the utilization of AGOA.
12. With regards to FDI, the government of Togo initiated a vast program with a view of improving the business environment. This makes it possible for the country to be ranked as one of the top ten (10) reformers in the world. These efforts have attracted foreign direct investment. FDI from the U.S were channeled to the energy sector

through Contour Global Togo SA, an affiliate of the American Group Contour Global LP with the support of Overseas Private Investment Corporation (OPIC). FDI flows Togo received from the USA over the period 2011-2016 averaged approximately US \$ 15 million dollars a year.

13. Togo hosting the 16th AGOA Forum with the U.S, helped increase the dynamism of the trade partnership between Togo and the U.S with the adoption of Togo's AGOA textile Visa and the adoption of an operational plan for a short and mid-term AGOA utilization. The government adopted a series of actions to be undertaken with a view to implementing, at the national level, the recommendations of African trade ministers at the conclusion of the Forum as well as Togo's AGOA utilization action plan.
14. This AGOA utilization operational plan focuses on five (05) strategic priorities. They include: (i) promotion of AGOA; (ii) development of facilitation tools to access the U.S. market; (iii) the promotion of the compliance to the certification with a proposed targeted action of setting up a certification laboratory in cooperation of U.S. agencies; (iv) capacity building and (v) investment promotion.

A copy of Togo's AGOA utilization plan is submitted with our report.

15. Going forward, Togo is committed to undertaking the following major initiatives, resource provided, to boost its productivity and its trade as well as to strengthen its capacity of trade hub.

- a. Enhance the capacity of its ports and modernize its mineral port;
- b. Invest in an energy thermal plant to increase the productivity of the economy;
- c. Develop off-grid networks with essentially private investment and renewable energy;
- d. Build at least 10 agropoles in 5 years across the country; these agropoles will serve as a basis for agro-industry development;
- e. Establish an industrial park in partnership with the private sector and foreign investors;
- f. Put in place a venture capital funds for SMEs/SMIs;

All these initiatives are further explained in the document attached to the report entitled: TOGO Central Gateway to West Africa.

- 16. Togo is also highly committed to continuing the necessary reforms to enhance the attractiveness of its business environment and attract more foreign investment including from its diaspora. The focus areas for such reforms include the strengthening of the telecommunication sector, land reforms, and the operationalization of the investment promotion agency.
- 17. Togo is therefore calling on the US government, US agencies and businesses to support its transformational investment projects in order to help boost trade and create shared opportunities to enhance prosperity. To this aim, Togo is highly committed to building strong

partnerships with the US Administration, US agencies such as MCC, USAID and OPIC to help prepare the ground for an increase of American investments in Togo.

18. In addition, in line with the recommendations of the 16th AGOA Forum, the government of Togo calls on U.S. government to increase the technical and commercial assistance offered by USAID to eligible African countries and particularly to their businesses, to scale up cooperation and investments to help integrate the continent's businesses in the global value chains and supply networks, and to support the regional integration program. A special attention should be given to transport and energy as their high costs are among the most critical challenges to expanding regional integration and ensuring the competitiveness of African exports on the global market. 30 to 40% of exports costs are linked to transport and logistics.

19. The Togolese government expresses, once more, its deep gratitude to the United States International Trade Commission for this opportunity to share its views on enhancing trade and investment with greater benefits for Africa and the U.S. through AGOA and beyond.

I thank you all for your kind attention.

REPUBLIC OF TOGO

Work – Freedom - Homeland



MINISTRY OF TRADE AND PRIVATE SECTOR DEVELOPMENT

**OPERATIONAL ACTION PLAN FOR THE SHORT AND
MEDIUM TERM USE OF AGOA**



USAID
FROM THE AMERICAN PEOPLE

WEST AFRICA
**TRADE &
INVESTMENT
HUB**

AUGUST 2017

Acronyms and Abbreviations

AGOA	African Growth and Opportunity Act
API-ZF	Agence de promotion des investissements et de la zone franche (<i>Investments and Free zone Promotion Agency</i>)
CCIT	Chambre du commerce et d'industrie du Togo (<i>Chamber of Commerce and Industry of Togo</i>)
CFE	Centre de formalités d'entreprises (<i>Business Start-up Centre</i>)
ECOWAS	Economic Community of West African States
EU	European Union
FSMA	Food Safety Modernization Act
GDP	Gross Domestic Product
GSP	Generalized System of Preferences
HACCP	Hazard Analysis Critical Control Point
MCPSP	<i>Ministère du commerce et de la promotion du secteur privé</i> (Ministry of Trade and Private Sector Development)
MDGs	Millennium Development Goals
MFN	Most Favored Nation
NDP	National Development Plan
OTR	Office togolais de recettes (<i>Togo Revenue Office</i>)
SALT	<i>Société aéroportuaire de Lomé Tokoin</i> (Airport Company)
SCAPE	Stratégie de croissance accélérée et de promotion d'emploi (<i>Accelerated Growth and Employment Promotion Strategy</i>)
SMEs/SMIs	Small and Medium Enterprises/Small and Medium Industries
UEMOA/WAEMU	West African Economic and Monetary Union
USA	United States of America
USAID	United States Agency for International Development

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Introduction

For the past few years, Togo has engaged in accelerating economic growth and social development in line with the MDGs and SDGs.

The country has recorded an average growth rate of 5% over the past five years. This growth has been supported by investments in the areas of economic and agricultural infrastructure as well as structural reforms effected within the framework of the Accelerated Growth and Employment Promotion Strategy (SCAPE). Togo has a significant agricultural potential that accounts for 41% of the GDP and employs 75% of a workforce whose potential remains largely unexploited in spite of a major increase in production.

This growth helped reduce poverty and create jobs. Despite these developments, Togo has initiated intensive economic reforms and efforts to create a conducive environment for private sector development.

The results of the recent QUIBB survey (2011-2015) indicate a drop in the rate of unemployment from 6.5% in 2011 to 3.4% in 2015. However, the underemployment rate increased from 22.8% in 2011 to 24.9% in 2015.

An analysis of the 2006, 2011 and 2015 QUIBB surveys shows that poverty has declined over that same period at national level. Thus, poverty incidence has declined from 61.7% in 2006 to 58.7% in 2011 and then 55.1% in 2015. In that context, AGOA is an opportunity for reaching the top goals of the country.

Adopted on May 18th 2000 by the United States Congress, the African Growth and Opportunity Act (AGOA), scheduled to expire in September 2015, was extended from June 2015 to 30th September 2025. This Act grants duty-free access to the US market for up to 6400 products originating from Sub-Saharan Africa.

Despite the opportunities offered by this Act, it has been observed that its impact on trade between the US and Sub-Saharan African countries is very limited and restricted to only a few sectors.

Since April 2008, Togo was declared eligible under AGOA. To date, the provisions of the Act have not been fully exploited by Togolese economic operators even though the country has engaged in accelerating economic growth based on the increase of exports through a dynamic private sector.

The 2017 AGOA Forum – the 16th of the series – slated to be held in Togo from 8 to 10 August 2017 under the theme: “The United States and Africa: Partnering for Prosperity Through Trade,” is a golden opportunity to provide new impetus to the use of AGOA in Togo.

The aim is to put in place a more enabling framework to strengthen the productive capacity of the formal and informal sectors in order to increase and diversify exports to the United States of America by taking into account the economic and social inclusion of rural populations.

I. The Status of Trade in Togo

1.1. Global exports situation

The trade balance has shown a CFAF333.4 billion deficit in 2015 against CFAF422.8 billion in 2013. Togo mainly exports to the Africa region, namely UEMOA member countries. The share of the Africa Region in Togolese exports has remained in average at 68.0% over the 2008-2016 period. Asian countries are becoming major clients for Togo. The share of Asian countries in Togolese exports has increased (from 11.3% in 2008 to 17.1% after reaching over 20% in 2014 and 2016).

Transit trade or re-export trade represents an important share of total exports from Togo. Re-exports have accounted for almost 30% of total exports in average over the 2008-2016 period.

1.2. Trade between Togo and the US

Imports of American products to Togo are estimated at \$1,021 billion, \$309,971 million and \$242,222 million in 2014, 2015 and 2016 respectively.

Togolese products exports to the United States were estimated at \$9.94 million, \$14,211 million and \$10,855 million, in 2014, 2015 and 2016 respectively.

Togolese products exports to the American market under AGOA were estimated at US\$178,000, US\$146,000 and US\$134,000 in 2014, 2015 and 2016 respectively¹. They are essentially agricultural products, forest products, chemical products and other similar products.

Togolese exports to the United States are done under the Most Favored Nation (MFN) clause. Special systems such as the Generalized System of Preference or AGOA, are marginally used (see Table 1). In other terms, Togo has not yet fully maximized the opportunities available under AGOA.

Table 1²: Value of Togolese exports to the US (in thousands of dollars)

Sectors	Exports	2014	2015	2016
Agricultural products	Export	4,320	3,299	2,824
	Export AGOA	178	145	98
Forest products	Export	174	204	105
	Export AGOA			16

¹ <https://agoa.info/data/trade.html>

² Ci-opt

Chemicals and similar products	Export	900	816	1 145
	AGOA Export		1	15
Textiles and apparel	Export	4	22	50
	AGOA Export			1
Metals and minerals	Export	15	63	7
	AGOA Export			
Electronic products	Export	9	3	2
	AGOA Export			
Miscellaneous	Export	3,157	7,990	6,498
	AGOA Export			4
All sectors	Export	9,094	14,211	10,855
	Import	1,020,563	309,971	242,222
	AGOA Export	178	146	134

Source: <http://www.agoa.info/>

II. Scope and approaches of the Operational Action Plan

2.1. Scope

The Operational Action Plan aims at making Togo a competitive country on the US market in the area of trade and investment, contributing significantly to sustainable and inclusive economic growth by the year 2025 and beyond.

2.2. Approaches

Implementing the Operational Action Plan should take into account the following approaches:

- **Alignment with the country's development strategies**

The Operational Action Plan for the use of AGOA aims at contributing to the implementation of development priorities as inscribed in development strategies such as the Accelerated Growth and Employment Promotion Strategy (2013-2017) that will be taken over by a new Development Plan (2018-2022). Its implementation supports the objectives of relevant sector strategies for the priority value chains.

- **Private sector and economic operators positioning**

This document is a commitment with the private sector, the main actor and direct beneficiary of the successful implementation of this Action Plan. Thus, it is strongly represented in the institutional framework and is frequently called upon to share its opinions on the challenges, possible solutions, progress and opportunities.

- **Ownership by all stakeholders**

Regarding the use of advantages offered by AGOA, the government will work with all stakeholders for the extensive dissemination of the Law and its benefits for priority value chains.

Moreover, it will facilitate the ownership of the procedures to be followed by operators in the public and private sectors to benefit from the law.

- **Mobilization of investors for the priority value chains**

The Operational Action Plan for the use of AGOA also aims at encouraging national investors and those in the diaspora, as well as African and international investors, to support production, processing and export in the selected priority value chains.

- **Promotion of Fair Trade and the sustainable inclusion of small producers, the youth and women in value chains**

Togo encourages the use of AGOA with the aim of achieving the social and economic inclusion of small producers, the youth and women in a process that ensures the economic and financial sustainability of businesses and their activities. It encourages Fair Trade and is ready to partner with businesses and investors in adopting this model, with a view to ensuring sustainable benefits to grassroots populations and increasing their contribution to economic growth through exports.

Several public initiatives already aim at the economic and social inclusion of the youth and women. These initiatives are opportunities for businesses and investors to include these groups in their production and export chains in a win-win perspective.

- **Promotion of compliance with standards**

The government will take the appropriate measures to facilitate the establishment of national standards and their compliance with American standards requirements by putting emphasis on raising awareness among stakeholders. To that effect, the government will study the possibility of putting in place in Togo a regional laboratory to control product quality standards. To that end, it will actively liaise with US services.

- **Promotion of organic production**

The government encourages stakeholders to seize market opportunities for an environmentally friendly production and for certification. The government will seek the support of partners to help operators in priority value chains in this area.

- **Maximizing regional and sub-regional opportunities**

Through this Operational Action Plan, the Government aims at inciting all stakeholders to engage in regional and sub-regional integration.

There is a need to take advantage of the production potential of priority value chains in the sub-region so as to stimulate exports to the United States of America, thus complying with the quantity and quality requirements of the US market.

To ensure the best use of AGOA by Togo and other countries in the sub-region, it is important to capitalize on the strategic position of Togo as a platform for transport and logistics to reduce transport times and costs while ensuring product quality. This positioning is all the more important since 30 to 40% of the costs of exports are transport-related, and trade between the US and Africa would benefit from improving transport logistics and services.

III. Priority Sectors/Value chains

Togolese stakeholders in the private sector, civil society and public administration have identified priority value chains in the context of promoting exports to the US. They include, among others:

1. Apparel (textile)
2. Mango, pineapple
3. Cassava
4. Cashew nut
5. Shea butter
6. Soya
7. Coffee-cocoa
8. Coconut
9. Handcraft (bags, shoes, traditional textiles)
10. Mines (phosphates, clinker, iron).

IV. Strategic areas under AGOA

The use of AGOA will be optimized through the implementation of the Short and Medium Terms Operational Action Plan based on five (05) strategic areas: (i) Promoting AGOA; (ii) Developing facilitation tools for accessing the US market; (iii) Promoting certification compliance ; (iv) Capacity Strengthening; and (v) Promoting Investment.

4.1. Area 1: Promoting AGOA

Facilitate the use of AGOA by export-ready companies or companies that already export abroad.

4.2. Area 2: Developing facilitation tools for accessing the US market

Strengthen knowledge on US value chains and markets. This will include: eligibility regulations and standards for export products, linking producers and buyers and US importers, contractualization and payment modalities, sources of information on the US market, and Fair Trade in the United States.

4.3. Area 3: Promoting compliance with certification

Facilitate the ownership of procedures and requirements for exporting to the US such as: HACCP and FSMA, Global GAP, Fair Trade, ISO standards and quality management.

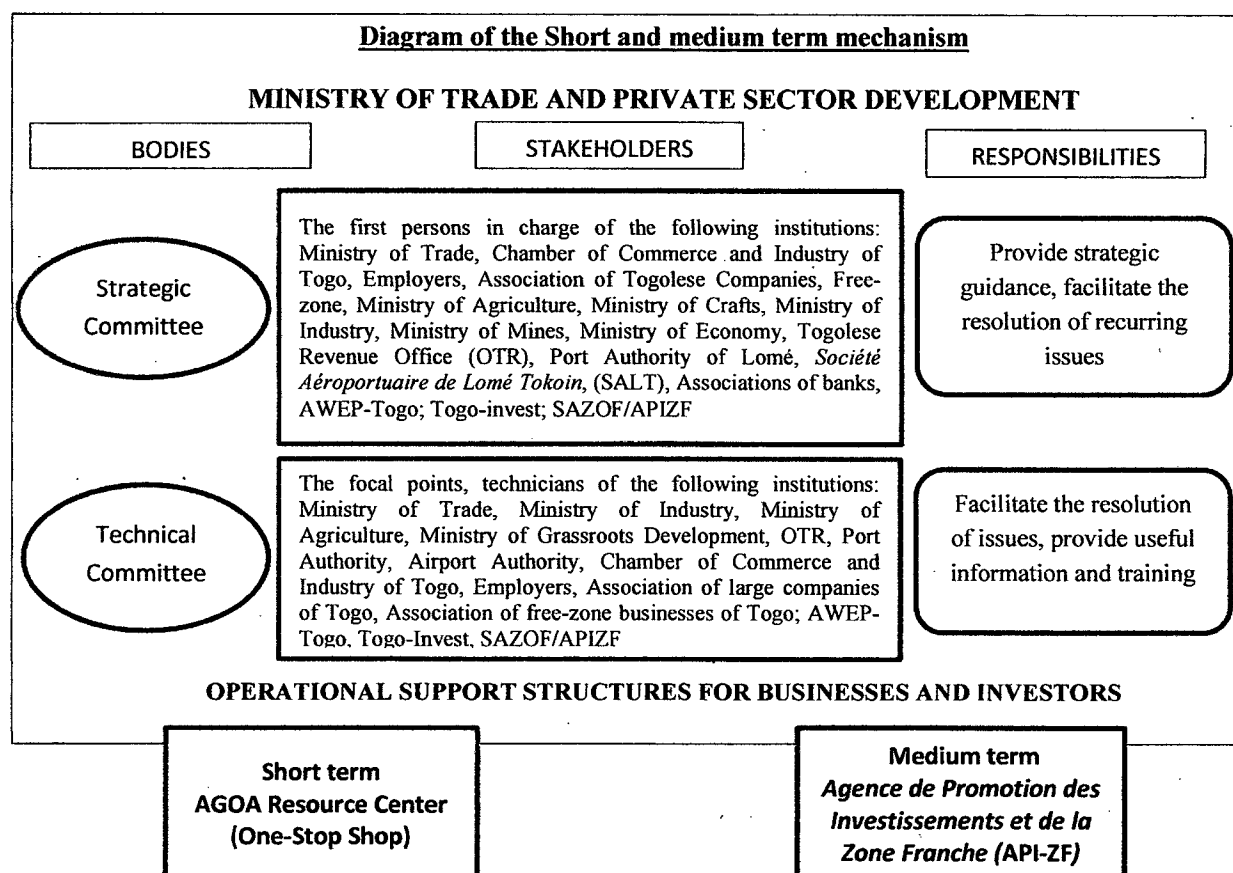
4.4. Area 4: Capacity Strengthening

Provide technical support and capacity strengthening of export promotion institutions, producers, processors and export companies to develop export skills. These involve: social corporate responsibility, logistics management and export management, middle management, financial management for exports, etc.

4.5. Area 5: Promoting Investments

Assist with trade promotion in the country to mobilize investments and partnerships in the selected value chains.

V. Institutional mechanism for the improved use of AGOA



- **Maximizing regional and sub-regional opportunities**

Through this Operational Action Plan, the Government aims at inciting all stakeholders to engage in regional and sub-regional integration.

There is a need to take advantage of the production potential of priority value chains in the sub-region so as to stimulate exports to the United States of America, thus complying with the quantity and quality requirements of the US market.

To ensure the best use of AGOA by Togo and other countries in the sub-region, it is important to capitalize on the strategic position of Togo as a platform for transport and logistics to reduce transport times and costs while ensuring product quality. This positioning is all the more important since 30 to 40% of the costs of exports are transport-related, and trade between the US and Africa would benefit from improving transport logistics and services.

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The use of AGOA will be optimized through the implementation of the Short and Medium Terms Operational Action Plan based on five (05) strategic areas: (i) Promoting AGOA; (ii) Developing facilitation tools for accessing the US market; (iii) Promoting certification compliance ; (iv) Capacity Strengthening; and (v) Promoting Investment.

4.1. Area 1: Promoting AGOA

Facilitate the use of AGOA by export-ready companies or companies that already export abroad.

Its short term implementation will start from September 2017. With the mobilization of all stakeholders, Togo has significant chances of recording advances in the area of exports to the United States of America under AGOA and beyond.

The Operational Action Plan is a call to all stakeholders to get actively involved in order to ensure the best use of AGOA by the year 2025, the deadline for this Act.

Annex 1: Operational Action Plan Matrix for the short term use of AGOA

N°	ACTIONS	OBJECTIVES	EXPECTED OUTCOMES	INDICATORS	IMPLEMENTATION PERIOD			RESPONSIBLE	INSTITUTIONS INVOLVED	PARTNERS
					2017	2018	2019			
Area 1 : Promoting AGOA										
Specific objective: Facilitate the use of AGOA by export-ready companies or companies that already export abroad										
1	Respond efficiently to challenges involving product labeling and packaging with tax exemption on the importation of packaging materials (paper, machinery, etc.) with a special system.	<ul style="list-style-type: none">- Make Togolese products competitive- Make Togolese products more attractive	<ul style="list-style-type: none">- Togolese products are competitive- Togolese products are well packaged	<ul style="list-style-type: none">- Export rate of Togolese products- Cost of packaging materials has reduced	x	x	x	Ministry of Economy and Finance	Ministry of Trade Strategic Committee Technical Committee	
2	Facilitate and encourage market research with sales agents/digital counters/platforms in the US and having a perfect knowledge of the dynamics and requirements of the US market.	Enable Togolese businesses to have representatives (agents) in the United States	Togolese businesses have representatives (agents) in the United States	Number of Togolese businesses having representatives (agents) in the US	x	x	x	Togolese businesses	CCIT - Ministry of Trade, AGOA Resource Center, Strategic Committee, Technical Committee	USAID West Africa trade and Investment hub
3	Declare Togo a "Fair Trade-Friendly Country"	<ul style="list-style-type: none">- Enable producers to contribute to the inclusive, sustainable and balanced development of their local communities- Enable Togolese to participate in fair conditions to global markets- Stimulate economic growth at national, regional and international levels.	Togo is declared a "Fair Trade-Friendly Country"	Act of declaring	x	x	x	Ministry of Trade	CCIT AGOA Resource Center Strategic Committee Technical Committee ALAFIA	

N°	ACTIONS	OBJECTIVES	EXPECTED OUTCOMES	INDICATORS	IMPLEMENTATION PERIOD			RESPONSIBLE	INSTITUTIONS INVOLVED	PARTNERS
					2017	2018	2019			
Area 2 : Developing facilitation tools for accessing the US market										
Specific Objective: Strengthening the knowledge on US value chains and markets										
4	Develop factsheets on US market demand regarding the priority products identified by Togo	<ul style="list-style-type: none">- Enable economic operators to have more visibility on the US market- Know the frequency and level of demand for Togolese products on the US market	<ul style="list-style-type: none">- Economic operators have increased visibility on the US market- The frequency and level of demand of the US market are known.	<ul style="list-style-type: none">- Export rate of Togolese products- Number of businesses that export	x			AGOA Resource Center	CCIT Ministry of Trade ALAFPIA Strategic Committee Technical Committee	
5	Strengthen marketing support mechanisms	Target regional and global markets where socially responsible products are sought after and are sold at premium prices	Regional and global markets are targeted	Directory of markets targeted	x	x	x	AGOA Resource Center	CCIT Ministry of Trade Strategic Committee Technical Committee	
6	Conduct a study of the demand	Obtain the profile of US importers by type of products available.	A database of US importers is available	Number of US importers by type of products	x	x		AGOA Resource Center	CCIT Ministry of Trade Togolese businesses Strategic Committee Technical Committee	
Area 3 : Promoting compliance with certification										
Specific Objective: Facilitating the ownership of procedures and requirements for exporting to the US										
7	Organize and encourage B2B meetings/technical meetings /workshops among actors	Share experiences and best practices	Exports experiences and best practices are shared by stakeholders	Number of meetings to share export experiences and best practices	x	x	x	AGOA Resource Center	CCIT Ministry of Trade Togolese businesses Strategic Committee Technical Committee	
8	Work on issues regarding standards/quality and encourage businesses to certify and coordinate all interventions accordingly (One-stop shop)	Enable Togolese businesses to obtain certification to facilitate the export of their products	Togolese businesses have the needed certifications to facilitate the export of their products	Number of certified Togolese businesses	x	x	x	Togolese businesses Ministry of Trade	CCIT AGOA Resource Center Strategic Committee Technical Committee	USAID West Africa trade and Investment hub

N°	ACTIONS	OBJECTIVES	EXPECTED OUTCOMES	INDICATORS	IMPLEMENTATION PERIOD			RESPONSIBLE	INSTITUTIONS INVOLVED	PARTNERS
					2017	2018	2019			
9	Help local businesses to qualify and obtain appropriate certification.	Facilitate fair trade and socially responsible trade practices.			x	x	x		Strategic Committee Technical Committee	
Area 4 : Capacity Strengthening										
Specific Objective: Providing technical support and capacity strengthening for export promotion institutions, producers, producers and export companies to develop of export skills										
10	Strengthen the capacity of the AGOA Resource Center in HR and logistics	Ensure the operation of the Centre	The AGOA Resource Center is operational	- Staff strength - The logistics is available	x	x	x	-CCIT -Ministry of Trade	Ministry of Public Service Strategic Committee Technical Committee	
11	Strengthen the capacity of the AGOA Resource Center on AGOA and procedures for exporting to the USA	Be more available to foreign investors and economic operators seeking to export to the USA and other countries.	- Foreign Investors have the needed information on the Togolese market; - Economic operators have the needed information on the US market and markets in other countries.	- Investment rates - Togolese products export rate - Number of Togolese businesses that export	x	x	x	-CCIT -Ministry of Trade	Strategic Committee Technical Committee	USAID West Africa trade and Investment hub
12	Prepare and update the profile of businesses likely to export under AGOA and beyond	Boost the export of Togolese products to the US and other countries.	The profile of businesses likely to export under AGOA and beyond is prepared and updated.	Availability and publication of the file of businesses likely to export.	x			AGOA Resource Center	CCIT Ministry of Trade Strategic Committee Technical Committee	
13	Facilitate access to financing for SMEs/SMIs and raise the awareness of banks to the economic potential of target sectors for AGOA	Provide SMEs/SMIs with financing.	SMEs/SMIs have access to financing.	Number of SME/SMIs with access to financing	x	x	x	AGOA Resource Center	CCIT Ministry of Trade Togolese businesses Ministry of Economy and Finance Strategic Committee	- Banks - Investors

N°	ACTIONS	OBJECTIVES	EXPECTED OUTCOMES	INDICATORS	IMPLEMENTATION PERIOD			RESPONSIBLE	INSTITUTIONS INVOLVED	PARTNERS
					2017	2018	2019			
14	Organize a specific workshop on the ALA/FIJA experience and other success stories Share the ALA/FIJA experiences and other success stories	Share on the ALA/FIJA experience and other success stories	The ALA/FIJA experience and other success stories are shared	Workshop report	x			AGOA Resource Center	CCIT Ministry of Trade Togolese businesses Strategic Committee Technical Committee	
15	Put in place in the medium term, an appropriate institution to promote investments and exports	Enable Togo to have an appropriate institution to promote investments and exports.	Togo has an appropriate institution to promote investments and exports	The managers of APO-ZF are appointed API-ZF is operational		x	x	Presidency of the Republic	Ministry of Industry Ministry of Trade Ministry of Economy and Finance Strategic Committee Technical Committee	API-ZF
16	Support the creation of jobs and businesses that respect Fair Trade principles	Provide disadvantaged producers with economic opportunities by ensuring gender equality	The conditions for creating jobs and businesses are supported	- Number of producers trained to create their business - Number of training sessions organized	x	x	x	AGOA Resource Center	CCIT Ministry of Trade Strategic Committee Technical Committee	CIE
17	Assist producers in creating cooperatives	Increase production offer to meet quantity needs and enable each small producer to benefit under AGOA through his/her cooperative	Productions are of good quality and available in large quantities	Production volumes per year	x	x	x	ONG ; Professional Producers' Professional Organization ; ETD	Strategic Committee Technical Committee	
Area 5 : Promoting Investments										
Specific Objective : Help in promoting trade in Togo to mobilize investment and partnerships in the selected value chains										
18	Prepare technical data sheets of the priority products and value chains to be disseminated to economic operators and investors and on online platforms, including information on the minimum wage, ease of doing business, etc.	Improve investors' knowledge of Togolese potential	Investors know Togolese potential better	Investment rate in Togo	x			AGOA Resource Center	CCIT Ministry of Trade Strategic Committee Technical Committee	

N°	ACTIONS	OBJECTIVES	EXPECTED OUTCOMES	INDICATORS	IMPLEMENTATION PERIOD			RESPONSIBLE	INSTITUTIONS INVOLVED	PARTNERS
					2017	2018	2019			
18	Mapping of priority sectors in Togo that have a real export potential	Prepare a national directory of priority sectors in Togo that have a real export potential	A mapping of priority sectors in Togo with a real export potential is available	Mapping file The information on the priority sectors of Togo is available	x	x		AGOA Resource Center	CCIT Ministry of Trade Strategic Committee Technical Committee	USAID West Africa trade and Investment hub
19	Comply with and apply Fair Trade and Social Responsibility principles	Advocate for responsible trade practices such as the respect of workers' rights Create added value for products	Togo complies with and applies Fair Trade and Social Responsibility principles	Signed Convention or Charter	x			Presidency Ministry of Trade	CCIT ALAFFIA Strategic Committee Technical Committee	

Annex 2: Recommendations for the Operational Action Plan

To ensure the successful implementation of the Plan, private sector, civil society and public administration stakeholders have formulated the following recommendations:

1. Strengthen the institutional export framework to promote and increase exports under AGOA and beyond;
2. Remove obstacles to fully applying the new investment code;
3. Operationalize API-ZF/create an Agency to promote exports and coordinate their interventions;
4. Strengthen the capacity of the AGOA Resource Center (single access portal to information) to be more fully at the service of economic operators and investors willing to export to the US and other countries;
5. Prepare technical datasheets (level of production, processing capacity, production area, production capacity, export rate, destination market, contacts, etc.) of priority products and value chains to be disseminated to economic operators and investors (local actors, diaspora, diplomatic missions abroad) and on online platforms, including information on the minimum wage, the ease of doing business, etc.
6. Conduct a mapping of priority sectors in Togo with a real potential for export;
7. Efficiently address product labeling and packaging challenges with tax exemptions on the import of packaging materials (papers, machinery, etc.) with a special system;
8. Prepare and update the profile of businesses likely to export under AGOA and beyond;
9. Facilitate and encourage market research with sales agents/counters/digital platforms in the US and acquiring a perfect knowledge of the dynamics and requirements of the US market;
10. Work on the issues of standards/quality and encourage businesses to obtain certification and coordinate all interventions in that regards (one-stop shop);
11. Organize and encourage B2B meetings/technical meetings/workshops between actors with the aim of sharing experiences and best practices in the area of export (AGOA Center, Customs, Ministry of Trade, Accredited Customs Commissioners, etc.);
12. Facilitate access to financing for SMEs/SMIs and raise the awareness of local banks to the economic potential of AGOA target sectors;
13. Organize a specific workshop on the ALAFFIA experience and other success stories;
14. Establish, in the medium term, an appropriate institution to promote investments and exports;
15. Comply with and apply Fair Trade and Social Responsibility principles that advocate for responsible trade practices such as the respect of workers' rights and create added-value for products;
16. Support the creation of jobs and businesses that follow Fair Trade principles by providing disadvantaged producers with economic opportunities, and by ensuring gender equality;

17. Intensify efforts to strengthen the capacity of entrepreneurs, cooperatives and other economic groups and assist them in creating successful businesses that comply with Fair Trade principles;
18. Strengthen the mechanisms for supporting marketing in order to target regional and global markets where socially responsible products are sought after and sold at premium prices;
19. Help local businesses to qualify and obtain an appropriate certification for Fair Trade products and socially responsible trade practices;
20. Intensify efforts to enable Togolese businesses that contribute to Fair Trade to have access to relevant international export markets, namely by developing partnerships with the appropriate certification bodies.
21. Declare Togo as a “Fair Trade-friendly country” in order to enable poor and marginalized producers to contribute to facilitating the inclusive, balanced and sustainable development of their local communities;
22. Revise the tax rate on social capital at the startup of companies under AGOA;
23. Include AGOA opportunities in the communication plan of institutions supporting trade (IAC) such as CCIT, PATRONAT, AGET, SAZOF, etc.



REPUBLIC OF TOGO
Work – Freedom - Homeland

MINISTRY OF TRADE
AND
PROMOTION OF THE PRIVATE SECTOR

**SUBMISSION OF THE TOGOLESE GOVERNMENT'S
REPORT TO THE UNITED STATES
INTERNATIONAL TRADE COMMISSION
UNDER THE THEME :
U.S TRADE AND INVESTMENT WITH SUB-SAHARAN
AFRICA : RECENT DEVELOPMENTS**

Lomé, January 22nd, 2018

ANNEX

Annex 1: 16th AGOA Forum summary report

Annex 2: Togo's AGOA Utilization Action Plan

Annex 3: Togo's flagship project

Togo is honored by the invitation to take part in the United States International Trade Commission's investigation entitle "US trade and investment in sub-Saharan Africa: recent developments".

This invitation comes just in time less than six months after the 16th US-Africa trade and economic cooperation forum (commonly known as the AGOA Forum) jointly organized by the US and Togolese governments from 8 to 10 August 2017 in Lomé- Togo under the theme "Partnership for Prosperity through Trade".

This is an opportunity once again to thank the US administration and its various agencies for the fruitful cooperation that has made this forum a perfect success.

This success was achieved through the key role played by all eligible African countries through their trade ministries and the African Ambassadors Committee and the African Union Representation Mission in Washington D.C and thanks to African sub-regional organizations as well as the African Union and the United Nations Economic Commission for Africa for their support. The government is using this opportunity to acknowledge the important role played by the US private sector and civil society organizations involved, particularly, in the Corporate Council on Africa, the AGOA Civil Society Network and Agoa.info/TRALAC. They worked proactively and constructively with the Togolese private sector, civil society and government for the success of the forum.

Beyond expressing our gratitude, this consultation in Togo offers us the opportunity to share some flagship proposals to better capitalize on the recommendations of the 16th AGOA forum in order to strengthen trade between the United States and Africa, taking the case of Togo. These recommendations are attached to this report and are included in the 16th AGOA Forum report which has been sent in the three languages (French, English and Portuguese).

In addition, the present consultation allows us to present to you major ways to reinforce trade and investment between Togo and the USA in a win-win logic for both parties.

To do this, this document focuses on 6 key points:

- Overview of Togo's Economic Profile;
- Overview of Togo's rank in regional and global trade;
- Synoptic view of trade between Togo and the USA;
- Togo's support for sub-regional and regional economic and trade integration;
- Evolution of Foreign Direct Investment (FDI) in Togo;
- Prospects for the economic and commercial strengthening between Togo and the USA, between the USA and Africa.

This consultation comes to the right time due to the expansion of the global economy and an acceleration of Africa's economic growth. Togo hopes that, the present consultations will lay new foundations to strengthen among these favorable economic times.

I – Overview of Togo's Economic Profile

After years of weak growth in a difficult global context, the Togolese economy performed strongly between 2009 and 2016, supported by an improvement in agricultural productivity, a revival of phosphate production, and public investment, particularly in transport. Thus, despite an international context beset by economic crisis, real GDP growth was 5.5% in 2009, driven by a strong performance in the agriculture sector. Growth remained above 6% in 2010 and 2011, driven by the extractive industries sector (notably clinker). Robust expansion in the cotton and phosphate sectors enabled growth to remain at 6.5% in 2012. Phosphate and cotton production increased by 28.4% and 49.4%, respectively, as a result of the reforms introduced in these sectors.¹⁰ While sustained, real GDP growth then eased gradually to 5% in 2016, driven by the continuation of public investment programmes (rehabilitation of road infrastructure, extension of Lomé International Airport, and port works, among others).

This growth allows the reduction of poverty and creation of jobs as illustrated by the following data. [1]

The results of the recent Core Welfare Indicators Questionnaire survey (QUIBB 2011-2015) show a decline in the unemployment rate from 6.5% in 2011 to 3.4% in 2015. However, the rate of under employment rose from 22.8% in 2011 to 24.9% in 2015.

[1] Trade Policy Review, Report by the Secretariat and the member countries of WAEMU – World Trade Organization, p.476, October 2017.

The analysis of the 2006, 2011 and 2015 QUIBB surveys shows that poverty has declined over the period at the national level. Thus, the incidence of poverty increased from 61.7% in 2006 to 58.7% in 2011 and 55.1% in 2015. In this context, AGOA represents an important opportunity to accelerate the progress of Togo in line with its development objectives.

It is in line with Togo's duty to accelerate its progress and intensify its economic reforms and initiatives to create enabling environment for the development of the private sector.

II. Overview of Togo's ranking in regional and global trade

Togo is a trade hub in the West African sub-region. It ranks 143rd in imports and exports at the global level. At the WAEMU level, Togo ranks 6th in intra-community trade (9.1%). At ECOWAS level, its ranking is 5th in community exchanges (4.9%).

As part of the implementation of the 2030 Vision, the Government, with the support of the International Trade Center, embarked on a process to strengthen its export development and promotion support system. Thus, a feasibility study for the creation of an export and investment promotion agency was elaborated and validated in December 2017 as part of the PACCIR / WAEMU project (Trade Competitiveness Support Project and Regional Integration). An action plan was also developed with related activities covering the period from January 2018 to December 2019.

Main products traded outside the WAEMU area

With regard to non- WAEMU exports (2012-2016), the main products exported outside the WAEMU area are “non-crude petroleum oils or bituminous minerals; preparations at 70% or more” (13.1%), “medicines (3002.3005, 3006 excluded) for retail sale” (4.7%), “hydraulic cements (including non-pulverized cements 'clinkers'), whether or not colored” (3,6%), “Ethylene polymers, in primary forms” (3,6%) and “passenger cars, other passenger vehicles (8702 n/a)” (2.7%). The top five products imported from outside the Union account for 27.7% of average non-EU imports.

1 Main imports from the rest of the world by Togo (%) 2012-2016

Product label	2012	2013	2014	2015	2016	Average 2012/2016	Cumulative Total
Non-crude oils of petroleum or bituminous minerals; 70% or more preparations	14.7	16.5	14.8	10.3	9.8	13.1	13.1
Medicines (3002, 3005, 3006 excluded) for retail sale.	4.2	4.2	3.9	5.3	5.4	4.7	17.8
Hydraulic cements (including non-pulverized cements known as 'clinkers'), whether or not colored	5.7	4.6	4.8	2.4	1.4	3.6	21.4
Polymers of ethylene, in primary forms.	3.4	3.4	3.6	3.8	3.9	3.6	25.0
Tourism cars, other passenger vehicles (8702 n/a)	2.3	1.9	3.0	2.9	3.5	2.7	27.7

Data: National Institute of Statistics and Economic and Demographic Studies, Togo

Based on non- WAEMU exports (2012-2016), the main exported products outside the WAEMU are “natural calcium or alumina calcic phosphates, phosphate chalks” (24.2%), the “cotton, not carted nor combed” (12.7%),

“gold (including gold platinum) unwrought or in semi-manufactured forms” (7.2%), “beauty products; preparations for manicure or pedicure” (7.0) and petroleum coke, petroleum bitumen and other residues of petroleum oils or bitumen” (4.0%).

The first five exported products outside the Union presented in this chart represent 55.1% of the average non- WAEMU exports.

Main products exported to the rest of the world by Togo (%) 2012-2016

Product label	2012	2013	2014	2015	2016	Average 2012- 2016	Cumulative Total
natural calcium or alumina calcic phosphates, phosphate chalks	23.7	20.5	28.2	27.4	23.2	24.2	24.2
cotton, not carted nor combed	12.6	8.9	12.3	17.3	14.6	12.7	36.9
gold (including gold platinum) unwrought or in semi-manufactured forms	6.6	6.5	8.9	7.3	7.0	7.2	44.1
beauty products; preparations for manicure or pedicure	6.1	6.0	6.6	7.7	9.5	7.0	51.1
petroleum coke, petroleum bitumen and other residues of petroleum oils or bitumen	9.2	7.6	0.0	0.0	0.0	4.0	55.1

Data: National Institute of Statistics and Economic and Demographic Studies, Togo

Main trade partners

Globally, China remains the leading suppliers of Togo since 2009. Compare to the non- WAEMU imports, the share of the import of Chinese products has been increased steadily and doubled in five years from 14.4% in 2012 to 29.1% in 2016. Chinese products average imports account for 20.4% of the

average non- WAEMU during 2012-2016. China is followed by France (9.4%), Belgium (4.8%), Netherlands (4.6%) and the United States (4.2%).

Main trade partners for the non-WAEMU imports (%) 2012-2016

Suppliers Countries	Rank (2012-2016)	2012	2013	2014	2015	2016	Average (2012-2016)
China	1	14.4	16.8	18.5	21.0	29.1	20.4
France	2	9.9	8.2	9.9	9.8	9.2	9.4
Belgium	3	7.0	4.2	5.4	4.0	4.0	4.8
Netherlands	4	3.6	7.9	5.0	2.1	4.4	4.6
Unites States	5	8.5	5.4	3.1	2.6	2.0	4.2

Data: National Institute of Statistics and Economic and Demographic Studies, Togo

During 2012 to 2016, India was Togo's first non- WAEMU customer. India mainly imports Togolese phosphate. Exports to India account 13.6% of average non- WAEMU exports. India is followed by Ghana (13.2%), Nigeria (12.9%), Poland (4.7%) and Gabon (4.5%).

Main trade partners for non-WAEMU exports (%)

Country of destination	Rank 2012/2016	2012	2013	2014	2015	2016	Average 2012/2016
India	1	2.9	11.9	23.1	18.0	15.7	13.6
Ghana	2	7.9	17.0	14.5	7.0	19.1	13.2
Nigeria	3	17.3	15.8	10.2	9.4	8.8	12.9
Poland	4	20.2	0.1	0.7	0.0	1.0	4.7
Gabon	5	9.6	7.5	0.7	0.8	0.9	4.5

Data: National Institute of Statistics and Economic and Demographic Studies, Togo

Figures of Togo's imports according to the various economic regions show that Togo exchanges mainly with the European Union (EU) and that France and Belgium are among Togo's main suppliers. At the non-WAEMU

exports level, Togo trades mainly with ECOWAS countries outside WAEMU. Indeed, Togo exports mostly in the ECOWAS area, clinker, cement, mineral waters, wigs and braids, plastic sacks and bags, cosmetics and make up etc.

Togo has significant import and export trades with BRIC's group (Brazil, Russia, India and China). As a result, China and India are respectively Togo's first supplier and customer in recent years.

Data analysis highlights the importance of promoting trade with Africa Economic zones such as the Central African Economic and Monetary Community (CAEMC), the Southern African Development Community (SADC), East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA) and outside Africa such as European Free Trade Association (EFTA), the Dynamic Economies of Asia and the Southern Common Market (MERCOSUR) to be promoted.

Chart 5- Breakdown of non-WAEMU trade by economic zone (%)

Year	Import			Export		
	2014	2015	2016	2014	2015	2016
Economic Zone						
EU(28)	40.5	34.2	31.3	15.0	16.8	13.1
ECOWAS (excluding WAEMU)	4.5	4.3	5.3	25.2	17.6	30.3
CEMAC	0.0	0.1	0.1	4.2	3.9	4.7
EFTA	0.4	0.5	1.3	3.4	1.5	0.5
EDA	5.5	4.7	3.9	5.3	7.6	7.2
MERCOSUR (permanent members)	1.5	1.5	1.0	1.0	0.8	0.0
BRIC	27.5	28.8	36.2	27.6	20.1	18.4
SADC	1.9	5.3	1.3	1.1	0.8	1.0
EAC	0.0	0.0	0.0	0.3	0.5	0.3
COMESA	0.4	0.7	0.3	1.0	0.9	1.3
UMA	1.6	3.6	1.6	0.7	4.0	1.7

Data: National Institute of Statistics and Economic and Demographic Studies, Togo

Breakdown of Togo's total trade exchanges according to the continents

Togolese imports come mostly from Asia because of China. In fact, the share of European products imports from 43.9% in 2014 to 35.6% in 2016 whereas Asian products went from 34.0% to 45.8%. Compared to imports from Europe or Asia, the imports of African products are low and range from 13% to 18% for the last three years (2014-2016).

In export, Togo exports mainly to Africa (especially West Africa) because in the last three years, the share of Togolese exports in Africa has been constantly increasing from 63.4% in 2014 to 71.9% in 2016. The second geographical region that Togo exports its products is Asia, but Togo's share of exports to Asia has declined from 22.6% in 2014 to 20.3% in 2015 and from 16.6% in 2016. The third region is Europe which also imports less and less Togolese products; the share of Togolese exports to Europe is 8.1% in 2016 against 10.8% in 2015 and 13.0% in 2014.

A trade exchange with American's region is still to be promoted and the government's efforts to benefit the country from the AGOA initiative are aimed in particular at boosting Togolese exports to the USA. Togo's imports from the US represented 5.1% in 2016 of its total imports and Togo's exports to the US represented 2.7% in 2016 of its total exports.

For a good understanding of Togo's trade profile, it is important to note that the re-export trade represents a significant part of Togo's total exports. Re-exports accounted for nearly 30% of total exports on average over the period 2008-2016 given the active role played by Togo in sub-regional trade.

Chart 6- Breakdown of trade exchanges according to geographical regions of the world (%)

Geographic Region	Import			Export		
	2014	2015	2016	2014	2015	2016
Europe	43.9	37.1	35.6	13.0	10.8	8.1
Africa	14.3	17.8	13.5	63.4	64.0	71.9
America	7.7	5.2	5.1	1.0	3.5	2.7
Asia	34.0	39.8	45.8	22.6	20.3	16.6
Oceania	0.1	0.1	0.0	0.0	1.4	0.7
Others or unclassified countries	0.0	0.0	0.0	0.0	0.0	0.0

Data: National Institute of Statistics and Economic and Demographic Studies, Togo

III. Synoptic view on trade between Togo and the USA

Trade exchanges between Togo and the United States referring to the importation of American products to Togo are evaluated in USD at 1.021 billion, 309.971 million and 242.222 million, respectively in 2014, 2015 and 2016.

Exports of Togolese products to the United States are evaluated in USD at 9.94 million, 14.211 million and 10.855 million, respectively in 2014, 2015 and 2016.

The main products exported by Togo to the USA are agricultural products including cotton, cashew nuts, cocoa, mining products, wigs, braids and other synthetic products.

The main products imported by Togo from the USA are hydrocarbons, equipment, fuels and thrift clothes.

Chart 7 - Value of Togo's exports to the United States (in thousands of dollars)

Sectors	Exports	2014	2015	2016
Agricultural products	Export	4 320	3 299	2 824
	Export AGOA	178	145	98
Forest products	Export	174	204	105
	Export AGOA			16
Chemicals and the like	Export	900	816	1 145
	Export AGOA		1	15
Textiles and clothing	Export	4	22	50
	Export AGOA			1
Metals and minerals	Export	15	63	7
	Export AGOA			
Electronic products	Export	9	3	2
	Export AGOA			
Diverse products	Export	3 157	7 990	6498
	Export AGOA			4
All sectors	Export	9 094	14 211	10 855
	Import	1.020.563	309.971	242.222
	Export AGOA	178	146	134

Source : <http://www.agoa.info/>

IV. Togo's support for sub regional and regional economic and trade integration

Whether at the regional or continental level, Togo's position in favor of integration has been noticed. At the regional level, Togo was one of the founding members of the Economic Community of West African States (ECOWAS) and is currently the President of the Conference of Heads of State and Government of ECOWAS.

On the continental level, especially in the African Union, Togo plays an active role in their negotiations organized by the AU related to Continent Free Trade and thus will help boost intra-African trade and enhance Africa positioning in the Global trade.

The organization of the second edition of the "integration week" in May 2017 is one of the proofs. For this 2017 edition the main focus has been on African youth and the challenges of integration. It is about highlighting all the actors who contributed to reinforce the economic integration, to create more opportunities for the youth to allow them to work in Togo or elsewhere. Giving the fact that integration implies the free movement of goods and people on the African continent, Togo supports all efforts to help and ensure that the African passport launched few months ago become effective in order to facilitate the movement of people and cross-border trade within the continent.

With regard to sub-regional integration, Togo strongly supports initiatives related to the realization of ECOWAS's economic agenda. In respect of the election of the President of the Republic, HE Mr. Faure Essozimna Gnassingbé at the head of the Economic Community of West African States (ECOWAS), the program of the Togolese Republic during his tenure at the

head of the sub-regional organization was devoted to the following priorities;

- remove obstacles to the free movement of persons and goods, implement the provisions of the Protocol on the Free Movement of Persons, the Right of Residence and Establishment, and introduce the biometric identity card;
- remove non-tariff barriers and promote the implementation of the ECOWAS Common External Tariff (CET);
- strengthen peace, regional security and the enhancement of democracy and crisis resolution;
- advocate for improvement of the health system in West Africa, in order to guarantee a better life for West African citizens and prevent health crisis.

In practical terms, the investments made by Togo with the support of international and regional organizations to strengthen transport infrastructure enable Togo to better facilitate trade within the African sub-region and at the continental level since the port of Togo covers ports beyond West Africa. Togo, in cooperation with other border countries, is working to implement juxtaposed customs posts to speed up formalities for cross-border trade. Togo is also supporting the finalization of work on the elaboration of the ECOWAS Customs Code.

At the reforms level and implementation of policies, Togo supports regional integration efforts that are presented in several aspects:

Implementation of common commercial policy for WAEMU/ECOWAS:

- Joint review of trade policies of the eight WAEMU member states held on 25 and 27 October 2017 in Geneva;
- Adoption of measures in line with the Union's common commercial policy;
- Application of the Common External Tariff (CET), which came into force on January 1, 2015;
- Common ECOWAS trade policy currently under development and the common commercial policy of WAEMU;
- Use of common currency in WAEMU;
- Complementary taxation measures within WAEMU;
- Application of the trade liberalization scheme.

It should also be noted that Togo is also supporting the finalization of work on the elaboration of the ECOWAS Customs Code.

Togo in the context of OHADA:

The 2017 Doing Business Report indicates that in terms of business creation since 2011, Togo is OHADA's most efficient economy and is a prime example of common reforms. To that end, a one-stop center service has been established and the workflow has been streamlined. As a result, the time required to set up a business has been reduced significantly from 84 days to less than 24 hours today. Registration fees were also reduced by more than 100% from 177.2% to 71.2% of per capita income over the same period.

Between 2013/14 and 2015/16, Togo is among the top five member states that adopted the Union regulations governing the licensing and operations of credit bureaus.

Togo is part of the OHADA's economies that adopted the sectorial policy for the women advancement with the goal to promote equity and gender equality, the empowerment of women and the effective participation to the decision-making process at all levels to Togo's development. Togo reformed its family code by abolishing the provisions designating the husband as sole head of the household.

In terms of contract application, Togo is one of the six economies that made significant progress. Togo is also part of the OHADA member state that created a commercial court. In 2014 the Court of Lomé and the Bar Association signed a protocol designed to regulate procedures for disputes brought before the Court's commercial chambers, in particular by reducing time frames and limiting possible number referrals. The average time frame for the handling of disputes has thus been reduced from 300 to 90 days. Also, the implementation, between 2014 and 2016, of a project to strengthen the capacities of commercial chambers has helped to improve the conditions for the settlement of commercial disputes in Lomé.[2]

[2] Trade Policy Review, Report by the Secretariat and the member countries of WAEMU – World Trade Organization, p.482, October 2017.

At WAEMU level

With regard to export diversification, the 2014 WAEMU Commission's Trade Monitoring Report states indicates that only Togo and Ivory Coast have much more diversified exports than the other member states.

Within the WAEMU, Togo ranks among the member states second after Ivory Coast with the highest overall openness rates.

In the field of air transport, ASKY Company established in Togo operates across several West and Central African countries.

The revenues of the WAEMU member states depend highly on tax revenues. And in terms of compliance with EU standards in relation to the overall impact of public revenues, since 2012, the tax-pressure went beyond 16%. In 2013, Togo is one of the three member states that recorded a tax rate above 17% and closer to the WAEMU standards of 20%.

The establishment of the Togolese Revenue Authority (OTR) in 2012 allows for better organization of customs and tax services. The positive effects have been visible in recent years with a greater contribution of tariff revenues to GDP at community level. Togo and Ivory Coast have distinguished themselves among the first WAEMU countries in terms of mobilization of open resources.

To strengthen regional integration, Togo launched a major program of rehabilitation and modernization of its roads, harbors and airports infrastructures. Togo is one of the States showing outstanding cooperation with other member states of the Union's custom services. This notably facilitates transit operations.

With regards to non- WAEMU exports, the 2015 Report on Trade Monitoring in the WAEMU area indicates that in the last three years Senegal and Togo are the two member states exporting just over 25% of their exports are to the regional market.

V- Evolution of Foreign Direct Investment (FDI) in Togo

The Togolese government launched a major program to improve the business climate. This has made Togo one of the top ten (10) reformers in the world.

These efforts have giving new impetus to foreign direct investment. During the 2009-2016 period, Foreign Direct Investment (FDI) flows entering Togo displayed episodes of acceleration and slow down. Starting from a modest level in 2009, FDI inflows peaked at €511.5 million in 2011, before falling to €47.5 million in 2015 (Table 1.3). The stock of FDI stood at €1.2 billion in 2015 (compared to €371.7 million in 2009). [3]

The main beneficiary sectors of FDI are the manufacturing and extractive industries, commerce, telecommunications, and the financial sector. The investment projects included the construction of a third quay, a container terminal and a new sheltered dock in the Autonomous Port of Lomé; the construction of a 100 MW capacity power plant; expansion of the Lomé International Airport; and the renovation of several hotels (Hôtel du 2 Février and Sarakawa Hotel in particular). France, the United States and China are the main sources of FDI in Togo. [4]

FDI from USA benefited the energy sector. In fact, in order to fill the gap in electricity production in Togo, the Togolese government has signed a Concession Agreement with Contour Global Togo SA, a subsidiary of American Group Contour Global LP for the construction and operation of a new Thermal Power Plant with a capacity of 100MW. This plant was built and put into commercial operation since October 14, 2010. This project has received long-term financing from the Overseas Private Investment Cooperation (OPIC) of the United States of America.

The FDI flows received from the US by Togo over the period 2011-2016 are summarized in the following chart:

Chart 9 – Data on Foreign Direct Investment Flows (FDI) received from the United States of America by Togo (in millions of FCFA)

	2011	2012	2013	2014	2015	2016
FDI Flows received from USA	10 880	2 210	15 678	214	8 490	ND

NA: non-available. Data is being finalized. Source: BCEAO

[3] [4] Trade Policy Review, Report by the Secretariat and the member countries of WAEMU – World Trade Organization, p.479, October 2017.

VI – Capitalization Strategy of the AGOA

Togo's exports to the US market under AGOA are estimated at USD 178 thousands, USD 146 and 134 thousand respectively in 2014, 2015 and 2016. They mainly relate to Agricultural, forest, chemical products and likewise.

Togo's exports to the United States are made under the Most Favored Nation (MFN). Special systems, such as the general system of preferences or AGOA, are barely used (chart 1). In another words, Togo has not yet taken full advantage of the opportunities of AGOA.

The organization of the 16th AGOA Forum by the Governments of Togo and the United States infused more dynamism to the commercial partnership between Togo and the USA. During the preparation process, the Togolese government has taken steps to strengthen its trade cooperation with the United States. Especially, initiatives were taken to the finalization and adoption of a decree on AGOA Textile Visa and to the elaboration and adoption of a Togolese operational action plan of the utilization of AGOA in short and medium term. During this forum, Togo's request for a Textile Visa to export apparel and textile in the United States under the growth and business opportunities in Africa was officially approved by the American government.

Moreover, following the 16th AGOA Forum, the Togolese government adopted a series of actions to be undertaken to implement at the national level, the outcome recommendations of the African ministers as well as the Togolese operational action plan for the use of AGOA in a short and medium term. It should be noted that this AGOA Operational Action Plan was developed to mobilize the various actors to achieve the results that

Togo expects through AGOA: increased exports, increased domestic and foreign investment in expanding sectors, improved incomes and job creation for producers, youth and women entrepreneurs, and economic growth. The AGOA Operational Action Plan aims to make Togo a competitive country in the US in trade and investment market, making a significant contribution to sustainable and inclusive economic growth by 2025 and beyond. Through this plan, Togo aims to encourage exports of agricultural products such as shea butter, cashew kernel, coffee and cocoa, soybeans, textile articles, and crafts products such as shoe bags, traditional textiles; and mining products such as phosphates, clinker and iron.

This operating plan for the use of AGOA is based on five (05) strategic axes. These are: (i) the promotion of AGOA; (ii) development of facilitation tools for access to the US market; (iii) promoting compliance with certification, with the strategic track of action setting up a certification laboratory in cooperation with US services; (iv) capacity building; and (v) investment promotion.

As part of the implementation of the action plan use of AGOA in Togo, several capacity building activities were undertaken, the most important one are training and awareness workshops organized with the support of USAID Trade Hub for actors in the apparel sector, including fashion designers, pattern makers, weavers, dyers and agro-producers.

In addition, the following awareness on the Textile Visa, several operators have expressed their interests to benefit from this visa and to work in fulfilling the conditions. A Textile Visa Application is under review.

For the year 2018, several actions are planned in connection with the use of AGOA's nation plan including:

- Capacity-building of the AGOA resource center for strong support to companies wishing to export to the US;
- Dynamism of AGOA's Office managing the Textile Visa process;
- Capacity-building of economic actors on AGOA, Textile Visa and export in the USA prioritizing young entrepreneurs;
- Capacity-building of Journalists;
- Strategy development of AGOA utilization.

In the medium term, to promote Togolese products internationally, Togo is planning to set up a certification laboratory for products to be exported to the global market. This is an important project because it will allow Togolese companies to benefit from the access of Togolese products to the U.S. market under AGOA.

VII. Prospects for the economic and commercial strengthening between Togo and the USA, between the USA and Africa

In line with the recommendations of the 16th AGOA Forum and the measures of the Operational Action Plan for the use of AGO, the Togolese Government will intensify its efforts to strengthen the capacity of the AGOA Resource Center, help businesses based in Togo to fulfill and meet the eligibility criteria for access to the American market, and to be more competitive in encouraging American investments towards Togo with a win-win perspective for Togo and the USA. To that end, Togo can count on

the continued and growing support of the US administration and its agencies and on increased cooperation between private sector players and small businesses in both countries. Togo's strategy is also to promote experiences exchange between African countries.

Broadly speaking, the Togolese Government has launched a strategy of structural transformation and modernization of the national economy to increase productivity and competitiveness of enterprises in priority sectors, encourage investment, facilitate access to international markets for Togolese products and regional and strengthen regional and international trade.

This strategy is based on specific structuring projects; the most relevant for economic and commercial cooperation with the US are outlined below.

In the field of transport, Togo, which serves as a logistical and transport hub for Africa, is considering several structuring projects, including the important ore pier project. Through this project, Togo intends to capitalize on its natural advantage of having a port with the largest draught of West Africa. This is by modernizing its ore mineral quay to expand its offer to the countries of the Hinterland. This ore mineral quay will strengthen Togo's position as a transit land.

Projects to improve access to electricity are planned to boost the productivity of the economy and the well-being of the population. Two areas of investment are considered: first, investment in a thermal power plant (between 50 and 60 MW) to strengthen the available supply and fill the gap in terms of available electricity. An extension of the 50 MW Contour Global plant beyond the already installed 100MW is planned.

Secondly, the Cizo Presidential Initiative, which is the first phase of aiming to bring electricity to populations far from the traditional network. This requires developing autonomous networks based mainly on private investment and renewable energies

A high priority is given to enhancing the productivity and competitiveness of the agricultural sector. The creation of wealth in Togo requires a modernization and a profound transformation of the agricultural sector by a massive injection of private capital and an improvement of yields and incomes. Agro-business is an economic opportunity with high potential because Togo has a young, dynamic and available workforce, and a large amount of arable land. Moreover, this sector contributes substantially to export to the USA. To strengthen this sector, Togo has recently adopted a strategy to build at least 10 agropoles in 5 years throughout the country, agropoles that serve as a base for agribusiness. The investments that will be made for the establishment of agropoles will boost rural entrepreneurship among small producers, young people and women, and enhance the quality and competitiveness of raw and processed agricultural products exported to the United States by companies based in Togo.

To provide a major boost to industrialization, Togo plans to set up an industrial estate in partnership with the private sector and foreign investors. Once the estate is built, it will be important to be able to attract foreign companies to set up and to increase the productive capacities and to share their knowledge with the local companies, thus allowing to gradually densifying the industrial fabric in order to increase the production and exports to the USA. The involvement of US companies also makes it possible to use US inputs, thereby increasing US imports to Togo.

At the end of the 16th AGOA Forum, it was recommended to diversify the sources of companies financing to develop their productivity and their competitiveness. To this end, Togo, which is a leading financial center in West Africa, aims to set up a venture capital fund for SMEs / SMIs to allow US companies to acquire equity stakes in the capital of Togolese companies in order to strengthen their capacities and increase trade between the United States and Togo.

At the same time, Togo is strongly committed to pursuing the necessary reforms to enhance the attractiveness of its business climate and to attract more foreign investment and diaspora. Targeted reforms include strengthening of the telecommunications sector, land reforms, and the operationalization of the investment promotion agency.

Initiatives are avenues for investment and partnership between the US and Togo as they are very important for the expansion of economic and commercial cooperation. This cooperation is already on a positive track with a successful partnership with the US Embassy OPIC, MCC and USAID. The recent visit by the Vice President of OPIC demonstrates, once again, the interest of the US in strengthening the economic partnership with Togo. Moreover, cooperation with MCC will also continue to pursue key reforms to improve the very promising business climate for the expansion of economic cooperation. The strengthening of USAID's commercial capacity support through the USAID West Africa Trade Hub has been fundamental to the progress made at AGOA level and is expected to increase to allow a significant boost in trade between Togo and the USA. The Government expresses the wish for an intensification of its partnerships to strengthen

trade and investment between Togo and the United States for a shared prosperity for our two countries.

At the regional level, in line with the recommendations of the 16th Forum, the Government of Togo invites the United States Government, to extend support to eligible AGOA countries, to strengthen the technical and commercial assistance provided by USAID to African countries to support the regional integration agenda and to increase support for the continent's integration into global supply chains and distribution networks.

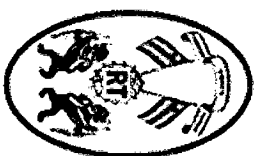
For a better impact of the AGOA trade law between the United States and Africa, it is important that off-cycle reviews are done in a way that does not undermine the spirit of AGOA which is characterized by predictability and certainty. Both of these factors are important for eligible African countries to attract the substantial investment needed to significantly increase trade between the US and Africa and to generate substantial and lasting benefits for their respective economies and populations.

The acceleration of global growth in the United States and Africa is a new opportunity to boost trade and investment in Africa and for increased investment returns in the US. "Indeed, according to the forecasts of the African Development Bank, Africa's overall real GDP growth is expected to accelerate to 4.1% in 2018 and 2019, compared with growth of around 2%, respectively, 2% and 3.6%, in 2016 and 2017 ". The experience we have noted with a US company, one of the founders is from the Togolese diaspora, shows that trade and investment between Africa and the US can offer mutual gains to each party if these investments are made in logic of

economic sustainability and social and environmental responsibility. ALAFFIA is based in the Washington State where it operates a production plant in the United States where it distributes its cosmetics and in European countries. This company is so successful that it has managed to have a partnership with Whole Food Markets. In addition, ALAFFIA directly employs 240 people in their US and over 700 people in Togo. Overall, ALAFFIA impacts over 10 000 families both in the US and in Togo through indirect employment.

Furthermore, the company is in the process of building a traditional Shea butter processing facility in one of the poorest region of Togo (Savane region) in order to increase economic opportunity in the community and to certify American market requirement.

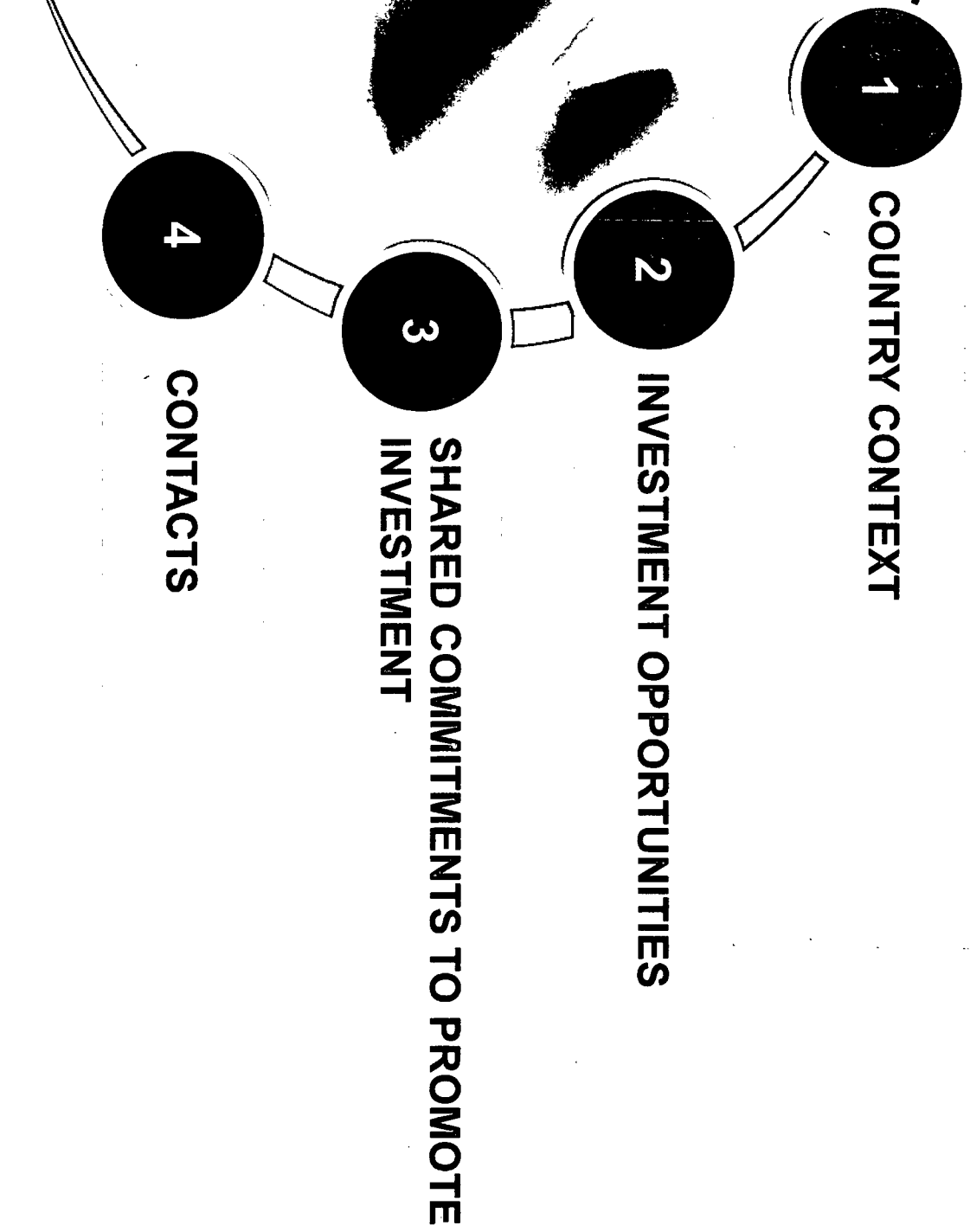
It is in this spirit of sustainable, inclusive and mutual gains that Togo registers its economic and commercial cooperation with the USA and invites the American Government and companies to increase trade and investment with African countries. Togo takes the opportunity of this consultation to reaffirm its commitment to play its part with other African countries to tap all the opportunities offered by a favorable economic context and the AGOA law. The Togolese Government renews its deep gratitude to the USA for the opportunity to share its perspectives for boosted trade and investment with increased impact for Africa and the USA in line with the recommendations of the 16th AGOA Forum.

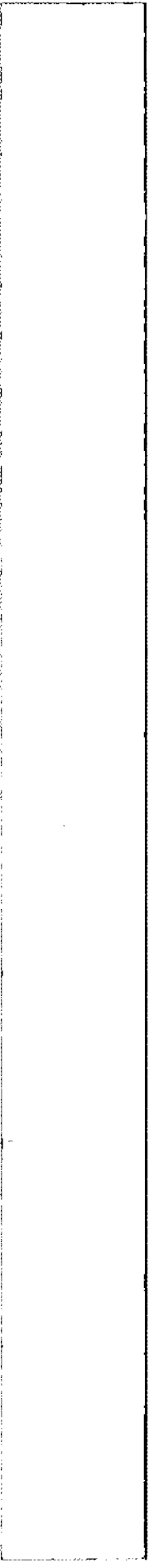


TOGO

Central Gateway to West Africa Flagship Investment Projects

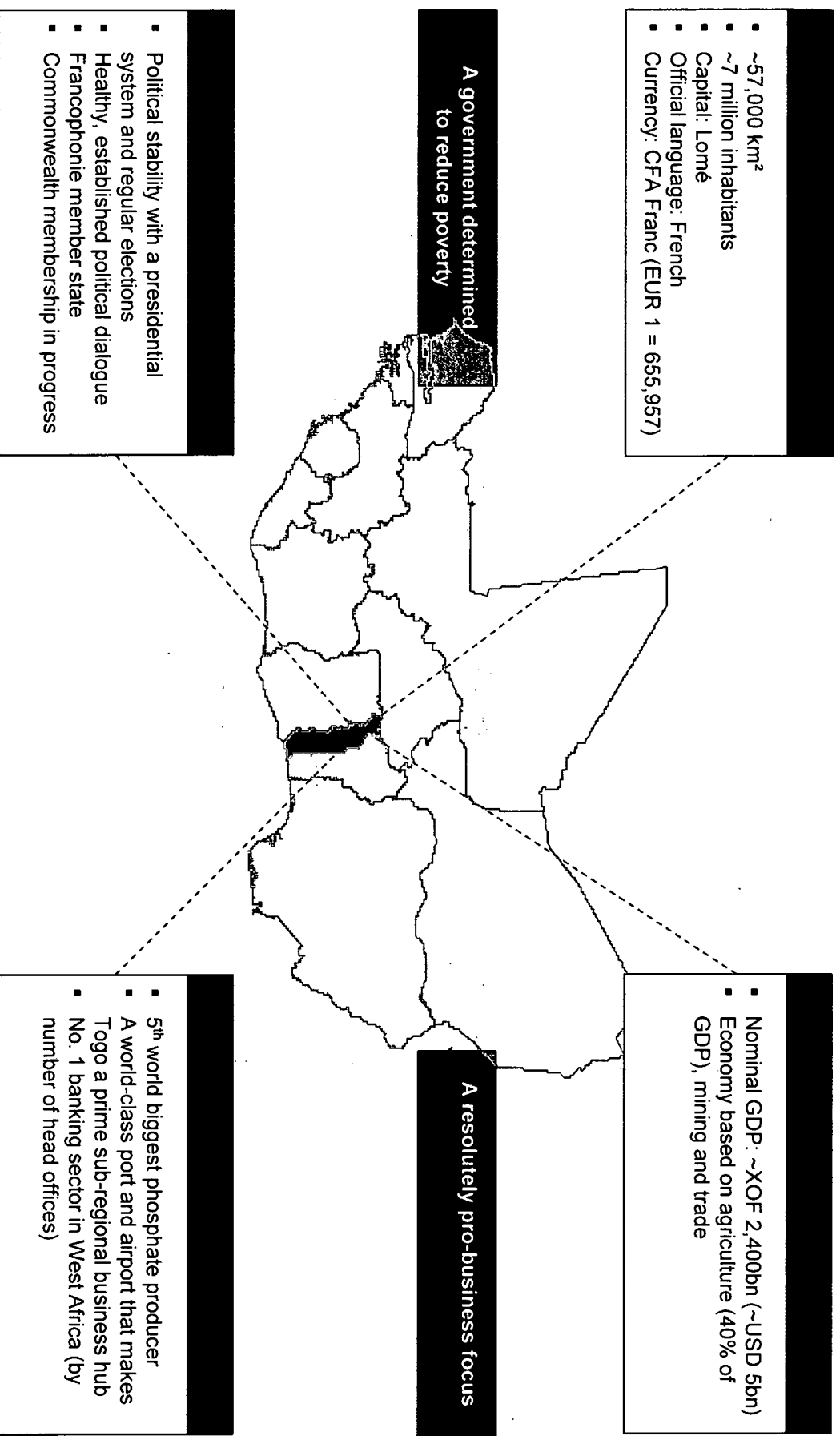
CONTENTS





COUNTRY CONTEXT

TOGO IS THE NATURAL POINT OF ENTRY INTO THE WEST-AFRICAN MARKET...

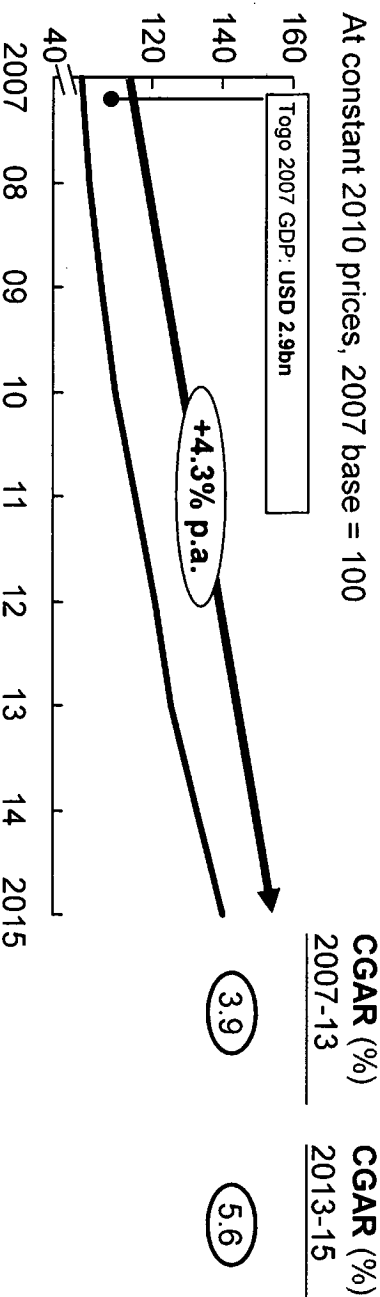


...WITH SOLID FUNDAMENTALS...

- 1 Robust economic growth over the last few years**
- 2 Steady investment flows that are driving economic growth**
- 3 New, modern infrastructure, especially in transport**
- 4 A significantly improved business climate**

1 STRONG ECONOMIC GROWTH IN TOGO OVER THE LAST FEW YEARS THAT IS SHOWING SIGNS OF ACCELERATING

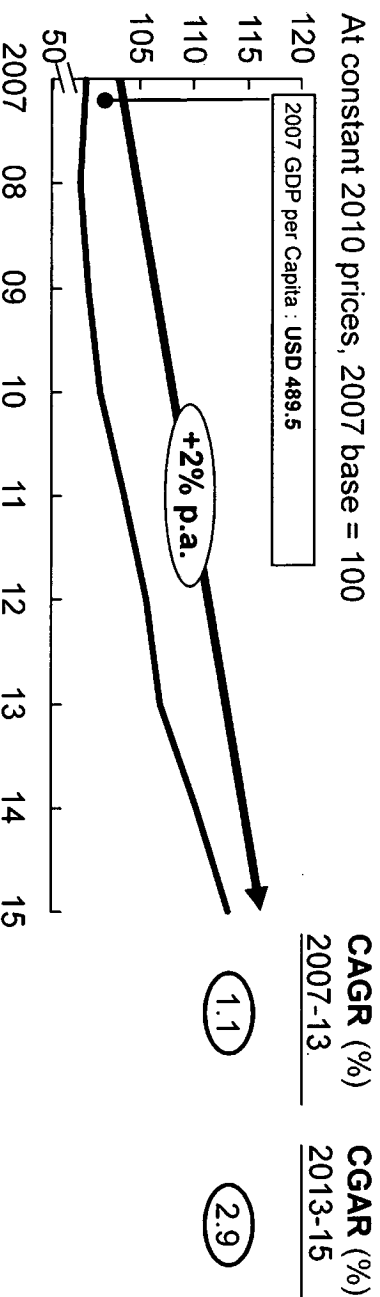
Real GDP of Togo, 2007-2015



Key messages

- Togo's real economic growth between 2007 and 2015 was a robust 4.3% per annum and is expected to continue at a rate of +5% per annum.
- This robust growth has increased the real wealth of the Togolese by an annual average of 2%

Real GDP per Capita, 2007-2015

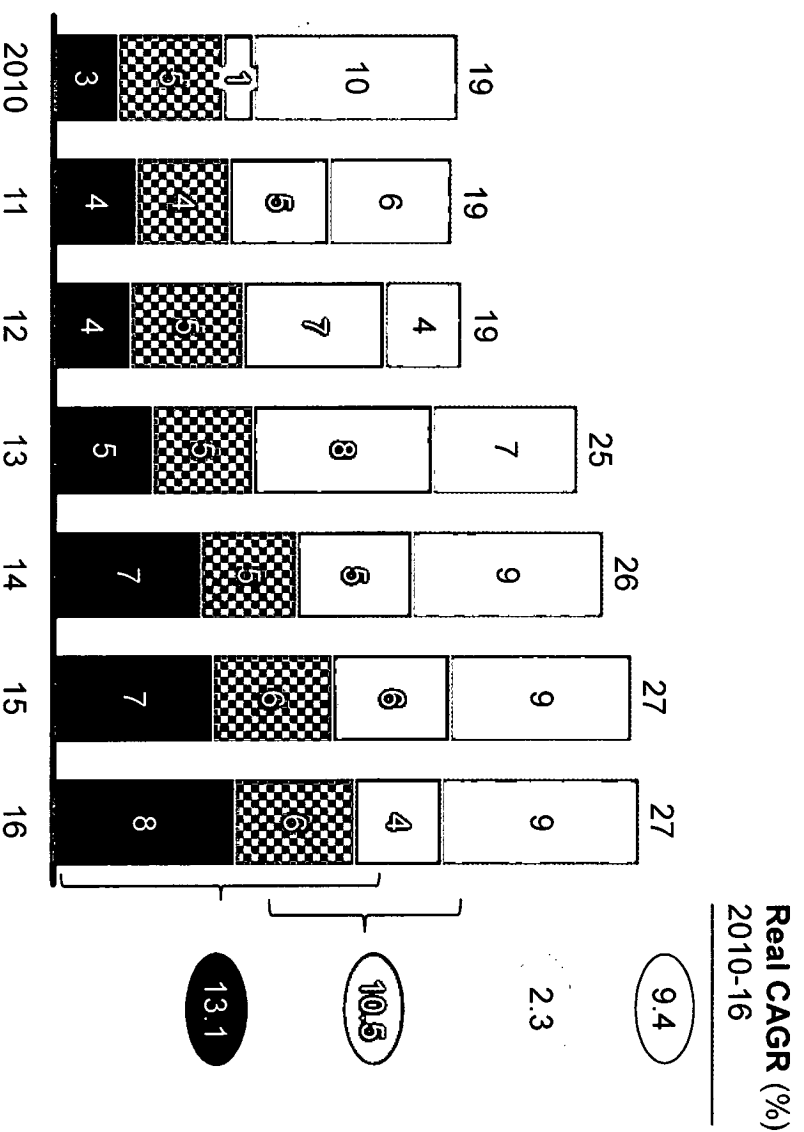


- More recent growth, between 2013 and 2015, has even shown signs of acceleration. Real GDP growth/capita also tripled over that period compared to six years prior.

2 GROWTH IN TOGO HAS BEEN STIMULATED BY STRONG PUBLIC AND PRIVATE INVESTMENT FLOWS WHICH NEED TO BE MAINTAINED...

- Public investment (own resources)
- ▣ Foreign private investment
- ▨ Public investment (foreign financing)
- Domestic private investment

Investment in Togo, 2010-2016, % of GDP



Key messages

- Public investments were at a record high between 2010 and 2016, jumping ~50% in GDP % between 2013 and 2016
- The foreign portion of domestic investment also increased
- Private domestic investments grew at a slower rate than GDP growth, possibly due to the crowding out effect brought on by public investments or difficulties in the banking sector
- Investments are the key driver of economic growth, especially when they can go towards importing foreign technology

2 ...INVESTMENTS THAT HAVE BEEN PUT TO EXCELLENT USE IN TOGO IN RECENT YEARS...

Hospitality***** Renovation of Hotel 2 Fevrier (XOF 28bn, 2015)



Project to build 10 hotels (XOF 100bn)

Construction of Ecobank's pan-African head office (2011)



Business



Establishment of Orabank's head office in Lomé (2012)

Logistics



Construction of a third wharf at the Port Authority of Lomé (XOF 300bn, 2014)



Construction of the dock at the PAL (XOF 220bn, 2014)



Construction of a new air terminal at Lomé airport (USD 150m, 2016)



Dual carriageway construction for the RN1 (Lomé-Davié section completed in 2016)



National Agriculture and Food Security Program (~USD 970m)

Agriculture



Three "agropoles" (in Kara, Oti and Aou-Mono) under development

Mines



Mining of a marble deposit in progress since 2014



Inauguration of a new clinker production facility in 2015 (1.5m tonnes/year)



Set-up of a 100 MW capacity Contour Global coal-fired power plant in 2010

Energy



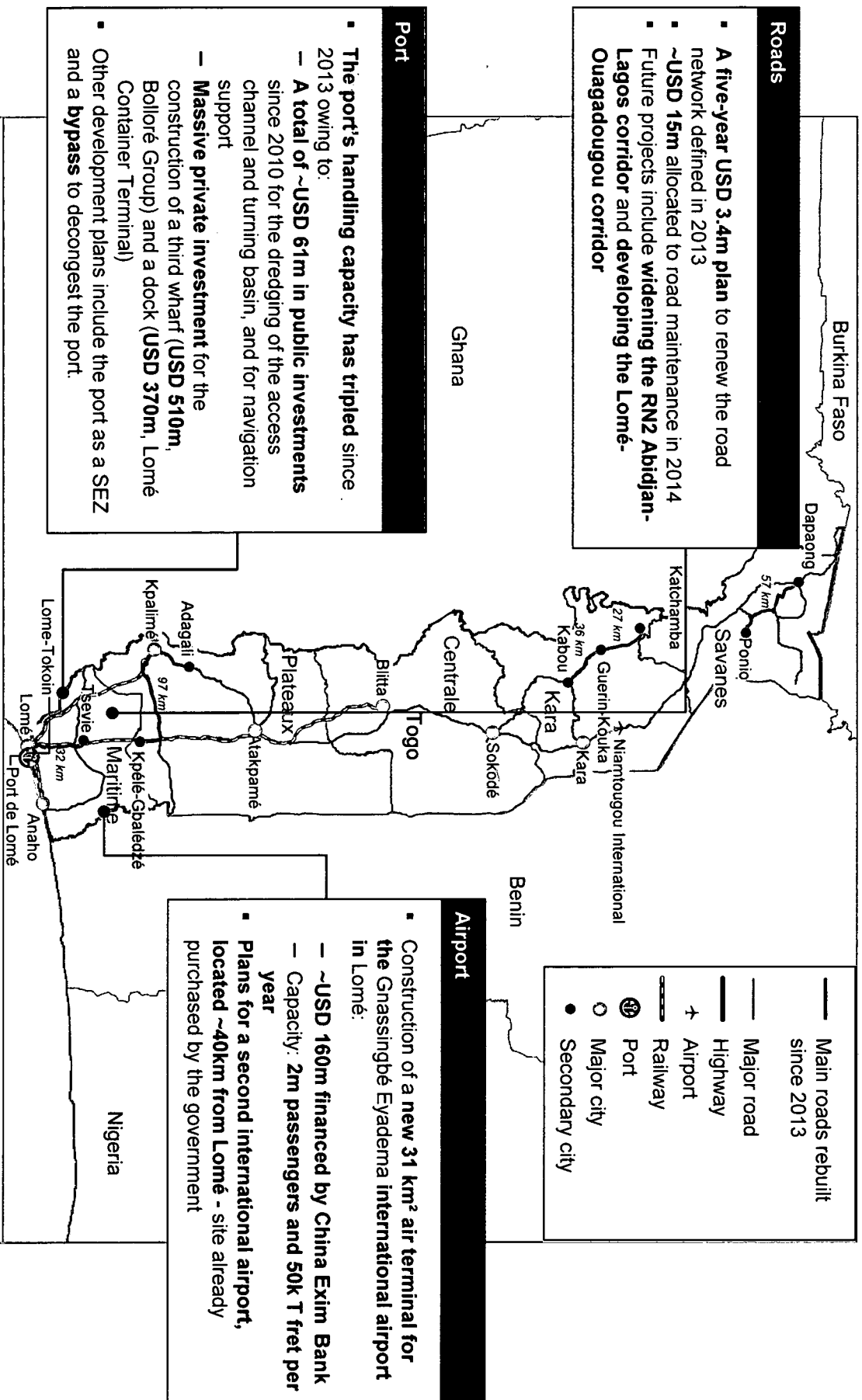
A host of projects aimed at increasing the country's electric transportation capacity



the CI-ZO solar kit rural electrification project underway. Target: 300,000 households electrified by 2022



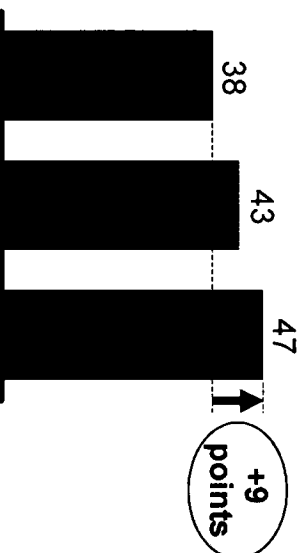
3 ...WITH A FOCUS ON FINANCING MODERN TRANSPORTATION INFRASTRUCTURE TO SUPPORT TOGO'S POSITION AS A REGIONAL HUB



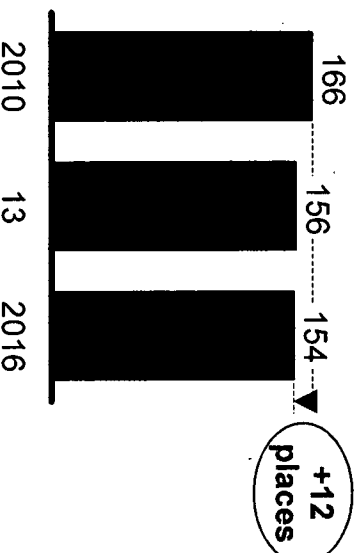
4 TOGO'S BUSINESS CLIMATE HAS IMPROVED SIGNIFICANTLY OVER THE LAST SIX YEARS

Togo's business climate: general indicators

Doing Business¹ index

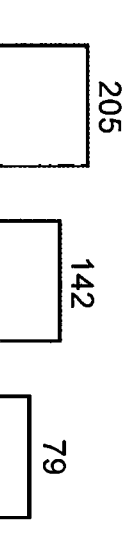


Doing Business global ranking (out of 190 countries)

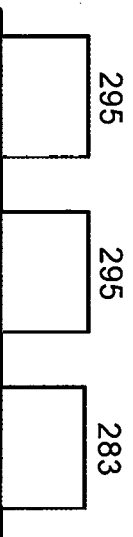


Three main reasons why doing business in Togo is easy

Business start-up costs (% income per capita)



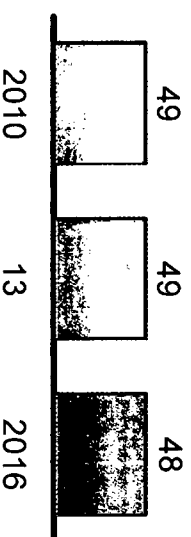
Time required to register property (average number of days)



Ease of securing a loan¹



Ease of contract compliance¹



- Togo has taken great strides to improve business start-up costs, the time required to register property, and the ease of securing a loan
- While some obstacles remain - particularly around contract compliance - recent progress will support private investment and growth

¹ Each country is given a score of 0 to 100, 100 indicating countries where doing business is easiest for the given criteria. Ease of contract compliance refers to time and cost of resolving business disputes and the quality of the local judicial system. Ease of securing a loan refers to the soundness of the credit system and the efficiency of the laws governing bankruptcy and collateral.

OUR 2022 AMBITION:

TOGO AS THE CENTRAL GATEWAY TO WEST AFRICA

A FIRST-CLASS BUSINESS CENTRE BACKED BY A LOGISTICS HUB

TOGO GATEWAY TO WEST AFRICA

- West Africa's central logistics hub**
- No. 1 port in the sub-region
 - 2 corridors (North-South and East-West)
 - No. 1 airport in the sub-region



- West Africa's first-class business centre**
- No. 1 financial centre, ahead of Dakar and Abidjan
 - Business tourism hub in the sub-region



CREATING INDUSTRIAL AND AGRICULTURAL JOBS TO REDUCE POVERTY

Our promise to
the Togolese
people:
"jobs and
poverty reduction"

Agricultural transformation focus area

- Raise the value of traditional agriculture
- Develop high added-value agriculture
- Develop agri-processing



Manufacturing and extractive industry focus area

- Develop targeted industries
- Phosphate transformation centre



Competitiveness factors

- Funds
- Energy
- Access to financing
- Strengthening ICT



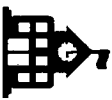
Transformation of the public sector

- Leadership and skills
- Efficiency and rigorous execution
- Regulatory and institutional framework
- Statistics



Basic social services

- Healthcare
- Education
- Decentralisation
- Promotion of culture
- Water



MAIN INVESTMENT OPPORTUNITIES

LOGISTICS HUB: TRANSFORMATION OF THE PORT OF LOMÉ

Three projects comprising the PAL transformation



A
Optimise
port area
operations

A1 Dry port at Cinkassé

A2 Truck fleet linked to the PAL

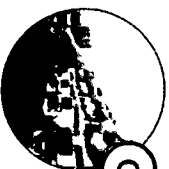
A3 Freeing up the inner harbour



B
Improve
connections

B1 East-West corridor linking the Ghana and Benin borders

B2 North-South corridor linking Lomé and Cinkassé



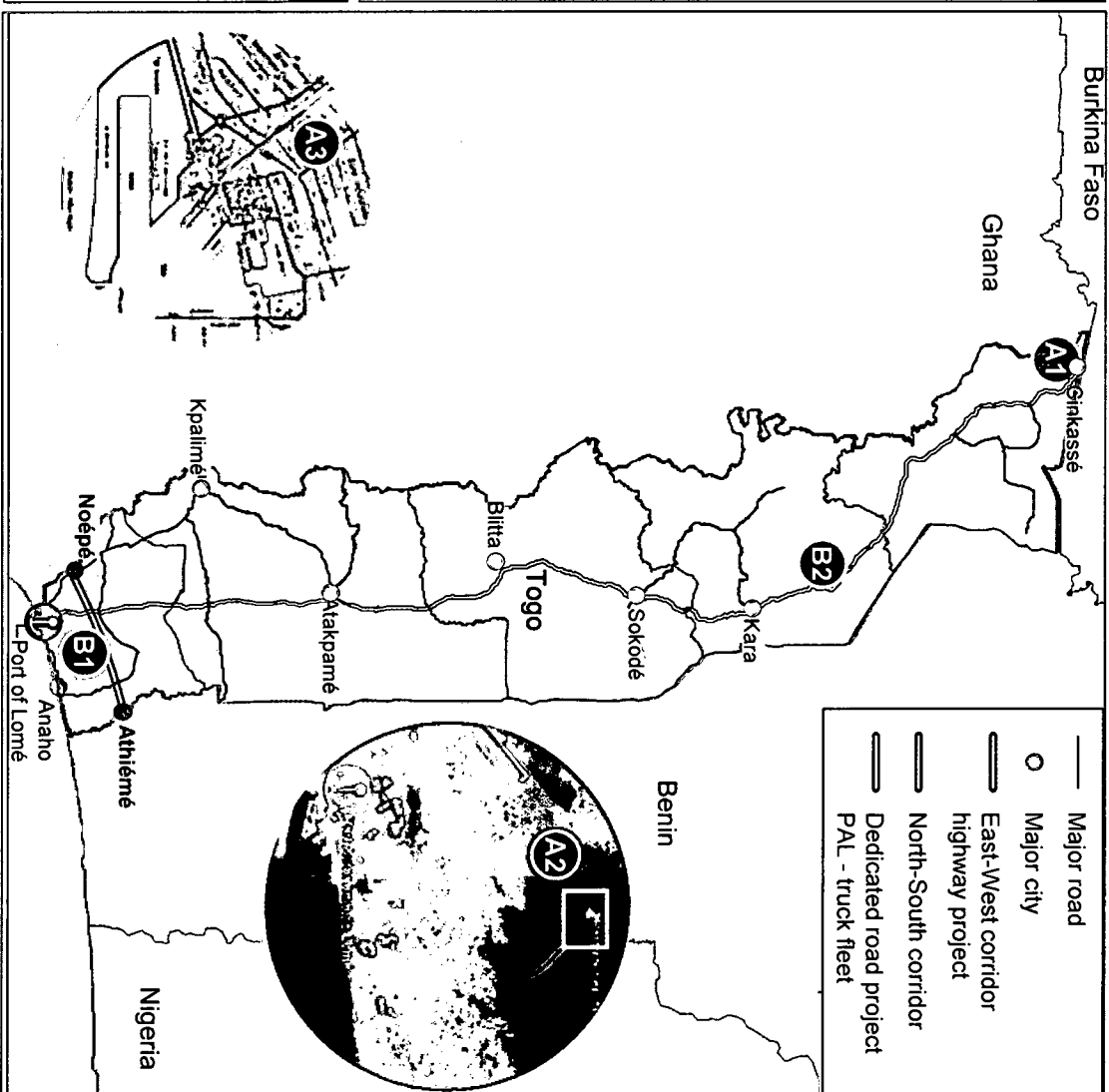
C
Step up
management

C1 Strengthen the port's trade activities

C2 Strengthen the PAL's authority

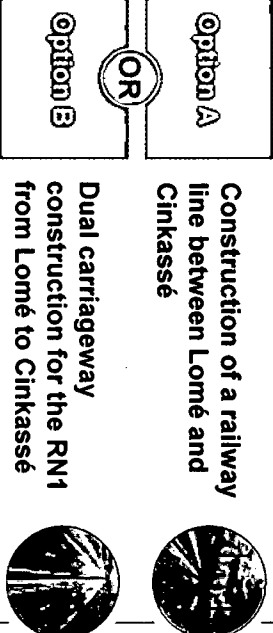
Transformation key figures:

Investment cost (USD m)	ΔTax revenue (USD m/yr, 2030)	ΔPAL traffic (m T/yr, 2030)	Recurring employment (thousands at project end)
~170	~+70	+10	~+4

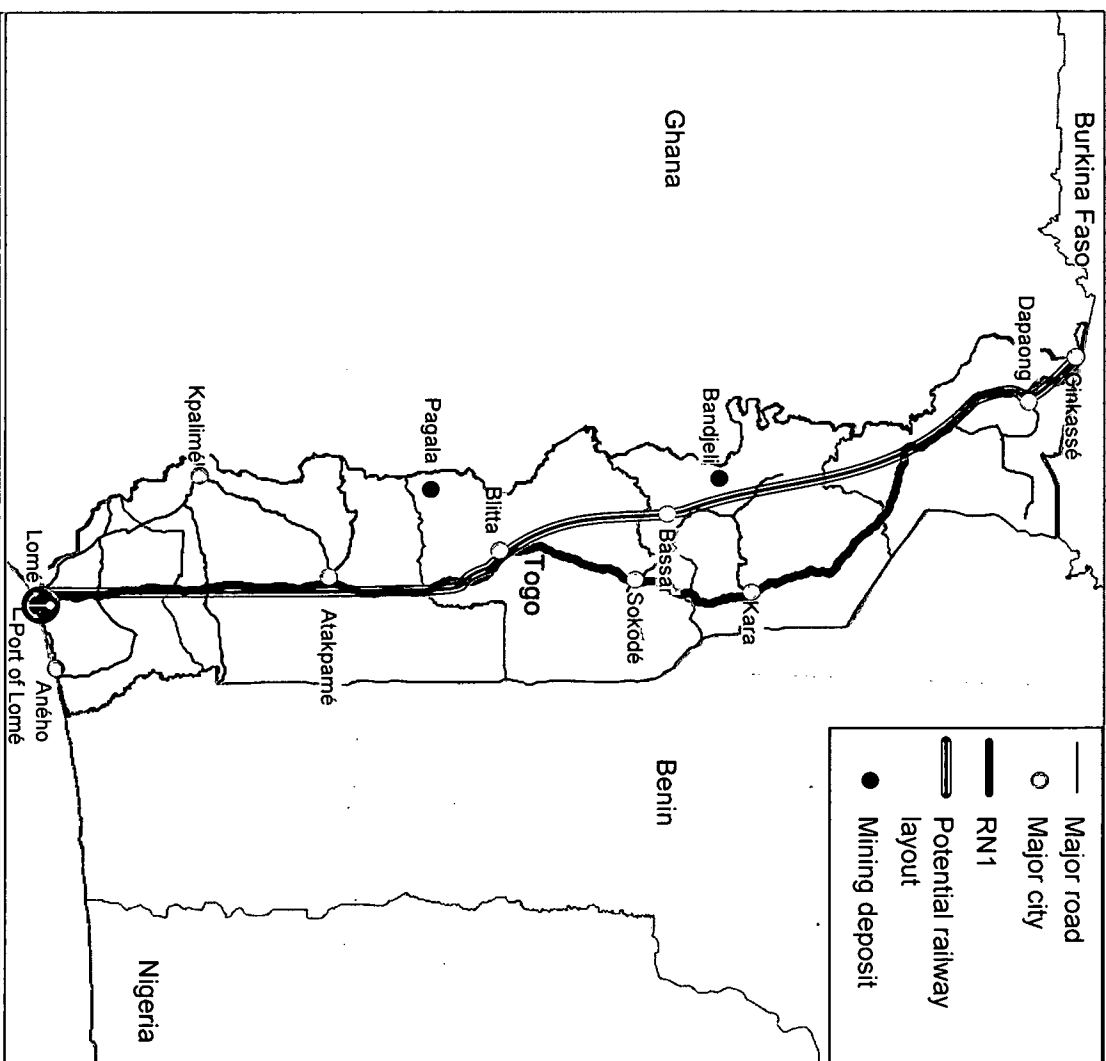
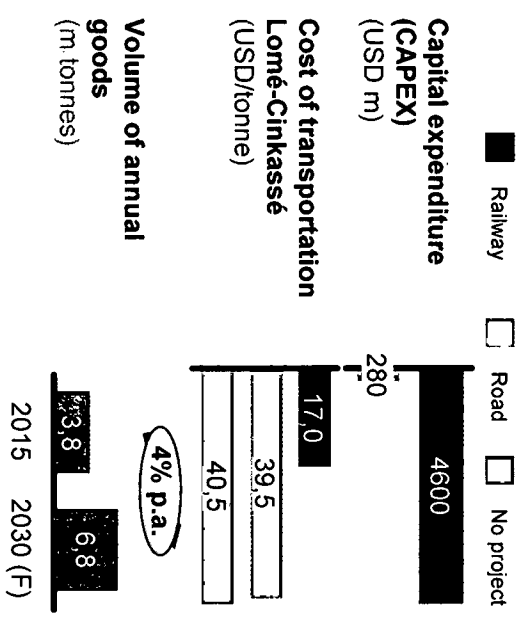


LOGISTICS HUB: DEVELOPING THE SOUTH-NORTH CORRIDOR

A development project comprising two non-exclusive options



Project key figures:



AGRICULTURAL TRANSFORMATION: "AGROPOLES"

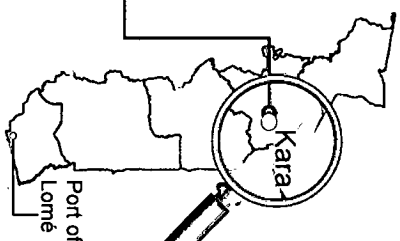


A two-phase development project

Construction of an agropole
(pilot programme)

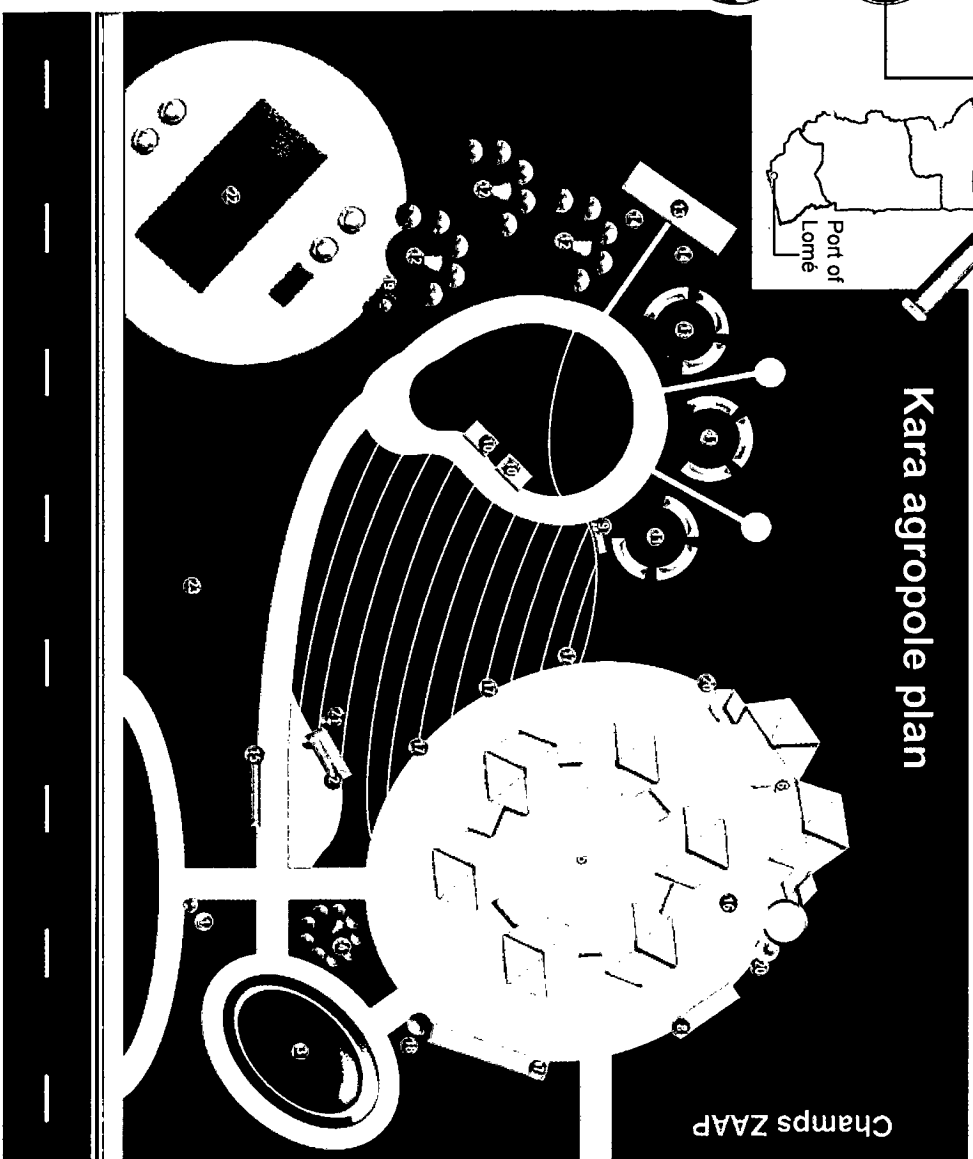


Construction of five additional
agropoles



Kara agropole plan

Champs ZAAP



Project key figures:

Estimated capital
expenditure per
agropole
(USD m)

43

Productivity
increase

+300%

Job creation
per agropole

2,5k

MANUFACTURING FOCUS AREA: INDUSTRIAL PARKS



Three projects for each of the two industrial parks

Develop a park concept in line with investor expectations



Identify sites that could serve as industrial parks



Secure the site (acquisition, ownership and development)



BY PARK

Core ambitions of the projects

USD 250m

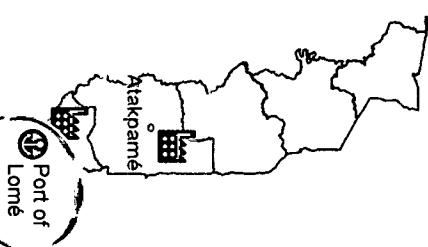
Estimated capital expenditure per park

50k

Long- and short-term job creation per park

USD 2m

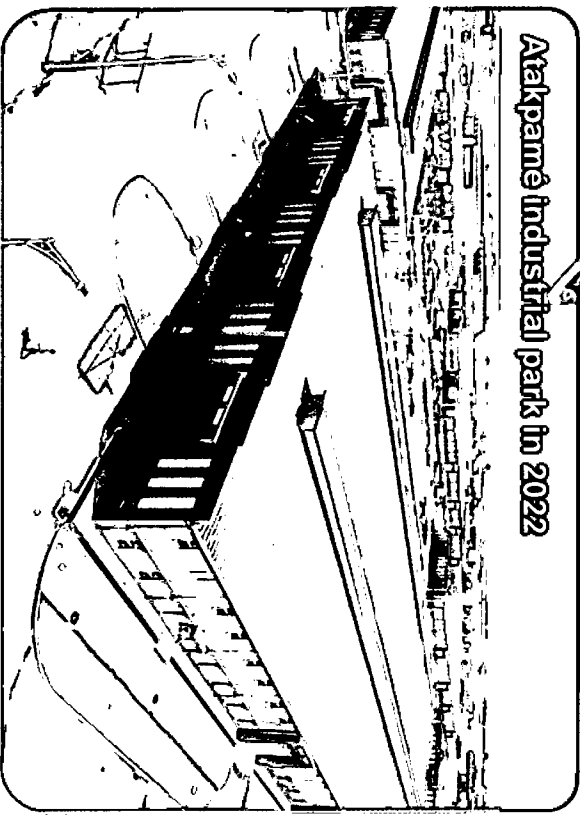
Recurring tax revenue generated by an industrial park



Port of Lomé

Industrial park accessible by road from the Port of Lomé in less than two hours

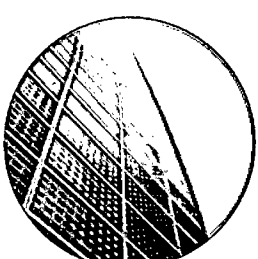
Atakpamé industrial park in 2022



TOGO AS AN ENERGY CENTRE, AIMING FOR ENERGY INDEPENDENCE

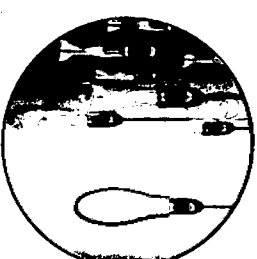
X2

Double energy generation from 100 MW to +200 MW installed power by 2020



50%

Increase rural household access to electricity from 7% to 50% by investing off the grid

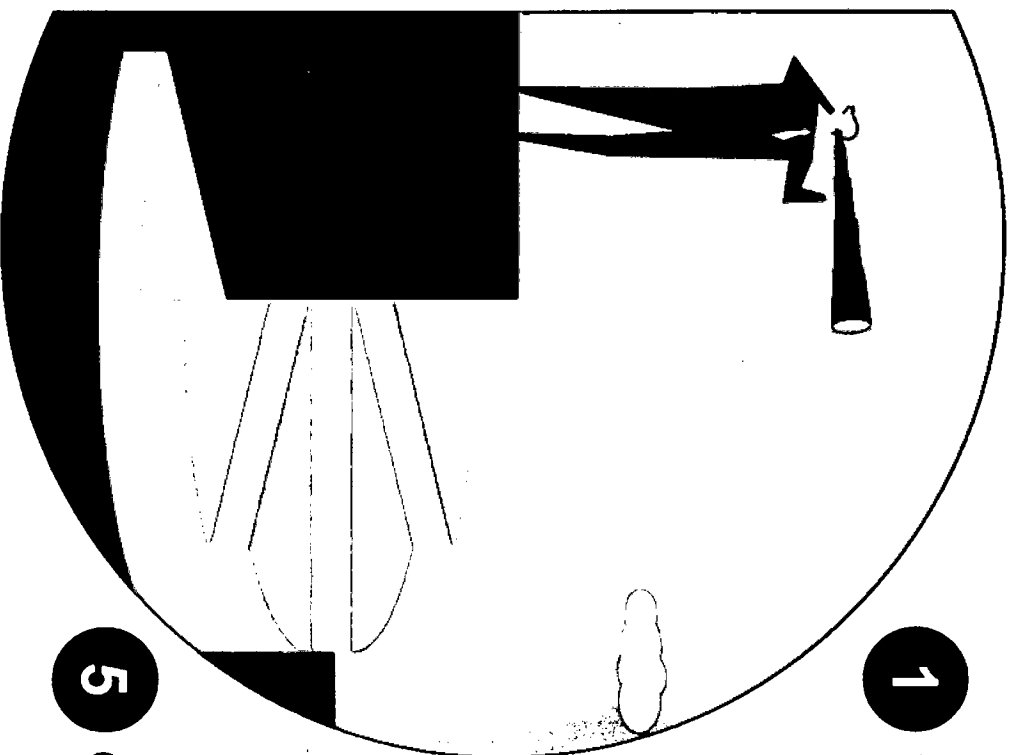


100%

Guarantee access to electricity for all schools and healthcare centres in rural areas



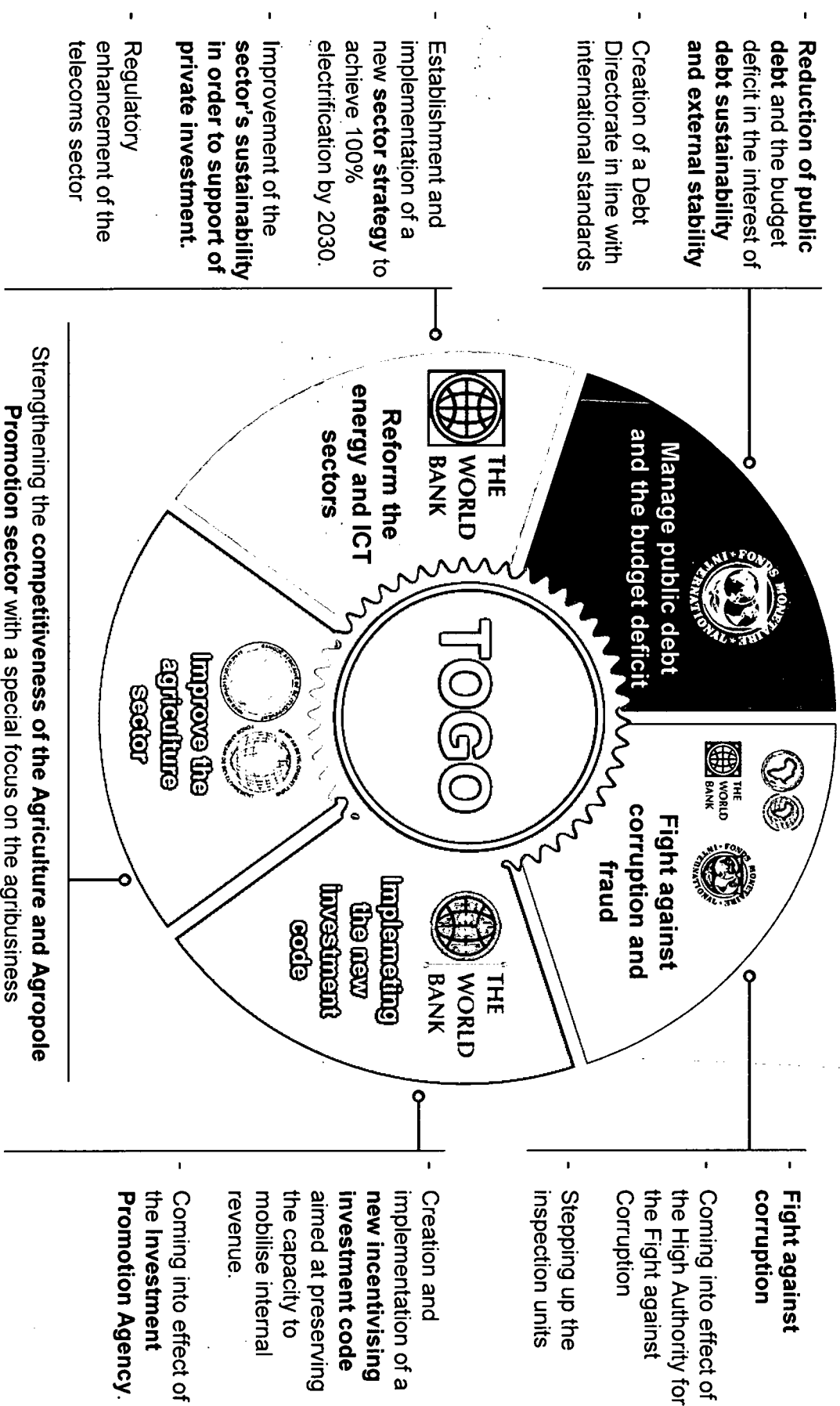
THE MAIN CHALLENGES AHEAD



- 1** Ongoing improvement of the business climate
- 2** Cost competitiveness of production factors, particularly in energy and ICT
- 3** Good mobilization of internal resources
- 4** Transparency and good governance
- 5** Continued political stability

SHARED COMMITMENTS TO PROMOTE INVESTMENT

MAIN REFORMS ENVISAGED WITH OUR PARTNERS' SUPPORT



USEFUL CONTACT

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Ministry of Finance

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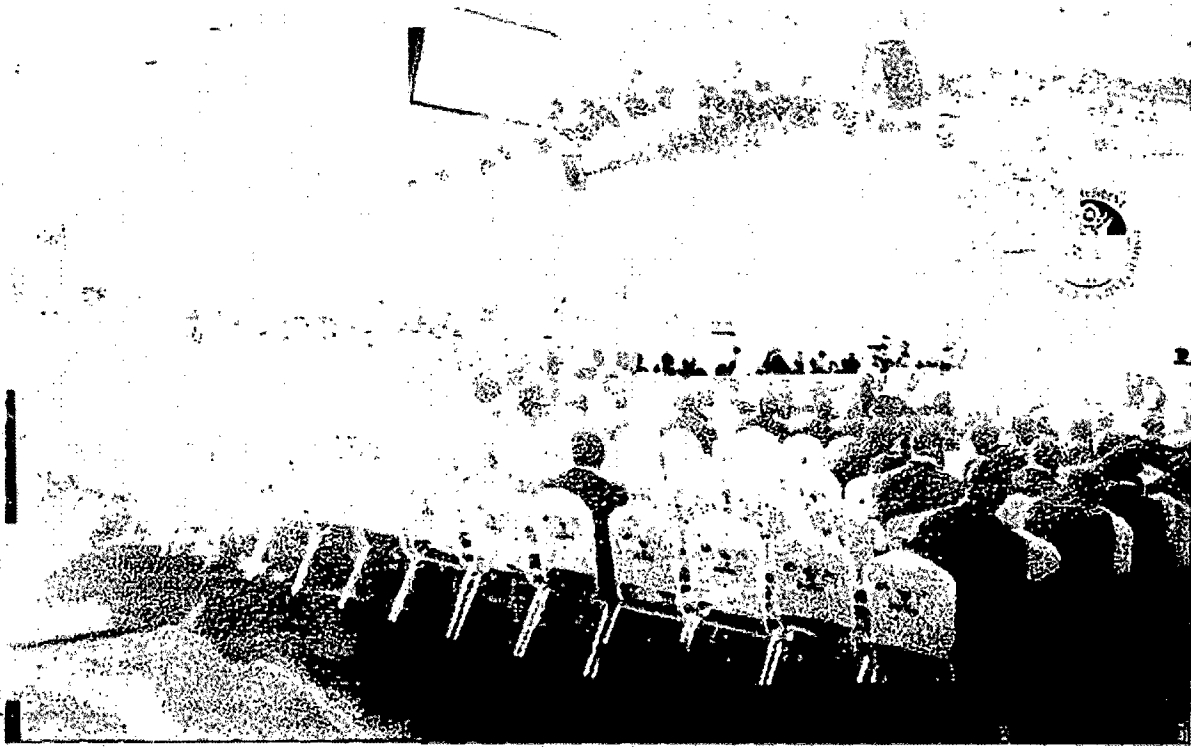
Cynthia GNASSINGBE

cynthia.gnassingbe@togoinvestcom

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The United States and African Partnership for Prosperity through Trade

16th AGOA FORUM SUMMARY REPORT

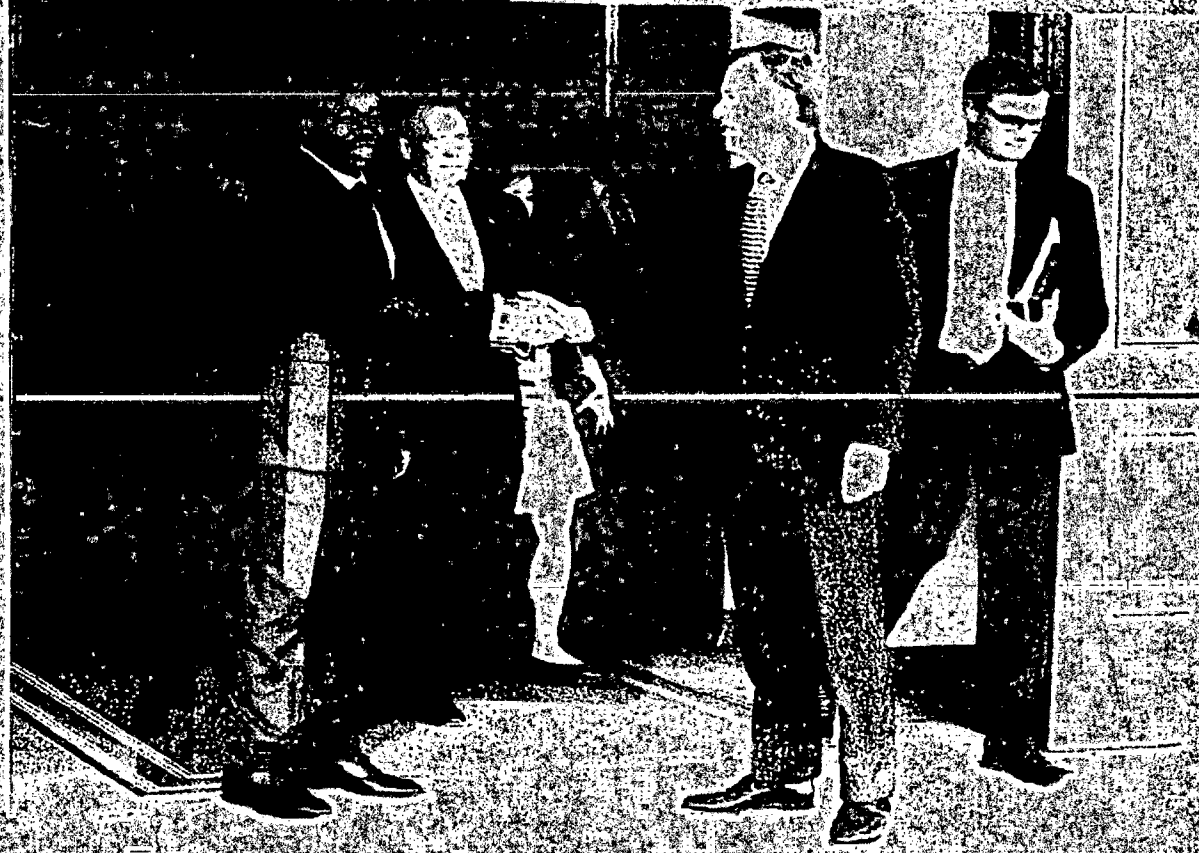
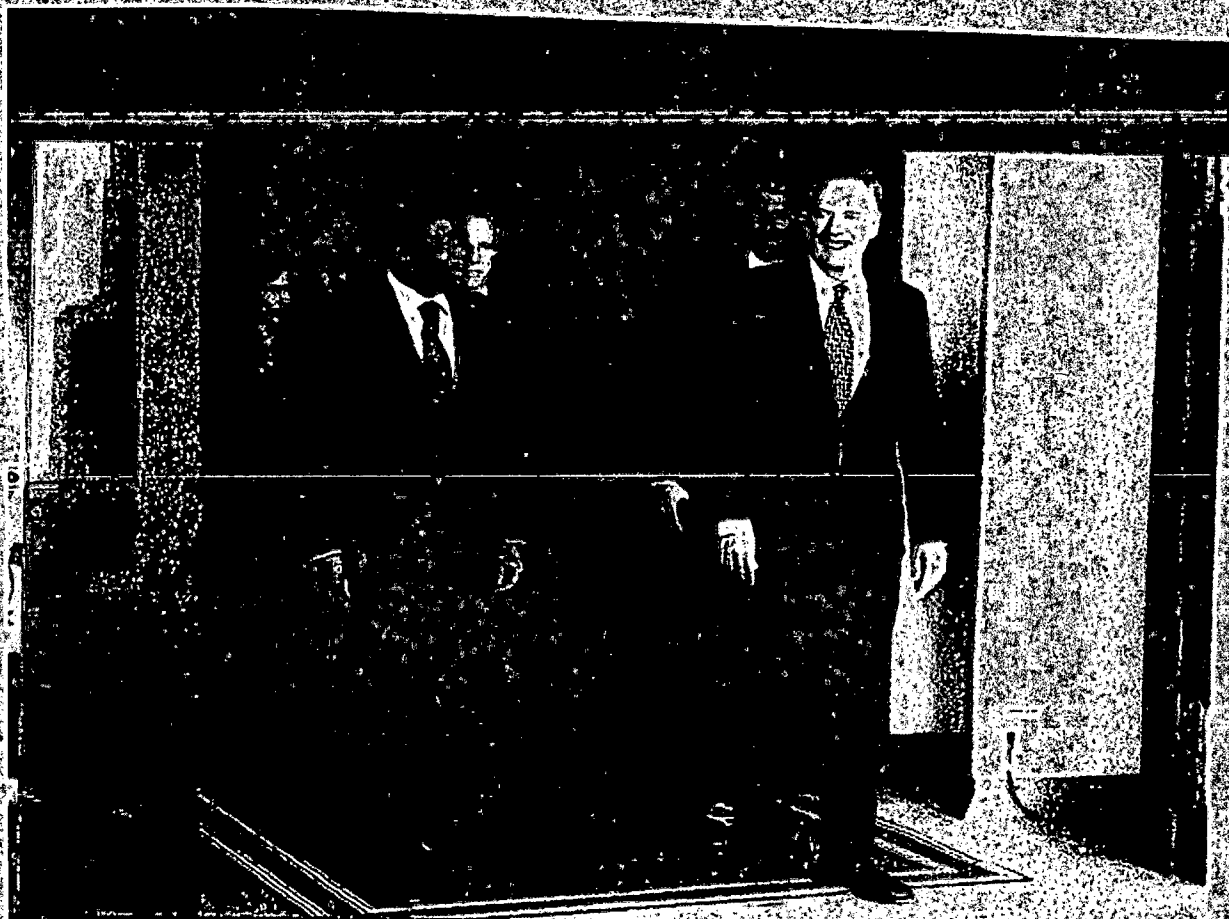
Lome, 8 - 10 August 2017

www.agoa-togo.tg



His Excellency Mr. Faure Essozimna GNASSINGBE

Togolese Head of State



A high-contrast, black and white portrait of a woman with dark, curly hair, smiling. She is wearing a light-colored top with a dark, possibly striped, patterned collar. The image is positioned in the upper right quadrant of the page.

MS. Dédé EKOUE

Mrs. Dédé Ahoéfa EKOUE

*President of the AGOA 2017 Forum
National Organizing Committee, Minister,
Advisor to the President of the Republic.*

EXECUTIVE SUMMARY

Togo and the United States of America co-hosted the 16th AGOA 2017 forum from 08 to 10 August 2017 under the theme "The United States and Africa: Partnership for Prosperity through Trade". This important event saw the participation of nearly one thousand (1000) African and American delegates and was widely acclaimed as the best AGOA forum organized so far. The Hotel 2 Février Radisson Blu, the conference centers of ECOBANK International and the ECOWAS Investment and Development Bank (EBID) were the venues selected for the forum's activities.

The 16th AGOA Forum activities in Togo

Three (3) main forums made up the activities of the AGOA eligible countries and U.S. meeting under the AGOA Act. These are the ministerial forum, the private sector forum and the civil society forum.

The private sector and the civil society forums took place on 8th august 2017, preceded by a joint opening ceremony chaired by the Prime Minister of Togo,

His Excellency Mr. Komi Sélom Klassou.

The ministerial symposium held on 9th and 10th august 2017. It was marked by a solemn opening ceremony co-chaired by H.E. Mr. Komi Sélom Klassou, Prime Minister, Head of Togolese Government, representing the Togolese Head of State, His Excellency. Mr. Faure Essozimna Gnassingbé and His Excellency Mr. Ambassador Robert Lighthizer, U.S Trade Representative and Personal Representative of the U.S President, His Excellency. Donald Trump, followed by activities in plenary and breakout sessions.

Her Excellency Mrs. Bernadette Essossimna Legzim-Balouki, Minister of Trade and Private Sector Promotion, chaired the closing ceremony and gave the closing speech of the Forum.

The ceremony also concluded with remarks by H.E. Mr. David Glimour, U.S Ambassador in Togo followed by an occasional address by H.E. Mrs. Dede Ahoefa Ekoue, Minister, Advisor to the President of the Togolese Republic, President. of the 16th

AGOA Forum National
Organizing Committee and
AGOA 2017 Focal point.

The African Senior Officials and Experts meeting

As a prelude to the forum and to prepare the session of African Ministers of Trade Consultative Group, a meeting of African Senior Officials, Experts and Ambassadors was held on 7th August 2017 in Lomé, Togo. The meeting provided an opportunity to examine, amend and adopt the conclusions and recommendations of the AGOA mid-term review held in Washington, DC, on July 17-18, 2017.

The works were carried out by a Bureau comprising the Ambassadors of Togo, Mauritius, Uganda, Lesotho and Congo. The meeting was co-chaired by the Economic Development Committee of the African Ambassadors Group in Washington DC, H.E. Mr. Frédéric Edem Hegbe, Ambassador of Togo in the U.S and H.E. Mr. Soorooj Phokeer, Ambassador of Mauritius in the U.S.

The African Ministers of Trade Consultative Group meeting

Held on Tuesday 8th August 2017 in Lomé, the purpose of the meeting is to present the conclusions and recommendations of the Senior Officials meeting and to discuss key issues to be addressed at the 16th AGOA Forum.

The opening ceremony was chaired by H.E. Mr. Lazare Sehoueto, Minister of Trade, Industry and SMEs in Benin.

At the ceremony, H.E. Mr. Albert Muchanga, African Union Commissioner of Trade and Industry, Representative of the African Union Commission Chairperson, stressed on the issue of regional integration and stated that the AGOA eligible countries should create a win-win partnership with the U.S.

Activities of the 16th AGOA Forum of Togo

The 16th AGOA Forum was comprised of three major events. These were the ministerial forum, the private sector forum and the civil society forum.

The private sector and civil society forums took place on August 08, 2017, preceded by a joint-opening ceremony, chaired

by the Prime Minister of Togo,
H.E. Mr Selom KLASSOU.

The ministerial forum was held on 09 and 10 August 2017. It was marked by a solemn opening ceremony presided over by the Prime Minister representing the President of the Republic, followed by work in plenary sessions

The objective of the 16th AGOA Forum at the level of the eligible states of sub-Saharan Africa and the United States of America was essentially to identify strategies to optimize the use of AGOA as a lever for exports toward the United States, for promoting the prosperity of our people. Specifically, it was a matter of formulating relevant recommendations, building the capacities of the different actors in sub-Saharan Africa and fostering networking.

The forum agreed on suitable strategies to boost AGOA exports by 2025. African governments are called upon to implement recommendations on Regional Integration and Transport, Industry including agro-industry, standards and

research, business financing, capacity building, technology, smallholder inclusion, security and political space.

The recommendations are as follows:

Recommendations of the Ministerial Meeting

The Ministers of Trade of the AGOA eligible countries met on Tuesday 8th August 2017 in Lomé, Republic of Togo and below are the major recommendations:

Regarding the challenges and solutions for the implementation of AGOA

1. AGOA countries remain largely exporters of primary products, including but not limited to agriculture. This necessitates that we must encourage industrialization to promote value-addition so as to change the structure of our economies.
2. There is also a need to enhance cooperation on

standards, as well as sanitary and phytosanitary measures in order to overcome challenges that come with trade in food and other agricultural related products in the global trade.

There is demand for various products in the U.S. However, AGOA countries cannot easily export into the U.S. market under its stringent standards. AGOA beneficiaries need to undertake thorough market research and produce products that meet the U.S. standards. Further, the United States is encouraged to continue to provide capacity building to overcome existing non-tariff barriers within a timeframe of 3 to 5 years.

Undertake to promote African clinical research while protecting people often used as subjects of trials to ensure local solution is sought for clinical

challenges specific to Africa.

5. We call upon UNECA in collaboration with USG agencies to promote the exchange of AGOA best practices through the organization of regular workshops.

6. Encourage the setting up of a consultative committee comprising of representatives from the African Ambassadors Group (AAG), USTR, US Department of Commerce, US Department of Agriculture in Washington, D.C. to monitor all AGOA related issues under agreed terms of references that still need to be developed by all stakeholders. The committee will engage with private sector and civil society from both sides.

7. Africa should highlight the importance of security in order to enhance trade.

8. Strengthen the focus on:

a. Linkages between investment, industrial development and trade and;

b. Efforts to attract US investors and broaden US investment beyond the current concentration in the Mining Sector.

9. AGOA beneficiaries are encouraged to take maximum advantage of the presence of the Trade and Investment Hubs located across Africa to diversify their export sectors.

10. On Intellectual Property (IP), the African Union Commission (AUC) is encouraged to work with relevant institutions such as World Intellectual Property Organization (WIPO) and United Nations Conference on Trade and Development (UNCTAD) to ensure a development approach to IP and build capacity within the continent. Fundamentally, policies must contribute to the

economic transformation agenda, preserve Africa's biodiversity and traditional knowledge amongst others.

11. Emphasize the importance of policy space to promote structural transformation of the African continent.

■ Concerning the regional integration

1. The trade and investment relationship with the US should support the continent's efforts to industrialize in line with Agenda 2063 and contribute to regional integration. Policy issues should be on the basis of cooperation and should not limit use of key policy tools Africa needs to industrialize.

2. Strengthen African Regional Integration agenda through initiatives such as the Continental Free Trade Area (CFTA), bearing in mind the outcomes of the RECs, which will address trade cost,



boost Intra-Africa trade and promote the development Regional Value Chains and boost industrial development. This will increase the utilization of AGOA preferences and expand benefits across a greater number of African countries. In addition, there is a need for African countries to develop a common position on the trade and investment relationship with the United States.

Regarding the out of Cycle review of AGOA-Eligible countries

Recall that AGOA is an Act of congress to promote two-way trade and investment that promotes sustainable development, as well as regional integration. Recognize that the out-of-cycle review is an integral part of AGOA legislation, however, the out of cycle review should not be used in a way that would be detrimental to the spirit of AGOA itself.

2. The US is urged to consider the legitimate public policy issues of Africa in considering petitions for out-of-cycle reviews.

▪ Towards the US Government

1. Call upon USG agencies to scale-up support to AGOA-eligible countries for implementation of the WTO TFA, especially land-locked countries to lower trade costs and move goods across borders and promote Africa's integration into the global economy. The cooperation on the TFA must be on the basis of agreed programs at the Regional Economic Community level so as to promote regional integration.

2. Encourage the US Government not to cut budget to USAID in a bid to facilitate resources for countries in maximizing their AGOA utilization Strategies.

3. Since Africa is currently making steady progress

towards continental regional integration, the consensus is that these actions will facilitate the continent integration into global supply chains and distribution networks. In this regard, we call upon our US partners to support these efforts.

4. Call upon the US not to implement out-of-cycle reviews in a way that would be detrimental to the spirit of AGOA itself which is premised on predictability and certainty.
5. Africa is making progress toward continental integration, we call upon the US to support the regional integration agenda in order to promote Africa's integration into the global economy.

Recommendations of the Private sector Forum

Panel 1: AGOA Successes and Challenges and the Way Forward

1. The lack of understanding of the US market and labor laws needs to be addressed. The US market is not impenetrable as witnessed by several of the success stories that were highlighted in the Private Sector Dialogue.

2. The private sector noted that there is a gap that exists between the AGOA legislation that grants access to the US market and African implementation of export policies that promote utilization of AGOA. USAID, through its trade HUBS as well as other US government agencies seek to bridge that gap.

3. The lack of adequate infrastructure needs to be addressed by governments to enable products to move to markets. African governments also need to create the enabling environment to facilitate trade.

4. Successful AGOA exporters advised that new market

investors should start small and build up supplying the U.S. market. African suppliers of goods to create economies of scale.

5. The expectation of buyers/importers in the U.S., is that African suppliers will deliver on time shipments of quality goods.

Panel 2: Logistics, Transport Operations and the Global Supply Chain

Diversify sources of financing beyond banks -such as commodity exchanges, credit cards, bonds, hedging and retirement funding- to allow trade and investment to occur.

There needs to be increased government support for connectivity, especially using technology. Also, government need to promote trade facilitation by acceding to and implementing the WTO Trade Facilitation Agreement (TFA), integrating customs data across borders and identifying any other bottlenecks impeding trade. Finally, governments need to lower taxes to help African

companies become more competitive.

3. Government in coordination with the private sector should promote clustering networks such as industrial parks and infrastructure financing that enable African businesses to compete globally. African governments also need to enforce the sanctity of contracts for businesses to make the right investment decisions.

4. Together, governments and the private sector should promote more reverse trade missions that are targeted to specific sectors.

5. Finally, governments and businesses should encourage more marketing and branding of African products to penetrate global supply chains.

Recommendations of the Civil Society /AWEP forum

1. AGOA COUNTRY UTILIZATION STRATEGY AND ELIGIBILITY CRITERIA:

- We call on AGOA eligible countries to support the work of the AGOA Civil Society Organization

Network Secretariat in strengthening the capacity of civil society organizations and the African Women Entrepreneurship Program (AWEP) in Africa regarding the issues of AGOA country utilization strategies and compliance with eligibility criteria to provide the planning that is necessary in making success possible in using AGOA benefits to support micro, small, and medium enterprise (MSME) development.

Governments of eligible countries should work, closely, with their CSOs AWEP, Labor and Youth in the design of their AGOA Country Utilization Strategy to ensure efficiency, and inclusiveness.

2. TRADE FACILITATION, REGIONAL INTEGRATION AND TRANSPORTATION LINKAGES:

- We call on all AGOA eligible countries to ratify and implement the World Trade Organization's (WTO) Facilitation Agreement to increase transparency, reduce transaction costs and increase the competitiveness of African businesses and exports. Member governments should work closely with civil society and AWEP on the implementation of trade facilitation agreements.
- We call on the African Union to unveil its Continental Free Trade Area (CFTA) which encompasses free movement of business persons and investment, establishment of custom unions, harmonization and coordination of trade liberalization, trade facilitation and instruments

across regional economic communities (RECS) on time.

3. FAIR TRADE:

- We call on Governments to provide incentives for investment in testing laboratories, agency standards, micro lending, and other support mechanisms that are required to obtain the Fair Trade Certificate
- We call on private sector institutions, i.e., Ecobank, the Africa Development Bank, Ethiopian Airlines and others to support AWEF members and other MSMEs in obtaining finance, and addressing logistic and transportation challenges that they face in doing business.

4. YOUNG ENTREPRENEURS:

- We encourage member governments to promote policies that encourage "clustering" to grow economies of scale, and strategic partnerships with

universities, the private sector and government agencies to provide fellowships, internships and skills training for the youth.

- We urge member governments to provide widespread access to digital-age technology, including, internet access, mobile technology, e-commerce and other new media to promote entrepreneurship among youth and women.

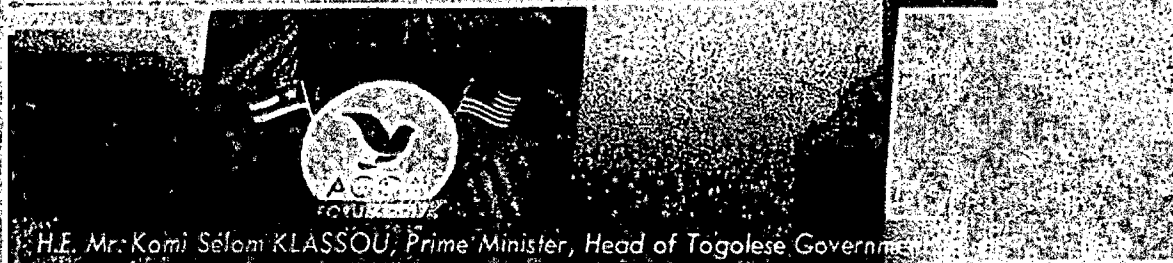
5. MICRO SMALL AND MEDIUM ENTERPRISE VALUE CHAIN:

- We call on member governments to increase their support for trade and technical capacity building programs in their countries to strengthen micro, small, and medium sized enterprises so they can better participate in global value chains.
- We encourage member governments to enact policies that will attract

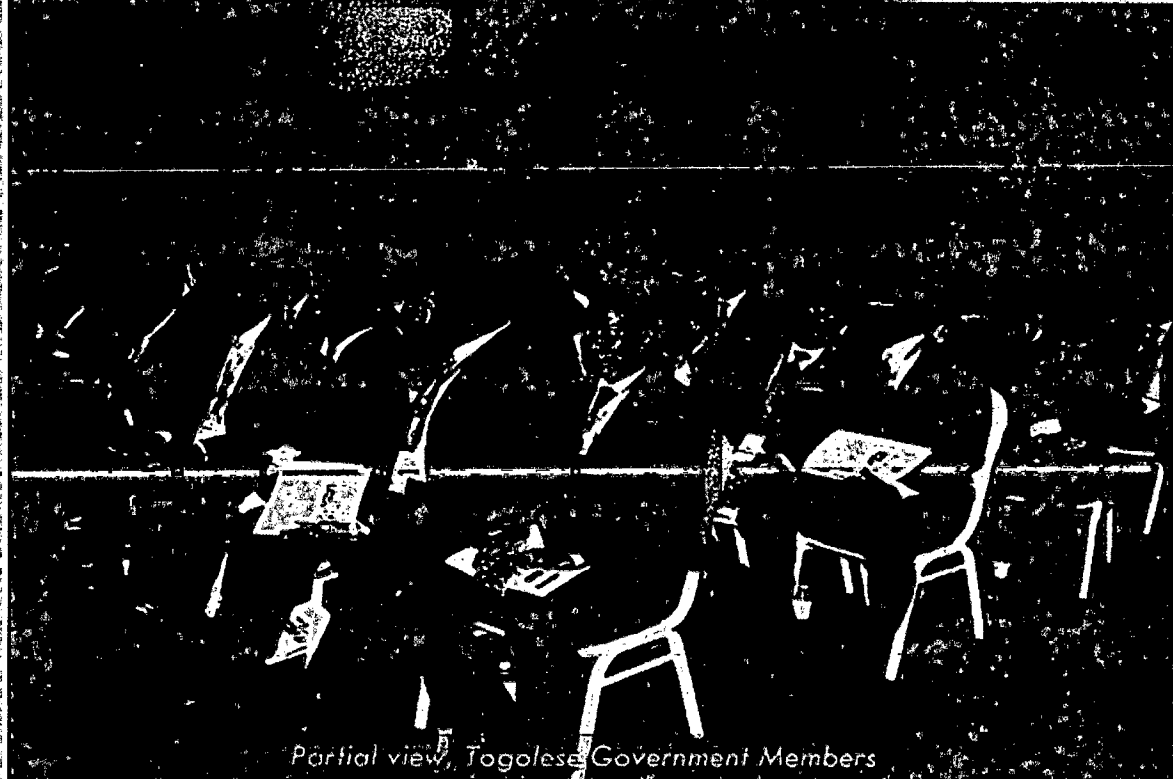


His Excellency Mr. Ambassador Robert LIGHTHIZER, U.S Trade Representative





H.E. Mr. Komi Selom KLASSOU, Prime Minister, Head of Togolese Government



Partial view, Togolese Government Members

foreign direct investment, including that from Diaspora, and partnerships with U.S. multinationals in order to foster inclusion of MSMEs in their global value chains.

TRAINING AND CAPACITY BUILDING

AGOA Civil Society Organization Network Secretariat to organize training and provide capacity building and technical assistance in partnership with AWEF and network members quarterly in West, East, Central and Southern Africa regions.

Success factors of the 16th OA Forum

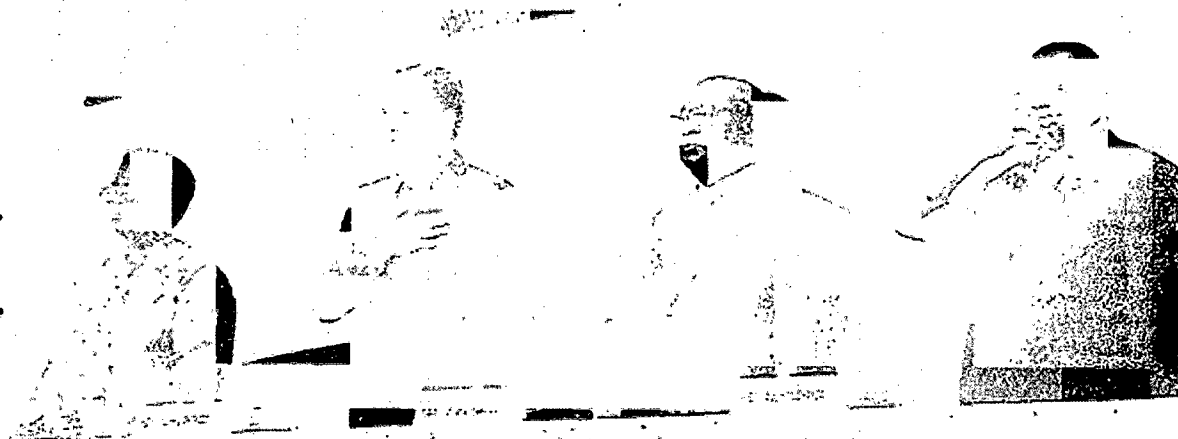
Several factors contributed to the founding success of the forum. These are, namely:

1. The commitment of the Togolese Government
2. The high quality cooperation between the Government of the United

States of America and the Government of Togo

3. The strong mobilization and the quality contribution of the eligible countries and the African regional and sub-regional organizations.
4. The quality of the collaboration with the U.S. technical partners
5. The effectiveness of the African countries Ambassadors Committee and the African Union in Washington
6. The strong mobilization and active participation of private sector delegates and non-governmental organizations from Africa and the U.S.
7. The proactive leadership of the Togolese private sector and civil society in organizing the forum

The high professionalism of service providers

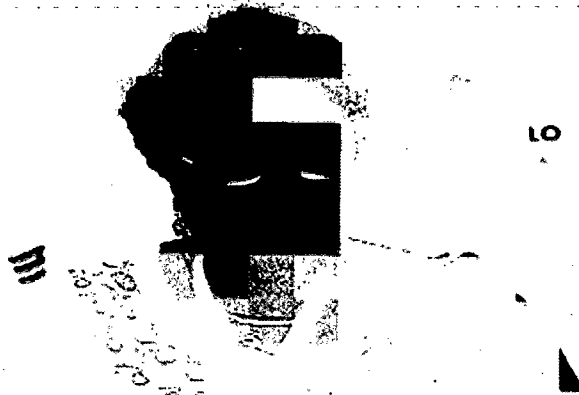


Thème : « Les États-Unis et l'Afrique : Partenariat pour la Prospérité et la Paix »

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ACKNOWLEDGMENTS OF THE TOGOLESE GOVERNMENT



Ms. Bernadette E. LEGZIM-BALOUKI
Togolese Minister of Trade and
Private Sector Promotion.

16th AGOA Forum between U.S. and the eligible countries Sub-Saharan Africa was held on 8th to 10th August 2017 in Lomé, Togo, under the theme: "The U.S. and Africa : Partnering for Prosperity through Trade ". This high-level economic and trade cooperation forum between US and Africa fulfilled all its promises,

According to the participants and observers, the AGOA 2017 forum was the best organized so far. This merit goes first and foremost to the highest authorities of the host country, who managed to provide the necessary dynamic and all the

facilities for the success of this great intercontinental forum. To this end, we would like to pay a well-deserved tribute to the Head of State, President of the Togolese Republic, H.E. Mr. Faure Essozimna Gnassingbé for the confidence placed in the AGOA Forum National Organizing Committee and for the important support to the organization of the forum.

The Organizing Committee expressed its gratitude to the Prime Minister, Mr. Komi Selom Klassou for his support throughout the process and to all the members of the Government who worked for the outstanding success of the forum.

Our thanks go to the U.S. Government, to H.E. Mr. Ambassador **Robert Lighthizer**, U.S. Trade Representative for his presence at the Lomé Forum and his commitment to facilitating trade between the United States and Africa, to the entire U.S. delegation that accompanied him, and to H.E. Mr. **David Glimour**, the U.S. Ambassador in Togo. We would like to express our sincere thanks to all the U.S. inter-agency teams that supported us throughout the process. We particularly thank Mrs. **Connie Hamilton**, Acting U.S. Trade Representative for Africa, Mr. **Peter Barlerin**, Deputy Assistant Secretary, State Department's African Affairs Bureau, Mr. **Harry Sullivan**, State Department, Africa / Bureau of Economic and Regional Affairs Acting Director and Mr. **Frédérique Stewart**, Department of Commerce, Africa Bureau Director. We would especially like to salute Mrs. **Tawanna Davidson**, State Department, Africa / Bureau of Economic and Regional Affairs, AGOA Forum Logistics Lead who worked closely with the National Committee and all stakeholders

for a successful logistics preparation. The Government also thanks U.S. technical partners, the Corporate Council on Africa, the AGOA Civil Society Network, the African Women's Entrepreneurship Program, the West Africa Trade Hub and AGOA.info of the Trade Law Center, which worked closely with the National Committee in preparing the forum.

My warmest congratulations and thanks to all the governmental delegations of eligible countries who took part in the Lomé Forum, to the Private Sector, Civil Society and the Diaspora actors as well as all the stakeholders who marked the event.

The gratitude of the Togolese Government is also addressed to Group of Ambassadors of the eligible countries and the African Union based in Washington for their technical leadership which enabled the excellent preparation of the eligible countries. Special thanks also go to H.E. Mr. **Frédéric Edem Hegbe**, Ambassador of Togo in the U.S and H.E. Mr. **Soorooj Phokeer**,

ambassador of Mauritius in the

Transnational Incorporated
Group for the outstanding

would particularly like to congratulate the President of the AGOA 2017 Forum National Organizing Committee, Minister, in charge of the Diaspora, Mr. **Dédé Ahoéfa**, for her personal commitment and high quality leadership in coordinating all activities related to the forum. We worked in good synergy and we would like to take this opportunity to thank all of her staff and that of the Ministry of Economy who worked together and in the same dynamic.

To all the members of the National Organizing Committee, chairpersons and members of the missions, chairpersons and members of technical committees, the private sector forum and the civil society forum, find us hereby the gratitude of the Government and the people of Togo as a whole.

The Government of Togo expresses its deep appreciation to Mr. **Ade Ayeyemi**, Chairman of the Board and CEO of ECOBANK

for his contribution of this pan-African institution to the success of the forum. The Government extends its deep gratitude to Mr. **Olowo-N'djo Tchala** of the Togolese Diaspora in the U.S., Founder and Manager of ALAFFIA for all the commitment and investment made for the success of the 16th AGOA Forum.

We salute the diaspora members who took the initiative to participate in and contribute to the forum and we thank Mr. **Victor Adoukonou**, President of the "Togolese Diaspora in the USA" association. We would like to congratulate Mr. **Fall Toure**, Fashion designer and founder of the Fashion Academy of Lomé Togo (FALT) for the successful organization of the "Lomé AGOA Fashion Week".

May Mrs. **Rachel Ebaneth**, Focal point of the 14th AGOA Forum in Gabon, Deputy Secretary General of the Ministry of Trade, SMEs, Crafts and Services Development in Gabon, be warmly thanked for her

availability to exchange with the Togolese counterparts about good practices of the 14th AGOA Forum.

We would like to thank all the service providers involved in the organization of the forum, the national and international media, all the good-wills and all those who contributed in a way or another to the successful organization of this forum.

Indeed, the Lomé Forum was a great success and led to important recommendations for a better AGOA utilization. During this important event, all stakeholders renewed their commitment to make AGOA, a more dynamic framework of win-win U.S. – Africa partnership.

In this vein, the Government of Togo will work closely with the Private sector, the Civil Society and the Diaspora, whose contribution is essential to ensure the implementation of the Operational Action Plan for the AGOA utilization for an economic and inclusive development.

For the next eight (8) years of AGOA, it is our deepest hope that all Sub-Saharan Africa eligible countries will implement AGOA utilization strategies and operational plans and take maximum advantage of this opportunity for the benefit of our economies and our respective populations.

To accompany this process, a general report of the 16th AGOA forum is produced and available on the official website of the forum (www.agoa-togo.tg) and on the experience sharing website of the 16th AGOA Forum (www.agoatogo2017.info) set up by the Forum's Strategic Coordination Unit.

Full success to AGOA, the foundation of U.S. – Africa economic partnership for prosperity through Trade.



Ms. Bernadette E. LEGZIM-BALOUKI

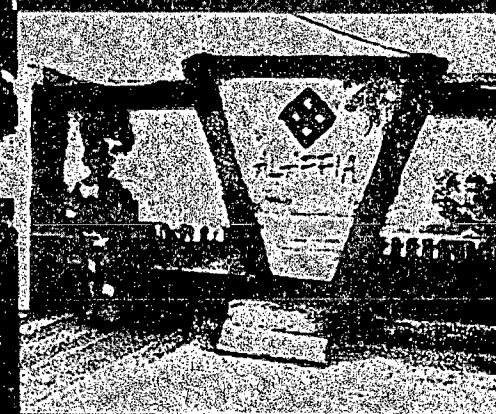
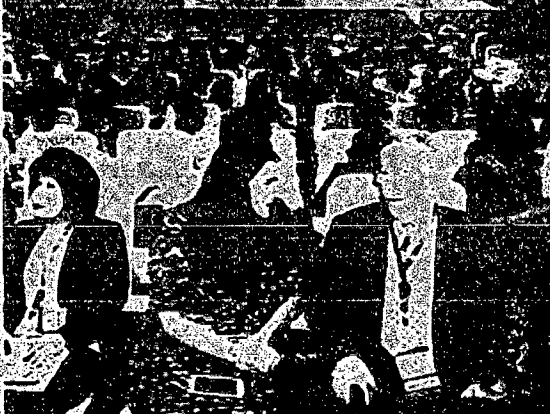
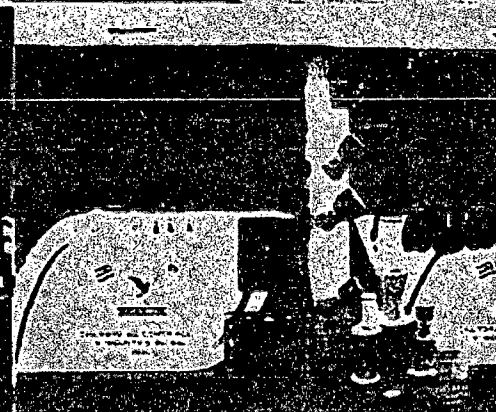
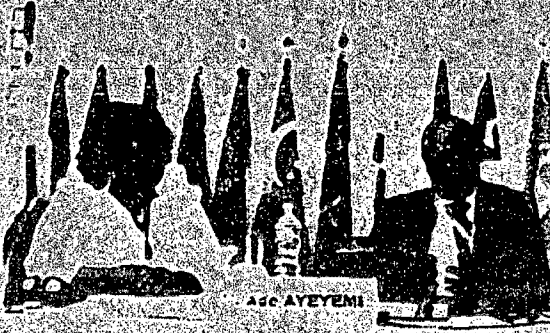




H.E.M. Frédéric Edem HEGBE, Ambassador of Togo in US.







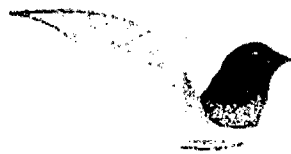




8-10 AOÛT 2017
LOME, TOGO
AUGUST 8-10, 2017

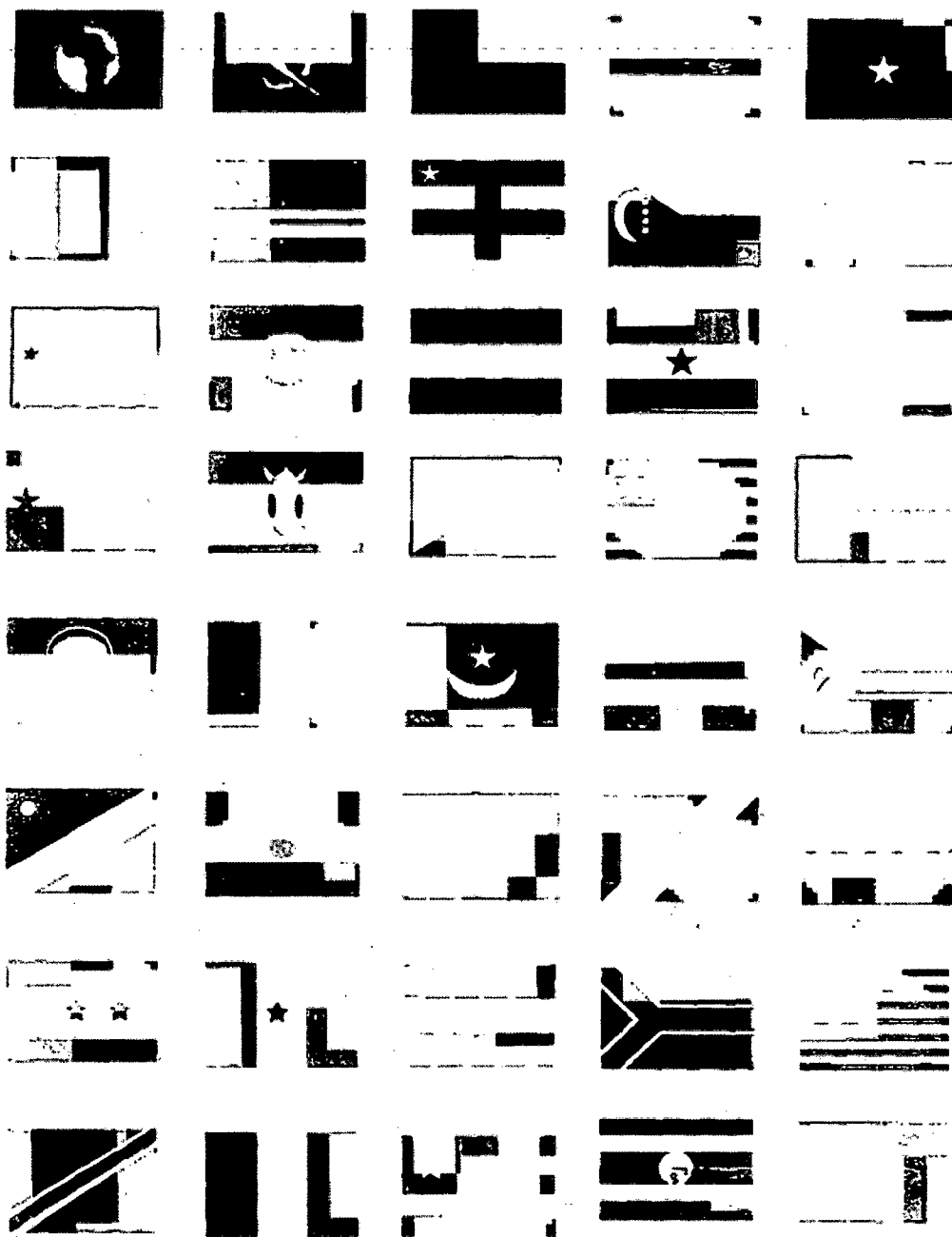


8-10 AOÛT 2017
LOME, TOGO
AUGUST 8-10, 2017



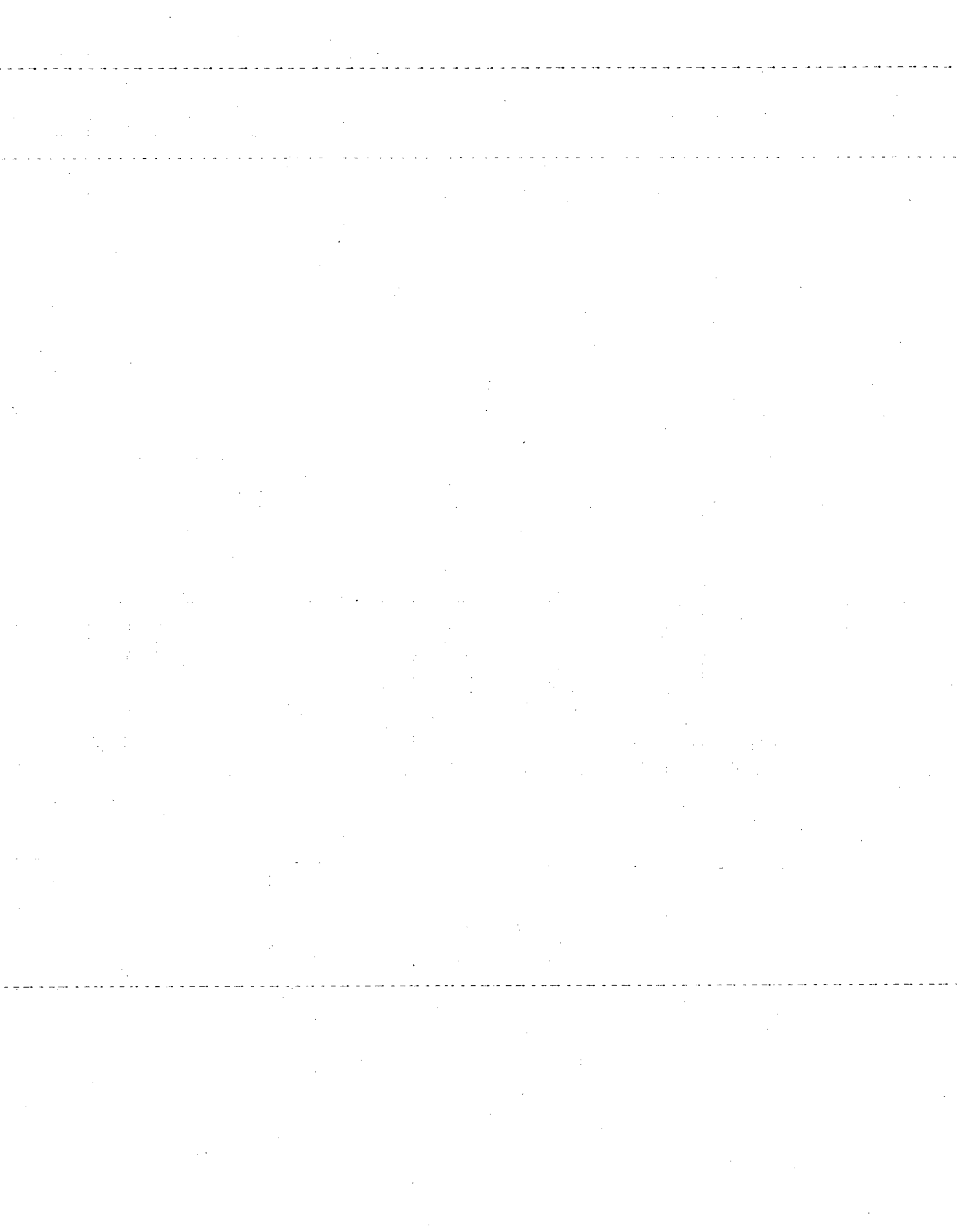
Closing
ceremony

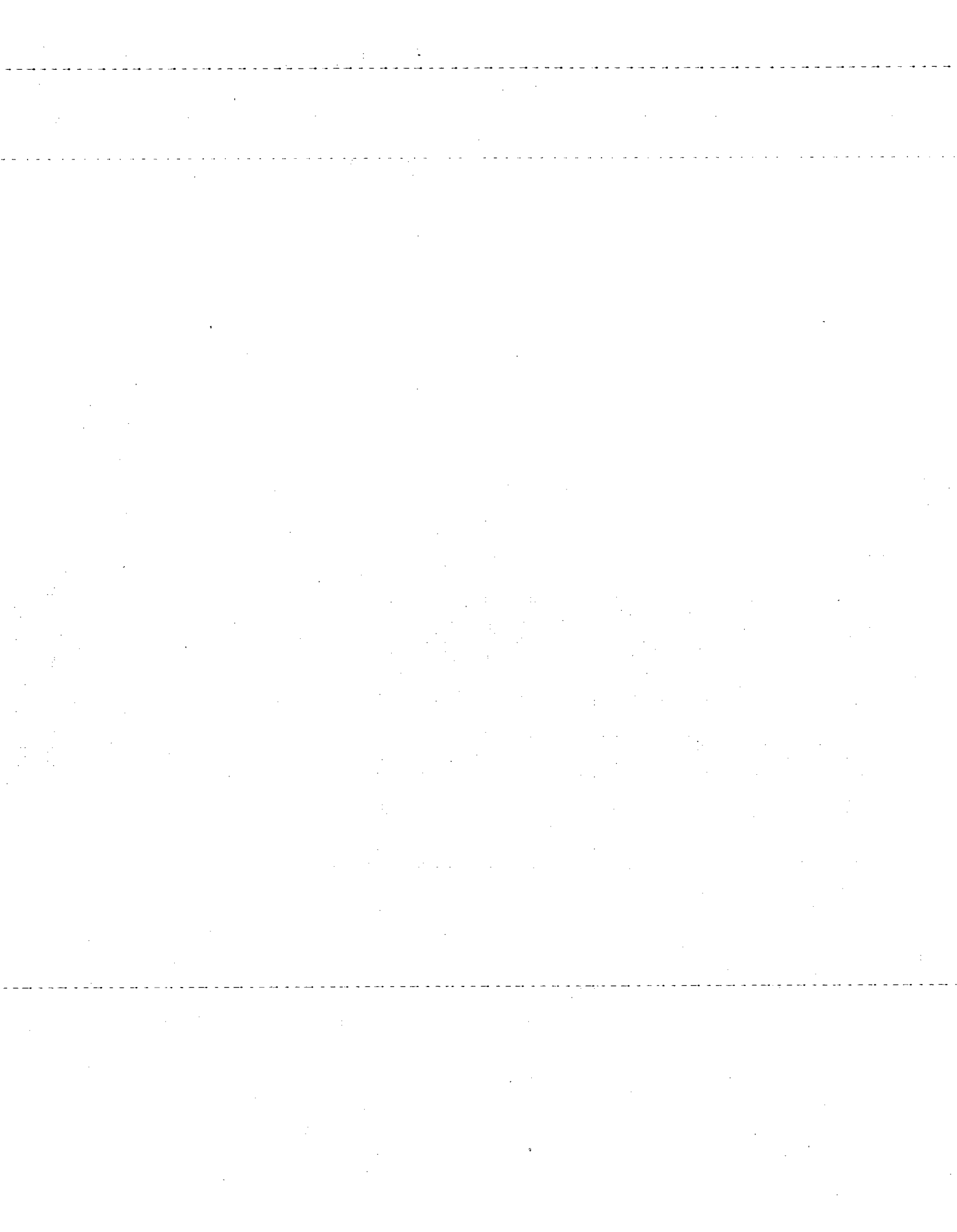




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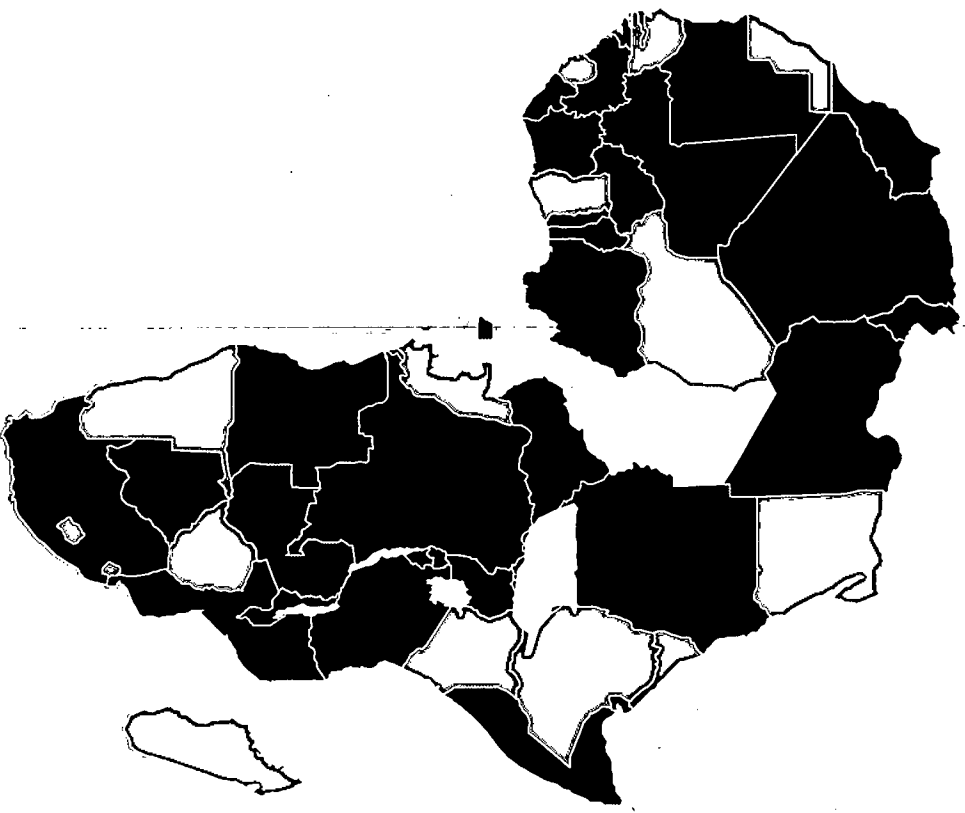
Rwanda- The Land of Thousand Hills



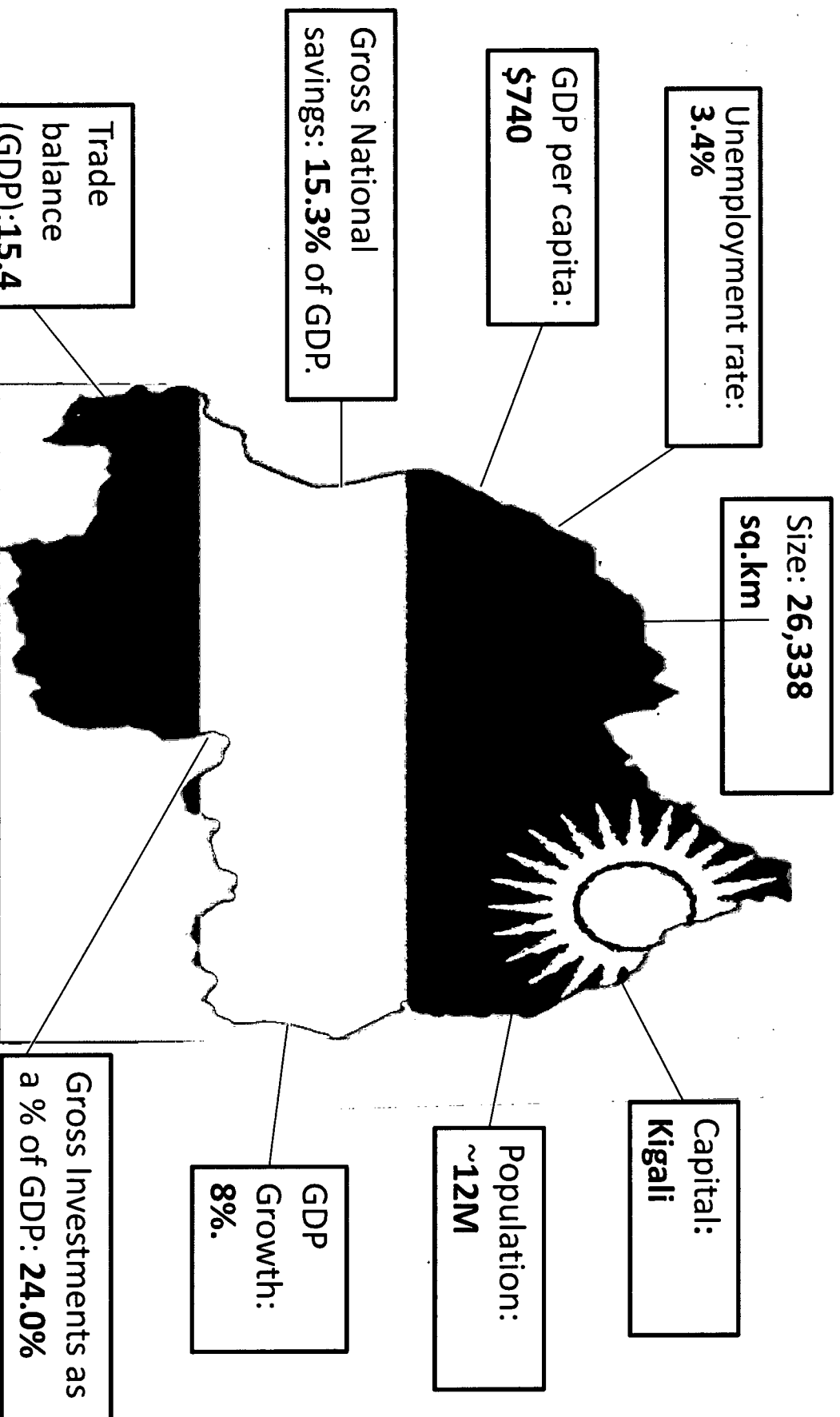
Amb. Mathilde Mukantabana
Ambassador of Rwanda, United States

The Republic Of Rwanda

- A landlocked country located in Central Africa
- Land area - 26, 340 sq. km
- About the size of Maryland
- Population – Over 11 million
- Key economic sectors – Coffee, Tea, Tourism, mining and Service Sector,
- National Language-Kinyarwanda
- Official languages - English, French & Kinyarwanda
- Capital - Kigali



RWANDA: VITAL STATISTICS



RWANDA Today

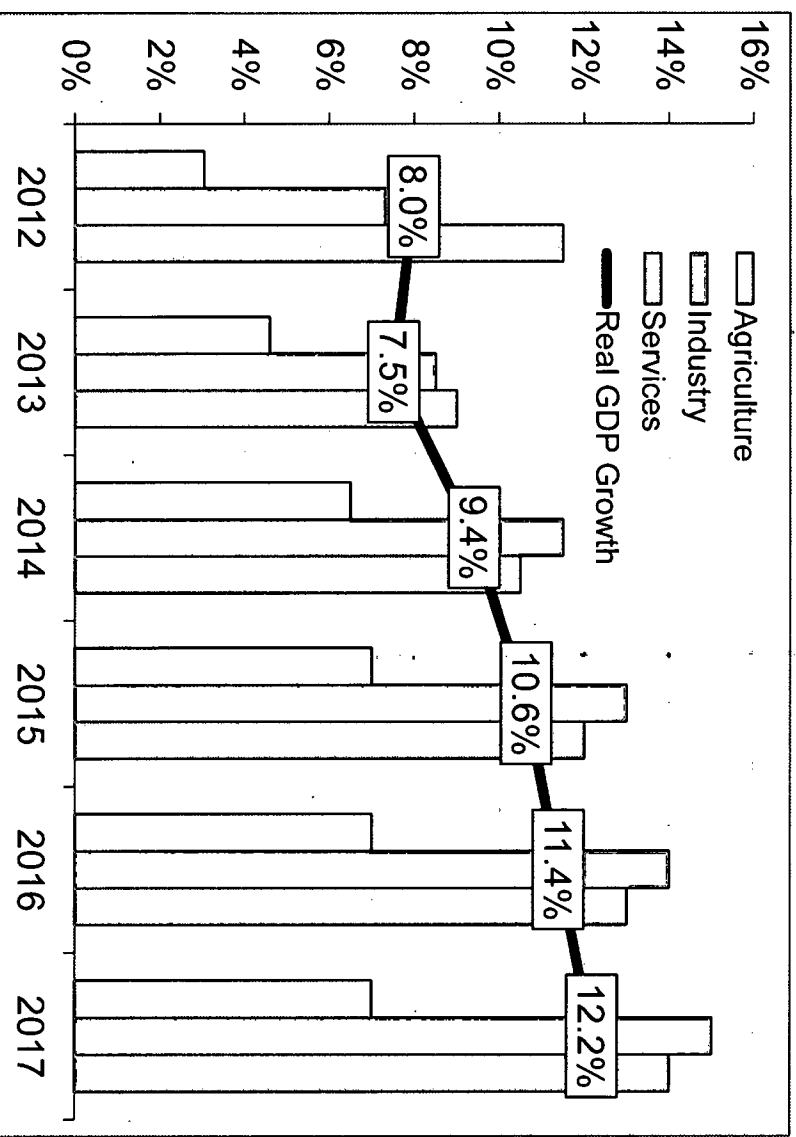
- World Bank Business Doing Report
 - Top performer: listed among the 10 most improved economies in 2015
 - 2nd easiest place to do business in Sub-Saharan Africa
- 1st country in the World to have women outnumber men in parliament (64%)
- Lifted over 1 million people out of poverty over the last 5 years
- One of the few countries in Africa to meet all the Millennium Development Goals (MDG's) by 2015 and hosted SDG Center of Excellence
- the efforts from peacekeeping to peace building
 - Kigali principals
- ...and much more

Rwanda's Vision: A middle income country by 2020

Following 10 years 8% average growth p.a., ambitious targets have been set to meet middle income status by 2020

Targets 2013 - 2020

- **GDP growth = 11.5%**
- **Agriculture = 8.5%**
- **Industry = 14.0%**
- **Services = 13.5%**



Overview of US exports and FDI:

- Rwanda and the US enjoy long-standing commercial ties
 - The US and Rwanda have a trade and investment framework agreement and a bilateral investment treaty signed in 2008.
 - The US was a substantial investor in Rwanda in 2014, 2015 and 2016 with a number of high value investment projects in education, energy and manufacturing.
 - The U.S. exports to Rwanda in the last 7 years were diverse, including machinery and equipment, pharmaceuticals, medical equipment, worn clothing, and cement.
 - U.S. imports from Rwanda under AGOA and GSP are in handcraft products, handbags, macadamia nuts, and clothing among others.

Rwanda's Export to the U.S. (excluding AGOA & GSP)

- Rwanda's export to the US accounts **US\$ 32million from January to November 2017.**
- Largest exports are coffee accounting 45% of total exports in the same period, followed by tin ores and niobium.
- Rwanda exported various products including plants, seed and plants, vegetables and basketwork (*as shown in next slide: table 2*).
- The annual growth rate since 2011 to 2017 is at 22% or US\$32million in 2017 from US\$ 9million in 2011

Rwanda's Export to the U.S. (excluding AGOA & GSP)

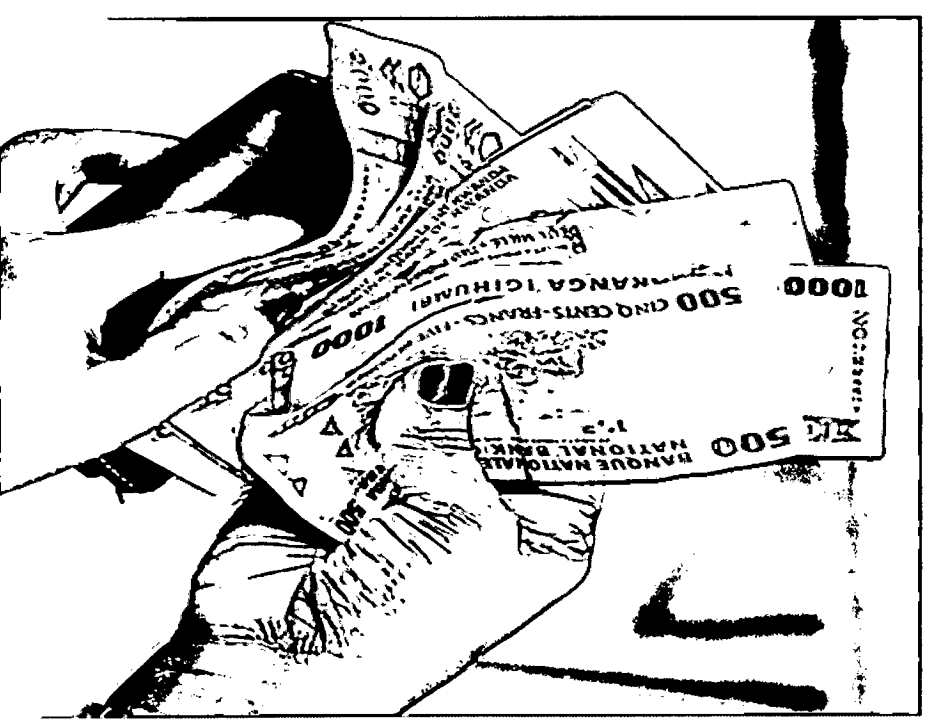
Exports	2011	2012	2013	2014	2015	2016	Jan-Nov 2017
Coffee, not roasted, not decaffeinated	6,810,478	7,017,263	7,445,780	8,204,996	9,651,292	8,976,968	14,931,395
Molibdenum/vanadium ores & concentrates			4,759,366	11,852,334	6,743,705	1,082,939	2,496,265
Plants & parts of plants, incl. seeds & fruits, of a kind used primarily in perfumery/pharmacy/for vegetable saps & extracts (not in 88.03)	2,028,617	2,663,782					313,954
Parts of goods of 88.01/88.02, not in 88.03				3,497,566			
Tungsten ores & concentrates					3,201,385		1,392,690
Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, parts of goods of heading 88.01 or 88.02	22,979	1,531,171		40,133	126,589	1,653,490	1,161,542
Base metal ware, wickerwork & other articles, made directly to shape from vegetable materials	259,875	88,782		263,802	170,425		8,696,969
Other products	647,905	1,353,315	1,677,901	5,745,956	2,127,320	4,323,595	2,858,667
Grand Total	9,769,855	15,583,925	16,957,543	30,696,986	24,031,972	19,829,664	32,874,975

Source: RRA



Rwanda's Import to the U.S. (2010-2017)

- 42 registered investments in Rwanda from the US (total ownership), totaling \$357.2 million and creating 3979 jobs.
- The largest registered investment project was Rwanda University of Global Health Equity in 2015, establishing a world-class health sciences university, to be developed and owned by Partners in Health.
 - Investments are in electricity & gas, Manufacturing- agribusiness and education and almost 80% are now being implemented or operational
 - NB: In addition to the fully owned investments, there are also joint venture investments (US with others countries), totaling \$ 170 million and creating 1,694 jobs.



National AGOA Strategy:

- Rwanda is at a stage of implementing and **effectively utilizing AGOA Strategies**. This through the need to address logistical, marketing, quality and infrastructure constraints.
- The strategic sectors considered are Agricultural products and food stuffs; Leather and leather products; textiles and apparel; extractive natural resource products; and Home and fashion accessories.
- In addition to regional EAC AGOA Strategy, partner states also developed their AGOA response strategies to take advantage offered by AGOA. There are great signs that more investors and more African countries are taking advantage of trade preferences under AGOA. Examples of countries that are taking advantage of the opportunities offered by AGOA namely the U.S. textile conglomerate Phillips Van Heusen that is investing in a \$1 billion industrial park in Ethiopia

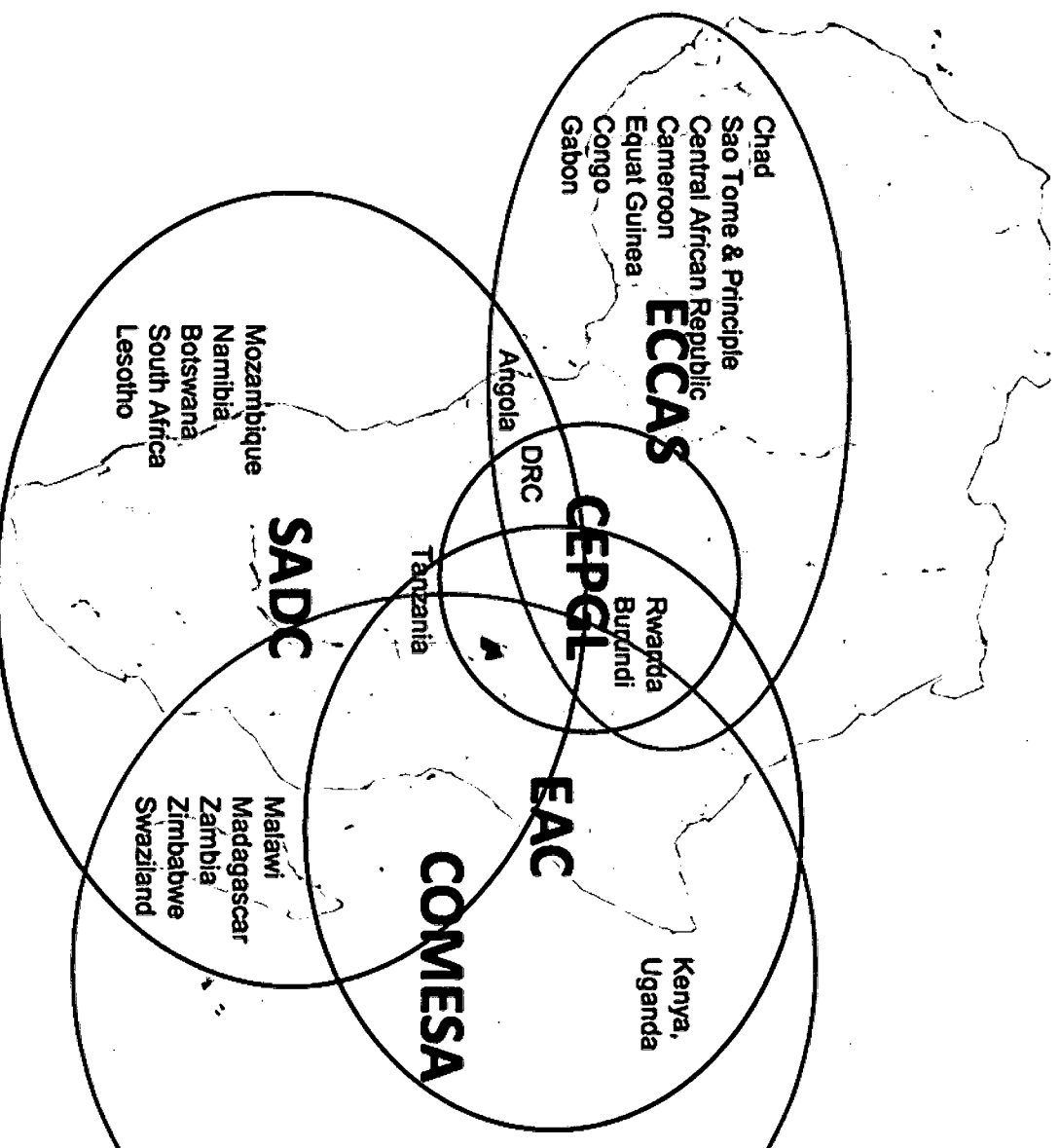
Rwandan Export to the U.S. and Results Under AGOA:

- Exports to the U.S. have increased significantly in 2015 to \$45.6 million from \$21 million in 2010.
 - This leap in export value is especially attributed to the categories of coffee, minerals and other manufacturing products. Nevertheless, this amount is small compared with the exports of other African countries to the U.S.
- Although annual exports of most categories of manufactured products are still less than \$300,000, exports of some items such as handbags, baskets, fashion accessories and apparel products



Africa –Regional Integration

- ▶ **COMESA**
 - GDP – US\$ 550 Billion
 - Population – 390 Million
- ▶ **EAC**
 - GDP – US\$ 110 Billion
 - Population – 143 Million
- ▶ **TFTA (SADC – EAC – COMESA)**
 - GDP – US\$ 1.2 Trillion
 - Population – 600 Million
- ▶ **ECCAS**
 - GDP – US\$ 170 Billion
 - Population – 121 Million



RWANDA –Regional Integration

- Rwanda is performing strongly in the dimensions of:
 - Free movement of persons and financial integration
 - Macroeconomic policy convergence
 - Moderately performing in trade integration, productive integration and infrastructure.
- Challenges
 - Landlocked nature of the countries, (i.e. distance from its major ports (Mombasa and Dar Es Selam)
 - Low, rapidly rising, per capita incomes. In terms of specific policy measures that could boost its performance
- Further Improvements
 - Continuing efforts to upgrade it's the internet infrastructure,
 - Review policy framework to provide greater incentives for Rwandan firms to integrate into regional value-chains.

Thank you





H.E Ambassador Mninwa J. Mahlangu
Oral Submission to the U.S. International
Trade Commission's Public Hearing on
"U.S. Trade and Investment with Sub-
Saharan Africa Investigation"

23 January 2018

09:30 – 11:00

U.S. International Trade Commission in the
Main Hearing Room
500 E Street, SW, Washington, D.C

Good Morning!

Thank you Chairman for the opportunity to appear at this Public Hearing.

At the onset, I would like to discuss the country profile of South Africa.

- South Africa is a developing country with a population of 56.5 million people. It has a young Constitutional democracy (24 years) and has managed to build strong institutions, well-developed infrastructure, and continues to maintain the rule of law.
- South Africa is mainly an exporter of primary products and commodities, which leaves the country vulnerable to global shocks. The key

priority for the country is to industrialise, diversify the productive base and move up the value chain.

- As a young democracy, South Africa also has its challenges. These include an unemployment rate of 27.7% with higher levels of unemployment among the youth. It also has a growing inequality and poverty, as well as a challenge with skills, especially among the youth.
- South Africa has well developed policies that are developed through a participative and transparent process with the aim of promoting inclusive growth and sustainable development.

South Africa is a relatively open economy, accounts for 0.5% of global trade and is only moderately protected by tariffs:

- The simple average MFN applied tariff is 8.0% (down from 23% in the 1990s).
- 56% of duties are set at 0%. 96.6% of tariff lines bound; South Africa replaced all remaining quantitative controls and formula duties with ad valorem duties.
- The South African tariff book consist of 7 743 tariff lines (down from more than 12 000 in the 1990s), which is much lower compared to tariff books of China, the United States, European Union, India, Brazil, Malaysia and Indonesia.
- The services sectors are open: WTO Services commitments are comparable to many OECD

countries and exceed those of other developing countries.

Chairman, secondly, allow me to touch on South Africa – U.S. Trade relations

- In 2016, the U.S. ranked 3rd as an export destination for South African products after China and Germany. Further, the U.S. ranked 3rd as a source of imports.
- Bilateral trade between South Africa and the US has shown tremendous growth in the past few years. Growing from US\$6.6 billion in 2001 to US\$10.4 billion in 2016. South Africa's exports to the US grew from US\$3.5 billion in 2001 to US\$5.5 billion in 2016. Similarly, the US exports to South Africa grew

from US\$3.1 billion in 2001 to US\$4.9 billion in 2016.

- Both exports and imports have recovered beyond their pre-crisis levels in 2008. South Africa enjoyed a trade surplus against the U.S. since 2011 with the exception of 2014 where South Africa experienced a deficit of US\$85 million.
- However, in terms of manufactured exports, the U.S. continues to enjoy a trade surplus. There is therefore a need to continue the focus on changing the structure of trade to more value added products.
- The key factors that underpin the growth in trade include:

- strong industry-to-industry linkages resulting in mutually-beneficial trade relations;
- a conducive investment and business climate;
- leveraging by the US industry of South Africa as one of the gateways to the rest of Africa;
- the regional integration agenda that the African market is embarking on with a view to create a market of over 1 billion people and a GDP of US\$ 2.6 trillion and addresses the challenges of small and fragmented markets, a growing middle class and functional regional integration arrangements such as the SADC FTA that shows political will among others.

Turning to South Africa – U.S. Investment relations

- Bilateral direct investments between South Africa and the United States increased by more than 100% from US\$13.7 billion in 2012 to about US\$16.8 billion in 2016. Total bilateral investment (FDI, portfolio and other investments) stood at US\$172 billion in 2016.
- South Africa has invested in the U.S. contributing to the creation of jobs and productive capacity. South African company SASOL is building US\$11 billion plant in Lake Charles in Louisiana. Another South African company Sibanye Gold made US\$2.2 billion purchase of Stillwater Mine in Colorado.

➤The U.S. remains of one of key investors in South Africa, with an estimate suggesting that there are over 800 U.S. companies doing business in South Africa.

Chairman, the African Growth and Opportunity Act (AGOA) has been the cornerstone of the Sub-Saharan Africa – United States commercial relations and has generated tremendous goodwill for the U.S. in the continent.

➤For South Africa, AGOA underpins strong and growing mutually beneficial trade and investment relationship between South Africa and the U.S.

- AGOA enabled South Africa to increase exports of value-added products to the United States, thereby contributing positively toward our national imperatives to boost industrialization and create jobs.
- AGOA promotes intra-African trade and industrialization that in turn promotes the development of regional value chains. For South Africa, we have seen regional value chains developing in sectors such as textile and clothing and also in the automotive sector.
- AGOA has also promoted the development of intra-industry linkages between the South Africa and the U.S. in the manufacturing and agriculture sector.

- In most sectors, South Africa's exports to the U.S. account for less than 1% of total US imports, thus South Africa's exports do not pose a threat to the U.S. industry and jobs especially given the fact that our production seasons are different. It is therefore important to consider exemption of South Africa to actions that the U.S. plans to take for national security reasons to protect U.S. jobs.
- Further, the US Chamber indicated that 86% of exports to the U.S. by African countries still consist of petroleum. Even for South Africa, a significant portion of our exports (40%) are still commodities.
- Sub-Saharan Africa exports to the United States under AGOA including the Generalised

System of Preferences (GSP) have declined in recent years to the level below 2001.

- The decline in exports can be attributed largely to the decrease in commodity prices, as well as the fact that the US is now self-sufficient in shale gas. This is a clear demonstration of Africa's vulnerability to relying on exports of primary products.
- In 2016, of the 1 835 tariff lines under AGOA, South Africa utilised only 240 tariff lines, which is equivalent to 13% utilization rate. Similarly, South Africa utilised 537 of the 3400 tariff lines available duty-free under GSP for developing countries, which translated to 15% utilization rate.
- Sub-Saharan African countries (inclusive of South Africa) utilised 535 tariff lines under

AGOA and 693 tariff lines under GSP for developing countries, which translated into a utilization rate of 29% and 20%, respectively.

➤ Therefore, this strengthens the need for Africa to industrialise and attract investments in productive sectors. The key challenge for many African countries in accessing global markets is not necessarily tariffs as can be seen from the low utilisation rate of AGOA but mainly lack of productive capacity and supply-side constraints.

➤ In order to increase the utilization of AGOA, South Africa has established targeted engagements with key exporters to the US market to understand the challenges in accessing the US market. Engagements are also held with the Export Councils, and the

Provincial Trade Promotion Agencies to create awareness of opportunities presented by AGOA. South Africa is in the process of developing the AGOA Utilisation Strategy.

➤The key challenges identified by exporters include the ability to meet the US standards. Further information on challenges will be elaborated on in the written statement.

Finally the African Continent is pursuing the development integration agenda that combines market integration (through the negotiation of free trade areas such as the Tripartite free trade agreement between (COMESA, EAC and SADC) and the Continental FTA), industrial and infrastructure development. This offers opportunities for collaboration between the U.S.

and the Continent in a more mutually beneficial and strategic way, especially on industrial and infrastructure development with opportunities for increasing US investments in key sectors of the economy. The trade negotiations currently under way are aimed at improving African prospects for attracting investment by addressing the issues of small and fragmented markets.

Thank you!

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Testimony by Paul Ryberg President, African Coalition for Trade January 23, 2018 ITC Hearing on Recent Developments in U.S.-Africa Trade and Investment Investigation No. 332-564

Thank you, Chairman Schmittlein and Members of Commission, for the opportunity to present the views of the African Coalition for Trade (ACT) on recent developments in the U.S.-Africa trade and investment relationship. ACT is a non-profit trade association of African private sector entities engaged in trade with the United States under the African Growth and Opportunity Act (AGOA). Because our members are actively doing business under AGOA, they have first-hand knowledge of what has worked well under AGOA and what is necessary to make the U.S.-Africa trade and investment relationship continue to succeed in the future.

I. AGOA Has Been a Success for Both Africa and the U.S.

A. U.S. Imports under AGOA Have Fallen, but Trade in Non-Extractive Products Remains Stable.

As part of the policy deliberations that led up to the renewal of AGOA in June 2015, the U.S. International Trade Commission (ITC) conducted an investigation into AGOA and issued a series of reports, one of which was made public. According to the 2015 ITC report, U.S. imports under AGOA increased 132% to \$38 billion from the enactment of AGOA in 2000 to 2013. Table No. 1 updates that data through 2016 (which is the most recent year for which full trade data is available), showing a -48% drop in U.S. imports of all products from the AGOA countries, falling from \$38.3 billion in 2013 to \$20.1 billion in 2016. At the same time, U.S. exports to Africa also declined by -45% to \$12.0 billion in 2016. Total U.S.-Africa trade, therefore, declined by -47% to \$32.1 billion. The U.S. trade deficit with the AGOA countries in all products fell by -52% from -\$16.6 billion in 2013 to -\$8.0 billion in 2016.

But in assessing AGOA's impact, I usually disregard trade in extractive products, by which I mean petroleum products, minerals and precious metals, because trade in those products would have occurred even if AGOA had never been enacted. Moreover, swings in commodity prices can distort the volume of trade in such products.¹ Accordingly, I prefer to focus on the development of trade in non-extractive products as a better barometer of what AGOA has achieved.

Table No. 2 demonstrates changes in U.S.-Africa trade flows of non-extractive products since 2013. U.S. imports of non-extractive products from the AGOA countries have been remarkably stable, averaging

¹ For example, as illustrated in Table No. 1, nominal U.S. imports from Africa plunged by -60%, as measured by dollar value, from 2012 to 2015. But as demonstrated by Table No. 2, this decline was due in large part to the drop petroleum imports. Measured by value, petroleum imports from Africa fell by -77% from 2012 to 2015. But measured by volume in barrels, the drop was much smaller, only -40%. The difference was due to falling crude oil prices.

about \$11.6 billion annually. At the same time, non-extractive products as a share of total imports have increased from 30% in 2013 to 58% in 2016 due to the decline in extractive product imports.

According to the 2015 ITC report, the major non-extractive product imports in 2013 were: agricultural and food products, motor vehicles and apparel. As shown in Table No. 4, these same products continued to represent the major non-extractive exports to the United States under AGOA in 2016:

Agricultural products:	up 41% to \$2.3 billion;
Automobiles:	down -28% but still worth \$1.6 billion; and
Apparel:	up 16% to 1.03 billion.

AGOA's trade benefits have been widespread. ITC data indicates that all eligible AGOA beneficiaries actually took advantage of AGOA and exported to the United States in 2016. Eighteen of those eligible countries each exported more than \$100 million to the United States in 2016, with the top 10 exporters of non-extractive products being: South Africa, Cote d'Ivoire, Kenya, Madagascar, Mauritius, Ghana, Lesotho, Ethiopia, Tanzania, Cameroon, Mozambique, Namibia, and Malawi. Literally hundreds of thousands of direct jobs and millions of indirect jobs have been created in Africa by AGOA.

B. The United States Maintains a Trade Surplus with Africa in Non-Extractive Products.

Of course, AGOA is a unilateral trade preference program, not a reciprocal trade arrangement. But the benefits of increased trade under AGOA are in fact a two-way street, benefiting both the United States and Africa. During 2000-14, U.S. exports to Africa grew by 380% from \$5.6 billion to \$25.4 billion. In 2014, U.S.-Africa trade was in equilibrium (at least temporarily), with the United States importing \$25.6 billion from Africa and exporting \$25.4 billion to Africa. Since 2014, U.S. exports to Africa have declined, but imports from Africa have also declined. As shown in Table No. 3, the United States has run a consistent trade surplus with the AGOA countries in non-extractive product imports. In 2016, that trade surplus amounted to \$480 million, but it had reached as high as almost \$11 billion in 2014.

The major products regularly exported by the United States to Africa are: heavy equipment, aircraft and aircraft parts, motor vehicles, refined oil, food products, and electrical equipment.

Major U.S. Exports to Africa (\$ million)

	2016 Exports	% of Total Exports
Heavy Equipment	\$3,141	19%
Aircraft and Parts	\$2,533	15%
Motor Vehicles	\$2,051	12%
Refined Oil	\$1,428	9%
Food Products	\$1,400	8%
Electrical Equipment	\$751	5%

In short, the United States is already benefiting from the two-way trade being spurred by AGOA, and literally tens of thousands of U.S. jobs are dependent upon AGOA trade.

II. Recent Developments in AGOA Apparel Trade.

The majority of ACT's members are engaged in apparel production and trade, so I would like to focus on that sector in particular. As noted above, U.S. apparel imports under AGOA increased by 16% from 2013 to 2016, reaching \$1.03 billion. In fact, the picture surrounding apparel trade under AGOA is much more complicated. U.S. apparel imports from Africa nearly tripled during AGOA's first four years, but following the expiration of the Multi-Fiber Arrangement (MFA) in 2005, dropped by 50% for the period 2005-2010. Since 2010, however, AGOA apparel trade has begun to recover, increasing by 30% from \$789 million in 2010 to \$1.03 billion in 2016.

In the early days of AGOA, apparel made from cotton yarn and/or fabric constituted the majority of AGOA apparel trade. In the past few years, however, imports of apparel made from man-made fiber (MMF) have increased significantly and now are larger than cotton products. This shift is being driven by the fact that duties on MMF apparel are typically twice as large as those on cotton garments. Because of this major duty saving, it is likely that the shift to MMF production will continue.

Cotton vs. MMF Apparel Imports from Africa
(\$ million)

	2015	2016	Year Ending 11/2017	% Change
Cotton Apparel Imports	\$571.5	\$525.1	\$495.4	-13%
MMF Apparel Imports	\$486.0	\$497.8	\$541.9	+12%

Virtually since the enactment of AGOA in 2000, apparel imports from six beneficiaries – Lesotho, Kenya, Madagascar, Swaziland, Mauritius, and South Africa – had been head-and-shoulders greater than the next largest AGOA producer. The end of the MFA in 2005, however, produced major changes. Apparel imports from South Africa have fallen so dramatically – a ruinous drop of more than -92% in 11 years – that Ethiopia, Ghana and Tanzania all passed South Africa among the top AGOA apparel exporters.

With the suspension of Swaziland's AGOA eligibility effective January 1, 2015, apparel imports from Swaziland were negligible during 2015-16 and disappeared completely in 2017. Swaziland's AGOA eligibility was reinstated effective January 1, 2018. It is likely, therefore, that apparel imports from Swaziland will resume later this year, but probably not for the first several months of the new year because of the lead time necessary for orders to be placed, production to occur, shipment, etc.

Apparel imports from Mauritius were also hit quite hard by the end of the MFA, falling by more than half during 2005-08. Since Mauritius was made eligible under the AGOA third-country fabric provision in 2008, however, apparel imports from Mauritius have staged a recovery. In 2014, apparel imports from Mauritius were up 14.1% over 2013, and had remained basically stable through 2015-2016. More recently, however, apparel imports from Mauritius were down -23.89% by volume, and -27.32% by value during January-October 2017. It is not clear what has prompted this recent slide in apparel imports from Mauritius. Ethiopia passed Mauritius in the volume of its apparel exports during January-October 2017, but measured by value, Mauritius exports several times as much as Ethiopia.

With the reinstatement of Swaziland's AGOA eligibility, a total of 30 AGOA beneficiaries now have approved AGOA apparel visa systems, qualifying them for duty-free access to the U.S. market: Benin, Botswana, Burkina Faso, Cameroon, Cape Verde, Chad, Cote d'Ivoire, Ethiopia, Ghana, Guinea, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Uganda and Zambia.

Ten of these AGOA visa holders exported significant volumes of apparel to the United States during January-November 2017: Botswana, Ethiopia, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mauritius, South Africa, and Tanzania. Together, these ten countries accounted for over 98% of total U.S. apparel imports from Africa. Apparel imports from these ten countries increased by 3.30% during January-November 2017, as measured by volume in sme, and 1.52% by value.

Country	Jan.-Nov. 2016		Jan.-Nov. 2017		% Growth	
	msme	\$ million	msme	\$ million	msme	\$ million
Botswana	0.917	\$4.273	0.185	\$0.993	-79.88%	-76.77%
Ethiopia	14.800	\$29.732	21.327	\$47.317	44.10%	59.15%
Ghana	2.814	\$5.967	3.141	\$7.239	11.60%	21.31%
Kenya	87.405	\$312.322	85.350	\$313.636	-2.35%	0.42%
Lesotho	61.601	\$269.834	59.032	\$261.860	-4.17%	-2.96%
Madagascar	27.698	\$93.783	39.910	\$144.064	44.09%	53.61%
Malawi	0.330	\$1.269	0.132	\$0.323	-59.89%	-74.57%
Mauritius	26.605	\$185.530	20.672	\$138.204	-22.30%	-25.51%
South Africa	0.871	\$6.694	0.712	\$5.662	-18.22%	-15.42%
Swaziland	0.224	\$0.073	0.000	\$0.000	-100.00%	-100.00%
Tanzania	14.612	\$33.649	14.590	\$37.243	-0.15%	10.68%
Subtotal of 10 Visa Countries	237.877	\$943.126	245.051	\$956.541	3.02%	1.42%
Rest of Africa	0.818	\$2.860	1.517	\$3.801	85.45%	32.90%
Total	238.695	\$945.986	246.568	\$960.342	3.30%	1.52%

III. AGOA's Accomplishments Need To Be Solidified in Permanent FTAs.

From the foregoing, it is clear that AGOA has worked and is a success story. The 10-year extension of AGOA through September 30, 2025, by the Trade Preferences Extension Act of 2015, H.R. 1295, Pub. L. 114-27, laid the foundation for AGOA's continued success. Although AGOA has been in effect for 15 years, it had never before enjoyed more than a five-year future on a prospective basis. Instead, AGOA in the past had been renewed for a series of short terms, which has handicapped the ability to attract major investments, requiring at least 10 years to be amortized.

Accordingly, there was legitimate reason for optimism that the stage had been set for truly transformative change last year when Congress renewed AGOA for 10 years. But for transformative change to be achieved, it is essential that the Administration expeditiously explore and decide upon the type of trade arrangement to succeed AGOA in 2025. Ten years may seem like a long time, but in the context of planning investment and sourcing strategies, it will pass like the blink of an eye. Indeed, there are now only seven and one-half years left until the current authorization of AGOA will expire, and little if anything has been done during the two and one-half years since AGOA was extended to define what the future of U.S.-Africa trade will be post-2025. Now is the time to define what sort of trade relationship will be put in place to succeed AGOA after 2025.

This is especially true if the Administration decides to transition AGOA from non-reciprocal unilateral trade preferences to reciprocal free trade agreements (FTAs). It usually takes years, not months, to negotiate FTAs. In addition, because the development of U.S.-Africa trade over the past 17 years has been based on the terms of access and rules of origin of AGOA, it is critical that the provisions contained in future FTAs should be no less beneficial than the terms of AGOA, including in particular the third-country fabric rule of origin, which accounts for 90% of AGOA apparel trade.

Finally, FTA negotiations would also provide an opportunity to address a shortcoming in the AGOA rules of origin concerning canned tuna. Africa has a small but successful tuna canning industry that provides jobs to thousands of workers, especially women, in Ghana, Kenya, Madagascar, Mauritius, and Senegal. Unfortunately, it is nearly impossible for tuna canned in Africa to meet the AGOA 35% value added rule of origin, which is largely determined by the flag of the vessel that catches the fish, rather than the nation where the fish is processed and canned. Seychelles was the only AGOA country with a commercial tuna fleet, but with the graduation of Seychelles, the other AGOA beneficiaries have lost their primary source for originating tuna. Relaxing the rule of origin under a future FTA to allow the use of "non-originating" tuna (perhaps under a TRQ or cap) that is processed and canned in Africa would create more trade opportunities and jobs on the continent. Africa already exports canned tuna to the EU under more flexible rules of origin that permit use of a limited amount of "non-originating" tuna.

IV. Conclusion.

The members of ACT who actually do business under AGOA believe it has worked well, and they are optimistic that its 10-year extension last year will create major opportunities to attract new investment, thereby enabling AGOA to achieve its full potential. To ensure this happens, ACT's members believe that prompt initiation of FTA negotiations between the United States and those AGOA countries that are ready and willing to do so is the only practical way to maintain and expand the success that AGOA has achieved so far.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Paul Ryberg". The signature is fluid and cursive, with the first name "Paul" and last name "Ryberg" clearly distinguishable.

Paul Ryberg
President

Table No. 1: U.S.-Africa Trade Balance in All Products
(\$ million)

	2010	2011	2012	2013	2014	2015	2016	2017 (Jan- Nov)	% Change 2010-16	% Change 2013-16
U.S. Imports	\$61,387	\$72,395	\$47,495	\$38,322	\$25,484	\$19,128	\$20,058	\$22,433	-67%	-48%
U.S. Exports	\$15,863	\$19,688	\$20,831	\$21,720	\$22,951	\$16,433	\$12,026	\$11,564	-24%	-45%
Total 2- Way Trade	\$77,250	\$92,083	\$68,326	\$60,062	\$48,435	\$35,561	\$32,084	\$33,997	-58%	-47%
U.S. Trade Balance	-\$45,523	-\$52,707	-\$26,664	-\$16,602	-\$2,533	-\$2,695	-\$8,031	-\$10,869	-82%	-52%

Source: U.S. ITC Dataweb

Table No. 2: U.S. Imports of Non-Extractive Products
(\$ million)

	2010	2011	2012	2013	2014	2015	2016	2017 (Jan-Nov)	% Change 2010-16	% Change 2013-16
Total U.S. Imports	\$61,387	\$72,395	\$47,495	\$38,322	\$25,484	\$19,128	\$20,058	\$22,433	-67%	-48%
HTS 26 Ores	\$671	\$79	\$936	\$961	\$802	\$647	\$488	\$549	-27%	-49%
HTS 27 Petroleum	\$48,918	\$57,994	\$34,733	\$25,645	\$12,407	\$6,975	\$7,871	\$10,011	-84%	-69%
HTS 28 Precious Metals	\$244	\$5346	\$261	\$242	\$205	\$218	\$153	\$144	-41%	-37%
Non- Extractive Imports	\$11,554	\$13,265	\$11,565	\$11,474	\$12,070	\$11,288	\$11,546	\$11,729	-0.07%	+0.6%
% of Total	19%	18%	24%	30%	47%	59%	58%	52%		

Source: U.S. ITC Dataweb

Table No. 3: U.S.-Africa Trade Balance in Non-Extractive Products
(\$ million)

	2010	2011	2012	2013	2014	2015	2016	2017 (Jan- Nov)	% Change 2010-16	% Change 2013-16
U.S. Non- Extractive Imports	\$11,554	\$13,265	\$11,565	\$11,474	\$12,070	\$11,288	\$11,546	\$11,729	-0.07%	+0.6%
U.S. Exports	\$15,863	\$19,688	\$20,831	\$21,720	\$22,951	\$16,433	\$12,026	\$11,564	-24%	-45%
U.S. Trade Balance	+\$4,309	+\$6,423	+\$9,266	+\$10,246	+\$10,881	+\$5,145	+\$480	-\$165	-89%	-95%

Source: U.S. ITC Dataweb

Table No. 4: Major Non-Extractive Product Imports
(\$ million)

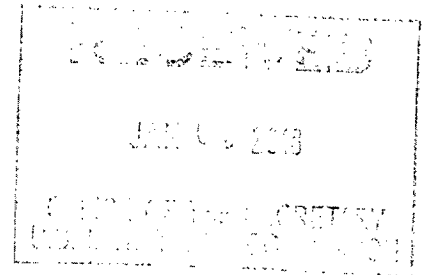
	2013 Imports	% of Total Non- Extractive Imports	2016 Imports	% of Total Non- Extractive Imports	% Change
Agricultural and Food Products	\$1,599	14%	\$2,256	19%	+41%
Automobiles	\$2,195	19%	\$1,582	13%	-28%
Apparel	\$888	8%	\$1,028	9%	+16%
Rubber and Rubber Products	\$262	2%	\$143	1%	-45%
Seafood	\$96	<1%	\$88	<1%	-8%

Source: U.S. ITC Dataweb

In the Matter of: Section 332 Investigation: U.S. Trade and Investment with Sub-Saharan Africa: Recent Developments

**Testimony of
Lawrence Lieberman
President, Boston Agrex, Inc.
On Behalf of USA Poultry & Egg Export Council
and
The National Chicken Council**

**U.S. International Trade Commission
500 E Street, SW
Washington, D.C.
Tuesday, January 14, 2014**



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Mr. Chairman and Ladies and Gentlemen Commissioners:

Thank you for the opportunity to participate in today's hearing. My name is Larry Lieberman. I am the President of Boston Agrex, Inc., a food distribution and trading company headquartered in Norwell, Massachusetts. I have been involved in the poultry and agricultural trade business for 45 years, beginning in 1973 as a sales manager for a poultry company in Pennsylvania. In 1981, I founded Boston Agrex and, over the years, my company has been actively involved in exporting U.S. poultry products to many international destinations and, in particular, to South Africa. My company has long been a member of USA Poultry & Egg Export Council (USAPEEC), the national association headquartered in Stone Mountain, Georgia that represents the export side of the U.S. poultry and egg industries. I have served as the Chairman of USAPEEC's Market Development Committee, and as a Member of USAPEEC's Executive Committee. In 2004-05, I was USAPEEC's Industry Chairman. I hold a Bachelor of Arts degree in Philosophy from Boston College.

I appear here today on my own behalf and on behalf of Boston Agrex. But I have been authorized to say that the views expressed in my testimony also represent those of USA Poultry & Egg Export Council (USAPEEC) and the National Chicken Council (NCC). USAPEEC has more than 200 member companies involved in export trade including chicken, turkey and egg producers; trading companies; freight forwarders; shipping companies; cold storage facilities; and port authorities. USAPEEC member companies represents approximately 90 percent of all U.S. poultry and egg exports. A number of USAPEEC Member companies are, like my own company, SMEs.

NCC is the national association, headquartered in Washington, D.C., that represents the companies that produce/process over 95 percent of the chicken in the United States.

With me today is Kevin J. Brosch, a lawyer specializing in international trade law who has served for the past eighteen years as consultant to USAPEEC. Mr. Brosch was actively involved in the U.S. poultry industry's efforts to reopen the

South African market as part of the African Growth Opportunity Act (AGOA) renewal process several years ago, and has previously appeared before this Commission on behalf of USAPEEC and NCC.

I will focus my comments specifically on two issues of interest that the Commission identified in its Notice of November 22, 2017, where I believe Boston Agrex's experiences will prove helpful to the Commission. First, I will explain why U.S. poultry is an export sector that potentially has great opportunities in South Africa, the country with which I have had the most experience and in which my company has been trading for more than 25 years; and also in other Sub-Saharan Africa (SSA) countries. Second, I will describe the challenges that Boston Agrex has faced – which I believe are representative of those faced by most, if not all, small or medium-sized enterprises -- in exporting to South Africa. I will also be addressing the challenges our industry faces in two other SSA countries, Nigeria and Kenya, of which I am aware based on my participation in USAPEEC.

1. U.S. Competitiveness in Poultry Trade, and Sub-Saharan Africa's Potential for U.S. Poultry Exports.

The U.S. poultry industry has perennially been among America's most important and successful production and export sectors. In 2016, the U.S. industry produced 8.8 billion broiler chickens, weighing 54 billion pounds, live weight; and nearly 41 billion pounds of chicken product were marketed. In addition, U.S. poultry production includes nearly 6.0 billion pounds of turkey, approximately 102 billion eggs, and about 136 million pounds of duck.

In 2016, the most recent year for which full data is available, U.S. chicken production value was \$26 billion; turkey \$6.2 billion; and eggs, \$6.5 billion. The poultry industry employs more than 300,000 U.S. workers directly, and more than 1.4 million jobs in the U.S. economy are related to poultry. Poultry is vital to our farm economy. Annually, U.S. poultry consumes more than 52 million MT of the U.S. corn crop, and more than 27 million MT of U.S. soybean production.

Poultry exports are among the most important of all U.S. agricultural exports. In

2016, the most recent year for which full statistics are available, U.S. poultry exports were more than 3.6 million metric tons, with an export value of nearly \$3.9 billion, to more than 100 countries. And, these figures undoubtedly understate the potential for U.S. poultry export because 2016 was year in which the U.S. experienced an outbreak of highly pathogenic avian influenza (HPAI) that limited our ability to export. In 2015, the year before the HPAI outbreak, annual poultry exports were around 4.1 million MT, with an export value of \$5.5 billion per annum, and most observers consider 2015 to be more representative of the trajectory for U.S. poultry exports.

The U.S. is the top broiler producer in the world, followed by Brazil, China, EU-28, and India (Figure 1). In 2016, U.S. broiler production was about 18.3 million MT, accounting for 20.5 percent of world total production, according to USDA. The U.S. is the second largest exporter of chicken products in the world (behind Brazil), followed by EU-28, Thailand, China, Argentina, Ukraine, and Canada. In 2016, U.S. chicken exports were 3.23 million MT, accounting for 27.2 percent of world total exports of chicken products.

The U.S. is also the top turkey producer in the world, followed by EU-28, Brazil, Canada, and Chile (Figure 1). U.S. annual turkey production fluctuated around 2.7 million MT in 2016, accounting for 45 percent of world total turkey production, according to FAO. The U.S. is the top turkey exporter in the world, followed by EU-28, Brazil, Chile, and Canada. In 2016, U.S. turkey exports were 233,202 MT, accounting for 37.7 percent of world total turkey exports.

The U.S. is the third largest egg producers in the world (behind China and EU-28), followed by India and Mexico. U.S. hen egg production in 2016 was 6,037,552 MT, accounting for 8.2 percent of world total hen egg, according to FAO statistics. The U.S. the third largest egg exporter in the world (behind EU-28 and Turkey), followed by China, Malaysia and India. In 2016, U.S. egg exports were \$203 million, accounting for 13.9 percent of world total egg export sales.

In short, the United States is the most advanced, diverse and economically efficient producer and exporter of poultry and egg products in the world, and has

significant competitive advantage in an open marketplace. Sub-Saharan Africa presents an important future opportunity because, although SSA countries are, in general, much less prosperous than their counterparts in the developed world, they are countries with significant populations and slowly increasing middle classes. The current per-capita consumption of poultry products in these countries is very low, and poultry represents the lowest-cost and most economically efficient source of protein for improving the diets of SSA citizens.

We have already begun to tap that potential market since the passage of AGOA. U.S. poultry exports to Sub-Saharan Africa were less than 60,000 MT prior to 2000 (Figure 3). Since AGOA became law in 2000, U.S. poultry exports to SSAs have increased fairly constantly, with somewhat more rapid increases since 2010. Specifically, U.S. poultry exports to SSA grew from 59,800 MT in 2000 to 170,300 MT in 2009, an average annual increase of 12.3 percent; and then increased further from 170,300 MT in 2009 to 471,500 MT in 2014, an average annual growth of 22.6 percent. Exports to SSA in 2016 declined to 357,300, due to the aforementioned HPAI issues. U.S. poultry exports to SSA in 2017 are expected to show increases by more than 30 percent over the 2016 results.

Despite this improvement generally in SSA export trade, we have not done particularly well in three very important and populous markets – South Africa, Nigeria, or Kenya. Collectively, these three countries represent a total population of nearly 300 million people. Currently, the middle class population of Sub-Saharan Africa is estimated to be approximately 120 million, but it is predicted that the middle class will grow to 212 million by 2030. We know from decades of past experience, that when poor people enter the middle class, they spend their newly acquired income first on improving their diets, and in particular, with additional protein. We have already seen this beginning in SSA since the beginning of the AGOA period, and we can expect that demand for low-priced poultry protein should increase as SSA economies improve.

A comparison of the situation in South Africa, which has always been the most advanced economy in the region, with the situations in the other less-developed SSAs make this point clearly. South Africa currently had a per capita GDP of approximately US\$7,727 in 2016 and the most significant middle class population, now consumes approximately 30 kg of poultry per person annually, an amount almost as great as the average consumption figures for Europe and the United States. By contrast during the same period, Nigeria's reported per capita poultry consumption is only 1.1 kg, and Kenya's is only 0.6 kgs. In my view, these official numbers probably understate the actual consumption for reasons that I will discuss later. But, in any case, there is clearly tremendous potential for low-cost, high-quality U.S. poultry products in these markets as their middle classes grow

2. Challenges Faced by SMEs in Exporting Poultry – Dealing with Blatantly Unfair Antidumping Cases and Other Non-Tariff Barriers.

A. The Unfair Antidumping Case in South Africa

Boston Agrex was an early U.S. poultry industry entrant into the South African market after the apartheid era ended. President George H.W. Bush lifted U.S. economic sanctions in July 1991 and the new South African Government of National Unity led by Nelson Mandela was formed. Between 1991 and 1999, prior to the time that South Africa launched an antidumping investigation of U.S. poultry imports, Boston Agrex became the leading exporter of U.S. chicken to South Africa. By the end of that period, Boston Agrex accounted for approximately 55% of the export volume from the U.S. to South Africa. The primary poultry products that we initially exported to South Africa were chicken leg quarters and other dark meat portions, our most competitive products. Then, in 1999, the domestic poultry producers association in South Africa filed an antidumping petition against U.S. poultry imports, and South African authorities launched an investigation.

Let me make it very clear that U.S. poultry is not “dumped” in South Africa or in any other export market. There would be absolutely no reason for my company, or for

any other U.S. food distributor, to sell poultry in an export market at a price less than we could get in the domestic U.S. market. Under international law standards, the primary and preferred method of determining whether a product is dumped is to compare the price of the product sold at export with the price of comparable product sold in the home market of the exporter. Had South Africa applied this common method, there would have been no determination of dumping. U.S. poultry exporters do not sell their products at export for less than the U.S. price for the simple and economically rational reason that, if they can get the same or a higher price in the U.S. market, they will do so and will incur far less cost. As a result, neither South Africa nor any other country has ever initiated an antidumping investigation against U.S. poultry using the ordinary "home market price" legal theory.

Under limited and special circumstances -- *i.e.*, where there are insufficient home market sales (usually less than 5% of all production) of a product to warrant price-to-price comparison -- international law standards permit antidumping cases to be determined on the basis of cost of production analysis. But it has certainly never been the case that there have been insufficient home market sales of U.S. poultry products to prevent comparison on a price-to-price basis. The majority of all U.S. poultry products -- including chicken leg quarters and other dark meat portions, our most common export products -- are sold and consumed here in the United States. So South Africa's decision to pursue its antidumping investigation on a cost of production theory was entirely unjustified because there was more than sufficient home market sales of chicken leg quarters and other chicken products to make direct price comparison available.

To make matters worse, South Africa not only departed from the ordinary price-to-price method of evaluation in favor of cost of production, but it also concocted an economically irrational theory known as "weighted cost of production." Under this theory, all parts of a meat animal are assumed to have the same value by weight, even if the market demand for the various parts -- and therefore the market prices of those different parts -- are radically different. If

weighted cost of production were applied to the beef sector, for example, it would assume that filet mignon and hamburger were of equal value by weight; if it were applied to the pork sector, it would assume that pork loin and pigs' feet had equal value by weight.

This is, of course, sheer nonsense. Not all parts of an animal have equal value by weight in the marketplace, and that is as true of poultry meat as it is of beef or pork. Filet mignon has always been worth more than hamburger; and pork loin has always been worth more than pigs' feet. Historically, breast meat and chicken wings have been higher-valued products in the market than chicken leg meat. South Africa's "weighted average cost of production" approach totally ignores these realities. Under international law norms, if cost of production methodologies are applied and there is need for allocation of costs among different products, those allocations are properly determined in accordance with the values normally associated with those different products on the books of the firm under investigation that have been kept in the ordinary course of business. The South African case also blatantly ignored this important international rule, even though South Africa's own accounting guidelines are the same as the U.S. and international rules, and require use of ordinary business accounting practices.

The South African antidumping case against U.S. poultry imports was not a legitimate trade action. It was a protectionist measure taken in favor of its domestic poultry industry. South Africa is a net importer of poultry meat and protein, and the imposition of antidumping duties meant not only that U.S. exporters like Boston Agrex were substantially excluded from the market, but also that the prices that South African citizens were forced to pay for domestic product rose to three or four times the world price. For the next 16 years, South Africa continued to protect a politically favored few who control its domestic poultry industry, at the expense of its consumers and, in particular, of many of its poorest citizens for whom poultry was the least expensive source of protein.

When South Africa initiated its antidumping investigation in 1999, we were told by U.S. Government officials that the United States viewed defense of antidumping cases in other countries as the responsibility of the private companies in the trade; and that the U.S. Government would not become involved until the domestic law process had run its course. Boston Agrex had been one of the first U.S. exporters to re-open the South African market after sanctions were lifted, and we had made substantial commitments to that market and to our importer partners, during the decade of the 1990's. And so, we made the difficult decision to retain counsel in South Africa and to attempt to present a defense in the case despite the substantial legal and resource costs of doing so. Boston Agrex was one of only three U.S. chicken exporters to defend the case. It was a very demanding, expensive, and as you undoubtedly know, ultimately unsuccessful effort. Without the support of the U.S. government to challenge South Africa's illegal dumping theory, we were playing against a stacked deck.

Once very high anti-dumping duties were imposed by the South African government, U.S. chicken leg quarters and dark meat portions became completely unmerchantable in South Africa. Exports of bone-in chicken to South Africa from the U.S. literally ended for the next 16 years. Nevertheless, during those intervening 16 years Boston Agrex maintained some presence in the market by exporting much smaller volumes of chicken and turkey items not subject to the anti-dumping duty. And, throughout that 16-year period, I was an active industry adviser and participant in USAPEEC's efforts to overturn the anti-dumping decision and to find a way for U.S. poultry to reenter the South African market.

Our experiences after South Africa first imposed antidumping duties were a series of frustrations, both with the failure of the Government of South Africa to act fairly, responsibly and in accordance with its international obligations; and with the failure of the U.S. government to pursue this case effectively through either bilateral negotiations or through available WTO dispute settlement procedures.

Our industry initially assumed, given the blatant irrationality and illegality of the South African antidumping case, that the U.S. government would immediately mount a challenge at the WTO. Indeed, when the Bush Administration first came into office in 2001, industry representatives met with the new U.S. Trade Representative concerning the South Africa circumstances, and Ambassador Zoellick assured them that the U.S. Government would act quickly to protect our rights under international law. But that did not happen. During the eight years of the Bush Administration, and despite constant requests from the industry that the case be pursued at the WTO, no action was ever taken. The industry received constant assurances that this issue was being raised at every trade meeting with South Africa, and we were told that our government preferred to “work out” a solution bilaterally with South Africa rather than to initiate dispute settlement before the WTO. Apparently, the South African government realized that the U.S. Government was not going to take action, and it simply did nothing.

Ironically, in 2007, South Africa’s imposition of antidumping duties on U.S. poultry was determined by the South African Supreme Court to be illegal under South African law. WTO law contains a “sunset requirement” that antidumping duties be reviewed every five years or be removed, and this requirement became part of domestic South African law when the Republic of South Africa ratified the Uruguay Round treaty. When South Africa failed to initiate the necessary sunset review within the allotted five years, the duties were challenged and were found illegal by the Republic of South Africa’s high court.

While this should have cured the problem, it did not. The South African antidumping authorities simply declined to implement the Court’s holding and continued to impose antidumping duties on U.S. products. The failure by South Africa to comply with its own sunset review rules should also have given the U.S. government a procedural basis – in addition to the substantive deficiencies – to challenge South Africa, but again, the Bush Administration did nothing. The U.S. poultry industry and its importer allies in South Africa spent large sums on legal fees to pursue the case through the South African court system, but were met with

frustration at every point. Much later, after several years of tolerating the South African Administration's flaunting illegality, the South African courts reversed themselves and, in a classic "home town call," suddenly decided that South Africa's government's disregard of its own antidumping rules was not illegal after all.

When the Bush Administration left office at the beginning of 2009, the industry renewed its request for action with the incoming Obama Administration. Like the Bush Administration before it, the Obama Administration took no action against South Africa. Essentially, the Obama Administration has viewed this as a "cold case" that should have been pursued by its predecessor eight years earlier.

Eventually, after 16 years of frustration, our industry raised this issue with Congress in the context of the AGOA renewal bill. We provided testimony to this Commission during the pendency of that legislation. We argued that it was unacceptable for the United States to provide substantial trade preferences and benefits to South Africa – and to run trade deficits in the range of US\$2 billion annually – if South Africa was not going to treat our imports fairly. We were fortunate to receive bipartisan support in Congress led by Senator Chris Coons of Delaware and Senator Johnny Isakson of Georgia. As a result of their efforts, negotiations resulted in the agreement by the Government of South Africa to open a small annual 65,000 MT quota for U.S. dark meat portion chicken that is exempt from antidumping duties, but must still pay the full MFN duty. (EU imports pay no duty at all because of FTA agreements between the EU and South Africa). All imports of dark meat portions from the U.S. above the quota amount remained subject to antidumping duties.

I refer to this as a "small" quota for good reason. The irony is that the antidumping action against U.S. poultry has not prevented imports of poultry into South Africa as its domestic industry hoped. As I have said, South Africa is a deficit producer of poultry and its population needs additional supply of poultry meat as a basic food requirement. Currently, South Africa imports more than 600,000 MT of poultry annually, most of it from either the European Union or Brazil. So, during the 16 years

that we were shut out by antidumping duties and our government was unwilling to proceed against South Africa, the EU and Brazilian imports replaced us in the South African market.

While the 65,000 MT AGOA quota represents some progress in reaccessing the South African market for our most competitive poultry products, it is far from ideal. The South African government has insisted that a significant portion of this quota be allocated to "historically disadvantaged individuals" – people from racial or ethnic groups that were the victims of the apartheid system. While we commend the motives behind the HDI preference, the actual implementation of the preference has been erratic, inefficient and lacking in transparency, with the result that there has not been either real benefit to the HDI community or full and effective utilization of the special quota. A significant portion of the quota has been awarded to companies who neither know how to import, nor have the financial capacity to import in the volumes they are being awarded quota. And they do not have the distribution channels and infrastructure to commercialize the chicken once imported. As a result, much of the quota is being commercialized – *i.e.*, sold or leased in secondary transactions – to non-HDI persons or firms. This may provide some income to a fortunate few HDI's in the short term, but there is no real benefit to the HDI population in the long term.

There is no question that the tonnage and dollar value of U.S. chicken imports to South Africa would be significantly higher, to the substantial benefit of South African consumers, if the anti-dumping duties were to be eliminated completely. However, a quota was negotiated and we should at least expect that the quota would be allocated in a manner which reflects the reality of the marketplace in South Africa, for example by awarding the quota based on actual historical imports, or alternatively by using a transparent auction system that would, in an economically rational way, establish a value for the quota. That could also have the added benefit of providing a source of income to fund grass roots level projects in South Africa that could provide real benefit to a much wider range of HDI's who have demonstrated a

genuine interest and commitment to participating in the South African poultry industry from grass roots levels up.

I would note (although I realize this is not a primary concern of the Commission's current research) that the South African dumping case also did collateral damage to U.S. poultry in other markets. After the South Africans were successful in excluding us and there was no real push back from the U.S. government, a number of copycat dumping actions followed in other countries – in Mexico, the Ukraine and in China. All of these cases charged dumping under the same “weighted average cost of production” theory. The U.S. industry was able to prevail in the Ukrainian case, and also successfully challenged the Mexican dumping finding before a NAFTA panel. And the industry spent millions of dollars attempting to defend the dumping case in China. Eventually, the Obama Administration did challenge the China dumping finding in a WTO dispute case, and the WTO ruled that China was out of compliance with its WTO obligations. China was once our largest market with approximately 700,000 MT of imports annually. We have effectively been excluded from the Chinese market since it initiated dumping proceedings, and we are still waiting for China to take action on the WTO decision that would allow us to reenter that market.

Our industry's experience with the antidumping case in South Africa should be an object lesson for U.S. trade policy if the United States genuinely hopes to encourage and increase participation of SME's like Boston Agrex. Antidumping was, at one time, almost exclusively a U.S. trade tool with the vast majority of all antidumping cases brought under U.S. law. For many years, other countries did not have their own dumping laws, and they criticized U.S. antidumping law as protectionist, claiming that it was used to shelter and protecting uncompetitive industries against imports. When a few countries began to adopt antidumping laws, the U.S. was reticent to challenge cases brought in those countries apparently because of potential for setting precedent that might limit application of the U.S. law.

But times have changed and antidumping cases are no longer the sole province of the United States. Other countries like South Africa have now learned that they can use – indeed, can misuse -- this tool to protect their domestic industries against highly competitive imports. U.S. poultry is perhaps the most competitive sector in American agriculture, and among the most competitive of all U.S. product sectors. In the first seventeen years of this century, we have already seen four major antidumping cases brought against U.S. poultry on grounds that have been shown to be legally indefensible when challenged. However, given the historic policy of the United States to abstain from involving itself in these cases, we are likely to see more in the future.

I am concerned that this realization that other countries can use antidumping laws too has not hit home in Washington yet. Both the Bush and Obama Administrations were reticent to come to our defense in the South Africa case. Although the current Administration has not yet been involved in the South Africa case, the positions taken in other negotiations suggest that it favors even more expanded use of the antidumping laws to protect U.S. industries from imports. If the first two decades of this century tell us anything, it is that our trading partners will follow suit with whatever we do. An old poultry aphorism applies here: "What's sauce for the goose, is sauce for the gander."

Boston Agrex and other SMEs exporters in our industry have spent significant time, effort and money attempting to open markets for highly competitive U.S. poultry products. But companies of our size and economic resources simply cannot afford the substantial costs of hiring specialized antidumping legal counsel, retaining local counsel in the country in question, responding to long and involved questionnaires, and participating in numerous legal proceedings in every foreign country that decides to launch an antidumping investigation. And, if we do not participate, high antidumping margins are imposed on the basis of "best information available" (*i.e.*, whatever the domestic industry in that country submits), and we are permanently out-of-business in

that country. In addition, other U.S. exporters are then subject to an “all other rate” and to further proceedings if they attempt to enter the market.

The U.S. policy that applied in the South Africa case – and I am told this holds true in all other cases as well – was that defending antidumping cases brought against U.S. exports to foreign markets was, first and foremost, a private law matter and the responsibility of the exporter. The U.S. government would not become involved until the antidumping proceedings had run their course, and then only occasionally and selectively. This policy – and I reiterate that this was the policy of both Democratic and Republican Administrations – supposes that U.S. companies, like mine, have unlimited resources and can spend enormous amounts of time and money defending even the most meritless lawsuits in other countries. I can tell the Members of this Commission that this policy will never work for SME exporters. To quote the famous Mr. Bumble from Dicken’s classic novel *Bleak House*: “If the law supposes that...the law is an ass.”

B. Unjustified SPS Restrictions in Nigeria.

Boston Agrex has not been involved directly in shipping poultry to either Nigeria or to Kenya, and so I do not have first-hand experience with the situations in those two countries. However, I have been involved in various trade policy initiatives and discussions within our industry concerning Sub-Saharan Africa and so I am aware of the problems that U.S. poultry exports current face in those two countries.

With regard to Nigeria, you will note that it is a country of more than 190 million persons and yet, according to official statistics, imported only 500 MT of poultry products in 2016, mostly from the European Union. Even if per capita consumption of poultry is as low as currently reported – and that is doubtful – something is amiss with these numbers.

Nigeria has imposed a total ban on all imported poultry products since 2006. This ban was allegedly implemented to protect the domestic industry in Nigeria from the risk of Avian Influenza. However, this perpetual ban, which does not even consider whether AI has been detected in the regions where the poultry originates, is entirely inconstant with Nigeria's obligations as a Member of the World Trade Organization ("WTO").

Nigeria has been a WTO Member country since 1995, and prior to that and beginning in 1960 that a contracting party to WTO's predecessor institution, the General Agreement on Tariffs and Trade (GATT). WTO rules, and in particular, Articles 2.2, 3.1, 3.2, 5.2 and 5.6 of the WTO Agreement on Sanitary and Phytosanitary Measures ("SPS Agreement"), effectively prohibit a country from placing an absolute ban on imports where there is insufficient evidence of risk presented by imported product. The U.S. has a comprehensive system for detecting and controlling outbreaks of AI, and for restricting shipments from any area that might be affected by an AI outbreak. The U.S. system meets the guidelines of the World Organization for Animal Health (OIE) whose strictures have been accepted as relevant measures for WTO Members. As a result, the U.S. industry ships poultry to more than 100 countries currently and none of those countries applies a similar ban on our imports. In addition, AI is already a common occurrence in Nigeria, and Nigeria's production is a much greater risk from internal spread of the disease than it is from imports.

Obviously, this is not an issue that an SME like Boston Agrex can solve. Guaranteeing Nigeria's adherence to its WTO obligations is a governmental responsibility. This is an issue that can only be dealt with effectively by the U.S. government either through bilateral discussions, by raising the issue in the WTO SPS Committee in Geneva, or by invoking dispute resolution under WTO rules.

I would also note that the Nigerian ban only acts to stifle legal trade in poultry products. The reality is that a country in Sub-Saharan Africa with a population of 190 million cannot subsist with only 500 MT of annual poultry imports. Nigeria does not have the ability to produce sufficient poultry to meet the demands of its current middle

class population. It is very well known that there is substantial illegal trade of poultry into Nigeria through its neighbor country, Benin. These imports come largely from the European Union or Brazil through French trading companies operating in Benin.

C. Restrictive Licensing and Cargo Rules in Kenya.

With regard to Kenya, to my knowledge no U.S. exporter has ever been successful in shipping to that country. Kenya has not imposed a complete ban on imports as Nigeria has, and so one might wonder why, according to official statistics, Kenya imported only 648 MT in 2015 and 253 MT in 2016. The answer is that Kenya imposes a series of administrative hurdles, paperwork requirements and shipping limitations that make importation impossible. Potential importers must apply for, and obtain, a special import permit and it is extremely difficult to get such an import permit issued. Each plant from which the poultry has been sourced has to be registered/approved, and these registrations and approvals are handled by various Kenyan government agencies; and Kenyan authorities may decide not to permit shipments until they have done plant inspections themselves. Kenyan retailers may import only mixed containers of poultry products; they are not allowed, to import a full container load of just one specific poultry item.

Like Nigeria, Kenya has been a WTO Member Country since 1995. Most of the restrictive measures described above are inconsistent with WTO rules. Again, these are not issues that can be addressed by SME's. The U.S. government is the only entity that can assert WTO rights and insist on compliance with international obligations.



MANCHESTER TRADE LIMITED, INC.

international business advisors

U.S. Trade and Investment with Sub Saharan Africa-Recent Development
USITC Hearings
Testimony of Stephen Lande
January 23rd

No one should feel complacent about the USG economic position in Africa. The US has been replaced by China as the number one trader with Africa since AGOA went into effect. In fact US trade with Africa has shown negative growth in recent years. Since the imports do not paint an accurate picture since they include oil exports which have been declining drastically due to increasing use of oil shale in the United States, the paper cites exports. US goods exports to Africa fell from \$38.09 billion in 2014 to \$22.28 billion in 2016. China's exports to Africa, meanwhile, have increased, from \$13.22 billion in 2005 to \$103.19 billion in 2015—more than five times that of the United States.

In this regard, the request to the USITC for a quantitative and qualitative analysis of economic performance under AGOA is very timely. The request stated that as the Administration works to encourage fair and reciprocal trade with our African trading partners, it is important to have information on where we are succeeding in African markets, where we have the greatest prospects for increased trade and investment, and the factors that could impede that progress.

In the five minutes allotted to Manchester Trade, I will identify the areas where this greatest prospect for increased trade and investment and the factors that impede the progress,

First, AGOA is an undeniably effective instrument for accomplishing this. Wow—Thanks to the effective management and the assurances of continuity of the program by USTR specifically the three Assistant USTRs since AGOA was implemented at the beginning of this century and the support provided by the USTR themselves during this period, AGOA maintains unprecedented support on the Hill and in Africa. The Assistant USTR ensured that AGOA was kept up to date developing three enhancements to the bill and ensuring Hill support by meticulously administering the program as Congress intended. The commitments of Ambassador Robert Lighthizer and his predecessor, Ambassador Michael Froman to AGOA was vividly demonstrated when the former in the midst of launching NAFTA negotiations devoted four or five days to travel to Togo and the latter challenged travel agents by traveling from a WTO Ministerial in Bali, both to attend AGOA Forums with the principle objectives of exchanging with their African counterparts on how to deepen the program in ways which assures that it also provide benefit for the US and respected the conditions of Congress.

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The result is that AGOA is on firm footing in the United States and Africa as witnessed by the fact that just last week at a time when many US trade initiatives are being questioned (TPP, relations with China and other deficit countries, NAFTA and the network of US FTAs which it spawned and even the formerly sacrosanct WTO) the US Congress in about three days passed legislation to enhance AGOA when questions were raised about US commitments to the continent. Whereas, the European Union programs beginning with Lomé preferences with its restrictive origin rule and its efforts to gain reverse preferences in violation of WTO rules and extending into its Economic Partnership Agreements through unheard of threats to remove preferences (it did for the Cong, Gabon, and Nigeria) from non-LDCs refusing to sign and discriminate in favor of European imports over those from many African countries as well as the United States. In fact, African leaders have been trying to put a moratorium on implementation of such programs until they complete the continental FTA and to avoid discrimination against exports from countries providing unilateral preferences or otherwise assisting Africa. Just contrast African reluctance to agree to EPAs and the desire for the moratorium with the enthusiasm shown by Africans in developing AGOA implementation plans.

Previous witnesses have presented data which demonstrate the success of AGOA in the trade field. The basic successes have been in two key areas. One was South Africa where an economy in the process of transition from apartheid to multiracial cooperation has been able to take advantage of the access offered to increase key exports to the United States.

The most important accomplishment in exportation for all of Sub Saharan Africa has been in the garment area. Here new industries were brought to four least developed and developing country—industries which did not exist before AGOA apart from some production by independent enclave within South African borders. Africa was not part of the global supply chain for clothing,

Under AGOA, two least developed countries (Lesotho and, Madagascar) and two developing countries (Kenya and Swaziland) were able to enter world class manufacture of clothing. Two additional least developed countries will soon join this list because of surging exports—Ethiopia and Tanzania. One can trace few similar experiences under unilateral preference programs.

However there has been a second success of AGOA which is not apparent from studying trade statistics. The emphasis of the program on working with AGOA beneficiaries to support their efforts to introduce policies for good governance particularly regime which welcomed foreign investment. The result has been quite impressive. With strong US support, African countries have taken the lead in strengthening democratic systems going as far as military intervention to replace leaders overturning legitimate electoral processes. One recent example much appreciated by worker in Swaziland and US labor union has been using AGOA eligibility as a tool to work with the Government of Swaziland to develop a labor policy consistent with ILO norms. In terms of attracting foreign investment, policy directions are changing, reforms are being undertaken and conducive regulatory environments are being created to unlock private investments. SSA continues to be the region implementing the highest number of reforms according to the World Bank Doing Business 2018 report.

However, there are still some impediments to AGOAs having the transformative impact on Africa and significantly deepening relations between the continent and the United States as originally envisaged by its initial sponsors. To put in the current vernacular, these impediments make difficult implementation of policies which would make both Africa and the United States great.

The USTR request calls for the USITC to identify markets that present the greatest potential to increase exports of African products under AGOA. The request also requests the USITC to identify non-crude petroleum sectors and SSA markets that present the greatest potential for U.S. exports of goods and services and for U.S. foreign direct investment (FDI).

One of the disappointments of AGOA until now has been the failure to integrate Africa into global manufacturing chains beyond garments. With the exception possibly of footwear in Ethiopia, there has been little movement into other supply chains. However, unlike what occurred in the Far East and somewhat in Mauritius, production and assembly of more sophisticated components in such areas as i.e., electronics, toys, have not occurred. This is particularly disappointing since as China moves up the production ladder, many of their operations are becoming uneconomic to carry out there but are moving into close-by Asian areas rather than to Africa.

This even though African countries have devoted much resources to developing export processing zone and their accompanying legal framework and located them in areas with sufficient infrastructure to be competitive they have not attracted non-apparel assembly. Often, they are located at air or seaports or on transportation corridors. They are often self-equipped with sources of power or located close to power generating facilities.

In other areas garments became the growth point for attracting other supply chains since one was able to draw on its managerial and labor work force. Although this has not occurred in Africa yet, these possibilities still exist.

Why has Africa been able to penetrate the global supply chains for garments but not in other manufactures. An impediment is the arcane nature of some of the origin rules of AGOA. These origin rules do not promote the incorporation of African components in supply chains. Also, often the components do not meet the requirements that at least 35 percent of their direct cost of processing must be carried out in African value-added which due to what is excluded from its calculation is equivalent to about fifty percent of the total value of the product. To be frank, the special third country fabric rule has enabled Africa to participate in the value chain for clothing manufacture but the absence of any special origin rule for non-garment assembly has prevented the development of this industry.

Until now, one has been concerned about suggesting any improvement in AGOA in the current atmosphere toward trade liberalization since if one tried to modify the program it could be terminated or reduced in benefits. The recent outpouring of support for AGOA due in some part to the judicious implementation of Congressional conditions for eligibility now allows such enhancements to be considered without fear of reduced benefits. To promote non-garment supply chains to locate in Africa, we suggest that a special origin rule be added to AGOA designed to attract them. The suggested rule would reduce duties on products produced through global supply chains containing identifiable African inputs even if the product is finished in third countries. The duty reduction would be equivalent to the percentage of the value represented by the African components incorporated in the manufacturing process. Current origin rules require the final stage of production to take place in Africa. In the past, the possibility of fraud specifically claiming that a product contained eligible African value-added would have made it impossible to administer such programs. However, record keeping required for supply chains particularly to show where and from what components are produced to meet life cycle requirements addresses the fraud problem.

This step would also help make America great. As we all know, a key objective of the policy of the Trump Administration is to bring high paying jobs back to the United States. However, to be competitive there is a need for components where the US is no longer competitive to be produced elsewhere.

For the moment, the United States has no choice but to rely largely on China for such components. This need will increase significantly if and when the Administration's efforts are successful to bring high value-added manufacturing back to the United States. The USG and its manufacturers would appreciate the opportunity to rely on Africa for such components rather than on China. In fact, there is no question that it would be a win to rely on African rather than Chinese production. The major goal of Chinese industrial policy is to become the number one-world economic power. One tool that China uses is to force US companies producing components in China to move their whole production there. This is no possibility that a similar scenario would unfold in Africa.

Such economic processing zones can also be used to incorporate US produced components in African production both for African markets and for third countries. As occurred in all successful countries, there will be efforts to develop what the Nigerian's call national champions. Automobile production is such an example. In NAFTA, one of the key objectives is to replace third country components with those from the United States. Economic Processing Zone can be used to import sophisticated US components to replace those Africa buys from third countries.

There are other recommendations as well as to how to ensure that AGOA better promotes truly reciprocal trade with the United States. In the few short moments remaining to me, let me mention them. Of course, we would be pleased to expand them during Q's and A's or in a supplemental submission to the Commission.

Current and potential AGOA beneficiaries in sub Saharan Africa number 75 million consumers. With an increasing proportion of the African population being composed of the Middle Class and with the burgeoning youth dividend in Africa thirsting for US branded consumer goods, there is a great potential for US exports. However, Sub Saharan Africa is subdivided into 49 economies, most of which are too small to support world class US distribution chains which is based on economies of scale and mass distribution. Thus, US exports would increase as African economies increasingly integrate with each other. Thus, it is not surprising that USTR asked for the USITC to provide a summary of recent developments of regional integration efforts in sub-Saharan Africa, including progress on the negotiation of the Continental Free Trade Agreement. Progress is quite amazing with the CFTA expected to be launched this year, COMESA has been in the forefront of such effort and I am sure that its representative can provide further details about progress in negotiation not only towards CFTA but towards the formation of the Tripartite agreement bringing together the three-regional grouping in eastern and southern Africa- COMESA, the East African Community (EAC) and the Southern African Development Community (SADC). AGOA can promote by focusing more on regional communities both as AGOA Implementation plans are being implemented and by working with the communities to facilitate exports to the United States.

There continues to be much discussion as to the best way that AGAO can evolve from being a unilateral to an increasingly more reciprocal program once the current legislation expires in 2025. With US and third country of African efforts, integrated economic communities can be able to negotiate with the US. Although the Trump Administration has a predilection to negotiate with individual countries, this model may not work in Sub-Saharan Africa given their number and the fact they themselves are integrating. Although differences in economic situations among African countries exist, they can be recognized through what is called variable geometry under which liberalization is phased in at different rates depending on development levels.

Finally, AGOA can be an effective tool for opening African markets, specifically removing impediments to US exports. Instead of relying on the current system which is based on threat of removal or reduction of access under AGOA, why not add to AGOA implementation a section which also emphasizes cooperation by all Parties in increasing two-way trade. One can utilize the existing system of Trade Investment Framework Agreements (TIFAs) to implement such a plan. Withdrawal and or limitation would remain a possibility but only if this new mechanism could not work. One issue which could be addressed is mutual concerns about the use of EU negotiating tactic to force preferences deleterious to some US and African objectives.

Finally, one should make sure that US investment promotion programs are linked to AGOA implementation. The private sector should play the primary role here, a subject I would like to explore if there was more time.

Remarks of Florie Liser

at

USITC Hearing on U.S. Trade and Investment with sub-Saharan Africa

January 23, 2018

Introduction

- o I am delighted to be here today for this important hearing on U.S. Trade and Investment with sub-Saharan Africa on behalf of the Corporate Council on Africa (CCA) and its member companies.
- o CCA is the leading U.S. business association focused solely on connecting business interests in Africa.
- o Established in 1993 to promote business and investment between the United States and the nations of Africa, CCA serves as a neutral, trusted intermediary connecting its member firms with the essential government and business leaders they need to do business and succeed in Africa.
- o CCA uniquely represents a broad cross section of member companies from small and medium size businesses to multinationals as well as both U.S. and African firms. Our members are invested in Africa's most promising sectors including agribusiness, energy, finance, health, ICT, infrastructure, security, tourism and trade facilitation.
- o We work closely with governments, multilateral groups and businesses to improve Africa's trade and investment climate and to raise the profile of Africa in the U.S. business community.
- o With a still relatively new U.S. Administration as well as new presidents in key countries like Ghana, the Gambia, Kenya, Rwanda, Angola and Liberia, this is an important time to take stock of the U.S.-Africa trade and investment relationship, key developments, and to chart a path forward that will enhance that relationship.
- o There are many opportunities that U.S. policy *should* address because we cannot afford to ignore the second fastest growing market in the world. Africa is undergoing the most rapid urbanization rate of any region - 1 billion people with 50% under the age of 20; and despite recent shocks and changes in the African market,

spending by Africa's consumers and businesses already totals \$4 trillion.

- Africa is also more connected now than ever before as its internet usage has grown at a pace seven times faster than the global average.
- In addition to having 60% of the world's uncultivated arable land, the McKinsey Global Institute (MGI) projects that Africa could double its manufacturing output and we have already begun seeing more value-added agricultural and non-oil products entering global markets, including the United States.
- What this means for U.S. and African business is that there are incredible opportunities for greater and more diversified trade and investment.
- But we must also acknowledge that along with these great opportunities, there remain some challenges – consistent poverty and uneven benefits of economic growth, high unemployment, pockets of instability and concerns regarding the spread of terrorism and extreme radicalism in some hotspots on the continent.

Developments in U.S. Trade and Investment with Africa

- U.S. trade with Africa, including under AGOA, has experienced some ups and downs, significant peaks and valleys since AGOA's inception almost 20 years ago.
- But with nearly eight years remaining of AGOA (following the 10 year extension implemented in 2015), this is the longest and best opportunity to enhance and diversify U.S.-sub-Saharan trade, and to hopefully set our AGOA partners on a path towards long term competitiveness in the global trading system and to potentially becoming partners of the U.S. that go beyond AGOA's one-way unilateral trade benefits.
- As of the end of 2016, U.S. two-way goods trade with sub-Saharan Africa countries totaled \$34 billion; U.S. exports to SSA countries were \$13.6 billion, and U.S. goods imports from SSA totaled \$20.1 billion – of which more than half (\$10.6 billion) entered under AGOA

and its GSP provisions. AGOA non-oil imports in 2016 were \$4.2 billion – some three times the amount in 2001 – the first full year of AGOA trade.

- While both U.S. and sub-Saharan African nations have experienced mutual benefits from trade and investment, Africa still remains a very small player in the U.S. market, the benefits of SSA duty-free access to the huge U.S. market under AGOA have not been fully realized, and the U.S. has fallen way behind China and others as a major trading partner of Africa.
- And on investment, U.S. FDI investment into Africa is rising rapidly, but at \$33.4 billion (stock) in 2015 (latest data available), it constitutes less than 2% of all U.S. global FDI.

What 's Needed and Why

- First why? Africa is a vibrant continent of 54 nations that is important to the U.S. economically, politically, socially, and strategically.
- According to the recently released National Security Strategy of the United States, “Africa contains many of the world’s fastest growing economies, which represent potential new markets for U.S. goods and services.”
- Many CCA member companies and others are convinced that the African market represents a unique opportunity for growth and expansion, and will play a critical role in their “bottom lines”.
- Like lots of companies from countries all around the world – not just China, but Europe, Brazil, India, and others, Africa is an important growth market for U.S. companies.
- This is why we need to make sure that all institutions and initiatives that support greater U.S.-Africa trade and investment are fully operational and have the budgets needed to grow the U.S.-Africa economic relationship. USAID needs to have fully funded regional trade and investment hubs so that they can continue to support African governments and enterprises in taking advantage of AGOA, and U.S. businesses in making profitable investments. U.S. financing agencies – including OPIC, Eximbank, and TDA – need to be able to

provide the loans, do the feasibility work and plan reverse trade missions that benefit both U.S. and African companies and create jobs here in the U.S. as well as on the continent.

- We need the TACA, the PAC-DBIA, and other advisory groups to be strong and to have the active engagement of the U.S. Trade Representative, Secretary of Commerce, and the White House.
- Initiatives like Power Africa that have a multi-agency operating platform need to be supported and selectively expanded to other key sectors.
- In short, U.S. businesses want a level playing field in Africa – one in which they have the strong support and the tools often provided to their competitors in making and closing the deals that are readily available on the continent.

African Regional Integration: a U.S. business imperative

- Let me end by touching on an important issue – i.e., African regional economic integration.
- Through a range of initiatives, most importantly the Continental Free Trade Area (CFTA), Africans are clearly focused on promoting intra-African trade and reducing barriers to both regional and global trade.
- The United States should be actively and strongly supporting their efforts. We should, for example, ensure that there are sufficient funds invested in African implementation of the WTO Trade Facilitation Agreement (TFA) – not just to a few Africans but to the nearly 20 African countries that have acceded to the TFA.
- African regional integration is not only important for Africa, but for U.S. businesses seeking to trade with, do business, and invest in Africa. They want larger markets that create economies of scale and which justify investing in one country so that they can advance their business interests across an entire region.
- U.S. interests in establishing trade and investment relationship that go beyond AGOA should support African regional integration. There are probably a range of trade and investment initiatives (like TIFAs, BITs, and

Bilateral Business Dialogues) that could enhance the U.S. trade and investment relationship with select African nations. But if the USG decides to pursue FTAs with individual sub-Saharan African countries, it should take account of the commitments already made to regional customs unions and free trade areas. Work with so-called “champions” should be seen as an opportunity to support and expand regional integration not just for the sake of the Africans (of course), but also for the benefit of U.S. companies that will through larger African markets be able to support the growth of regional and global value chains that are an essential element of today’s 21st century global trading system.

- Thank you for the opportunity to testify at today’s hearing, and on behalf of CCA and its members as well as other stakeholders in the private sector, I look forward to further collaboration with the USG as it looks to enhance the U.S.-sub-Saharan Africa trade and investment relationship.