

Readout of Ambassador Katherine Tai's Participation in the Virtual AGOA Ministerial Meeting

October 20, 2021

BRUSSELS – United States Trade Representative Katherine Tai today chaired the opening session of the Virtual African Growth and Opportunity Act (AGOA) Ministerial. The Ministerial's theme is "Building Back a Better U.S.-Africa Trade and Investment Relationship" and is taking place virtually in lieu of the annual United States-Sub-Saharan Africa Trade and Economic Cooperation Forum (AGOA Forum) due to the COVID-19 pandemic.

The Virtual AGOA Ministerial, which concludes tomorrow, is providing a valuable platform for strengthened economic cooperation between the United States and qualifying Sub-Saharan African countries that receive enhanced U.S. market access under the AGOA program.

Ambassador Tai and her African counterparts shared perspectives on core issues impacting U.S.-African trade ties. They also discussed joint efforts to combat the COVID-19 pandemic as well as other multilateral issues. Ambassador Tai also outlined Biden-Harris Administration's worker-centered trade agenda, and conveyed her interest in working with partners on the continent to catalyze sustainable growth that maximizes benefits for workers, especially women, youth, and underserved communities.

Ambassador Tai's opening remarks from the meeting as prepared for delivery are below:

Hello, everyone! It is a pleasure to be with you.

I want to welcome all of you to this year's Virtual AGOA Ministerial. While I am disappointed that we cannot be together in person, I know that the robust and productive conversations that we will have today will strengthen the U.S.-Africa trade and investment relationship.

In February, President Biden addressed the 34th African Union Summit, where he emphasized the Biden-Harris Administration's commitment to rebuilding our partnerships around the world, including in Africa. And I am determined to carry out his vision for growing trade and investment with our partners on the continent in a way that delivers equitable and inclusive prosperity to all countries and their workers.

Africa presents enormous potential and opportunity for economic growth, but as we all know, the first step to fulfilling that potential is defeating the pandemic.

You all know the statistics. Today, Africa has the lowest vaccination rate of any continent in the world: only 7 percent of the population has received at least one dose of the vaccine.

In the October Africa Pulse Report, the World Bank stated that in Sub-Saharan Africa, the economy is set to expand by 3.3 percent in 2021, one percentage point higher than the forecast in April 2021. However, this growth remains weaker than advanced economies and other emerging markets largely due the slow pace of vaccination. At the current pace, it will take some time for many countries in Sub-Saharan Africa to regain their pre-COVID-19 levels of activity.

That is why the United States is undertaking a number of steps and initiatives to help boost Africa's vaccination rates.

Last month, at the COVID-19 summit on the margins of the United Nations, President Biden announced that the United States is donating an additional 500 million Pfizer vaccines to low and lower-middle income countries around the globe starting in January 2022.

This brings the total number of vaccines donated by the U.S. to over 1.1 billion doses, including the 500 million Pfizer doses the U.S. purchased in June and started shipping in August.

And last week, when meeting with President Kenyatta, President Biden announced the United States will deliver 17 million Johnson & Johnson vaccines to the African Union in the coming weeks.

Additionally, the U.S. International Development Finance Corporation, with support from several partners and the International Finance Corporation, has invested in vaccine manufacturing facilities across Africa and India, which will collectively have the capacity to produce 2 billion COVID-19 vaccine doses for developing countries by 2022.

There are also several trade actions we are taking – including text-based negotiations at the WTO on a waiver of intellectual property rights for COVID vaccines. Last week in Geneva, I encouraged WTO Members to show that the organization can address a global challenge like COVID-19 by reaching consensus on a proposal to increase vaccine production and distribution.

The United States is also working on a draft ministerial decision at the WTO aimed at strengthening resiliency and preparedness through trade facilitation. Our proposal would improve the sharing of information, experiences, and lessons learned from COVID-19 responses to help border agencies respond in future crises.

Defeating this pandemic can help Sub-Saharan Africa regain pre-COVID-19 levels of business activity and growth, which will help create a more favorable investment climate. Over the next two days, you will hear from members of the Biden-Harris

Administration on how we want to partner with you on these efforts.

Today, I would like to discuss how we can use trade and investment tools to strengthen our economic relationship. One of those tools is the African Growth and Opportunity Act.

I know how important AGOA has been to so many stakeholders since its creation. I am looking forward to hearing your perspectives and having honest discussions about the program.

AGOA has been at the core of the U.S. trade relationship with Sub-Saharan Africa for more than 20 years - increasing investment across the continent and creating hundreds of thousands of new jobs in Africa.

The program has also improved the export competitiveness of many African products, fostered regional integration, and encouraged many American companies to do business with partners on the continent. And it has incentivized many African governments to undertake key political and economic reforms.

Despite these successes, only a handful of countries have taken significant advantage of AGOA.

In fact, outside of the oil sector, imports under AGOA have grown modestly over the life of the program. While Sub-Saharan Africa's non-oil exports to the United States have grown over the last 20 years, the region's market share of U.S. non-oil imports has only increased by one-tenth of one percent.

As we consider AGOA's future, we must ask ourselves what improvements we can make to attract more investment and help small and women-owned businesses find new markets for their products and compete in the global economy.

I also want to hear from businesses, civic organizations, labor leaders, and workers across the continent on how trade policy can help address larger issues like climate change, widening inequality, increasing economic insecurity, respect for human rights, worker rights, and the rule of law. These are issues that American legislators will weigh as they consider the program's reauthorization.

Much has changed in the 21 years since AGOA was created, and as we think more broadly about the future of the program, my goal as the U.S. Trade Representative is to help create the conditions necessary for a long-term, durable trade and investment relationship between the U.S. and Africa.

At the same time, we know that these goals cannot be achieved through AGOA alone.

The African Continental Free Trade Agreement, which went into effect on January 1 of this year, presents an opportunity to bring significant economic growth to the region, help millions of people, and bolster U.S. trade ties with the continent.

In conversations with my African counterparts, I have expressed the Administration's enthusiastic support for implementing this agreement, which could boost regional income by \$450 billion and lift 30 million people out of extreme poverty by 2035.

The World Bank's Chief Economist for Africa reminds us that there is still work left to do and, "successful implementation will be key, including careful monitoring of all workers – women and men, skilled and unskilled – across all countries and sectors, ensuring the agreement's full benefit."

To help reach these ambitions, our Administration is providing technical assistance to the region, and plans to further support the negotiations and the implementation of this important trade agreement.

Promoting African integration has long been a priority for the United States and the U.S. Government typically provides about \$450 million each year for trade capacity building activities across Sub-Saharan Africa. There are new programs under development that will promote regional and continental value chains for the AfCFTA, such as:

- Building cross-border roads and power lines as part of the Millennium Challenge Corporation's new Regional Compact initiative;
- Delivering workshops for African officials to assist with the intellectual property negotiations, to be funded by the U.S. Department of State;
- The USDA will be placing an SPS Technical Advisor with the African Union Commission in Addis to help implement the SPS Policy Framework of the AfCFTA; and
- USAID will continue to conduct workshops to help prepare African entrepreneurs for the upcoming digital trade negotiations at the AfCFTA. We especially want to ensure that women, small- and medium-sized business owners, and historically underrepresented and underserved communities get the most out of this trade deal.

This is why I am particularly excited about the Protocol of the AfCFTA that will promote Africa's Women and Youth when it is negotiated. Earlier this month, the Commerce Department hosted an event in Ghana to discuss opportunities for women-owned businesses in the trade agreement.

We will continue establishing platforms to encourage these connections and forge new partnerships that maximize the outcomes of the AfCFTA.

We would like to engage with you at the national, regional, and continental level to ensure

that the promises of the AfCFTA translate into real benefits for African workers. Moving forward, I encourage you to reach out to my African Affairs team at USTR to discuss how we can further assist with the implementation of this agreement.

And after today, the next time many of us will meet will be at the 12th WTO Ministerial. I am looking forward to a successful conference and some productive conversations.

This gathering is an opportunity for all WTO Members to help the organization be a relevant and modern force for good that can address the challenges we face.

For MC12, I believe that means reaching consensus on two key issues: the ongoing pandemic and concluding the long-running fisheries subsidies negotiations.

Concluding the fisheries subsidies negotiations can demonstrate that the WTO can promote sustainable development, and over the next few weeks we will continue working with Members to bridge existing gaps in the negotiations.

To this end, the United States is sharing options to respond to developing countries' request for flexibilities. We believe that any agreement must establish effective disciplines that promote sustainability.

It must also address the prevalence of forced labor on fishing vessels. I hope that I can count on the support of all the Members here today to support these goals.

The common theme at the root of our initiatives and proposals is a desire to rejuvenate and rebuild the WTO's Committees – and to bring forward new approaches that enable the WTO to respond to current and future challenges by returning the organization to its consultative, problem-solving foundations.

That is how we ensure the organization can produce positive results for all of our citizens.

And more broadly, we will continue to engage with countries across Africa to promote a strong and vibrant trade relationship.

Working together, we can deliver shared economic prosperity to all of our citizens. With that, I am looking forward to our discussion today and hearing from all of you.

Thank you.

###