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June 21, 2022

William Shpiece  
Chair of the Trade Policy Staff Committee  
Office of the United States Trade Representative  
600 17th Street NW  
Washington, DC 20508

**RE: 2023 AGOA Eligibility Review: The Children's Place Inc.'s Written Comments on Ethiopia - Docket Number USTR-2022-0004**

Dear Mr. Shpiece:

On behalf of The Children's Place, Inc., please accept these comments regarding Ethiopia and its eligibility under AGOA.

## **I. Introduction**

The Children's Place, Inc. ("**TCP**" or the "**Company**") (NASDAQ: PLCE), headquartered in Secaucus, NJ, is the largest pure-play children's specialty apparel retailer in North America. The Company designs, contracts to manufacture and sells fashionable high-quality apparel, footwear and accessories for children at value prices under the proprietary "The Children's Place", "Place", "Baby Place", "Gymboree" and "Sugar & Jade" brand names. As of April 30, 2022, the Company had 665 retail stores in the U.S., Canada and Puerto Rico and annual revenues of \$1.9 billion for its 2021 fiscal year.

The Children's Place is a female-led company, and a leader in gender and racial diversity. The Company's female CEO has led the Company for more than 11 years and over 50% of the members of the Company's board of directors and senior leadership team are women. Of the Company's over 10,000 employees, approximately 84% are women and approximately 64% identify as racially diverse.

The Children's Place sources its products from a diversified network of third-party vendors across Asia, the Americas and Africa. In the past five years, Africa, generally, and Ethiopia, specifically, have become a key sourcing region and country for the Company. The Company has developed trusted sourcing partnerships in Ethiopia with a network of vendors and factories which employ tens of thousands of garment workers, the vast majority of whom are women. The Children's Place operates two sourcing offices in Ethiopia, one in Addis Ababa and one in Hawassa Industrial



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Park. While The Children's Place absolutely condemns the human rights abuses that have taken place in Northern Ethiopia, the Company is very concerned that the continued suspension of AGOA benefits is counterproductive and destructive to development and livelihoods in the region, disproportionately harming the most vulnerable segments of the Ethiopian population, including women and children.

As The Children's Place has seen firsthand, AGOA supports the livelihoods of tens of thousands of Ethiopian workers, their families, and their communities, while providing American companies, like The Children's Place, with skilled and reliable sources of manufacturing at affordable prices for essential imported goods, benefiting American consumers. For the reasons that follow, The Children's Place respectfully advocates for the reinstatement of Ethiopia under AGOA.

## **II. The Benefits of AGOA to Ethiopia and to American Companies and Consumers**

### **1. AGOA supports American companies in Ethiopia in importing and selling high-quality, affordable apparel, footwear and accessories to American consumers**

The Children's Place has been sourcing from Ethiopia since 2016 and is now the largest U.S. importer of apparel products from Ethiopia with its source volume amounting to approximately US\$73 million in textile apparel purchased from the country in 2020. In 2022, the Company expects its source volume to amount to approximately US\$100 million in apparel purchased from the country. This is merchandise produced by 11 vendors across 15 Ethiopian factories, employing tens of thousands of Ethiopian workers, the vast majority of whom are women, who experience significant economic uplift as a result. This merchandise – high-quality, essential children's apparel – is then sold to American families at value prices.

### **2. AGOA supports strong foreign investment opportunities in Ethiopia**

The Children's Place's manufacturing partners in Ethiopia are working to build a self-sufficient, resilient, closed loop manufacturing system. This is an eco-system that minimizes the need to import raw materials from other countries, creating a unique and distinct competitive advantage for its developing economy, and permitting companies like The Children's Place to diversify its sourcing activities. As these closed loop systems develop, the Company can



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continue to reduce its use of Chinese manufacturing and magnify the positive economic impact for Ethiopia and the continent. AGOA has been a key catalyst and driver of this progress.

In recent years, the Company has seen the development of large scale, state-of-the-art industrial parks in Ethiopia, and most notably, in the Hawassa Industrial Park. There are 14 industrial parks operating in Ethiopia today, creating tens of thousands of jobs, with a very large proportion of the employees being women. These turnkey industrial parks offer factories and warehouses that enable the rapid start-up of light manufacturing. These industrial parks have state-of-the-art, environmentally friendly systems and equipment, such as zero discharge wastewater treatment plants, and also provide a full range of supply chain services. These growing facilities play a critical role in the socioeconomic development of Ethiopian communities.

The Children's Place believes that the continued successful growth and operation of these industrial parks and the development and building of new industrial parks in Ethiopia, along with the surrounding housing and infrastructure, and the employment of hundreds of thousands of workers, is critically dependent on the reinstatement of AGOA benefits to Ethiopia.

**3. AGOA allows American companies to reduce reliance on China for sourcing apparel, footwear and accessories**

The enactment of AGOA and the related development of textile and apparel manufacturing facilities in Africa, generally, and Ethiopia, specifically, has also allowed The Children's Place to progressively reduce sourcing from China from approximately 40% in 2011 down to approximately 9% in 2021. In fact, the Company's source volume from Ethiopia is now almost two times greater than its source volume from China.

**4. AGOA supports economic development, employment and the livelihood of predominantly women garment workers and their families in Africa.**

In an effort to make a lasting, positive impact on the lives of the people who make the Company's product and their communities, The Children's Place partnered with Plan International USA to establish an early childhood development center for apparel factory workers in Ethiopia in 2022. The childcare center provides much needed childcare services to the workers in Hawassa Industrial Park, the largest industrial park in Ethiopia, and will reach



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over 1,000 children and adults when the center is operating at full capacity. The Children's Place will continue to pursue worker and community support programs in Ethiopia and across Africa.

### III. Conclusion

Reinstatement of AGOA benefits in Ethiopia will enable and facilitate a virtuous cycle of economic activity, helping to bring benefits to American companies, American consumers, as well as the Ethiopian workforce, their families and their broader communities. We are hopeful that the necessary steps are immediately taken by the Ethiopian government to support AGOA's reinstatement and The Children's Place strongly advocates for the reinstatement of Ethiopia under AGOA. While we remain committed to Ethiopia, and have urged the Ethiopian government to take immediate steps towards meeting the benchmarks set by the U.S. Trade Representative, if AGOA benefits are not reinstated, the Company, like other U.S. businesses, will need to reassess our long-term position in the country.

Thank you for the opportunity to comment on this very important issue. Please contact me at [gpoole@childrensplace.com](mailto:gpoole@childrensplace.com) if you have any questions or would like additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Poole".

Gregory Poole  
Chief Sourcing Officer  
The Children's Place, Inc.