

Ms. Katherine Tai
United States Trade Representative:

Please reconsider reinstating Ethiopia's AGOA benefits before it is too late. Without AGOA benefits, companies like mine have no choice but to move investment and production out of Ethiopia and back to Asia. Reinstatement of AGOA benefits to Ethiopia is critical to the lives of many people in Ethiopia and critical to the country's continued progress toward establishing a market-based economy. Business to business engagement enabled by AGOA, has strengthened the bonds between the U.S. and this strategic African ally and these bonds are being broken as our partners look to China for assistance and investment.

My company established a joint venture apparel factory with Ethiopian partners and exported the first AGOA eligible shipment to the United States in 2000. We hired and trained people, mostly women, and paid a living wage so they could pay rent, feed their families, and send their kids to school. Other manufacturers in the U.S. and Europe have followed suit and the apparel industry, while still small in comparison to Asian countries, has helped alleviate poverty, create a market-oriented economy, and a respect for American values.

In 2001, we employed several thousand people in Ethiopia and exported 4.5 million garments to the U.S. Without AGOA benefits, we are not able to continue operating in Ethiopia. Fabric and trim production in Ethiopia is in its infancy, thus all components must be shipped from Taiwan to Djibouti, then by truck to Addis Ababa. Finished garments must then be shipped back to Djibouti and loaded for transport to the U.S. The length and cost of this supply chain is prohibitive if garments cannot enter the U.S. duty free. My company and other apparel manufacturers are now forced to relocate our production back to Asia.

Loss of Ethiopia's AGOA benefits has had no apparent effect on the government officials and military personnel responsible for the alleged atrocities in Tigray. Instead, people who work hard every day to support their families are suffering greatly. Loss of income coupled with war and climate induced food shortages are exacerbating poverty and causing starvation across the country.

As Chairman of the Ethio-American Trade and Investment Council, I worked with Prime Minister Meles Zenawi and the Ministry of Trade and Industry for twelve years to eliminate trade barriers and simplify the regulatory environment for investors. Ethiopia has been able to attract investment and made significant strides toward establishing a market-oriented economy. Investment and job creation have helped reduce extreme poverty in Ethiopia over the past twenty years. In addition, U.S. business ties with Ethiopia fostered by AGOA have enabled the U.S. to maintain a significant presence in this strategically important country and partially offset the influence China buys through loans and massive infrastructure projects.

Many of our partners and business associates in Ethiopia are Ethiopian-Americans who, after being educated and working in the U.S., returned when the dictatorship was overthrown in 1991. They believe in American ideals, democracy, and free markets. As Americans, we need to support them and continue to build our relationship with the business and intellectual community in a country that has long been our ally. We should not let the actions of a few currently in power, derail such an important relationship. Continuing loss of Ethiopia's AGOA benefits will be devastating for millions of Ethiopians and extremely damaging to the reputation of the United States in the world community. I hope you will consider the impact the loss of AGOA benefits is having and reconsider Ethiopia's AGOA eligibility.

Sincerely,

Wilson F. Hunt, Jr.

Chairman emeritus, Ethio-American Trade and Investment Council



Chief Executive Officer

Email: wfh@champrosports.com

Direct: 847-229-4056

Mobile: 630-278-9869

champrosports.com

ub.champrosports.com