

July 7, 2023

Mr. Jeremy Streatfeild Office of the United States Trade Representative 600 17th Street NW Washington, DC 20508

RE: Annual Review of Country Eligibility for Benefits Under the African Growth and Opportunity Act (AGOA), Docket Number USTR-2023-0003

Dear Mr. Streatfeild:

Headquartered in Secaucus, New Jersey, The Children's Place is the largest pure-play children's specialty apparel retailer in North America. We design, contract to manufacture, and sell high quality apparel, footwear, and accessories for children at value prices. As of April 30, 2023, we had approximately 600 retail stores in the U.S., Canada and Puerto Rico, and annual revenues of \$1.7 billion for our 2022 fiscal year.

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

We source our products from a diversified network of third-party vendors across Asia, the Americas and Africa.

The Children's Place has been sourcing from Africa since 2000, the same year that the African Growth and Opportunity Act was enacted. In the past 5 years, Africa has become an increasingly important sourcing region for our Company, and in 2021, accounting for over 25% of our source volume. A key driver of our sourcing decisions in this region is the full and continuing access to the benefits that AGOA brings to our Company, employees, customers, and sourcing partners. AGOA supports American companies in importing and selling high quality, affordable merchandise to American consumers. This is merchandise produced in African factories, employing hundreds of thousands of African workers, the vast majority of whom are women, who experience significant economic uplift as a result. This is why The Children's Place is advocating for an early renewal of AGOA in 2023 and for a new 10-year AGOA term to promote large-scale foreign investment in Africa.



The African Development Bank reported Africa as being the world's second-fastest growing continental economy. Africa is home to more than 1.2 billion people, a population that is projected to double over the next 30 years. In 2019, Africa exported approximately \$8.4 billion of products to the United States, approximately \$1.4 billion of which were textile and apparel products. The textile and apparel industry in Africa alone employs more than 450,000 people, the vast majority of whom are women.

It is necessary for our Company to have a network of professional and reliable suppliers that demonstrate the same commitment to transparency, honesty, and integrity as we do. Over the past 23 years, we have developed numerous trusted relationships with African manufacturers and their communities.

The Chicago Council on Global Affairs, a recognized non-profit organization since 1922, providing analysis and information on global affairs, reports that China is now the largest trading partner for the African continent and will invest over \$1 trillion in Africa by 2025. We believe that the United States must continue to find ways to deepen its relationships with African partners to build resilience and self-reliance for the long term.

AGOA supports American companies in importing and selling high quality, affordable apparel, footwear, and accessories to American consumers.

Today, Africa represents more than 25% of TCP's source volume. We are currently working with third-party vendors and factories in seven African countries, Benin, Ethiopia, Egypt, Kenya, Madagascar, Togo, and Tanzania.

AGOA supports strong foreign investment opportunities in Africa.

According to a World Bank study from 2019, the ease of doing business in Africa is similar to doing business in the more developed Asian countries from where we also source. Africa offers a modern, industrialized economic base, and is well suited for light manufacturing and the production of labor-intensive textile and apparel products. These favorable conditions set the table for continued meaningful growth in Africa.

Sourcing from Africa creates a distinct competitive advantage for The Children's Place. Africa's population of approximately 1.2 billion people presents a vibrant and motivated workforce, at globally competitive wages. Importantly the growing trade with Africa also can be linked to an increase in the standard of living and education levels for Africans, and a reduction in poverty and infant mortality.



Our manufacturing partners in Africa are working to build a self-sufficient, resilient, transparent 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 and magnifying the positive economic impact for the continent. AGOA has been a key catalyst and driver of this progress, and its early renewal will increase the likelihood of future government and private sector investment in the African economy, with the resulting benefits to the African people and U.S. economy.

In recent years, we have seen the development of large scale, state-of-the-art industrial parks in Africa. 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 socio-economic development of these communities.

We believe that the continued successful growth and operation of these industrial parks and the development and building of new industrial parks across the continent, along with the surrounding housing and infrastructure, and the employment of hundreds of thousands of African workers is dependent on the long-term renewal of AGOA.

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 also has allowed The Children's Place to progressively reduce sourcing from China, from approximately 40% in 2011 down to approximately 8% in 2022.

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

In an effort to make a lasting, positive impact on the lives of the people who make our 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 larges industrial park in Ethiopia, and will reach over 1,000 children and adults when the center is operating at full capacity. We will continue to pursue worker and community support programs in Africa.



In closing, I would like to reiterate that:

AGOA enables and facilitates a virtuous cycle of economic activity, helping to bring benefits to American companies, American consumers and the developing nations and workers in Africa.

The Children's Place is advocating for an early renewal of AGOA in 2023 and for a new 10-year AGOA term to promote large-scale foreign investment in Africa.

Thank you for the opportunity to discuss this import issue.

Please contact me at <u>gpoole@childrensplace.com</u> if you have any questions or would like additional information.

Sincerely,

Gregory Poole Special Advisor Former Chief Supply Chain & Sourcing Officer The Children's Place, Inc.