

President Cyril Ramaphosa: 20th AGOA Forum Opening Ceremony

3 Nov 2023

Address by President Cyril Ramaphosa at the opening ceremony of the 20th AGOA Forum, 3 November 2023, Johannesburg Expo Centre

Minister of Trade, Industry and Competition of South Africa, Mr Ebrahim Patel,
United States Trade Representative, Ambassador Katherine Tai,
African Union Commissioner for Economic Development, Trade, Tourism, Industry and Minerals, Mr Albert Muchanga,
Secretary General of the African Continental Free Trade Area Secretariat, Mr Wamkele Mene,
African Ministers of Trade from AGOA-eligible countries,
US Deputy Secretary of Commerce, Don Graves,
Ambassadors,
Government Officials,
Business leaders from African countries and the US,
Leaders of organised labour,
Leaders of civil society,
Distinguished Guests,

Good Morning,

I wish to warmly welcome to South Africa the distinguished delegates from the United States led by US Trade Representative Ambassador Katherine Tai and the Trade Ministers and their delegations from across sub-Saharan Africa.

This 20th AGOA Forum is taking place at an important moment. It is taking place at a time when the world is facing both great difficulties and valuable opportunities.

This Forum is taking place on a continent of enormous potential.

Africa has great reserves of critical minerals, a youthful population, high levels of urbanisation and an increasingly networked population.

As African countries, we are committed to the industrialisation of our economies.

By moving up the value-chain, we create more jobs, add more value here on the African continent and improve the lives of more than 1.3 billion people.

Africa is an important source of critical raw materials, but we do not want to be defined as simply the producers of commodities.

The great industrial opportunity lies instead in the transformation of rock and metal into the sophisticated industrial and consumer goods that societies across the world need.

We look forward to the United States working with African countries to foster an investment-led approach that aims to diversify international supply chains of critical minerals by benefiting these resources here on the African Continent.

We look to continue to use trade as an instrument to facilitate industrialisation, job creation and inclusive growth.

We look for partners to support us in our development. We value the relationship with the United States, the world's largest national market, and a country with which we have relationships that go well beyond trade.

The African Growth and Opportunity Act – or AGOA – has served as the cornerstone of the US-Africa commercial relationship for more than two decades.

While the legislation's unilateral trade preferences have provided economic benefits for countries across sub-Saharan Africa, AGOA as a whole remains underutilised.

The legislation has helped to promote manufactured exports into the United States, but so much more can be done.

The early reauthorisation and renewal of AGOA, with a particular focus on how AGOA can be improved, will help to ensure that the AGOA legislation achieves its objectives and reaches its full potential.

An early renewal can help to strengthen trade and investment.

At the same time, we see potential to enhance AGOA with reforms that will add more products and will make it easier for small and medium-sized businesses to use it.

While all 35 eligible Sub-Saharan African countries stand to benefit from AGOA, utilisation rates vary widely.

Kenya and Lesotho have had some of the highest AGOA utilisation rates.

Eighty-eight percent of Kenyan exports and 99 percent of Lesotho's exports to the United States qualified for zero-tariff treatment.

When excluding exports of crude oil under AGOA, the data shows that the programme has substantially improved the export competitiveness of certain African products, especially textiles and apparel.

Apparel exports from Lesotho, Ethiopia, Mauritius, Madagascar and Kenya have not only led to the creation of tens of thousands of jobs but these countries have become reliable producers for American consumers.

Other parts of manufacturing have also seen success under AGOA.

South Africa's auto exports to the United States under AGOA have contributed to job creation in South Africa and in the auto supply chain within neighbouring countries.

For instance, South African automotive companies source leather car seats from Lesotho and wiring harnesses from Botswana.

These companies source copper wire from Zambia, rubber from Côte d'Ivoire, Nigeria, Malawi, Ghana and Cameroon, and steering wheel components from Tunisia.

These are then installed in cars that are exported to the United States under AGOA.

These inputs alone accounted for more than \$200 million worth of products traded among African countries.

In this respect AGOA makes a vital contribution to regional industrial development and the integration of African economies.

This is critical to building Africa's productive capacities, increasing value-addition per capita, as well as diversifying trade beyond the reliance on commodities.

The exports under AGOA can complement the efforts of African countries themselves through the African Continental Free Trade Area.

The Continental Free Trade Area is our engine for increased trade with each other.

We have made very substantial progress and we expect to commence trade under the new preferences shortly.

The duty-free quota-free market access provided by the United States under AGOA can be further leveraged to promote investment in Africa, including from the US.

I am glad that trade ministers from across the continent have been able to meet and will engage with their counterparts and colleagues from the United States.

We would like you to look at the extension or renewal of AGOA for a sufficiently lengthy period for it to act as an incentive for investors to build new factories on the African continent.

We believe there is great value in retaining all beneficiary countries to build on the emerging regional value chains that are making a significant contribution to the industrialisation of the African Continent.

A more targeted effort to promote greater levels of investment can help to unlock AGOA's opportunities.

We do, however, remain concerned about the negative effects that trade restrictions on products like steel, aluminium or citrus fruit have on AGOA utilisation rates.

We hope that the discussions at this Forum will help lay the basis for these to be addressed in future.

Beyond the government-to-government discussions, we are particularly pleased with the interactions that have taken place between private sector representatives, as well as at the Labour Forum and Civil Society Forum.

I am pleased that this is the first AGOA Forum at which a Labour Forum is held, bringing the voices of American and African workers together.

This Forum is about making sure that policy promotes work.

Let me conclude with a reflection, an invitation and a word of appreciation.

The reflection is that I have just concluded a tour of the 'Made in Africa Exhibition' which showcases some of the enormous manufacturing capabilities of the African Continent.

I saw companies involved in food and beverages, chocolates and sugar, clothing and shoes, cars and trucks, medical products and arts and crafts.

These are examples of African markets leveraging off the continent's industrial capacity.

We need many more such companies.

Next I want to issue an invitation.

I want to invite US retailers, importers and large corporates to see Africa as a key industrial procurement source, a place that is integral to a more resilient supply-chain.

We invite US companies to send supply-chain managers and procurement officers to the African continent, and to set up factories and other businesses.

Finally, I wish to express my appreciation to the delegates, exhibitors, social partners and sponsors for their support to make this Forum possible.

A particular thanks to three large sponsors – Standard Bank, Sasol and South 32 – for their efforts, as well as the number of other sponsors who have contributed so generously.

I hope the trade ministers and the members of the US delegation will find some time to enjoy the warm hospitality of the people of South Africa, and that you will be able to join the celebrations with the new Rugby World Champions.

I wish you successful deliberations and now declare the 20th AGOA Forum officially open for business.

I thank you.