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U.S. Officials' Briefing on 2013 AGOA Forum

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FOREIGN PRESS CENTER BRIEFING WITH FLORIZELLE (FLORIE) LISER
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THE UNITED STATES TRADE REPRESENTATIVE (USTR);
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JOHN M. ANDERSEN, ACTING ASSISTANT SECRETARY FOR MARKET ACCESS AND
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TOPIC: "PREVIEW OF THE 2013 AFRICAN GROWTH AND OPPORTUNITY ACT (AGOA)
FORUM"

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MODERATOR: Hello, everyone, and welcome to the Washington Foreign Press Center and to our callers joining us via teleconference from State's African Media Hub. I would note first that if you want to get into the question queue, what you need to do to ask a question, please press *1 at any time.

Our speakers today are Florizelle Liser, Assistant U.S. Trade Representative for Africa in the Office of the U.S. Trade Representative; Cynthia Akuetteh, Deputy Assistant Secretary of State for African Affairs; and John Andersen, Acting Assistant Secretary for Market Access and Compliance with the U.S. Department of Commerce. Today, they're going to deliver a briefing on a preview of the 2013 Africa Growth and Opportunity Act or AGOA Forum.

Without further ado, here is Ms. Liser.

MS. LISER: Good morning, everyone. I am delighted to be here along with my colleagues from the State Department and Commerce Department, and on behalf of the U.S. Government, many, many agencies are involved and will be at the AGOA Forum in Addis Ababa, Ethiopia. We will be joining our African counterparts from government, many people from the private sector and civil society from both the United States and Africa at what is now the 12th annual AGOA Forum.

And this year's AGOA Forum comes a little more than a month after President Obama's visit to Sub-Saharan Africa, and he very much featured the issues of trade and investment during that trip. So it's a perfect time for us to be having the AGOA Forum, to follow up on a number of the things that were announced during the President's trip, and to continue to try to find ways to enhance the U.S.-Sub-Saharan Africa economic relationship.

The U.S. Trade Representative Mike Froman – Michael Froman and other senior Administration officials will be at the AGOA Forum, and this will actually be Ambassador Froman’s first foreign trip in his capacity as the U.S. Trade Representative. We will have, as I said, people from government, civil society, private sector, and I forgot to mention – and they’re dear to my heart, so I should not have forgotten to mention the African Women’s Entrepreneurship Program, AWEP. And we’ll be there from August 9th to the 13th.

Today, there are, of the 49 countries that are Sub-Saharan African, there are 39 of them that are eligible for AGOA. And we are now at a point where AGOA is scheduled to expire in 2015, and one of the things that we will be doing, Ambassador Froman will be launching an extensive public review process to assess AGOA’s successes as well as the areas for improvement as we seek to extend AGOA beyond 2015. The Administration has already committed to have a seamless renewal of AGOA, but we want to make sure that we know all that AGOA has done, we want to know what the current challenges are to its further utilization, and this public review process will help us to do that. And of course, all of this will be towards the end of working with the U.S. Congress because AGOA is their baby as well as ours.

We celebrate AGOA’s success to date in expanding and diversifying two-way U.S.-African trade. We can talk more about the details of this, but today, African exports to the United States are three times what it was in the first year of AGOA. And there is a significant increase in non-oil exports to the U.S., and we can talk more about some of the sectors that’s happening in.

But we also recognize that AGOA can do so much more. So we have to look at how we can make it better, how we can fulfill its promise and potential, and we need to get that right. As AGOA is extended, we want to make sure that the Africans are in a position to compete in the global economy.

So let me wrap up by saying that we know that market access is not the only thing that the Africans need, that AGOA alone will not make all the difference for the Africans. Many of our goal partners have put into place far-reaching economic and political reforms, they’ve improved the business and the investment climate, established rule of law and improved governance, they’ve addressed barriers such as corruption, a lack of capacity to produce value-added manufactured products for the global economy, and they’re also pouring money into infrastructure that’s needed to help them be competitive. The U.S. is supporting the Africans in a lot of these areas, and I’m sure my colleagues will speak a bit about that. We’re also supporting African regional economic integration which will facilitate not only intra-African trade and create larger markets that can improve Africa’s competitiveness, but can also attract much-needed investment into the region.

Finally, while AGOA is focused on granting African producers access to the U.S. market, we’re also committed to ensuring that U.S. companies face a level playing field while doing business in Africa. We recognize that Africa is a continent of vast opportunities and we want to make sure our traders and investors here in the U.S. have an opportunity to work with Africans and take advantage of this continent that is definitely on the rise. Thank you.

MODERATOR: Well, without further ado, we’ll move to the Q&A portion of the event. Again, I was – oh, I apologize. We’ll have our second speaker now.

MS. AKUETTEH: Okay. Thank you so much and thank you, Florie, for your comments, for

your remarks. I'm also very delighted to be here – this is Cynthia Akuetteh from the State Department – to be here with my colleagues from USTR and Commerce. We work very closely with USTR, Commerce, and Treasury in implementing the AGOA. And as highlighted by President Obama during his recent trip to Africa, we are very committed to strengthening our trade and investment partnership with Sub-Saharan Africa. We view Africa as one of the most important emerging regions in the world, and we see tremendous opportunity to significantly increase our economic engagement.

I love to tell the story that when I was in graduate school, that the African students at the time would say, "We want trade, not aid." So here it is, 2013, and we're really looking to expand and deepening those trade ties. AGOA is the foundation of our economic partnership. We are committed to working with Congress and other stakeholders on the legislation's timely renewal. The AGOA Forum is an opportunity to launch a high-level dialogue on AGOA's successes and challenges and to continue consultations on possible ways to improve AGOA to generate increased trade, sustain equitable growth and job creation.

This year's forum, which is the twelfth, will be held August the 12th and 13th in Addis, as Florie Liser said. Our theme is Sustainable Transformation Through Trade and Technology. This theme, I want to underscore, was proposed by our African partners. We believe that it reflects the transformation that the continent has seen in the decade since AGOA was passed. This year's forum will consist of the ministerial, which will be held from August 12th to 13th; private sector, civil society, and AWEPP forums, which will be held August 10th through the 11th; and the trade fair organized by the Corporate Council on Africa from August 9th through the 12th. All the events will take place at the African Union Conference Center in Addis.

We have been very pleased with the cooperation with our Ethiopian colleagues and their outreach to their African counterparts. At the suggestion of our African colleagues, this year's plenary sessions will comprise three parts: U.S. perspective on past cooperation and the Administration's thoughts on the future of our economic relationship; the Africans' perspective on future economic relations; and congressional perspective. The forum also presents an opportunity to launch a high-level dialogue on AGOA's successes and challenges and on the program's future.

We are committed to working with Congress and other stakeholders on AGOA's extension beyond September 2015, and on ways to potentially enhance the program. AGOA's renewal is important not only to sustain our support for Africa's integration into the global economy, but also to really signify and maintain our partnership with a region that is vitally important to the United States strategic and commercial interests. Thank you.

MODERATOR: We'll now take remarks from our third speaker, Mr. John Andersen.

MR. ANDERSEN: Thank you, and good morning. I represent the U.S. Department of Commerce, and it's my pleasure and honor to be here today to speak with you and also to be with two of my good friends from the Department of State and from the U.S. Trade Representative's Office.

This will be the second overseas AGOA forum that I'll have the privilege of attending. I went to the 10th in Zambia, which was my first, spent much of my career working on U.S.-Western Hemisphere affairs, so it was a bit of an eye-opener to have had an opportunity to be in Zambia. And people told me then that, in some ways, it was the watershed event. It was the first time a number of heads of state from Africa came and

talked less about what can AGOA do for us and more about what can we do to take better advantage of AGOA. And I think that's a critical factor in the success of the relationship moving forward.

It's no secret that the President has viewed – views Africa as one of the key emerging areas in the world. Seven of the 10 fastest-growing countries in the world are in Sub-Saharan Africa, and some of the highest growth rates projected for this year or next are also in the region.

I'm going to talk briefly about a few of the programs that we'll be highlighting when we are in Ethiopia. The first is the Doing Business in Africa Campaign. It was designed to further encourage economic growth in Sub-Saharan Africa and to assist American businesses to take advantage of the tremendous opportunities the region has to offer. And the program was launched in November 2012 by then-acting Secretary of Commerce Rebecca Blank. It reflects an unprecedented, whole-of-government approach to increase the level of U.S. trade promotion to the region, to address market barriers, and to expand the availability of trade financing.

It's a program that's spearheaded by the Department of Commerce, entails broad collaboration across the government with the Department of State, with the U.S. Trade Representative's Office, with the Export-Import Bank, with the U.S. Trade and Development Agency, the Overseas Private Investment Company – Corporation, and so on. It advances President Obama's strategy toward Sub-Saharan Africa, which calls for the United States to spur economic growth, trade, and investment in the region. And we will do this by encouraging greater U.S. economic engagement, to include providing assistance to U.S. businesses – especially small-and-medium-sized businesses – and the African diaspora owned businesses to take advantage of the many export and investment opportunities in African markets.

One way you will see this action taking place is through expanded trade promotion programs tailored toward Africa to include trade missions and international buyer program events that will bring more Africa buyer delegations to the United States. So there will be a number of programs that we will put on that will highlight the Doing Business in Africa Campaign.

The second event will be the commercial dialogue that was instituted by, again, Dr. Blank when she was in Africa in November. It's – it involves the United States in the East African Community. It's a commercial dialogue that brings together, in particular, the private sectors of both regions to talk about what we can do to help each other to expand the region and to take advantage of opportunities, to make sure that we can help create jobs and employment and opportunities for trade in both our regions.

I think it's significant to point out that while the Commerce Department has – only has a few commercial dialogues, and they are – generally have been with fairly high-level countries, and Brazil being one, India being another, so the fact that we felt the region was this significant that we started one that is region-wide and the first one in Sub-Saharan Africa I think is a pretty major step in the right direction.

And then the last thing – and Cynthia mentioned – both Cynthia and Florie mentioned this – that there will be a private sector forum jointly organized by the Corporate Council on Africa and the Ethiopian Chamber of Commerce and Sectorial Associations. During this session, CCA will partner with the United States, African private sectors, governments, and other stakeholders to provide a platform for companies to identify

opportunities, execute deals, and network with African decision makers across many sectors. It will be dedicated to identifying opportunities for the United States and African private sectors to take full advantage of AGOA's benefits and collectively pursue approaches that could increase the flow of trade and investment into Africa.

So as I said at the beginning, this is the second AGOA forum that I will have the privilege of participating in. I look forward to doing so, spending some time on the continent, spending some time with my good friends and colleagues, and working to ensure that we have – Africa has the promising future that it looks like it's poised to have. Thank you.

OPERATOR: Thank you very much. We're now on --

MODERATOR: Go ahead, (inaudible).

OPERATOR: Sorry, sorry. Thank you very much. We're now in the question-and-answer session. And just a reminder, callers, to please press * 1 on your phone to join the question queue. Please push * 1 on your phone if you want to ask a question.

The first question – actually, I'm going to take a maximum of three questions from our U.S. mission in Ethiopia, Addis Ababa. Please state your name and affiliation before you ask your question. Ethiopia office, your line is open. Maximum of three questions, please. Please go ahead.

MODERATOR: Thank you very much. Let me turn the floor over to one of our reporters right away. Please speak up.

QUESTION: Okay. My name is (inaudible) and I'm from (inaudible). (Inaudible) all of us (inaudible) to be here (inaudible). My first question is: Compared to Africa and your trade (inaudible) how successful is AGOA? And another question of money: We know that (inaudible) in makings of AGOA. Compared to (inaudible), is Egypt then trying to take advantage of this opportunity in AGOA? Thank you.

MODERATOR: Do you want all of our questions right away?

MS. LISER: Yeah. I just – before we move on, could you please clarify the first part of the question? Compared to who?

QUESTION: The Africa trade partnership with China and Asian countries in general.

MS. LISER: Okay. Thank you.

MODERATOR: Okay. Would you like the other questions now?

MS. LISER: Yes, please.

MODERATOR: Okay. Please (inaudible).

QUESTION: Hello. I am (inaudible) from VOA. I want to – what do you expect gain (inaudible) trade (inaudible)?

MODERATOR: And one more.

QUESTION: My name is (inaudible) from (inaudible). And my question is: (Inaudible) within AGOA (inaudible) countries (inaudible) to produce. Why do you have this product? So what would be the U.S. support to enhance their position in terms of producing (inaudible) product? And the other question is: What is the (inaudible) is doing to extend AGOA from 2015?

MS. LISER: Okay. So on the first question that was related to African trade practices with China and other Asian countries versus the United States, our view has been that Africa is a large and fast-growing market. It has, as one of my colleagues was saying, seven of the ten fastest growing economies in the world. It also has a rapidly growing middle class, and there's a youth bulge and the products and services that that group wants and desires, all of this is having an impact on the way that lots of countries around the world are interacting with Africa.

So it's not just China. In fact, last year, the largest investor in Africa was not China; it was actually Malaysia. A lot of people don't know that. And on the other hand, while Africa-China trade has now exceeded U.S.-China trade, the United States still is the largest market for Africa's value-added products. So there are also some differences in the patterns of trade. So, for example, Africa has been rapidly increasing its exports of footwear and apparel to the United States. You will not see that same pattern in their trade with China or other countries.

So we have to look not just at the total or overall numbers for the trade, we have to look at the patterns of the trade, and then we have to look at what's happening in particular sectors of trade as well. We in the U.S. are encouraging the Africans to do everything they can to liberalize their markets, to advance regional integration so that instead of having 49 small markets, many of which are landlocked, that they continue to move forward in their regional economic integration so that they can have economies of scale. And so that a U.S. company or a Chinese company or a Malaysian company – or in Sub-Saharan Africa, South Africa is one of the largest investors in Sub-Saharan Africa. But any of the companies looking at establishing a business in one country can say, "Okay, if I go into Burundi, I will also have access to Kenya and Rwanda and Uganda and Tanzania, because the five of them are in a regional economic community together."

So we encourage them to do that. We are not concerned about other countries that are engaging with Africa. Many other regions of the world, when they were in the same stage that Africa is now, were inviting in investors and trading partners and joint venture partners from lots of countries around the world. Africa is doing exactly what it needs to do to take advantage of the global economy. And we encourage them to do that. China will do what it does in Africa; the U.S. will do what we do in Africa.

MR. ANDERSEN: Can I just add a point on the regional integration? As I mentioned at the start of my remarks, much of my career has been in the Western hemisphere, and much of that has been involved in a number of free trade agreements that we negotiated. And the reason I bring this up is because even though we're not negotiating a free trade agreement, obviously, in Sub-Saharan Africa, when we did negotiate with the Central Americans to establish the U.S.-Central American Free Trade Agreement, we had the same point to them on regional integration, that individually they were fairly small markets. But as a group, and they did have a common market amongst themselves that they fully hadn't integrated with, they were pretty large. They were, I believe at the time, as a region our eleventh largest trading partner. That has real cache with the business community, as Florie said.

When you can enter a market and have access, relatively easy access, the borders are – there aren't problems at the borders, you can get your goods across to other areas, that makes it a much more attractive venue for other – for U.S. businesses and others. And it's an important part that – as I said, when we negotiated with the Central Americans, that we really stressed to them the need to get their common market working better so that they could break down some of the barriers amongst themselves that would make it really a regional market.

MS. LISER: That's exactly right. If I could just touch very quickly on the other questions and then turn to my colleagues from State or back to Commerce – so someone asked, what does the U.S. gain from AGOA? And there are a number of things that we gain. First of all, in terms of the business environment, AGOA has helped to foster the kind of economic reforms and improve business environment in many of our African partners who are eligible for AGOA, which has allowed U.S. businesses to be able to operate more freely and more effectively in those markets. And the way that we now can measure that is that even for the U.S. our exports to the region have more than tripled since AGOA went into place. It was 6.9 billion in exports to Africa in 2001, which was the first year of data after AGOA went into place in 2000. By last year, it was 22.6 billion, by the end of 2012. So we're doing very well in the African market.

I think the other thing is that we know that there are a lot of opportunities there, and even though many Africans would say they'd like to see more U.S. businesses there, as I travel around the continent to many of the countries, it is very rare to go to any countries where there isn't a U.S. business there. So we have a huge stake is what I would say.

In the markets and in the economies of sub-Saharan Africa we have large U.S. businesses, but actually lots of medium-sized and small businesses, minority-owned, diaspora-owned businesses that are engaging with their counterparts in Africa and doing quite well. And we have lots of examples of this. I'll just give you one that I know of. I've met with them myself.

Shea butter that's coming in to the U.S. from a number of the West African countries, Nigeria, Benin, into the U.S. – there is an African-American woman who imports the processed, high-quality shea butter, and here on the U.S. side she employs a small number of women herself who then add different perfumes and essence and oils, et cetera, to the shea butter. They package it up, they do the labeling for it, and those products are being sold in some of our larger stores like CVS and Walgreens, et cetera. So that's an example of where the women on the other side in this particular case – not that this is just about women, but I like talking about women benefiting from trade.

I went to a shea butter cooperative out in Nigeria and I got a chance to meet the women who were making the shea butter there. They were getting assistance from USAID. And that leads to the second – the third question, which are the constraints on producing value-added products and what help the U.S. was giving. Through our regional trade hubs – we have one in Ghana; we have another one in Botswana for southern Africa, and a third one in Kenya for East Africa. And through our regional trade hubs we are helping small entrepreneurs in these different regions to understand AGOA, to help them with making their products more competitively, and then working with them to come to U.S. trade shows here in the U.S. where they can meet U.S. buyers and potential joint venture partners who are then going to the continent, investing there, and being profitable themselves.

So that's something that we're doing, and we have a number of U.S. agencies that provide a range of technical assistance and trade capacity building support to the Africans – everything from the Millennium Challenge Corporation, which is helping with a lot of the infrastructure – ports and roads, farm to market roads; Feed the Future help – which is helping with agricultural competitiveness and productivity, State Department's involved in that, AID's involved in that; Commerce Department, through their foreign commercial service officers and a number of other programs they have, they're also helping U.S. businesses and African businesses to come together. So we have lots of programs that are active there.

And then on the last question: What is the Obama Administration doing in terms of extension of AGOA? I can assure you that we have been meeting with and talking to members of Congress. In fact, tomorrow, I'm going to be in a – on a panel up on Capitol Hill where the entire focus is on AGOA's reauthorization, and we'll be talking about what they're thinking about on the Hill, as well as what the private sector and the U.S. Government are thinking about. I know that my boss, Ambassador Mike Froman, will be making specific calls to some of the members who will be attending the AGOA forum. We have a number of members who are attending the AGOA forum; he'll be calling them later this week and early next week before we all leave to go to Addis.

So we are very, very focused on what we have to do with Congress and also with AGOA stakeholders, whether it's the private sector, our African government counterparts, and also civil society, who are very important in this dialogue.

MS. AKUETTEH: I'd like to – just a couple of brief comments on the question of how the United States benefits. As I mentioned earlier, the African students, when I was in graduate school – many years ago – said we want trade not aid. And I think there's a growing consensus in both the United States and Africa that, indeed, open trade and investment are the fastest ways for African economies to boost their economic growth, to spur development and reduce poverty. And in that way, as we have stable partners, prosperous partners, the United States and the entire global community benefits.

AGOA is a key tool in our efforts to achieve the Administration's development priorities, and that's really to see the next generation of emerging markets by building an effective trading partnership between the United States and the communities across Africa. So there's enormous benefit, not just in terms of companies investing, African companies investing in the United States, the expansion of two-way trade, but the overall peace and security framework is very, very critical to our bilateral relationship.

OPERATOR: Thank you very much. Our question queue has since grown and therefore, in the spirit of accommodating everyone, stick to one question at a time going forward. Just to remind callers to please press *1 on your phone to join the question queue.

Our next question – strictly one question – will come from Accra, Ghana, at the U.S. Mission in Accra, Ghana. Please state your name and affiliation before you ask your question. Please go ahead.

QUESTION: My name is (inaudible) from Ghana News Agency. My question is (inaudible) to better to provide incentives to reduce corruption and have respect for human rights. I wondered what (inaudible) have actually done that's specific in the sense you actually put in (inaudible) to reduce the problem of corruption in Africa.

MS. LISER: Can we take a couple other questions?

QUESTION: Yeah, it's just one question.

MS. LISER: No, no, I meant in the queue. Thank you very much. We will definitely answer your question.

MR. ANDERSEN: We would like to batch a question or two if that's convenient.

OPERATOR: Sure, that's fine.

MR. ANDERSEN: Okay. Please give us another question or two.

OPERATOR: Yes. Our next question will come from our U.S. Mission in Dakar, Senegal. Strictly one question, please.

QUESTION: Okay. My name is --

OPERATOR: Dakar, Senegal?

QUESTION: Okay. My name is (inaudible). I'm a journalist in Senegal (inaudible). Last (inaudible), President Obama was here in Senegal. He had noticed that the entire Senegalese. Now, I want to know, how you are planning to impact the agriculture sector. Thank you.

MS. LISER: Thank you.

OPERATOR: Thank you very much. Our next question will come from Conakry, our U.S. Mission in Conakry, Guinea. Please go ahead. Strictly one question.

QUESTION: Okay. My name is (inaudible), a radio and television presenter. I would like to know the products eligible for AGOA benefits and who makes the determination regarding AGOA eligibility. Thank you.

OPERATOR: Thank you very much. Our last question of this batch will come from (inaudible) Frederick. Please go ahead.

QUESTION: Thank you. This is Frederick in Annapolis, Maryland. And my question is: There is a huge population of African nationals to the U.S. who definitely play an important role in the development of the continent. And I'm wondering, what (inaudible), whether it's State Department or Commerce Dept, do to be engaging the African (inaudible) the goals of AGOA?

MS. LISER: Thank you.

OPERATOR: Thank you very much. Can we take one more from Lesotho? Lesotho line is open. This is the last question of the batch (inaudible) for this batch. Lesotho, (inaudible) Lesotho?

MODERATOR: Hi. Can you guys hear, those who are journalists calling?

QUESTION: Hi. My name is (inaudible). I'm a foreign correspondent for BBC in Lesotho. My question is: Lesotho is one of those economies that has benefited in many ways from AGOA, and especially our exports, we can -- to almost an 80, 90 percent -- textiles and

manufacturing exports on – exports to the U.S. So one wonders and we talk about whether or not AGOA (inaudible) is quite crucial (inaudible). When will we know whether or not (inaudible)?

MS. LISER: Okay. So perhaps I can leave the first question on corruption and addressing human rights to my colleague at State if she doesn't mind. I mean, the basic answer is that as we look every year, annually there is an AGOA eligibility review process, and this links to another question that was asked. The U.S. Government, at the instruction of Congress, according to the AGOA legislation, must undertake an annual review of each country looking at the full range of AGOA eligibility review criteria. And the criteria range everything from taking the right steps in terms of opening their markets and establishing policies that are open, resolving any kind of commercial disputes, to protecting labor rights, child labor, and dealing with things like anticorruption efforts.

And so we look at this every year for every AGOA-eligible country, and even for the countries in Sub-Saharan Africa that are not eligible, because our hope is that at some point, all the countries will be eligible for AGOA. What we've done, frankly, is when countries are not addressing human rights appropriately, when there is corruption that is documented and rampant, this is something that we then can, as a part of the AGOA eligibility review process, go in and talk to them about and say, in a demarche that goes out after the AGOA review, "You remain eligible this year, but here were questions that were raised about things that are happening in your country, in your economy, in your political system which were of concern to the United States Government." And then we may give them some benchmarks. We may say, "We would like to see you do the following things over the course of the next year before we get to the next review."

And frankly, for some countries that did not take certain actions, we unfortunately had to make them ineligible for AGOA. But we always engage and give them the opportunity to address those concerns about corruption or human rights or child labor or whatever it may be. But then, when they have not done so and it's been years, then unfortunately Congress is not going to let us continue to make them eligible when they haven't done anything to resolve the problems. So that's a long answer on that. And again, this is very, very important not just to the U.S. Administration, but also to the U.S. Congress that put AGOA in place in the first place.

On promotion of agriculture, we work very, very closely with the African countries to help them in terms of improving their agricultural productivity. We have a number of programs: the Feed the Future program; we have the New Alliance for Food Security; the U.S. Department of Agriculture is working with the African countries in terms of helping them to, again, improve productivity, improve competitiveness, to meet the safety and other standards for food exports, whether it's raw food or it's value-added processed food products. We have a number of programs that are helping there. And President Obama had the pleasure in Senegal of actually being with some of the agricultural producers in Senegal who are using new technologies to also help them be more productive. So he was very delighted with what they had to show him.

Products that are eligible for AGOA – it would be better to do it the opposite way. Most products are eligible for AGOA. About 98 percent of what the Africans ship to the U.S. are eligible for AGOA. We have a few agricultural products that are not eligible if they go over a certain amount, but within that quota amount, they are actually duty-free under AGOA. And then we have a few processed products like non-apparel – some non-apparel textiles, like pillows, for example, that may not be eligible. But the vast majority of Africa's exports to the U.S. are eligible for duty-free treatment coming into the U.S.,

either under AGOA, under our GSP program, the Generalized System of Preferences program, or on an MFN basis, Most Favored Nation basis, which means everybody in the world gets to ship then to the U.S. duty-free.

African nationals in the U.S., the diaspora and what we're doing to help them advance the goals of AGOA: We have met with diaspora groups. I have spoken to various diaspora groups all around the country, encouraging them to be more involved in joint ventures with their home countries. And I think all of us know that many Africans here are sending money home. This is supporting their families in meeting basic needs and education, but what's happening more now is that African diaspora here and in other places, from Canada and Europe, are also investing in their home economies. And that is something that is growing and we would like to see even more of that.

And when will we know – the question from Lesotho – when will we know about AGOA extensions? Obviously, we're asking the same question of Congress. When I meet with members of Congress tomorrow, I'll be asking that question because this is very important to us. We hope and we think we have a building coalition on the Hill, on Capitol Hill, in the U.S. Congress to extend AGOA – to not wait for extension of AGOA in 2015. Some of the previous extensions of AGOA have happened very, very close to the expiration. We don't want to see that happen again, and I have now heard a number of members of Congress on both the House side and the Senate side say that they recognize the damage that that did to the Africans by waiting so long, and that it's their desire to work with their partners across the aisle, Democrat and Republican, Congress, House and Senate, to try to extend AGOA. Maybe it'll even happen in 2014 if we are fortunate. That would be very, very good.

And to the journalist from Lesotho, we know that there was an impact on Lesotho when the third-country fabric provision just about expired before its extension in 2012. And we now know that Lesotho is just about back to par in terms of your apparel exports to the U.S., but you lost some ground and then it took all this time to regain it. So we definitely don't want to see that happen again in terms of the next AGOA extension.

MS. AKUETTEH: I think you did a superb – (laughter) – superb job on addressing the issue of how we use AGOA as a tool to address corruption issues. But I just want to say that AGOA is one tool, but a very important tool, but we also use other tools through diplomatic engagement, through our work with civil society in terms of building their capacity, through our work with training journalists, through our international visitors programs of bringing officials here to the United States to address corruption. But AGOA is an important tool and we take very seriously issues of fighting corruption and also respecting human rights.

MR. ANDERSEN: And I would just add, in 2010, and actually for – before that, my department has been working directly with some of the business communities in Sub-Saharan Africa. In 2010, we did a business ethics workshop in Zambia that featured private sector and other government officials from Botswana who actually had put together, at sort of the ground up, a business ethics code of conduct. As we recognize, AGOA does a lot to deal with these issues, but some of the answers, or a lot of the answers are best worked – or will work better internally. And if you can get the business community behind that, that's an important first step. We've done that in other parts of the world and with some success. And then back this year in Ethiopia, we are going to do another business ethics workshop focusing largely on ethics and government – governance issues on the infrastructure and construction projects. So I think while it's a little bit of a smaller thing in the bigger – in terms of events, it does have that sort of

let's bring the private sector in, get them engaged, what they can do in their communities and countries to help with a number of these issues.

And then just on the diaspora outreach, as I mentioned earlier, the Doing Business in Africa Campaign has that as one of its key features, and reaching out to that community. And I would also point out that when he was in Africa, the President did announce that the Secretary of Commerce, Penny Pritzker, would be taking a business mission to Sub-Saharan Africa at some point in 2014. Now, we haven't worked out the logistics. We don't know what sectors she'll cover, what companies will go, and even what countries. But there is that commitment to bring U.S. companies to the region in order to do business and get more familiar with what the opportunities are.

MODERATOR: Okay. Now we'd like to batch two quick questions from Washington. We have Sub-Saharan Press and VOA. Please ask your question now. Go ahead.

QUESTION: Good morning. My name is (inaudible) from Voice of America. The first question I have is regarding AGOA, and (inaudible) --

MODERATOR: Can you get it into the phone?

QUESTION: (Inaudible) from Voice of America. And the question I have is regarding how successful AGOA has been in Africa. We know it has created tens of thousands of jobs, but it hasn't been as effective as it was designed to be. There's been a call for a presidential-level delegation going to the AGOA meetings, and it hasn't materialized yet. Should we see this happening this year or in future AGOA conferences?

Another question is --

MODERATOR: We just have time for one question, thank you.

QUESTION: Okay. My name is (inaudible) and I have a quick question regarding accessing some of the available programs. So I just came from Ethiopia a week ago, and some of the diaspora (inaudible) was trying to utilize some of the tools available in USAID and through the Embassy, but there is some difficulties accessing the compound, the programs and accessing some of the (inaudible). So what are you planning to do in limiting those challenges?

QUESTION: Pamela Glass with Le Mauricien newspaper in Mauritius. There seems to be general agreement that AGOA needs to be extended and the African stakeholders in this would like to see at least a 15-20 year extension. I was wondering how you thought, first of all, how realistic that is to go up to a 20-year extension. And also, this program, as I understand it, was never expected to go on forever. And I was wondering whether the Administration, seeing some of the success of it but also some of the drawbacks that need to be addressed on it to make it even more successful, would consider advocating to Congress for creating this program to be a permanent trade program. Thank you.

MS. LISER: So on the question of the effectiveness of AGOA, one of the things -- I happen to have been around when -- the early years of even thinking about AGOA, before it was even adopted by Congress, and I would just say very quickly that in that time, we knew that we wanted to use trade as a tool for economic growth and to grow the relationship between the United States and Africa. And the products that actually got added to those that are GSP -- because I think everyone knows that there are about 4,600 products that are eligible for GSP. That's for everybody.

But what we did with AGOA was we added about 1,800 additional products in sectors that other countries weren't going to be allowed to ship to the U.S. duty-free. They included value-added agricultural products like fresh and chilled fish. It included canned fruits and fruit juices. It included leather products such as leather footwear, apparel and some textiles. These were the 1,800.

And what I think we were not fully aware of then, if we admit it today looking backwards, there was an expectation that once we simply opened the U.S. market for those products, that the Africans were actually producing those products that could be competitive in the U.S. market – footwear and apparel, et cetera – and those products would start to flood into the U.S. market. And frankly, that was not the case. There were very few African countries that already had a well-established manufacturing base, and those that did have a manufacturing base – say they were producing textiles – were not producing Western-style clothing for the most part. They were producing very beautiful African textiles products. Leather shoes were being produced in a number of African countries – Nigeria, Ethiopia, Tanzania, et cetera. However, they were not Western-style leather footwear.

So what has happened over the course of AGOA is the Africans have now started to get the kind of technical assistance that they need, the investment that's needed – whether it's local investment or foreign direct investment – to actually produce products that are sold on the global markets, whether it's in the United States or Europe or Brazil or wherever. And now that they are producing more of that, we're seeing them export more to the U.S.

I want to use just a couple of examples of things that have happened just so people get a difference. In 2001, the Africans exported about \$359 million in apparel to us. In 2012, it was \$815 million. Another example would be fruits and nuts, and so we're talking now about – not probably raw fruits and nuts, but processed fruits and nuts. In 2001, they exported \$29.4 million, but by 2012, it was \$121 million. And then I'll just use one last example, which I think is amazing – footwear – because we know that the biggest producer of footwear, as is also true with apparel, is China. But people are moving away from China because their labor costs are getting higher and also because the Chinese want to produce other products in the manufacturing value chain like autos and washing machines and so forth, so they're moving towards that, and this leaves room for the Africans to be the suppliers of these products.

So, footwear. In 2001, the Africans exported \$242,000 worth of footwear to us, almost nothing. In 2012, it was \$7.4 million. So, yes, it's still small, but you have to start somewhere, and I believe, lots of us believe that – and I've been in a lot of factories in Africa. I actually like doing that. Instead of just going and sitting around at tables and meetings, I like to get out to the factories. And they take me there, so I get a chance to see all of this firsthand. They are producing a lot of that. Eyewear: a lot of sunglasses coming from the Africans now. Toys, footwear, cut flowers, value-added agricultural products – it's happening. And so I think we'll see much, much more of that happening.

On the heads of state meeting, you may have missed it, but President Obama announced that in 2014, we are going to host the first-ever U.S.-Africa heads of state summit, and we are really excited about that. That's – it's something that's actually been in the AGOA legislation since it was launched, and we've never done it. We are doing it in 2014.

Accessing available programs? I would have to know more of what you're talking about, because sometimes, people are going to USAID. My colleagues, they – and they're just

looking for, okay, what kind of funds do you have that can help us. But I think that when you have a specific sector that you're focused on – let's just say it's footwear; Ethiopia's sending us a lot of footwear – if you are someone here in the United States as an Ethiopian American, and you have gone to meet with Brown Shoe and other major buyers of footwear from around the world and you are going to serve a role in connecting up the Ethiopian footwear producers with the U.S. major buyers of footwear, and you have a specific role and skill that you bring to it, that's what people need. That's what folks are going to then be able to say, "Okay, AID has some money that they're putting into Ethiopia, helping them in their footwear sector. This gentleman right here says he knows how to help do that. So now we're going to loop him into that."

But if you're just going to USAID or the U.S. Trade and Development Agency and saying, "I'm an Ethiopian American and I'd like to help increase trade with Ethiopia," it's not going to happen. So there has to be specific investments, specific sectors and skills you bring.

And let me just end on that one by saying I have been to a number of Ethiopian factories which have been started by Ethiopian Americans, people who lived here for 10, 15, 20 years, have gone back to Ethiopia. One apparel factory that we went to is doing fantastically and shipping scrubs for people in the hospitals and stuff here, doing very, very well, as well as other products that they're doing, and that is an Ethiopian American that runs that. So I have been to a number of factories like that in Ethiopia and in other countries that are AGOA-eligible.

And then the last question was on the 15-20 year extension, is that realistic, and what about permanent. No, we do not think actually that making AGOA permanent would actually help the Africans. Why? Lots of countries around the world are negotiating free trade agreements with particular partners, and if I can just – it's easier for me to do it visually, but if this is zero and the African products are coming in at zero, and the other countries in the world were coming in at a higher tariff rate, and all of those are coming down now – coming down, coming down, coming down – the point here is that if you are not becoming more competitive in whatever it is you produce, these other guys, their duties are coming down.

So you've got to, as Africans, become more competitive. Simply giving you AGOA duty-free access forever is not going to do that. So we would rather give a set period of time for extension. I don't know how long Congress will decide. I think it's premature for us to say how long it would be, but here's what we also know, and I'll end on this point: The Africans are negotiating two-way reciprocal agreements with the Europeans right now. Most of them are working on these. They're called economic partnership agreements. Those agreements are supposed to be finalized by 2014. So even before AGOA has ended this time, the Europeans are already going to be getting duty-free access or lower tariff access into African markets that we're interested in.

So here's the question that people in Congress and our businesses are asking: Why should the United States, which also has an interest in African markets and also has partners in Africa and joint ventures in Africa – why should we continue to give access to the Africans duty-free into our market while they give better treatment to the Europeans into their markets? What's the reason why we would give them 10, 15, 20 more years of AGOA under those circumstances?

Africa was in a different place in 2000 when AGOA first started, and we have to look at where Africa is today. And Africa is doing great. There are many, many opportunities in

Africa, and so as we think about extending AGOA – and we've already committed to do that – we also need to look at what is the future of the U.S.-African trade and economic relationship. Do we want to just do what we did 12 years ago, 13 years ago when AGOA was first there, or do we want to do something that's going to enhance two-way U.S.-Africa trade and investment? And I think that's the question and that's a part of what Ambassador Froman, on behalf of the U.S. Government, will be doing in this AGOA review process that he will officially launch during the forum in Ethiopia.

OPERATOR: Thank you very much. Our last question of the call will come from our U.S. mission (inaudible). One question quickly. Please go ahead.

QUESTION: (Inaudible). Hi, my name is (inaudible). And (inaudible) just want to know (inaudible).

MS. LISER: So if there's just one question – I mean, for me, I feel like the sky is the limit. Because when you look at how other countries that are now middle-income countries or even some of the advanced economies like the United States, the path of development, I think, is one that – it's not that it has to be that way for Africa, but I share with people that when I was growing up as a little girl in Brooklyn, New York, all the things that were sort of the trinkets that were made, items for parties and all of that, all of these things said "Made in Japan" in those days. And then what you saw was there was a progression of the kinds of products that Japan made. Many of the countries around the world, including China, have followed that pattern. They've started with low-end, low-processed products, and they moved up to engines for jet airplanes and nuclear – products for nuclear processing and so forth. And China's not at the upper end of that yet. I tell people we don't have automobiles, for example, coming into the U.S. yet. But don't blink too long, because you will see that that's going to happen.

So here's where Africa is. They are where China was probably – I want to say 25 to 30 years ago. Many economists say that. And if we look at the products that they're producing now, and I have been fortunate to go to these factories and see it for myself, I feel that there are a range of products. You ask what products? I think a range of products. I have a paperclip sitting in front of me. It could be paperclips, it could be – there's a microphone sitting in front of me. Everything that we wear, that are on our feet – this table was made in a factory somewhere. This microphone equipment was made in a factory somewhere. Somewhere a job was created, an investment was attracted to make all of this. The suit I have on was made somewhere. John's tie was made somewhere. Cynthia's eyeglasses were made in a factory somewhere. So – my jewelry was made in a factory somewhere.

And that is Africa's potential. That's what we're talking about. Any and everything that the world needs is something that Africa can make. And if they can't make it today, maybe they can make it in five years. Maybe they can make it 10 years. And maybe in 20 years, the automobiles coming into the U.S. will be made in Africa. But I'm saying even right now, to be frank, we have automobiles coming into the U.S. produced in South Africa, lots of them coming in. And one question for Lesotho and the countries surrounding South Africa now is: Are there parts that you could make in that value chain that would go into automobiles that South Africa is shipping to the U.S. right now, BMWs and Mercedes-Benzes? Could you make the mirrors, the rugs that go on the floor? Could Botswanan leather and Namibian leather go into the seats that are in those cars? And that's how the global values chains work.

So as partners, the five of you in SACU, the Southern African Customs Union, as you

work together, there are many opportunities for Lesotho and Namibia and Botswana, working with South Africa, because they are the largest exporter of non-oil products to the U.S. under AGOA. So that's what we see as a future for Lesotho, and we hope that more of that will happen so that even when the car comes in from South Africa, in that car will be parts that are there from Lesotho or the other countries in the surrounding region. That's what everybody else in the world has done, so that's what we're looking forward to.

OPERATOR: That concludes today's call. I want to thank (inaudible) for joining us and thank all of our callers for participating. If you have any questions at all about today's call, you can contact the African Regional Media Hub at (inaudible). Thank you very much, and goodbye.

MODERATOR: Thank you, all. This event is also concluded on the Foreign Press Center's side. That's it.

KEYWORDS: [Africa](#), [African Growth and Opportunity Act](#), [AGOA](#), [civil society](#), [sub-Saharan Africa](#), [trade](#), [economic reform](#), [political reform](#), [global economy](#)

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