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## Post-Hearing Statement

On  
**“U.S. Trade and Investment with Sub-Saharan Africa”: Recent Developments”**  
Investigation No 332-564

Before  
**United States International Trade Commission**

By  
**Fred O. Oladeinde, Chair**  
**African Growth and Opportunity Act (AGOA)**  
**Civil Society Organization Network**

**JANUARY 31, 2018**

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## **“U.S. Trade and Investment with Sub-Saharan Africa: Recent Developments”**

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**AGOA Civil Society Organization Network Secretariat**

**January 31, 2018**

Chairman Rhonda Schmidlein, Commissioners, I welcome the opportunity to be here, today, on behalf of the AGOA Civil Society Organization Network to testify regarding “U.S. Trade and Investment with Sub-Saharan Africa: Recent Developments”

The AGOA Civil Society Organization (CSO) Network is a consortium of non-governmental organizations (NGOs), micro, small-to-medium sized enterprises, chambers of commerce, labor unions, women and youth organizations, and other stakeholders in the United States and Sub-Saharan Africa. Members of the consortium are committed to improving the rule of law; promoting free, and fair elections; fighting corruption; strengthening and expanding the private sector; promoting the role of women in social, political, and economic development; and advocating for increased U.S.-Africa trade, investment, and cultural ties.

The AGOA CSO Network and its Secretariat was established by the more than 102 civil society organization leaders from AGOA eligible countries and the United States during the Civil Society Session of the 2<sup>nd</sup> AGOA Forum on January 17, 2003 in Phoenix, Mauritius. The Foundation for Democracy in Africa (FDA), and the

Mauritius Council of Social Services (MCOSS) were elected as co-chairs and empowered to establish and manage the Secretariat for the AGOA Civil Society Organization Network. The Secretariat also was empowered to make all required preparations for upcoming AGOA Forums.

The AGOA CSO Network was created for the purpose of ensuring that as “one of the three legs of the AGOA stool,” that civil society’s participation during the annual U.S. Sub-Saharan Trade and Economic Cooperation Forum (also known as the AGOA Forum), is strong, as mandated by Congress, and that our member organizations on both sides of the Atlantic Ocean have the opportunity to advocate for AGOA and engage with U.S. Administrations and Congress, as well as, Parliaments, and Executive Branches of Governments in Sub Saharan Africa as necessary to optimize the benefits of AGOA in enhancing economic growth and prosperity in the United States and Sub Saharan Africa.

For the past 15 years, the AGOA CSO Network Secretariat has played a role in coordinating the participation of civil society, small, and medium enterprises, women and youth in the annual AGOA Forum. Additionally, the Secretariat publishes a newsletter, a Communiqué from the annual AGOA Forum, and operates the AGOA website [www.agoacsonetwork.org](http://www.agoacsonetwork.org) for the purpose of collecting and disseminating information regarding the African Growth and Opportunity Act.

The progress made thus far, since the signing into law of AGOA by President Bill Clinton in 2000, followed by President George W Bush’s endorsements through enactment of AGOA II, III and IV, and the unprecedented 10 year extension known as the Trade Preference Extension Act (TPEA) of 2015, signed into law by President Barack Obama with the bi- partisan support of both the House of Representatives and the U.S. Senate, has provided my Secretariat and members with the opportunity to earn our stripes and the rights to the proverbial LEG on the AGOA STOOL. Since the establishment of the AGOA CSO Network Secretariat in 2003, we have continuously worked with Inter Agency Working Groups; Congressional staffers; women entrepreneurs; Labor; NGOs; and other stakeholders in advocating for and coordinating collective efforts to advance legislative reforms as related to AGOA, and organizing the mandated annual Civil Society Session of AGOA Forum.

Chairman Schmidlein, today, I will focus on the issues that this Commission is examining, U.S. Trade and Investment with Sub-Saharan Africa: Recent Developments (Investigation 332-564), and share with you three areas of concern that my Network members believe require intervention and should be included in your report to the United States Trade Representative (USTR).

My presentation will include the following:

1. Overview of U.S. exports from SSA

2. Countries from which AGOA exports have increased the most, in both value and percentage terms, and the principal factors behind such growth
3. Administration Funding for the organization and coordination of future Civil Society Sessions of the AGOA Forum and other AGOA related activities

My presentation, today, relies on data from U.S. International Trade Commission (USITC)/U.S. Department of Commerce (DOC) (see Appendix I and II, III) and the AGOA Civil Society Organization Network Secretariat's website - [www.agoacsonetwork.org](http://www.agoacsonetwork.org)

### **Overview of U.S. Exports from Sub-Saharan Africa (SSA)**

Chairman Schmidlein, from the data compiled by USITC/DOC on AGOA exports from SSA for the periods of 2008, 2012, and 2016, it is clear, that AGOA exports from SSA are declining, (see Appendix I and II).

From AGOA's peak of \$56.183 billion in exports in 2008; (George W Bush/Barack Obama administrations) to \$32.476 billion in 2012 (Barack Obama); and \$7.616, billion in 2016 (Barack Obama/ Donald J. Trump), AGOA exports from SSA to the US have been decreasing. This declining trend in AGOA exports has been primarily attributed to the global economic recession of 2008. From 2008 to date, United States (US) demand for oil and gas from Sub Saharan Africa has continued to plummet.

The US has cut imports of oil and natural gas by tapping into huge reserves in shale rock formations across the country. As a result, the US is more energy self-sufficient than it has ever been, and US demand for oil and gas imports may continue to decline. Given today's conditions, AGOA eligible countries MUST adapt to this new reality by working closely with Civil Society Organizations to develop and implement biennial AGOA Utilization Strategies that attract U.S. investment, technology and financing; and create demand in the United States for products that have comparative and competitive advantages under TPEA of 2015.

Chairman, the AGOA Civil Society Organization Network Secretariat and our members can provide invaluable support to the USTR, and other U.S. Trade capacity building agencies. The Network can assist AGOA eligible countries and regional economic communities with crafting policy reforms in putting their respective biennial AGOA Utilization Strategies in place, and developing programs that are designed to increase AGOA exports from sectors that are currently showing potential for increased growth in US markets, such as,

**Transportation Sector (NAIC 336)** - \$1.904.00 million in 2008 to \$1. 991.00 million in 2012 and \$1. 573.00 million in 2016;

**Apparel Sector (NAIC 312)** -\$1.013.00 in 2008, \$.756.00 in 2012 to \$1. 008.00 million in 2016;

**Agricultural Products (NAIC 111)** - \$94.00 million in 2008; \$180.00 million in 2012; and \$222.00 million in 2016;

**Food and Kindred Products (NAIC 311)** \$85 million; in 2008; \$183.00 million in 2012; in and \$177.00 million in 2016;

**Beverages Tobacco Products (NAIC 312)** - \$44.00 million in 2008; \$55.00 million in 2012 and \$41.00 million in 2016.

**SSA Countries in which U.S. Exports have increased the most, in both value and percentage terms and the principal factors behind such growth**

Botswana; Kenya; and Ethiopia are SSA countries in which U.S. exports have increased the most in value and percentages terms between 2008, 2012 and-2016. (Appendix IV)

**Principal Factors contributing to growth of AGOA Exports in Botswana, Kenya, and Ethiopia**

Botswana, Kenya, and Ethiopia are non-oil and gas exporting AGOA eligible countries. All three of these countries have biennial AGOA utilization strategies with road maps for product development and marketing, and engagement platforms for attracting Foreign Direct Investment from various markets, including the United States. Additionally, the three countries have vibrant civil society organizations that support the expansion of trade, investment, and organized labor.

Chairman, Botswana; Kenya; and Ethiopia exemplify how countries that work closely with civil society to develop biennial utilization strategies can effectively use AGOA benefits to expand the private sector, increase employment; and enhance economic growth and development.

Currently, the AGOA Civil Society Organization Network Secretariat is providing assistance to AGOA eligible countries in the following areas:

1. Monitoring country compliance with AGOA eligibility requirements to avoid benefits interruption
2. Delivering educational platforms, i.e., newsletters, workshops, and a website to educate, and share in country mandatory reporting of data on AGOA eligibility requirements, export values and other research findings.
3. Providing technical assistance and training to micro, small and medium enterprises (MSME) on how to use TPEA benefits to diversify AGOA exports and increase the value of exports under AGOA
4. International Trade Exchange/Digital Market Place, including, e-commerce and a multi-vendor marketplace for countries and their export ready business
5. Assisting AGOA eligible countries with devising their AGOA Utilization Strategies
6. Organizing civil society's participation in the annual AGOA Forum, the AGOA Spring Conference and others.

Below, please find link to the Communiqué with recommendations that the AGOA CSO Network Secretariat prepared during the Civil Society Session of the 2017 AGOA Forum, and also presented to the Ministerial Session of said AGOA Forum.

[https://www.agoacsonetwork.org/resources/Documents/2017%20Communique%20FINAL%20\(AS\)08%2021%2017.pdf](https://www.agoacsonetwork.org/resources/Documents/2017%20Communique%20FINAL%20(AS)08%2021%2017.pdf)

Chairman, at this point I am requesting on behalf of my members, financial support for organization of and coordination of civil society's and SMEs' participation in future Civil Society Sessions of the AGOA Forum, and other AGOA related activities. As non-profit organizations, we provide public goods and rely on grants, registration fees and donations to sustain our programs and activities. We are also asking for a more "prominent seat at the table" in all discussions relating to AGOA by the administration.

Let me take this opportunity to welcome, the Republic of Gambia and Swaziland back on the list of AGOA eligible countries, to date we have 40 of 49 Sub Saharan countries eligible under AGOA. And applaud U.S. Congress under the leadership of Chairman Ed Royce and Ranking Member Karen Bass for the passage of H.R. 3445 on Thursday January 17, 2017H.R. 3445 is aimed at enhancing transparency and accelerating the impact of programs under the African Growth and Opportunity Act and the Millennium Challenge Corporation, and for other purposes. I look forward to working to support Senate version Bill S832.

Chairman Schmidlein, I hereby submit my full testimony for the record thank you and the Commission, and Commission Staff for the honor and privilege to testify today.

I am available for the Q&A, and look forward to receiving your report on this hearing to the USTR.

I thank you.

## Appendix I

# AGOA Exports by Product Sector (AGOA excl. GSP)

AGOA eligible countries only; 2008; 2012; 2016  
Selected NAIC Unit: \$ 'million;  
Customs Value

	2008	2012	2016
<b>211 OIL &amp; GAS</b>	<b>51,185</b>	27,905	4,952
<b>336 TRANSPORTATION EQUIPMENT</b>	<b>1,821</b>	1,925	1,227
<b>315 APPAREL &amp; ACCESSORIES</b>	<b>1,013</b>	756	852
<b>111 AGRICULTURAL PRODUCTS</b>	<b>71</b>	155	152
<b>311 FOOD &amp; KINDRED PRODUCTS</b>	<b>31</b>	24	35
<b>312 BEVERAGES &amp; TOBACCO PRODUCT</b>	<b>35</b>	45	26
<b>316 LEATHER &amp; ALLIED PRODUCTS</b>	<b>4</b>	10	25
<b>Total:</b>	<b><u>54,160</u></b>	<b><u>30,820</u></b>	<b><u>7,269</u></b>

Source USITC/Department of Commerce

Note: Direction of Trade is from SSA Perspective (exports=SSA exports)

## Appendix II

# AGOA Exports by Product Sector (AGOA incl. GSP)

AGOA eligible countries only; 2008; 2012; 2016;  
All items entered duty-free under AGOA+GSP

	<u>2008</u>	<u>2012</u>	<u>2016</u>
211 OIL & GAS	59,303	28,474	6,210
336 TRANSPORTATION EQUIPMENT	1,904	1,991	1,573
315 APPAREL & ACCESSORIES	1,013	756	1,008
111 AGRICULTURAL PRODUCTS	94	180	222
311 FOOD & KINDRED PRODUCTS	85	252	199
312 BEVERAGES & TOBACCO PRODUCT	44	55	41
316 LEATHER & ALLIED PRODUCTS	22	22	36
<b>Total</b>	<b><u>62,465</u></b>	<b><u>31,730</u></b>	<b><u>9,289</u></b>

Source USITC/Department of Commerce

Note: Direction of Trade is from SSA Perspective (exports=SSA exports)

## Appendix III

# Automotive sector exports (Ch87), by individual AGOA beneficiary

Chapter 87 automotive sector goods, by country, by program, actual values, 2008; 2012; 2016  
AGOA (excluding GSP)      Country      2008      2012      2016

	South Africa	1,821,191,066	1,925,224,033	1,509,403,212
<b>Subtotal - AGOA (excluding GSP)</b>		<b>1,821,191,066</b>	<b>1,925,224,033</b>	<b>1,509,403,212</b>
<b>GSP</b>	South Africa	46,837,567	44,925,909	48,431,790
	Mali			7,800
	Congo (ROC)	N/A	N/A	3,551
	Kenya	4,798	N/A	N/A
	Mauritius			
	Ghana	5,000	N/A	N/A
<b>Subtotal – GSP</b>		<b>46,847,365</b>	<b>44,925,509</b>	<b>48,443,141</b>
<b>Total</b>		<b><u>228,966,471</u></b>	<b><u>237,447,912</u></b>	<b><u>199,383,462</u></b>

Source: USITC

Note: Direction of Trade is from SSA Perspective (exports=SSA exports)

## Appendix IV

# AGGREGATE EXPORTS TO USA BY BENEFICIARY (AGOA PLUS NON AGOA GOODS)

	Unit: \$Million		
	2008	2012	2016
Botswana	219	224	445
Ethiopia	152	183	237
Kenya	344	390	552
Total	<u>715</u>	<u>797</u>	<u>1234</u>
Source USITC			

Note: Direction of Trade is from SSA Perspective (exports=SSA exports)