



## **Making the Case for AGOA: Why AGOA is Good for America**

*Remarks by: Fred Oladeinde, Chairman, AGOA CSO Network Secretariat during the 3<sup>rd</sup> Annual AGOA Spring Conference*

All the eyes and ears of advocates for strong trade, investment and cultural cooperation between the United States and Africa are focused on President Donald J. Trump and his cabinet in anticipation of the Trump Administration's unfolding of its economic and diplomatic policy towards Africa.

The African Growth and Opportunity Act (AGOA), provides for duty-free treatment for nearly 6800 goods from eligible Sub-Saharan African countries. First signed into law in 2000, AGOA remains the cornerstone of U.S. relations with the countries of Sub-Sahara Africa. AGOA has helped increased two-way trade and strengthened economic cooperation and cultural ties between Sub-Saharan African countries and the United States over the last sixteen years.

On June 25, 2015, the 114<sup>th</sup> Congress, with bi-partisan support, passed the Trade Preferences Extension Act (TPEA) of 2015 which extended AGOA through FY 2025 and the Generalized Systems of Preferences (GSP) through 2017.

According to the United States Trade Representative, in 2015, the United States had \$37 billion in total (two way) goods trade with Sub-Saharan countries. U.S. goods exports to Sub-Saharan Africa amounted to \$17.8 billion, representing 1.2% of total U.S. goods exported that year; and U.S goods imports from Sub-Saharan Africa totaled \$18.9 billion, representing 0.8% of total goods imported in 2015. And U.S. export of goods to Sub-Saharan Africa countries supported an estimated 121,000 jobs in 2014, according to the U. S. Department of Commerce.

The ten year renewal of AGOA through 2025, provides the Trump Administration with a platform for using the power of Civil Society on both sides of the Atlantic Ocean in creating the predictable and sustainable environment required for U.S companies to make long term investments in Africa by using the unilateral eligibility criteria enshrined in the AGOA Act; and working with African countries to establish bi- lateral Free Trade Agreements or regional trade agreements to better strengthen trade, economic and cultural ties.

On the global security front, the U.S. through the United States Africa Command (U.S. AFRICOM) is partnering with the Sub-Saharan African countries in “disrupting and neutralizing transnational threats, protecting U.S. personnel and facilities, and preventing and mitigating conflicts.” U.S. AFRICOM is one of six of the U.S. Defense Department's geographical combatant commands, and is responsible to the Secretary of Defense for military relations with African nations. AFRICOM collaborates with the 38 African countries and other key African posts by building African partner's defense capability and capacity in order to promote regional security, stability and prosperity.

By 2060, Africa's population is projected to reach 2.8 billion from the current 1.26 billion; currently sixty percent of the population is below the age of 35, with a growing middle class. The region is strategically important to the United States because of its huge reserve of strategic and precious metals; crude oil; arable land; industrialization and innovative technology; and potential as a destination for U.S. investment, tourism and cultural exchanges. A non-stop flight from Dakar, Senegal to Miami, Florida, (the U.S. Gateway to the Western Hemisphere), takes approximately 6 hours and 30 minutes which is just about the time it takes a non-stop flight from Miami, Florida to San Francisco, California (6 hours 35 minutes), de-mystifying the current mindset that Africa is far away from the United States.

Strengthening trade and economic cooperation with Africa can only result in job creation on both sides of the Atlantic Ocean; embed American economic interest, values and goodwill in a region that is poised to take center stage of the world economy in the next two decades. Given Africa's proximity to the United States and the existing cordial relationship between the American and African people, this is a deal that's good for America and Africa.

The AGOA Civil Society Organization Network congratulates President Trump and Vice President Pence on your historic election and looks forward to working with your Administration to increase U.S. –Africa trade, investment, and economic cooperation.