

Statement of USTR Robert Lighthizer at the Opening Plenary of the 2018 U.S.-Sub-Saharan Africa Trade and Economic Cooperation Forum (AGOA Forum)

Ambassador Lighthizer:

Welcome to this year's AGOA Forum. I am pleased to be with you all this morning. The theme for this AGOA Forum is "Forging New Strategies for U.S. – Africa Trade and Investment." I'd like to spend my time with you addressing one very specific new strategy—the Trump Administration's desire to negotiate a model free trade agreement with a sub-Saharan African country.

It has long been the desire of the United States for AGOA-beneficiary countries to advance to a point where it would be possible to talk about a comprehensive and more permanent framework to deepen our relationship. Indeed, AGOA was designed to encourage alignment around best practices in order to pave the way for a free trade agreement between the United States and sub-Saharan African countries. Our Congress reinforced this point during the reauthorization of AGOA in 2015 when it expressly instructed the USTR to pursue free trade agreement negotiations with AGOA eligible countries. In part because of AGOA's success, we believe that many of you are at the point where we could enter into FTA negotiations. If you are willing, we are eager to take this next logical step in our relationship.

Let me start by explaining why I believe the time is right for this initiative and why it makes sense, both for the United States and sub-Saharan Africa.

My trip to the AGOA Forum in Togo last year, the opportunities I've had to meet my fellow trade ministers from the Continent, and consultations I've had with Congress, business leaders, and others have convinced me that deepening the U.S.-Africa commercial relationship is critical to both American and African interests. It is a goal shared by both sides.

Right now, our trade and investment involvement is centered around AGOA. I know your governments place a strong value on this program. We do as well. Since its enactment in 2000, it has had an important and positive impact on U.S.-African trade. AGOA has also provided incentives for reforms that promote rules-based, market-oriented economies, and it has supported regional integration.

Just two weeks ago, my office issued a report on the implementation of the AGOA program over the past two years. The report highlighted many of these achievements. But the report also confirms what I heard from many of you last year – that while AGOA has brought important benefits, there remains much more to be done to fully realize the potential of U.S.-Africa trade.

One-way tariff preferences can only do so much to drive trade and investment. When corporations decide where to invest and do business, much more goes into the equation. U.S. companies value clear rules of the road and a sound business environment. With the renewal of

AGOA until 2025, we have a unique opportunity to use the next several years to build on and go beyond this one program.

To be clear, the United States is not abandoning AGOA for either the short term or the long term. But there are compelling reasons to pursue a comprehensive and more permanent trade and investment framework to govern trade between the United States and Africa.

First, American companies are increasingly recognizing that Africa's growth presents immense opportunities. Just in the last several years, many U.S. companies that never before had a large footprint on the continent have made major investments there. These companies range from Kellogg's Cereal to Marriott Hotels to Prudential Insurance to PVH, one of the largest apparel companies in the world. I'm just as encouraged by many U.S. small- and medium-sized businesses also pursuing business across the continent.

Second, as you know far better than I, there is a growing need for infrastructure and other development projects in Africa to support continued economic growth and enable Africa to tap into global markets. The United States—and, in particular, American businesses and the African diaspora in the United States—are well-positioned to assist with these efforts.

Third, many African countries have already signed free trade agreements with some of America's largest trade competitors, like the EU and China. Many of these competitors are also investing heavily in sub-Saharan Africa. My sense, however, is that many of you recognize the value of diversifying your commercial ties, and I know you recognize what American companies bring to the table, in terms of quality, state-of-the-art products and services, and reputable, reliable business practices.

Fourth, establishing a more stable, permanent, and mutually-beneficial trade and investment framework with the United States could be transformative for Africa. The most tangible benefit for countries that enter into FTAs with us is that they could lock in the benefits of AGOA, bringing the certainty businesses need for long-term business decisions. An FTA with the United States will also send a strong signal of commitment to high standards of transparency and due process, which is critical to attracting business investment.

I hope this Forum and my discussions with many of you will help inform our approach. Our current thinking is based on three core objectives: (1) pursue a bilateral agreement with a willing partner; (2) ensure that this agreement is crafted so that it can serve as a model that can be rolled out to other willing partners in sub-Saharan Africa in the future; and (3) ensure that the model agreement will reinforce regional and continental integration in Africa.

Let me conclude by emphasizing that we are excited about the prospect of entering into a successful free trade agreement with an African country. We believe that this will be good for the United States, the FTA partner, and ultimately Africa.

We do not believe this will be an easy process to be sure, but I think it's one that is well worth the effort.

We have heard expressions of interest from several of you about this initiative, and I encourage others interested in it to contact my office. We have not made any final decision about which country or countries we will negotiate with to develop a model agreement. But I can tell you this much: We are serious and intend to move quickly. I hope to announce exploratory talks soon.

I will now invite my distinguished co-chair, Minister Adan Mohamed, to share his thoughts and then we will open the floor for discussion. Thank you very much.