



Scene Setter for the Sixth AGOA Forum

Linda Thomas-Greenfield, Principal Deputy Assistant Secretary of State for African Affairs; Acting Assistant Administrator for African Affairs, USAID Walter North; Ghana Ambassador Pamela Bridgewater and Assistant U.S. Trade Representative for Africa Florizelle Liser

Foreign Press Center Briefing

Washington, DC

May 18, 2007

10:00 A.M. EDT

MODERATOR: Good morning and welcome to the Foreign Press Center. For this morning's briefing on the sixth African Growth and Opportunity Act Forum, which will be held in Accra, Ghana in July, we have with us today Linda Thomas-Greenfield, who's the Principal Deputy Assistant Secretary of State for African Affairs; Walter North, who is the Acting Administrator of U.S. Agency for International Development for African Affairs; Ambassador Pamela Bridgewater -- thank you for coming -- who's our Ambassador to Ghana and Flori Liser, who's the Assistant Trade Representative for Africa.

We'll have opening statements, but before that, we would like to run a short clip that has been done for this forum. And we'll run that and then Assistant Secretary Thomas-Greenfield will begin the remarks. So thank you for coming and we'll run the clip. Thank you.

(VIDEO CLIP IS SHOWN)

MODERATOR: The floor is yours.

ASSISTANT SECRETARY THOMAS-GREENFIELD: Thank you very much, welcome. That is such an excellent way for us to start to see what the trade opportunities are everywhere in Africa. Let me start by welcoming you here on behalf of the Secretary of State and the Bureau of African Affairs. It gives me great pleasure to launch the sixth annual U.S./sub-Saharan Africa Trade and Economic Cooperation Forum. This year's AGOA's forum, as was mentioned to you, will take place in -- where else -- Accra, Ghana; July 18th and 19th.

It's really hard for me to believe that the original legislation that created the trade framework of AGOA was only passed by Congress in 2000 and here we are in 2007 and look how much progress we've made. That legislation mandated an annual high-level event at which economic leaders representing both the United States and the countries of Africa could discuss expanding trade and investment relations between the United States and sub-Saharan Africa.

Traditionally, this forum alternates between the United States and an African country. Last year, as you know, we hosted the forum here in Washington at the State Department. This year the Government of Ghana has agreed to host in their capital. Two years ago it was in Dakar, Senegal. The theme of the 2007 forum is "As Trade Grows Africa Prospers: Optimizing Benefits Under AGOA." We believe this title encapsulates all the hope and all the promise inherent in the relationship codified by the AGOA legislation.

As Secretary Rice said about a month ago, "Free trade is an integral part of our worldwide effort to support freedom and democracy, human rights and the rule of law." AGOA is the symbol of the partnership between the United States and Africa as Africa continues on its path to prosperity. And I think that film really captured that quite well. It demonstrates the commitment of the Bush Administration and the Congress to the countries and to the people of Africa.

AGOA is purposely designed to benefit responsive and responsible partners in Africa. This is why eligibility for participation in AGOA requires a commitment to economic openness, transparent and democratic government, human rights and poverty reduction. Every year the President reviews the AGOA beneficiaries and review with these criteria in mind. And we're pleased that in 2007 Liberia, who was invited last year as an observer, will join the 37 other AGOA eligible countries and will be joining the forum as an official participant this year.

AGOA has brought increased trade flows and new industry to Africa. Thanks in part to AGOA, two-way trade between the United States and sub-Saharan Africa has risen substantially, rising to a new high of over \$71 billion in 2006. U.S. imports of AGOA products, including imports under our GSP program, totaled \$44.2 billion in 2006. This is up 16 percent from 2005. While a lot of this growth is due to petroleum, and we're constantly asked that question, non-oil AGOA imports also increased by 7 percent and this totaled about \$3.2 billion in 2006. That's not small change.

After six years, it's worth taking stock of progress we've made, reviewing country strategies to make the best use of what AGOA offers and discussing the constraints that stand in the way of maximizing the benefit of AGOA. For this reason, the first session of the forum this year will discuss progress and AGOA implementation with reports from four representative African countries.

In a luncheon address on day one the Secretary of Agriculture, Mike Johanns, will speak about facilitating agricultural trade and development under AGOA. And in the afternoon there will be four concurrent sessions exploring options for broadening opportunities under AGOA in key sectors.

On the second day, forum participants will explore every aspect of enhancing the supply capacity of small and medium enterprises under AGOA and they will take a broad look at the issues in access to finance, market development, production, infrastructure and quality standards. Subsequently, there will be a separate concurrent session devoted to each of these topics. After the session on enhancing supply capacity there will be a roundtable dialogue on U.S. and African Government technical assistance programs, which my colleague Walter North from USAID will explain in more detail.

At the initiative of the Government of Ghana, and we very much supported that initiative, for the first time this year the forum will integrate the government, private sector and civil society participants with the vast majority of the sessions open to all delegates. We expect that this cross-pollination will encourage a fruitful exchange of experiences and that participants will benefit from being exposed to different perspectives.



Thank you very much. I look forward to answering your questions. I'll turn to my other colleagues for their remarks.

MODERATOR: Ambassador.

AMBASSADOR BRIDGEWATER: Thank you very much. Good morning. Let me just begin by saying that it's really an exciting time to be the United States Ambassador to Ghana as Ghana hosts many, many conferences, as Ghana celebrates its 50th anniversary of independence. And clearly among those conferences that are going to be held in Ghana, none looms more important for us in the United States than the Africa Growth and Opportunity Act Forum. We've been working very closely with our Ghanaian co-hosts to develop this robust AGOA forum program that we think will certainly spark interesting and constructive discussions.

Ghana has been a very active and engaged partner and has taken a very strong leadership role working with our interagency, with our mission to develop the structure that the Principal Deputy has outlined for you. We will have a particular emphasis on enhancing the capacity of the small and medium-size enterprises, which represent Africa's vast potential to take advantage of market opportunities under AGOA. We think that this emphasis on the practical is really one that we concur with because we think that bringing all of these diverse minds together from government, civil society and private sector, it's an opportunity to make the most of this very important engagement.

We're looking forward therefore, together with Ghana, to co-hosting a very successful -- the most successful -- forum so far that will leave participants with not only inspiration but additional knowledge and contacts that will enable them to accelerate private sector growth, trade and widely shared prosperity.

Thank you. We look forward to your questions.

MODERATOR: (Off-mike.)

MS. LISER: Thank you. I am delighted to be here with my colleagues Linda Thomas-Greenfield, Ambassador Bridgewater, Walter North and many from other agencies, Commerce and AID and others as well, and to help announce this sixth forum, AGOA forum. As many of you know, the AGOA forum really is a unique opportunity for us to have a high-level dialogue between our ministers of trade, foreign affairs and finance with the African trade, foreign affairs and finance ministers. And it's really a unique time where we get together and we can really talk about how do we actually increase U.S.-Africa trade, how can we help the African beneficiary countries of AGOA make the most of the opportunities under AGOA. We know that simply providing market access and duty-free treatment for the 6,000 products that can come into the U.S. duty-free under AGOA that that is not enough. So we are looking at how do we actually help them to maximize the benefits and how we can put some very practical steps into place that will, in fact, do that.

It is actually a stroke of serendipity that today we are sending to Congress the annual report on AGOA implementation, which is formally called the 2007 Comprehensive Report on U.S. Trade and Investment Policy Towards Sub-Saharan Africa and Implementation of the African Growth and Opportunity Act. Ambassador Schwab just this morning from Paris signed off on the final report and so today we'll be sending it up to the Hill and getting it out to others more widely.

Linda Thomas-Greenfield has already commented on one of the things that we know in terms of AGOA's success, which is that two-way trade has increased. We're now, in terms of imports, at 44.2 billion as she said. But the important thing really is that the Africans are diversifying their AGOA trade. We had an increase of 7 percent of non-oil AGOA trade last year; our imports from them. And what was really interesting, which we point out in the report, is that sectors which people don't normally associate with the Africans like footwear, automobiles, cut flowers, nuts, fruits, prepared vegetables, processed fruits and vegetables, juices, these things are all on the rise now; significant increases in those products. So we're very excited about that.

Now, having said that we are seeing some success, we also recognize that there is a lot more that can be done and needs to be done. And so we're looking forward during the AGOA forum, during the plenary sessions, during the workshops, during the hallway chats both with the other ministers as well as with the private sector and the civil society participants and really talking about what's happening and what are the strategies that we can use to really strengthen our trade and investment with the African countries.

Ambassador Schwab will be co-chairing a plenary session on progress on AGOA implementation, which Linda mentioned, with four regional presentations on what's happening in each of those areas. And she has said several times to me that she is really looking forward to the opportunity to go to Ghana. Some of you may not know that she actually as a little girl lived in Africa for a while, so she feels very excited about working with her counterparts in Africa to really enhance trade. That's one of the parts of her portfolio that she's told me she really enjoys. She'll also be co-chairing a session on how we can enhance our cooperation on a number of trade issues, including the World Trade Organization Doha round negotiations.

And finally, USTR will be co-chairing a session on textiles and apparel, which is a very important sector for the Africans; had been declining recently, but now had turned around and many of you may not know that in 2006, were actually seeing a resurgence. That means the buyers -- the big-box buyers, Walmart and Target and lots of others are actually increasing their imports of apparel and textiles items from the Africans.

So again, we look forward at USTR to being with all of our colleagues and with our U.S. private sector, civil society, our African colleagues and friends in Ghana, and especially because it is their jubilee year. Thank you.

MODERATOR: Okay. Walter.

MR. NORTH: Thank you very much and thanks to my colleagues from the other parts of the U.S. Government that are here this morning. We're very pleased, of course, to participate in the AGOA forum. I think it's part of another milestone and a very widespread effort within our government to support trade capacity-building and dialogue and economic growth in Africa.

USAID itself is responsible for helping to ramp up the assistance that we're providing in the area of technical capacity-building. As many of you may know, in Hong Kong, about -- it was a year-and-a-half ago, we committed to doubling our trade capacity-building assistance through the U.S. Government to \$2.6 billion over the next several years. And we in AID are managing two presidential initiatives that contribute to increasing that trade in Africa: the Presidential Initiative to End Hunger in Africa and the African Global Competitiveness Initiative.

The Ending Hunger Initiative is a \$200 million a year agricultural growth program designed to rapidly increase growth in agriculture and rural incomes in sub-Saharan Africa by harnessing the power of new agricultural production and processing technologies, by improving the efficiency of agricultural trade and market systems, building the capacity of community and community-based producer organizations, integrating vulnerable groups and countries into sustainable development processes. It's a vehicle through which the U.S. Government supports the implementation of the African-developed and African-led Comprehensive Africa Agricultural Development Program, which is probably the most ambitious agricultural reform program ever undertaken in Africa.

And that -- in that rubric, we've been able to do some things like this: encourage \$800 million of international trade in related agricultural products from countries that are participating in the initiative, \$379 million of regional agricultural trade for targeted products, which is well in excess of what we expected to be able to do. And I think it's a reflection of the resurgent economic growth that we're seeing in many, many countries in Africa during the last several years. And we've also been able to access \$500 million in credit to help countries in the End Hunger Initiative targets that have beneficiaries.

Now let me just say a word about the Africa Growth and Competitiveness Initiative, which is a \$200 million five-year program launched in 2005 to promote the export competitiveness of sub-Saharan Africa to help to expand African trade with the United States under AGOA. And we're doing that by improving working with partners on their business and regulatory environment for private sector-led trade and investment and in that context, I'm happy to just reinforce the positive message that the World

Bank reported on this year at the annual bank fund meetings in Singapore where, for the first time ever, we're starting to see remarkable progress and movement forward on the Doing Business indicators that they measure. And we like to think at USAID that we are helping to make that possible, but it couldn't happen without African leadership.

We're working to strengthen the knowledge and skills of sub-Saharan African private sector enterprises, to take advantage of market opportunities, and we're increasing their access for trade and investment. And we facilitated a billion dollars worth of investment in infrastructure areas like energy, telecommunications, and transportation.

At this year's AGOA Forum, we think it's a real opportunity to build on past successes and chart a way forward that will be exciting and promising for the people of Africa. And I'm very happy that we're going to be financing the participation of 30 African civil society representatives, collaborating with the government and private sector in sessions to help small and medium-sized enterprises to increase exports, sharing our expertise across the U.S. Government on how to remove constraints to business growth, and facilitating business-to-business connections to create the jobs that Africans and Americans both need. And we're very happy to be able to continue our collaboration.

Thank you very much.

MODERATOR: With that, we'll be happy to take your questions if you'd raise your hand and wait for the mike and please identify yourself, please.

QUESTION: Thank you, I'm Vladimir Kara-Murza with RTVI Television, a question for the Deputy Assistant Secretary of State. You mentioned that democratic governance and human rights are one of the criteria that eligibility is determined. Could you elaborate a little bit on that? How is this determined what are the criteria; and so all the countries that participate are deemed to be essentially democracies? Is that correct?

ASSISTANT SECRETARY THOMAS-GREENFIELD: I would say that all the countries participating are countries that are growing in democracy. They have strong democratic roots that we are trying to nurture. We see democracy is a process; it's not an event. So I think you will see differences in some of the countries, but I think in all of the countries who are currently participants, you can see some very strong seeds of democracy that exist in those countries. When we review the countries, review the criteria, we look at a whole range of documents, including the Human Rights Report and other documents to make that assessment.

QUESTION: My name is Ibbo Daddy. I'm a journalist from Niger. I'm now a Humphrey Fellow here the U.S. I have, let's say, three small comments. They are not really questions but comments.

First of all, let it make a bit available for everybody. Information must be reached by everybody. AGOA existed almost for eight -- seven or eight years, but still, about some sport hunting the hinterland country, like country like mine, Niger, people don't know it because they haven't -- don't know anything about this process. And even we journalists, we don't know to whom to refer to. I remember, one year ago I wanted to make a report about AGOA, but I don't have any sources from the Ministry of Commerce and also from the U.S. Embassy. They just told me: Wait, a mission is coming from Dakar, Senegal; wait for them and this woman can raise your questions. So let the information reach the real people; the right people miss the farmers.

And second, please let it be reached -- people in real need. I mean the poor, the small-scale farmers, the small enterprisers, not all these big shots who can -- already have money; who can do trade without even the existence of AGOA.

Third comment is: Permitting trade -- you said it's good -- but it's not enough because people have the product. People have good products, but we know in international trade it's not the product of countries, the envelope. So help them (inaudible) the envelope matter so it will help them ameliorate and improve their envelope so that they can compete, they can sell their products in the United States or compete with, let's say, (inaudible) country or enterprising. Thank you.

MS. LISER: On the three points, if I could just quickly -- first of all, we recognize that information is really key. We have, though, four regional trade hubs; competitiveness hubs that are supported by USAID and out of which the African Global Competitiveness Initiative really operates. Those hubs are doing a fantastic job in our opinion of working with the local entrepreneurs in each of their regions to help them to take advantage of AGOA.

So first of all, you should look to the hubs. For Niger, you can either go to Dakar or you can call on the hub in Accra, Ghana and you can also access information through a web site that takes you to the four hubs, which I think is -- it's AGOAhubs.com, I believe it is. But in any case, the point is that there is information available there and also at the U.S. Embassy they should be able to give you some information and direct you appropriately. But the hubs are really the key on information.

On the point of helping the really small guys, it's interesting because I think, because we go to the countries all the time, we're now seeing very, very small producers. I visit factories myself, that's a part of what we do, and some of these folks are really, really tiny. When I was in Douala, Cameroon recently for an AGOA regional seminar for the Central Africans, they had producers of jams and jellies and processed fruits and products. And we brought the people from Whole Foods to come and look at their products. And some of them are really, really tiny but we are giving them assistance to be able to actually access the market. So actually, there are small producers in Africa who we are helping through the hubs and through the work that we're doing there.

And I think your final point was that it's the envelope that's important; that many of them have good products, but I guess it's the packaging and so forth. Two points there. We are helping the Africans to meet the standards. In every hub, we have someone from the U.S. Department of Agriculture's Animal, Plant and Health Inspection Service (APHIS) who are actually on the ground there helping people to make sure that they can meet the sanitary and phytosanitary standards. But beyond that, we're also trying to help them with meeting the standards to send apparel to the U.S. and cut flowers to the U.S. and so forth. And we actually bring the African producers to trade shows in the United States so that they get exposed to their competitors from around the world. And we believe that we are helping them with the standards and with the envelope -- the packaging, the labeling, all of those things -- and so, we're doing it companies at a time -- small companies at a time.

So hopefully -- you know, we know it's not perfect, we're not saying AGOA has solved all the problems, but little by little, we think we're making progress.

MODERATOR: Just a point of clarification, the website is www.africatradehub.org.

MS. LISER: Thank you, africatradehub.org.

MODERATOR: It's on the back of this brochure.

QUESTION: Thank you. I'm Oulou from Burkina Faso. I would say that it's nice that you have this big project for Africa. In fact, what I see in your data is that many of your products you're importing from Africa are oil, stones and precious stone metals, iron steel. My country, Burkina Faso, doesn't produce one of them. We have something that we are producing: it's cotton. We are one of the biggest producers of cotton in Africa. But my country is facing a big issue with your country in the subsidies you're giving to your farmers. How AGOA can help Burkina Faso? I know my president went to the World Trade Organization to ask United States to stop giving subsidies to his farmers and to give an opportunity to my country farmers to compete against your farmers.

One thing again, my country has a good meat to sell to your country. I don't see some way you talk about this and how the issue of food, the meat -- how the issue of food can be solved, because there is a -- it's easy to say you can come and sell what you have with us, but there are some rules by trying to set, saying these are the lines you have to follow. Sometimes I have doubt that these lines are really fair. Maybe it's a way to say we don't need food from you because it's not safe. What are the rules of safety? Because I can say that we have the nicest food because it's organic. But we can't come with it here. When you're traveling at the airport, they're going to ask if you have some food with you. And if you say, I have one (inaudible), they'll stop you, they'll start asking you questions; from which airport are you coming from? These are the things our traders are facing in a real time. Thank you.

MR. NORTH: Those are both excellent issues and let me just say a word or two about the meat and food products safety first.

The kind of hurdles that you face as an independent traveler are a little bit different than the kind of hurdles that you face as a producer of a product trying to export to the United States. And we have spent a lot of time working with a lot of African partners, specifically on specific products and doing what it takes to make it possible for them to be exported to the United States. And for example, I met this week with a group from Ethiopia who are working in the livestock industry and they're mostly veterinarians from the Ministry of Agriculture, I guess. And they're here working with our APHIS, which stands for --

MS. LISER: -- animal, plant, health inspection service.

MR. NORTH: Thank you -- on the standards issue. And they're going to be able to go back and use that information to put in place the regulatory framework in Ethiopia and work with the processors there to put in place the facilities and we're helping to make that happen. And I don't know about the particulars about your country, but this is something that the trade hubs are helping to facilitate and it's happening in a number of places and not just related to meat but in other product categories as well.

On the question of cotton, this is an answer that we are very, very concerned about and have been giving a great deal of attention to. I know that Flori and I, for example, recently met with your Minister of Finance who was here for the World Bank spring meeting and I think we had a very good exchange. We believe that it has to be put in the broader context of helping your country to realize its economic growth potential in the most effective way. And your country is going to be one of the beneficiaries from one of the best initiatives that's happened during this Administration, which is the Millennium Challenge Corporation. And they had an opportunity to use those resources which are significant resources, probably in excess of 10 to 20 percent of GDP annually for the investments that are going to put Burkina Faso on a growth path. And the choice was really up to your government and they chose to make a set of interventions which aren't directly related to the cotton sector, so that's a decision that they've made.

But at the same time, we have a much more targeted smaller USAID supported program called the West African Cotton Improvement Program, where with about 26 -- \$27 million, we are providing directly assistance to people in the cotton countries, the so-called cotton four, to help them to improve production techniques, to look at the regulatory environment and to really reach out to small farmers to make them able to be more competitive. Do you want to --

MS. LISER: Just quickly on the issue of the cotton subsidies. Walter has talked about the development side of how we're working with the cotton four countries, the Western Central African cotton countries. On the trade side of it, though, what's important to note is that we are moving to try to reduce substantially all of the domestic supports and export subsidies for agricultural products. And in Hong Kong, we actually made a decision -- the ministers made a decision and it was incorporated into the declaration coming out of Hong Kong -- that whatever we do on agricultural domestic supports to reduce them, we will go further than that on cotton. And we did that because we recognize the very serious problems that the cotton farmers in Africa, not just those four but in other places as well, are facing. So you should just know that we are working with the Africans both on the development side of the cotton issue to help them be more competitive in their cotton, to address fertilizer issues, seed issues, irrigation issues, ginning, processing into apparel so they can get more value-added for their cotton and not just be the exporters of just the raw cotton, you know. So we're doing that, but we are also working on the trade side.

And whenever we come to a conclusion of the Doha round, the Africans will see also a greater reduction and a more rapid reduction of domestic supports in the cotton sector.

MODERATOR: We have a question from New York. Go ahead.

QUESTION: Thank you. My name is Jean-Claude Mvodo. I'm from (inaudible) Cameroon. It is a news magazine in Cameroon. I have two questions. The first question, before the question -- I'm not stand by the African countries, but I would like, in the name of African countries, to thank the U.S. Government because AGOA is for Africa one of the great programs who can help to develop. But in Cameroon, let's say in my country, we begin to know more and more about AGOA. There is a lot of job doing there to make this program known by the people and especially by the young. And my question is I'd like to know what AGOA or U.S. Government can do to help young involve themselves in this program? Because you have -- first is there main two problems. The first one is financial support. Of course, when you have an idea because there is a problem of unemployment, so the young want to do something, but they don't have money to start the -- maybe their business. And when they start their business, then another problem to come here in the U.S. have a visa. So what can U.S. Government do to have Africans young? I'd like to speak especially about the young because they are the one who try to do something and who want to do something. What U.S. Government can do to help them have financial support? And we talk today in the U.S. about immigration. Is there any facilities that could be given to the young who want to come here in the U.S. to do their business? Is there any facilities who can be -- give to them to have the visa without problem? Thank you.

ASSISTANT SECRETARY THOMAS-GREENFIELD: Let me attempt to answer your questions. The AGOA program is not an initiative that's particularly addressed to the young. But if AGOA is successful, it provides jobs and that's one of the most important contributions that AGOA can make. But we have a number of initiatives, such as education initiatives. We have programs that support youth in Africa. And I would encourage you to check on our embassy website as well as the State Department's website to look at some of the initiatives and some of the programs that we are supporting.

On the visa issue, that's very, very separate. We do have a facility for business visas. There are very strict criteria. They are outlined in our embassy websites as well as the Consular Affairs website of the State Department. There are no particular visas directly for young people who want to travel to the States to do business, but there are business visas and if they meet that criteria, they can qualify for those visas.

MODERATOR: Yes, sir. Right behind the column.

QUESTION: Hi. My name is Li Mao, *Science and Technology Daily* China. We know that the science and technology is the base for the long term development of a country, I mean, in social development. And my question is about the -- what kind of -- I mean, science corporation or technology transfer there in the --

MODERATOR: AGOA.

QUESTION: -- AGOA eligible countries? And also second question is about the U.S. industries there in these countries and what kind of money support from the government -- U.S. Government?

MR. NORTH: For the U.S.?

MODERATOR: Industries and --

ASSISTANT SECRETARY THOMAS-GREENFIELD: I mean, I think I can answer that question very quickly. Most companies in the U.S. are private. So there's no U.S. Government financial support that I'm aware of for companies operating in the United States unless some of my colleagues have some specific examples that they can share with you. And then on the science and technology front, I don't have the answer to that question. We think the key is science and technology, but next to that is education and that education would promote science and technology.

MS. LISER: I did want to mention -- Linda has mentioned that we don't necessarily give specific aid to U.S. companies, but we have a number of agencies such as the Overseas Private Investment Corporation, OPIC, the U.S. Export-Import Bank, which helps small businesses. And we also have spread out regionally across the country what we call the USEACs, the U.S. Export Assistance Centers. And in every USEAC, there's usually someone there from the Small Business Administration, someone from OPIC, EXIM Bank, Commerce Department. They're really the lead on that and so they are working. And within Department of Commerce, there's the Minority Business Development Agency and they usually have someone at each of the regional USEACs.

So we would encourage you to go into the DOC website, look up the USEACs, and see whether or not any of those agencies that are sitting in those regional USEAC centers could help a U.S. business with exporting to Africa or anywhere else, actually. A lot of partnerships, I will just say, are being formed between African small businesses and small businesses in the U.S.; women-owned, minority-owned small businesses. And so we're seeing a lot of that happening under AGOA.

MODERATOR: Another follow-up.

QUESTION: A question -- yeah, you haven't answered my question. I mean, another -- way is the main U.S. industries there in those countries.

MODERATOR: What are the main U.S. industries?

MS. LISER: The U.S. industries in those countries?

MODERATOR: In Africa, yeah.

QUESTION: Yeah.

MS. LISER: If you're asking what the major U.S. exports are, well, it -- we have a range of exports, both agricultural and industrial, but there is a lot of equipment, machinery, heavy oil equipment related to the oil field, but also a lot of our equipment that is helping in the manufacturing sector.

Sometimes, it's -- I visited a factory in Cameroon that was using used textiles and apparel equipment to produce clothing that's now coming to the U.S. under AGOA. So ours tend to be that, but we also have some of the African countries that are actually importing agricultural products from the U.S. as well: wheat, rice, et cetera. So there's a whole range of products that we are exporting to the Africans.

If you're talking about investment, we probably cover the whole gamut of sectors in terms of the kinds of investments we have there; everyone from the financial sector all the way to agricultural companies, John Deere -- I mean, just lots and lots of -- I hate to mention any, but we have a lot of U.S. companies that are actually on the ground in Africa and see the opportunities there for doing business.

MODERATOR: Yes, sir, and then we'll go to you.

QUESTION: I've got two questions. My name is Kwana Clement. I'm with the African World TV program. I've got two questions. The first is, as you've mentioned, AGOA has significantly increased trade between the U.S. and Africa, even if you take out the oil sector. So my question then is, why not move beyond AGOA, which has to be continuously renewed and subject to all of the political negotiating attention involved. Why not a permanent long-term trade agreement between Africa and the U.S.?

Second question: I agree, as you said, there are a lot of U.S. exports to Africa, but direct U.S. investment, private investment in Africa is very negligible, you know, compared to investments from other parts of the world. This obviously is a function of the notion that Africa is still investment-friendly and I think a record of places like Benin, Ghana, Botswana, disproves this.

What can be done to disabuse U.S. businesses of the notion that Africa is investment -- not investment-friendly and get them directly involved in investing in Africa, which will benefit Africa and the U.S. as well?

MS. LISER: You know, on the annual review, I think the thing to keep in mind is that there are no U.S. preference programs. AGOA is essentially a trade preference program allowing Africa's products to come into the U.S. duty-free. There are no other preference programs that go to the year 2015.

When the latest AGOA bill was passed -- we call it AGOA IV -- essentially, they extended to the Africans the ability to actually have that duty-free access to the U.S. market until 2015. And truthfully, the way that we are going in terms of other preference programs is really trying to move those countries from preferential arrangements with the U.S. to one that is more mutually beneficial. I'm really pleased that we've made that decision to have long-term duty-free access for Africa's products into the U.S. market.

And AGOA, as many of you know, actually provides about 2000 more products than we provide duty-free under GSP to lots of other countries. So in some senses, even though we go through the annual review, we believe that that review sits on top of what is a very long-term commitment that we've made. If I could just note, though, the annual review serves a purpose. We've had countries that have had coups, we've had countries that have had human rights violations, and we have had to remove some countries from AGOA.

At the same time, we've had countries that were not eligible originally like DROC and Liberia because of the wars and things that were happening and they are now -- Burundi was not. So we've added countries as well and that's why, of the 48 sub-Saharan African countries, we have 38 that are eligible for AGOA. So we really believe that we are doing something to really help in that regard.

QUESTION: But the downside to that is that the annual review will allow for the expiration of something like the Multi Fiber Agreement. And that has become difficult to renew and as you know, the expiration of the Multi-Fiber Agreement has significantly undercut the promise of AGOA I mean, if you were to structure something like that long term, you insulate yourself from the political pressure that will want you to take away some of the beneficial aspects of the program.

MS. LISER: You know, in fact, the expiration of the Multi-Fiber Agreement -- what we've done for the Africans by allowing them to continue to have duty-free access to U.S. for apparel that normally has duties of 32 percent, you know, anywhere from about 5 percent to about 32 percent, to say to the Africans that you will be able to continue to send those products to the U.S. duty-free. No one else has that. The only ones that have a little bit of that are our free trade agreement partners. So we're really giving, in that particular sector -- textiles and apparel -- special preference to the Africans.

And one other thing, we added not just apparel, but in this most recent version of AGOA which was passed in December 2006, we actually added things like sheets, towels, bed linens, all those kinds of things were added in terms of textiles. No one else has duty-free access for textiles to the U.S. So again, we just believe that we have structured AGOA so that the Africans will have a competitive edge. And they have that benefit, by the way, until 2012. So again, we feel like we've given them long-term access to the U.S. market in areas that are making jobs and producing jobs in Africa. We hope that it's making a difference.

MODERATOR: We have a question from New York. Go ahead, please.

QUESTION: The name is Olaolu Akande. I work for the Guardian. I have just two questions. The first one is on the hubs. I'd like to know what the hubs are all about and clearly I see that there's no hub in Lagos which would be, in my opinion, one of the major places where you should have a hub. So I'd like to know if there's no hub in Lagos why that is so?

Secondly, since issues of trade also go to issues of democracy and human rights, yesterday about four American professors John Pardon (ph), Michel Joseph (ph), Arthur Lewes (ph) and Drew Current (ph) they made a statement that the 2007 elections that were held in Nigeria last month poses a risk to the relationship between the U.S. and Nigeria -- to the bilateral relationship between the U.S. and Nigeria. Now what do you think about this and what is the effective reaction of the U.S. Government to the elections? Thank you.

ASSISTANT SECRETARY THOMAS-GREENFIELD: I'll do the elections first. Thank you. I think all of you have read the statement that the U.S. put out. We were very disappointed at the results of the election in Nigeria and how those elections were carried out. They were a disappointment not only to us but I think it was an opportunity lost for Nigerians. We have made that point. That said, Nigeria being what Nigeria is, Nigeria remains a very important strategic country to the U.S. and we will continue to have bilateral relations with the Nigerian Government despite the elections. We hope to work with the government to improve their electoral process so that we don't go through such a heart-wrenching disappointment again. But the future is of our bilateral relationship remains strong.

MR. NORTH: On the hubs issue, it's difficult to pick where you should put the hubs and we have limited resources so we had to make some tough choices and I'm sorry that Lagos wasn't one of the places that we selected. But I think the hub in Accra is doing a great job of supporting activities in Nigeria.

We've done -- I'll just give you three examples of some of the kinds of activities that a hub will do. One's from East Africa where we worked with the governments of Kenya and Uganda to put in a place a one-stop border post, which is simplifying the process of trade not just regionally but also internationally. And that's resulted in making it possible to clear goods in three hours as opposed to five days. So that's one very tangible kind of investment that the hubs have done that's been successful.

In West Africa, we helped, for example, 100 West African export-ready firms to increase their capacity to export, and 1500 individuals got jobs that didn't have jobs before. And finally from southern Africa, we've been working, for example, on -- with a company in Lesotho on labeling clothing, going back to the textile issues, and they've been able to increase their exports and to show them abroad and it's led to deals worth \$1.9 million and 160 new jobs in Lesotho. Those are just three examples of the kind of work that we do in all of the hubs.

MODERATOR: We have a question here.

QUESTION: Thank you. My name is Endale Getahan from Ethiopia ECTV. I have three questions. I don't know maybe you can share the questions.

The first one I follow with my colleague asked the first question, I think he's not here, about the requirements on democracy and what have you. Some African leaders it seems they say there's kind of an attachment to do those things in some other countries and they take advantage like China doing so many projects in Africa. I mean, and they kind of came from behind from others and they seem to be China's being successful by helping most African countries on building structures and what have you. So what's your comment on that when you have a certain attachment to, you know, certain requirements? Don't you think that will block some African grassroots not to be successful in their business and what have you, even if their government is not what you think -- why it's not qualified? That's my first question.

MODERATOR: Why don't we take that one, okay?

QUESTION: Yes, please.

ASSISTANT SECRETARY THOMAS-GREENFIELD: I think the answer to that question is very simple. The criteria that we have established for AGOA, those criteria are there for the people of Africa. And if we do not promote democracy and human rights, it is the people of these countries who will be disadvantaged. So that's the purpose of us promoting those areas. These are very important to us and we think they're important to the people of Africa. That said, we would like to encourage other governments as well to take into account conditions in countries and how governments treat their people as an important criteria for doing business with those governments. We think it has an impact. We think it's made a difference. We think the fact that so many African countries have had elections. And I don't promote elections as being the only sign that a country is a democracy. It's one step in the democracy process and that step is an important step that allow people to participate in democracy and to express their views to the government. It's not always 100 percent successful. I think the Nigeria example is an example of that. But I think we are making progress and we're seeing improvements.

We saw wonderful elections in Mauritania. We saw excellent elections also in Mali this year. We saw really solid elections in DR Congo. So we see some very marked improvements in democracy and governance and human rights in Africa.

MODERATOR: Okay. Another question.

MS. LISER: If I could -- just to add on the China piece. I think you have to put it in perspective. Essentially, Africa still gets about 1 percent of foreign direct investment globally. And we would like for everyone to responsibly invest in Africa. And so that means that if China is doing things that are responsible and investing in Africa, we see that as a good thing. We don't think that that's a negative. Where we have some concerns, obviously, are where the investments are being made in places without, sort of, the due diligence and what we think are the global responsibilities that are necessary when countries are dealing with governments that may be -- may not be doing everything they should be doing in terms of human rights and other issues.

But I think people have to put this in perspective. We want to see more investment in Africa, responsible investment in Africa across a wide range of sectors, and we would like to see everybody look to Africa, as the film showed earlier, to see where can you invest responsibly.

QUESTION: Thank you. My second question is also -- I mean, it goes to the piece where we just saw earlier as well -- as two folks that were just mentioned -- I can quote that too. This is just on structure-building or assisting Africans in order to be successful in their product. But also, there's another stereotype here in Africa -- you know, around the globe. I mean, one day, we're saying, "They can't do this," you know, just based on what they know. And the other gentleman says if they can be free-minded, which means, of course, we know sometimes -- personally we all experienced about -- most of Western media put Africa as -- you know, so don't you think that will affect when they bring some kind of products in this country; also, to encourage Americans to do business in Africa?

I mean, why does -- I mean, in order for them to do business, what kind of attraction they have in Africa and what kind of -- AGOA can benefit from -- for American people, not only for Africans, but -- do you have any kind of comment on that, please?

MS. LISER: Well, I can just say that in terms of the American business community, it is true that in the past, I think many American businesses were not thinking -- even the ones that are global were not thinking about Africa. And when they did think about Africa, they didn't necessarily think about it in a positive way.

But that is actually changing. If you actually sit down with any of the investment funds, emerging market funds that are -- and there are a lot of them that are fully capitalized now -- what they will tell you, and I go and I talk to these people, is that Africa is one of the best places to do business now and that those funds that are focused on Africa and the portfolios they have in Africa are doing very well. As someone said to me, recently, there has been a sea change in the investment environment in Africa.

That was like music to my ears. And so I know that it hasn't fully turned around yet. There certainly is not as much U.S. investment in Africa yet. We have to keep getting out the good news of what can benefit businesses in Africa. We're hoping that the AGOA Forum, which is why we're here and announcing this -- we're hoping that the word will go out to all of the business community in the U.S. -- come to the forum, come and talk to ministers of trade and finance and foreign affairs in Africa of these 38 countries and see what the opportunities are for you. So we hope all of you in the press will get out the good word to the American business community and encourage them to come.

QUESTION: I have a last comment on that, because when you said come -- when you say we don't own your press, so I'm just saying that because -- just to make the comment, but my last question is on East Africa. For Somalia and Ethiopia, as you know, Ethiopia is one of the exporters on coffee and one of the corporate -- from the United States, Starbucks. I don't know if you know the issue. So I want you to give me on what exactly do you know and what your government-- or -- and also of course, Ethiopia paid the high price for -- I mean, the situation in Somalia. Do you have anything that you will be able to help the Somalian? Thank you.

ASSISTANT SECRETARY THOMAS-GREENFIELD: Well, I have to say this is not about Somalia, so I'm not prepared to talk about Somalia here. But I think if --

QUESTION: (Inaudible.)

ASSISTANT SECRETARY THOMAS-GREENFIELD: -- investment in Somalia? I think the important thing about investment anywhere in Africa is security and its people feeling that they can go and invest. Somalia, interestingly we saw a news report when this situation first came to the press a few months ago and the business people were saying, we don't care who governs us. We just want to be able to do business. And I think it's really important that governments understand that they have to create an environment that allows people to thrive and that's what we are trying to assist Somalis in accomplishing.

MS. LISER: On the issue of Ethiopia's coffee, rather than speak specifically to the issue, we do know a couple things. One, that the two sides, Ethiopia and Starbucks on May 3rd put out a press release saying that they have come to an agreement in principle on a licensing, distribution and marketing of Ethiopia's high quality coffee, so you should look, just Google it or whatever you want to do. May 3rd, there was a press statement and we do know that they have been working out the details of that agreement in principle to actually make it a solid, you know, agreement.

And the only other thing that I would add on this is that that discussion that they've been having between the two of them is really a reflection of the fact that Africa is now very focused and very educated about getting the value added for their products. And one of the things that we know under AGOA is that as the Africans diversify and as they move up the value chain, they produce more jobs, they are able to alleviate poverty more effectively.

I will just leave you with this one point that Africa right now has about 2 percent of world trade. It's actually a little less than 2 percent, but we'll just round that up to 2 percent. The Blair report and other reports have said that if Africa were able to capture just 1 percent more of global trade, which we think will happen by diversifying their products and getting more value added, but if they were able to increase their share of world trade just that 1 percent, it would generate about \$70 billion every year and that \$70 billion is about three times the amount of total development assistance that Africa gets from everybody in the world. So the point of that is that trade is a powerful tool and a powerful engine for economic growth and poverty alleviation. They will never be able to get enough aid to get them out of poverty. And it's not either/or; we have to give them the development assistance. We have to give them the technical assistance they need. But the point is that trade is a much more powerful engine and that's what AGOA is about and that's what the forum is about.

MODERATOR: We have time for one last quick question, I'm sorry, from New York if you would go ahead, please.

QUESTION: Hi. My name is Bukola Shonuga. I'm with Global Media Productions, an independent media outlet based in the U.S. I must say it's exciting to know that AGOA is back on the U.S. to-do list and it's actually, you know -- I mean, it's good news, compared to what's going on in Darfur, so we're really happy to learn about this. Now, when the bill was passed in the late, I believe, '90s by the former President Bill Clinton, I was actually part of the media movement that followed the developments on AGOA bill.

I've been to Africa, a few countries in Africa, you know, following the conference on AGOA and also in the U.S. I traveled with them quite a bit. And the general consensus back then, up until a few years ago, maybe today I should say that there's a lot of skepticism among a lot of Africans that AGOA is also another sound bite, if you will, that people that are actually taking advantage of AGOA, again, multilateral, multinational, international companies already have a lot of money. But more businesses in Africa don't really have direct assets -- access to, you know, giving any grants under AGOA. And certain workshops I remember in the (inaudible) in 1999 or 2000 that I attended whereby a small group of Africans were very -- I mean, they're were very upset, small business owners that they had been trying to gain access to getting any grants on AGOA, but they have not been able to because of the size of their business, which ranges from 100,000 to maybe under a million dollars.

Now, my specific questions are, where can we find success stories in Africa that we in the media can actually profile to let people know that AGOA is actually working and is not only for big companies, but small companies can also take advantage of it? My second question what are the criteria to qualify for AGOA grant? My third question is how can an average entrepreneur, a small business owner in Africa apply for AGOA grants? And finally, the issue of the Africa, small media, -- media such as myself, is there any coordinated efforts under AGOA to actually reach out to international communities to educate a community about AGOA and what they have to offer and up to date what's going on on the trade bill? And if so, how can media outlets such as my company, you know, gain access to such a budget?

ASSISTANT SECRETARY THOMAS-GREENFIELD: You -- if you look at the package, you have the success stories. Your question really highlights what the problems are, and that is not having a press that will get the news out about AGOA. What this press conference is about is having you ask the questions to get the news out, and if the question is: You're happy to hear that AGOA is back on the agenda. I can tell you, and I think all of my colleagues in the room can tell you that AGOA has never been off the agenda since the day the AGOA legislation was passed. It is on our agenda on a daily basis and the success stories speak for themselves.

So I would suggest the first place to start is to look at those packets and then I would offer -- ask you -- in fact make a plea -- that you, representing the Africa press, get the good news about AGOA out in your press. It's important that you do that and if you're not doing it for us, boy, we're not having -- we failed. We need you to get that news out in Africa. We can work here in the United States to get the news out in the United States. American companies are very, very excited about the benefits that AGOA brings, and it opens up the U.S. market for over 6,000 products -- am I correct? -- 6,000 African products. That's a big deal, and without your getting that news out, I think we do have a problem.

MODERATOR: Thank you all for coming.

###



[Updates](#) | [Frequent Questions](#) | [Contact Us](#) | [Email this Page](#) | [Subject Index](#) | [Search](#)

The Office of Electronic Information, Bureau of Public Affairs, manages this site as a portal for information from the U.S.

State Department. External links to other Internet sites should not be construed as an endorsement of the views or privacy policies contained therein.

[FOIA](#) | [Privacy Notice](#) | [Copyright Information](#) | [Other U.S. Government Information](#)