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AGOA FORUM

Remarks By U.S. Trade Representative Susan C. Schwab

AGOA Forum – Opening Ceremony

July 18, 2007

Mr. President, distinguished guests. I am so pleased to be here in Ghana in its jubilee year of independence and to be participating in the 6th U.S.-Sub-Saharan Africa Trade and Economic Cooperation Forum.

My interest in and affection for Africa are linked to my early childhood memories. In 1960, I arrived in Accra with my family on the way to Lome, where we lived for 2 years. We used to return to Accra to shop at Kingsway and to Aflao to buy fabric. Later, we lived in Nigeria, in Sierra Leone and in Tunisia. I am a child of Africa and it is wonderful to be back.

I am particularly excited to be here to discuss ways to strengthen the U.S.-Africa partnership. It is a time of great potential.

Indeed, as President Mbeki has suggested, Africa is in a renaissance. It is the time of a new breed of African leaders who want to turn their nations away from the political upheaval of the past. More and more we see democratic governance on the rise across the continent.

Accompanying the political stability are economic reforms. This is attracting foreign investment and greater trade flows. The result is that many Africans have begun to enjoy the benefits of higher rates of economic growth.

A recent International Monetary Fund report predicts economic growth in Sub-Saharan Africa of 6.75% in the coming year.

The United States is pleased to be a strong partner in contributing to this renaissance, and working closely with Africa's leadership to tackle the challenges of the future.

President Bush has demonstrated an earnest commitment to making the future of Africa a time of hope, health and prosperity through a variety of initiatives.

Programs such as the Millennium Challenge Account, the President's Emergency Plan for AIDS Relief (PEPFAR), the President's Malaria initiative, the Africa Education Initiative and, of course, the African Growth and Opportunity Act are each important elements of our strategic partnership with Africa.

The United States is also supporting Africa's peacekeeping efforts to resolve conflicts in Sudan and Somalia. And we are engaged in efforts to rebuild and maintain peace in post-conflict areas such as Central Africa's Great Lakes region and Liberia.

We will not stop until every sub-Saharan African country and the continent's 700 million citizens are part of and benefiting from the renaissance, and until Africa has met its enormous potential.

On the trade front, we must ensure that Africa benefits more from the global trading system. Today Africa's current share of world trade is only 2 percent – down from 6 percent in 1980. If Africa were to increase that by just one percentage point – to 3 percent – it would generate additional export revenues of \$70 billion annually, which is nearly three times the amount of current development assistance to Africa from all donors. This is why trade is now commonly accepted as **the** most effective weapon against poverty.

It is vitally important that Sub-Saharan African countries become better able to export more of their agricultural products. Just as important, they must be able to export value-added processed and manufactured products to the rest of the world – especially the large and rapidly growing markets of major emerging economies.

It is also important to support regional integration in Africa by allowing African products to be traded more freely *among* African countries, to reduce cross-border barriers and streamline customs procedures that are needed to facilitate intra-African trade. Remarkably, 70 percent of the duties developing countries pay go to other developing countries. Growth in South-South trade holds especially great promise for development.

During this gathering, trade ministers and other officials will devote some of our attention to the World Trade Organization's Doha Development Agenda. I want all of you here today to know that President Bush is fully committed to a successful Doha round – one that reduces agricultural trade distortions, increases market access for both agricultural and manufactured products, and enhances services trade and, in so doing, fulfills its promise of being of being a true development round.

Meanwhile, we are committed to continuing access for African products into the United States – a \$13 trillion market – under AGOA.

Seven years after its enactment, AGOA continues to have a significant positive impact on U.S.-African trade. Two-way trade has more than doubled. Our non-oil imports from AGOA countries – everything from apparel to automobiles, footwear to flowers – more than doubled from 2001 to 2006. In addition, U.S. exports to Africa have more than doubled in the same time period.

This increased trade translates into thousands of new jobs in some of the poorest countries in Africa, and hundreds of millions of dollars of new investment in the region.

Among the challenges before us is to ensure that AGOA's benefits are shared more broadly. The United States understands that market access alone is not sufficient. That is why we have devoted over a billion

dollars to trade capacity building activities in sub-Saharan African since 2001.

Working together we must continue to address supply-side constraints, including transport, energy, and access to capital. Several MCC compacts recently concluded in sub-Saharan Africa – including one with Ghana – seek to address these issues through large-scale investments. The Administration is committed to helping you find solutions to these constraints and challenges – which is why we have 139 officials from 15 U.S. government agencies here as part of the U.S. delegation to the 6th AGOA Forum.

Of course, if our efforts are to succeed, we must work closely with our private sector stakeholders. Governments can help create a positive environment for entrepreneurship, trade and growth, but only the private sector can ultimately deliver on its promise. Without businesses on both sides that understand AGOA and how to tap its benefits, we cannot expect U.S.-Africa trade and investment under AGOA to grow and diversify.

We also need the continued involvement of civil society in advancing the core values of AGOA, ensuring that the benefits of increased U.S.-Africa trade is enjoyed by all citizens, that labor and worker rights are respected, the environment protected, and that other health and educational needs that are critical to strong and prosperous African economies are effectively met.

President Kufuor and Minister Kyerematen, on behalf of the entire U.S. delegation, I'd like to thank you for hosting this year's AGOA Forum. And thank you for allowing us to be a part of this historic year for Ghana – a true signpost of Africa's great promise – and another step toward the realization of an African renaissance.

I now bring you a message from the President of the United States, George W. Bush – a great advocate for Africa.