

INTRODUCTION

Purpose and Organization of the Report

This is the fourth report in a 5-year series documenting U.S.-sub-Saharan Africa (SSA) trade and investment flows.¹ In a letter dated April 12, 2000,² the United States Trade Representative (USTR) asked the United States International Trade Commission (Commission or USITC) to submit, annually for 5 years, a report that provides:

- an analysis of U.S.-SSA merchandise trade and services trade flows;
- country-by-country profiles of the economies of each SSA country, including information on major trading partners, and a summary of the trade and investment climates in each;
- a summary of U.S. foreign and total direct investment and portfolio investment in SSA;
- information on SSA privatization efforts;
- updates on progress in regional integration in SSA, including statistics on U.S. trade with the major regional groupings; and
- a summary of multilateral and U.S. bilateral assistance to SSA countries.

In a supplementary letter dated July 10, 2002,³ USTR asked the Commission to provide the following additional information:

- the value of U.S. imports from SSA under the African Growth and Opportunity Act (AGOA), including its Generalized System of Preferences (GSP) provisions, by beneficiary country and major product categories;
- information on investment developments related to AGOA;
- a description and analysis of major SSA export sectors;

¹ In a letter dated June 5, 1996, the USTR asked the Commission to submit, annually for 5 years, the specified report. A first series of reports resulted from section 134 of the Uruguay Round Agreements Act (URAA), which directed the President to develop a comprehensive trade and development policy for the countries of Africa, and to report to the Congress annually for 5 years on the steps taken to carry out that mandate. The Statement of Administrative Action approved by the Congress in the URAA broadly outlined the Administration's plans for this work, and the assistance needed from the Commission for the President to fulfill this assignment. The series consisted of five reports, produced over the period 1995-1999. See USITC, *U.S.-Africa Trade Flows and Effects of the Uruguay Round Agreements and U.S. Trade and Development Policy*, Fifth Annual Report, USITC pub. 3250, Oct. 1999.

² Copy of the request letter is in app. A.

³ Copy of the supplemental letter is in app. A.

- expanded information on regional integration in SSA, including information on the Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC);
- a description of major U.S. trade capacity-building initiatives related to SSA; and
- a description of major non-U.S. trade preference programs for SSA countries.

The request letter acknowledged that the information included in the USITC reports would be useful in USTR's work and in meeting additional reporting requirements stemming from AGOA.

This report contains six chapters and two appendices. Chapter 1 presents information on U.S. merchandise and services trade with SSA. The services trade analysis includes information on cross-border and affiliate transactions. Chapter 1 also addresses foreign investment (both direct and portfolio investment) in the SSA region. Chapter 2 presents information on AGOA-related imports and investment. Chapter 3 updates the coverage of integration initiatives in the SSA region provided in the last USITC report.⁴ Chapter 4 is a compilation of multilateral assistance, U.S. bilateral assistance, and other trade-related initiatives related to the SSA region in 2002. Chapter 5 contains a description and analysis of major SSA export sectors. These profiles present information on production, trade, and investment for various industry sectors in SSA. Chapter 6 contains country profiles for each of the 48 countries of SSA, including basic economic data as well as an update of economic, trade, and investment and privatization events for each country. The formal request letter and supplemental letter from the USTR to the Commission for this study are included in appendix A. Relevant statistics on U.S.-SSA trade are in appendix B.

Approach

The data included in this report generally cover either calendar or fiscal year 2002, depending on availability. In cases where it is useful to show a trend, data for 1998 through 2002 are provided. Developments in economic, trade, and commercial policies cover the period from January 2003 through mid-2003, where possible.

Online web-pages dedicated to U.S.-SSA trade data are available at the USITC website <http://reportweb.usitc.gov/africa>. These tables provide year-to-date statistics that update the information contained in certain tables of this report. The website is automatically updated with quarterly data as the data become available from the U.S. Department of Commerce (USDOC).

⁴ In addition, the previous series of five reports included information on progress on regional integration in SSA. See, for example, USITC, *U.S.-Africa Trade Flows and Effects of the Uruguay Round Agreements and U.S. Trade and Development Policy*, Fifth Annual Report, USITC pub. 3250, Oct. 1999, pp. 2-22 through 2-34.

Numerous data sources were used to compile the information in this report. Annual data on the value of U.S. exports to, and imports from, SSA were obtained from the USDOC. Data on U.S. investment flows to SSA were obtained from USDOC and the U.S. Department of the Treasury (Treasury). Information on major developments in the WTO likely affecting U.S.-SSA trade flows was collected from the WTO and other public data sources. Information on U.S. trade and economic activities potentially affecting U.S.-SSA trade and investment flows was collected from USDOC, the U.S. Department of State (State), the U.S. Agency for International Development (USAID), Treasury, the Export-Import Bank of the United States (Ex-Im Bank), the Overseas Private Insurance Corporation (OPIC), the U.S. Department of Agriculture (USDA), the U.S. Trade and Development Agency (TDA), and other relevant U.S. agencies.

Data on trade and economic policy changes in countries in SSA, as well as information on multilateral project lending, were obtained from USDOC, State, the World Bank, the African Development Bank, the International Monetary Fund, and the Economist Intelligence Unit. In addition, U.S. embassies in the SSA region provided important trade and investment information.

Scope of the Report

As requested by USTR, the 48 countries that form the SSA region are covered by this report. Figure 1 shows the 48 countries in SSA covered in this investigation. The countries are:

Angola	Madagascar
Benin	Malawi
Botswana	Mali
Burkina Faso	Mauritania
Burundi	Mauritius
Cameroon	Mozambique
Cape Verde	Namibia
Central African Republic	Niger
Chad	Nigeria
Comoros	Republic of the Congo
Côte d'Ivoire	Rwanda
Democratic Republic of the Congo	São Tomé and Príncipe
Djibouti	Senegal
Equatorial Guinea	Seychelles
Eritrea	Sierra Leone
Ethiopia	Somalia
Gabon	South Africa
The Gambia	Sudan
Ghana	Swaziland

Figure 1
Map of sub-Saharan Africa



Guinea	Tanzania
Guinea-Bissau	Togo
Kenya	Uganda
Lesotho	Zambia
Liberia	Zimbabwe

All 48 SSA countries are classified by the World Bank as developing countries. Although the countries of SSA share many common characteristics, they vary widely in terms of population, size, geography, natural resources, stage of development, and political stability.

At the request of the USTR, this report also covers U.S. trade flows with the following SSA regional and subregional organizations: the Economic Community of West African States (ECOWAS), the West African Economic and Monetary Union (WAEMU), the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC), the Southern African Customs Union (SACU), the East African Community (EAC), the Inter-Governmental Authority on Development (IGAD), the Indian Ocean Commission (IOC), and the Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC).