

# FACT SHEET: Deepening the U.S.-Africa Trade Relationship

President Obama has prioritized promoting U.S. trade with and investment in Africa, building Africa's trade capacity, and extending preferential access to the U.S. market for African products. U.S. non-petroleum imports from Africa increased by 46 percent and U.S. goods exports to Africa increased by 59 percent since 2009, evidence of growing trade ties between the United States and Africa.

## *Doing Business in Africa while Building African Capacity to Trade*

The Doing Business in Africa (DBIA) Campaign is an unprecedented whole-of-government approach to strengthening the U.S. commercial relationship with Africa, a diverse region that offers substantial trade and investment opportunities across national and regional markets. Africa is home to nine of the twenty fastest-growing economies in the world, and provides substantial opportunities for U.S. companies.

At the 2014 U.S.-Africa Business Forum (USABF) and U.S.-Africa Leaders Summit, U.S. Government departments and agencies made **\$7 billion in commitments** on the continent, many of which are nearing completion. Following the success of the USABF, the President has announced he will attend the next **U.S.-Africa Business Forum in 2016**, which will take place in the United States.

The President's Advisory Council on Doing Business in Africa (PAC-DBIA), announced at the USABF, was formed in November 2014. The Council is working closely with the U.S. Government to recommend ways the government can strengthen the U.S.-Africa trade and investment relationship.

U.S. Department of Commerce: To facilitate U.S. business activity in Africa, the Department of Commerce:

- **Doubled its presence in sub-Saharan Africa** over the past year, by opening new offices in Angola, Tanzania, Ethiopia, and Mozambique, while expanding its operations in Ghana, and re-establishing a position at the African Development Bank.
- Supported 16 private sector deals in Africa worth approximately **\$7 billion**, with **\$4.1 billion** in U.S. export content, since the USABF.

- Will lead several members of the **PAC-DBIA on a fact-finding trip to Africa** to engage with partners and stakeholders to discuss how U.S. Government programs and policies can better support economic engagement between Africa and the United States.
- Will launch a multi-stop **Institutional Investor Roadshow** – with an inaugural stop on the margins of the UN General Assembly Session – in September 2015 to provide a platform for U.S. institutional investors and African heads of state to discuss best practices to reduce governance risk, strengthen capital markets and increase long-term investment flows to mobilize U.S. private sector capital and introduce U.S. exporters and U.S. financial institutions to specific export and investment opportunities in African markets.
- Will launch, in coordination with the Department of State, a whole-of-government approach to support U.S. companies pursuing infrastructure projects in Africa. To pilot this mechanism, the U.S. and Kenya governments have signed a Memorandum of Understanding (MOU) to promote U.S. commercial participation and investment in Kenya's infrastructure sector.
- Will launch in October 2015 the Cold Chain Assessment Initiative with the Global Cold Chain Alliance to develop a modern cold chain in Kenya and plans to replicate it across the region.

Millennium Challenge Corporation: MCC is well on its way to reaching the **\$2 billion DBIA funding commitment** announced during last year's USABF. MCC is launching a bankable **Public-Private Partnership (P3) Platform** that will: 1) **Raise an estimated \$750 million from the private sector** through more than \$50 million in MCC grants by delivering bankable P3 transactions over the next five years; 2) Help partner countries **create enabling environments** through policy and institutional reform and prepare P3 deals through an open, competitive selection process; and 3) Make available a comprehensive and **coordinated package of tools and resources from U.S. Government partners** to offer financing, technical assistance, and technology transfer to prepare bankable public-private partnerships.

Overseas Private Investment Corporation (OPIC): OPIC committed **\$1 billion** in financing and insurance at the USABF and is on track to meet that commitment by the end of 2015. OPIC will expand its DBIA commitment to **another \$1 billion** for financing and insurance through 2018. In addition, the OPIC CEO will lead a **post-Ebola investor trip** to West Africa in early 2016 to bring together investors in renewable energy and healthcare who are looking to expand operations in West Africa. OPIC will also open **two new offices in sub-Saharan Africa** by the end of 2016.

U.S. Trade and Development Agency (USTDA): USTDA is working with African governments to improve procurement practices for infrastructure projects under its Global Procurement Initiative (GPI), to help level the playing field for U.S. companies competing on public tenders and helping countries get better value for their procurement dollars. **USTDA will launch a GPI program specifically for Ethiopia.** Additionally, to connect African buyers with U.S. manufacturers and service providers, **USTDA will host four reverse trade missions** to the United States covering: U.S. cold chain practices for agriculture; airport security and modernization; port security and modernization; and healthcare. USTDA will also fund a feasibility study to assist the **development of a new multi-commodity bulk port in Senegal** and a training for delegates from 16 countries across sub-Saharan Africa on using **modernized meteorological technology** to increase weather service capabilities and fast track the implementation of early warning systems, climate information, and meteorological data platforms. In conjunction with this trip, USTDA will resume its work in Kenya, including supporting Presidential initiatives such as Power Africa, Trade Africa and other priority infrastructure projects in Kenya.

U.S. Department of Agriculture (USDA): USDA's Commodity Credit Corporation (CCC) committed **\$1 billion** in financing guarantees for exports of U.S. agricultural commodities to Africa at the USABF; \$975 million has been made available, and CCC will make immediately available an additional \$100 million of its original commitment. In addition, CCC will commit to **an additional \$1 billion** in financing guarantees available through 2017.

U.S. Department of Transportation: DOT will host up to **five workshops in 2016** and direct **\$1 million toward strengthening civil aviation** safety through the Safe Skies for Africa program. DOT will continue to implement **Tomorrow's Transportation Leaders** initiative through a series of workshops and training courses on intermodal transportation planning, regional integration and logistics, safety oversight, and facilitating border-crossings.

U.S. Department of State: The U.S. Department of State is organizing a **medical technologies trade mission to Nigeria and Cameroon**, in cooperation with the U.S. Department of Commerce, planned for in November 2015. The mission will be led by a senior State Department official.

#### *Strengthening Africa's Business Climate and Trade Capacity*

The Office of the U.S. Trade Representative led U.S. Government efforts to support-African governments as they strengthen their business environments and capacity for regional and global trade, increasing the attractiveness of Africa as a supplier of goods and services and

a destination for foreign investment, as well as increasing demand for Made-in-America goods and services in Africa

Extending the African Growth and Opportunity Act (AGOA) for 10 Years: AGOA, first signed into law in 2000, is the cornerstone of the U.S.-Africa trade relationship. **The recent 10-year extension of AGOA** – the longest in the program’s history – sends a strong signal that we are serious about expanding our bilateral trade relationship with Africa, including creating new customers for U.S. goods **and services**. The extension provides certainty for African producers and U.S. buyers about access to the U.S. market and creates a stable environment that encourages increased investment in sub-Saharan Africa. The legislation also lays groundwork for more reciprocal trade relationships post-AGOA, on which the U.S. Trade Representative will begin a dialogue at the August 2015 AGOA Forum in Gabon.

Deepening and Expanding Trade Africa Partnerships: Under the **Trade Africa Initiative** launched by President Obama in 2013, the United States and the East African Community (EAC) have made significant progress in advancing best trade practices in the EAC member countries. At a February 2015 Ministerial meeting, the **United States and EAC signed an agreement on implementation of World Trade Organization (WTO)** rules and deepening cooperation and assistance in three key areas: trade facilitation, sanitary and phytosanitary measures, and technical barriers to trade. We also held the **inaugural U.S.-EAC Commercial Dialogue**.

Since the Leaders Summit, the **U.S. Agency for International Development’s Trade Hubs** have facilitated **nearly \$220 million in African exports and \$75 million in local investment under Trade Africa**, while working with local governments and regional economic communities to meet WTO commitments, establish the framework for national single window and trade information portals, and modernize customs procedures. Over the next five years the Trade and Investment Hubs in East and West Africa are expected to **facilitate over \$200 million in new investments and foster the creation of 37,000 jobs**.

The United States plans to work with Congress to **expand the Trade Africa Initiative** to include new partners, including **Cote d’Ivoire, Ghana, Mozambique, Senegal, and Zambia** to identify activities that will improve compliance with WTO rules on trade facilitation, sanitary and phytosanitary measures, and technical barriers to trade; foster an improved business climate; and, address capacity issues that have constrained trade. The U.S. Government is also working to support the **Economic Community of West African States** (ECOWAS) to improve regional trade.

Advancing Ratification and Implementation of the WTO Trade Facilitation Agreement:

Under the **Trade Africa initiative**, the U.S. Government is encouraging African governments to take advantage of the **World Trade Organization's Trade Facilitation Agreement (TFA)**, which will simplify customs and other border control procedures and reduce the cost and time of doing business across borders. TFA implementation would help African businesses participate more fully in global value chains, smooth the movement of goods across African borders, and make African goods more competitive in global markets. This would have broad development benefits as well as promote regional integration, investment, and exports. The Organization for Economic Co-operation and Development estimates that implementing the TFA could reduce worldwide trade costs by as much as 17.5 percent, with the greatest benefits accruing to African and other developing countries.