

The Need for Trade with Africa is Greater than Ever

By Ret. Hon. Jim McDermott & Ret. Hon. Jerry Weller

President Biden and heads of states from across the African continent will converge in Washington, D.C., from December 13-15 for the U.S. and Africa Leaders' Summit, which will also include the AGOA Ministerial. Increasing trade opportunities between the U.S. and the African region, including the extension and reinvigoration of the African Growth and Opportunity Act (AGOA) for an additional ten-year period must be on top of the agenda.

As Members of Congress, we were privileged to promote and help pass the first AGOA program in 2000. Since then, trade with sub-Saharan Africa (SSA) in non-energy sectors has tripled. U.S. investment to the region has grown sixfold. Millions of jobs in export centered industries in the formal economies of SSA countries have been created. Women in particular have benefited from the hundreds of thousands of jobs that the AGOA program has helped create in sectors such as apparel. Certainly, more can and should be done, but the AGOA program has already helped lift millions of families in SSA out of extreme poverty by providing incentives for business creation and job opportunities.

This economic transformation in many places in the SSA region has been good for the U.S. economy as well. Exports of U.S. goods to SSA countries has grown from \$5.9 billion in 2000 to \$15.7 billion as of 2019. Exports in trade in services has also doubled during this time. As more and more families and individuals in the region raise their standards of livings thanks to well-paying and secure jobs linked to trade, they become more interested in what the U.S has to offer, not only in terms of goods and services, but also in our innovation, entrepreneurial spirit, democracy, and overall American way of life.

Amidst all the positive that has come from the AGOA program in the past two decades, we understand that in the realm of trade we should periodically evaluate our country's trade policies. We know that major players, particularly China, are not treating the U.S. fairly, and using their leverage and position to directly harm U.S. economic interests. We respect and agree with the need to make sure that our trade policies are benefiting Americans and not putting them at a disadvantage. That is why we need to make sure that Africa sees the U.S. as a key trading partner. AGOA is a mechanism to keep U.S. companies engaged in Africa and exporting our business practices, rules, and products. We need to engage with SSA countries to establish confidence in the U.S. as a geopolitical and strategic partner and to counter China's influence in that region of the world.

Congress must approve a new 10-year extension of the AGOA program immediately. Unfortunately, Congress often waits until the last minute to extend trade programs or even allows them to expire for years at a time, as it is currently the case with the Generalized System of Preferences, which has been expired for two years. We cannot allow that to happen with AGOA. As part of the U.S.-Africa Leaders' Summit we need to send a clear signal that the U.S. is actively engaged in the continent, that this is a vital region for the U.S. security and economic interests, and that we will ensure a secure trade and investment environment through an additional 10-year AGOA extension. Congress must take action to protect U.S. business interests in Africa and deliver this legislative objective immediately.

***Jim McDermott** served as the Democrat U.S. Representative for Washington's 7th District from 1989-2016. He served on the Ways and Means Committee and its trade subcommittee. In 2007, He was honored with the "Knight Commander of the Order of Moshoeshoe" by the Government of Lesotho for his work on the Africa and Growth Opportunity Act.*

***Jerry Weller** served as the Republican U.S. Representative for Illinois' 11th District from 1995-2009. He served on the Ways and Means Committee and its trade subcommittee.*