U.S. Could Move “Quickly” to Start Talks on Model FTA with African Country

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U.S. Trade Representative Robert Lighthizer said this week that the Trump administration intends to move quickly to begin negotiating a model free trade agreement that could be extended to multiple African countries.

Speaking at the annual African Growth and Opportunity Act forum, Lighthizer said the U.S. believes many AGOA beneficiary countries are at the point where they could enter into FTA negotiations with the U.S. AGOA has had an important and positive impact on U.S.-African trade, provided incentives for reforms that promote rules-based, market-oriented economies, and supported regional integration, Lighthizer noted, but one-way tariff preferences can only do so much to drive trade and investment. Instead, AGOA was designed to pave the way for an FTA between the U.S. and sub-Saharan African countries, he said, and the most recent congressional reauthorization of AGOA expressly instructed USTR to pursue this goal.

Lighthizer emphasized that the U.S. is “not abandoning AGOA for either the short term or the long term” but said that with AGOA now in place through 2025 the two sides “have a unique opportunity to use the next several years to build on and go beyond this one program” to seek “a more stable, permanent, and mutually beneficial trade and investment framework.” He asserted that conditions are favorable to move ahead at this time, including increasing investment in Africa by U.S. companies of all sizes, many of which “never before had a large footprint on the continent,” and Africa’s growing need for infrastructure and other development projects to support continued economic growth and enable Africa to tap into global markets, which U.S. businesses “are well-positioned to assist with.” He also noted that many African countries have already signed FTAs with U.S. competitors such as the European Union and China.

The U.S. is therefore focused on three core objectives, Lighthizer said: pursuing a bilateral FTA with a willing partner, ensuring that this agreement is crafted so that it can serve as a model that can be rolled out to other willing partners in sub-Saharan Africa in the future, and ensuring that the model FTA will reinforce regional and continental integration in Africa. While this will not be an easy process, he said, the U.S. is serious and intends to
move quickly and the first exploratory talks could be announced soon.

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