

Trade Africa: Obama launches new partnerships

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THE WHITE HOUSE – President Obama announced the launch of Trade Africa, a new partnership between the United States and sub-Saharan Africa that seeks to increase internal and regional trade within Africa, and expand trade and economic ties between Africa, the United States, and other global markets.

The announcement came on July 1.

Trade Africa will initially focus on the member states of the East African Community (EAC) -- Burundi, Kenya, Rwanda, Tanzania, and Uganda. The EAC is an economic success story, and represents a market with significant opportunity for U.S. exports and investment. The five states of the EAC, with a population of more than 130 million people, have increasingly stable and pro-business regulations. They are home to promising local enterprises that are forming creative partnerships with multinational companies. And EAC countries are benefiting from the emergence of an educated, globalized middle class. Intra-EAC trade has doubled in the past five years, and the region's GDP has risen to more than \$80 billion – quadrupling in only 10 years.

In its initial phase, Trade Africa aims to double intra-regional trade in the EAC, increase EAC exports to the United States by 40 percent, reduce by 15 percent the average time needed to import or export a container from the ports of Mombasa or Dar es Salaam to land-locked Burundi and Rwanda in the EAC's interior, and decrease by 30 percent the average time a truck takes to transit selected borders.

The United States also hopes to expand its collaboration with other regional economic communities in Africa, including in cooperation with other partner nations. Increasing trade between the United States and Africa will be the focus of the African Growth and Opportunity Act (AGOA) Forum in Addis Ababa on August 9 - 13. The Forum will celebrate the progress achieved through AGOA since it was signed into law in 2000, and will help pave the way to AGOA's renewal by 2015.

Increase U.S.-EAC Trade and Investment

Trade Africa will help mobilize resources to support increased U.S.-EAC trade and investment, building upon the U.S.-EAC Trade and Investment Partnership (TIP) announced in June 2012. Activities underway include:

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- Exploration of a U.S.-EAC Investment Treaty to contribute to a more attractive investment environment;
- Launch of negotiations on a Trade Facilitation Agreement and expansion of the TIP to include regulatory issues that affect the competitiveness of EAC regional and global trade (including with the United States), particularly the development of product standards, and regulatory systems related to food safety and plant and animal health;
- Establishment of a new U.S.–EAC Commercial Dialogue to bring the private sector together with policy makers and increase opportunities for trade and investment;
- Transformation of the U.S.–Africa Trade Hubs into U.S. Trade and Investment Centers to provide information, advisory services, and risk mitigation and financing to encourage linkages between U.S. and East African investors and exporters; and,
- Advancing the "Doing Business in Africa" campaign to encourage U.S. businesses to take advantage of growing trade and investment opportunities and to promote trade missions, reverse trade missions, trade shows, and business-to-business matchmaking in key sectors.

Support EAC Regional Integration

The United States is also supporting the EAC's efforts to advance regional integration, through bilateral and regional trade facilitation and a new partnership with TradeMark East Africa, with specific focus on:

- Reducing barriers at borders, including by moving to single border crossings and implementing customs modernization programs using innovative technologies that allow customs services to communicate with each other;
- Supporting the transition to a single EAC customs and revenue sharing authority; and,
- Addressing barriers to transit that constrain the region's competitiveness, including by reducing the number of roadblocks and the amount of time spent and fees paid to move products from the ports to neighboring borders.

Increase EAC Trade Competitiveness

The United States will also form public-private partnerships with East African and U.S. industries and trade associations to stimulate greater trade in goods under the African Growth and Opportunity Act and, specifically, to:

- Build the capacity of private sector associations in Africa to provide sustainable business services and promote investment in key growth sectors in Africa, including agriculture, health, clean energy, environment and trade-related infrastructure;
- Formalize partnerships between American and African associations to increase trade through

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collaboration on trade shows and business-to-business matchmaking;

- Work with governments and National Export Associations to develop export strategies and establish export resource centers across the EAC to provide sustainable services for firms looking to export under AGOA.