

AFRICAN UNION

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**KEYNOTE ADDRESS BY**

**H.E. MR ERASTUS MWENCHA**

**DEPUTY CHAIRPERSON, AFRICAN UNION COMMISSION**

**(On behalf of H.E. Dr Nkosazana Dlamini-Zuma, Chairperson of the  
AUC)**

**ON THE OCCASION OF THE OFFICIAL OPENING CEREMONY OF THE  
12<sup>TH</sup> AFRICAN GROWTH AND OPPORTUNITY ACT (AGOA)  
MINISTERIAL FORUM**

**12<sup>TH</sup> AUGUST 2013**

**AT THE AFRICAN UNION HEADQUARTERS**

**ADDIS ABABA, ETHIOPIA**

**Your Excellency, Mr. Hailemariam Desalegn, Prime Minister of the Federal Democratic Republic of Ethiopia**

**Your Excellency, Ambassador Michael Froman, United States Trade Representative**

**Excellences, Honorable Ministers**

**Honourable Members of Parliament from Africa and Congressmen from United State of America**

**Excellencies Members of the Permanent Representatives Committee and the African Group in Washington**

**Heads & Representative of Regional Economic Communities, United Nations Agencies and International Organisations**

**Distinguished Delegates**

**Ladies and Gentlemen**

I am singularly honoured to welcome you all to the Headquarters of the African Union, on behalf of the Chairperson of the African Union Commission, H.E. Dr Nkosazana Dlamini-Zuma who, sends her best wishes to this meeting. Let me begin by thanking H.E. Mr. Hailemariam Dessalegn, the Prime Minister of the Federal Democratic, Republic of Ethiopia and government for hosting this very important meeting and for giving us the opportunity to provide the venue. I would also like to welcome and to congratulate Ambassador Froman on his recent appointment as the 11<sup>th</sup> United States Trade Representative. We believe your vast knowledge and experience in international trade and development will go a long way in maximizing growth and development opportunities for Africa through improved trade relations between the continent and the United States.

Allow me to seize this opportunity to thank the U.S. agencies that have supported the implementation of AGOA in Africa, specifically USAID, Ex-Im Bank, the Overseas Private Investment Corporation and the U.S. Trade and Development Agency. I also acknowledge the contribution of the U.S Government towards the African Woman Entrepreneurship Programme (AWEP).

**Excellences, Ladies and Gentlemen,**

AGOA is the cornerstone of the United States Government's trade policy towards Sub-Saharan Africa and there has been remarkable growth in the partnership between the United States and Africa in general, and in the African Union Commission in particular. The U.S was the first country to dedicate a full time Ambassador to the AU, and this has enhanced dialogue between both sides as was witnessed at the recent meeting between President Obama, Ambassador Froman and the Chairperson of the AU Commission, H.E Dr Nkosazana Dlamini-Zuma.

The AU and the AUC are beneficiaries of technical cooperation in strategic areas such as Energy, Agriculture, Peace and Security, Governance and Human Resource development. The U.S hosts many Africans and remittance is a major source of foreign exchange to Africa. It is against this backdrop that African Ministers of Trade are recommending that AGOA framework be expanded to include political dialogue and exchange of hi level visit to both sides.

As I said earlier we meet when Africa is celebrating the 50th anniversary and has just adopted a 4 year strategy plan and is developing a long term vision known as agenda 2063. Three key mega trends are instructive to AU Vision of an integrated, prosperous and peaceful continent-participating effectively in the global arena.

The choice of the theme of this year's AGOA forum "*Sustainable Transformation through Trade & Technology*" is to respond to these key challenges when AGOA was enacted in 2000, one would not have predicted its impact on African economies; ranging from exporting textiles to transport equipment in the form of motor vehicles and parts. At the time the proponents of AGOA were faced with skeptisms, trade relations between African and the U.S public and private sectors have been enhanced.

### **Excellences, Ladies and Gentlemen,**

Since the enactment of AGOA in 2000, both Africa and the U.S. have derived benefits from their economic and trade relationship under AGOA, with combined two-way trade between the United States and AGOA-eligible African countries growing nearly three-fold, research showing as much as a 340% increase between 2001 and 2012. AGOA has generated about 350,000 direct jobs and one million indirect jobs in Africa, further stressing the significance of trade. Through these positive effects on exports, jobs and incomes, AGOA has generated a lot of goodwill in Africa for the USA.

It is also popular knowledge that Africa's energy and energy-related sectors continue to enjoy stable growth. The non-oil product exports from Africa have also witnessed significant growth, with the textile and apparel industries recording total exports of US\$ 4.8 billion in 2012, accounting for **40 percent of non-oil trade.**

### **Excellences, Ladies and Gentlemen**

Though there have been some successes thus far, the potentials for economic growth based on the original intent of AGOA of stimulating economic growth, diversifying African exports, encouraging economic integration and facilitating Africa's integration into the global economy have not been realized. It is in this regard that the task of promoting African growth and development through AGOA can be regarded as an unfinished one.

Over the past few years, African governments have effected reforms and created an enabling environment that has led to unprecedented high growth rates and the continent is home to 6 of the world's ten fastest growing economies. The opportunities for mutually beneficial trade between Africa and USA through a reauthorized and enhanced AGOA are enormous. We have witnessed significant progress in governance policies which have resulted in better macro-economic performance despite current global, financial and economic crisis.

Africa has embarked on an ambitious agenda to ensure: Peace and Security, Human Resource Development, Food Security, Infrastructure

Development, Industrialization, (good) Governance, Gender Mainstreaming and ICT technology and Information.

## **Excellences, Ladies and Gentlemen**

As we strive for an extended and more comprehensive AGOA, it is important to draw lessons from the past development frameworks and build a new arrangement taking into account Africa's current potential.

Extension of AGOA in time before September 2013 is important to avoid the type of setback Africa experiences with regard to the extension of the textile and apparel provisions. Also critical is the accompanying measures, namely:

1. To enhance investment provisions so as to encourage US bound investments in Africa. That U.S. Share of 1% of total foreign direct investment is clearly one area where there is big room for improvement- by making AGOA more predictable, more transparent and more stable.
2. Expand the range of products to include agricultural products which Africa has a comparative advantage
3. Support Africa' integration agenda, through regional hubs by encouraging local supply chain systems as well as trade facilitation.
4. Encourage trade and investments interaction at business-to-business levels- to better appreciate trade and investment opportunities
5. Create a forum for political dialogue through which leaders on both sides nurture the relationship.

**Excellences, Distinguished Delegates,**

Once again you are welcome to Addis Ababa and I wish you successful deliberations.