

Remarks of Chairman Donald M. Payne  
Joint Hearing of the Subcommittee on Africa and Global Health and the Subcommittee  
on Commerce and Consumer Protection

***U.S.-Africa Trade Relations: Creating a Platform for Economic Growth***

I would like to first thank my good friend and colleague, Chairman Bobby Rush of the Commerce, Trade, and Consumer Protection Subcommittee and Ranking Member Radanovich for initiating this joint hearing with the Foreign Affairs Subcommittee on Africa and Global Health, which I chair.

The topic of this hearing – U.S.-Africa Trade Relations: Creating a Platform for Economic Growth – is both important and timely. We know very well the impact the global economic crisis has had on our own economy. It has also affected the continent, reducing demands for African goods and causing a decrease in commodity prices and in export earning.

Four African countries ranked among the ten fastest growing economies in the world in 2008 -- Angola, Equatorial Guinea, the Republic of Congo, and Liberia, with 6% growth or above. The Organization for Economic Cooperation and Development's (OECD) recent report *Africa Economic Outlook* warns of an overall 4.3% contraction of GDP this year and flat growth in 2010.

I was closely involved in the discussions leading to the Africa Growth and Opportunity Act (AGOA) in 2001, a measure that has caused a dramatic increase in African imports into the U.S. over the last eight years and led to job growth on the continent – without displacing U.S. jobs.

While AGOA has done a great deal to increase U.S.-Africa trade, AGOA imports to the U.S. are predominately natural resources and are concentrated in five countries, mostly in the Gulf of Guinea. If the African continent as a whole is to become integrated into the world market, AGOA must be taken to the next level. Increased and diversified African exports to the U.S. can lead to more sustainable growth than we have seen and improved quality of life.

However, there are major impediments that must be improved, including lack of transport infrastructure, great health challenges, lacking education, and the absence of fully developed industries beyond oil and gas and textiles, which have dominated AGO exports.

The number of people in Africa living on less than \$1 a day has actually increased over the last two decades. African nations' ability to fight HIV/AIDS, malaria, TB, neglected tropical diseases, and even provide basic child and maternal health is sorely lacking. Higher education has received underinvestment by both African governments and westerns partners. An estimated 80% of Africans live in rural areas, yet agricultural development has been neglected by and large, leaving governments unable to feed their populations. These challenges are compounded by political and social instability in places

like Sudan, Madagascar, Somalia, DRC, and Northern Uganda, which affect the entire continent.

It is my view, however, that the greatest change needed for Africa to fully participate in the world economy is in our perception of the continent. The challenges I've raised are great, but they are not insurmountable with focused attention, real partnership, and proportionate investments.

We in the West, China, Japan, and others must close the door on the old way of doing business in Africa. We must not write off Africa as a charity case and then deny the fact that we greatly rely on and benefit from the continent, especially in its weakened state, for our own needs and strategic interests.

The U.S. role in the Lome Treaty decision which destroyed the banana industry in Africa and the Caribbean and the EU's push for African countries to sign the Economic Partnership Agreements (EPA's), which require African countries to eliminate 80% of their duties on EU imports or else lose preferential access into the EU market by October, are two recent examples of a more-of-the-same approach which must not be accepted.

In order for Africa to take its rightful place as a full player on the world's stage a change on the part of African leaders will also be required. Africa's workforce can be a vibrant one when the power of education is matched with a real commitment to the rule-of-law, empowering women and children, and effective investments in health, education, and agriculture.

I once again thank Chairman Rush and Ranking Member Radanovich for hosting this hearing and look forward to hearing from the distinguished witnesses on how to expand U.S.-Africa trade in a mutually beneficial way.