

**Legislation Extending AGOA Press Conference**  
US Trade Representative Robert B. Zoellick  
Edith Ssempala, Ambassador of Uganda  
Leonard Ngaithe, Ambassador of Kenya  
Bernadette Paolo, V.P. of AGOA 3 Action Committee  
June 25, 2004

**AMBASSADOR ZOELLICK:** I want to thank all of you for joining us today. We have a number of members of the African diplomatic corps with us. I'm going to make a few opening comments and then Ambassador Ssempala from Uganda and Ambassador Ngaithe of Kenya will follow my comments and then Bernadette Paolo who is representing the AGOA coalition and then we will take a few questions.

I really wanted to use this opportunity to thank many friends in the United States and Africa for working with us so hard to pass the AGOA amendments, the adjustment act, last night in the Senate. We're extremely pleased that it passed the House on a voice vote and the Senate with the unanimous consent showing the strong support for Africa. And all of the people here know that the timing of this was very, very important because when I had a chance a few weeks ago to be here with Minister Kituyi of Kenya we talked about the fact that there were already some textile companies that were considering moving out of Africa because of the provision dealing with the third party fabric which expired on September 30<sup>th</sup>. So we're so delighted that we now have the same bill passed by the House and the Senate so it only waits the President's signature. And it sends a good signal about the commitment to Africa and for businesses planning to know that not only have we extended AGOA but we've extended those critical provisions dealing with the third party fabric.

And to get this done I want to mention in particular, it took a real effort on the Senate side given the open process there by the Majority Leader Frist who I know personally worked with a lot of Senators to make sure that any holds were removed on this and he worked well with Senator Daschle, the Minority Leader. Obviously, Senators Grassley and Baucus, the chairman and the ranking of the Finance Committee and we wouldn't be here at all if we hadn't had Chairman Thomas and Mr. Rangel put together a bipartisan bill that gave us such good momentum. Our Assistant US Trade Representative for Africa, Florie Liser, is not here today only because she's in Atlanta as part of our FTA negotiations with our SACU partners. And indeed, she's having a press conference down there and my deputy, Josette Shiner, is in California, she worked very hard on this issue as well. Is Jendayi Frazer...? I guess didn't make it 'cause as you know from the NSC staff worked very closely with us because she's going to be heading off to South Africa as the President's representative, as ambassador. And Connie Newman is from the State Department helped us so much with this issue as well. I want to just also mention that there're so many African leaders, President (sp?) was here not long ago, my good friend Minister Malie of Lesotho, Minister Cuttaree of Mauritius has worked very hard on this and he's putting together a G-90 meeting to help us on the Doha issues in May. And our good friend Rosa Whitaker is in California, she's been such of the genius of this process but also the person who has energized it throughout and so I called her promptly to congratulate her this morning but I haven't been able to reach her because of the time difference but I hope you will relay my deep appreciation. And

your college, Leonard Robinson of the National Summit on Africa, is he here? So many groups, C. Payne Lucas, others, Bread for the World have really helped as part of this coalition so it is a wonderful example of how we can have NGOs and businesses work together.

So I really want to thank all of you and all of you from the African Ambassadorial community here in Washington because I'll just share with you the experience having been in the public sector for many years. Trying to get things done in a election year is never easy. And particularly when you have so few weeks left and the fact that we were able together to put some pressure on the bodies and get this through the Senate last night was something that is really an achievement that belongs to all of you from the private sector and those of you Africa who've pushed so hard for this and we are just absolutely delighted that again it allows us to build on something for AGOA. I think our the imports from AGOA last year jumped about 20 or 30 percent and we want to keep that track going up. And then US exports to the AGOA countries have also been increasing during this period by about 24 percent since 1999 when we created the AGOA process. It was more then 30 percent last year from Africa to the United States. So I'll be happy to take a question or two but first I'd like the two Ambassadors to speak.

**AMBASSADOR SSEMPALA:** Thank you Ambassador Zoellick, distinguished friends and ladies and gentlemen, Your Excellencies, Connie and Cindy, our dear friends, and Bernadette, everybody who is here. I can hardly hold my excitement back because this is a new day for Africa and the United States. And so I want to first and foremost to acknowledge and thank God because believe it or not we've been on our knees, and especially these past few days. I feel greatly honored to be here to address you on this momentous occasion. The passage of AGOA 3 in the Senate last night is a cause for joy and great relief to many of us who have spent countless hours and days trying to convince our colleges in the United States that passing this bill is the right thing to do. The action by our honorable members of the House of Representatives earlier and now the Honorable members of the Senate last night is a sure demonstration that they care about Africa and also about the hundreds of thousands of lives that would have been devastated if AGOA 3 never passed. By passing AGOA 3, the United States has once again expressed its commitment towards trading with Africa and providing much technical assistance and capacity building support.

And in the words of my President, President Museveni, who postponed his departure last two weeks ago in order to have a meeting with Senator Frist, and I can assure you that meeting was really very pleasant because Senator Frist assured President Museveni that AGOA was going to be passed and that he would do his very best and he has indeed delivered on his promise. My president has very many times said that AGOA is the greatest act of solidarity by United States with Africa in the last five hundred years. It is also a wise investment in the future of United States because a prosperous Africa will provide a huge market for the United States goods and services, says President Museveni. On behalf of the entire African diplomatic corps, and I have many of my colleagues here today, I want to express our heartfelt gratitude to everyone, every single person who has labored so hard to bring us this far. There are thousands of people here in the United States and in Africa who have worked tirelessly to ensure the cause of AGOA is not lost and that this bill comes to fruition. I cannot do sufficient justice and name them all but I would like to acknowledge a few. I want to begin with President Bush who has assured us many times that AGOA was going to pass. During the G8 he assured the African leaders who were

there that AGOA would pass. So even when we were in some very tough moments we still remembered that promise.

I want to thank you Ambassador Zoellick and Florie who is not here, your assistant Trade Rep. You have really shown leadership because we know that without you actually it would not have been possible. And so I want to publicly and formally acknowledge your leadership which has been just outstanding and very wise. I also want to acknowledge other members of the administration especially the incoming Assistant Secretary of State for African Affairs, our good friend Connie Newman and the incoming already actually Cindy Courville who has succeeded Jendayi whom we all know and love and who has played a very important role. Everybody who has really worked very, very, very hard.

I want to single out some members, I know that they have all worked extremely hard and our heartfelt thanks go to all of them because each one of them could have played a negative role and not, you know, made it possible for AGOA to pass but I want in particular to really express our deep appreciation to the leadership of the House and of the Senate. In particular to the Majority Leader and the Minority Leader, Senator Frist and Senator Daschle, to the leaders on the Committees that have jurisdiction, to Congressman Thomas, Congressman Rangel and, I must add on, Congressman McDermott who has really been just the driving force behind the scenes many times. And also I want to acknowledge Senator Grassley and Senator Baucus. I would like to acknowledge our able and wonderful dean, Ambassador Olhaye, who is not here today because he has indeed exemplified the leadership that the African diplomatic corps needed in order to play its rightful role.

I also want to acknowledge the AGOA 3 action committee which today is represented by my good friend, dynamic good friend Bernadette Paolo which is lead by my other good friend and colleague Rosa Whitaker, whose experience and leadership has been vital in this process. I want to acknowledge each one of you, I can see Cynthia here, and all the members of the AGOA action committee you really have been wonderful. We know that we really would not have been able to do this without you. We want to thank all the NGO's, the private sector organizations, the faith based organizations all of you, and you members of the press, we want to thank you because very often we feel like Africa is not properly represented so we thank you for representing Africa very well. We want to thank you all again because you have made a new day for Africa and the future will come to you and we will remember the action that you have taken today. I thank you very much.

**AMBASSADOR NGAITHE:** Thank you. I think my sister has said all so I will be very short. I want to thank you, Ambassador Zoellick, for being such a nice friend of Africa. I also want to thank our colleges and friends in the continent, in the press, everybody of good will. We are indeed very grateful for the Senate passing the bill. I would also like to recognize those who walk together (inaudible), the congressmen, the congresswoman, administrators, the AGOA action committee, the African Ambassadors, and you people of good will for all the work that you did. You had to burn the midnight oil but we happy yesterday it came to fruition.

AGOA as you know has made tremendous changes in the sub-African region, in the case of Kenya for instance we have already created 150,000 jobs and estimated something close to over

300 million dollars. This is still a small figure but I am sure with the passing of the bill, this can be improved. So essentially we are here to say that the passage of the bill will assist and maintain the good that has been created since 2000. And we look forward to more trade, more growth for the people of Africa. Thank you.

**PAOLO:** Ambassador Zoellick, Excellencies, colleagues, and warriors all these days. First of all, Rosa Whitaker called this morning and asked me to represent her and the AGOA 3 Action Committee and I'd just like everyone on that committee who is here to raise their hand because it's been really a Herculean undertaking. Thank you. And something is new here and that it is marrying entities like Bread for the World with Chevron Texaco, an unlikely pairing. But at this collaborative effort also brought together the faith-based community, corporate executives, NGO's, (inaudible), and most important the African Diplomatic corps really showed that they are learning how to lobby very effectively in America.

We couldn't have done this without Rosa Whitaker. She is the name most associated with AGOA, and I also have to commend her for bringing to the table the most professional, able people I have ever worked with. I was on the Hill for twelve years and you see lobbying efforts with a lot of money behind them and this was basically a lot of will power and strategy. This is a victory for the increasingly strong and diverse constituency for Africa, a victory for all who showed the world that America can still be a place where a bipartisan collaboration happens in our country at this very partisan time in our history. It's a victory for the continent of Africa; nearly two hundred thousand people can sleep better tonight knowing that they have a job tomorrow. And more important, millions of others, millions literally of others stand to benefit tomorrow for what happen here today. Ambassador Ssempala the talented effective and effusive representative of the diplomatic corps, of Uganda and our new Ambassador for Kenya, Ambassador Ngaithe and, how did you sneak up here? Ambassador Jeetah (?) and our Ambassador from DRC and our Ambassador from Nigeria. Thank you very much for standing along side of us. Yes? Ambassador where are you? If you can identify you, you can't expect to be recognized if you're standing in the third row back there.

Basically the days of African policy being at the back of US considerations, the you know, forgotten continent, that is over. We have learned how to mobilize our forces, marrying all sectors, and I promise you in the African diplomatic corps, our friends, that this is just the first mountain that we've climbed, we have many more to climb but we know this, we can win, we can win in this country for Africa. So thank you very much Ambassador Zoellick, for your really tremendous leadership and steadfast support, even in the dark days when people thought this might be doomed in the Senate you never gave up. Thank you very much.

**ZOELLICK:** Well you can see this is a tough crowd, now you can see why they are so effective. So we can take a couple of questions.

**QUESTION:** Ambassador Zoellick, you said...

**ZOELLICK:** If you can give your organization.

**QUESTION:** Washington File to Africa. Chuck Corey. You said that it sends a good message, the passage of AGOA 3, sends a good message to Africa. Could you elaborate on that a bit?

**ZOELLICK:** Well, as a lot of the Ambassadors here will tell you directly there are a lot of jobs, particularly in the textile and apparel industry that were at risk if we did not extend the third party provisions, the third party fabric provisions which expire on September 30<sup>th</sup>. Because part of the goal of this legislation is to develop the fabric industry within Africa so that frankly Africa can have the vertical integration so it can compete with China, and India and others after the quotas come off. But while there is some of that production in Kenya, South Africa, Lesotho, there is not enough. So what this bill constructed in the House does is it extends that for three years as it phases it out over the course of the last third year. As I mentioned when I had a discussion with Minister Kituyi here about a week ago, he was telling me that some textile companies were already planning to leave Kenya. That means direct loss of jobs because they were uncertain of whether this provision would be in place. So all of us together urged the Congress that it is not only important to do this but it was important not to do it at the last minute because businesses have to make the decision.

Now in addition, this has a broader extension of AGOA to 2015 and that is an excellent sign to try and get some sense of certainty for businesses that are committing to Africa. It fits with the work that the Ambassadors here are doing and frankly with their colleagues at home, to try to create the environment. There are so many other issues that we are trying to deal with, transparency, corruption, opening markets. And I will just share with you a personal sense is that having been at the State Department some twelve or fifteen years ago, when I came to this job in 2001, I encountered a whole new breed of African official. And frankly I saw in the ambassadorial corps where people understood what needed to be done to try to take on some of the issues of corruption, of lack of transparency but frankly they needed a helping hand, and that is what AGOA is about. And so our goal is to try to use this to continue to create the success stories that will build more interest in development and more interest in business and investment. Ambassadors, do you want to add anything to this from your experience?

**SSEMPALA:** Well yes as I said that my president calls this the best act of solidarity not just because of friendship but because of what it does, it puts people to work. It has united, for instance, families in southern Africa. Some as you know in Southern Africa some men would go out to work in far places and sometimes they would come, especially in these days, infected with HIV and AIDS. So it has somehow united families so that people can work near home. It has given in my own country young women who had no work to do before, they have been given an opportunity to work which means that it has given them the capacity to take care of themselves and to avoid vulnerability which normally puts women to risk. So it is indeed a great and tangible benefit to Africa.

**QUESTION:** Doug Palmer with Reuters. I just wondered what's your sense of how the SACU talks are going? I know there is a round of negotiations this week down in Atlanta. Are we on a path where those are going to wrap up this year or is it more likely going to be next year. And in terms of Morocco do you all plan to send implementing? legislation to Congress in time for that to be voted on before the August break?

**ZOELLICK:** Sneaking in the North African issue here. On the first one, I haven't had a chance to talk with Florie from the discussions this week so I probably should stay a little general but this is a free trade agreement that we think is important part of the overall set we are pursuing in part to build on the discussion you've heard here. AGOA is an excellent start but the AGOA legislation also included an encouragement for us to look for free trade agreements with sub-Saharan Africa. Now, we knew they are not going to be easy, we have some very big asymmetries, we have got some very big issues dealing with the work force like HIV-AIDS as the Ambassador mentioned and frankly some of the South African experience with it's negotiation with the EU, it didn't do it with SACU, it did it just as one country. And frankly with a different pattern of how one does those free trade agreements and so we'll take the time to try to do this right and try to deal with the sensitivities and some of the issues that they were discussing in Atlanta including the trade capacity building that needs to be integrated with this and to make sure that it's integrated in the growth and development strategies because we hope that this could also show the possibilities for other countries in Africa to build on the basic trade relationship and draw more investment.

Now Morocco, the Senate has had the hearing on Morocco, the House has not yet had the hearing. But in our discussion with Chairman Thomas we have a sense that will be high on the agenda shortly after Congress returns from the July 4<sup>th</sup> recess. And so it's our hope to not only be able to introduce the Australian package but if this works out with the Congressional plans to be able to try to move ahead in the Morocco package too but we have to have the hearing and then the informal mark up process as well. But our sense is as you know that Senator Grassley and Senator Baucus have been supportive of that. I was pleased to see that one of my predecessors, Ambassador Kantor, issued a statement of support and complimented the very strong Moroccan labor law. So that is a good sign as well. So on both of these agreements our major challenge I think is the clock and so that one is a notch behind but we hope to try to move it forward quickly as well.

**QUESTION:** Sheryll Poe, Inside US Trade. Can you explain a little bit about what role that USTR took in helping overcome some of the Senate holds that was in place? How actively did you engage with Democrats and Republicans on their issues?

**ZOELLICK:** I'm not going to tell you every trick that I do but let's go back just to give you a little flavor of how this actually works. Earlier in the year I actually sat down with Senator Frist and walked through our trade agenda. And I told him, and he's been a good colleague and friend of mine over the years and frankly one of the things that I admire about him is that he has a huge agenda but he's got an extremely retentive memory and he has got a good sense of detail, I was telling him about the AGOA issue. You may know he has a particular interest in Africa, he used to spend his vacation time doing medical work in Africa and I knew he had a particular focus for him. And so from the start through him and then through his staff where my staff keeps in close touch we emphasized the timeliness of this bill particularly related to the September 30<sup>th</sup> deadline. You have to have a vehicle to move.

And on that earlier in the year coming out I think actually if you go back to some of the side repartee people are less aware of at the time of my hearing on House Ways and Means, I was having discussions with both Chairman Thomas and Mr. Rangel on the importance of bridging a

gap and you will even see some of this eluded to in the hearing discussion. And we were so delighted that the two of them came together on a common proposal. And then on the House side obviously when you have that strong bipartisan support it is a question of really getting the schedule. On the Senate side which you are sort of asking about, is that my staff has been in touch with Senators, Republican and Democrat, about the key question of making sure that this did not get bogged down with other amendments. At the time that Minister Kituyi was here you saw how we spoke about that issue in a way that was general, not naming names but focused in terms of purpose. I think that also helped constructive people of both parties try to work on members that had holds. This is where I need to thank Matt Niemeyer and our huge legislative team of three people because they worked very closely with the coalition here. And this is where the coalition has done an extraordinary job, we're in touch with them. And then frankly I saw that you had some good examples of some cross body work in terms of the House and the Senate. You had I think Mr. Rangel I saw also talked to some members of the Senate on these issues. Yesterday when I was up talking to the Senate agriculture committee I know some of my colleagues were even talking to Senator Daschle's staff as we were going up in the elevator and trying to move this process through. So there is a lot that happens quietly and obviously we were just very pleased that so many significant individuals in an important time agreed to set this as their top priority.

**MODERATOR:** We have time for one more question.

**QUESTION:** Kristi Ellis with Fairchild Publications. While everyone acknowledges this came just in the nick of time (inaudible) third country fabric provisions. There's still other textile and apparel (inaudible) that fear that China will undermine these preferences, is this enough? And secondly, I wondered what your position is on the call to convene an emergency meeting at the WTO to address the extension of quotas?

**ZOELLICK:** On the first one, there are provisions as part of this agreement that we didn't discuss in detail that are going to be also important in terms of helping on the capacity side to take full advantage of AGOA. But particularly in the textile and apparel area what we have found is probably the critical dimension is connecting the African producers with the retail networks. And indeed I had some of this discussion with our trade advisory committee today, a presidential appointed committee, and because with the ending of the quotas I think the real challenge will be many of the producers, US, Europe and others will want to have some diversification of sources. So who will they look to in other locations whether it is Central America, Africa, and others? This obviously is the vital step to give them some assurance about this but then it will be the challenge of many of the countries working with the retailers to be able to meet the particular needs. So there is a lot that has to be done on the private sector side and that is one reason why the AGOA coalition is the multipurpose creature here because in addition to passing things they pull together a lot of the business sector in the United States with the African community to try to emphasize that. Looking ahead there's no doubt that this is going to be a real challenging transition period.

In terms of your question about discussing sort of a special WTO session, what we have to be careful about is we undertook WTO obligations. We need to fulfill those obligations, and we said that we would end the quotas and that's our commitment - to end the quotas. Obviously there are

other countries that would feel that they made commitments; if those are not kept then that undermines the overall system. However, we believe whether it is the case of the US textile and apparel industry or the case of the African, we need to try to work with them together to help the adjustment process. A lot of this is where getting this in place is important. This is the enabling process, but a lot of it has to be done by the private sectors in both countries. That is again where a lot of the people that you have in this room, the official and also from the various coalitions are so critical because it is helping make sure those connections work effectively because one reason why this day is very important you can tell from the people up here is that this is about frankly the jobs and the opportunity and the hope that it creates in Africa. I have seen it in so many places in Africa; it has given a whole reorientation of people's mindsets about what is possible. And it's part of empowering people. It is a sense not only of families but empowering a sense that Africa can also take part in the global trading system.

But we don't want to stop at textile and apparel that is another part of this message is that there will be some very strong competition, particularly from China and India. So this connects to the SACU negotiations but also connects to the other things we need to do with AGOA. There are some 6500 tariff lines that are tariff-free on this, there are some agriculture products that we now have efforts to try to help to sanitary and phyto-sanitary standards. There is no reason why you can't also have various types of manufacturing and assembly operations as you are finding in southern Africa and places. Part of this is while the focus has been on that third party fabric remember part of this is to have a long term commitment through the broader extension of Africa which the President called for when I was at the AGOA forum in Mauritius so that companies can plan on this and so that private sectors in Africa and the United States can look towards a long economic future with Africa.

**SSEMPALA:** I just wanted to make a very small comment because I thought that is a very good question. It is one that concerns us very, very much because we know that the end of quotas is going to hurt Africa not just Africa but the entire world except maybe two countries, China and India. So I wanted to say that we are looking (inaudible) clearly once again, we know that it is a hard nut to crack this one because commitments have been made. But those commitments that were made were actually made before even China became a member of the WTO. I think the consequences could not be envisioned at that time. I know that there is the Istanbul declaration that is gaining momentum because I think all companies in all parts of the world are waking up to find that actually this is going to be extremely hard. I think that the declaration is calling for every evaluation of this because it's commitment alright but it is about security of jobs and security of people. It is about the welfare of human beings and so I believe that a lot of wisdom once again is going to have to go into this and a lot of prayers, of course. Thank you.