



2006 AGOA Private Sector Report Executive Summary June 2006

The Corporate Council on Africa (CCA) is pleased to announce the publication of an AGOA Special Edition of our quarterly magazine, *The Africa Journal*: “*AGO A Private Sector Report: Promoting Trade and Investment in Sub-Saharan Africa: Opportunities, Obstacles, and Realities.*”

CCA is grateful for the support of the United States Agency for International Development (USAID), The Boeing Company, Chevron, The U.S. Chamber of Commerce, The African Institute of the American Jewish Committee, Manchester Trade, The Africa Coalition for Trade, Mars Company, and The World Cocoa Foundation. CCA is especially grateful to the authors who submitted their research for publication.

The AGOA Private Sector Report provides an overview of accomplishments under AGOA as well as the challenges that remain to effectively promote AGOA trade and investment opportunities to the U.S. business community. Subjects covered in the report include: Understanding the Growing Trade and Development Consensus on Africa; Addressing Key Issues in Trade; Understanding How Best to Overcome Obstacles to Investment, and Best Practice Trade Case Studies.

CCA President Stephen Hayes said, “the African Growth and Opportunity Act (AGO A) and the Millennium Challenge Act (MCA) are two of the most important pieces of legislation ever enacted on behalf of our relationship with the countries of Africa.” Hayes also noted, “the development of diversified, export-driven economies in Africa requires sound infrastructure and adequate financing.” Building on this analysis, the report addresses capacity-building for the textiles and apparel, sugar, and cocoa industries in Africa. The report also focuses on current obstacles to financing and investment, which are essential to future AGOA growth.

Significantly, the AGOA Private Sector Report outlines the international framework for improving trade including debt reform, Western agricultural subsidies reform, the impact of the Doha Trade Development Round, and China's growing presence on the African continent and the implications for African trade and development. There is consensus that the trade and investment dynamic on the African continent is changing at a record pace and that China's trade relationship with Africa is impacting the economic and political landscape of the continent. There is wide agreement on the need for regional reforms that will 1) increase intra-African trade levels; 2) create more economies of scale; and 3) foster entrepreneurship and private sector investment.

There are growing opportunities for U.S. private sector investment in sub-Saharan Africa for small-and-medium-sized businesses, private equity players, and manufacturers. U.S. government agencies such as the Overseas Private Investment Corporation (OPIC), the U.S. Export Import Bank (Exim), and the U.S. Trade Development Agency (USTDA) can become more effective vehicles for enhancing new opportunities for U.S. businesses in Africa. This will require additional dialogue between these agencies and the U.S. private sector, as well as greater exposure of the U.S. private sector to the private sector in Africa, but only if there is a willingness to divine new approaches to the challenges of Africa.

In addition, the U.S. must continue to nurture the bilateral trade relationship beyond AGOA. To this end, U.S. companies need to leverage their strengths—which include technology development, healthcare innovation, small business financing, and job creation—in the African market. These capabilities increase the value and attractiveness of U.S. businesses relative to other competitors.

The 2006 AGOA Private Sector Report demonstrates to the U.S. and African private sectors' that AGOA has indeed opened real opportunities for business and employment growth in the U.S. and in Africa. It is therefore important to address private sector challenges in Africa and to continue to inform the U.S. private sector of opportunities in Africa if this relationship is to grow over the course of the next decade.

To purchase the complete 2006 AGOA Private Sector Report contact: Ilda Diffley at diffley@afriacncl.org or Sherry-Lee Abrahams at sabrahams@afriacncl.org

Purchase price \$15.00