



FOR IMMEDIATE RELEASE
July 30, 2014

CONTACT: [Aaron Fobes](#) , [Julia Lawless](#)

Hatch Statement at Finance Hearing on the African Growth and Opportunity Act

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, today issued the following statement regarding the Finance Committee hearing on the African Growth and Opportunity Act:

Thank you, Mr. Chairman, for holding this hearing. And thank you Ambassador Froman, for agreeing to participate.

Before addressing today's topic, I want to discuss our efforts to renew Trade Promotion Authority, or TPA.

In January, I joined with my colleagues in the House and Senate to introduce the Bipartisan Congressional Trade Priorities Act. This bill renews and modernizes TPA.

Shortly after introduction, the Finance Committee held a hearing on the bill. Ambassador Froman, at that time, I wrote to you and formally requested that you appear at our hearing. But, despite the President's call for TPA renewal no one from the administration attended.

At the time, I noted how important it was for the administration to publically and forcefully advocate for Congressional renewal of TPA. Over the next several months, I urged you and others in the administration to be more active in advocating for TPA renewal, making it clear that the legislative window was rapidly closing.

Despite my call for action, and the calls of other Senators on this committee, the administration's efforts have been anemic. As a result, here we are six months later, no closer to considering TPA legislation than we were in January.

Ambassador Froman, I don't have to tell you that, without TPA, the administration lacks Congressional authority to negotiate and conclude trade agreements. And, if the administration chooses to negotiate and conclude a trade agreement such as the Trans-Pacific Partnership, even in principle, without first having TPA, they do so without Congress' authorization.

If this happens, I doubt Congress would grant such an agreement the fast-track procedural benefits associated with TPA. At that point, Congress may simply consider the agreement on its merits under its regular rules and procedures.

Ambassador Froman, the President's trade agenda is at risk. He and his team must do more to lay the groundwork for success, not just with our negotiating partners, but also here at home.

Once again, I have been disappointed with the efforts we've seen thus far. I hope they will improve in the near future.

In the meantime, we have other work to do. The African Growth and Opportunity Act, or AGOA, which was created fourteen years ago, expires next year. This hearing provides an opportunity for us to examine the effects of the law and to discuss how it can be improved.

In many ways, AGOA has been a success.

It serves as the focal point of our trade and investment dialogue with Sub-Saharan Africa. And, through that dialogue, we have advanced our economic relationship.

Still, the full economic potential of that relationship remains untapped.

Despite rapid growth in many regions of Sub-Saharan Africa, our goods exports to the region account for only 1.5 percent of total U.S. exports. Similarly, Sub-Saharan Africa's exports to the United States make up less than 2 percent of our total imports.

Clearly we can do better.

The eligibility criterion of the AGOA statute provides a road map for countries seeking to increase trade and investment, moving us closer to unleashing the true potential of the U.S.-Africa trade relations. While, many countries are demonstrating continued progress in these areas, others continue to adopt policies that distance them from this eligibility criteria.

For example, South Africa is undertaking a number of policies that undermine investor confidence. These include a Draft Intellectual Property Policy that erodes some IP protections and security services legislation that would contravene South Africa's international trade commitments.

Ambassador Froman, you have rightly pointed out that investment needs to be the driver for sustainable development in the region. We need to find ways to encourage adoption of policies that will facilitate, rather than inhibit, U.S. investment, including considering whether countries that are failing to live up to their economic commitments should remain eligible for the full range of AGOA benefits.

A number of other countries, such as Mauritius and Ghana, are moving in a more positive direction.

Should the administration ever receive TPA authority, I would be very interested in hearing its plan for continuing to develop bilateral relationships in Africa, including through new trade agreements.

Finally, I would like to address the length of extension for the AGOA program.

Some argue that long-term renewal of AGOA will help drive growth and investment in the region. I can certainly see the merits of that argument, but I also wonder whether it is appropriate for us to extend the program for a long period in the absence of a broader discussion of the role of our trade preference programs more generally.

For example, I would be interested to learn more about how a broader Duty-Free Quota-Free program that extends AGOA-type benefits to all lesser-developed countries would impact growth rates in the developing world. I would also like to hear whether such a program might help us break the deadlock we are currently experiencing in trying to reach a broader trade liberalization agreement in the World Trade Organization.

I also believe that regional integration, another stated goal of the AGOA program, is essential to the development of Sub-Saharan Africa. Right now, a small number of Sub-Saharan African countries are reaping the benefits of AGOA. I will look forward to learning more today about how countries in the region are approaching their commitment to adopt trade facilitation reforms in accordance with the World Trade Organization Trade Facilitation Agreement, which I believe will help regional integration.

I am hopeful that today's hearing will help to spur more dialogue about our trade relationship with Sub-Saharan Africa and that it will help us to better understand what policies are working and where we might be able to improve.

Once again, thank you, Ambassador Froman, for being here today. I look forward to your testimony.

###