

FOREIGN PRESS CENTER BRIEFING WITH ASSISTANT SECRETARY FOR AFRICAN AFFAIRS AMBASSADOR JENDAYI E. FRAZER AND DEPUTY ASSISTANT SECRETARY FOR WEST AFRICAN AFFAIRS AND ECONOMIC POLICY LINDA THOMAS-GREENFIELD

TOPIC: "ANNOUNCEMENT OF AGOA V FORUM 2006 "

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MODERATOR: Good morning and welcome to the Foreign Press Center. This morning we are having a briefing on the 5th African Growth and Opportunity Act Forum, which will be held early next month in Washington to talk about the forum. First we will have Assistant Secretary for African Affairs Ambassador Jendayi Frazer and she will be followed by Linda Greenfield-Thomas (Thomas-Greenfield) who is the Deputy Assistant Secretary for African Affairs, who will continue the briefing. We also -- I'd like to welcome some of our colleagues from other agencies who are participating in this very important event, so Ambassador Frazer.

AMBASSADOR FRAZER: Thank you. Good afternoon to all of you. I'll read a brief statement and then we will allow for Q&As and I'm very pleased that I'm joined here by my colleagues from USAID, Lloyd Pierson, and from Commerce Holly Vineyard and USTR Connie Hamilton as well.

But it gives me great pleasure to be here today and to formally announce that the United States will host the 5th Annual U.S.-Sub-Saharan Africa Trade and Economic Cooperation Forum, commonly referred to as the AGOA Forum, here in Washington on June 6th and 7th. We are very pleased to do so and we look forward to the strong and active participation of all AGOA eligible countries, as well as presentations from the private sector and African civil society.

The original legislation that created AGOA, which was passed by our Congress in 2000, also mandated an annual high-level event at which U.S. and African political and economic leaders could meet to discuss expanding trade and investment relations between the United States and Sub-Saharan Africa. Traditionally, this forum alternates between the U.S. and African countries as a host. Last year, as you know, Senegal graciously hosted the forum and the event was a resounding success. This year the forum returns to Washington, D.C.

AGOA has been and continues to be a success. The overall statistics tell part of the story. In 2005, U.S. imports from AGOA countries totaled \$38.1 billion, up 44 percent from 2004. This is an impressive increase in a wide array of product categories, not just in petroleum. While U.S. imports of apparel for AGOA countries dropped in 2005, imports of products and other sectors included agricultural products, machinery and electronic products all increased. But to really appreciate AGOA success, you have to look at specific cases and I would like to highlight just a few.

Under the leadership of a southern trade hub, which is run by USAID, Namibia, Botswana and South Africa developed a single administration customs form, with only one legal document required for transport, transportation costs will be reduced and shipment times could shorten, or should shorten. The West African trade hub provided training for more than 40 firms and helped in participating U.S. trade shows. The result was over \$1.4 million in new sales, with \$11 million in sales pending a year in, including an apparel sale to WalMart. A female-owned Cameroonian company signed a contract with a U.S. textile firm to produce \$3 million annually to supply medical scrubs. These are just two examples of the success of AGOA and the importance of the trade hubs that we've established across the continent.

Due in part, to success stories like these, Sub-Saharan Africa's been turning in an impressive work performance. Real GDP growth in Sub-Saharan Africa increased in 2004 by an eight-year high of 5 percent and of the 17 countries that exceeded this growth rate, 13 were not oil-producing states. However, there is one key area in which Africa still lags behind other parts of the world; that area is its business climate. Since 2004, the World Bank has collected and annually published indicators when doing business that tracks, for example, the number of days it takes to startup a business, where the average costs required to do so, or how many procedures are required to register a piece of property.

This brings me to the theme of this year's forum, which is: "The Private Sector and Trade: Powering Africa's Growth." We have chosen this theme because we strongly believe that the real driving force that will help Africa reach its full potential is not foreign assistance but the energy and initiative taken by Africans themselves through a vibrant private sector. Thanks to AGOA and years of successful trade liberalization, most African countries already face low or zero tariffs for the great majority of the products that they export to the United States. The key to greater economic growth in Africa, therefore, lies primarily in making the required reforms within African countries so that African entrepreneurs can take fully advantage of the opportunities that are now available to them.

The annual AGOA forum is not just a meeting of governments but also a meeting of representatives from across the spectrum of business and civil society. Now I would like to introduce my deputy, Assistant Secretary for African Affairs, Linda Thomas-Greenfield, who will introduce our other partners, particularly in the private sector and the civil society sector. She's also here to take your questions on the AGOA forum and has been leading our effort in organizing this U.S. forum. Thank you very much.

MS. THOMAS-GREENFIELD: Thank you very much and welcome to all of you. I am pleased to introduce our other partners in the AGOA forum success that we've had in the past four forums and those who have participated in -- assisted us in this year's forum's preparation. Assistant Secretary Frazer already noted our colleagues from the interagency: Assistant Administrator Lloyd Pierson, Holly Vineyard from Commerce, Connie Hamilton from USTR are all here in the room. But the more important partners in this effort are our partners in the

private sector and our partners in civil society. I'd like to also introduce Stephen Hayes from CCA, who is here representing the private sector and Lee Gillespie White who's here from the Whitaker Group and Ray Almeida who is here representing civil society. We've all worked together in partnership with our African colleagues also in civil society, the private sector and government to ensure that this initiative is a successful initiative.

I'd like to open for questions and answers. Assistant Secretary Frazer is here with us for a few more minutes and then my other colleagues from the interagency are also here to address questions that you might have. I'll turn it over to our moderator.

MODERATOR: If you would wait for the microphone and identify your name and news organization. It's open for questions, also from New York as well.

QUESTION: James Butty, Voice of America. Madame Secretary, you said AGOA is a success. I was looking at the figures. It seems to me, while the balance of trade between the AGOA countries and the United States show -- if they were of the AGOA countries, it seems to me when you look at the individual country's statistics there's an imbalance and it seems to favor particular countries, a few countries, particularly say Nigeria, Angola. So what happened in this area -- a few countries really pushing the statistics that are positive, in favor of the AGOA countries?

And if I may add also, please, if it is a success, but some people say that AGOA is stagnant right now because Africa is a small-business continent and AGOA -- they believe that these small businesses are not benefited.

AMBASSADOR FRAZER: Thank you for the question. That's a very common question. I think it essentially boils down to, isn't AGOA success being pushed by oil-producing countries. And I think in my opening statement I made the case that it is not, in fact, just being driven by oil-producing countries; that of the 17 countries that have exceeded their rate of growth, and I would attribute much of that to AGOA success; 14 of them were not oil-producing companies. Within the AGOA countries, one thing that we have to remember is AGOA is an opportunity. AGOA opens all markets to other countries so that they can sell their products in our markets. And I mentioned that we've had impressive growth in non-oil sectors, for instance, in machinery and agricultural products and products in other areas.

The important point here is that it's an opportunity, one, to enter \$11 trillion market and, secondly, that it's an opportunity to diversify one's product lines. There's, what, 7,200 or so or six -- 7,200 or 6,400. It's thousands of tariff lines that countries can export duty free into our market and I think that that's really the important point is that it's an opportunity for countries. It hopefully sparks investment into their countries as well as gives them an opportunity to diversify the products that they sell to the American market.

QUESTION: My follow-up was the small businesses --

AMBASSADOR FRAZER: Yeah, and that's the reason why our theme this year is focusing on the private sector. It's really trying to push for the types of reforms in African countries that will allow for small entrepreneurs to really flourish in those countries, to reduce the cost of starting up businesses, to provide financing to these small entrepreneurs, so that's the absolute focus of the theme and it's an area where we think that there is tremendous opportunity for improvement that will lead to growth in these countries.

MODERATOR: We have a question from New York, please.

QUESTION: Yes. My name is Choongo Moonga from Incisive Media in New York. Actually, I have three questions. I will start with the first one and I hope that you can answer them as I ask them. The first one is really on the -- I noticed in the figures the decline of textile products being exported, due to various reasons that are given there. I wanted to know, especially from the private sector in the United States, where they think that the African countries should focus to cover that lost trade? And the second question is going to be on whether AGOA does expressly allow foreign companies to set plants in Africa and produce different goods to take advantage of the AGOA provisions? The third and last question is on the focus of these exhaustible resources, I should say, by AGOA. Is there any thought or focus at all in maybe for the future that the U.S. companies and their government will look at the services in Africa? Thank you.

AMBASSADOR FRAZER: Sure. I'll take a few of these questions. But we have our trade expert here, which is Connie Hamilton from USTR. She might want to also deal with this or Holly from Commerce. So I shouldn't be the only person answering the questions. But on your second question about does AGOA create an opportunity for other companies to invest in Africa, absolutely. That's the intention and I'll give you just one example.

There's a Pakistani company which established a spinning mill in Mauritius that's due to open later this year. It will produce 6,000 tons of cotton yarn annually. And this group's local director stated that the decision to build the mill was motivated by AGOA's benefits that are enjoyed by Mauritius. So that's just one example of the way in which AGOA contributes to investment into African countries. So we expect quite a lot more of that. Opening factories, opening companies and businesses in Africa because of the benefits that African countries uniquely get under the AGOA legislation.

On your first and second question, maybe someone else would like to answer. I'll give my colleagues an opportunity. Steve Hayes is from the private sector. He may have something to contribute.

MR. HAYES: Sure. Thank you. Thank you, Madame Secretary. Concerning the private sector trade and what other areas that the African countries could go into, first of all, I think that apparel and textiles has been a very important part of AGOA, but there's a reason that there are

6,000 other product lines, is simply they haven't been utilized. I think that every African country can produce agriculture. It does require work on our end in the United States to allow those products to enter the market more readily. But certainly, agriculture is one very important area. I think that every country can produce in Africa. Every country can't produce textiles or apparel, the competitive market makes that very difficult, but certainly on agriculture is a very, very important part. I think that's also where the United States can play a very key role from not only development, but especially the corporate sector.

The private sector hasn't taken advantage -- in the United States, the private sector hasn't taken advantage of what I think is one of the greatest pieces of legislation between the United States and Africa and that is the Africa Growth and Opportunity Act. AGOA represents a great opportunity for American companies to invest in Africa. They simply have yet to do that and it's our role to move that agenda forward. American companies have lost market share this past year in Africa. And to me, there's very little rational reason for that to happen.

So we have to be encouraging American companies, and we are, to use AGOA as an investment tool, not only to build their own businesses and not only to help economic development in Africa, which I think would be -- it could be, but also then to help their own businesses and workers in the United States. I think AGOA has not been used properly by the private sector and we really need to start a marketing campaign throughout the United States to say: Africa is open; there are very good markets; there are very good business opportunities. Yes, you have to be a good business person to select those markets. But the corporate sector has not benefited through its own lack of initiative of what I think is a great act for U.S.-Africa relations. Thank you.

AMBASSADOR FRAZER: Holly, did you --

MS. HOLLY VINEYARD: I'd just like to point out that the theme for last year's AGOA forum in Dakar, Senegal, focused on diversification. And certainly that theme will continue to be followed up, even though we have a larger theme this year in that how the private sector can be the engine for growth. It's no accident that the three events are taking place at the same time: the government-to-government meetings which will also fold in the private sector; the private sector forum and the civil society; the NGO forum and having them take place in the space of a few days allows for greater interaction between the participants.

It's important for government policymakers to be able to interact with these other players, so that we're not making policy in a vacuum. And it's important for both sides for the African countries, as well as for the U.S. Government, to better understand from the U.S. corporate citizens who are already active in Africa, what would it take for them to be able to be even more active there and for the American corporate players who are not already there, what do they need to be able to be successful in Africa. What are the things on their minds that they think might be the impediments to future growth? So we want to be able to address those at the

forum to tackle those. And through the series of workshops and plenary sessions we have, we'll be able to get at those very topics. Thank you.

MR. HAYES: Thank you very much, before the next question, just let me say that there is a lot more that can be done. We all recognize that -- a lot more than can be done in Africa. A lot more can be done with the private sector. But having just returned, I was just in Namibia, South Africa in Kenya, and AGOA is very dynamic. AGOA is doing a great job right now. There's more to do. Economic development in Africa is very dynamic and ongoing.

I was at the inauguration of President Pohamba in Namibia earlier last year. And a part of his inauguration statements were that shortly after independence, the real focus needed to be on reconciliation, but now the focus needs to be on economic development and that's really what we're doing. We're talking jobs, jobs, jobs. The United States has trade hubs in Nairobi, Accra, Harare. And we announced at the last forum in Dakar that we were opening a fourth trade hub which is very effective, very successful, a fourth trade hub in Dakar, Senegal. We're looking forward to this AGOA forum. We think this is one of the most important events, ongoing events that the United States has. And it really reflects the interests of the president, it reflects the interests of all of us in economic development in Africa.

MODERATOR: Yes, sir.

QUESTION: My name is Samuel Tesfay from *SubSharan Informer*. I have two questions: one about AGOA, one different subject, if I may. About AGOA, the private sector, most of them in Africa complaining about the market access. They say that we have the capacity to produce the garment and things like that, but we don't know where the market is. Do you have an office which can tackle that or are you working on that? A second question is regarding --

MODERATOR: Let's just answer that one first.

QUESTION: Okay.

MR. HAYES: And my colleagues and I want to echo this also. But in terms of market access and what kind of products can you get on the market, whether it be in Africa, whether it can be in Europe or the United States, one of the things you could do is you can go on the website, Africatradehubs.gov -- Africatradehubs.org. And you'll see a part of the answer to your question on that website because that's one of the things that we've done this year, is put together a unified website of all of these trade hubs where if you're interested and you've got a certain product or you want to purchase a certain product, that you can go on the web, you can look it up and it's there. Now that's not the only thing. We don't just depend on the internet, but that's a part of what the trade hubs do is individuals who are there, who work with individuals on market access, who work with people on product development, who work with the regional organizations, such as COMESA, (inaudible), ECOWAS, on regulations that affect trade and on the host countries.

MS. THOMAS-GREENFIELD: And I would just add on that question, almost all of our embassies have a commercial section and they do outreach where local companies and most companies know who are commercial officers are and they know who our other trade representatives are in these embassies overseas.

MS. HAMILTON: If I can just add one more --

MODERATOR: One second. Get to the mike.

MS. HAMILTON: Sorry. Connie Hamilton from USTR. I just wanted to add one thing. One thing that came out of the Dakar meeting is that the trade ministers actually recognized that there's a dearth of capacity for some of the benefits that are under AGOA. So what we're going to do on June 5th is actually have a pre-forum meeting of the trade ministers who are going to arrive early. They're talking about the strategic planning that they're doing to better take advantage of AGOA. So some of the issues that you've raised, those types of questions will be addressed by the ministers as to what each country individually can do to take better access of AGOA.

MODERATOR: Good. One other question and then I believe Assistant Secretary Frazer has --

QUESTION: It's a different subject. It's about Ethiopia. I mean, Ethiopia independent press is under siege and you know, many journalists are fleeing the country -- to name maybe 13 journalists in Kenya, in Yemen are fleeing the country. Is there any -- a response from the State Department regarding that?

AMBASSADOR FRAZER: Why don't we discuss that after because this is really to deal with AGOA and the rollout of the AGOA forum. So I can take that question, I think, offline with you.

QUESTION: Okay.

MODERATOR: I believe Assistant Secretary Frazer has to leave right now.

QUESTION: Yeah. Jim Fisher-Thompson, Washington File. I just -- one quick question for the Secretary. Is there a possibility Secretary Rice might be addressing the opening of the forum? And secondly, is President Bush still as personally concerned with AGOA as he was when he spoke about it many times during his trip to Africa in 2003?

AMBASSADOR FRAZER: Yes, absolutely. Secretary Rice will open the forum and President Bush continues to see AGOA as a key component of his policies to address economic growth and development in Africa. As you know those policies include trade, they

include the Millennium Challenge Account, increases in foreign assistance at historic levels, over \$4 billion. It also includes what we're going to do at this AGOA forum which is initiatives on unleashing the private sector. And so -- and then finally, on a multilateral front, transforming the WTO and the Doha agenda to try to end all agricultural subsidies and then finally on debt cancellation and his initiatives there. So AGOA continues to be a key component of a broader strategy for growth and development.

Thank you for the question.

MODERATOR: Okay. Thank you very much. We can continue on the forum.

QUESTION: Okay, good. Thank you very much. Yeah. One might say that American company are more interested in oil industry here and Stephen talking recently, you express the concern about how, you know, American company have come to lose, you know, a market in Africa there. How do you explain that? And is there any way to fix this problem?

MR. HAYES: First off, yes, 2005 shows us all that U.S. market share dropped about seven tenths of a percent. The reason for that, of course, is greater entry into the market by China, India, even South Africa. In South Africa -- investment in Africa outside of South Africa now is almost equal to U.S. non-oil investment. So to me, it says that there's a great opportunity that's being missed by American companies. And so I think that part of -- the reasons that we're not investing are complex. Sometimes it's perception and I think that perception needs to be changed and I think organizations like the Corporate Council on Africa have to take the initiative to change that. There are a number of ways. I think in working with the Department of Commerce and other U.S. agencies that work domestically, I think we've got to take a much broader and much greater road show outside of Washington and New York so that this country knows that AGOA represents great opportunities for American businesses.

I think American -- some American businesses could save their businesses by entering the African market, very frankly. Now, another issue that I think is part of the problem has been the lack of financing, and I understand that the Whitaker Group will be leading -- also working on finance and investment as part of it. We will be opening the private sector forum on the 5th. We'll have some financing available also, but we're looking at -- financing information available - - but we are looking at how American companies benefit in agriculture, in infrastructure and manufacturing. This country is a center for manufacturing yet we haven't placed manufacturing plants in Africa that could enter more easily with less tariffs other regional markets, like COMESA, ECOWAS and so forth. So it is a great benefit by placing our businesses in Africa.

Likewise, that money comes back to the United States in stimulating our own economy. But we really haven't taken advantage of that in the United States. We still don't see Africa as the market that it is and I think that's got to be a challenge between -- which really I think brings up public and private sector cooperation. We need to work together both with the government

and the private sector level to change the vision that Americans have that Africa could be our great, great partner far beyond oil and almost every sector.

Also the small business sector which was asked about. This country is a nation of small business. Despite the image of giant corporations, 85 percent of our workforce is small business. We are in a position to help Africa and work closely with Africa to develop the small business sector, which is the heart of African business. So we've got to figure out -- break that code too where we can have small businesses work much more closely together.

Does that take care of your question?

QUESTION: Yes.

MR. HAYES: Thank you.

MS. THOMAS-GREENFIELD: Before you take another question, another component of our partnership in preparing for AGOA is civil society so I'd like to just give a moment to the representative, Ray, from civil society just to talk about some of the programs that they will be doing that will also deal with the issue of building capacity for people to take advantage of the opportunity that AGOA provides.

MR. ALMEIDA: Thanks. My name is Ray Almeida. I work for Bread for the World, a national faith-based organization, and we're part of a network of stakeholders. We've always seen ourselves as stakeholders in African economic development and we're very much involved with the initial drafting and passage of the advocacy work around the passage of AGOA however many years ago, as well as accompanying the reforms and the new legislation that's come out of this Administration, MCA, et cetera.

And our coalition consists of some strange bedfellows, everyone from the OxFam and the Africa Society and TechnoServe, ACIDI/VOCA, some of the organizations that are actually running programs in rural Africa for many, many years doing work with enterprise development, smallholder farmer business organizations, et cetera, as well as the Constituency for Africa and the Africa Society and the organizations that have been involved with the more cultural connections and the Human Rights Watch kinds of organizations.

So we're a broad collection of American civil society organizations that see ourselves as part of the process of defending Africa's interests and U.S. population interest in Africa regardless of who's in the White House. We're getting some funding for our two-day program of plenaries and workshops from the German Marshall Fund, from the World Cocoa Foundation, from the Africa Sister Cities Program, from Good Works Foundation and Land O'Lakes and a number of other strange bedfellow. We've been advocating for a long time that AGOA was not going to really make an impact on poverty reduction in Africa until it firmly wrestled with the reality of Africa, the fact that something like 85 percent of the people depend on the ag sector, the

agriculture sector, for their livelihoods. So as long as we've been tweaking around with all of this top-down stuff, it sounded good, the air is filled with lots of hot air, we've always regarded AGOA as an important foot in the door and an important point to start to bring the level -- the visibility of the African ministers to -- and what's on the minds of African leaders to bring that voice to the Washington policy debate. As long as it was just going on up here, it wasn't going to make the impact down here, that there needed to be a parallel engagement, a reinvigorated parallel engagement and, minimally, an understanding in the minds of the policy folks in D.C. that all the trickle-down in the world wasn't going to mobilize the forces of the small and medium size enterprises, for example.

There's African entrepreneurs everywhere in Africa, the smallest villages. There's an entrepreneurial spirit that's looking for access to affordable capital, that's looking for, you know, technical assistance, et cetera. And we have a lot of that information, the knowledge, in our government in places like the Small Business Administration, which is not supposed to be working internationally and yet is very -- has all kind of information that would be useful to Africa; OPIC, which is filthy rich with unexpended guarantees that they could be making available to small and medium size enterprises, but it's not cost-effective. It costs as much for OPIC to be involved with a, you know, a \$10 million company as it does with a \$1 million company.

So that we have resources, the ExIm Bank. We have resources. We have experience. And we also have a lot of NGOs that have track records of positive engagement with the rural sector and with small business in Africa. These need to connect.

MS. THOMAS-GREENFIELD: Maybe you could take some more questions and --

MR. ALMEIDA: Well, we could. Let me see if there's anything else I want to get in. I've got the mike and I don't work for the government. I don't work for the government. It has its advantages. (Laughter.)

Could I take your question?

QUESTION: This is James Butty again, Voice of America. I was looking at your press release. It seems to me you have your own model in terms of what is your expectations for the forum that is coming, so can you explain that to us?

MR. ALMEIDA: Well, we want to use this forum as an opportunity to do a very honest, substantive assessment of AGOA at five years old. We're trying very, very hard to find African economists, small business people, medium size business people, scholars, people that have accompanied the AGOA process all of this time, and who are not on government payrolls to share with us their assessment of what's happened and where we can go from here.

We've very pleased that the government has adopted a lot of our rhetoric about hunger, about poverty, about the ag sector, et cetera, and we are very pleased to see some of the workshops that we have planned for our forum that are actually going to be replicated in the ministerial forum. It's fantastic, just this expression of unleashing the potential of the African entrepreneur sector. The word "unleashing" was just lifted right out of our draft a month ago and it's great.

So we're hoping -- we're more preoccupied with the day after this forum. What is the message that's going to go out to where the money is in the United States, in the United States agencies, where the technology, the information is, that's going to move us beyond this ridiculous preoccupation with market access. Because one of the first things we need to learn and that we are learning now is market access, in and of itself, I mean, it just doesn't free up what's there, it doesn't directly impact upon poverty. We need to get on with the business of capacity building and affordable, accessible financing and do some targeted work. We need to take some lessons from what some other countries are doing on the continent.

MS. THOMAS-GREENFIELD: Are there other questions? And you can address your questions to any of us here, both civil society and private sector as well as government representatives.

MR. ALMEIDA: I always wanted to do this. (Laughter.) Actually, this is not original but, you know. And this -- our program will evolve and you will see it. Kojo Nnamdi, who some of you may know, is going to be taking a role in our opening plenary doing some interviewing with some African entrepreneurs, medium size African entrepreneurs that we're bringing to Washington with the assistance of USAID. And also there are going to be people there -- the vice president of OPIC and members of the board of ExIm and SBA. And hopefully he will be able to bring those stories out and begin to talk about the journeys that they've had as entrepreneurs trying to get on the map.

MODERATOR: We have a question from New York, please.

QUESTION: Yes, I saw that there are some -- like some of the poorest countries in Africa that we heard some increase in exports last year. Some of them include Malawi and I think it is reasonable to expect producers in those countries to want to export everything they produce to the United States and that might be at the expense of local consumers. I just wanted to know whether the private sector or the government is working on something like some kind of mitigation that might allow those producers to also focus on the local consumer. Thank you.

MS. THOMAS-GREENFIELD: (Inaudible.)

MR. ALMEIDA: I've got something about those two countries. Two concrete examples: NASFAM, the National Association of Smallholder Farmers of Malawi, produced a \$1.5 million worth of Birdseye chili peppers. They're being sold in England to be put into hot sauce, some of the hottest chili pepper on the planet. This is an association of 100,000-plus

smallholder farmers. And I'm being told to stop, but it's working. They don't have access to this market. They're not getting financed to do anything in the U.S.. But USAID did work with them for something like ten years through -- and now they're independent.

Same thing with a guy in Niger that's exporting dried fruit and shea butter, with a lot of help from a company here in the United States. So it's happening.

MS. THOMAS-GREENFIELD: Yeah, and I think the thrust of the question also -- the thrust of the question also was whether these imports are causing problems of availability of products inside of Africa, and I think Lloyd wanted to respond to that.

MR. PIERSON: Again, the purpose, the primary purpose of the economic development that we as the United States are doing is jobs, jobs, jobs. The purpose is not any type of displacement. It's to build capacity and it's to put people to work. And ultimately, that is what happens on any of the economic development -- the work that the private sector is doing, the work that the civil society is doing. It does -- I think the word, one of the most interesting words here -- Ray mentioned it -- is his term "unleash" and that's really what we're all trying to do is unleash that capacity, that capacity in Africa, to unleash the capacity in the United States.

But displacement is not at all what anybody is aiming for. That's not the purpose. That is not what happens. It is jobs, jobs, jobs. We've got staggering unemployment rates in many African countries. Malawi -- the questioner mentioned -- is a Millennium Challenge Corporation country in which we're working -- USAID with MCC and the host country -- on economic development. But again, the whole purpose of all of this, the trade policy, the economic development, is to create an economic atmosphere where people can be self-reliant, earn an income and have a good, productive, successful job.

MODERATOR: Any other questions? Thank you very much for coming.

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