

**Remarks by Ambassador Demetrios Marantis
Deputy United States Trade Representative**

**February 16, 2010
Makerere University
Kampala, Uganda**

As Prepared for Delivery

Thank you very much for welcoming me to Makerere University. I am here today as Deputy United States Trade Representative representing President Obama's Administration on my first trip to Uganda. But I am also completing a trip to Makerere University that I began more than twenty years ago.

In 1989, as a junior in college, I spent the fall semester reading through the Rockefeller Foundation archives in Sleepy Hollow, New York. I was researching a paper on philanthropic foundations and the development of higher education in Africa – and that paper was to be focused on Makerere University. I flipped through dusty files and read hundreds of pages of reports. Every word and every page about Makerere told a story – a story of intellectual rigor, quality, and discipline. And every report I read painted a picture – a picture of hope and optimism not just for this university, but for Uganda and Africa as a whole.

It has been two decades since I first encountered Makerere University in those dusty archives. And in that time, many of those hopeful images have come alive. But my mind is still full of questions about the future. I am still asking questions about this University, about Africa, about your potential, and about the future of Africa and the United States together. That's why I'm here today.

Standing in this center of academic excellence, I cannot imagine being in a more hopeful place to ask these questions about the future of Africa and to find the answers together. Not only am I inspired by Makerere, I am inspired by Uganda and its people. Makerere University has educated each of you, and it is the alma mater of many African leaders, including former Tanzanian president Julius Nyerere, Kenyan President Mwai Kibaki, and Congolese President Joseph Kabila.

Uganda's history of meeting challenges and its trajectory of recent progress reminds us all that anything is possible. Who would have thought that an army of 27 could liberate a country from the bush? Who could have imagined that in 16 years a new, inexperienced government could reduce poverty by nearly 20 percent? Uganda has propelled its economy from no economic growth to more than 4 percent annual economic growth, and from hyperinflation to relatively low inflation. Uganda is taking on the scourge of HIV and AIDS, and has reduced an HIV/AIDS rate of 30 percent to less than 6 percent today. This effort deserves accolades, but it also needs to be maintained.

The relationship between the United States and Africa has also produced many successes on which we can now build. For almost a decade, the African Growth and Opportunity Act (AGOA) has proven that support for African exports can grow jobs and promote economic development on this continent.

Under AGOA, the United States has eliminated tariffs on almost all products from Uganda and from 37 other sub-Saharan African nations. From the very beginning, President Museveni understood what AGOA trade could mean for Ugandans. He has reminded us time and again that when we open markets, we open opportunities. Through AGOA, we are empowering Africans to trade up and out of poverty.

Over the last eight years, U.S.-sub-Saharan African trade – both exports and imports – has more than doubled. That means that, all across the continent, more Africans are building their lives and their communities by exporting more of the goods Americans want – jewelry, fruits, nuts, fruit juices, leather, plastic, cocoa, and much more.

At the same time, American companies and workers have found new opportunities to do business in Africa – providing inputs and expertise to aspiring African entrepreneurs, participating in joint venture partnerships, and increasing American exports and investment.

We have also succeeded in building Africa's capacity to trade with the United States. Trade capacity building assistance is a critical element in the effort to help African countries turn trade opportunities like AGOA into exports. And the United States has worked hard to ensure that African nations have the resources they need to seize the benefits of trade. In 2008, the United States provided over one billion dollars in trade capacity building assistance to sub-Saharan Africa, more than double the amount of funding in 2001. And today, there are four regional American trade competitiveness hubs that are funded by USAID in sub-Saharan Africa.

The nearest of these, in Nairobi, Kenya, serves all of East Africa, including Uganda. At that hub, Ugandans can receive AGOA-related training and technical assistance. All told, the trade support provided by the Nairobi hub is estimated to have produced well over \$14 million in export sales for East African businesses.

The Nairobi Hub has also worked to streamline trade and reduce costs by developing a one-stop border post at the joint railway station at Malaba on the Kenya-Ugandan border. Customs officials working side-by-side are now able to clear goods in a fraction of the time previously required – saving African companies tens of millions of dollars in transport costs every year.

Despite all of these successes, more work lies ahead for Ugandans, Africans, and Americans as well. Especially in trade and economic policy. Africa benefits too little from global trade. Because Africa lacks capacity, global capital is still too timid about most countries in Africa, fearing instability and uncertainty. While many African countries made significant progress in liberalizing trade and instituting market-oriented reforms during the 1980s and 1990s, Africa's overall trade policies remain the world's most protectionist. Average African tariffs are nearly 20 percent. This is compared to just over 10 percent for the rest of the world, and 5 percent for industrialized countries. Many African countries lack manufacturing capacity and face challenges such as high energy and transportation costs. This makes products less competitive in global markets. This region will have to continue down the path of reforms and open trade to enhance its ability to attract foreign capital. Success in this regard will address supply-side constraints, further integrate the region into the global economy, and pull millions out of poverty.

The changing global economic dynamic also demands that we do more. The world is emerging from an economic crisis. Last year, even the strongest trade relationships suffered. During the first 11 months of 2009, total imports under AGOA declined by over 50 percent. Other global trends are changing how Africa trades – such as the end of global textile and apparel quotas – and China and other Asian countries becoming more competitive than ever. Historic trade relationships now face a growing web of bilateral free trade and economic partnership agreements.

Ugandans, Africans, and Americans need to face these challenges. We must work together to find and implement the right policies that work for Uganda, Africa, and the United States. I am committed to doing just that. I will be honest with you that when I first turned in my paper on Makerere University, my professor rejected it. He did not like some of my ideas and he did not agree with some of my conclusions. So I worked with my professor to rewrite and rework my paper until I got it right. Today, just like 20 years ago, I am committed to working with you to get things right. Together we can find the right economic policies, the right trade policies, and the right solutions for Uganda's and America's mutual prosperity.

Together, we must look towards the future to realize a common vision for Africa. And in my many conversations with my African colleagues, they have affirmed that we share a common vision. We share a vision where African countries do their part by making trade a priority in their development programs. We see African governments, businesses, and civil society working together to maximize the potential of AGOA by promoting African competitiveness and regional integration.

You and I both see that Africans can become more globally competitive by improving their countries' business environments and nurturing entrepreneurial initiative to expand and diversify exports. Here in Uganda, that could mean efforts to add value to and increase exports of your plentiful raw materials – things like cotton, tea, tobacco, sugar, wood products, cereals, milk, and leather.

We also see Africans stimulating economic growth by improving economies of scale and reducing cross-border costs through regional economic groups. I am pleased that the leaders of more than two dozen African countries have committed to work toward a regional free trade area stretching from the Mediterranean to the Cape of Good Hope. A commitment that promises to boost regional trade, improve African competitiveness, and create opportunity for African workers and families.

But vision is not enough. Which is why the United States and the Obama Administration are working with African regional organizations and their member countries to support regional initiatives. Yesterday, I participated in the first-ever council meeting under the U.S.-East African Community (EAC) Trade and Investment Framework Agreement – or TIFA, as we call it. The purpose of our TIFA is to deepen U.S. economic engagement and cooperation with Uganda and the other four members of the EAC. Under the TIFA, we now have regular, high-level talks on the full spectrum of U.S.-EAC trade and investment topics, including AGOA, the World Trade Organization's Doha Round, trade facilitation issues, and trade capacity building assistance.

This work with the EAC further increased my confidence in the potential of East Africa to realize even greater tangible benefits from trade. Together the United States and the EAC can work to lay the foundation, establish commercial and other linkages, and chart the future course for stronger trade and investment opportunities for Uganda and neighboring countries.

I realize that this is a time of great promise, challenge and choice for the region. I want to work with Africa as it moves from the margins to the mainstream of the global economy. Your progress is also in our national interest. And we are committed to working with you to write a new chapter in U.S. trade ties with this region.

When I finally turned in that paper on Makerere University at the end of my junior year in college, my professor read it and gave me a grade – a B+. While a B+ was good enough for me in college, the common challenges Ugandans, Africans, and Americans face today demand we do better. We need to get an A. And if we work together – patiently, cooperatively, and respectfully – I am certain that we will earn the highest marks.