



UNITED STATES
FASHION INDUSTRY ASSOCIATION

U.S. and African Companies Call for Immediate Renewal of AGOA

August 13, 2014

Last week marked the first U.S.-Africa Leaders Summit—the largest event bringing together the U.S. President with African heads of state and government. The importance of trade between the U.S. and Sub-Saharan Africa governments was made clear by the closing statement, which stated, “Leaders agreed on the importance of the prompt, long-term renewal of an enhanced African Growth and Opportunity Act (AGOA).”

Apparel and footwear manufacturers, brands, and retailers applaud this statement and call for quick action to renew AGOA, which plays a vital role in the development and support of a competitive U.S.-African textile, apparel and footwear trade partnership. Its renewal is a critical step to developing a broader reciprocal commercial relationship with AGOA countries. AGOA has created more than 350,000 direct jobs in apparel production in Africa and an estimated 100,000 jobs in the U.S. Originally enacted in 2000, AGOA has enjoyed widespread bipartisan support and has been modified and extended several times. It is currently authorized through September 2015.

Representing the apparel and footwear manufacturing, brand, and retail industries in Africa and the United States, we urge the following:

Immediate renewal: AGOA must be renewed in 2014. Because sourcing decisions are made many months in advance, any delay into 2015 will discourage continued sourcing and new investment, and will result in the loss of trade and jobs in both Africa and the U.S. In 2012, 30,000 jobs were eliminated in Africa because Congress waited until the last minute to renew the AGOA third country fabric rule of origin. That number is sure to grow because many more jobs—both in Africa and the U.S.—are now at stake.

Long-term renewal: AGOA should be renewed for at least 15 years to ensure the predictability necessary to support trade and investment decisions. Short-term renewals don’t provide enough certainty to enable industry to make capital-intensive investment decisions necessary to attract textile and footwear investments or affect long term sourcing partnership decisions.

Long-term third country fabric renewal: The third country fabric provision should be renewed for the full duration of the AGOA renewal. This provision is central to AGOA. Renewing it for a shorter duration than the full program is tantamount to agreeing to shorter extension. Moreover, further vertical integration into upstream textile production requires maintenance of a healthy downstream apparel sector, which in turn is dependent upon the third country fabric provision.

Third country fabric extended to all AGOA beneficiaries: All AGOA beneficiary countries should be able to use third country fabric provisions. Unequal application of this provision not only lessens the positive impact of AGOA but retards regional integration efforts.

Our organizations are committed to working with other stakeholders to achieve these objectives to support African trade and development, as well as the U.S. jobs that depend on that trade partnership.

African Cotton and Textile Industries Federation (ACTIF) is the leading representative of the AGOA apparel industry in Africa. ACTIF's members are from the cotton-textiles-apparel value chain in: Botswana, Cameroon, Cote d'Ivoire, Ethiopia, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritius, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.

Representing more than 1,000 world famous name brands, the **American Apparel & Footwear Association (AAFA)** is the trusted public policy and political voice of the apparel and footwear industry, its management and shareholders, its four million U.S. workers, and its contribution of \$350 billion in annual U.S. retail sales. AAFA stands at the forefront as a leader of positive change for the apparel and footwear industry. With integrity and purpose, AAFA delivers a unified voice on key legislative and regulatory issues. AAFA enables a collaborative forum to promote best practices and innovation. AAFA's comprehensive work ensures the continued success and growth of the apparel and footwear industry, its suppliers, and its customers. Learn more about how AAFA wears its mission at www.wewear.org.

Founded in 1944, the **Footwear Distributors and Retailers of America (FDRA)** is the largest, most effective and respected footwear trade association in the US. It represents 80% of the footwear industry, including over 130 of the industry's leading retailers and importers and over 200 brands. FDRA advocates on behalf of its members in Washington, DC—working to lower tariffs on footwear and push new trade agreements like TPP. FDRA is also the industry's thought leader and intelligence hub on customs, product safety, sourcing and social compliance challenges, trade, sales data, as well as consumer trends. Learn more at www.fdra.org

National Retail Federation (NRF), as the world's largest retail trade association and the voice of retail worldwide, represents retailers of all types and sizes, including chain restaurants and industry partners, from the United States and more than 45 countries abroad. Retailers operate more than 3.6 million U.S. establishments that support one in four U.S. jobs – 42 million working Americans. Contributing \$2.5 trillion to annual GDP, retail is a daily barometer for the nation's economy. NRF's This is Retail campaign highlights the industry's opportunities for life-long careers, how retailers strengthen communities, and the critical role that retail plays in driving innovation.

Outdoor Industry Association (OIA) is a national trade association whose mission is to ensure the growth and success of the outdoor industry. OIA provides trade services for over 4000 manufacturers, distributors, suppliers, sales representatives and retailers in the outdoor industry. OIA programs include representation in government/legislative affairs, market and social research, business-to-business services and youth outreach initiatives. Educational events include the annual Rendezvous, Outdoor University, and the Capitol Summit. Outdoor Industry Association is based in Boulder, Colorado, and is the title sponsor of the Outdoor Retailer tradeshow. For more information go to www.outdoorindustry.org or call 303.444.3353.

The Retail Industry Leaders Association (RILA) is the trade association of the world's largest and most innovative retail companies. Retail executives choose RILA's unique collaborative forums, effective public policy advocacy, and premier educational events to advance excellence throughout the retail industry. RILA members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than \$1.5 trillion in annual sales, provide millions of jobs and more than 100,000 stores, manufacturing facilities, and distribution centers domestically and abroad.

The United States Fashion Industry Association (USFIA) represents textile and apparel brands, retailers, importers, and wholesalers based in the United States and doing business globally. Founded in 1989 as the United States Association of Importers of Textiles & Apparel with the goal of eliminating the global apparel quota system, USFIA now works to eliminate the tariff and non-tariff barriers that impede the industry's ability to trade freely and create economic opportunities in the United States and abroad. Headquartered in Washington, D.C., USFIA is the voice of the fashion industry in front of the U.S. government as well as international governments and stakeholders.