President's Advisory Council on Doing Business in Africa (PAC-DBIA)



July 28, 2020

The Honorable Donald J. Trump President of the United States of America 1600 Pennsylvania Avenue, NW Washington, DC 20500

Dear Mr. President:

We applaud your intention to negotiate a high-standard, comprehensive bilateral free trade agreement (FTA) with Kenya. If such an agreement were to be successfully concluded and enter into force, it would be the first of its kind with a sub-Saharan African country. As representatives of some of the U.S. businesses most committed to that market, the members of the PAC-DBIA fully support these negotiations and stand ready to assist you.

Kenya is one of the more dynamic economies in the region. Recent annual growth rates are at 5-6 percent, and it receives one of the largest flows of foreign direct investment on the continent. The country is a model of stability in Africa.

Cognizant of the business opportunities in Kenya, the Council took a fact-finding mission there in 2018. One of the goals of that trip was to signal that the U.S. Government and business community are committed to expanding trade and investment in Africa. A completed free trade agreement with Kenya would make that commitment clear and would also promote opportunities for the American private sector, enabling us to compete more effectively in the Kenyan market.

Your Administration's negotiating objectives state this agreement is to "serve as a model for additional agreements in Africa." We strongly endorse this approach, setting a standard for African governments to consider in their own trade regimes, such as the African Continental Free Trade Area Agreement.

We look forward to supporting an FTA that provides comprehensive market access for goods, services, investment, and government procurement, with strong digital trade, intellectual property, and customs provisions. Like other recent U.S. FTAs, we are confident it will address the full range of non-tariff regulatory impediments to trade, with all of this supported by strong and effective enforcement tools.

We believe it is just as important to address the specific circumstances of the Kenyan business environment and sub-Saharan Africa more generally – namely by encouraging transparency and fairness in Kenyan regulatory and business practices, eliminating corruption, preventing illicit trade, and ensuring a level playing field for U.S. companies against domestic and third-country competitors. These measures would both improve current engagements and drive opportunities for future growth. This would provide incentives for greater two-way trade in technologies and solutions leveraging U.S. innovation to support the sustainable growth of Kenya, East Africa, and ultimately the continent. This FTA will serve as encouragement for the high-standard reforms across Africa that will support the continent in realizing its tremendous potential.

As we said in our "Keys to Success" Report earlier this year, a stable business environment requires the rule of law, "as exemplified by fairness and transparency," with "sanctity of contract governing performance by both sides, and timely payment made upon goods and services rendered." Securing strong, binding, and enforceable FTA commitments to create an open, fair, transparent, and predictable business environment will create more opportunities for Kenyans and U.S. exporters and investors. It will enhance economic performance and governance in Kenya, serving as a model to its neighbors.

The Council fully supports your decision to launch FTA negotiations with Kenya towards these ends and reiterates our willingness to support your team in this work. In particular, the Council's six issue working groups are prepared to provide our expertise in support of a stronger U.S.-Africa partnership on the topics of Finance, Technology and Digital Economy, Public Procurement, Workforce Development, Trade Facilitation and Physical Connectivity, and Small and Medium-Sized Enterprises and Women Entrepreneurs.

We look forward to serving as a partner and resource in this historic effort and hope you will call upon us to support the negotiation of this FTA.

Sincerely,

Farid Fezoua Co-Chair

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Laura Lane Co-Chair

Susan Silbermann Vice Chair

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