

## **Crapo Statement at Hearing on Trade Preference Programs**

*June 5, 2024*

**Washington, D.C.**—U.S. Senator Mike Crapo (R-Idaho) delivered the following remarks at a hearing entitled “Revitalizing and Renewing GSP, AGOA and Other Trade Preference Programs.”

*As prepared for delivery:*

“Thank you, Mr. Chairman.

“Preference programs are good, when administered effectively.

“The programs can drive economic development for developing countries, including by creating new opportunities for women and reducing poverty.

“For the United States, they can help facilitate equitable market access and, strategically, help partners become more competitive vis-à-vis China.

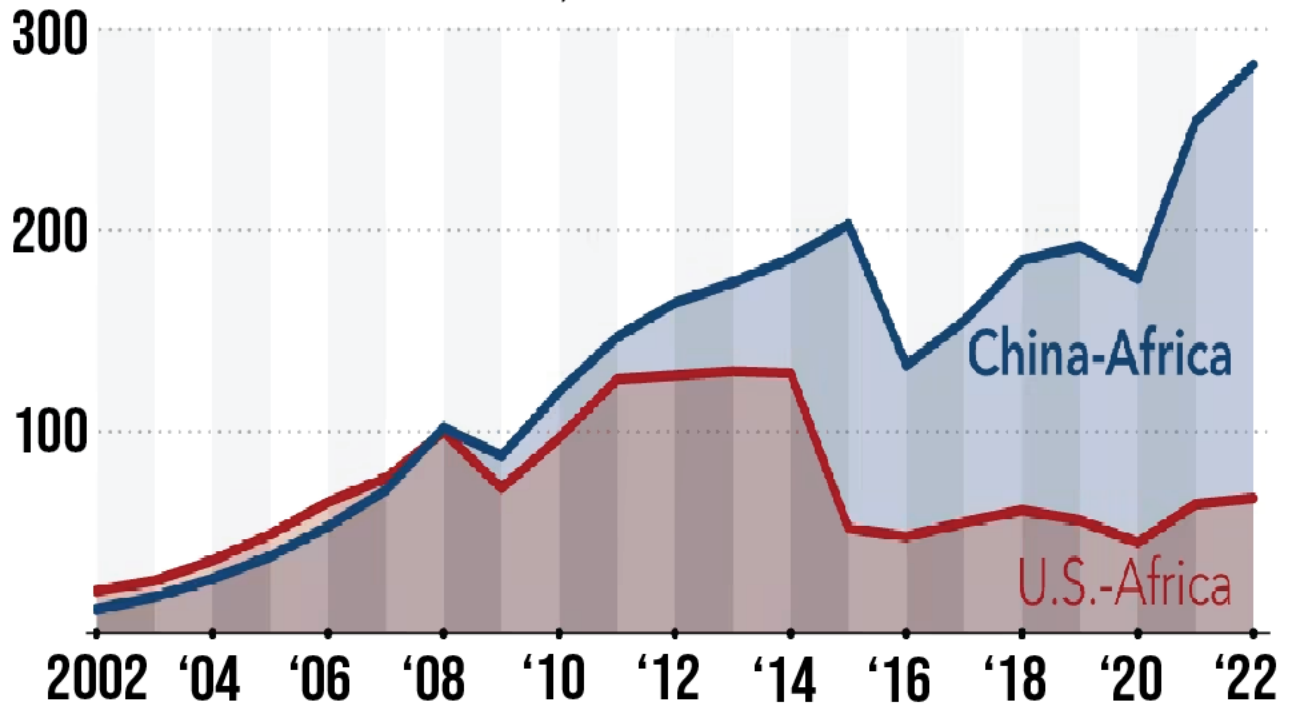
“While preference programs are good, comprehensive trade agreements are better because they maximize economic opportunities and promote the highest standards. We need them now, more than ever.

“Africa is a particularly telling case, as shown in the chart behind me.

“As the chart shows, we are losing economic ground in Africa to China—even with the African Growth and Opportunity Act, or AGOA.

# AFRICA'S TRADE WITH CHINA SURGES

TOTAL TRADE, IN BILLIONS OF DOLLARS



Source: U.N. Comtrade

“The Trump Administration got it right when it stepped up our engagement in Africa through its negotiation efforts to get to a real free trade agreement with Kenya. The Biden Administration, however, imprudently terminated that effort in favor of a low ambition framework agreement that fails to reduce tariffs and lacks commitments on key disciplines that are integral to any comprehensive trade agreement.

“Although I support programs like the Generalized System of Preferences (GSP) program and AGOA, we need to resume negotiating real, comprehensive trade deals before it is too late. In the interim though, while the Biden Administration takes no steps toward meaningful trade agreements, Congress can at least prevent us from falling back by getting preference programs back on track.

“Congress can renew GSP—now—and ensure early reauthorization of other preference programs, such as AGOA. Since many AGOA users make purchasing decisions two years in advance, we should not leave them in uncertainty by waiting to decide on the program’s future next year.

“The more than three-year GSP lapse is painfully instructive and calls out for immediate renewal. Because of this lapse, Americans paid an extra \$3 billion in tariffs and companies are moving production from developing countries to China.

“Reauthorization of GSP should not be controversial. Unlike other trade expansion programs where some industries might face increased competition, GSP is designed not to contain import sensitive goods. This body proved GSP was bipartisan and non-controversial when it voted 91-4 last Congress to reauthorize it. Our Republican colleagues on the House Ways & Means Committee are also ready to see GSP passed and have already approved a bill that adopted many elements of our Senate compromise, including on labor and environment.

“GSP’s passage has been stalled by attempts to achieve unrelated partisan items, with the most recent demand being reauthorization of Trade Adjustment Assistance, or TAA, a program that has never been tied to GSP or any other preference program. As many of my colleagues know, TAA is traditionally a tradeoff for Trade Promotion Authority.

“If folks support preference programs, then they should let them move forward as soon as possible and without any unnecessary linkages. Each day GSP remains lapsed and the fate of other preference programs remains uncertain is a day China moves ahead of us. I am ready to see GSP, AGOA and potentially other preference programs all passed as part of a package by the time of the AGOA summit next month. That step would demonstrate to our partners, particularly in Africa, that the United States, not China, presents the opportunity for a brighter economic future.

“With that, I look forward to hearing from our witnesses.”