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Contact: Keith Chu (202) 224-4515

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Wyden Statement at Finance Committee Hearing on Renewing and Revitalizing Trade Preference Programs is good

As Prepared for Delivery

This morning the Finance Committee meets to discuss how the United States can strengthen its trading partnerships around the globe through trade preference programs.

I'm going to focus on two of the biggest and most important of these programs: the Generalized System of Preferences "GSP", and the African Growth and Opportunity Act, or "AGOA."

Preference programs are an important but often forgotten piece of the U.S. trade agenda puzzle. They're a real win-win, promoting economic growth in developing countries while supporting manufacturing and small business jobs here at home.

They also play an important role in countering Chinese economic dominance by strengthening our trading relationships, promoting American values abroad, and creating incentives to shift supply chains out of China and into more stable suppliers.

I think we can all agree that sounds like a recipe for success, but unfortunately, the Generalized System of Preferences expired in 2020, and more programs are set to expire next year.

Since GSP lapsed, companies are either paying more in tariffs and investing less into their own businesses, or they're making the tough choice to shift supply chains back into China. If the United States is serious about moving away from Chinese manufactured goods and creating good-paying red, white, and blue jobs, renewing GSP is a good place to start.

GSP is a great example of how good policy can have a direct impact on workers, businesses and manufacturers. It allowed companies in Oregon to import everything from optical equipment to sweeteners and wooden doors, add value to them in Oregon, then sell them around the world. It also helped save Oregon families and businesses \$3 million in a single year.

But these programs aren't just about lowering costs. GSP includes strong protections for worker rights, intellectual property protection and market access for American exporters. Developing countries are encouraged to raise their own standards, making GSP a powerful tool for change.

For years, China has been building relationships with developing countries by investing in new infrastructure projects, often with unfair strings attached. But trade preference programs help offer an alternative to Chinese investment by strengthening our ties with developing countries and showing them the benefits of strong trading partnerships with the U.S.

Three years ago, the Senate passed my bipartisan bill with Ranking Member Crapo to renew and improve GSP by a whopping 91-4. But it stalled in the House.

I'll continue working with Ranking Member Crapo to get it across the finish line as soon as possible.

Next, I'll touch on AGOA. Africa has a growing population and a potentially vibrant economy. But African countries continue to need alternative markets to China and Russia.

AGOA knocks down tariffs on products coming from Sub-Saharan African countries, supporting economic development while advancing American values. This is especially important in sectors like critical minerals, where Chinese investment is outpacing the United States and allowing labor violations and environmental degradation to run rampant.

AGOA will expire in 2025, and this hearing is an opportunity to think about how to improve the program. This Committee will need to consider how to encourage the use of the AGOA program while supporting trade within Africa, as well as how to modernize this program to meet the needs of advancing digital trade and innovation.

It's past time for AGOA countries to graduate to a more robust two-way trading relationship with the U.S., and that outcome should be the centerpiece of our renewal efforts. Last week, House Ways & Means Committee Ranking Member Neal and I called for USTR to expand its negotiations with Kenya to reflect a more robust trade agenda. A renewed AGOA agreement would provide a key step to deepening U.S. engagement in the region.

I look forward to hearing from our witnesses on how to modernize, revitalize and renew GSP, AGOA, and other valuable trade preference programs. I am particularly interested in the HOPE/HELP programs for Haiti. I also look forward to working with Ranking Member Crapo, members of this Committee, and the House to advance a package of trade programs that can get robust bipartisan support.

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