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EAST AFRICA
TRADE
+ INVESTMENT
HUB

East Africa Trade and Investment Hub



TRADE
AFRICA



Trade Africa is a U.S. Government initiative to boost trade and investment with and within Africa.

Funding Level:

\$65 million

Presidential Initiatives:

Trade Africa
Feed the Future

Duration:

September 2014 – August 2019

Project Goals:

- Improve the policy environment for East African Community integration, trade, and investment
- Increase the competitiveness of select regional agricultural value chains and bolster regional trade in staple foods
- Promote intra-regional and export trade, particularly under the African Growth Opportunity Act
- Facilitate investment and promote the use of available global technology

Expected Accomplishments:

- Double the value of intra-regional trade in the East African Community
- Increase non-oil exports to the U.S. under the African Growth and Opportunity Act by 40%
- Foster 10,000 new jobs through firms assisted by the Trade and Investment Hub and its partners
- Facilitate \$100 million of new investments in targeted sectors in the EAC
- Increase the EAC's intra-regional trade in staple foods by 40%

OVERVIEW

The East Africa Trade and Investment Hub (the Hub) is the U.S. Government's flagship project under the presidential *Trade Africa* initiative, launched in 2013 to boost trade and investment with and within Africa. The Hub partners with East African and U.S. businesses to attract investment needed to transform the East African private sector into vibrant global trading partners. Improving the region's trade competitiveness, encouraging the diversification of exports beyond natural resources, and promoting broader, more-inclusive economic growth will lead to more food secure and resilient East African communities.

FOCUS AREAS

The goals of the Hub are to deepen regional integration, increase the competitiveness of select regional agricultural value chains, promote two-way trade with the U.S. under the African Growth and Opportunity Act (AGOA) and facilitate investment and technology to drive trade growth intra-regionally and to global markets.

The project achieves these ends by working with the private sector and local governments to find practical solutions for trade and investment constraints that lead to a pro-investment environment. It also builds awareness of opportunities for African and U.S. firms to increase trade, expand business partnerships, and invest in East Africa.

In support of the U.S. Government's global hunger and food security initiative, Feed the Future, the Hub looks to increase access, availability and utilization of East African-grown staple foods in the region. It supports regional initiatives that improve market information, increase access to inputs, and reduce non-tariff barriers that can hinder trade across borders.

The Hub utilizes the capabilities and networks of multiple U.S. government agencies, regional trade associations, and development partners to extend the adoption of regional initiatives.

Project Locations:

The East African Community countries – Burundi, Kenya, Rwanda, Tanzania and Uganda – and, Ethiopia, Madagascar, and Mauritius.



Key Partners:

The East African Community Partner States, the East African and U.S. private sector, U.S. government agencies, regional trade associations, and other development partners.

Implementing Partner:

Development Alternatives Incorporated (DAI)

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PROJECT IMPACT

AGOA-Export Company Mombasa Apparel Adds 3,000 New Kenyan Jobs with Launch of Fourth Factory

On November 8, 2014, Mombasa Apparel launched its fourth textile factory on the coast of Kenya, producing apparel destined for the U.S. through AGOA. The larger Mombasa Apparel investor group employs more Kenyans than Standard Charter, Barclays, East African Breweries, and Safaricom combined (Kenya's most visible companies). In the Mombasa region alone, Mombasa Apparel now maintains 10,000 salaried employees in its four factories. Mombasa Apparel Managing Director Fakhruddin G. Amiji is encouraged by the productivity of his Kenyan employees in the newly opened fourth factory, noting that "the vast majority of

young, especially women workers, have never before operated machinery or worked in industry."

With intense on-the-job training, these newly employed young Kenyans

are close to reaching the industry norm for productivity. The company plans to have a fifth factory online by the close of 2015. The capital investment for factories four and five is \$25 million.



An employee works on shirts destined for the U.S. through AGOA at Mombasa Apparel's newly opened fourth coastal factory.

East Africa provides a reliable and cost-effective apparel sourcing destination for international companies looking to diversify and expand their portfolios. Over the past few years, the Hub has introduced six U.S. apparel buyers to Mombasa Apparel, helping to create the demand for more investment in factories. Mombasa Apparel will employ 14,000 Kenyans in the coastal region by the end of 2015, positively impacting the livelihoods of nearly 100,000 Kenyans.