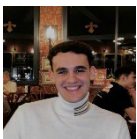




Nicholas Kamm /AFP

## Bilateral talks with Kenya to recommence as US aims for its first sub-Saharan free trade agreement

*Kenyan negotiators hope to secure a free trade agreement with the US, the first of its kind in sub-Saharan Africa. But are bilateral free trade agreements the way forward for the continent?*



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**July 15th 2022**

US and Kenyan representatives this week announced the commencement of talks to develop a new strategic trade and investment partnership between the two countries, which could pave the way for the US' first free trade agreement (FTA) in sub-Saharan Africa.

After promising trade talks commenced in 2020 were shelved by the incoming Biden administration, the latest round of bilateral negotiations, set to begin within three months, will pursue deepened engagement between the US and its largest trade partner in East Africa.

Kenya has long been a major beneficiary of the African Growth and Opportunity Act (2000; AGOA). In 2021, the country exported \$685m of goods to the US, with [75% of these being exempted from American import duties under AGOA provisions](#). Leading exports include apparel, macadamia nuts, coffee, tea and titanium ores.

“This initiative will lay the groundwork for a comprehensive free trade agreement that includes market access, builds off AGOA, and complements both regional and continental integration”, said Richard Neil,

chairman of the House of Representatives' Ways and Means Committee. "For decades, AGOA has been the bedrock of our Africa trade policy. However, unilateral preferences alone can only take a country so far in its economic development. Kenya has shown a willingness to deepen its economic ties with the United States, and we should embrace it."

## **Transparency must underpin agreement**

But allegations of corruption emerging during the country's presidential race may become a sticking point in negotiations. The campaigns of both current frontrunners – William Ruto, who has served as Uhuru Kenyatta's deputy, and opposition leader Raila Odinga, who enjoys the endorsement of the incumbent president – [have been marred by accusations that they have historically abused their offices to loot state funds](#) (allegations they strenuously deny).

The office of US Trade Representative Katherine Tai has stated that collaboration and transparency in both regional and US-Kenya commercial standards will underpin any FTA. Kenyatta, who is constitutionally barred from running for a third term in August's leadership election, has been a profound advocate of transnational cooperation in East Africa. In a press release on 7 July, he reaffirmed Kenya's commitment to the African Peer Review Mechanism (APRM), an instrument that allows African countries to [voluntarily self-monitor their governance performance](#).

"We have the capacity to learn from each other. Our circumstances in Africa are different from circumstances in other parts of the world and it is not necessary for us to import, wholesale, models that do not particularly fit our circumstances... Through processes like the APRM, we have the capacity to learn from each other. We have the capacity to see the strong points, the weaknesses and what we can do as a continent to improve our governance system and be able to improve service delivery to the people," Kenyatta said.

The bilateral talks will also cover sustainable agricultural practices, the development of "resilient and secure" digital infrastructure, climate change action, guarantees on labour protection and female empowerment in Kenya's economic development.

## **Are bilateral FTAs the way forward for Africa?**

The move towards bilateral FTAs in Africa has been criticised by some trade experts, including [Harry Broadman](#), chair of the emerging markets practice at the Berkeley Research Group, a former chief of staff of the President's Council of Economic Advisers under George Bush, and a former international trade negotiator, who believes the US should shift back on to a multilateral track by supporting the [African Continental Free Trade Area \(AfCFTA\)](#).

"When you pick off bilateral FTAs with countries as important as Kenya, you start to deflate the balloon for the AfCFTA, and I think that is the single most important economic policy investment objective that the US should see for Africa. I'd suggest we pivot and put our energy into helping Africa launch the AfCFTA – without it we'll be left with a large continent of small landlocked economies without economies of scale, which chokes off investment," [he told African Business in January 2021](#).