INTERNATIONAL TRADE ADMINISTRATION

# U.S.-African Trade Profile

***U.S. Trade with Sub-Saharan Africa***
***($ Millions)***

| | 2004 | 2005 | 2006 | 2007 |
|---|---|---|---|---|
| ***U.S. Exports*** | ***8,438.5*** | ***10,342.6*** | ***12,116.3*** | ***14,398.0*** |
| ***U.S. Imports*** | ***35,879.5*** | ***50,364.6*** | ***59,092.8*** | ***67,378.0*** |

*Source: U.S. Dept. of Commerce, Bureau of Census*

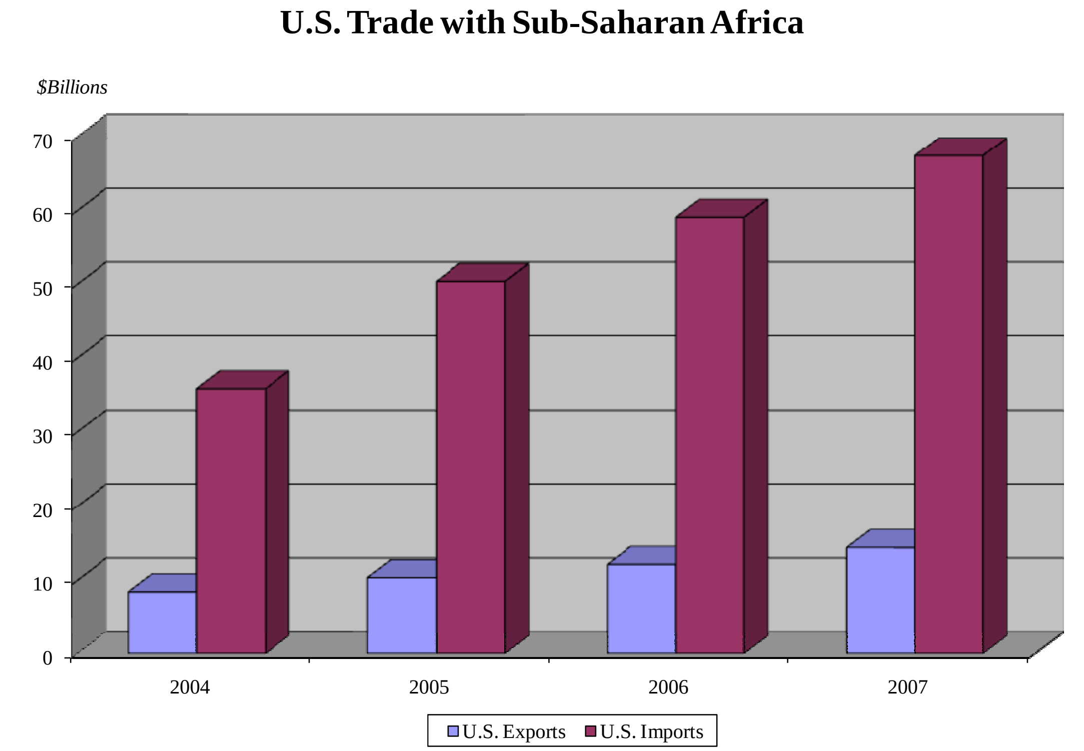
U.S. total trade with Sub-Saharan Africa (exports plus imports) increased 15 percent in 2007, as both exports and imports grew. U.S. exports increased by 19 percent to $14.4 billion, driven by growth in vehicles and parts, parts for oil field equipment, wheat, non-crude oil, and medical equipment. U.S. imports in 2007 increased by 14 percent to $67.4 billion. U.S. imports picked up in the last quarter of 2007 with crude oil imports (accounting for 77 percent of total imports from Sub-Saharan Africa) growing by 15 percent in 2007, compared to only three percent through September 2007 relative to the same period in 2006. Trade between the United States and Sub-Saharan Africa is highly concentrated, with a small number of African countries accounting for an overwhelming share of the total for both imports and exports.

- Of the top five African destinations for U.S. products, exports to South Africa rose by 24 percent, to Nigeria by 25 percent, to Kenya by 11 percent, and to Gabon by 253 percent (due to the large sale of platform(s) for offshore oil drilling during the first quarter of 2007). U.S. exports to Angola declined by 17 percent, mainly due to a decline in aircraft sales to the country.

- U.S. imports from the oil producing countries grew in almost every case with imports from Nigeria growing by 18 percent (showing a recovery from earlier in 2007), from Angola by seven percent, from Gabon by 60 percent, from Chad by 12 percent, and from Equatorial Guinea by three percent. Imports from the Republic of Congo decreased by slightly less than one percent. U.S. imports from South Africa continued to show strong growth of 21 percent, driven by increased imports across several product groups including platinum, diamonds, ferroalloys, vehicles and parts, catalytic converters, and crude oil.

Prepared by: J. Diemond
U.S. Department of Commerce
International Trade Administration
Market Access & Compliance/Office of Africa

- In 2006, U.S. imports under the African Growth and Opportunity Act (AGOA) were $51.1 billion, 15 percent more than in 2006.[1] This figure includes duty-free imports from AGOA-eligible countries under both the U.S. Generalized System of Preferences (GSP) and the expanded AGOA GSP, plus textile and apparel items imported duty-free and quota-free under AGOA provisions.



*Source: U.S. Dept. of Commerce, Bureau of Census*

- Petroleum products continued to account for the largest portion of AGOA imports with a 93 percent share of overall AGOA imports. With these fuel products excluded, AGOA imports were $3.4 billion in 2007, increasing by seven percent compared to 2006. AGOA textiles and apparel imports remained virtually constant at $1.3 billion, AGOA minerals and metals imports increased by 34 percent to $796.3 million, AGOA transportation equipment rose by 19 percent to $588.5 million, and AGOA chemicals and related products increased by eight percent to $308.9 million. AGOA agricultural product imports, however, fell by 25 percent to $271.5 million.

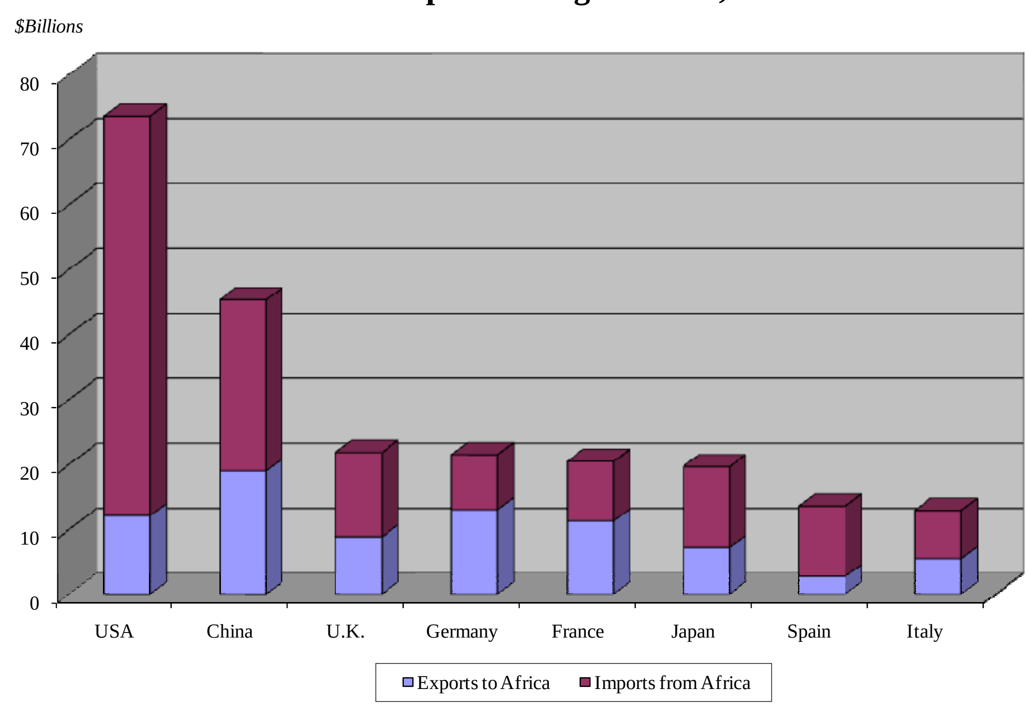
- The top five AGOA beneficiary countries included Nigeria, Angola, South Africa, Chad, and Gabon. Other leading AGOA beneficiaries included Republic of Congo, Lesotho, Madagascar, Kenya, Cameroon, Swaziland, and Mauritius.

[1] Note that AGOA imports are imports for consumption, while all other import figures are general imports. Imports for consumption include only those goods as they enter the U.S. economy for consumption. General imports include all goods as they cross the U.S. border, including those destined for bonded warehouses or foreign trade zones.

- The U.S. merchandise trade deficit with Sub-Saharan Africa continued to widen in 2007 to $53.0 billion, from $47.0 billion in 2006. Nigeria, Angola, South Africa, and the Republic of Congo accounted for 90 percent of the U.S. trade deficit with Sub-Saharan Africa in 2007.

## ***Africa's Global Trade***[2]

Sub-Saharan Africa's total merchandise imports continued to increase in 2006 (the latest year available), growing 24.3 percent to $214.6 billion, compared to slightly lower growth of 20.5 percent in 2005. South Africa and Nigeria accounted for almost half of Sub-Saharan Africa's total imports with a 45.4 percent share. In 2006, South Africa's imports increased by 25.4 percent to $68.0 billion, and Nigeria's imports increased by 20.0 percent to $29.4 billion. Based on a review of some of the major suppliers to Sub-Saharan Africa, no single sector appears to account for the majority of the growth in Sub-Saharan African imports. Instead, the imports appear to be spread over a range of sectors, including a variety of electrical and other machinery, refined oil, telecommunications equipment, vehicles, aircraft, iron and steel products, pharmaceutical products, medical equipment, apparel, footwear, ocean tankers, and wheat.[3]




*Source: Derived from IMF Direction of Trade Statistics Yearbook, 2007*

Sub-Saharan Africa's total merchandise exports were $208.1 billion in 2006, a 17.6 percent increase, lower than the 27.3 percent increase in 2005. In 2006, South Africa and Nigeria accounted for 50.7 percent of Sub-Saharan Africa's total exports. South Africa's exports were virtually unchanged at $51.6 billion and Nigeria's exports grew by 23.8 percent to $53.8 billion.

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[2] Unless otherwise noted, the data in this section is derived from the *Direction of Trade Statistics Yearbook* (Washington, DC: International Monetary Fund, September 2007).
[3] Based on a review of European Union, United States, China, Japan, and South Africa trade data in the World Trade Atlas.

Sub-Saharan Africa's 17.6 percent increase in exports outpaced total world exports, which grew at 15.3 percent, but lagged slightly behind developing country exports, which grew at 20.2 percent. Sub-Saharan Africa, however, accounted for only 1.74 percent of world trade in 2006, slightly higher than its 1.66 percent share in 2005.

## ***Shares of Africa's Import and Export Markets***[4]

Sub-Saharan Africa accounts for slightly more than one percent of U.S. merchandise exports, and slightly more than three percent of U.S. merchandise imports, of which about 81 percent are petroleum products. Similarly, Sub-Saharan Africa accounts for a little more than one percent of both EU merchandise exports and imports. The United States is Africa's largest single country market, purchasing 29.5 percent of the region's exports in 2006. China came in second at 12.6 percent, and the United Kingdom was third at 6.2 percent. The EU purchased 32.0 percent of Sub-Saharan Africa's exports, down from 34.6 percent in 2005. China, however, increased its share of African

***Sub-Saharan Africa's Principal Trading Partners***
***($ Billions and Market Share)***

| | 2005 | % Share | 2006 | % Share |
|---|---|---|---|---|
| **Sub-Saharan Africa's Imports** | | | | |
| China | 13.4 | 7.8% | 19.0 | 8.9% |
| Germany | 11.7 | 6.8% | 13.0 | 6.1% |
| United States | 10.3 | 6.0% | 12.1 | 5.6% |
| France | 10.8 | 6.3% | 11.3 | 5.3% |
| United Kingdom | 8.1 | 4.7% | 8.9 | 4.1% |
| Japan | 6.3 | 3.6% | 7.2 | 3.3% |
| Italy | 4.8 | 2.8% | 5.5 | 2.6% |
| Spain | 2.4 | 1.4% | 2.7 | 1.3% |
| Total EU | 54.7 | 31.7% | 62.3 | 29.0% |
| **Sub-Saharan Africa's Exports** | | | | |
| United States | 52.4 | 29.6% | 61.5 | 29.5% |
| China | 19.3 | 10.9% | 26.3 | 12.6% |
| United Kingdom | 12.6 | 7.1% | 13.0 | 6.2% |
| Japan | 9.4 | 5.3% | 12.5 | 6.0% |
| Spain | 9.3 | 5.2% | 10.8 | 5.2% |
| France | 8.6 | 4.9% | 9.2 | 4.4% |
| Germany | 7.1 | 4.0% | 8.5 | 4.1% |
| Italy | 6.3 | 3.6% | 7.4 | 3.6% |
| Total EU | 61.2 | 34.6% | 66.7 | 32.0% |

*Source: Derived from IMF Direction of Trade Statistics Yearbook, 2007*

[4] The data in this section is derived from the *Direction of Trade Statistics Yearbook* (Washington, DC: International Monetary Fund, September 2007).

exports by almost two percent to a 12.6 percent share.

- The U.S. market share in Sub-Saharan Africa fell slightly in 2006 to 5.6 percent, with $12.1 billion in exports to the region.

- In 2006, China continued to be the largest individual country exporter to Sub-Saharan Africa with a growing market share of 8.9 percent and $19.0 billion in exports to the region. China's exports to the region grew by an impressive 41.8 percent from 2005. Increased shipments of electrical and other machinery, vehicles (mainly motorcycles), woven fabrics, iron and steel products, woven and knit apparel, and low-end footwear comprised the largest share of China's growth in shipments to Sub-Saharan Africa.

- The market share in Sub-Saharan Africa of all major industrial countries declined from 2005 to 2006.

- The market share in Sub-Saharan Africa of the EU as a whole also decreased to 29.0 percent.

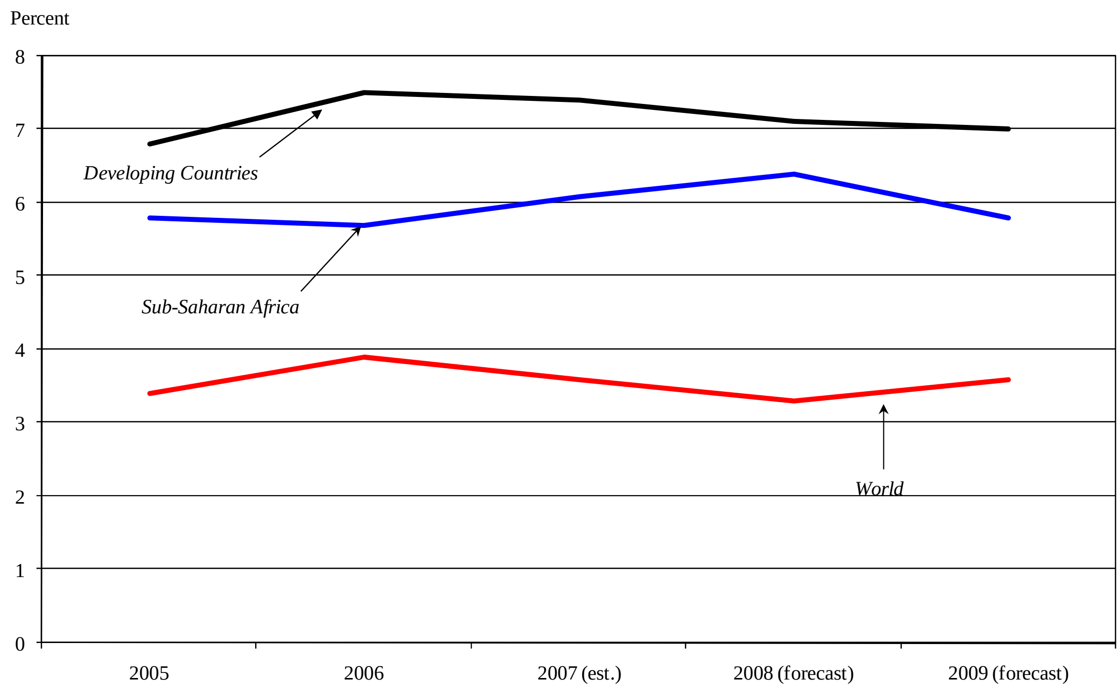
- South Africa's share of the African market declined to a 3.4 percent share from 4.0 percent share in 2005. South Africa exported more than Japan, Italy and Spain to Sub-Saharan Africa, with exports to the region of $7.3 billion in 2006, growing by 6.4 percent from 2005.

## ***Africa's Economic Growth***

According to the World Bank, the world economy expanded in 2007 with an estimated 3.6 percent growth, compared to 3.9 percent growth in 2006. Global growth slowed slightly as volatility in international equity markets, commodity prices, and exchange rates increased.[5] Developing country economies maintained steady growth in 2007 growing by 7.4 percent, compared to 7.5 percent in 2006. Continued robust growth in oil- exporting countries as well as high growth in both China (11.3 percent) and India (9.0 percent) has fueled growth among developing countries.[6] Even excluding China and India, developing countries grew by 5.7 percent.[7] In addition, strong economic fundamentals in many developing countries helped mitigate the effects of the economic slowdown in the United States.[8]

In 2007, Sub-Saharan African economies accelerated with estimated growth of 6.1 percent, compared to 5.7 percent in 2006. Economic growth in Sub-Saharan Africa in 2007 was lower than average developing country growth, but above average world growth. According to the World Bank, Sub-Saharan Africa's 2007 economic growth "constitutes the region's fastest pace of growth in more than three decades."[9]

**GDP Growth Rate**




*Source: Global Economic Prospects 2008, World Bank*

[5] *Global Economic Prospects 2008: Technology Diffusion in the Developing World*, 17; 21 (Washington, DC: World Bank, December 2007).
[6] *Global Economic Prospects 2008: Technology Diffusion in the Developing World*, 17.
[7] *Global Economic Prospects 2008: Technology Diffusion in the Developing World*, 21.
[8] *Global Economic Prospects 2008: Technology Diffusion in the Developing World*, 18.
[9] *Global Economic Prospects 2008: Technology Diffusion in the Developing World*, 193.

Country performance within Sub-Saharan Africa was broad-based with both oil-exporting and oil-importing countries experiencing growth as well growth across most regions. According to the International Monetary Fund (IMF), many African countries have benefited from improved terms of trade, economic reforms and improved macroeconomic policies, and a decline in armed conflict and political instability. "As a result, investment has increased, economic growth has strengthened, and income volatility has fallen."[10]

Growth in oil-exporting countries remained strong, accelerating from 6.7 percent in 2006 to 8.1 percent in 2007. Exceptionally high growth in Angola and Sudan provided the basis for much of the growth among oil-exporters. Angola's increased oil production was also supplemented by increased diamond production. Oil-exporting countries also experienced macroeconomic stability and an easing in inflation. Despite limited disruptions in Nigeria's oil production, Nigeria's economy (the second largest in Sub-Saharan Africa) grew slightly due to strong performance in Nigeria's non-oil sectors (primarily agriculture and financial services).[11]

The large increase in "non-oil commodity prices, in conjunction with increased openness and improved macroeconomic stability, boosted growth in oil-importing economies to a 10-year high."[12] As Sub-Saharan Africa's largest economy, South Africa drives much of the growth among the oil-importing countries. Growth in 2007 eased slightly in South Africa (from 5.4 percent to 5.0 percent), due to an increase in interest rates and slowing of domestic consumption.[13] Excluding South Africa, growth among oil-importers in Sub-Saharan Africa remained strong at 5.3 percent in 2007.[14] Several countries in East Africa recorded strong growth in 2007 (Tanzania, Kenya, Madagascar and Uganda) due to expansion in a variety of sectors including tourism, transport and communications, agriculture, mining, and construction.[15] Growth among members of the West African Economic and Monetary Union (WAEMU) rose by almost a full percentage point to 3.7 percent in 2007, "as GDP gains exceeded four percent in five of the eight economies."[16] Inadequate energy supplies and problems in several agricultural subsectors prevented growth in the WAEMU countries from increasing further.[17] According to the IMF, "despite increases in commodity prices, average inflation [in Sub-Saharan Africa] has stayed in the 6-9 percent range for the first time in decades."[18] In many countries, macroeconomic stability helped keep inflation relatively stable.[19]

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[10] *Regional Economic Outlook: Sub-Saharan Africa*, 1 (Washington, DC: International Monetary Fund, October 2007).
[11] *Global Economic Prospects 2008: Technology Diffusion in the Developing World*, 197-198.
[12] *Global Economic Prospects 2008: Technology Diffusion in the Developing World*, 193.
[13] *Global Economic Prospects 2008: Technology Diffusion in the Developing World*, 194.
[14] *Global Economic Prospects 2008: Technology Diffusion in the Developing World*, 193.
[15] *Global Economic Prospects 2008: Technology Diffusion in the Developing World*, 198-199.
[16] *Global Economic Prospects 2008: Technology Diffusion in the Developing World*, 199.
[17] *Global Economic Prospects 2008: Technology Diffusion in the Developing World*, 199.
[18] *Regional Economic Outlook: Sub-Saharan Africa*, 5.
[19] *Regional Economic Outlook: Sub-Saharan Africa*, 5-6.

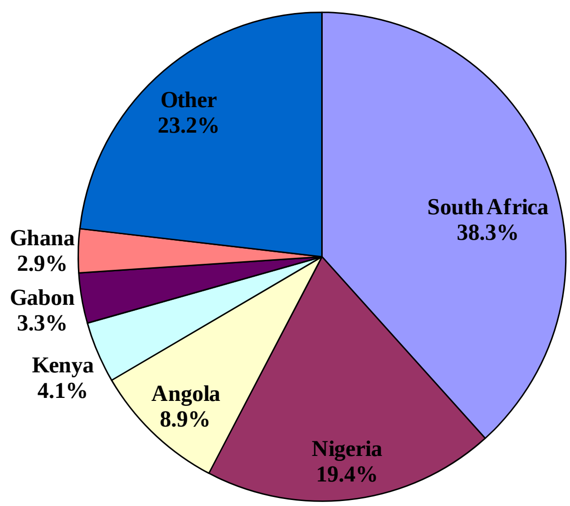
Both the World Bank's and IMF's outlook for the short-term and medium-term for Sub-Saharan Africa is positive. The World Bank projects economic growth in Sub-Saharan Africa of 6.4 percent in 2008 and 5.8 percent in 2009. In helping to sustain Africa's growth, the World Bank emphasizes that "large, strategic, capital projects initiated by big, rapidly-growing, developing economies such as China and India are likely to underpin strong investment."[20] The IMF highlights several risks that over the longer term could affect continued economic growth in Sub-Saharan Africa, including: "an unexpected slowdown in the global economy;" "an unexpectedly large decline in nonfuel commodity prices;" "unexpectedly high oil prices;"and "political and security risks" (including the Darfur region of Sudan, Somalia, Ethiopia, Côte d'Ivoire, and the Democratic Republic of Congo).[21]

[20] *Global Economic Prospects 2008: Technology Diffusion in the Developing World*, 200.
[21] *Regional Economic Outlook: Sub-Saharan Africa*, 19-20.

## ***Leading U.S. Export Markets in Sub-Saharan Africa***

U.S. exports to Sub-Saharan Africa remained highly concentrated among a small number of countries. The top three markets – South Africa, Nigeria, and Angola – remained the same from 2006 and accounted for 67.0 percent of U.S. sales in 2007, with South Africa claiming 38.3 percent, Nigeria 19.4 percent, and Angola 8.9 percent. South Africa's and Nigeria's shares increased a little from 2006, with Angola's decreasing slightly. South Africa's share of U.S. exports grew due to an increase in U.S. exports of machinery and parts, vehicles, and electrical machinery (for telecommunications, radio, TV), and Nigeria's share increased mainly due to large increases in U.S. exports of wheat and passenger vehicles. As mentioned above, Angola's share declined primarily due to a decline in U.S. aircraft sales to the country.

**U.S. Exports to Major Sub-Saharan Africa Trading Partners, 2007**




*Source: U.S. Dept. of Commerce, Bureau of Census*

## ***Leading U.S. Exports to Sub-Saharan Africa***

U.S. exports to Sub-Saharan Africa in 2007 remained concentrated in motor vehicles, infrastructure-related machinery, agricultural commodities, and aircraft. The top three U.S. exports in 2007 were motor vehicles accounting for 10.0 percent of exports, oil and gas field machinery and equipment 9.0 percent, and oilseeds and grains (mostly wheat) 8.2 percent. Other leading export categories included: aircraft; construction and general purpose machinery; petroleum and coal products; industrial chemicals; navigational, measuring, electromedical and control instruments; ships and boats (including platforms for offshore oil drilling); and resin, synthetic rubber and artificial and synthetic fibers and filament (including plastics materials).

***Leading U.S. Exports to Sub-Saharan Africa***

| *Item* | *2007 Export Value ($ Millions)* |
|---|---|
| *Motor Vehicles* | *1,444.1* |
| *Oil & Gas Field Machinery & Equipment* | *1,300.3* |
| *Oilseeds & Grains* | *1,184.2* |
| *Aircraft & Parts* | *1,016.6* |
| *Construction Machinery* | *913.1* |
| *Petroleum & Coal Products* | *583.0* |
| *Other General Purpose Machinery* [1] | *450.4* |
| *Industrial Chemicals* | *410.7* |
| *Navigational, Measuring, Electromedical & Control Instruments* | *399.9* |
| *Ships & Boats* [2] | *369.9* |
| *Resin, Synthetic Rubber & Artificial & Synthetic Fibers & Filiment* | *366.5* |

[1] *Includes pumps and pumping equipment, air and gas compressors, and material handling equipment.*

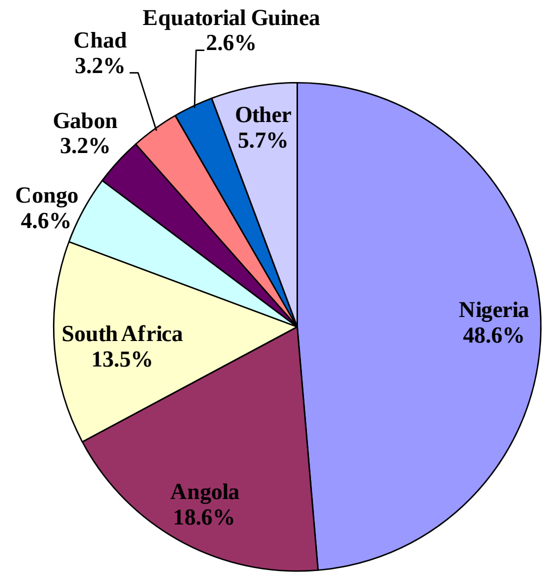
[2] *Includes platforms for offshore oil drilling..*

*Source: U.S. International Trade Commission DataWeb*

## ***Leading Sub-Saharan African Suppliers to the United States***

U.S. imports from Africa remained highly concentrated among a small number of suppliers. Four countries – Nigeria, Angola, South Africa, and Republic of Congo – accounted for 85.2 percent of U.S. purchases in 2007. The share of imports from both Nigeria and South Africa increased, while Angola's share decreased slightly. Oil imports from Nigeria and platinum, diamond, and vehicle imports from South Africa outpaced oil imports from Angola. The Republic of Congo's share of U.S. imports declined with oil imports from the country remaining flat, while Gabon's share increased as oil imports from the country increased substantially.

**U.S. Imports from Major Sub-Saharan Africa Trading Partners, 2007**




*Source: U.S. Dept. of Commerce, Bureau of Census*

## ***Leading U.S. Imports from Sub-Saharan Africa***

Oil imports (crude and non-crude) continued to dominate imports from Sub-Saharan Africa with $53.6 billion in oil imports in 2007, accounting for 79.6 percent of all U.S. purchases. Platinum remained the second leading U.S. import with a 5.6 percent share. Diamonds remained the third leading U.S. import, accounting for 2.3 percent of purchases. Other leading imports included: woven and knit apparel; petroleum gases and other gases; iron and steel; ores, slag, and ash; motor vehicles and parts; cocoa; and organic chemicals.

***Leading U.S. Imports from Sub-Saharan Africa***

| ***Item*** | ***2007 Import Value ($ Millions)*** |
|---|---|
| ***Oil (Crude & non-Crude)*** | ***53,644.1*** |
| ***Platinum*** | ***3,788.3*** |
| ***Diamonds*** | ***1,531.3*** |
| ***Woven & Knit Apparel*** | ***1,293.4*** |
| ***Petroleum Gases & Other Gases*** | ***1,099.1*** |
| ***Iron and Steel*** | ***777.1*** |
| ***Ores, Slag, & Ash*** | ***655.4*** |
| ***Motor Vehicles and Parts*** | ***552.8*** |
| ***Cocoa*** | ***498.2*** |
| ***Organic Chemicals*** | ***491.8*** |

*Source: U.S. Dept. of Commerce, Bureau of Census*

***U.S. Direct Investment in Africa***

The volume of foreign direct investment (FDI) into Sub-Saharan Africa in 2006 continued to trail other regions, and at first glance FDI inflows in 2006 appeared weak. According to the United Nations *World Investment Report 2007*, inflows of FDI to Sub-Saharan Africa from all sources in 2006 were $15.8 billion, which represented a 14.4 percent decline from 2005 inflows of $18.4 billion. Much of this decline, however, was due to a $6.6 billion decline in FDI inflows to South Africa. In 2005, the acquisition of the Amalgamated Bank of South Africa (ABSA) by Barclays Bank of the United Kingdom contributed to a spike in FDI inflows to South Africa of over $6 billion. No such large equity deal occurred in 2006, and in fact FDI inflows to South Africa were negative due to the sale of a foreign equity stake in a South African gold-mining company to a local South African firm.[22] If FDI inflows for South Africa are excluded in 2006, however, inflows to Sub-Saharan Africa increased by an impressive 32.1 percent compared to growth (excluding South Africa) of less than one percent in 2005.

According to the *World Investment Report 2007* (the Report), the majority of inflows occurred in the oil and gas sector, as well as in mining. The growing services sector in African countries, especially transport, storage, and communications, also attracted FDI. At the same time, little FDI in manufacturing occurred due to limited production capabilities in many African countries.[23] Disinvestments in textile processing also occurred[24] likely due to increased global competition in the textile and apparel sector, resulting in part from the end of the global apparel quotas in 2005.

The Report emphasizes that the growth of FDI flows to many African countries reflects the positive policy steps that these countries have taken to open their economies to foreign investment. The range of policy measures includes: liberalization in specific sectors such as telecommunications and banking; improvement and/or establishment of processes to assist foreign investors such as a "one-stop-shop" for investors or the reduction of the amount of time it takes to register a business; and the establishment of specialized investment zones or specific tax incentives geared towards investors.[25] The Report concludes, however, that improvements in the investment climate need to be coupled with improvements in local capacities, especially in labor skills and technology, in order to spur increases in FDI in the manufacturing sector over the longer-term.[26]

FDI inflows to the least developed countries (LDCs) of Africa increased by 29.6 percent in 2006 compared to a decline of 24.6 percent in 2005. This large growth in FDI inflows to African LDCs was driven by investment in new mining locations due to rising global demand and high commodity prices.[27] Transnational Corporations (TNCs) in telecommunications also started to invest more in African LDCs, many of which had

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[22] *World Investment Report 2007: Transnational Corporations, Extractive Industries and Development* (New York and Geneva, Switzerland: UNCTAD 2007), p. 38.
[23] *World Investment Report 2007*, p. 38.
[24] *World Investment Report 2007*, p. 38.
[25] *World Investment Report 2007*, pp. 38-39.
[26] *World Investment Report 2007*, p. 39.
[27] *World Investment Report 2007*, p. 36.

previously been considered too risky.[28] The growth in FDI inflows to African LDCs was also higher than the 28.0 percent in FDI inflows to LDCs worldwide. FDI inflows to Sub-Saharan Africa represented 1.2 percent of worldwide FDI inflows in 2006 and 4.2 percent of inflows to developing countries, a somewhat smaller share in each case than in 2005.

The largest recipients of global FDI in flows included Nigeria with $5.4 billion, Sudan with $3.5 billion, Equatorial Guinea with $1.7 billion, and Chad with $700 million. The FDI inflows to these countries remained concentrated in the petroleum sector.[29]

The Report highlights that TNCs from developed countries (mainly Europe and the United States) that were already operating in Africa, expanded their activities in oil, gas and, mining industries. TNCs from Asia expanded their investment even more rapidly in both greenfield investments and cross-border mergers and acquisitions.[30] Singapore, India, and Malaysia were the leading sources of Asian FDI to Africa, followed by China, the Republic of Korea, and Taiwan.[31]

Also of note were the high levels of FDI outflows from African countries in 2006 with South Africa accounting for almost all of the outflows with $6.7 billion in FDI, followed by Liberia and Nigeria with $346 million and $228 million respectively. Most of the investment by South African TNCs was in natural resource exploration and exploitation.[32]

The Report concludes that the prospects for continued growth in FDI inflows into Sub-Saharan Africa are moderately positive in 2007, due to high commodity prices (especially in oil). The Report does not expect any significant gains in FDI in 2007 in the manufacturing sector in Africa.[33]

At year-end 2006, the U.S. direct investment position[34] in Sub-Saharan Africa was $13.8 billion, 8.4 percent above the position at year-end 2005.[35] Increases in the investment position in Equatorial Guinea, South Africa, Angola, and Mauritius, more than offset the

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[28] *World Investment Report 2007*, p. 36.
[29] *World Investment Report 2007*, pp. 35-37.
[30] *World Investment Report 2007*, p. 34.
[31] *World Investment Report 2007*, p. 40. Note that this list is for North Africa and Sub-Saharan Africa.
[32] *World Investment Report 2007*, p. 38.
[33] *World Investment Report 2007*, pp. 39-40.
[34] The U.S. direct investment position is on an historical cost (book value) basis and according to the *Survey of Current Business* is "principally derived from the books of the foreign affiliate and generally reflect[s] the acquisition cost of the investment, cumulative reinvested earnings, and cumulative depreciation of fixed assets ... The position also includes cumulative capital gains and losses of the foreign affiliate." The *Survey of Current Business* defines a foreign affiliate as "a foreign business enterprise in which a single U.S. investor (a U.S. parent) owns at least 10 percent of the voting securities, or the equivalent." The source for the U.S. direct investment position abroad is the *Survey of Current Business*, September 2007 – U.S. Department of Commerce, Bureau of Economic Analysis.
[35] Note that the figure for the U.S. direct investment position in Sub-Saharan Africa may be slightly smaller than $13.8 billion. This figure includes U.S. FDI in Libya, because the data for Libya was "suppressed to avoid the disclosure of data of individual companies."

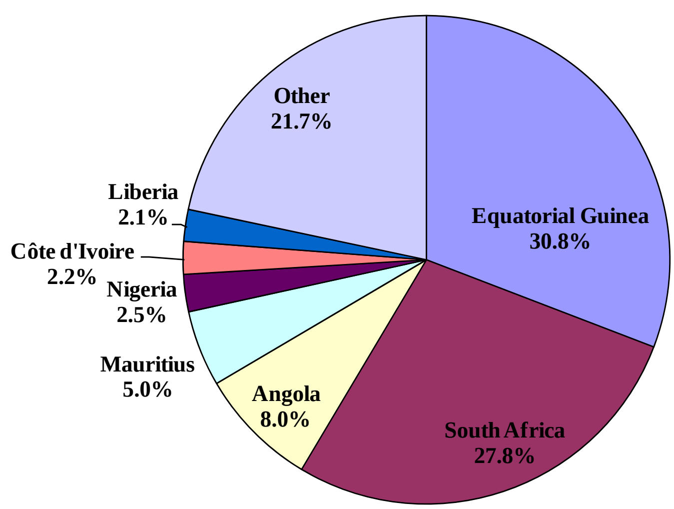
decrease in the investment position in Nigeria. (The direct investment position is a measure of the *stock* of FDI, as opposed to *flows*.)

- Equatorial Guinea ($4.2 billion), South Africa ($3.8 billion), Angola ($1.1 billion), Mauritius ($692 million), Nigeria ($339 million), Côte d'Ivoire ($298 million), and Liberia ($289 million) combined to account for 78.3 percent of the U.S. direct investment position in Sub-Saharan Africa.

- Sub-Saharan Africa accounts for less than one percent of the U.S. direct investment position worldwide.

According to the November 2007 *Survey of Current Business* (U.S. Department of Commerce, Bureau of Economic Analysis), U.S. affiliated companies in Africa in 2005 reported estimated total assets of $90.3 billion, including $17.6 billion in Nigeria and $12.1 billion in South Africa. U.S. affiliates in Africa attained worldwide sales of $54.1 billion, and net income of $8.4 billion.

**U.S. Direct Investment Position, 2006**




*Source: U.S. Dept. of Commerce, Bureau of Economic Analysis-*
*Survey of Current Business, September 2007*

U.S. direct investment in Africa supports U.S. trade with the region and fuels American industry. In 2005, $1.5 billion of U.S. merchandise exports were shipped to U.S.

affiliates in Africa. The United States imported $3.1 billion of goods from U.S. affiliates in Africa.[36]

[36] Figures for foreign affiliates include data for Libya, Tunisia and Morocco. The *Survey of Current Business* lists Egypt, Nigeria and South Africa separately, but totals the rest of Africa (including North Africa) together.