

February 3, 2016

**VIA EDIS & HAND DELIVERY**

Honorable Lisa R. Barton,  
Secretary to the Commission  
U.S. International Trade Commission  
500 E Street, S.W.  
Washington, D.C. 20436

**Generalized System of Preferences: Possible Modifications, 2015 Review Inv. No. 332-556;  
Prehearing Statement of Jan Forest on behalf of Global Mamas**

This prehearing statement is being filed on behalf of Global Mamas in response to the request from the ITC for pre-hearing briefs and statements in Investigation 332-556, *Generalized System of Preferences: Possible Modifications, 2015 Review*, relating to the possible designation of additional articles. In a letter dated December 30, 2015, the USTR requested advice concerning the probable economic effect of the elimination of U.S. import duties on certain handbags and travel goods for least-developed developing countries (LDBDCs) and certain African Growth and Opportunity Act (AGOA) countries, as identified in Table A of the Annex to the USTR request letter. The items in Table A are being considered as eligible articles for countries designated as LDBDCs and for AGOA countries and include HTSUS subheadings: 4202.22.45; 4202.32.40; 4202.92.15.

A petition on behalf of Global Mamas was submitted on October 16, 2015, in response to the *Federal Register* Notice published on August 19, 2015 (80 Fed. Reg. 50376) regarding the *Generalized System of Preferences (GSP): Notice of Initiation of the 2015 Annual GSP Product and Country Practices Review*. The petition filed on behalf of Global Mamas requested duty free treatment for various bags and wallets classified under HTSUS subheadings: 4202.22.45; 4202.32.40; 4202.92.15. A public hearing in connection with Investigation No. 332-556 will be held on February 24, 2016. A request to appear at the public hearing was filed on behalf of Global Mamas on February 1, 2016 and this statement is being filed in connection with the February 24 hearing.

**The Global Mamas Market and Products**

The market in the U.S. for Global Mamas' textile products is unique because, at a wholesale level, Global Mamas must meet certain "price points" in order to make its products economically viable. For example, U.S. retailers, who are Global Mamas' direct customers, must

be able to sell these products to end-customers at prices below a certain price point, or those retailers will purchase from other wholesalers. If Global Mamas could reduce its wholesale prices by up to 6.3%, it would make their products more attractive to U.S. retailers. U.S. retailers could then price Global Mamas' products at this more attractive level, which would increase sales volumes and provide additional jobs in the communities in Ghana, where it operates.

Global Mamas produces the subject articles in Ghana and exports them to the United States. The organization employs and contracts with artisans in its two production locations of Cape Coast and Ashaiman. Global Mamas has been able to survive to-date in the U.S. market by focusing sales in the "fair trade" niche markets. It focuses on U.S. consumers who value products that are made by workers who are paid a living wage by a company that provides additional benefits like education, training, and health care. Although the import tariff rate paid by Global Mamas on the handbags and travel goods it exports to the U.S. appears small (i.e., 6.3%), the impact on Global Mamas' sales volumes is significant.

### **Reasons for Granting GSP Treatment to Global Mamas Products**

Granting GSP treatment for these products would generate an immediate effect that furthers the economic development of Ghana. Global Mamas' exports would increase, which would lead to increased employment, increased community support, and the improvement of the lives of the families of the women working with Global Mamas.

Furthermore, Global Mamas is unaware of any U.S. companies that are producing handbags and travel goods that are directly competing with the products that Global Mamas sells in the U.S. market. This is most likely because Global Mamas focuses its marketing and sales efforts on customers who value "fair trade" goods, meaning they value supporting companies who offer more to their employees and artisans than the lowest wage that can be paid.

### **The Global Mamas Story**

Global Mamas was founded in 2003 (originally under the name "Women in Progress") by Renae Adams and Kristin Johnson, former Peace Corps volunteers in Ghana. It was formed as a non-profit organization with the mission to transform the lives of women entrepreneurs in Ghana by helping them to grow their businesses. In the beginning, the co-founders provided one-on-one consulting on business and financial management for the six founding artisans (Alice, Elizabeth, Emma, Esther, Hannah and Florence), who were operating their own small businesses. The artisans decided to unite under the name "Global Mamas" to produce and export textile products under a common brand.

Global Mamas helps women entrepreneurs expand their businesses by training them in leadership, financial management, marketing, and merchandising. Workshops in

health were recently added as well. Global Mamas also provides ongoing, personalized hands-on training to enhance the talents of the women and to help them to manage their expanding businesses and personal income. This requires tremendous human resources and expertise – accomplished through hosting international volunteers and interns who offer their expertise, mentorship, and encouragement. Since 2003, nearly 400 volunteers representing 24 countries have spent more than 100,000 hours in Ghana sharing their time and skills.

Global Mamas defines prosperity as going beyond financial well-being to include happiness and good health. The artisans achieve prosperity by creating and selling unique, handcrafted products of the highest quality, using traditional production methods. Global Mamas' local staff manage production, ensure high quality and deliver personal customer service. The artisans realize their dreams of having the opportunity to support their families, send their children to school, improve their health, and save for the future. Global Mamas believes very strongly in paying a living wage that will cover (and even surpass) all basic needs (food, rent, utilities, education, clean drinking water, clothing, transportation, medical expenses and savings). The Living Wage Project involved the quantification by volunteers of the cost of living for the artisans in various locations through interviews with employees, as well as interviews with the Ghana Internal Revenue Service and the Ghana Trade Union Congress. The study resulted in an increase in salaries by an average of 12%.

Global Mamas has had amazing results. It has gone from providing opportunity to the six founding artisans to providing opportunity for over 500 women in nine locations in Ghana and gone from one employee (Patience Essibu) to 70 employees on staff. Artisans and employees of Global Mamas have used their wages to do some incredible things. Batikier Aggie Cole put herself through college, and Cape Coast batikier Louisa Esi Dadzi was the first apprentice to open her own business. Wisdom Tamakloe rose from a quality control employee to general manager of the Cape Coast operation. In 2010, the first child of a Mama graduated from college with tuition paid with income made possible by Global Mamas.

Global Mamas has ambitions to expand its operations in Ghana in the future. Plans were initiated in 2012 to establish a new production facility (Fair Trade Zone) in order to meet increased demand for its products. The hope is to eventually employ 200 women full-time in the Ghanaian textile industry. In 2013, an international team of architecture students, led by Architecture Sans Frontieres (United Kingdom) (ASF-UK) spent nine weeks in Ghana to help design the new facility. They used a participatory design process focused on making international development issues integral to architecture. They worked with the artisans to ensure that they would take a leading role in the design of their new work environment. Consideration for the environment was

taken into account by the inclusion of bio-gas toilets.<sup>1</sup> Global Mamas is continuing to collaborate with ASF-UK toward achievement of this dream and is having discussions with Ghana Ministry of Trade and Industry about the possibility of using some unused warehouse space at Tema Port.

### **Conclusion**

The grant of GSP eligibility to the products identified in this statement is very important to the economic development of beneficiary eligible sub-Saharan countries, including Ghana. This is particularly true for the urban and rural areas in Ghana where Global Mamas' employees and artisans rely on the export of batik bags, wallets, and other personal items to provide a higher standard of living for themselves, their children, and their communities.

Please contact the undersigned should you have any questions regarding this submission.

Respectfully submitted,

/s/ Jan Forest

*Counsel to Global Mamas*

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<sup>1</sup> Methane gas from the toilets can be captured in a sealed tank and then used to heat the wax and water required for the batik process. This will result in the use of less coal, thus causing less pollution and lower costs.