POLICY BRIEF

Assessing US-Africa Trade Relations:

Implications of Trump’s ‘America first’ Trade Policy

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Introduction

The global trade ecosystem is undergoing a profound transformation characterised by rising protectionism, disruption, and strategic realignment of global supply chains, as well as the weakening of multilateral institutions. Central to this policy shift is the resurgence of the United States "America First" trade policy advanced by the current U.S. administration. The **April 2nd** announcement by President Donald Trump saw every single country assigned a new, higher tariff rate, as every product imported into the U.S. will be charged an extra **10% tariff.**

While most of the U.S. trading partners will pay **10% tariffs,** most countries were assigned even higher "reciprocal" rates. However, a dramatic change of policy occurred when the U.S. administration announced that countries that had not retaliated against the tariff would receive a reprieve and only face a blanket U.S. **tariff of 10%** until **July 2025.** These measures intensify Trump's "America First" trade policy and signal a decisive shift toward deeper protectionism, reshoring, and economic nationalism.

While these tariffs are ostensibly targeted at U.S. strategic competitors, their ripple effects will be globally felt, especially for developing regions like Africa. African economies, which are heavily reliant on predictable access to international markets and stable trade preferences, could face increased marginalisation in a trade ecosystem dominated by unilateral measures, disrupted multilateralism, and heightened economic nationalism.

The strongest trade relationship between the U.S. and Africa is the signing of the **Africa Growth Opportunity Act (AGOA),** enacted in **2000**, which provides a duty-free treatment of goods and market access to several product lines from specific sub-Saharan African exporters. In **2023**, total U.S.-Africa trade reached **US$67.5 billion,** with African exports under **AGOA** concentrated in textiles, agriculture, and automotive components. However, nearly half of **AGOA-eligible** countries have usage rates **below 2%**, indicating trade-related and structural barriers and uneven programme benefits blanket tariffs, even if not directly targeted at African exports, could entirely override **AGOA's** benefits and erode the open trade policy that characterises the U.S.-Africa trade relationship.

Africa's growing trade reliance on China further deepens this challenge, as bilateral trade between the two reached US$295 billion in 2024, growing by 4.8% compared to 2023. Although China has emerged as Africa's largest trading partner, the continent's trade deficit is estimated at US$61.03 billion given the continent's reliance on primary commodity exports and limited diversification.

African suppliers involved in the U.S.–China value chains are likely to suffer indirect setbacks from global supply chain realignment should the U.S. tariff war with China escalate.

The renewed wave of U.S. protectionism, if fully implemented, poses a significant threat to Africa's industrialisation, trade competitiveness, and long-term development trajectory. While **AGOA** remains in place, its effectiveness is being quietly eclipsed by systemic shifts in the global trade ecosystem from multilateralism to unilateralism. Against this backdrop, African countries must not only safeguard their current trade preferences but also reposition themselves through strategic engagement with the **AfCFTA** framework, investments in regional value chains, and diversification of export markets.

This policy brief provides an in-depth analysis of the U.S.-Africa trade relationship, considering the unfolding protectionist turn in the U.S. trade policy. It also outlines the potential consequences for African economies and explores policy options to strengthen Africa's resilience, enhance its share in global trade, and boost intra-African trade under the **AfCFTA** framework.

Tariff Snapshot

Table 1.0 shows tariffs charged by African countries to the U.S. reciprocal tariffs imposed by Trump's administration and sectors affected by the tariff imposition.

Countries	Tariffs charged to the U.S.	Reciprocal Tariff	AGOA Status	Year Declared AGOA-eligible	Sectors affected by the Tariff
South Africa	60%	30%	AGOA-eligible	October 2, 2000	Automobile and Citrus
Nigeria	27%	14%	AGOA-eligible	October 2, 2000	Non-Oil Products
Kenya	10%	10%	AGOA-eligible	October 2, 2000	Apparels and Textile
Ghana	17%	10%	AGOA-eligible	October 2, 2000	Agricultural product
Ethiopia	20%	10%	Lost AGOA in 2022	October 2, 2000	Unclear
Cote d'Ivoire	41%	21%	AGOA-eligible	Restored October 25, 2011	Agricultural product
Lesotho	99%	50%	AGOA-eligible	October 2, 2000	Textiles (Major)
Angola	63%	32%	AGOA-eligible	December 30,2003	Smaller-scale exports
Botswana	74%	37%	AGOA-eligible	October 2, 2000	Smaller-scale exports
Madagascar	93%	47%	AGOA-eligible	Eligibility restored in 2014	Textiles and Apparel
Gabon	10%	10%	AGOA-eligible	October 2, 2000	Smaller-scale exports
Senegal	10%	10%	AGOA-eligible	October 2, 2000	Smaller trade volume
Tanzania	10%	10%	AGOA-eligible	October 2, 2000	Diverse goods

The table above provides a revealing snapshot of the tariff landscape and **AGOA** participation across key sub-Saharan African countries, highlighting both the benefits and asymmetries embedded in current U.S.-Africa trade relations. While the African Growth and Opportunity Act **(AGOA)** has offered duty-free access to the U.S. market for over two decades, the reciprocal treatment of U.S. exports into African markets remains uneven and, in many cases, highly restrictive.

Several African countries impose high tariffs on U.S. goods despite enjoying **AGOA** preferences. Lesotho, for instance, levies an average **99% tariff** on U.S. imports while benefiting from duty-free access for its major textile exports. Similarly, Madagascar and Botswana charge U.S. products **93% and 74% tariffs,** respectively, while remaining AGOA-eligible. Angola and Côte d'Ivoire also maintain relatively high reciprocal tariffs, despite exporting smaller volumes to the U.S. This tariff imbalance underscores the one-sided nature of **AGOA**, where market access is granted without the obligation of reciprocal liberalisation, a factor that has long raised concerns among trade experts.

On the other hand, countries such as Kenya, Gabon, Senegal, and Tanzania maintain relatively low and balanced tariff levels **(10% on both sides)**, suggesting more openness to mutual trade relations. These countries have leveraged **AGOA** for apparel, textiles, and diversified goods, benefiting from predictable access to the U.S. market since the program's inception in **2000.** Some anomalies also reflect shifting political dynamics. Ethiopia, for example, lost **AGOA** eligibility in **2022** due to governance and human rights concerns, despite being a significant apparel exporter in the programme. Conversely, countries like Côte d'Ivoire and Madagascar had their eligibility restored after previous suspensions, reflecting the conditional nature of **AGOA's** benefits.

The data also reveals sector-specific dynamics. South Africa, while maintaining a high **60% tariff** on U.S. goods, benefits significantly from **AGOA** in the automobile and citrus sectors. Nigeria, another founding **AGOA** country, imposes a **27% tariff** on U.S. products and primarily exports non-oil goods under the agreement. Overall, the table underscores the need to rethink the U.S.-Africa trade relations beyond **AGOA's** non-reciprocal framework. As the **African Continental Free Trade Area (AfCFTA**) progresses, the U.S. has the opportunity to pursue more balanced, mutually beneficial agreements that promote tariff harmonisation, deepen value chains, and support the continent's economic integration goals. Addressing the significant tariff disparities while supporting structural transformation could make the next phase of U.S.-Africa trade more resilient, inclusive, and future-orientated.

U.S. - Africa Trade Relationship

Before the enactment of the **African Growth and Opportunity Act (AGOA)** in **2000**, U.S.-African trade relations were limited in scope and largely centred on extractive industries, such as oil and minerals. U.S. trade engagement relied on broad mechanisms, like the **Generalised System of Preferences (GSP)**, which offered minimal incentives for export diversification or industrial development **(Klobucista, 2023).** Africa's dependence on raw material exports, combined with inadequate infrastructure and weak industrial capacity, further constrained its ability to compete in global trade. Meanwhile, the U.S. lacked a coherent trade strategy tailored to the continent's unique development needs.

AGOA marked a turning point by granting duty-free access to over **6,000** products from eligible sub-Saharan African countries. It stimulated export growth in sectors such as automobiles (notably from South Africa), textiles and apparel (Kenya, Ethiopia, Mauritius, Lesotho, Madagascar), light manufacturing, and selected agricultural products. **AGOA** also encouraged economic and political reforms across beneficiary countries.

Since its launch, **AGOA** has attracted **foreign direct investment (FDI)**, enhanced trade growth, and created jobs. However, its impact has been uneven. Many countries struggled to capitalise on the preferences due to limited productive capacity, weak standards and compliance systems, poor infrastructure, and logistical bottlenecks. The act's unilateral nature and dependency on periodic U.S. congressional renewals introduced uncertainties that discouraged long-term investment. Moreover, eligibility criteria tied to governance and human rights conditions have led to the suspension of several countries, further exposing the fragility of **AGOA's** structure as a tool for sustainable trade-led development.

Despite early progress, the U.S. share of Africa's total trade declined sharply from **16.2%** in **2006** to just **5.2% in 2023**. This drop contrasts starkly with China-Africa trade, which surged to US$293.5 billion in 2023, and with the European Union's reciprocal **Economic Partnership Agreements (EPAs)** with African regions. Although the U.S. remains a key development partner, delivering around **US$10 billion** annually in aid-for-trade and maintaining substantial investments in select African markets, its commercial influence on the continent continues to erode **(Caomique, Belem, and Tapsoba, 2024).**

Recent U.S. policy frameworks, such as the **2022** U.S. strategy toward Sub-Saharan Africa, reflect a shift in emphasis. Priorities such as peacebuilding, health systems, climate resilience, and democratic governance have become the main focus, while trade and investment, although recognised, are considered less important. In this evolving context, the emergence of the **African Continental Free Trade Area (AfCFTA)** offers a new avenue for revitalising U.S.-Africa trade relations. As the largest free trade area in the world in terms of the number of participating countries, **AfCFTA** integrates a market of over **1.3 billion people** and aims to accelerate intra-African trade, industrialisation, and regional value chains.

AGOA's achievements, while notable, no longer suffice in an increasingly competitive global trade ecosystem. Experts are calling for a transition toward a reciprocal, rules-based trade agreement aligned with Africa's continental integration goals under the **AfCFTA**. The future of U.S.-Africa trade must be built on inclusive economic growth, digital innovation, environmental sustainability, and robust supply chain connectivity. Such a partnership would reflect mutual interests, reinforce Africa's development priorities, and help reposition the U.S. as a strategic commercial ally in Africa's next growth chapter.

U.S. - Africa Trade Balance

Since **2001**, total trade **(AGOA + non-AGOA)** between the United States and Africa has varied substantially. The value of goods imported by the United States from Africa rose almost threefold from **$34 billion in 2003 to $117 billion in 2008,** the year the world experienced the global financial crisis. However, US imports declined from **2011**, reaching a low of **$26 billion in 2015.** Meanwhile, over the last decade, except in **2015,** the US has traditionally maintained a trade deficit with the rest of Africa. US exports to Africa were valued at **$27.1 billion in 2015** and rose by **$5 billion to $32.1 billion by 2024,** albeit lower than the value of what the US imported from Africa, which increased by **$15 billion,** rising from **$26.3 billion in 2015 to $40.6 billion in 2024.**

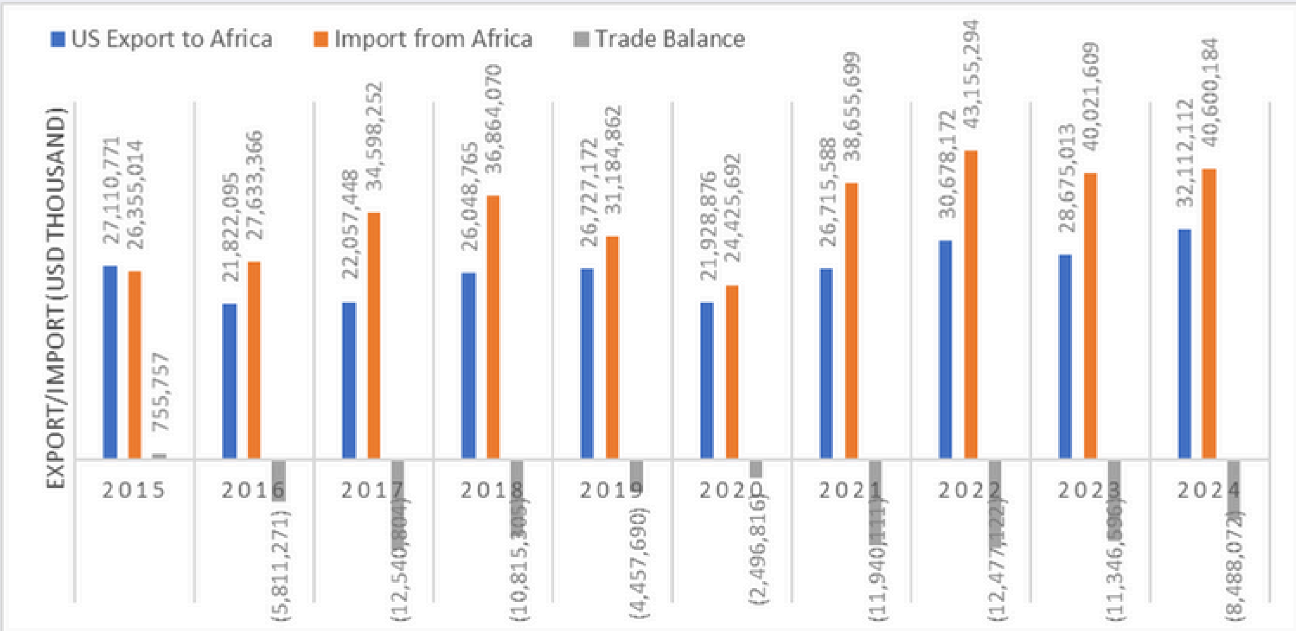

Figure 2: US Export/Import to and from Africa, 2015-2024. Source: Author's calculation from ITC, Trade Map

Top Ten Products Imported by the U.S. from Africa

By commodity, the top ten products imported by the US from Africa have traditionally included primary products with little or no transformation. **These products include** man-made filaments, strips and the like of man-made textile materials; knitted or crocheted fabrics; umbrellas, sun umbrellas, walking sticks, seat-sticks, whips, riding crops and parts thereof; furskins and artificial fur; manufactures thereof; zinc and articles thereof. Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn; cork and articles of cork; meat and edible meat offal; silk and photographic or cinematographic goods.

In a decade, photographic or cinematographic goods have led the list of imports to the US, with the region exporting about **$12.1 billion** worth of this product to the American market in **2024.** Aside from photographic materials, textile materials and fabrics remain the core imports from Africa to the US. In **2010,** textiles materials **(processed and unprocessed)** imported to America was estimated These products was jointly valued at

Figure 3: Top Ten US Importers from Africa in a Decade, 2015 and 2024. Source: Author's calculation from ITC, Trade Map.

The Implications of the U.S.'s New Trade Policy on African Exports

The protectionist policy adopted by the Trump administration on African countries is multifaceted and far-reaching, affecting various sectors and economies across the continent. This is because the policy shift has created a climate of uncertainty and economic disruption. The implications are as follows:

Loss of Preferential Trade Agreement (AGOA)

The policy shift has eroded the African Growth and Opportunity Act (AGOA), which has offered duty-free exports of goods from sub-Saharan African countries to the U.S. since 2000. The new tariff nullifies the benefits of AGOA, especially as the programme's renewal is uncertain and under threat. The reciprocal tariff on some African countries, such as Lesotho, Madagascar, and South Africa, faces tariffs as high as 50%, 47%, and 30% that could erode significant portions of their exports, especially textiles, automobiles, and agricultural products.

Disruption of Critical Growth-Enhancing Sectors

The new trade policy has disrupted several economies in Africa. For instance, Nigeria's exports, especially in non-oil products, face increased tariffs of 14%, which increases the cost of exports to the U.S. market and could also impede the Nigerian government's drive for export diversification and growth of the non-oil sector of the economy. South Africa's exports of automotives and agricultural products (citrus) are also affected, threatening thousands of jobs in sectors like citrus farming and auto manufacturing. Also, Lesotho, a textile hub for brands like Levi's and Wrangler, faces a 50% tariff on its exports, putting thousands of jobs at risk and factory closures.

Developmental Setbacks

The shift in U.S. trade policy has caused economic instability in Africa, reducing exports, jobs, and investor confidence. It threatens development progress, increases debt, and hampers social programmes. Dependency on raw commodities may deepen, weakening reform efforts and exacerbating poverty, inflation, and social unrest across beneficiaries of the preferential trade agreement in Africa and countries heavily dependent on the U.S. market.

Disruption of Supply Chains and Investment Flows

The tariff imposition will likely cause long-term disruptions in supply chains, especially in sectors such as agricultural products, textiles, and automotive, which are heavily integrated into global markets. African manufacturers may face higher costs and reduced competitiveness, discouraging foreign direct investment (FDI) and technology transfer. Also, African countries may face setbacks if tariffs persist or increase, hampering their industrialisation efforts.

Opportunities

The protectionist policy adopted by the Trump administration on African countries is multifaceted and far-reaching, affecting various sectors and economies across the continent. This is because the policy shift has created a climate of uncertainty and economic disruption. The implications are as **follows:**

i. Enhancing Intra-African Trade

In response to the shock of reduced access to the U.S. markets, African countries could accelerate efforts to deepen intra-African trade under the **African Continental Free Trade Area (AfCFTA)** framework. This has the potential of fostering regional resilience but may take years to fully offset the loss of U.S. market access, especially through **AGOA.**

ii. Consolidating a Unified U.S.-Africa Trade Strategy

The **African Union (AU)** and **Regional Economic Communities (RECs)** can significantly contribute to the coordination of a continental response to the tariffs. This is because Africa can effectively engage with the U.S. by uniting to advocate for renewed or new preferential trade agreements, highlighting Africa's strategic importance to U.S. interests. Key talking points in the advocacy include Africa's growing consumer market with a youthful population set to represent over **25%** of the global population soon and Africa's endowment of critical mineral supplies, crucial to the U.S. manufacturing industry, such as automotive, aerospace, and chemicals. African leaders can leverage their comparative advantage to negotiate exemptions or favourable terms similar to those of Canada and Mexico under the **United States, Mexico, and Canada Agreement (USMCA).**

iii. Diversifying Export Markets Beyond the U.S.

Diversification reduces vulnerability to unilateral trade shocks and opens new avenues for exports, including value-added goods and mineral beneficiation. Thus, African countries should intensify efforts to expand trade with the European Union, Asia, and other emerging markets, as strengthening trade ties with these trade partners can complement existing agreements and provide alternative market access for African products.

iv. Promoting Value Addition and Industrialization

The new trade policy emphasises the urgent need for Africa to move up the global value chain for processing raw materials domestically rather than exporting them in unprocessed and raw form. The continent is domiciled to about **30%** of the world's mineral reserves, yet exports mainly raw minerals. Mineral beneficiation, developing local manufacturing for batteries, electronics, and other finished goods can enhance export value and create jobs. In the same way, processing agricultural products like cocoa into chocolate, coffee beans into tea, and cotton into textiles and apparel can capture more value within the continent.

v. Strengthening Self-Reliance and Resilience

The imposition of tariffs on all imports into the U.S. serves as a catalyst for the continent to establish a more self-reliant trade system that strikes a balance between trade partnerships and robust regional integration. It is also a call for investments in infrastructure, technology, and human capital, which are critical to improving competitiveness and attracting both foreign and domestic investment, irrespective of the future of preferential trade agreements such as **AGOA.**

Conclusion and Policy Recommendation

The new trade policy of the United States presents a significant challenge but also an opportunity for African countries to rethink and reshape their trade and economic strategies. By implementing the following recommendations, Africa can mitigate the adverse effects of Trump's tariff imposition and position itself for sustainable growth in a shifting global trade environment.

i. Engage in Coordinated Continental Diplomacy

African leaders should leverage the **African Union (AU)** to present a unified front in negotiations with the United States. **The African Union Commission's (AUC)** leadership should convene an extraordinary summit to craft a joint trade strategy. Secondly, **AUC's** leadership should advocate for preferential trade access by making a strong case that Africa's market and critical minerals supply chains serve the United States' national interests, similar to the exemption granted to Canada and Mexico under **USMCA.** Also, the commission can pursue diplomatic lobbying to seek exemptions, phased tariff implementations, or new trade preferences to replace or supplement the **AGOA** framework.

ii. Adopting Strategic Responses to Tariffs

African leaders should carefully weigh the advantages and disadvantages of retaliation against accommodating the new trade policy. This is because a coordinated response through the **African Union Commission (AUC)** and **Regional Economic Communities (RECs)** could apply diplomatic pressure. Also, trade facilitation reforms should be implemented to improve competitiveness and reduce costs, supporting African exports amidst tariff shocks.

iii. AUC should pursue reforms in the **World Trade Organisation (WTO)** to align trade rules and support diversification of trade partners and supply chains.

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