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Experts Slam Trump Tariff Formula as Arbitrary, Warn of AGOA Undermining

All Africa reports that trade experts have criticized the Trump administration's tariff formula as "misleading" and "economically flawed," warning that it risks nullifying longstanding U.S.-Africa trade preferences under the African Growth and Opportunity Act (AGOA). Instead of comparing actual tariff levels, the administration based its new rates—affecting 20 African nations—on bilateral trade deficits, halving the ratio of imports to exports, a method described by economists Peter Draper and Vutha Hing as detached from trade theory. Lesotho, one of the world's Least Developed Countries, now faces a 50% tariff despite its limited capacity to import from the U.S. The Economist condemned the approach as "bonkers," likening it to taxing people based on vowels in their names. South Africa, facing a 31% tariff, believes AGOA preferences have been effectively nullified, while Kenya maintains that AGOA remains valid until its expiry in September 2025 unless repealed by Congress. The situation remains uncertain for 14 AGOA-eligible African countries affected by the new tariffs.

U.S. Protectionism Sparks Global Backlash and Bolsters China's Global South Alliances

In an opinion in *The Independent*, Elbrus Mamedov states that the Trump administration's protectionist trade agenda—described by critics as "tariff neocolonialism"—has sparked significant global instability, particularly harming the Global South, which heavily depends on U.S. market access. These neo-mercantilist policies have not only made exports from developing countries less competitive but have also created the risk of cascading global trade wars. In response, the European Union has been pursuing greater strategic autonomy and deepening economic ties with BRICS+, Türkiye, and the Gulf nations. China, meanwhile, has positioned itself as a stabilizing force by promoting multilateral cooperation, offering economic and diplomatic support to the Global South, and advocating for a more equitable world order. Its vision of a "shared future for mankind" resonates with developing countries seeking sovereignty, solidarity, and inclusive global governance amid escalating U.S. unilateralism.

Global Markets Reel as Trump Escalates Trade War With New Tariffs

According to *Africa News*, Asian and European markets declined sharply following President Trump's implementation of a 104% tariff on Chinese imports and threats to extend tariffs to pharmaceuticals. While Chinese markets recovered due to state-backed share buybacks and expectations of government stimulus, Taiwan's Taiex dropped 5.8%, and South Korea's Kospi fell 1.7%. European indices also saw significant declines: Germany's DAX lost 2.4%, France's CAC 40 fell 2.4%, and the UK's FTSE 100 dropped 2.2%. A Chinese policy paper reiterated Beijing's willingness to negotiate while insisting on its right to defend domestic industries, noting that economic exchange is "roughly in balance" when services and U.S. firm operations in China are included. Analysts warn continued tariff uncertainty could trigger a global recession unless resolved through swift negotiations.

Trump's Tariffs Spark Global Backlash and Shake Multilateral Trade System

All Africa reports that President Trump's sweeping tariff increases and escalating hostility toward multilateral institutions, including the United Nations

and the World Trade Organization (WTO), have drawn global concern. Amid threats to withdraw from UN agencies and reassign the UN headquarters as luxury condos, his administration imposed a universal 10% tariff—with some nations like China facing rates as high as 125%—destabilizing global trade norms. WTO Director-General Ngozi Okonjo-Iweala warned that these tariffs could reduce global trade volumes by 1% in 2025, a sharp downgrade from previous forecasts. Civil society leaders and UN officials have decried the rise of "values-free" transactional diplomacy and the erosion of global governance, drawing parallels to pre-WWI conditions. While the U.S. walked back some UN funding cuts and temporarily suspended many tariffs, widespread uncertainty remains, as China retaliates and the international trade system faces its most serious stress test in decades.

Trump's Tariffs Threaten AGOA, Spur African Trade Recalibration

Writing for the *Institute For Security Studies*, Peter Fabricius opines that Trump's steep "reciprocal" tariffs have undermined the African Growth and Opportunity Act (AGOA), with some of its largest beneficiaries—Lesotho, Madagascar, Mauritius, and South Africa—being hit the hardest. Lesotho, which exported USD 237.3 million to the U.S. in 2024, faces a 50% tariff that could cost 12,000 jobs. Madagascar, with USD 733.2 million in exports, risks losing 60,000 jobs due to a 47% tariff, while South Africa's USD 3.567 billion in AGOA exports are under threat from a 31% tariff. Although Trump suspended the hikes for 90 days (excluding a 10% baseline and China's 145% rate), the unpredictability has left AGOA's future in doubt. In response, African nations are exploring trade diversification, regional cooperation under AfCFTA, and diplomatic negotiation, with some—like Zimbabwe—even offering tariff concessions to the U.S. in hopes of preserving market access.

South Africa Seeks New Markets Amid U.S. Agricultural Tariff Hike

Writing for *The Conversation*, Wandile Sihlobo reports that following the U.S. decision to impose tariffs of 10% to 31% on South African agricultural exports, the South African government has emphasized the urgent need to diversify export destinations to safeguard its $13.7 billion agricultural export industry. While the U.S. accounts for only 4% of these exports—mainly citrus, wine, grapes, and nuts—the loss of preferential access could have significant regional

impacts. In response, South Africa plans to target markets in Africa, Asia, the Middle East, and the Americas while seeking short-term exemptions or favorable quotas from the U.S. Key long-term strategies include deepening trade ties with Gulf and BRICS countries, improving public-private coordination, and addressing domestic regulatory barriers such as animal disease controls. With China's $117 billion agricultural trade deficit and demand from India and Vietnam, analysts see strong potential for expanding horticulture, wine, and livestock exports. However, new free trade agreements may take years, and the government must make strategic trade-offs to build a globally competitive agricultural sector.

China Vows Retaliation as U.S.-China Trade War Escalates

Africa News reports that China has pledged to "fight to the end" as it increases tariffs on American goods to 84%, responding to the U.S.'s hike to a 104% tariff rate on Chinese imports. Beijing also imposed a 34% blanket tariff on U.S. goods, introduced export controls on rare earth minerals, and criticized the U.S. for violating the 2020 phase 1 trade deal, particularly in relation to the forced divestment of TikTok. China argues the U.S. is disregarding the spirit of mutual respect and equality by pursuing aggressive trade restrictions without sincere negotiations. Citing a $26.57 billion U.S. surplus in trade services with China, Beijing maintains that the overall economic exchange is roughly balanced when accounting for service industries and U.S. firms operating in China. The Chinese Ministry of Commerce warned that escalating tariffs will harm the U.S. economy, raising inflation and recession risks, rather than addressing trade imbalances.

U.S.-China Trade War Threatens Nigeria's Import-Dependent Economy, Economist Warns

According to *All Africa*, Professor Ken Ife has warned that the intensifying trade war between the U.S. and China—marked by China's 85% tariffs and Trump's retaliatory 125% tariffs—could have severe consequences for Nigeria and other African economies. With the WTO estimating that U.S.-China trade could collapse by up to 90%, Prof. Ife predicts that global supply chains will be disrupted, disproportionately hurting import-dependent nations like Nigeria. He advocates a pivot toward intra-African trade using platforms like the Pan-

African Payment and Settlement System (PAPSS) to reduce reliance on foreign currencies and imports. He also called on African governments to limit unsustainable borrowing for imports and instead strengthen regional trade ties to build economic resilience. As global economic volatility grows, he emphasized the urgency for Nigeria to reassess its trade priorities and build domestic production capacity.

U.S. Criticizes Nigeria's Import Bans as Trade Tensions Rise Amid New Global Tariffs

All Africa reports that the United States Trade Representative (USTR) has criticized Nigeria's longstanding import ban on 25 product categories, citing it as a major trade barrier that limits access for American exporters and costs U.S. businesses revenue. The complaint is part of a broader campaign launched in tandem with President Donald Trump's sweeping new tariffs—including a 10% baseline tariff on all imports and a 14% rate on Nigerian exports—intended to promote U.S. economic independence. Nigeria's policy, introduced in 2015 to promote domestic manufacturing, restricts foreign exchange access for imported items such as beef, pork, poultry, fruit juices, and pharmaceuticals. The USTR spotlighted similar restrictions in Kenya, India, Thailand, Angola, and the European Union, pointing to what it calls unfair practices that disadvantage American exporters. These escalating measures, paired with retaliatory tariffs and regulatory clashes, underscore growing U.S. trade tensions with both major economies and key developing markets.

UNCTAD Chief Urges U.S. to Exempt Poorest Nations From Tariffs Amid Global Trade Uncertainty

According to *All Africa*, Rebeca Grynspan, Secretary-General of UNCTAD, has called on the U.S. to exempt the world's 44 Least Developed Countries (LDCs) from its sweeping trade tariffs, noting they contribute less than 2% to America's trade deficit and face deepening debt crises. Amid the escalating U.S.-China trade war and a volatile global economy, she warned that prolonged uncertainty could paralyze investment and hurt vulnerable economies the most. Countries like Madagascar, whose main export to the U.S. is vanilla, are disproportionately impacted despite posing no real competition or threat. Grynspan emphasized that regional trade blocs like AfCFTA and ASEAN offer

developing nations a chance to increase leverage in global trade and reduce dependence on commodities. She urged rational, predictable trade decisions to help poorer nations plan and adapt rather than suffer from policy whiplash.

Trump Grants 90-Day Tariff Pause for Most Nations—Except China

All Africa reports that President Donald Trump has announced a 90-day suspension of heightened tariffs for all countries except China, following outreach from over 75 nations seeking to negotiate trade terms. The adjusted U.S. tariff rate will be reduced to 10% for the period, offering significant relief to African exporters such as South Africa, Nigeria, Madagascar, and Lesotho—the latter previously facing a steep 50% tariff despite exporting $264 million more to the U.S. than it imported in 2022. China, however, remains excluded from the reprieve, with its tariff raised to 125% following Beijing’s retaliatory 84% tariff on U.S. imports. Trump justified the move as a response to what he described as China's continued market abuses and disregard for fair trade practices. The temporary pause aims to allow space for diplomatic negotiations while continuing economic pressure on China.

Tariff Pause Offers Temporary Relief to Key African Exporters

According to *Africa News*, countries such as Lesotho, Madagascar, and South Africa have received a temporary 90-day suspension on steep U.S. tariffs imposed under the Trump administration, offering short-term relief to industries dependent on American exports. Lesotho, facing a 50% tariff—second only to China—warns of major factory closures and up to 12,000 job losses if permanent reductions aren't negotiated, especially as regional competitors like Eswatini enjoy far lower rates. Madagascar, the world’s leading vanilla exporter, was hit with a 47% tariff, prompting exporters to rush shipments before the suspension expires. South Africa's citrus industry, previously enjoying duty-free access under the African Growth and Opportunity Act (AGOA), now faces a flat 10% tariff despite the threat to 35,000 jobs. With AGOA set to expire in September, the future of trade ties with the U.S. remains uncertain.

African Exporters Welcome Tariff Reprieve, but AGOA’s Future Remains in Doubt

All Africa reports that African exporters—especially in citrus, automotive, and textiles—have welcomed a 90-day suspension of new U.S. tariffs, but fears persist about the long-term fate of the African Growth and Opportunity Act (AGOA). South Africa's citrus industry, which exports off-season and had braced for a 30% tariff, is now facing a 10% baseline rate, the same as its competitors. However, the 25% tariff on car exports remains in place, jeopardizing USD 1.8 billion in exports and over 86,000 jobs in South Africa's auto sector. Smaller nations like Lesotho and Madagascar, heavily reliant on AGOA for textiles, fear mass job losses if the deal isn't renewed in September—Lesotho could lose up to 40,000 jobs. With AGOA benefits eroding under new tariffs, African governments are racing to negotiate new trade terms with the U.S. while diversifying their export markets.

Osinbajo Outlines 7-Point Vision for AfCFTA's Success by 2030

All Africa reports that during the 2025 Adebayo Adedeji Memorial Lecture in Addis Ababa, former Nigerian Vice President Oluyemi Osinbajo presented a bold vision for realizing the full potential of the African Continental Free Trade Area (AfCFTA) by 2030. He outlined seven key pillars: (1) **Robust Regional Value Chains** in sectors like automotive and digital services; (2) **Interconnected Infrastructure** linking African economies through efficient transport and digital networks; (3) **A Digital Trade Revolution** driven by e-commerce, fintech, and platforms like PAPSS; (4) **Technology-Driven Manufacturing** utilizing AI, IoT, and 3D printing; (5) **Financial Integration** across capital markets and stock exchanges; (6) **Free Movement of People** to unlock the services sector; and (7) **Climate-Positive Growth** leveraging Africa's renewable energy and critical minerals to lead green industrialization. Osinbajo emphasized that AfCFTA's success depends on strong leadership and political will, especially from Africa's largest economies. He called for a continental mindset, likening the urgency of integration to the historical struggles for decolonization and anti-apartheid. Echoing Adebayo Adedeji's vision, Osinbajo concluded that African leaders must rise to the occasion and champion trade-led development as a unifying force to secure prosperity for future generations.

AfCFTA Communication Reforms Set to Revolutionize Africa's Digital Integration

Furthermore, *All Africa* reports that Zimbabwe is actively participating in institutional meetings of the African Continental Free Trade Area (AfCFTA) in Kinshasa, focusing on developing a shared regulatory framework for Africa's communication sector. The AfCFTA aims to eliminate trade barriers and create a unified market, and in the communication sector, this includes lowering tariffs on digital data, improving cross-border connectivity, and liberalizing communication services. Articles of the agreement emphasize transparency, interconnection, facilities sharing, content diversity, intellectual property protection, and the promotion of local and African content, with the goal of fostering fair competition and inclusive digital transformation. Modeled in part on the EU's integrated communication strategy, AfCFTA envisions treating intra-African communication like local traffic, thereby enabling affordable, seamless connectivity across nations. Zimbabwe's engagement in shaping these frameworks highlights its role in realizing AfCFTA's ambitious vision of a digitally connected, economically integrated, and culturally rich Africa.

Nigeria's Cocoa Boom Faces EU Deforestation Hurdle Amid Traceability Gaps

Remi Oladayo, writing for the *Premium Times*, reports that Nigeria's cocoa sector, centered around Ikom in Cross River State, is booming due to high prices and job scarcity, drawing thousands of farmers—many of whom are illegally expanding into the protected Afi Forest Reserve. Although major exporters like Tulip Cocoa Processing claim to uphold traceability standards, community members and supply chain actors confirm that cocoa from protected lands is often mixed into the general supply and sold to exporters. This puts Nigeria at risk of non-compliance with the European Union Deforestation Regulation (EUDR), which requires proof that cocoa imports are not sourced from deforested areas. While exporters like Tulip and top Licensed Buying Agents (LBAs) assert that 80% of cocoa is traceable, they admit that the remaining 20% may be untraceable and could be redirected to non-EU markets. As the EU remains Nigeria's largest cocoa customer, the government and industry are now under pressure to either de-reserve old cocoa farms within protected areas or enhance enforcement to safeguard access to global markets.

Afreximbank Launches African Trade Centre in Abuja to Advance Intra-Continental Trade

According to *All Africa,* President Bola Tinubu lauded Afreximbank's leadership in transforming Africa's trade environment through initiatives like the AfCFTA Adjustment Fund, Pan-African Payment and Settlement System (PAPSS), and substantial trade financing efforts. Speaking at the unveiling of the $52 billion African Trade Centre (AATC) in Abuja, Tinubu celebrated the bank's commitment to breaking trade barriers and supporting industrialization, infrastructure, and creative industries across the continent. Since its inception, Afreximbank has disbursed over $140 billion continent-wide, including $49 billion to Nigerian public and private sectors—boosting oil refining and fertilizer production, and investing $200 million in Nigeria's creative sector. The Abuja AATC, the first of a planned continental network, is envisioned as a hub for finance, policy, SME incubation, and innovation to accelerate intra-African trade. With centers planned in Harare, Kampala, Cairo, Yaoundé, and even Barbados, the AATC project symbolizes a shift toward African trade self-determination and economic unity.

Ruto Calls for Stronger Intra-African Trade and Investment at Africa Summit

All Africa reports that at the 2025 World Chambers Federation Africa Summit in Nairobi, President William Ruto emphasized the need to boost intra-African trade to harness the continent's untapped economic potential. He underscored Kenya's efforts to enhance the business climate through streamlined processes and engagement with local entrepreneurs, particularly via the Kenya National Chamber of Commerce and Industry. The summit, themed *"Africa's Global Future: Integrated, Innovative, and Sustainable,"* gathered key stakeholders to advance discussions on trade, innovation, and sustainability. Ruto also called for Africa to assert greater influence globally by fostering integration and human capital development. Nairobi Governor Johnson Sakaja echoed the investment appeal, highlighting the city's strategic regional connectivity.

Liberia Urges Deeper West African Integration at WAIFEM Regional Course

According to *All Africa*, at the opening of the WAIFEM Regional Course on Economic Issues in Regional Integration in Monrovia, Central Bank of Liberia Governor Henry F. Saamoi called for stronger policy coordination among West African nations to fully realize the benefits of the African Continental Free Trade Area (AfCFTA). Saamoi emphasized that for countries like Liberia to benefit from AfCFTA's $2.5 trillion market potential, they must close infrastructure gaps, streamline regulations, and move away from raw material exports. With intra-African trade still at only 18%, the course brought together ECOWAS professionals to deepen cooperation in trade liberalization, regional monetary policy, and macroeconomic convergence. Saamoi also called for accountability in capacity-building efforts, urging participants to apply knowledge directly to policy frameworks. WAIFEM, established in 1996 by five West African central banks, reaffirmed its mission to train financial leaders capable of driving integration and inclusive economic growth across the region.

Events – 04/11/2025

"Driving Sustainable Investment: Unlocking UAE-Africa Potential." Invest Africa. *Dubai, United Arab Emirates.* 13 May 2025.

"Digital Finance: The Next Wave." Invest Africa. *Johannesburg, South Africa.* 21 May 2025.

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