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Trade Wars: Implications of US tariffs for trade and structural change in the African continent

Antonio Andreoni[1], Arnaud Persenda[2], and Richard Kozul-Wright[3]

Abstract: This paper examines the impact of the United States' "Liberation Day Tariffs," announced on 2 April 2025, on African economies. Marking a decisive break from the post-Bretton Woods free-trade consensus, these unilateral tariffs aim to reduce trade deficits, reshore supply chains, and strengthen US bargaining power. Although the initial round of tariffs was temporarily replaced by a 10 per cent flat rate for most partners (with harsher terms for China), to allow for bilateral deals and by a moderated regime announced on 31st July, the policy has already triggered global supply chain disruptions and heightened trade tensions. The consequences are particularly severe for African countries, many of which rely on preferential access to US markets to industrialise. This paper develops a theoretical framework to analyse the direct, indirect, and cumulative effects of the new tariff regime and applies it to assess the likely impact on African industrialisation prospects. It also explores the erosion of African market access and discusses potential alternative export destinations, highlighting broader implications for Africa's role in a rapidly shifting global trade landscape.

Keywords: US trade policy, Protectionism, US-African relations, Global value chains, Africa, Structural Change, tariffs
JEL codes: F13, F14, F54, F63, L16, O14, O19, O24, O55,

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1. Introduction

On 2 April 2025, during a ceremony in the White House Rose Garden, the President of the United States, Donald Trump, announced a series of measures aimed at reducing the US trade deficit, reshoring supply chains and strengthening the country's negotiating position with its trade partners. Departing from the post-Bretton Woods narrative of support for a rules-based international economic order, the President intended to impose unilateral tariffs on most countries, based on their bilateral trade balance with the United States. The tariffs applied to most products, except for the energy sector, some natural resources, and specific supply chains for electronic components. The Liberation Day Tariffs were subsequently suspended for an initial period of three months, extended to August 1st, to allow time for bilateral negotiations, a response triggered, in part, by a sharp and simultaneous market sell-off of both US Treasuries and the dollar. During this intervening period, a 10 per cent tariff rate was applied to most countries. A notable exception was China, where a 30 per cent tariff rate was implemented following a policy tit-for-tat during which tariff rates reached as high as 145 per cent. Subsequent pronouncements of successful bilateral deals, along with further extensions and selective tariff hikes and a new regime (announced on 31st July) have introduced a degree of unpredictability and confusion into the international trade landscape.

Although the effectiveness of these measures in reducing the US trade deficit and creating jobs remains contested, the policy has had immediate consequences, disrupting global supply chains and heightening policy uncertainty. That uncertainty reflects the inflationary and distributional impacts of the tariff measures (a de facto tax increase), which only materialise over time, but also the difficulty in assessing the likely response of trade partners. The fear is that the Liberation Day Tariffs will pave the way to a more prolonged trade war between the major world economies, with uncomfortable parallels to events in the 1930s.

The consequences are particularly severe for developing economies that are heavily reliant on international trade. This is especially true for African countries, looking to integrate into international supply chains as a pathway to industrialisation and where the end of preferential tariffs with the United States signals, for some countries, the expiration of the African Growth and Opportunity Act (AGOA). Under AGOA, African countries were able to export a wide range of products — including manufactured goods — to the U.S. with little or no tariffs. This shift, combined with major changes in the trade policies of the European Union and China (which in June announced it would extend zero-tariff treatment to 53 African countries), is expected to significantly reshape supply chains involving African countries.

This paper aims to provide an assessment of the consequences of these changes on African economies. A special focus will be placed on assessing their effect on the ability of African countries to break away from primary exports and move towards more manufacturing products. The paper is divided into five sections. After the introduction, in section 1, we provide a historical account of trade wars and consider what is new about the most recent escalation of tariffs and collapse of the WTO, with a focus on how this potentially impacts African countries. In section 3, we present a theoretical framework of the direct, indirect, and cumulative effects of tariffs. In the following sections 4 and 5, we use this framework to estimate the impact of the current tariffs on African economies and discuss the changes in market access for these countries. Section 5 identifies potential alternative export destinations for African products that can no longer be exported to the US.

The empirical analysis suggests that the new US tariff regime creates perverse incentives for African economies by favouring unprocessed commodity exports over manufactured goods, thereby obstructing new growth paths and encouraging deindustrialisation. Countries that have made progress in building domestic supply chains are particularly vulnerable, as the decline in demand from US markets triggers broader shocks across their domestic economies. Given current trade patterns, the potential for redirecting exports initially destined for the US toward African markets remains limited due to structural differences between the two markets. However, diverging market access between Western and developing markets could still lead to trade diversion toward Africa, intensifying competition for African countries both within their domestic markets and in their main export destinations.

2. Trade Wars: the old and the new

2.1 Trade wars and development: historical perspectives

A belief that international trade can help establish and sustain rapid growth is neither new nor unreasonable. The world economy has, over the last 60 years become more closely integrated with a steadily rising share of trade in world output, initially through increased (intra-industry and intra-regional) flows amongst advanced economies, but with the developing countries' share rising steadily since the mid-1980s, and more sharply since the early 2000s, reaching between 30 and 40 per cent of total world trade and with some of the fastest growing developing countries exhibiting a strong export drive.

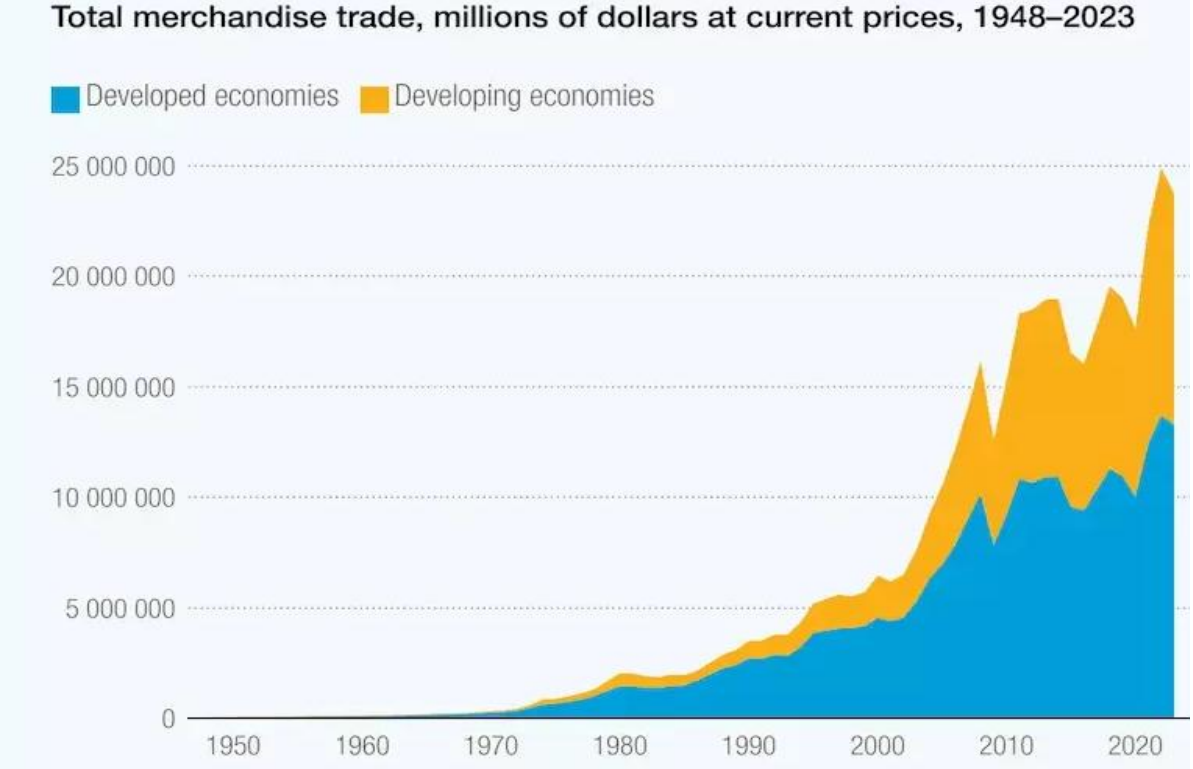


Figure 1 World trade in goods surges, with a growing share for developing countries.

Note: Total merchandise trade, 148-2023, millions of dollars at current prices.
Source: UNCTADstat

Conventional wisdom sees these trends as the inevitable outcome of a steadily more open world economy in which countries use their relatively abundant resources to the full and import goods that embody otherwise relatively scarce resources. Economic commentators, with a nod to Adam Smith's pin factory parable and a more fulsome embrace of David Ricardo's idea of comparative advantage, suggest that even the most technologically backwards economies are better off specialising in what they do best and engaging in international trade; and likewise, for the most technologically advanced. The policy prescription has long been, and remains, to liberalise markets as quickly as possible, reduce undue regulatory oversight on private business, open up the current account and, ideally, though on some counts more cautiously, allow capital to move freely across borders.

This narrative pitches "comparative advantage" as the foundation of a "win–win" world, with an open economy not only desirable on efficiency and welfare grounds, but also because it promotes mutual trust, benevolence and reciprocity, and eschews compulsion, corruption and bullying, On a more philosophical note, proponents of "doux commerce" have long predicted a peaceful and harmonious global civilisation centred on "free trade" (Hirschman, 1977).

History has been less accommodating. Despite the mathematical elegance of conventional trade models, their pitch and policy recommendations rely, implausibility, on a world populated by small firms with identical production techniques, perfect information (about consumer tastes, market prospects, etc.), where scale economies are absent and immobile factors of production (particularly labour) are fully employed. (Gomory et Baumol 2000; Darity et Davis 2005). Moreover, in an interdependent world made up of nation-states with divergent production structures and technological capacities, more extensive international economic relations have been inexorably linked to political ambitions and pressures. Consequently, efforts to gain ground on those further up the economic ladder (or, conversely, to protect an established leadership position) have frequently assumed a more combative orientation. This was notably the case in the earliest stages of long-distance trade, whose potentially lucrative bounty (including the notorious trade in human beings) was the source of violent conflict amongst contesting colonial powers jostling for political dominance. Not surprisingly, in this period of "archaic globalisation" (Bayly 2004)The early trading companies, even when notionally in private hands, were, if not mere extensions of state power, heavily dependent on its patronage and protection.

Yet even as the advent of the industrial age began to reconfigure ties between private business and state power, international trade continued to reflect matters of relative national strength as states attempted to influence the economic orientation of other states through political pressure and incentives. (Hirschman 1945). This was exemplified by the Methuen treaty between Britain and Portugal in 1703, which, ironically, was the inspiration for Ricardo's two-country, two-good model of comparative advantage, but in reality, reflected a complex intertwining of economic, political and military power (Dyer, 2024). Just as telling, as the economic fortunes of Portugal and Britain diverged, the treaty confirmed the advantage enjoyed by the country that exported manufacturing products. The combination of military disparity and industrial acceleration would continue to keep most of the developing world in a subordinate position with respect to European colonial powers for another quarter of a millennium.

While specialisation holds pride of place in conventional trade models, with a concomitant emphasis on market competition, efficiency gains, consumer welfare and trade liberalisation, diversification has been given a more prominent position in discussions of trade by political economists and economic historians, with an emphasis on market power, production capabilities, technological leadership and industrial policy (Toner 1999; Milberg 2008). In particular, several favourable empirical regularities, connecting investment, innovation, productivity growth and rising incomes to expanding manufacturing activity and a virtuous growth circle, have been seen, at least since Alexander Hamilton penned his *Report on Manufactures* in 1791, as key to developing a successful trade strategy (Cohen and de Long 2016).

Given the structural changes implied by shifting resources from low (agriculture) to higher (manufacturing) productivity sectors and activities, this was unlikely to happen, at least at the requisite pace and scale, by leaving individual businesses to respond to (relative) price movements on

international markets. Rather, opening the economy to leading manufacturing nations would, in all likelihood, stifle the desired linkages and reinforce a position of economic subordination. Active state support, particularly but not only tariff protection, would be needed if infant industries were not to face destructive competition from cheaper (and higher quality) imports. From this perspective, attempts by leading industrial powers to push for free trade agreements and an accompanying ideological conformity threatened to kick away the ladder that those countries had previously used to reach the heights of industrial dominance (Chang 2002).

There has subsequently been a good deal of diversity in the pace and scale of industrial development. Across most successful experiences, the positive contribution of trade has not emerged spontaneously from market forces or the more prolonged process of technological progress, but has, crucially, reflected the importance of getting domestic institutions and policies right. (Gomory et Baumol 2000; Amsden 2001)The successful harnessing of trade has involved, at times, restricting market entry (tariffs, taxes, quotas) as well as boosting domestic firms (through subsidies, cheap credit, research and development, etc.), but also building a wider ecosystem of linkages which impact productivity growth and production costs (demand management, infrastructure development, welfare reform, etc.).

Resource endowments, country size and geographical location have no doubt had a bearing on both trade patterns and the timing and extent to which labour shifts into industrial activities. Some countries rich in natural resources have delayed industrialisation even as they experienced faster growth, resulting in a lower share of employment in manufacturing at any given level of income. However, they cannot (with some notable exceptions) avoid the pressure to establish dynamic industrial sectors, since it is difficult to reach high income levels without a strong industrial base. That pressure to diversify into industrial activities continues to challenge policymakers, given that efforts to expand incomes continue to face adverse terms of trade and external payments difficulties that prevent them from meeting the demand for manufactures. Even those advanced economies that relied more heavily on primary commodity exports to achieve higher levels of income, such as Australia, Canada and some of the Scandinavian countries, experienced periods of strong industrial development and diversification as part of their sustained economic growth.

2.2 New structures, old challenges

The growth of international trade and the widening scope for policies to shape trade outcomes has inevitably expanded the potential for disputes amongst trading partners; "beggar my neighbour" policies, races to the bottom, discriminatory practices and abuse of market power have long belied the more Panglossian accounts of an inherently harmonious trading system. Consequently, moves to bolster cooperation and coordination have become an unavoidable feature of trade-oriented statecraft, whether through bilateral treaties, regional arrangements, mutually agreed multilateral rules and procedures, or more ad hoc discussions aimed at talking down perceived grievances and avoiding more conflictual outcomes.

Events in the 1930s are often presented as a stark warning of what can happen if disputes proliferate and tit-for-tat responses are allowed to escalate into a more generalised state of economic confrontation; larger countries responded to the US decision to raise tariffs (Smoot–Hawley Tariff Act 1930) with their own hikes, while smaller countries withdrew MFN treatment of US goods or supported private boycotts. Between 1929 and 1932, world trade fell by more than a quarter and industrial production by a third. With reason, this period is seen as the spur for the multilateral negotiating structures and agreements that emerged at the end of the Second World War with the

creation of the treaty-based GATT and its subsequent transformation into a more fully rules-based system with the establishment of the WTO some five decades later.

For much of this history, however, the voices of developing countries in the trade governance architecture were ignored or suppressed, with little attention paid to the way the rules and structures of international trade tended to reinforce their subordinate position as low-productivity commodity exporters and importers of manufactured goods. A brief period of organised resistance in the 1960s and 1970s saw developing countries propose a more development-friendly body of rules and practices that would enlarge the policy space and financial support needed for their efforts to develop industrial capacity and spur catch-up growth. These proposals were abandoned in the early 1980s under a coordinated push back from advanced countries, a collapse of commodity prices and severe financial pressures linked to unsustainable levels of debt. Instead, more market-friendly and export-oriented development strategies were proposed by leading development agencies and bilateral donors based on liberalised imports, a rollback of state controls and a more welcoming approach to international business.

This strategic shift coincided with major organisational and technological changes in the global economy, which have seen international financial markets take the lead in mobilising capital and structuring economic relations more generally, much tighter corporate control of markets and a decline in the costs of doing (and coordinating) business thanks to advances in transportation and information technologies. At the same time, the share of advanced countries in global industrial output began a steady decline, with a corresponding increase in the share of developing countries. However, there has been a significant degree of divergence in industrial development amongst the latter with the East Asian economies continuing their industrialisation process that had begun in the 1960s, and more recently (and spectacularly) joined by China, filling the manufacturing space vacated by the deindustrialisation of advanced economies.

The reorganisation of international trade has been an important feature of this period of global industrial restructuring, based on the spread of global value chains (GVCs), as large integrated international firms began to break up their production process into constituent activities and to locate these across multiple national and continental boundaries. As a result, goods (and some services) are no longer simply made in one country and shipped to another for sale, but rather go through many stages, each associated with a specific task, traversing several geographic and organisational borders and adding components and value before they reach their final markets.

While this "hyperglobalised" pattern of production and trade (Tregenna 2015Rodrik (2016) has created new opportunities for growth and structural change in the Global South, it has introduced fragmentary pressures that account for the uneven nature of that change. Four channels are, in particular, worth noting:

- **Deeper integration** has been supported by the proliferation of free trade agreements (FTAs) and bilateral investment treaties (BITs), which reach beyond restrictions on international trade at the border and squeeze the room for governments to adapt policies to their local needs and circumstances. This loss of policy space has, in many cases been accompanied by a broader emasculation of state capacity.
- **Hyperspecialisation**: While most developing countries are trading more many have showed very limited progress in diversifying their export baskets remaining heavily concentrated in

commodities, with hardly any increase in shares of technology-intensive manufactures, regardless of their labour skill levels. This may partly reflect price effects during the commodity boom, but the persistence of such effects over many years has strengthened incentives for investment in extractive industries, private and public, resulting in higher volumes. In the long run, this is likely to further entrench dependence on extractive industries, with adverse implications for structural change.

- **Arrested industrialisation**: With the exception of East Asian countries even in those developing countries that have increased manufactured exports via participation in GVCs, the impact of trade has often been ambiguous with countries becoming trapped in the low value-added activities making up these chains and short-circuiting a deeper process of industrial development. (UNCTAD, 2018). Indeed, "premature deindustrialisation" (Tregenna 2015), technological subordination and unequal exchange have continued to concern policy-makers across the global south. Moreover, the deceleration of global trade since the GFC, the disruptions caused by the Covid 19 shock and growing levels of indebtedness have further exposed these underlying structural weaknesses.

- **The China shock**. South-south trade has been a much-cited feature of hyperglobalisation, disrupting the dominant patterns of trade in the previous era of managed globalisation, The BRICS countries have become symbolic of this changing landscape but the spread of GVCs are seen as its great instigator. However, the main story has been less one of multipolarity and more the rise of East Asia, and most spectacularly China, which includes heightened trade within this region. This shift has caused growing anxiety in many advanced economies against a backdrop of deindustrialisation (which predates the emergence of China), growing inequality and slow wage growth. However, China's development has to date also reinforced a familiar pattern of trade with the rest of the South as an exporter of manufactures and importer of raw materials.

2.3 Trade wars, now and again

As noted earlier, trade conflicts have been a permanent fixture of a more integrated world. While the launch of the WTO in 1995 was accompanied by talk of a levelling of the global playing field for trade and a more orderly and harmonious order, further bolstered by claims that the business cycle had finally been tamed by more responsible macroeconomic policy makers ("the great moderation"), economic tensions soon resurfaced, first in the East Asian crisis (where trade relations acted as a source of contagion) and shortly after at the WTO ministerial in Seattle.

The "battle" in Seattle served as a reminder that conflicts over trade have often evoked military parallels; opium wars, (multiple) fish wars, banana wars, chicken wars, milk wars have been named accordingly. Most of these have, however, been confined to diplomatic spats and even when more prolonged, have been contained within existing arrangements. A more damaging scenario occurs when trade disputes become intertwined with a wider set of destructive economic and financial forces, triggering a vicious downward circle. This was the case in the 1930s with the Smoot–Hawley Tariffs and repeated with President Nixon's use of trade measures as part of his torpedoing of the Bretton Woods system in August 1971.

President Trump's aggressive use of tariff measures, announced on April 2, which, on some estimates, put the effective US tariff back to a level last seen before World War One (Yale Budget Lab, 2025), has been taken as an unprecedented assault on the prevailing structures of global governance. Economists were quick to question the arithmetic and logic behind the idea that his "reciprocal tariffs" would bring manufacturing jobs back to America, mapping their likely damage to markets, businesses, and households.

Their comprehensive coverage signalled a break with previous tariff measures, while their regressive nature - imposing the greatest burden on some of the world's poorest countries - was seen as particularly egregious. But the fact that a good deal of trade is now organised around GVCs and that free trade agreements have been stretched to include a range of trade-related activities raised concerns that the "weaponisation of interdependence" would carry a greater threat than in the past. Even before the tariff hikes, the IMF had warned that "geoeconomic fragmentation" was posing the biggest risk to the stability of the global economy.

Tensions from the adoption of unilateral measures have been building since the global financial crisis and against a backdrop of weak global demand. The growing use of unilateral economic sanctions as part of a country's foreign policy arsenal and a particular targeting of China has been compounded by a more general breakdown of trust in the WTO, thanks to the unwillingness of advanced countries to close the Doha Development Round of trade negotiations, the delegitimising of its appellate body and a turn from multilateral to plurilateral trade negotiations.

The first Trump administration introduced a series of discriminatory trade measures that remained (albeit loosely) within WTO procedures and with a focus on specific sectors (metals, washing machines and solar panels) and, in the case of China, specific companies and individuals. While this provoked a response from the EU and China of both a legal (through the WTO) and retaliatory nature, there was an easing of tensions through bilateral meetings. More seriously, albeit partly obscured by the Covid crisis, Trump also refused to appoint US judges to the appellate body, which de facto made it inoperative. Post-COVID, the Biden administration retained most of these measures and even added more measures targeted at China. Most of these derogations from the multilateral system have been defended under the banner of national security and building resilience.

Assessments of the impact of these measures have varied but generally show a negative but small overall impact on the US consumer and business (but with some sectors hit harder) and a marginal impact on the targeted exporting economies, particularly China (Fajgelbaum et Khandelwal 2022).
The second Trump administration has made no pretence about using existing norms and procedures to redesign US trade policy and reassert its hegemonic authority. Neither national treatment (*prohibiting discriminatory actions* between domestic and foreign businesses, investments and products) nor most favoured nation status (requiring no discrimination between a country's trading partners) will provide the basis for future trade deals which will instead follow a more ad hoc bilateral approach in which the trade balance provides the metric against which to design and judge US trade policy.

Unlike previous episodes, the proposed tariffs have been given a wider coverage both geographically, from erstwhile allies in Western Europe to some of the world's poorest countries, and the products affected. Still, there is no doubt that China is the principal target nor that the tariffs are being used to corral countries into joining an anti-Sino alliance. Most countries, with the exception of China and

Canada, responded to the tariff hikes announced on the 2nd of April with a sense of bewilderment but a willingness to negotiate.

To date a more general trade war has not emerged. Whether forced (by the negative response from financial markets) or strategic, a ninety-day tariff pause, initially excluding China, was announced just a week after Liberation Day, followed by a de-escalation with China after it retaliated with comparable measures. However, subsequent selective hikes and a new comprehensive tariff regime announced at the end of the 90-day truce suggest further disruption ahead.

While the impact on the US economy under various scenarios is negative and larger than before, though still relatively small (unless triggering a financial shock) the impact on many developing countries, particularly in Africa, is likely to be more severe, although just how much will depend on whether, and how much, trade can be diverted to third markets. Moreover, the resulting patchwork of deals has further undermined the multilateral principles of the international trading system and reduced the role of the WTO to that of a bystander.

Although current developments represent a scale of disruption not seen since the interwar period, they are, in important respects, the culmination of a steady breakdown in the trust and norms that have underpinned multilateral trade rules; since the global financial crisis advanced economies have abandoned the Doha Round, questioned the legitimacy of the Dispute Settlement system (beginning with President Obama) and now inoperative, pursued plurilateral negotiations often under cover of WTO processes. Unilateral efforts to use trade to fight the climate crisis such as the EU's CBDM have further undermined trust in multilateral processes, while the refusal of advanced economies to ease rules on intellectual property during the COVID pandemic signalled their unwillingness to consider meaningful reforms to the trading order even in the most desperate of times.

There is no doubt that the turn to protectionism, together with a declining commitment to international cooperation by the wealthiest countries, is posing significant challenges for many developing country governments. However, a call to return to "business as usual" as quickly as possible provides little guidance on how to address the longstanding structural constraints that continue to hold back development prospects, let alone the new challenges posed by the climate emergency. Indeed, doing so runs the risk of providing cover for a regime of footloose capital and concentrated market power that is likely to perpetuate the subordinate position of many developing countries in the international division of labour.

3. Direct, Indirect and Cumulative Impacts of Tariffs: A Framework

As suggested in the previous section, the way in which trade disputes emerge and evolve is complex – involving several moving parts – and unpredictable. When such disputes do escalate, multiple players are likely to be involved with different interests, incentives, and capabilities as well as power relations shaping trade (and supply chain) outcomes. This is particularly true of today's hyperglobalised world where countries (and companies) are embedded in complex webs of production and trade interdependence. Consequently, while governments might still use tariffs (and non-tariff instruments) to achieve specific economic (and political) objectives, there are several intended and unintended outcomes that policymakers will face once a trade war starts. Over time, these outcomes tend to cumulate in ways that are unforeseen ex ante, and impact economies in asymmetric ways.

As suppliers of the raw material for commodity chains, most African countries tend to be in a subordinate position with respect to both older and newer industrialised nations. A persistent pattern of unequal exchange, tight payment constraints, debt dependence, premature deindustrialisation, illicit financial outflows, limited fiscal space and technological backwardness have all, to varying degrees, been attributed to their commodity dependence. As discussed above, this has had serious consequences for the policy space available to governments to shape their economic prospects.

While more industrial countries have little interest in imposing tariffs on the imports of such commodities, the exporting countries might try to introduce export restrictions as part of an effort to promote domestic beneficiation and industrialisation whether through building upstream domestic capacity or attracting foreign firms. The export ban imposed by Indonesia on nickel is a case in point and has inspired several African countries. However, so far, the strategic development of mineral deposits in Africa has been plagued by weak governance, limited policy space and poor policy choices (Andreoni and Roberts, 2021).

For those few African economies, such as South Africa and Morocco, which have developed a more significant domestic industrial base, including by attracting FDI and leveraging external demand in markets in the US and Europe, tariff and non-tariff barriers restricting access to these markets represent a significant threat to that base and can result in supply chain restructuring. This is particularly the case in medium-high tech sectors such as automotives which are led by MNCs with a global production footprint and aimed at optimising access to the final market and retaining cost competitiveness. Tariffs might suddenly turn a cost-effective manufacturing location into a less profitable (or even loss-making) one, simply by increasing the price of the exported product in the relevant destination market. This is particularly the case for products with high price elasticity in the relevant export market. This 'direct' impact of a tariff imposed by key markets like the US (or Europe) is, however, only the beginning of a series of direct, indirect, and cumulative impacts.

With a focus on the current tariff hikes initiated by the US and using the example of South Africa as the impacted country, Figure 1, provides a schematic presentation of the different channels through which higher tariffs could impact on key African economies. We also include China as the main third-party country to represent a new market towards which South Africa could divert its export (in response to US tariffs) but also a country that could compete with South Africa in gaining new market shares in African markets (including South Africa) and globally in response to restricted access to the US market.

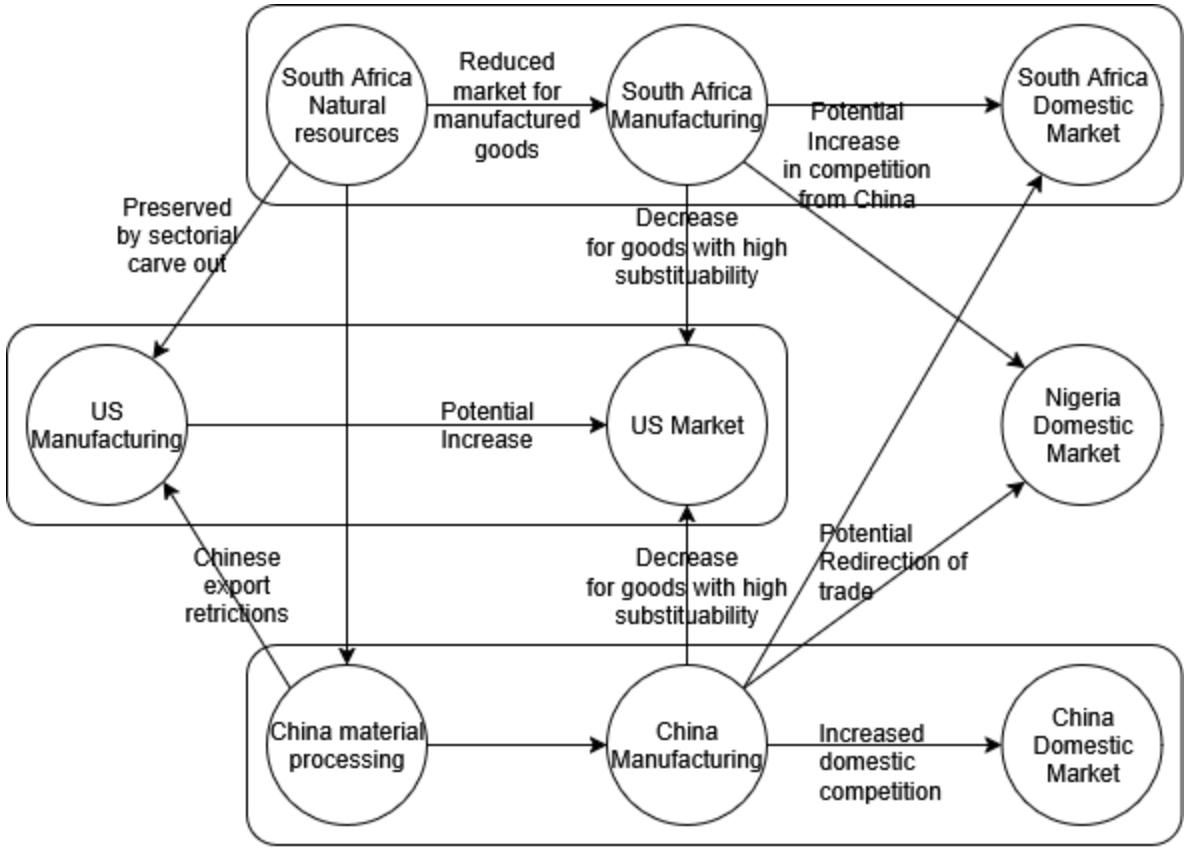


Figure 2: Overview of the complex effect of the US new tariff strategy on Africa

Figure 2 highlights three main types of impacts:

First, US tariffs impact directly companies producing in South Africa (taken as an example) and exporting to the US market, especially those companies in South Africa operating in sectors characterised by high price elasticity (a small increase in price reduce demand) and substitutability (products are not essential, can be substituted). The direct impact is the easiest to assess and identify, indeed it is the one that normally policymaker focus their attention on when they introduce a tariff.

Second, reduced access to the US market for companies (whether domestically or foreign owned) producing in South Africa will impact their supply chain. If the products exported to the US market have a high domestic content – that is upstream suppliers of the exporting companies are located in South Africa – they will be indirectly affected by the tariffs. This is because the demand for their intermediate goods from downstream companies exporting to the US will decrease, unless (and until) these companies find new export routes. In countries with a limited local production system – that is dense network of supply chains – the indirect impact will be less acute as the reduced access to the US market will simply reduce their import of inputs.

Third, direct and indirect impacts of tariffs unfolding in each country can cumulate and lead in the medium term to a more significant structural reconfiguration of trade patterns among countries and

supply chains linking companies along regional and global value chains. A cumulative impact of tariffs is the cascading of direct and indirect impacts and related feedback loops in all countries and sectors that have significant degrees of interdependence, especially when each one of these countries (and sectors) are affected by differential tariffs. If differential tariffs remain in place for a long time (and the new tariff regime is credible), this will likely affect firms' investment decisions. Finally, if tariffs are introduced by one or more countries with large domestic markets, the rest of the global economy might face a significant problem of overcapacity which might trigger fierce competition and often require industrial restructuring.

In what follows we discuss each one of these three forms of impact in more detail, taking into consideration how these can vary with respect to the type of products and sectors. Based on this theoretical framing we then proceed with an empirical analysis in section 4.

3.1 Direct impact: price competitiveness and price elasticity

A tariff is a tax imposed by a government on goods and services imported from other countries. It raises the effective cost of foreign-produced goods, and if this cost is passed on to domestic buyers, a phenomenon known as tariff pass-through, the imported product loses price competitiveness relative to alternatives. The recent tariffs imposed by the US are justified as an attempt to "get the price wrong" in support of domestic producers and shift the *price competitiveness* from imported to domestically produced goods (Amsden, 1992). This has, of course, a cost implication, the same product is now more expensive in the domestic market – at least in the short term.

However, the impact of this cost increase on the volume of trade, i.e., the *price elasticity of demand*, depends on various factors, particularly the characteristics of the market the good is intended for. In terms of import, we must distinguish between three types of imports. The first type consists of consumer goods; products sold directly to the American consumers or through the intermediary of a retailer. The second type involves intermediate and capital goods, imported by firms to be processed or incorporated into goods destined for the American market and are sold to other companies rather than within the same corporate group. The third also includes intermediate and capital goods imported as part of intra-firm trade, that is, transactions between different units of the same multinational company.

This categorisation is important, as each type may result in a different degree of pass-through and a distinct price elasticity.

In the first type, consumer goods, the pass-through rate depends on several factors, including the market power of the importer (typically the retailer) and their willingness either to absorb part of the tariff by reducing their markup or to pass the cost on to consumers through higher prices. The price elasticity, in turn, depends on the availability and price competitiveness of domestic substitutes, as well as the perceived desirability of the foreign goods.

In the second type, intermediary and capital goods intended for sale to US companies, the reasoning is similar. The key factors remain the market power of the importer and the importer's willingness to increase prices. The main difference lies in the price elasticity, more precisely, in the case in which there is imperfect substitutability between the imported good and the most price-competitive option, the substitution may involve additional costs: an exploration cost to identify alternative products, and a learning cost to integrate them into the production process. As a result, the cost of switching to a

substitute may outweigh the price increase, making buyers more reluctant to change suppliers or inputs.

Finally, in the last category, where the tariff increases the cost of transferring goods between different parts of the same company, from a foreign affiliate to a domestic entity, a different set of factors comes into play. In such cases, the price increase becomes part of the firm's internal pricing strategy. The company may respond by reallocating costs across different parts of its operations, under-pricing to reduce payments, restructuring its value chain, or passing the cost on through higher output prices *OECD* (2011). This last category must not be underplayed as it corresponded in 2017 to 48 per cent of US trade (Lakatos et Ohnsorge 2017).

Each of those cases is product, company, and market-specific and can ultimately lead to widely different changes in trade flows due to tariffs. Critically, all things considered, the direct impact of tariffs should not be taken for granted. While a government decide to introduce tariffs, these might be still insufficient in shifting price competitiveness, the tariff might be too low to overcome the price difference between domestically produced and imported goods or the tariff needed to fill the competitive gap might be prohibitive. This means that the inflationary pressure that the tariff would introduce is politically unsustainable either because the price of the products would rise too much, or because there is no sufficient domestic supply capacity that would be able to satisfy the demand in the short-medium term even with a disproportional price incentive.

3.2 Indirect impact: supply chains and trade diversion

Beyond their direct impact, tariffs can also have an indirect impact on upstream sectors that do not trade directly with the United States. The shock thus produces both upstream and downstream repercussions along supply chains and vertically disintegrated sectors, but also across seemingly unrelated sectors through input-output relationships.

Among the upstream effects is a reduction in output in countries exporting intermediate goods that are incorporated into products destined for the US market. This occurs because a decrease in demand for a good sold to the US leads to a corresponding decline in demand for the inputs required to produce it. Countries specialising in the production of such inputs are thus at risk if the tariff results in a fall in overall demand for the targeted product. This phenomenon aligns with insights from Leontief's input-output framework, which emphasises the interdependencies among industries: a reduction in final demand for a product reverberates backwards through the supply chain, lowering demand for all intermediate goods used in its production. In this context, a tariff functions not only as a trade barrier but also as a shock transmitted through supply chains, amplifying its impact beyond the targeted sector (Leontief 1936). Therefore, countries that produce upstream goods are more likely to experience a decline in production due to reduced US demand for foreign products unless the value chain is restructured.

A second upstream effect is the disproportionate reduction in output in countries with a high share of local content in the production of their inputs. To understand this phenomenon, we distinguish between two types of supply chains for products exported directly or indirectly to the United States:

- Supply chains with limited domestic production linkages, typically concentrated in a few firms with minimal integration into the broader economy. This is characteristic of extractive

industries (Boehm 2018) or maquiladora-style Special Economic Zones (SEZs), where domestic value addition is low.

- Supply chains with extensive domestic production linkages, involving a complex network of interconnected domestic firms across multiple stages of production (Andreoni 2019; A. O. Hirschman 1958).

In the first case, a demand shock primarily affects exporters and a small group of direct suppliers, with limited spillovers to the rest of the economy, beyond reduced fiscal revenues and household income. In the second case, the shock propagates through a broader set of domestic industries, amplifying its macroeconomic effects. Consequently, developing countries that have achieved deeper domestic value addition through more complex production networks may face greater exposure to such external shocks.

Concerning the downstream effect under investigation, we focus on the impact of trade diversion, that is, the redirection of products initially intended for the US market toward third countries. This may lead to increased competition for domestic industries in those countries, both in their local markets and in foreign markets where they also operate.

As the US market becomes less accessible, exporters must find new destinations for products initially intended for the United States. These products may be redirected to the domestic market or to new foreign markets. While some may be sold to other developed countries with similar consumer preferences, they are more likely to be redirected toward developing countries, where import regulations tend to be less stringent and domestic competition is often more limited (Sheng et al. 2025).

Developing countries are therefore more likely to experience increased competition in their domestic markets, both from imports of intermediate and final goods (Torreggiani et Andreoni 2023; Busse et al. 2016; Edwards et Jenkins 2014). While intermediate goods can enhance the productivity of firms, particularly when no domestic substitutes exist or if those domestic inputs are not as competitive, final goods compete directly with local producers, potentially putting pressure on domestic industries (Edwards et Jenkins 2014).

Additionally, the competition resulting from trade redirection arises not only in domestic markets but also in foreign ones. As a result, developing countries may face increased competitive pressure in regional and international markets alike.

3.3 Cumulative impact: differential tariffs, rules of origin and overcapacity

Tariffs can have cumulative impacts spreading across countries and ultimately reshaping the structure of international trade and the organisation of supply chains, especially under a differentiated tariff regime. Direct and indirect impacts and related feedback loops tend to spread across countries and sectors that have significant degrees of interdependence. While all countries are involved in global trade, some are so integrated that the direct impact of tariff on a sector/firm and the indirect impact on their supply chains might results in dramatic contractions of industrial output. For example, if South Africa's exports to the US depend on regional value chains involving several other Southern African

countries, a tariff affecting companies in South Africa might impact them directly and indirectly resulting in domestic as well as regional contractions in supply chains.

Another dimension of such cumulative impact is due to the fact that different tariffs can be applied to different countries and for different sectors/products, therefore a few countries might become more (or less) price competitive in a specific sector/product. In direct contradiction to the Most Favoured Nation (MFN) principle of the GATT and the WTO, which requires member countries to apply uniform tariff rates to all trading partners without discrimination, recent changes in US tariff policy have led to varying tariff rates depending on the country of origin. Previously, most trade flows entered the United States under the basic MFN tariff rate, with preferential rates applied only to goods eligible under specific trade agreements.

Today, particularly in light of the new tariff regime emerging in the United States and ongoing negotiations on trade agreements, the concept of a uniform MFN tariff rate is becoming obsolete. This shift introduces significant disparities in market access, creating unequal conditions for exporters seeking to enter the US market. If these differentiated tariffs persist, localisation will increasingly become a major component of cost competitiveness. Exporting firms may restructure their supply chains to prioritise countries with more favourable access to the US market.

The existence of differentiated tariff rates reinforces the importance of rules of origin in international trade. Both preferential and reciprocal tariff regimes require the identification of a single country of origin for each product. This country of origin is not necessarily the country from which the product is shipped, but rather the one in which the product is deemed to have been "conceived" (see Box 1).

Under the United States–Mexico–Canada Agreement (USMCA), goods with at least 70 percent of their value added generated within North America qualify for preferential market access. Furthermore, for imported products containing more than 20 percent of inputs sourced from the United States, tariffs are imposed only on the share of value-added originating outside the US For all other products entering the United States, the 'last substantial transformation' doctrine applies—unless otherwise stipulated by a trade agreement.

This new tariff regime implies that Mexico, whose exports previously benefited from preferential access under USMCA when sufficient processing occurred within North America, may lose its strategic position in global supply chains. Under the earlier framework, Mexico frequently served as the site of final transformation for goods largely manufactured in other parts of the world. It also became a staging ground for transshipment: Chinese products subject to tariffs under the first Trump administration often transited through Mexico before entering the US market, benefiting from minimal processing. In this way, Mexico functioned as a "connector country" through which China could access the US market with limited transformation (Gopinath et al, 2024). However, the post-renegotiation tightening of rules of origin, particularly the higher North American content thresholds and stricter definitional criteria, now effectively excludes products with extended foreign value chains from preferential treatment.

Other countries, however, such as Vietnam, which remains a buffer zone, still operate under the 'last substantial transformation' requirement. Under the 2025 US-Vietnam trade agreement, Vietnam committed to strengthening traceability and rules of origin enforcement to mitigate the risk of transshipment, particularly from China (Source of Asia, 2025). Products identified as transhipped are

now subject to a 40 per cent tariff, while goods genuinely produced in Vietnam under the 'last substantial transformation' rule are subject to a new 20 per cent tariff.

The implication is that countries operating under the 'last substantial transformation' criterion can still function as buffer zones, provided that meaningful manufacturing takes place domestically. However, to avoid being perceived as transshipment hubs, such countries must ensure that sufficient transformation occurs, and that origin is clearly documented, in order to prevent US Customs from imposing punitive duties due to uncertainty.

Cumulative impacts are systemic and global, they involve multiple countries, sectors, and products. While the emphasis so far has been about the cumulative impact in relation to trade and supply chain restructuring, there is a key systemic problem, that is the fact that barriers to big markets such as the US are going to affect global demand and create pools of overcapacity in different countries and sectors. Overcapacity might be absolute, that is, the supply capacity globally outstrips demand, even without trade restrictions. In a trade war overcapacity might be relative, that is, there would be sufficient demand globally, but the introduction of tariff barriers by large economies suddenly generate relative overcapacity. It is 'relative' because it depends on market access and can be managed by different countries differently. As an example, over the years, negotiations around strategic products like steel have involved all major industrialised nations, USA, China, EU, and Japan. Accusations of overcapacity or protectionism among all parts point to the fact that in a more fragmented and multipolar world overcapacity is not simply a supply, but fundamentally a political issue. With increasing trade wars and geopolitical tensions (Altenburg, Andreoni and Chang, 2025), governments will increasingly use tariffs to protect their own domestic capacity and for those sectors in which domestic markets are not big enough, look for arrangements in regional markets or with geopolitically aligned actors.

Box 1 The Rule of Origin and its definitions

Customs officials are faced with the complex task of determining the true origin of goods. For products that are wholly obtained, those produced entirely within a single country without incorporating foreign materials, such as crops, minerals, or live animals, this determination is relatively straightforward. However, in the context of global value chains, where production processes are fragmented across multiple countries, identifying a single country of origin becomes significantly more challenging. In such cases, the rule of "last substantial transformation" generally applies.

According to the Kyoto Convention of 1974[4], the authority to define rules of origin lies with the importing country. As a result, there is no single, universally accepted definition of rules of origin, and practices vary across jurisdictions.

As outlined by Inama (2009) in Rules of Origin in International Trade, rules of origin regulations can generally be classified into three main categories, the first two aim to identify the "last substantial transformation" and the last one identifies where a significant part of the production occurs. :

- Change in tariff classification: Origin is attributed to the country in which the product undergoes a change in tariff heading according to a specified nomenclature, such as the Harmonized System (HS).
- Specific manufacturing or processing operations: Origin is determined based on whether the product has undergone certain designated production processes in a given country.
- Value-added criteria: Origin is assigned by calculating the percentage of value created in each country involved in the manufacturing process. A minimum threshold must be met in a specific country for the product to be considered as originating from that country.

US practice, Customs and Border Protection (CBP) uses the substantial transformation doctrine, sometimes referred to as the "last substantial production" criterion – to decide the origin of goods when no free-trade agreement applies (19 CFR Part 134)[5]. However, when a trade agreement is in place, its rules take precedence over the substantial transformation doctrine.

Additionally, the United States does not define substantial transformation solely by a change in tariff classification for imported goods' origin. The baseline rule applied by US Customs is the common-law substantial transformation test – a qualitative inquiry into whether manufacturing in each country results in a new article with a different name, character, or use. Instead, CBP relies on a case-by-case basis to judge if an article's identity has fundamentally changed (Tuttlelaw; International Trade Administration; Cust. Ruling HQ 561103 1999). The determination of substantial transformation is therefore based on a combination of tariff classification changes and case-by-case assessments of the nature and extent of the processing.

[4]The International Convention on the simplification and harmonization of Customs procedures (World Customs Organization)

[5] 19 Code of Federal Regulation Part 134: "Country of origin" means the country of manufacture, production, or growth of any article of foreign origin entering the United States. Further work or material added to an article in another country must effect a substantial transformation in order to render such other country the "country of origin" within the meaning of

4. Estimating the consequences for African economies of recent tariff hikes: a scenario analysis

4.1 Methodology and data

This section aims to assess the direct and indirect impacts discussed previously, focusing on their application to African countries. We will also examine the opportunities of alternative export markets that could help African countries diversify away from their reliance on increasingly restricted Western markets.

To evaluate the direct economic impact of a reduction in bilateral trade resulting from tariffs imposed on African exports, we rely on historical estimates of the elasticity between tariffs and trade flows. Equation (i) captures the expected change in exports of product (or industry) p from country i to the United States.

$$(i) \qquad \Delta export\ to\ the\ US_{ip} = \Delta tariff_{ip} * trade\ elasticity_{\ ip} * export\ to\ the\ US_{ip}$$

- $\Delta tariff_{ip}$ is the change in the tariff rate imposed by the US on product (or industry) p from country i.

-$trade\ elasticity_{ip}$ is the trade elasticity, which measures how sensitive the trade flow of a given product (or industry) from a given country is to changes in tariffs. To quantify the elasticity of trade flows with respect to tariff changes, we rely on the product- and country-specific estimates provided in Fontagné et al. (2020). Their database offers empirically derived trade elasticities, allowing us to capture the heterogeneity in how different products and trading partners respond to changes in trade policy.

- $export\ to\ the\ US_{ip}$: The initial level of exports of product (or industry) p from country i to the United States, as recorded in 2023.

To measure the upstream indirect effect of a redirection of trade flows away from US final goods consumers, we rely on the Leontief framework. Equation (ii) estimates how a tariff-induced change in final demand for a country's exports translates into a total change in output, accounting for domestic production linkages.

$$(ii) \qquad \Delta Output = \mathrm{L}_i.(\ \Delta tariff\ \circ trade\ elasticity\ \circ US\ Final\ Demand)$$

$\Delta Output$: Vector of output changes across sectors in country *i*.

L: Leontief inverse matrix for country *i* (dimensions: sectors × sectors).

$\Delta tariff$: change in US tariff on sector *p* from country *i*.

$elasticity\ of\ trade_{ip}$ = vector of trade for sector *p* from country *i*.

this part; however, for a good of a NAFTA or USMCA country, the marking rules set forth in part 102 of this chapter (hereinafter referred to as the part 102 Rules) will determine the country of origin.

$US\ Final\ Demand$ = *vector of initial final demand for exports to the US by sector p.*

This methodology relies on the Leontief inverse approach. It is a key tool in input-output analysis that measures how changes in final demand affect total output across an economy. When tariffs are introduced, they can reduce the demand for imported intermediate goods, which in turn lowers the production needs of various sectors upstream. By applying the Leontief inverse, it is possible to estimate the overall reduction in output resulting from this change (Leontief 1936; 1951). This allows for a comprehensive evaluation of the economic impact of tariffs on total output.

$$(iii) \quad \Delta VA = \Delta Output * \frac{Value\ Added}{Output}$$

Regarding data on Input-Output linkages, we will rely on the ICIO-OECD database (ICIO, 2020.), which measures inter-industry linkages between 76 countries and territories from 1995 to 2020. Finally, to measure value-added the TIVA Database is used, which is derived from the ICIO-OECD and provides data on production and value-added for 76 countries and territories from 1995 to 2020 (Guilhoto et al. 2022). Both ICIO and TIVA provide data for eight African countries: Egypt, Cameroon, Cote d'Ivoire, Morocco, Nigeria, Senegal, South Africa, and Tunisia.

Finally, we estimate the downstream indirect effect by proposing a method to assess a market's exposure to redirected trade flows. Specifically, we provide an estimate of potential trade reallocation under the simplifying assumption that redirected exports are reallocated proportionally to the distribution of remaining trade flows. A visual representation of the process is provided in **Figure 3**:

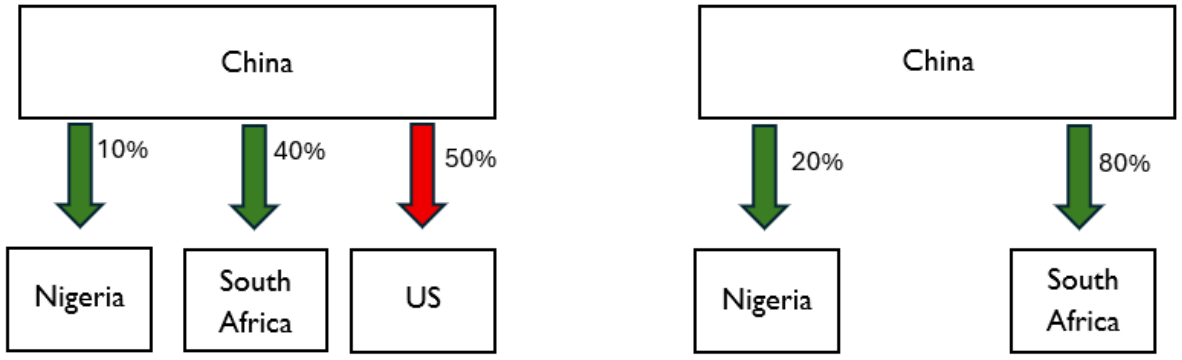


Figure 3 Estimating trade redirection

Note: Example using four countries China, Nigeria, South Africa, and the US

Using this approach at the product level, it becomes possible by aggregating the additional competition to estimate how much a market or a country is subject to additional competition, based on current pattern of trade. For this approach, we will focus on consumption goods, as the redirection assumption does not apply to intermediate and capital goods, which are typically integrated into international supply chains.

Using this approach, countries with an import profile similar to that of the United States are more likely to experience an increase in imports. Countries that are identified by exporters as having similar demand structure, both in terms of varieties and quantities, are more likely to experience redirection of trade.

While this approach provides a useful framework for estimating the scale of possible market redirection, this is more likely to be determined at the firm level, based on more complex economic considerations (marketing, business connections, etc. It is also possible that excess production capacity could be absorbed by the domestic market or redirected toward the identification of new export opportunities. In the case of the Chinese economy, its absorbative capacity can be limited as it is already facing overproduction for some of its domestic market (FT, 2025).

4.2 An era of regulatory uncertainties

Assessing the impact of the Trump administration's tariffs on foreign economies, while events are still unfolding, requires accounting for significant uncertainties. The constantly shifting regulatory landscape governing trade with the United States complicates forward-looking economic planning, as existing rules may be revised or rescinded with little notice (see the Trade Compliance Resource Hub tariff tracker for a summary of the announcements).

The change in the American trade policies has generated significant disruptions within American supply chains, primarily due to the escalating costs associated with the trade of certain goods, intermediary and final. These policy shifts are anticipated to lead to a reconfiguration of supply chains, particularly for products that exhibit high price sensitivity.

However, the persistent fluctuations in trade policies complicate economic planning. As evidenced by Baker et al. (2016), political uncertainty has a negative impact on investment. This is especially true for activities related to trade, investment, and the broader organisation of supply chains. Consequently, numerous economic agents have adopted a cautious, wait-and-see stance, as they require greater clarity before committing to significant economic decisions.

It is crucial to consider the potential reactions of foreign governments to unilateral changes in market access. Notably, some nations, with China being a prime example, may choose to retaliate against the US government, thereby setting the course for a trade war. The situation involving China is particularly significant, as it escalated its tariff rates for US goods to as high as 125 per cent, prompting the US to increase its tariffs on Chinese products to 145 per cent. This escalation eventually led to a mutual agreement to de-escalate, with tariffs being reduced to 30 per cent by the US and 10 per cent by China for a negotiation period of 90 days.

The unilateral increase in tariffs by the United States forces its economic partners to choose among three strategies. These countries face the complex decision of (i) accepting the changes in market access, (ii) negotiating for enhanced market access through economic and political concessions to the US, or (iii) implementing reciprocal tariffs, an action that risks instigating a trade war. In response, the British government has chosen a path of negotiation, culminating in a memorandum for a trade agreement with the US Conversely, nations such as Canada and China initially pursued a strategy of trade escalation, which has since largely concluded with a negotiated settlement.

We identify three potential scenarios, each of which may lead to distinct outcomes in terms of GVC restructuring and economic implications for African countries:

1. **Scenario 1** assumes that the current 10 per cent tariff rate is maintained for most countries, with no escalation into broader trade conflicts. It also includes a 30 per cent tariff on Chinese

goods. This is the most conservative scenario, as it presumes that the temporary pause in tariff increases held. It entails minimal disruption to the global economy while preserving incentives for domestic reshoring. In light of recent memoranda of understanding signed between the US and the U.K., and between the US and China, which preserve existing tariffs at 10 per cent and 30 per cent, respectively, and introduce differentiated treatment for specific supply chains, this scenario could reflect the most likely trajectory of US trade policy.

2. **Scenario 2** involves a return to the original Liberation Day tariff schedule, without escalating into trade wars. This scenario would be consistent with a more assertive US trade stance and would likely be pursued if the administration seeks to maintain pressure on key trading partners. This scenario may trigger retaliatory measures from the US main trading partners.
3. **Scenario 3** represents the worst-case outcome, in which Liberation Day tariffs are reinstated and subsequently trigger trade wars, either (3a) between the US and China, or (3b) between the US and the European Union. This scenario would generate the most severe disruptions to global trade and supply chains, with significant negative spillovers for African economies integrated into these networks.

Table 1 Potential tariff scenarios

	The trade war ends	**The trade war continues between the United States and China**	**The trade war continues between the United States and the European Union**
The Tariff pause is maintained	1		
Liberation Day tariffs are reestablished	2	3a	3b

The scenarios are summarised in the table below. While we assume that the long-run outcome will likely be a hybrid of Scenarios 1 and 2, this policy brief will primarily focus on Scenario 2. Country-specific tariff rates will likely depend on the strategic alignment of the partner country with the current US administration, as well as the relative bargaining power of each negotiating party. Scenario 3 appears the least probable, given the precedents set by the swift resolution of trade tensions between the US and China, and between the US and Canada. Each scenario implies a distinct reorganisation of global value chains (GVCs), with varying implications for African economies. Measuring the impact of the liberation's day tariffs on African countries.

4.3 Which African countries are most affected by the tariffs?

Overall, Africa's exposure to US tariffs remains relatively limited, primarily due to the modest volume of trade between the two regions. In 2023, African exports to the United States totalled 6 per cent of total African export ($39.4 billion), while imports from the US reached 5 per cent of total African import ($33.3 billion), resulting in a US trade deficit with the continent of $6.1 billion (OEC 2025). At the country level, however 25 of 54 African nations run a trade surplus with the United States. These trade imbalances are reflected in the differentiated tariff rates applied across the continent. Countries with minimal or no trade relations with the US have not been subject to increased tariffs. Among the countries that do trade with the US, those running a trade deficit with the US generally face a uniform

10 per cent tariff rate, whereas countries with a trade surplus are subject to tariff rates that are proportional to the size of their surplus.

The tariff rates announced on Liberation Day are displayed in Table 4 **Error! Reference source not found.**. Only three African countries are exempted from tariffs: Burkina Faso, the Seychelles, and Somalia, due to their particularly low level of exports to the United States[6]. The African countries experiencing the sharpest tariff increases under the Liberation Day measures are Lesotho (50 per cent), Madagascar (47 per cent), and Mauritius (40 per cent). These countries will be the hardest hit, as exports to the US of products now subject to the new tariff regime represent a significant share of their total exports. For instance, 19 per cent of Lesotho's total exports consist of goods exported to the US that will now be subject to a 50 per cent tariff.

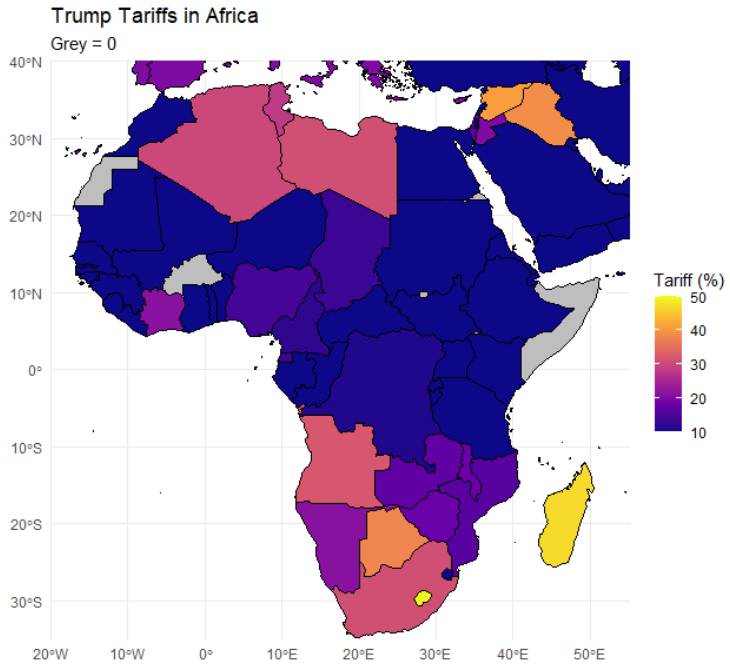


Figure 4: Liberation Day Tariffs

As for Africa's major economies, although the US market represents a smaller share of their total exports compared to the previously cited hard-hit countries, the absolute value of those exports is more substantial. In South Africa's case, the portion of exports to the US that will now be tariffed at 31 per cent accounts for over 4 per cent of the country's total exports, amounting to more than $6 billion. This makes South Africa the country most affected in terms of trade volume. Morocco and Egypt, by contrast, are facing the lowest tariff rates (10 per cent).

The Trump tariffs have broadly raised the cost of most imported goods, thereby increasing export prices across various sectors. However, notable exceptions have been made for products in the energy sector and for intermediate goods integral to the automotive and electronics value chains. These exemptions appear strategically designed to protect US industrial competitiveness in key sectors while maintaining access to critical raw materials.

[6] Exports to the United States amount to 30.6 million for Burkina Faso, 10 million for the Seychelles, and 1.54 million for Somalia.

The effect of this selective tariff structure is to disincentivise industrial development in partner countries, particularly in regions like Africa, by encouraging the continued export of low value-added commodities to the US and limiting market access for more sophisticated, higher value-added manufactured products. This asymmetry risks, if those intermediary inputs are not redirected to other foreign or domestic supply chains, reinforcing commodity dependence and undermining efforts to promote structural transformation in developing economies.

To fully grasp the implications for African countries, it is essential to look beyond bilateral trade with the United States and consider their roles within American supply chains that transit through third countries. These supply chains are also likely to face disruptions, as American consumers shift to more domestically sourced goods.

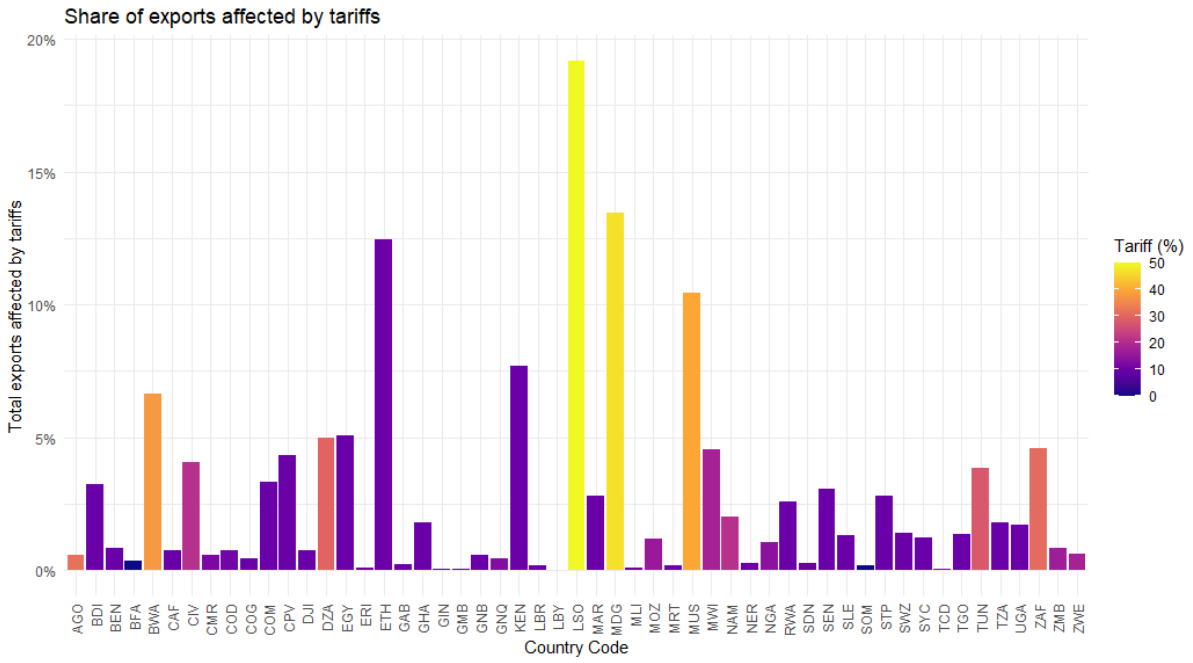


Figure 5: Share of total exports by countries that are exported to the US under higher tariffs

Note: The size of each bar represents the proportion of a country's total exports that are shipped to the United States and will be subject to increased tariffs. The colour of each bar indicates the applicable tariff rate, as announced in 02/04/2025. Please note that temporary exclusions granted by the United States for car and smartphone supply chains are not included in this figure. Data Source: BACI-CEPII Database, based on last available year 2023 (Gaulier et Zignago 2010)

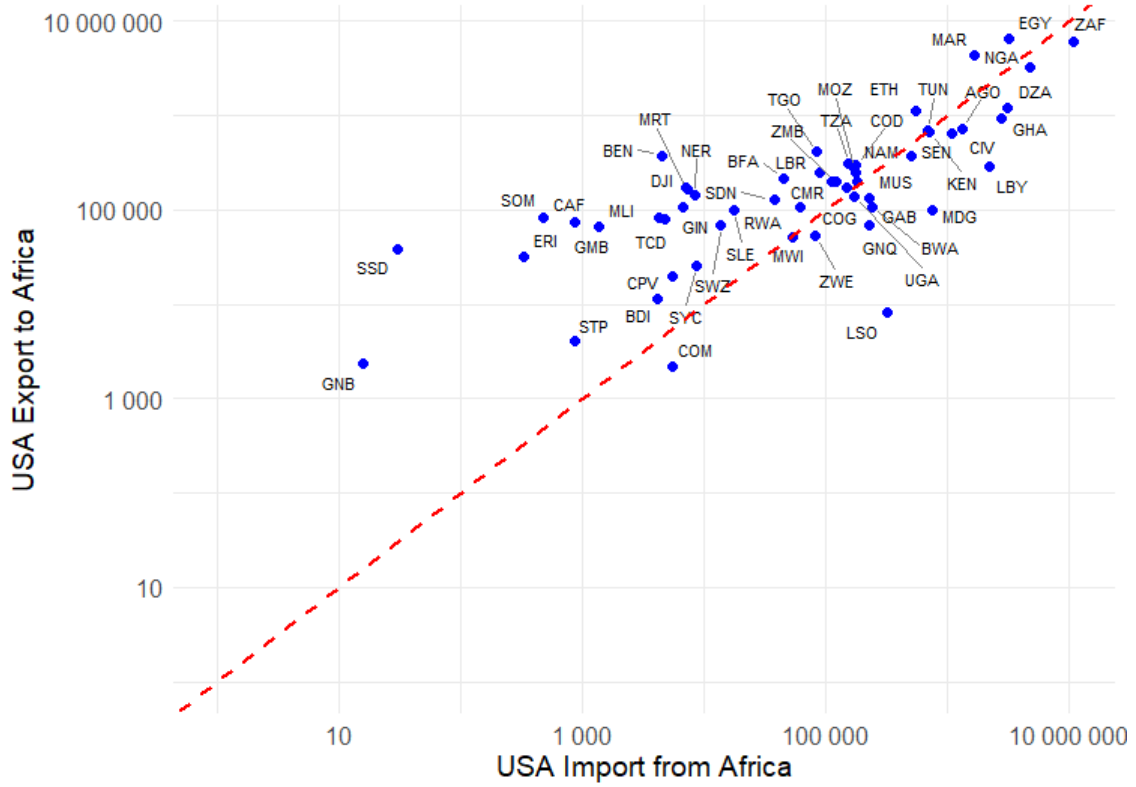


Figure 6: Trade balance with African countries (2022, million USD)

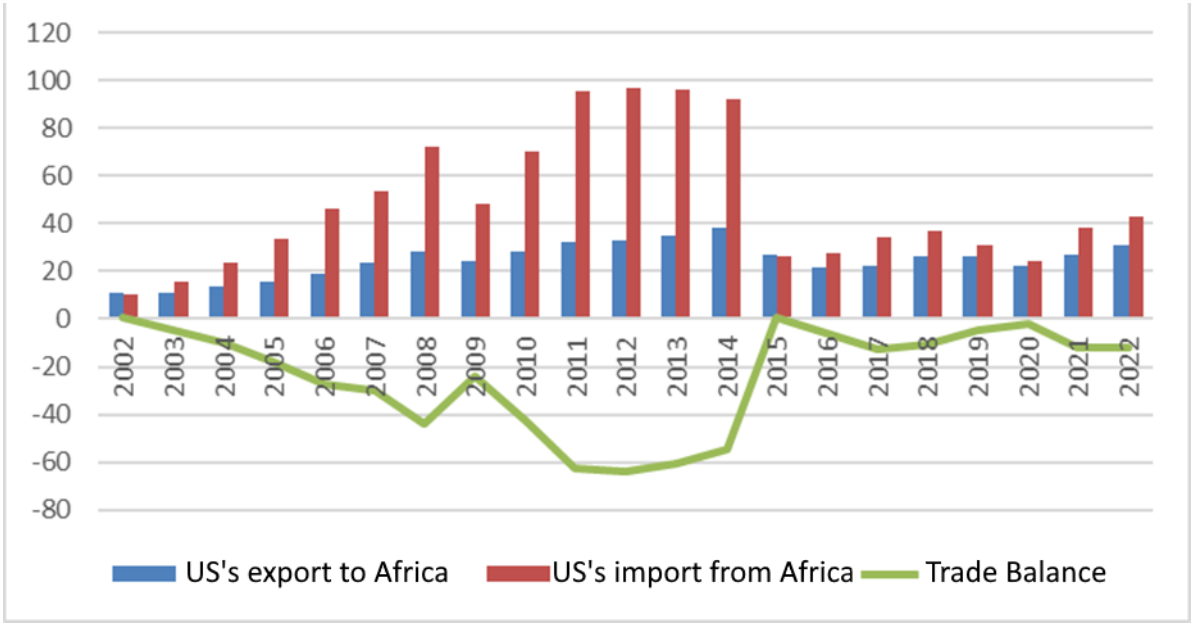


Figure 7: US Trade balance with Africa (2002-2022, billion USD)

Source: Persenda (2025).

Note: In figure 2: The Y-axis is displayed on a logarithmic scale, while the numerical values remain unchanged. Consequently, equal vertical intervals correspond to constant ratios rather than constant absolute differences. This scaling facilitates the visualisation of data spanning several orders of magnitude.

African countries typically occupy upstream positions in global value chains, exporting commodities such as natural resources, agricultural products, and low-skilled manufactured goods to intermediary countries for processing. These processed goods are then ultimately sold to US consumers. The complexity of these supply chains links the profits of African commodity producers to the economic health of intermediary economies, often in Asia, that import, transform, and export the resulting products to the American market.

4.4 Which African sectors are the most at risk

The next step is to assess the impact of these tariffs on African economies. Figure 8 presents an estimate of output losses for a selected group of eight African countries. It relies on a Leontief inverse approach to quantify the indirect reduction in output resulting from a general decline in imports from the US market to countries participating in the GVC.[7]

The graph accounts for each of the four scenarios presented in **Error! Reference source not found.**, both in absolute value and as a share of GDP. The "Tariff pause" scenario consistently results in the lowest output losses, reflecting the relatively milder impact of current trade changes compared to the potential "Post 3-month with China-US agreement" scenario. Scenarios involving the failure of trade agreements (blue and purple dots) show the highest losses, especially where no deal is reached with China or the EU.[8]

South Africa is by far the most affected country across all scenarios, both in terms of total output reduction and share of GDP. In the most adverse case ("Post 3-month without EU–US agreement"), South Africa faces a potential output loss exceeding USD 10 billion, or three percent of its GDP. In relative terms, the second most affected country is Tunisia, with up to 2.7 percent of GDP at risk, followed, though to a lesser extent, by Morocco. In absolute terms, Egypt, Morocco, and Nigeria also face substantial output losses, although significantly lower than those projected for South Africa. The other countries receive a limited impact to their economy.

As discussed previously African economies with strong integration in global value chains (particularly in intermediate exports) are most vulnerable to US tariff policy shifts. However, it is also true for Nigeria whose energy exports are unaffected by tariff changes but still faces a reduction in output due to lower energy need from countries that export to the US.

From the perspective of African industries, success in US trade negotiations with China and the European Union is therefore important for maintaining current output levels. However, a potential

[7] Further details on the methodological approach are provided in the Appendix.

[8] At the time of writing, a deal had been reached between the US and the European Commission, though it had yet to receive full membership backing; negotiations with China were continuing.

reconfiguration of global value chains may lead some US companies to source natural resources directly from Africa, bypassing traditional intermediary countries.

Figure 6 presents an industry-level breakdown of the costs associated with US tariffs, disaggregated by three distinct transmission channels. The first two capture the decline in value added resulting from reduced bilateral trade in intermediate goods and final goods, respectively. The third channel reflects the broader impact of reduced final demand for foreign products in the US market, with output losses propagated through international production linkages.

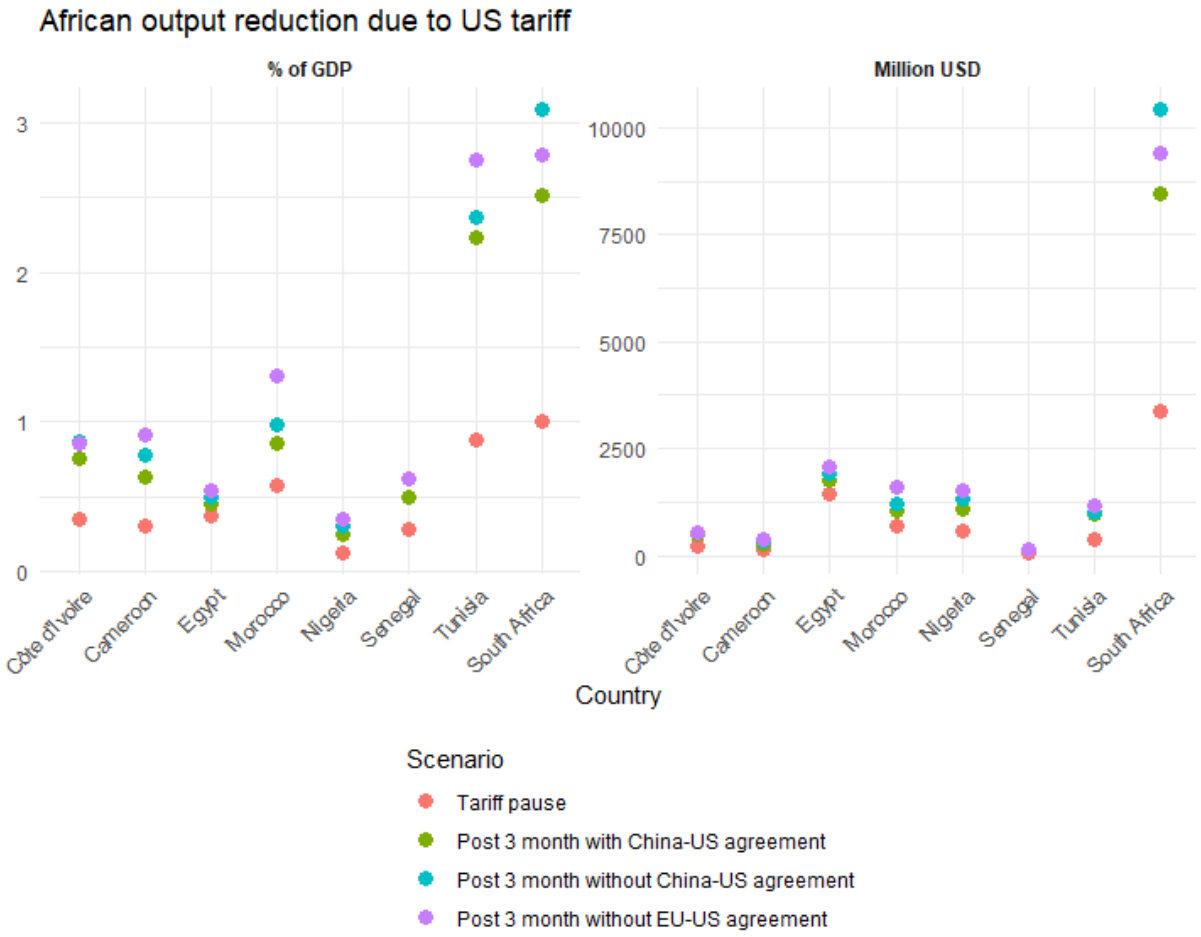


Figure 8: Total reduction in output in million due to lower US final demand

*Note: Figure 8**Error! Reference source not found.** illustrates the estimated reduction in output (in million USD and in percentage of GDP) for selected African countries under the four tariff scenarios. The reduction in US demand for foreign goods is estimated using historical product-level trade elasticities to tariffs (Fontagné et al. 2020). These demand shocks are then used as inputs in a Leontief inverse matrix to quantify the resulting decline in output in African countries, accounting for the indirect effects transmitted through global value chains.*

Source: Author's computation using the last available year of the ICIO (OECD) 2020.

Each of these channels carries different implications. Final goods exports are arguably the most vulnerable, as they lose price competitiveness relative to US-made products, which, under protective tariffs, become relatively more affordable to domestic consumers. In contrast, while intermediate goods also face cost increases due to tariffs, their trade flows may be less elastic to changes in trade costs, as they are integrated into complex global value chains in which each component may not be easily replaced in the short term.

African countries typically have limited influence over the organisation of global value chains, particularly in the trade of intermediate goods. These chains are often dominated by large multinational firms based in the United States, Europe, or East Asia. Such firms are likely to adapt their internal pricing and supply chain strategies in response to new market constraints, either by identifying ways to circumvent US trade restrictions or by leveraging their scale and political influence on lobby for exemptions or carve-outs in trade policy. For example, exemptions granted on energy products, as well as the subsequent Liberation Day carve-outs for components used in smartphones and automobiles, illustrate how specific sectors can be shielded from tariffs when they are deemed strategically important to US production.

Finally, as previously discussed, one of the key macroeconomic effects of the tariffs is a reduction in US consumer demand for foreign products, driven by rising import prices. This contraction in demand may translate into decreased orders for foreign suppliers and, through global production networks, result in output losses for African industries. Importantly, these second-order effects extend beyond direct exporters, impacting domestic support industries, such as transport, logistics, energy, and professional services, which provide inputs and services to export-oriented sectors.

Africa's exports of final goods to the United States are highly concentrated. Among the countries studied, the most significant reductions in value added (VA) linked to US-bound final good exports occur in South Africa, Egypt, Côte d'Ivoire, and Tunisia. South Africa is the country most affected by the reduction in value added resulting from tariff changes. Among African industries experiencing a decline in value added exceeding $50 million, the majority are based in South Africa. The motor vehicles sector alone registers a loss of $310 million, followed by manufacturing and repair ($107 million), chemicals ($99.7 million), pharmaceuticals ($83.96 million), machinery and equipment ($82 million), food, beverages, and tobacco ($77 million), and textiles, leather, and footwear ($51 million). In Egypt, the textile sector, the country's main export industry to the US, is projected to suffer a reduction in value added of approximately $180 million. For Côte d'Ivoire, the most affected sector is agriculture, hunting, and forestry, with an estimated loss of $117 million in value added. Those sectors are the most at risk from disruption, and they will be the focus of our diversion strategy in the last section.

Concerning the export of intermediate good to the US most of the effect is concentrated also in South Africa. The non-energy mining and quarrying sector is expected to face a reduction in value added exceeding $630 million. This is followed by the chemical industry, with losses over $214 million, basic metals at $109.7 million, and the motor vehicles, trailers, and semi-trailers sector at $90 million. In Côte d'Ivoire, the agriculture, hunting, and forestry sector is projected to lose $142 million in value added. Morocco follows, with the chemical industry facing a reduction of $51.37 million.

However, the first-order impact of tariffs is compounded by second-order effects, whereby the reduction in output caused by tariffs on exports to the US is transmitted upstream to suppliers. This implies that sectors positioned upstream in supply chains which sell goods to US markets are also likely to experience a decline in output. In addition, sectors providing services to major domestic

export industries are expected to face reductions in both output and value added. These effects are likely to significantly impact industries which have more domestic value addition, especially in countries with more developed domestic linkages. This is illustrated in Table 2, which presents two network representations of inter-industry linkages in South Africa, a diversified and industrialised economy with significant domestic value addition, and in Nigeria, whose economy is primarily based on the energy sector and exhibits limited domestic linkages.

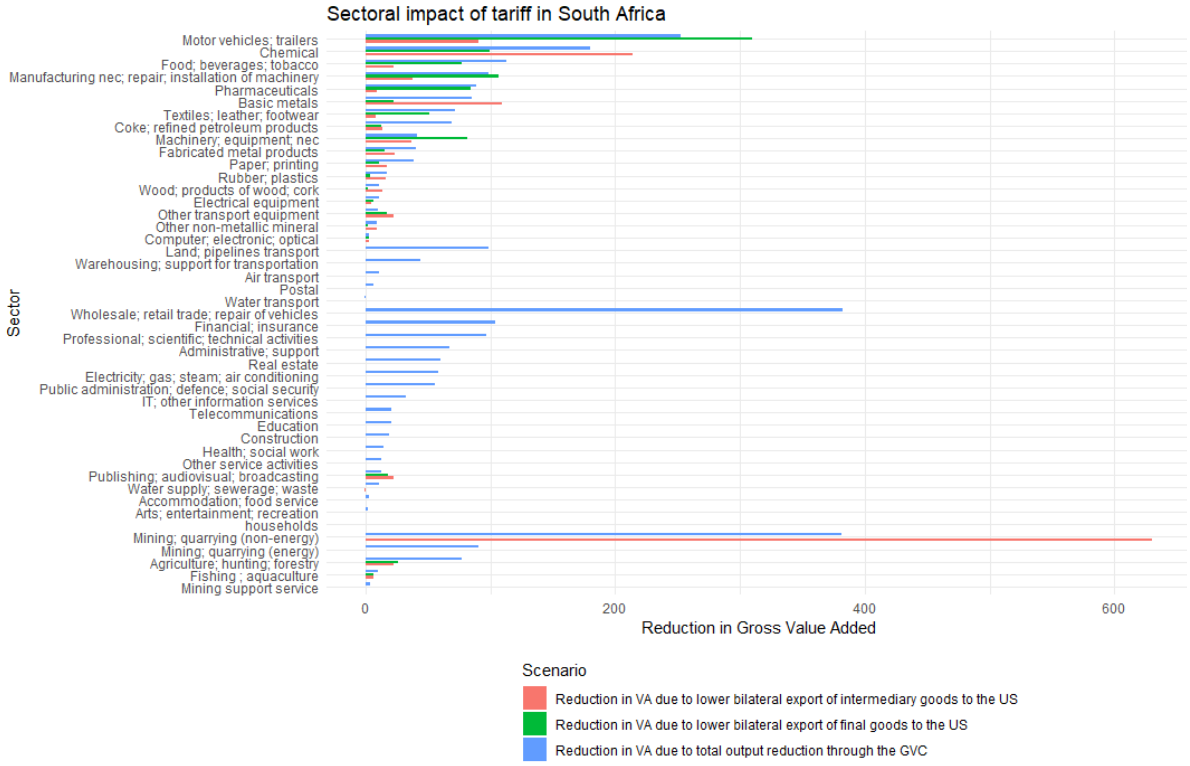


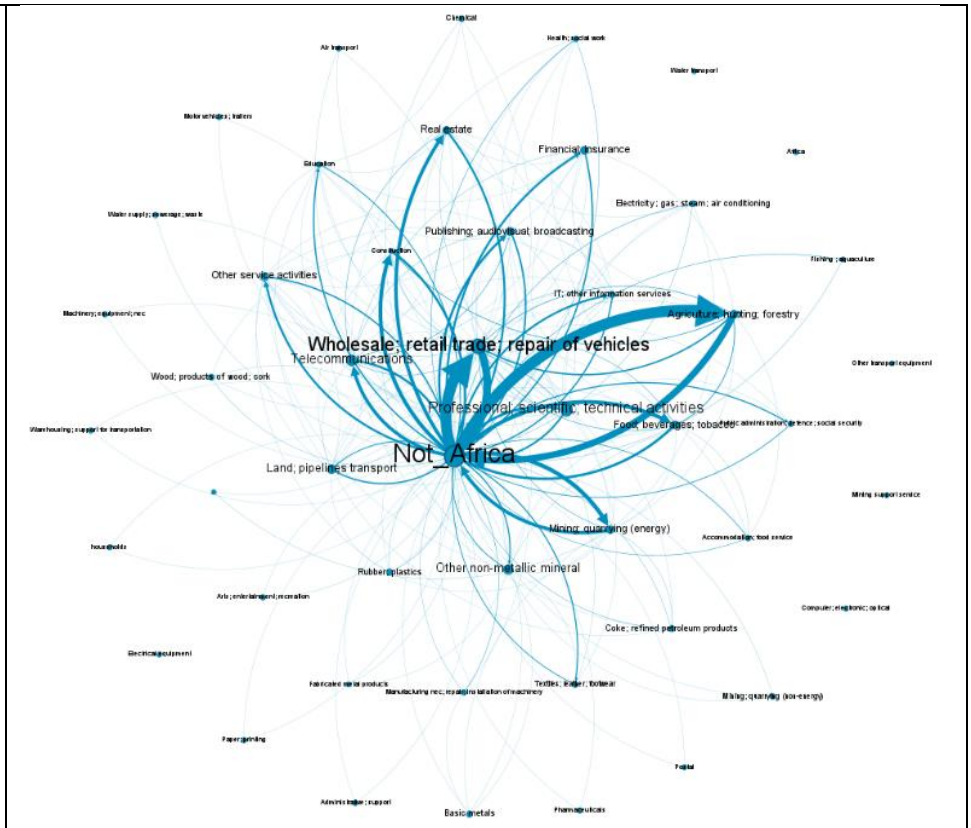
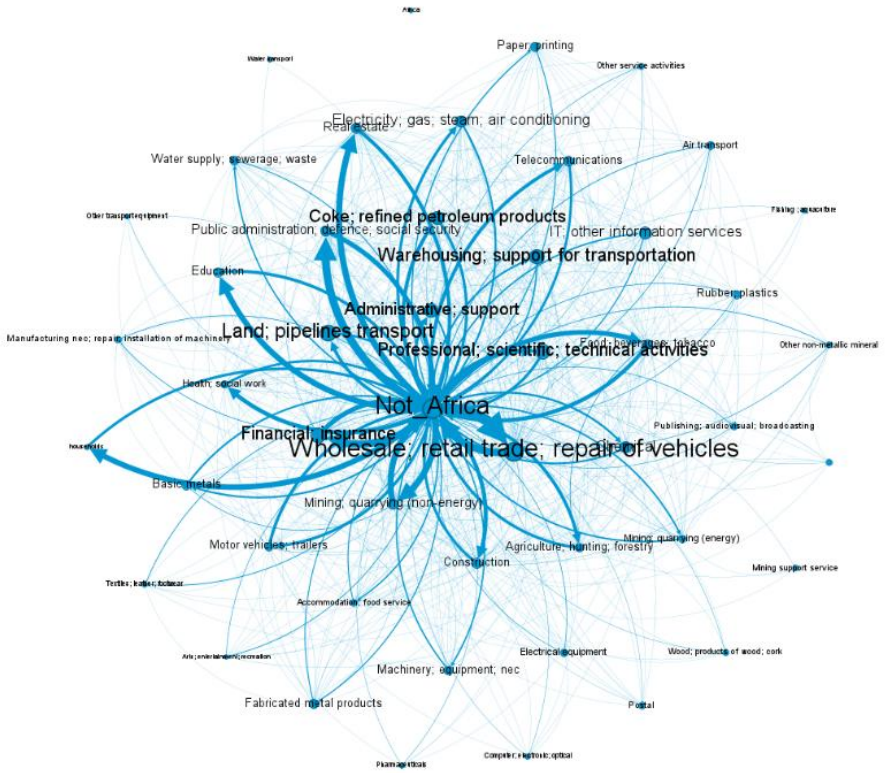
Figure 9: The reduction in Value Added due to Trump's tariff in South Africa at the sectoral level

Note: Figure 9 illustrates the estimated reduction in value added for South Africa (in million USD) through three channels. The figure is based on liberation's day tariff rate. The first two channels capture the decline in value added resulting from reduced bilateral trade in intermediate and final goods, respectively. The third channel reflects the output loss due to a reduction in final demand. The full list of figures can be found in the Appendix.

Source: Author's computation using (ICIO, OECD.)

Indirect linkages, whether domestic or international, are captured by the third metric, which measures the reduction in value added resulting from a decline in US final demand for foreign goods. Industries exempted from US tariffs may still experience a significant decline in output due to reduced demand from other markets that use their products as intermediate inputs for exports to the United States.

Table 2: Inter-Industry linkages in Nigeria and South Africa.

Inter-industry linkages in Nigeria for 2020, with international trade. *Flow sizes are based on the relative size of the largest flow compared to the smallest. Not Africa and Africa are aggregators representing trade flows outside Africa and to other African countries, respectively. Final demand not included.*	
Inter-industry linkages in South Africa for 2020, with international trade.	

Source: Author's computation using OECD-ICIO.

In South Africa, 19 out of 45 sectors are projected to experience a reduction in value added exceeding $50 million. This reflects the extent to which South Africa's domestic linkages are developed. Among those with losses above $100 million are wholesale and retail trade ($383 million), non-energy mining and quarrying ($381 million), motor vehicles, trailers, and semi-trailers ($252 million), chemicals and chemical products ($180 million), food products, beverages and tobacco ($113 million), and financial and insurance activities ($104 million).

In Egypt, the most affected sectors include textiles ($223 million), energy-related mining and quarrying ($163 million), wholesale and retail trade including motor vehicle repair ($117 million), chemicals ($81 million), and coke and refined petroleum products ($51 million).

Tunisia's most impacted sectors are agriculture, hunting, and forestry ($77.7 million), textiles ($54 million), and food products, beverages, and tobacco ($50 million). In Morocco, administrative and support services face a $91.81 million loss, followed by the chemical sector with $71 million. Côte d'Ivoire sees a significant impact in agriculture, hunting, and forestry ($189 million), while in Cameroon, the same sector is expected to lose $55 million.

All of these effects compound and result in a significant reduction in value added for African industries, especially those in South Africa.

The closure of US market to international goods will lead to widespread amount of overcapacity for numerous factories around the world, which will in turn try to sell those products to other markets. This change in the destination of goods may lead to a further increase in the competitive pressure for African countries.

4.5 What is the potential risk from trade diversion?

One widely discussed consequence of the closure of Western markets is the risk that products intended for those destinations may be diverted toward third countries. In this section we will measure the potential redirection for African countries, as it increases competitive pressure on African economies, potentially eroding the market share and value added of local manufacturing industries.

Figure 10 highlights the estimated excess production capacity generated by the new import tariffs, disaggregated by country. China is projected to be the most affected, with excess production valued at more than $1 trillion, followed by $452 billion for Vietnam and $391 billion for Germany. In the textile sector, a key driver of early-stage industrialisation and one previously supported under the now-defunct AGOA, China accounts for $51 billion in excess production, alongside $33 billion for Vietnam and $13 billion for India (see Figure 11).

The central question is: where will this excess output be absorbed? Will it be redirected to domestic consumption, will it be sold indirectly to the US through a third party, or will it be offloaded onto foreign markets? More specifically, will African markets become a dumping ground for these foreign, particularly Asian, goods?

While it is too early to draw definitive conclusions about how current trade flows are adapting, evidence from the first wave of Trump-era tariffs suggests that products excluded from the US market are often redirected toward developing countries, where competitive pressures are lower than in the more mature markets of advanced economies (Sheng et al. 2025). This trend persists even when excluding countries of re-export such as Vietnam.

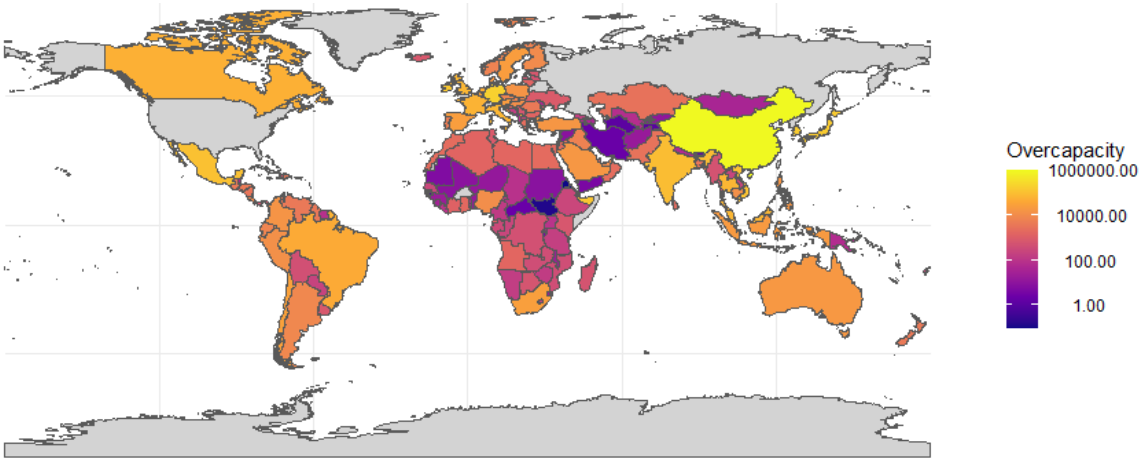


Figure 10: Estimated Annual Overcapacity from US Market Closure Due to Tariff Measures (million USD)

Note: The graph shows the value of estimated excess production capacity induced by this year's US import tariffs over one year. Each country is coloured based on the estimated value of total overcapacity due to the reduction in direct US foreign imports. The reduction in trade for foreign products due to tariffs is estimated based on historical Product Level Trade Elasticities (Fontagné et al. 2020). The map is based on scenario 2, in which no trade agreements are signed between the US and foreign countries, and all tariffs revert to the announced liberation day tariff. The tariff rate on US imports of Chinese goods is set at 30 per cent, in accordance with the US–China de-escalation agreement. Steel and aluminium tariffs are set at 50 per cent, following the announcement on June 3rd. The map also reflects US exemptions for car and smartphone supply chains.
Data Source: BACI-CEPII Database, based on last available year 2023.

In this light, we next estimate the potential pressure coming from unsold goods initially destined for the US market. Figure 12 provides an estimation of the additional competitive pressure within African domestic markets resulting from the potential redirection of these trade flows. We assume that exporters redistribute their unsold products proportionally, based on their 2023 product-level market shares across alternative destinations. In other words, countries that were already importing a specific good, will be importing more of this good. Our analysis focuses on two categories of goods:

- Broad categories of consumer goods are defined according to the *Classification of Products by End Use* (UNCTAD 2002). Consumer goods are intended for direct sale to end-users; as such, their export flows do not follow the logic of value chain structures organised around comparative advantage (Baldwin 2016) or integration into global value chains (Ponte et al. 2019). Moreover, exports of these final goods are in direct competition with local producers (Torreggiani et Andreoni 2023).
- The subset of textile goods within consumer goods is of particular concern, as it directly competes with domestic African industries. This sector is highlighted due to the termination of AGOA. The resulting increase in foreign competition could further strain local production capacity and erode market share in domestic and foreign market.

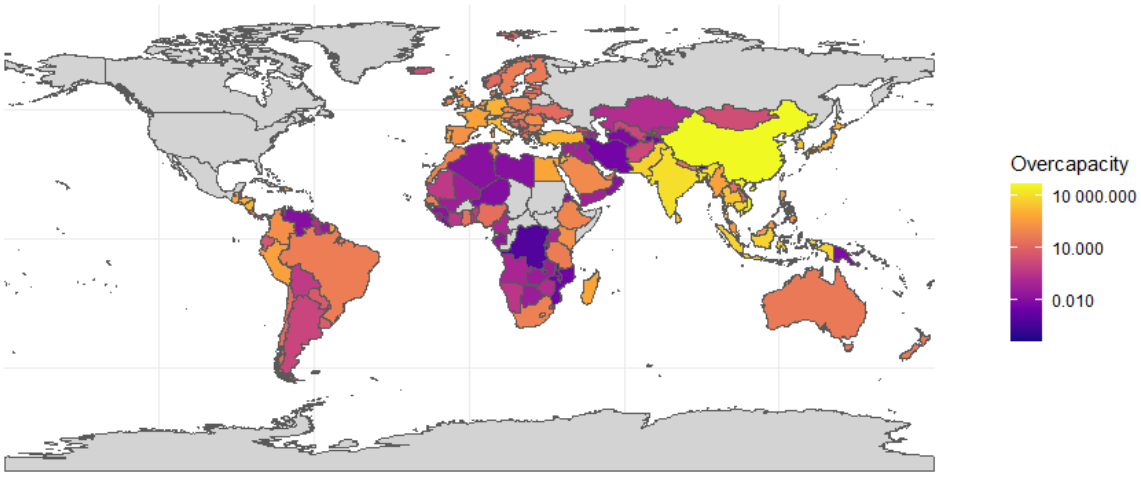


Figure 11: Global overcapacity in textile exports created by the closure of American markets (million USD)

Note: Each country is coloured based on the estimated value of total overcapacity due to the reduction in direct US imports. The reduction in trade for foreign products due to tariffs is estimated based on historical Product Level Trade Elasticities (Fontagné, 2022). The map is based on scenario 2, in which no trade agreements are signed between the US and foreign countries, and all tariffs revert to the announced liberation day tariff. The tariff rate for US imports of Chinese goods is set at 30 per cent, based on the US-China de-escalation agreement.
Data Source: BACI-CEPII Database, based on last available year 2023.

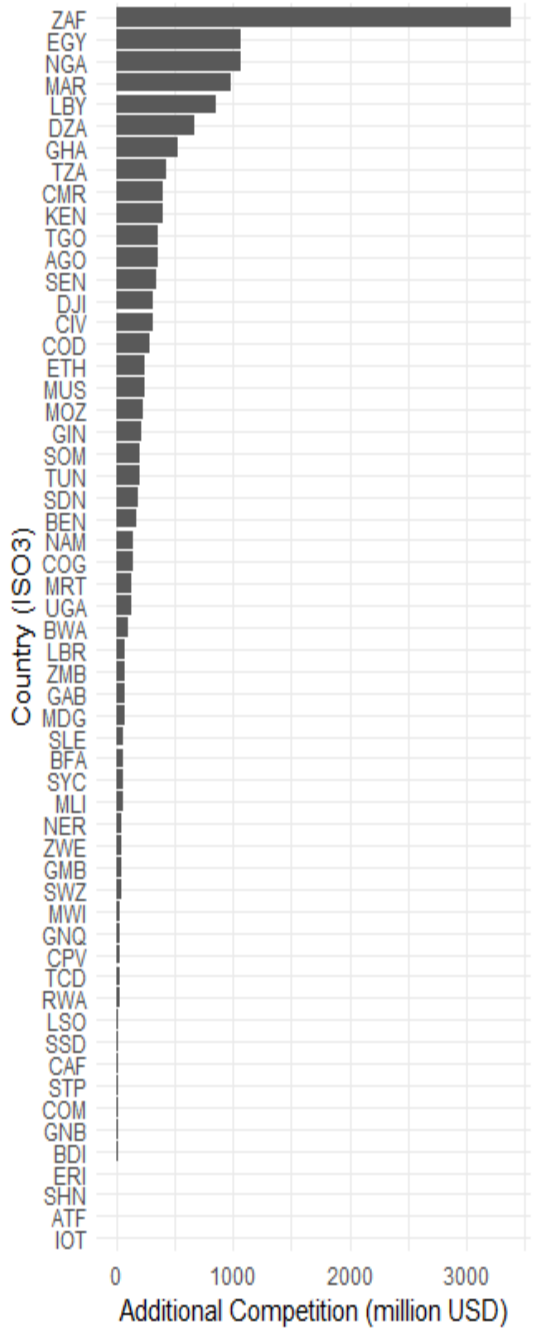
The country likely to face the greatest increase in competitive pressure for consumer goods is South Africa, with potential exposure reaching up to USD three billion, followed by Egypt and Nigeria, each facing up to USD one billion. In the textile sector, South Africa again appears most exposed, with estimated redirected imports reaching USD 1.1 billion, followed by Nigeria at USD 271 million and Algeria at USD 204 million. These high levels of potential competition pose a significant risk to domestic firms. While large-scale dumping of foreign products in African markets has yet to be observed, it is essential to closely monitor shifts in competitive pressure to safeguard smaller African producers.

Figure 12, provides an estimate, for each country, of the additional foreign competition in the domestic market for consumer goods, in absolute terms and as a share of GDP. In absolute terms, the largest economies are the most affected, with South Africa leading the group, facing an estimated USD four billion in additional potential competition. It is followed, at a smaller scale, by Egypt and Nigeria, each with nearly USD one billion.

When measured as a share of GDP, the ranking changes significantly. Djibouti is the most affected, with potential additional competition equivalent to 8 per cent of its GDP. This can partly be explained by its role as a logistics hub for trade in the East African region. The next most impacted countries are Togo (4 per cent) and Seychelles (2.5 per cent). When expressed as a share of GDP, additional domestic competition in consumption goods remains below 1 per cent in most of the countries under study.

While African countries can regulate domestic market access for imported products, the risk of heightened competition rises significantly in key destination markets. To provide an overview of this competition. Figure 13 and the subsequent graphs in the appendix, provide an estimate of the potential

competition from our selected group of countries for their top 2 exports to every African country



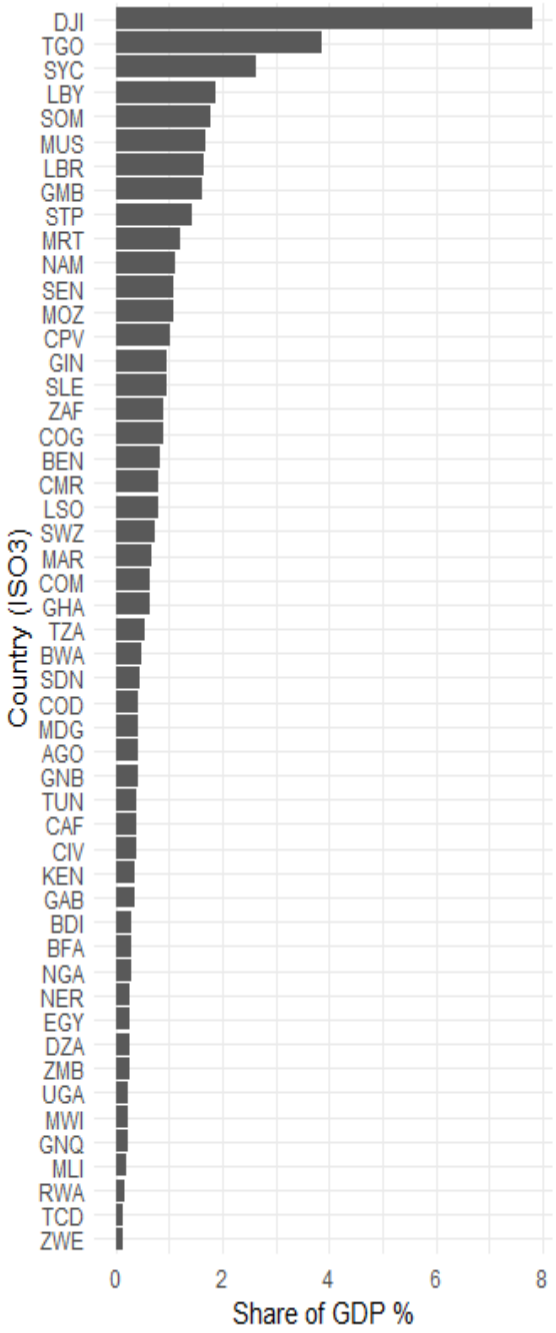


Figure 12a: Consumption goods

Figure 12b: Share of GDP

Figure 12: Global suppliers redirection of flows from the US to other African markets.

Note: The graph provides an estimate of trade redirection due to tariffs under Scenario 2. It aggregates product-level redirection data at the 6-digit HS code level by destination country.

Source: Author's computation using BACI CEPII

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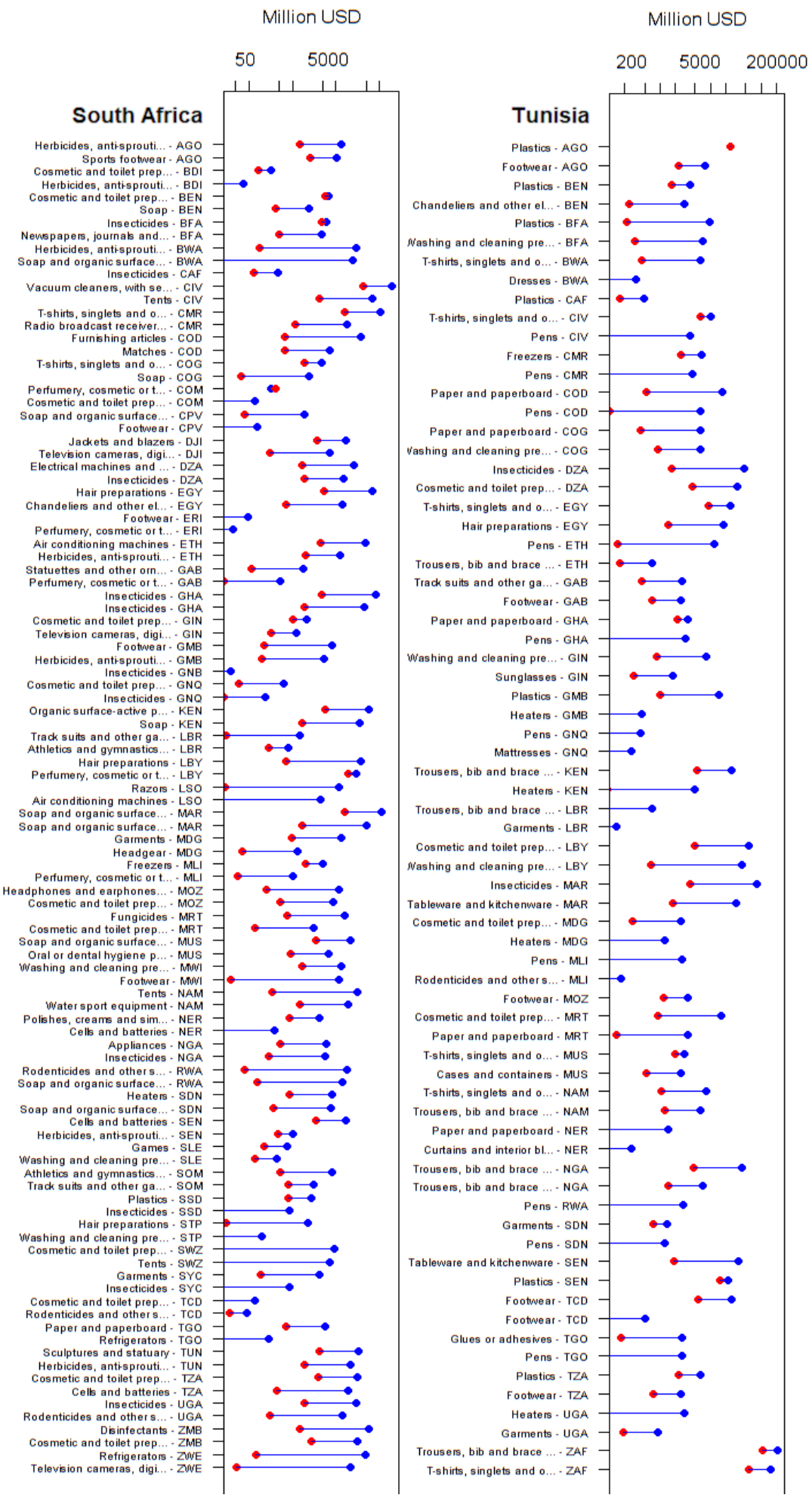

Figure 13: Potential competition for South African and Tunisian top two exports in each African countries (million USD)

Note: The potential increase in competition is based on a proportional redirection in other markets, at the product level. The red dot represents the estimated additional competition in the given market. The blue dot indicates current exports to that market. A blue line means that current African exports exceed the potential competition. The Y-axis is displayed on a logarithmic scale, while the numerical values remain unchanged. Consequently, equal vertical intervals correspond to constant ratios rather than constant absolute differences. This scaling facilitates the visualization of data spanning several orders of magnitude.

Although the change in potential competition varies by market, with some markets facing significantly higher potential competition than others, for most of the markets observed, the change in potential competition remains significantly low compared to what African countries are currently exporting to each other.
Based on current trade patterns, we anticipate only a limited redirection of trade toward African countries for products initially intended for the American market. However, entrepreneurs may see an opportunity to move beyond existing trade patterns and target new markets in Africa, especially as African markets offer more open access and fewer regulatory barriers compared to the US and the EU. It will thus be important to closely monitor changes in trade flows into Africa in the coming years. To support this effort, we recommend strengthening institutional capacities at the AfCFTA level to track extra-African imports across a broad range of foreign goods. Only the African Continental Free Trade Area (AfCFTA) holds the authority to establish rules that could give preferential treatment to African exports over non-African ones.

4.6. Potential risk from the European sector

While the closure of the American market represents a significant loss for African countries in some key sectors, trade linkages between the US and Africa remain largely indirect. Direct trade flows are limited and often mediated through Asian re-exporting hubs and intermediaries. Given Africa's structural role as a supplier of raw materials, any future reconfiguration of US supply chains may, in fact, preserve, or even increase, demand for African inputs, particularly in sectors where resource security becomes a strategic priority for the United States.

By contrast, the European Union's Carbon Border Adjustment Mechanism (CBAM) and especially its potential expansion to all EU Emissions Trading System (ETS) sectors, as currently discussed by EU institutions, may pose more severe risks to African economies. The EU is the primary trade partner for African manufactured goods and a key destination for products derived from African primary resources. The enlargement of the CBAM to sectors relying on value chains in Africa poses a significant risk of excluding African suppliers from European value chains altogether.

In its current form, CBAM is a carbon pricing mechanism applied to specific imports into the EU. It aims to level the playing field between EU producers, subject to the EU ETS, and foreign exporters who may not face equivalent carbon costs. Companies seeking to export to the EU are required to estimate the carbon footprint of their supply chains and are incentivised to shift from high-emission suppliers to those with a lower environmental impact. Importers must also declare the actual carbon content of imported products. Where this information is unavailable or unverifiable, default values, based on the most carbon-intensive production methods, are applied, disproportionately penalising countries with limited emissions monitoring capacity. Additionally, current plans in the EU on the CBAM include using CBAM revenue to compensate European exporters for adverse impacts on their price competitiveness when exporting outside the European market, reinforcing imbalances from EU and non-EU exporters.

At present, the CBAM covers only the most carbon-intensive sectors: cement, iron and steel, aluminium, fertilisers, hydrogen, and electricity. African export to the EU in the designated sectors is limited. However, the European Commission has explicitly stated its intention to expand the scope of the mechanism to all ETS sectors which include a wider range of products, many of which are major African exports, such as refined petroleum products, textiles and leather, food and agricultural goods,

and automotive components. This expansion could effectively sever Africa's integration into European value chains, particularly given that many African producers are currently unable to comply with the EU's stringent environmental and carbon reporting standards.

African countries must therefore make it a strategic priority to prevent the extension of CBAM to a broader range of products. Without proactive engagement, there is a real risk of marginalisation from European markets, with serious implications for industrialisation, export diversification, and long-term development prospects.

5. Identifying new markets.

As Western markets close, new opportunities are emerging for African countries. Two major recent developments are particularly noteworthy: the opening of China's market to almost all African countries and the establishment of the African Continental Free Trade Area (AfCFTA). Both initiatives create avenues for diversifying trade partners for African-made goods. In addition, they strengthen South-South trade flows, which hold greater potential for fostering learning and capacity-building among African firms (Boys et Andreoni 2020; Ponte 2007).

North-South trade, including through value chains, has, to date, offered limited upgrading opportunities for African firms. The roles assigned to African firms within these chains are typically low value-added tasks, which do not equip them with the capabilities needed to compete with their Western peers, particularly in strategic areas such as logistical, marketing and research and development tasks (Andreoni et al. 2021). Moreover, Western companies tend to limit technological transfer to their African counterparts.

In addition, African firms exporting finished products to Northern markets, especially to the European Union, face obstacles from non-tariff barriers. Access to the European single market requires compliance with stringent production standards, which new market entrants often find difficult to meet (Andreoni et al. 2021; Nadvi 2008). Lastly, certain products cannot be produced and exported due to the lack of ownership of the underlying intellectual property (Glauber 2023; Singh et al. 2023; May 2006).

Selling to other developing countries, which have lower barriers to entry, can therefore offer valuable upgrading opportunities for African firms. This concluding section will thus aim to identify products previously exported to the US that could be partially redirected to Chinese and African markets.

5.1 Opening of the Chinese market

The most significant development for African industry in 2024 was the opening of Chinese markets to Least Developed Countries (LDCs), most of which are in Africa (see **Error! Reference source not found.**), by granting duty-free market access to products originating from these countries. Since then, this preferential access has been extended to all African countries maintaining diplomatic relations with China[9] (Ministry of Foreign Affairs People's Republic of China 2025). This initiative aligns with China's broader South–South cooperation strategy.

[9] Eswatini's exclusion is due to the country's continued diplomatic relations with Taiwan, Province of China.

With specific reference to the African continent, **Table 3** below shows for each African economy the share of imports from and exports to China and for those countries for which China is the first trade partner the year in which China assumed that position. What is notable is that China has become the main import source for the majority of African countries starting from the 2010s. This is not the case for export from African countries to the rest of the world. Exports reflect the historical legacy of colonialism and mineral extractivism, as well as the south-south trade routes which have developed in the Indian Ocean with the rise of markets in South and East Asia, with the UAE being a major re-exporting hub for the region.

If we focus on the largest economies in Africa, China became the first source of imports for Ethiopia in 2002, Nigeria in 2004, South Africa in 2007, Kenya in 2010, Egypt in 2011 and Algeria in 2013. Morocco is an outlier as it is still closely linked to Europe via Spain and is the only African countries holding free trade arrangements with both the EU and USA. Among the main economies listed above, South Africa is notably the one for which China became also the main export partner, while for Nigeria it is still the USA (and Saudi Arabia for Egypt).

African exports to China are dominated by primary commodities as such, their tariff-free access to Chinese markets risks reinforcing the continent's dependence on extractive sectors (Persenda 2025). However, the wider opening of the Chinese market to African countries presents a strategic opportunity to expand exports of manufactured goods to a major southern partner.

Among the countries studied in this paper, only Senegal benefited from tariff-free access in 2024. The remaining countries (Cameroon, Cote d'Ivoire, Egypt, Morocco, Nigeria, South Africa, and Tunisia) only gained access in 2025. Figure 14 and its accompanying graph identify all consumption goods exported to the US that are also imported by China. The focus on consumption goods is due to the relative ease of redirecting finished products to new destinations, compared to integrating into complex foreign supply chains. Nevertheless, integrating into the supply chains of other developing countries will also be important in the long term, particularly for learning and upgrading.

In the case of African economies that have not industrialised, such as Cameroon, Nigeria, Senegal, and Côte d'Ivoire, the number of consumer products exported to both the US and China remains limited or even non-existent.

In contrast, more diversified economies such as Morocco, Egypt, Tunisia, and South Africa have a broader range of consumer products that can be exported to China. Tunisia and Morocco, in particular, export the widest variety of products to both markets. These more industrialised countries are therefore the most likely to benefit from the preferential access to the Chinese market.

Nonetheless, China, along with other emerging economies in the Global South, may represent promising opportunities for African countries seeking to diversify their exports.

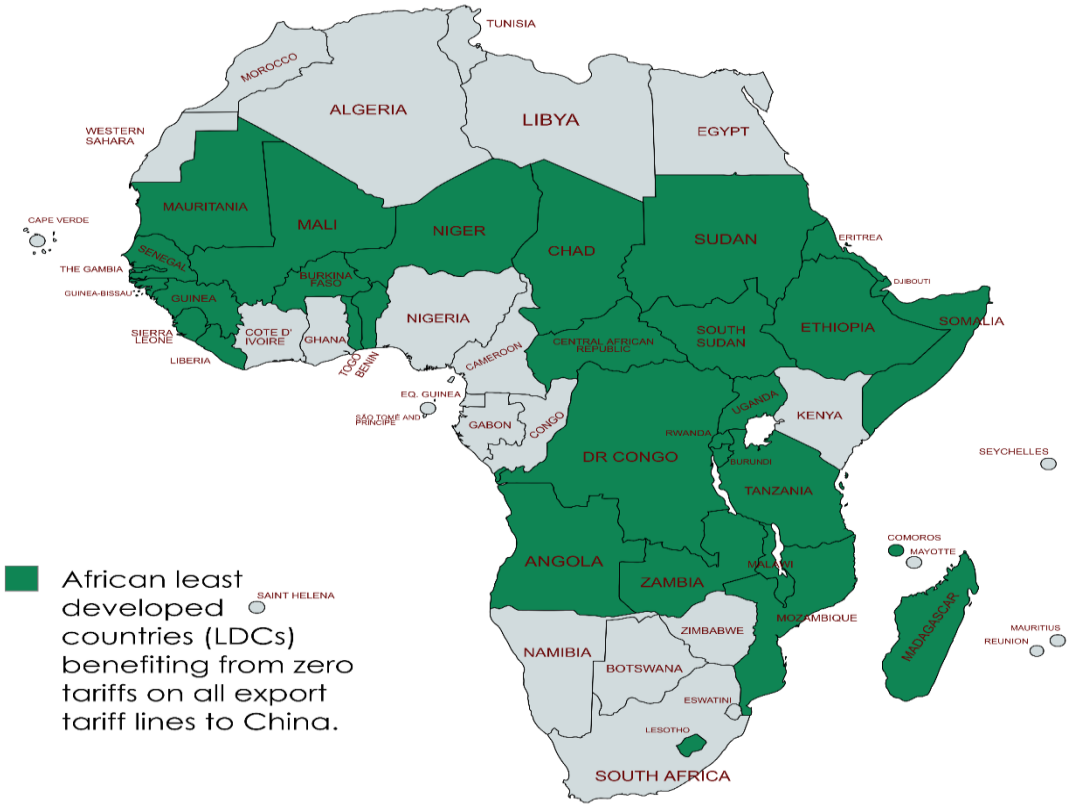

Figure 13: Countries in Africa with tariff-free access to the Chinese market since 2024.

Note: Eswatini was the only country excluded from this scheme due to its continued diplomatic relations with Taiwan. Since 2024, tariff-free trade has been extended to all African countries except Eswatini.

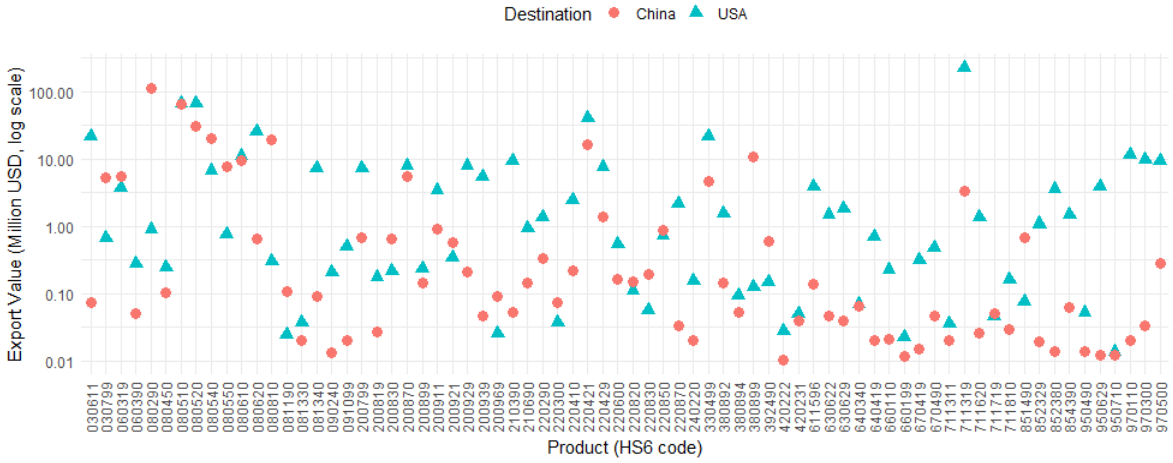

Figure 14: Identifying the consumption goods that South Africa export both to the US and China

Note: The full list of figures can be found in the Appendix (HS92). The Y-axis is displayed on a logarithmic scale, while the numerical values remain unchanged. Consequently, equal vertical intervals correspond to constant ratios rather than constant absolute differences. This scaling facilitates the visualisation of data spanning several orders of magnitude. (HS92)
Source: Author's computation using BACI CEPII

Table 3: Summary of African trade with the US and China between 1995 and 2023

	Main destination of Export		Main origin of Import		China's share in the country's total exports				USA's share in the country's total exports			
country	1rst time China became the first destination of export	Current	1rst time China became the main origin of import	Current	1995	2005	2015	2023	1995	2005	2015	2023
Algeria		Italy	2013	China	0.26	0.61	1.48	1.62	14.99	22.42	8.14	6
Angola	2008	China	2015	China	3.8	26.4	40.46	40.11	66.24	38.42	7.85	3.03
Benin	2004	UAE	2000	China	2.91	23.4	5.65	5.27	5.16	0.12	0.64	0.85
Botswana		UAE		South Africa		0.09	2.03	6.64		5.19	3.6	6.96
Burkina Faso	2005	Switzerland	2016	Côte d'Ivoire	0	30.8	1.45	0.7	0.09	0.24	0.06	0.37
Burundi		UAE	2010	Tanzania	0.03	0.33	1.05	4.79	8.63	3.82	3.06	3.25
Cote d'Ivoire		Switzerland	2016	China	0.15	1.01	0.85	3.95	5.23	15.05	8	4.91
Cameroon	2012	Netherlands	2013	China	1.73	1.69	14.49	7.65	2.34	4.14	2.55	2.02
Central African Rep.	2008	UAE		China	0.08	4.37	18.26	13.84	0.33	2.73	0.85	0.87
Chad	2019	UAE	2009	China	0.95	8.81	3.78	18.9	2.63	72.75	56.69	1.98
Comoros		Indonesia	2018	China	0	0	0.04	0.06	18.28	4.78	2.25	3.3
Congo	2003	China	2017	China	0.25	36.1	22	46.02	14.45	26.87	3.01	2.51
DR Congo	2008	China	2014	China	0.1	12.2	28.63	68.89	18.13	18.75	1.68	1.34
Djibouti		Ethiopia	2000	China	0.1	0.78	0.89	3.3	0.08	1.31	2.36	1.82
Egypt		Saudi Arabia	2011	China	0.22	1.4	3.3	2.21	10.26	13.4	5.83	5.35
Equatorial Guinea	2006	China	2008	China	11.72	21.7	17.54	26.74	31.51	25.23	2.57	6.03
Eritrea	2014	China	2011	China	0	1.52	39.16	67	3.39	4.2	0.02	0.07
Eswatini		South Africa		South Africa		1.5	0.02	0.02		13.49	1.09	1.38
Ethiopia	2009	USA	2002	China	0.12	8.23	11.68	10.13	6.13	6.84	7.7	12.27
Gabon	2014	China		France	4.53	6.15	8.88	26.05	57.18	54.37	4.13	1.76
Gambia	2011	Kazakhstan	1995	Kazakhstan	0.2	0.56	28.11	1.42	1.26	1.33	0.44	0.05
Ghana		Switzerland	2004	China	0.34	2.45	8.25	6.75	13.83	4.6	2.15	6.42
Guinea	2019	UAE	2007	China	0.23	0.32	1.59	35.73	14.14	6.25	4.03	0.07
Guinea-Bissau		India		Senegal	0	0	15.13	0	0.04	0.06	0	0.57
Kenya		Uganda	2010	China	0.08	0.61	1.42	2.57	6.34	10.91	9.01	9.75
Lesotho		South Africa		South Africa		0.05	1.05	2.33		61	28.67	19.98
Liberia	2012	Switzerland	2015	China	0.01	0.95	9.8	3.62	0.91	6.46	2.67	2.85
Libya		Italy	2007	China	0.78	3.28	8.55	6.22	0	5.88	1.48	4.43
Madagascar		USA	2004	China	0.47	2.48	6.18	6.39	8.27	27.25	11.85	15.55
Malawi		Germany	2019	China	0.31	0.8	4.28	3.29	12.89	18.8	6.11	5.15
Mali	2009	UAE		Côte d'Ivoire	14.69	6.81	2.58	1.18	2.09	0.3	0.11	0.11
Mauritania	2006	China	2010	China	0.08	1.1	30.89	24.6	1.16	0.06	0.03	0.15
Mauritius		USA	2012	China	0.02	0.33	0.63	1.16	15.91	10.34	10.65	10.93
Morocco		Spain		Spain	0.83	2.02	1.78	1.61	3.66	3.44	3.81	3.26
Mozambique		India		South Africa	0.42	3.36	6.82	13.28	11.59	1.03	1.92	1.83
Namibia		South Africa		South Africa		2.44	5.58	11.97		6.07	1.62	2.07
Niger		UAE	2009	China	0.05	0.26	10.1	18.24	0.37	15	9.75	0.3
Nigeria		USA	2004	China	0.46	1.13	2.1	4.11	38.84	53.74	4.74	10.31
Rwanda		UAE	2012	China	0.04	5.69	8.73	9.73	3.17	4.23	7.85	2.86
Sao Tome and Principe		Pakistan		Portugal	0	0	0.22	0.12	1.59	1.84	4.36	3.09
Senegal		Mali	2015	China	0.09	1.1	3.8	5.41	1.15	1.22	2.72	3.43
Sierra Leone	2012	China	2007	China	0	0.6	25.03	67.49	15.74	4.26	6.04	1.46
Somalia		UAE		UAE	1	1.55	3.62	0.65	0.07	0.19	0.12	0.15
South Africa	2011	China	2007	China		3.85	23.62	19.19		8.88	5.96	8.48
South Sudan	2012	China	2012	Uganda			99.47	50.53			0	0.03
Sudan	2000	UAE	1998	China	10.18	49.6	21.92	17.32	5.07	0.21	0.23	0.26
Togo		UAE	2003	China	0.24	4.37	8.2	2.68	9.05	1.2	0.57	1.39
Tunisia		France		Italy	0.61	0.4	1.11	0.91	1.51	2.42	3.42	4.03
Uganda		India	2016	China	0.01	2.29	3.31	1.23	1.7	2.8	2.12	1.86
United Rep. of Tanzania		India	2012	China	1.52	10.7	9.27	6.4	3.71	1.69	1.7	1.85
Zambia	2010	Switzerland		South Africa	0.13	11	25.66	14.97	7	1.45	0.5	1.2
Zimbabwe		UAE		South Africa	2.28	5.11	17.5	17.62	5.5	4.1	2.03	1.31

5.2 Focusing on African markets

With the establishment of the AfCFTA, African countries are gaining greater preferential access to each other's markets. Given the need to diversify away from the US market, access to regional markets

is crucial due to their lower entry barriers, limited domestic competition, and similarities in consumer

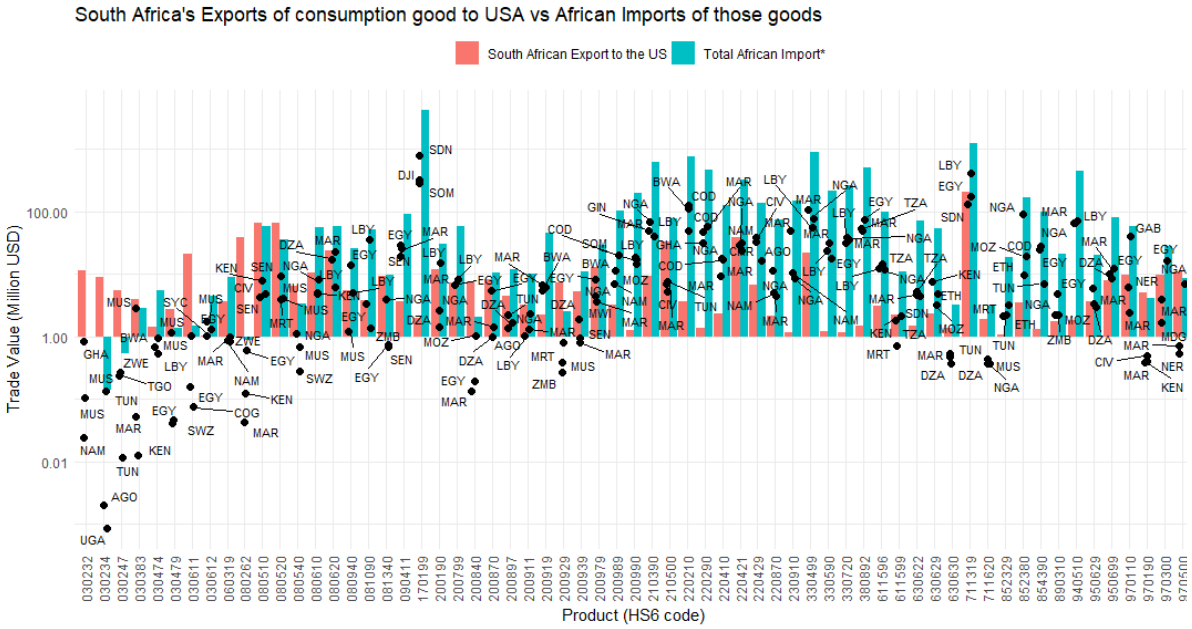

Figure 15: Identifying consumption good that can be sold to African market

Note: South African exports of consumption goods to the US are compared with the size of the market for those same goods in African countries. Total African imports refer to the overall imports of a specific good by each country, excluding South African exports. Overlaid on the figure are the three main importing countries for each product within Africa. The full list of figures can be found in the Appendix. The Y-axis is displayed on a logarithmic scale, while the numerical values remain unchanged. Consequently, equal vertical intervals correspond to constant ratios rather than constant absolute differences. This scaling facilitates the visualisation of data spanning several orders of magnitude.

preferences across countries. It is therefore important to identify which products initially intended for the US market can be redirected to other African countries.

Figure 15 and the subsequent figures provide three key pieces of information:

- The HS codes and quantities of consumption goods exported to the US, by country, that African countries also import.
- The aggregated import value of these goods within Africa (excluding the exporting countries).
- The top three African importers of these goods, along with their respective import values

For economies specialised in primary good exports, only a limited number of consumption goods are exported to the US. However, countries with more diversified economies will be better positioned to capture the large and growing demand for consumer goods in Africa.

As previously noted, the range of consumption goods exported to the US by most African countries remains limited. For example, Cameroon exports "paintings, drawings, and pastels." Côte d'Ivoire exports "cashew nuts," "edible plant parts," and "beauty or make-up products." Senegal's exports in this category are "prepared or preserved fish," "T-shirts," and "wigs and other hairpieces." In each of these product categories, the potential market within Africa appears significantly larger than those country's current export volumes to the United States.

Similarly, when it comes to exporting to China, the most diversified economies, South Africa, Morocco, and Egypt, are best positioned to access a broader range of markets. These countries export the widest variety of products and are therefore the most likely to benefit from a redirection of trade toward both China and other African markets. In addition, they often rank among the largest importers in Africa for the identified product categories.

6. Discussion and policy implications

What does this analysis mean for African countries beyond the arbitrariness of the tariffs and the undermining of basic principles of the international trade regime?

The new US tariff regime is creating structural incentives for African economies to remain commodity dependent exporters and in some cases to further erode their industrial capacity (premature deindustrialisation). While unprocessed commodities continue to enjoy preferential access to US industrial supply chains, access for manufactured goods has been significantly reduced. This asymmetry penalises African countries that have made progress in industrialisation by developing domestic supply chains. In these economies, the external demand shock originating from the US market is likely to propagate beyond export sectors, affecting broader segments of the domestic economy.

Given the current composition of trade, the redirection of exports initially destined for the US toward African markets appears limited, largely due to structural and demand differences between the two regions. Nonetheless, divergences in market access and regulatory standards between Western economies and developing countries could incentivise a redirection of selective trade flows toward Africa. Should this occur, it would likely intensify competition within African domestic markets and in the primary export destinations for African products.

Private companies ultimately determine trade outcomes, choosing how much of a tariff increase to pass on to consumers, whether and how to reorganize their supply chains to engage in tariff shopping, adjusting transfer pricing to minimize tariff exposure, etc. African governments have limited control over these decisions. However, they still have a role to play in responding to such crises.

Their involvement in export strategies must go beyond simply establishing Special Economic Zones (SEZs) to attract foreign investors. While SEZs can boost production, they do not address the core issue of demand, which is currently a binding constraint. If traditional Western markets are no longer viable or accessible, alternative demand must be sought in the Global South.

African governments can take a more entrepreneurial approach and do the work of prospecting for new market abroad. The government can work on identifying new markets, monitoring market trends, informing domestic producers of shifting consumer tastes and organising export consortia to negotiate prices and quantities for local producers.

In this context, greater access to the Chinese market offers both a temporary buffer against the effects of shifting U.S. import policies and longer-term growth opportunities. However, market access does not automatically translate into increased exports of manufactured goods to China. African policy

makers will need to provide active support to boost prospective exporter while remaining vigilant regarding the non-tariff barriers that continue to restrict entry into the Chinese market.

Still, even with south-south trade relying on another country's unilateral trade preferences entails long-term risks associated with regulatory uncertainty. Building industrial capacity based solely on a single policy shift —such as the current market-opening measures offered by China—could face outcomes similar to the expiration of AGOA if China reverses or amends its openness policies at any time. African governments should therefore pursue market diversification, targeting not only China but also other regions such as Asia, Latin America, and—crucially—Africa itself.

In all these respects, and as China's own success story illustrates, export promotion must be embedded within a broader industrial policy framework aimed at expanding the export of manufactured goods—particularly those produced by domestic firms. Without such alignment, there is a risk of merely reinforcing historical trade patterns based on the export of raw materials.

In this regard, the African Continental Free Trade Area (AfCFTA) has a central role to play in promoting intra-African trade. As discussed in this paper larger economies are more likely to benefit from market liberalisation, as they possess more diversified industrial bases. Moreover, these same countries have the capacity to share the gains of regional integration by supporting the development of regional value chains that include smaller economies. Large African countries are already major export destinations within the continent and therefore constitute an essential source of internal demand to drive industrial development.

In the subsequent paper of the research stream, we will focus on identifying ways to develop intra-African trade. This will begin with an analysis of African market access and trade potential, taking into account both tariff and non-tariff barriers. We will also assess the feasibility of establishing fully African supply chains in modern manufacturing industries.

Combatting isolationist pressures and reviving optimism about multilateral trade relations must go beyond simply promoting trade for trade's sake and pitching multilateralism as the last line of defence against a Hobbesian dystopia. A more positive narrative and agenda is required. This will mean introducing a more evidence-based and pragmatic approach to managing trade as well as to the design of trade agreements. A narrative connecting trade to structural transformation will need to abandon the unrealistic assumptions – such as full employment, perfect competition, savings-determined investment, or constant income distribution – that have underpinned much of the contemporary discourse on trade policy. Instead, recognition of the lessons from successful export economies, the advantages of closer regional arrangements and the insights of new trade models will need to be combined with a frank assessment of the adverse distributional consequences of hyperglobalisation and a willingness to make bolder changes to the workings of the multilateral system.

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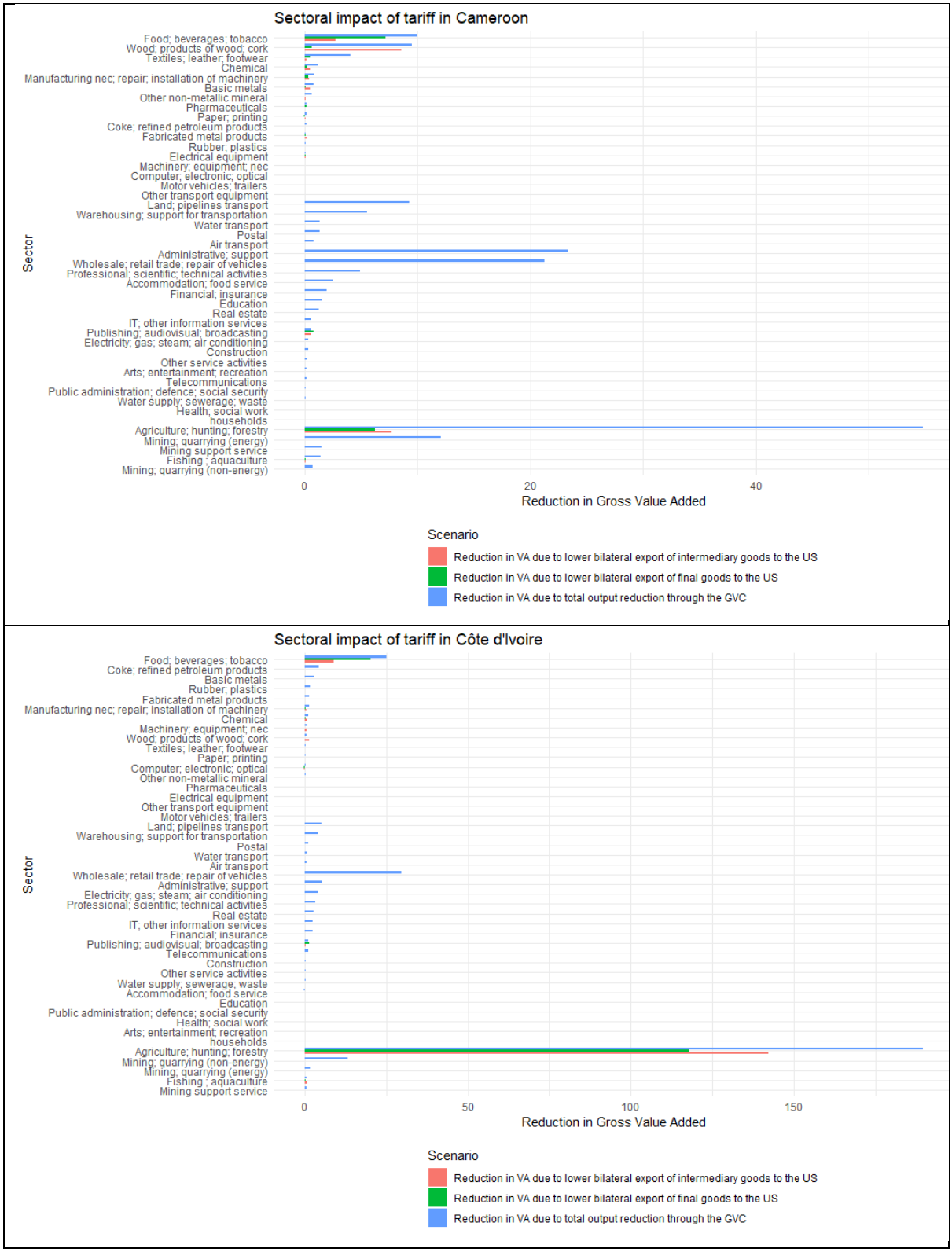
Appendix

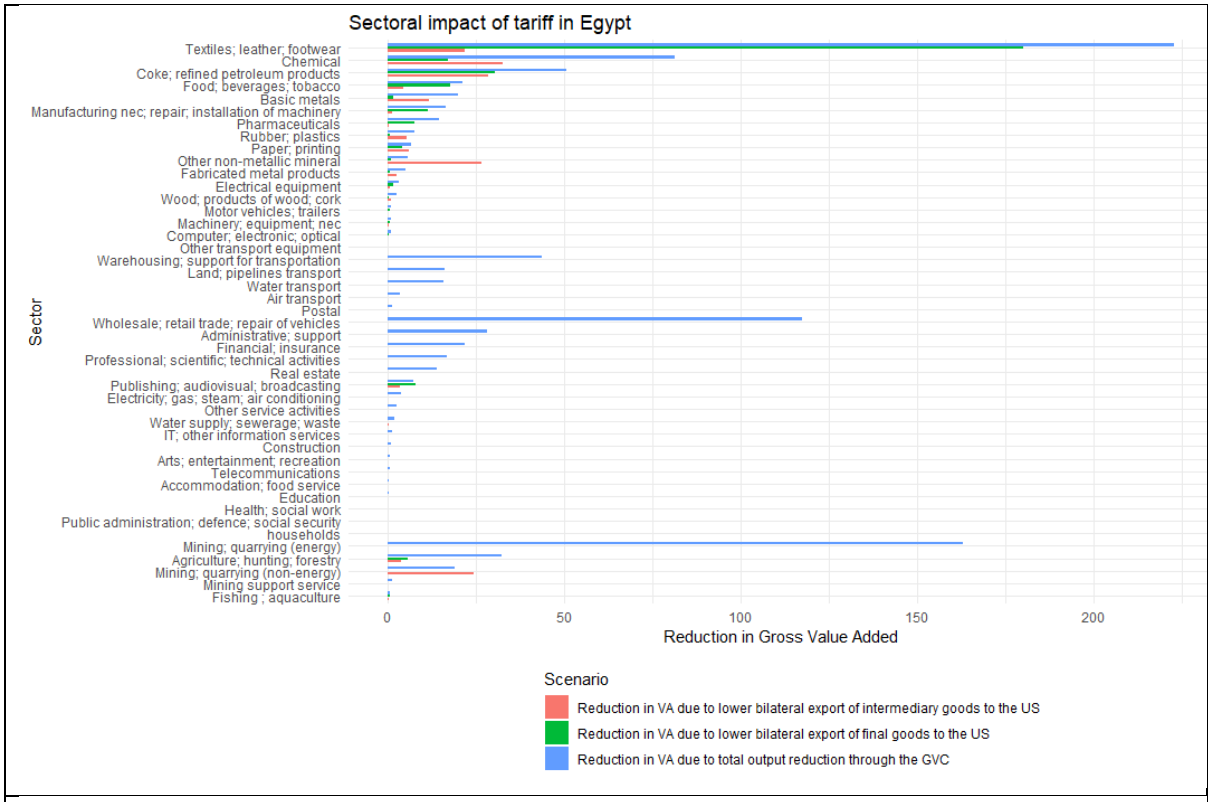
Additional table

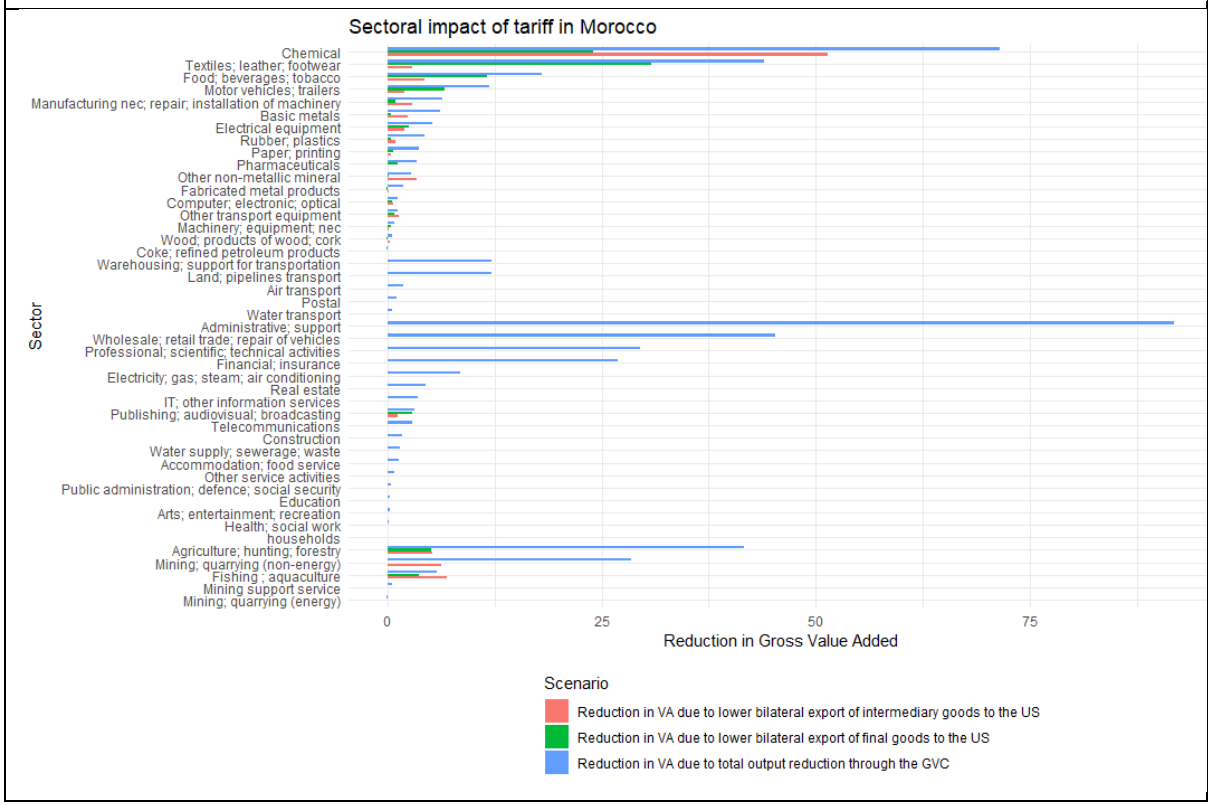
Table 4 Tariff rates announced during liberation days

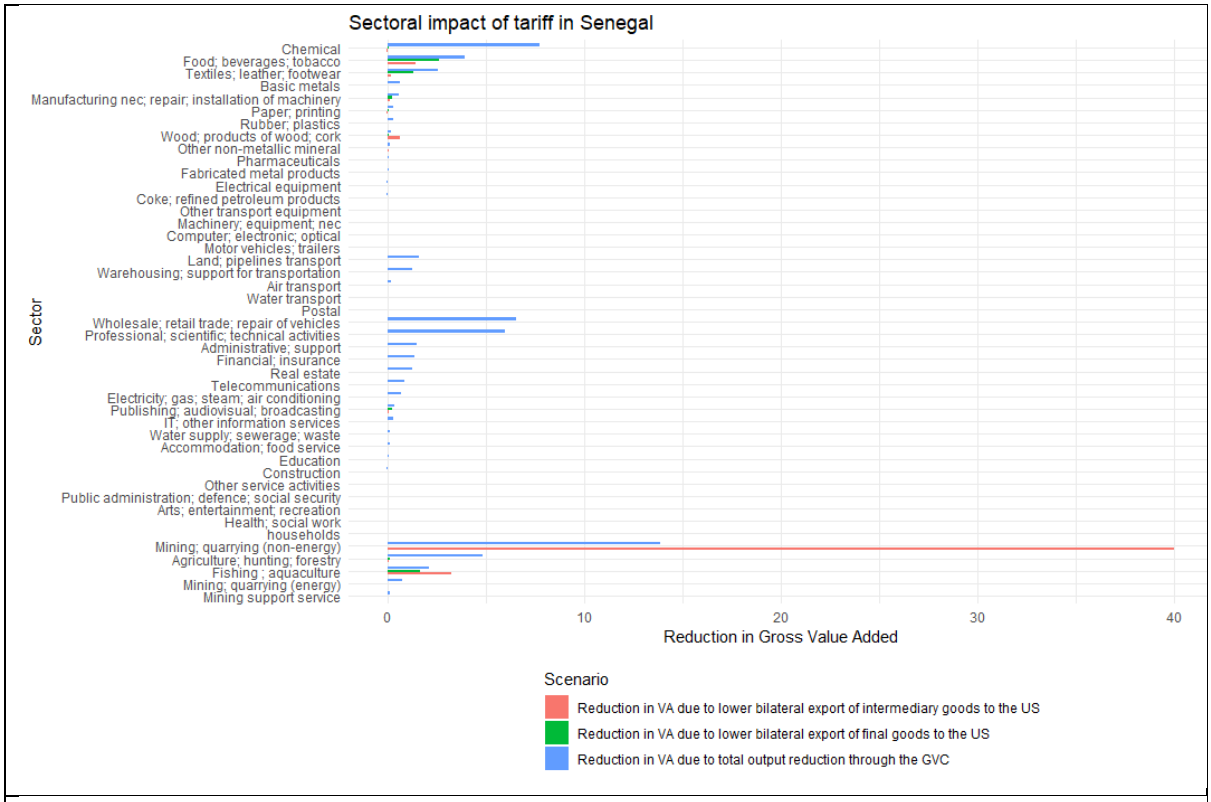
Country	ISO	Tariff	Country	ISO	Tariff
Lesotho	LSO	50	Eritrea	ERI	10
Madagascar	MDG	47	Djibouti	DJI	10
Mauritius	MUS	40	Gabon	GAB	10
Botswana	BWA	38	Gambia, The	GMB	10
Angola	AGO	32	Ghana	GHA	10
Libya	LBY	31	Guinea	GIN	10
South Africa	ZAF	31	Kenya	KEN	10
Algeria	DZA	30	Liberia	LBR	10
Tunisia	TUN	28	Mali	MLI	10
Cote d'Ivoire	CIV	21	Mauritania	MRT	10
Namibia	NAM	21	Morocco	MAR	10
Malawi	MWI	18	Niger	NER	10
Zimbabwe	ZWE	18	Guinea-Bissau	GNB	10
Zambia	ZMB	17	Rwanda	RWA	10
Mozambique	MOZ	16	Sao Tome and Principe	STP	10
Nigeria	NGA	14	Senegal	SEN	10
Chad	TCD	13	Seychelles	SYC	10
Equatorial Guinea	GNQ	13	Sierra Leone	SLE	10
Cameroon	CMR	12	Sudan	SDN	10
Zaire (Dem Rep of Congo)	COD	11	Swaziland	SWZ	10
Burundi	BDI	10	Togo	TGO	10
Cape Verde	CPV	10	Uganda	UGA	10
Central African Republic	CAF	10	Egypt	EGY	10
Comoros	COM	10	Tanzania	TZA	10
Congo, Republic of the	COG	10	Somalia	SOM	0
Benin	BEN	10	Burkina Faso	BFA	0
Ethiopia	ETH	10			

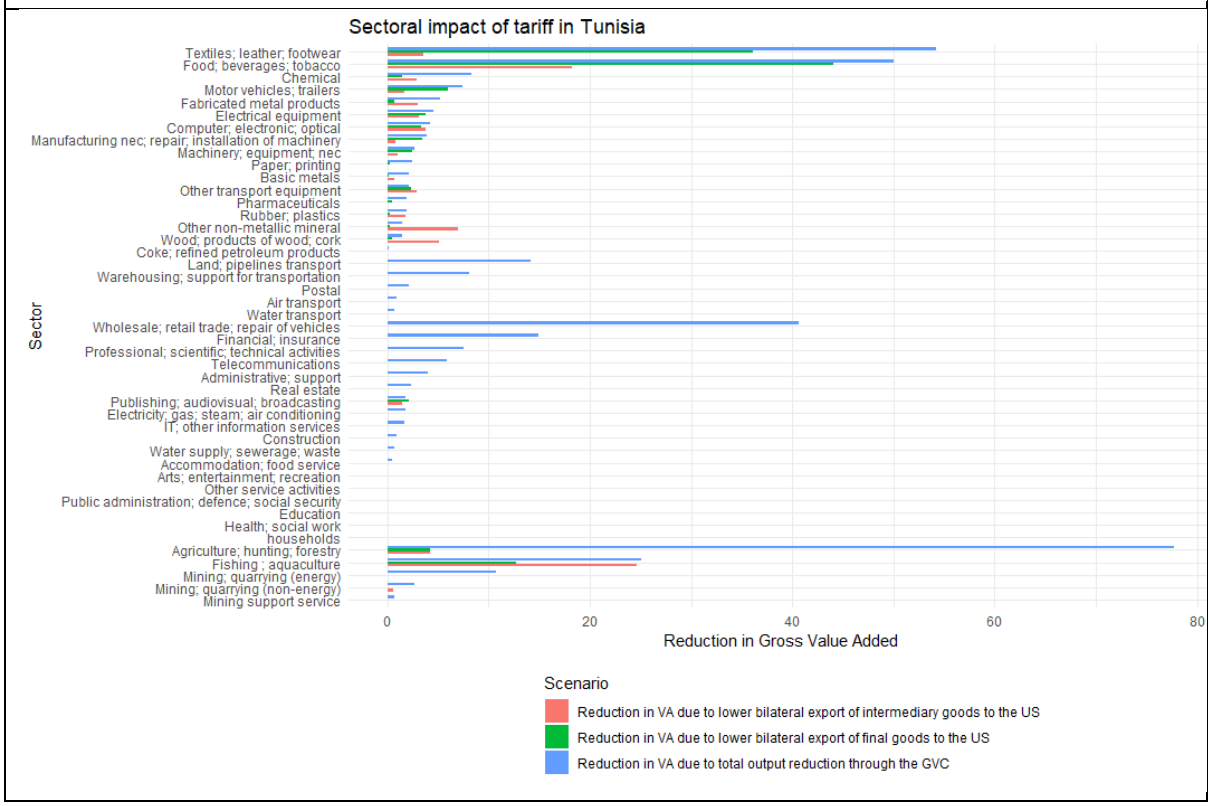
Sectoral impact of tariff cont'd

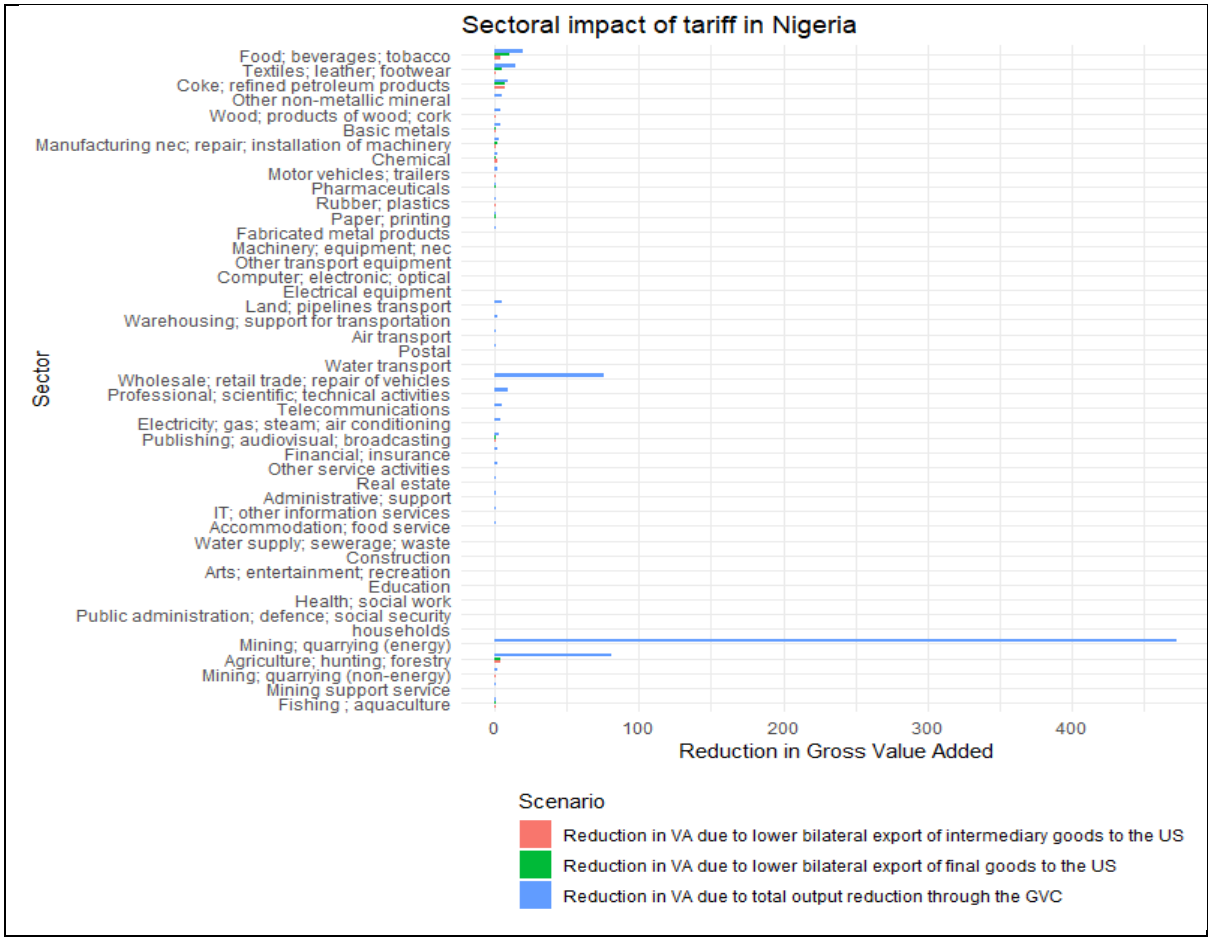


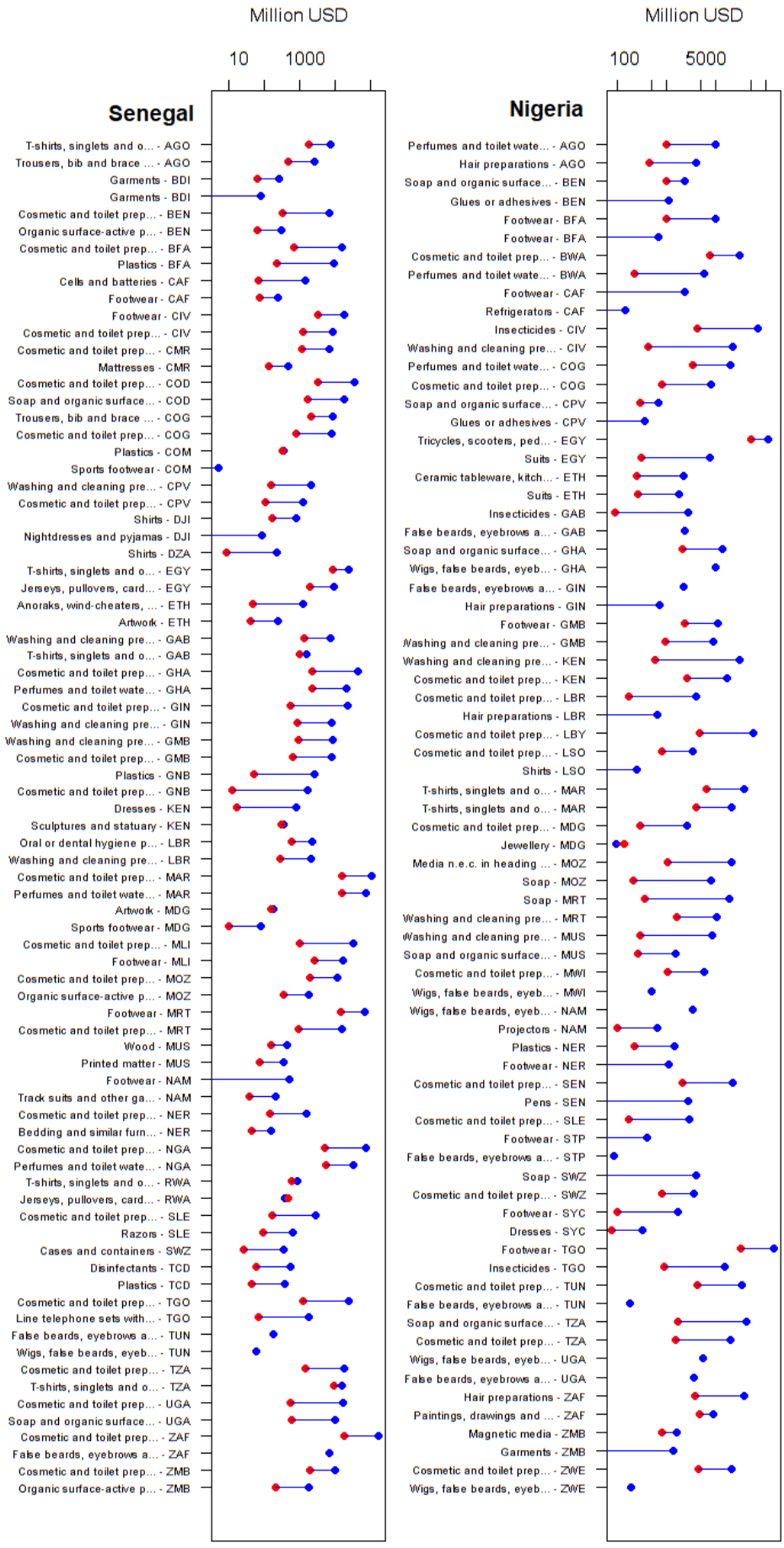

Sectoral impact of tariff in Egypt
Sector
Textiles; leather; footwear
Chemical
Coke; refined petroleum products
Food; beverages; tobacco
Basic metals
Manufacturing nec; repair; installation of machinery
Pharmaceuticals
Rubber; plastics
Paper; printing
Other non-metallic mineral
Fabricated metal products
Electrical equipment
Wood; products of wood; cork
Motor vehicles; trailers
Machinery; equipment; nec
Computer; electronic; optical
Other transport equipment
Warehousing; support for transportation
Land; pipelines transport
Water transport
Air transport
Postal
Wholesale; retail trade; repair of vehicles
Administrative; support
Financial; insurance
Professional; scientific; technical activities
Real estate
Publishing; audiovisual; broadcasting
Electricity; gas; steam; air conditioning
Other service activities
Water supply; sewerage; waste
IT; other information services
Construction
Arts; entertainment; recreation
Telecommunications
Accommodation; food service
Education
Health; social work
Public administration; defence; social security
households
Mining; quarrying (energy)
Agriculture; hunting; forestry
Mining; quarrying (non-energy)
Mining support service
Fishing ; aquaculture
0
50
100
150
200
Reduction in Gross Value Added
Scenario
Reduction in VA due to lower bilateral export of intermediary goods to the US
Reduction in VA due to lower bilateral export of final goods to the US
Reduction in VA due to total output reduction through the GVC

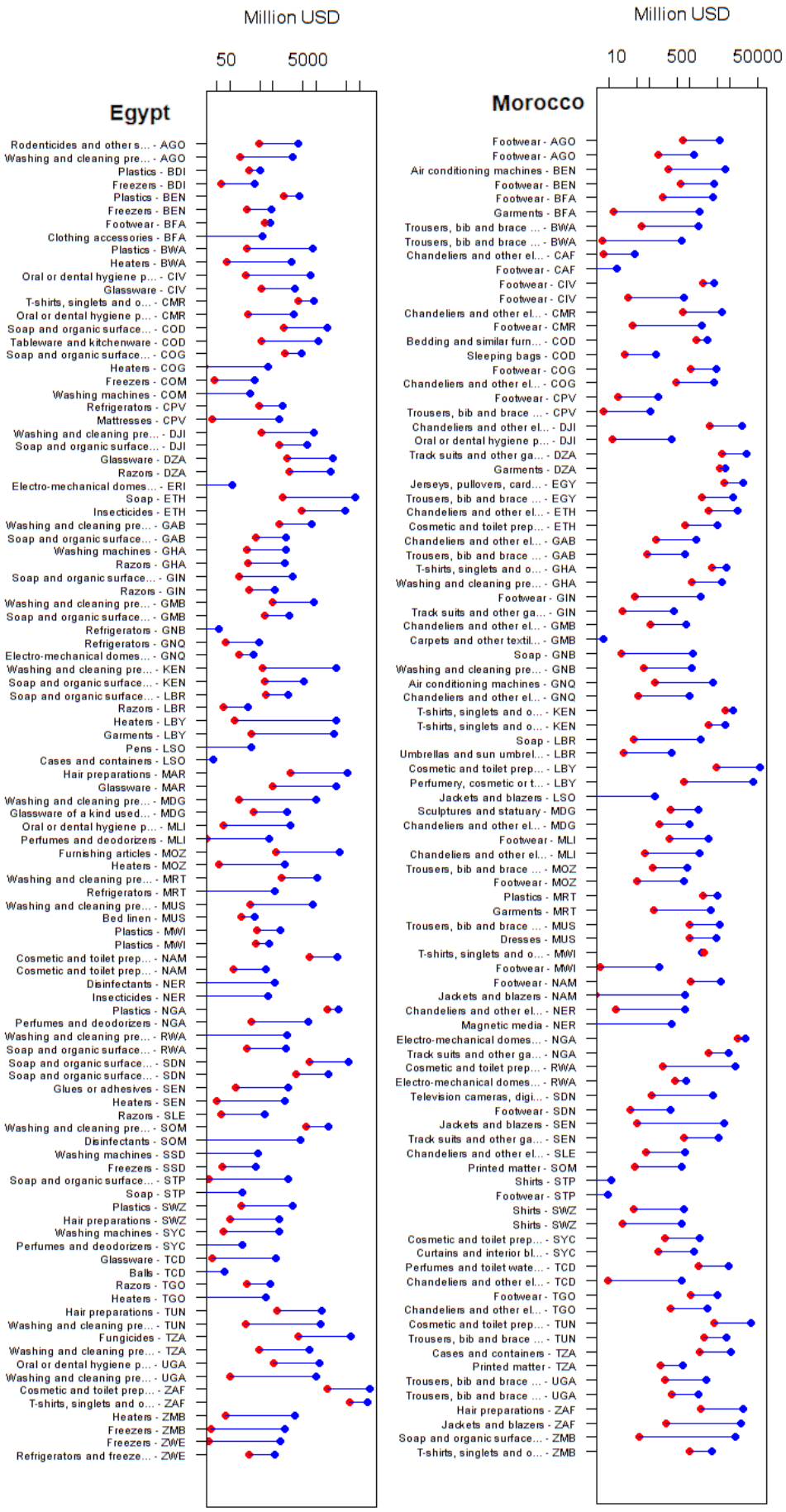

Sectoral impact of tariff in Morocco
Sector
Chemical
Textiles; leather; footwear
Food; beverages; tobacco
Motor vehicles; trailers
Manufacturing nec; repair; installation of machinery
Basic metals
Electrical equipment
Rubber; plastics
Paper; printing
Pharmaceuticals
Other non-metallic mineral
Fabricated metal products
Computer; electronic; optical
Other transport equipment
Machinery; equipment; nec
Wood; products of wood; cork
Coke; refined petroleum products
Warehousing; support for transportation
Land; pipelines transport
Air transport
Postal
Water transport
Administrative; support
Wholesale; retail trade; repair of vehicles
Professional; scientific; technical activities
Financial; insurance
Electricity; gas; steam; air conditioning
Real estate
IT; other information services
Publishing; audiovisual; broadcasting
Telecommunications
Construction
Water supply; sewerage; waste
Accommodation; food service
Other service activities
Public administration; defence; social security
Education
Arts; entertainment; recreation
Health; social work
households
Agriculture; hunting; forestry
Mining; quarrying (non-energy)
Fishing ; aquaculture
Mining support service
Mining; quarrying (energy)
0
25
50
75
Reduction in Gross Value Added
Scenario
Reduction in VA due to lower bilateral export of intermediary goods to the US
Reduction in VA due to lower bilateral export of final goods to the US
Reduction in VA due to total output reduction through the GVC

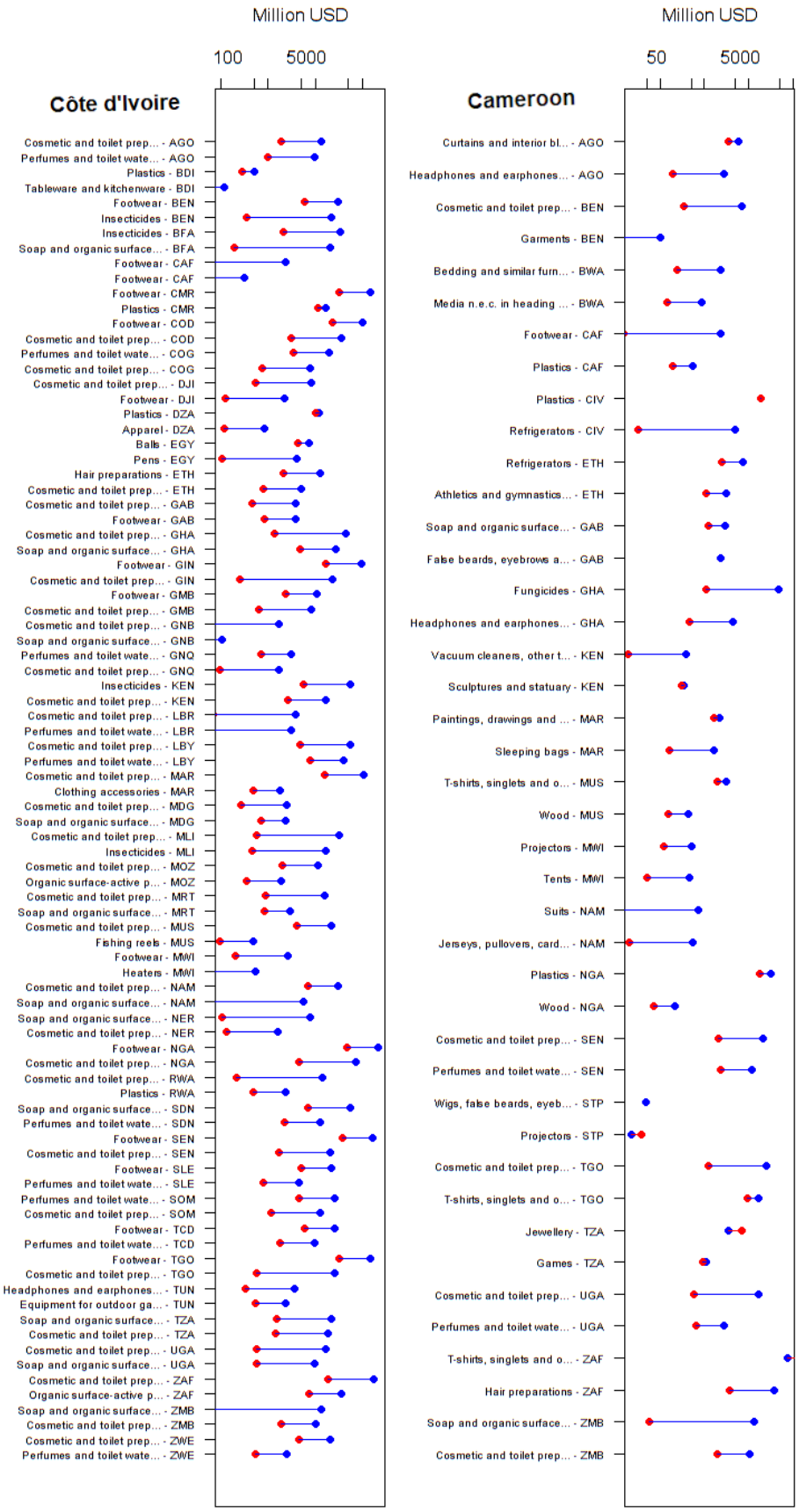

Sectoral impact of tariff in Senegal
Sector
Chemical
Food; beverages; tobacco
Textiles; leather; footwear
Basic metals
Manufacturing nec; repair; installation of machinery
Paper; printing
Rubber; plastics
Wood; products of wood; cork
Other non-metallic mineral
Pharmaceuticals
Fabricated metal products
Electrical equipment
Coke; refined petroleum products
Other transport equipment
Machinery; equipment; nec
Computer; electronic; optical
Motor vehicles; trailers
Land; pipelines transport
Warehousing; support for transportation
Air transport
Water transport
Postal
Wholesale; retail trade; repair of vehicles
Professional; scientific; technical activities
Administrative; support
Financial; insurance
Real estate
Telecommunications
Electricity; gas; steam; air conditioning
Publishing; audiovisual; broadcasting
IT; other information services
Water supply; sewerage; waste
Accommodation; food service
Education
Construction
Other service activities
Public administration; defence; social security
Arts; entertainment; recreation
Health; social work
households
Mining; quarrying (non-energy)
Agriculture; hunting; forestry
Fishing ; aquaculture
Mining; quarrying (energy)
Mining support service
0
10
20
30
40
Reduction in Gross Value Added
Scenario
Reduction in VA due to lower bilateral export of intermediary goods to the US
Reduction in VA due to lower bilateral export of final goods to the US
Reduction in VA due to total output reduction through the GVC


Sectoral impact of tariff in Tunisia
Sector
Textiles; leather; footwear
Food; beverages; tobacco
Chemical
Motor vehicles; trailers
Fabricated metal products
Electrical equipment
Computer; electronic; optical
Manufacturing nec; repair; installation of machinery
Machinery; equipment; nec
Paper; printing
Basic metals
Other transport equipment
Pharmaceuticals
Rubber; plastics
Other non-metallic mineral
Wood; products of wood; cork
Coke; refined petroleum products
Land; pipelines transport
Warehousing; support for transportation
Postal
Air transport
Water transport
Wholesale; retail trade; repair of vehicles
Financial; insurance
Professional; scientific; technical activities
Telecommunications
Administrative; support
Real estate
Publishing; audiovisual; broadcasting
Electricity; gas; steam; air conditioning
IT; other information services
Construction
Water supply; sewerage; waste
Accommodation; food service
Arts; entertainment; recreation
Other service activities
Public administration; defence; social security
Education
Health; social work
households
Agriculture; hunting; forestry
Fishing ; aquaculture
Mining; quarrying (energy)
Mining; quarrying (non-energy)
Mining support service
0
20
40
60
80
Reduction in Gross Value Added
Scenario
Reduction in VA due to lower bilateral export of intermediary goods to the US
Reduction in VA due to lower bilateral export of final goods to the US
Reduction in VA due to total output reduction through the GVC

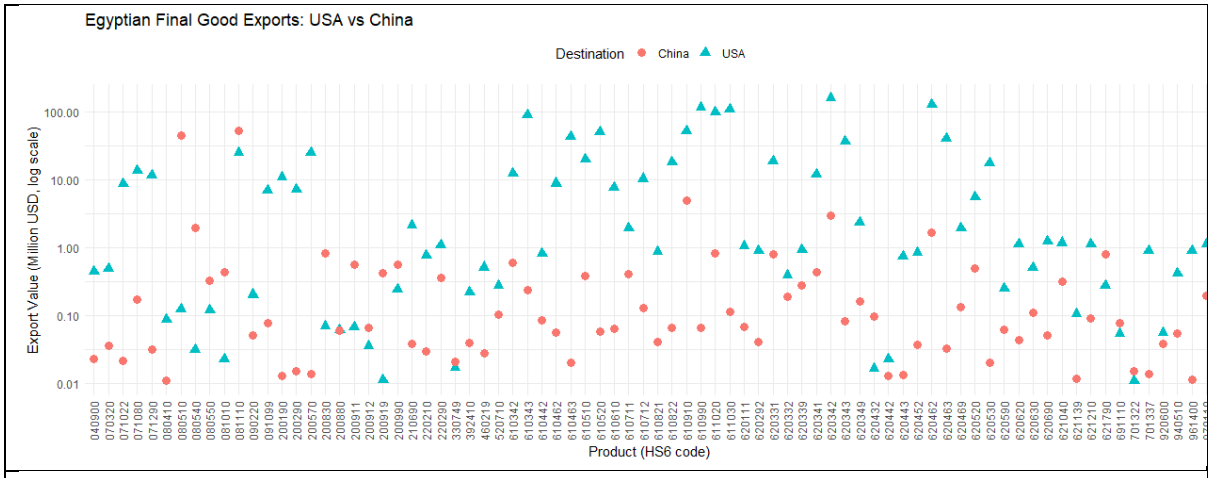

Sectoral impact of tariff in Nigeria
Sector
Food; beverages; tobacco
Textiles; leather; footwear
Coke; refined petroleum products
Other non-metallic mineral
Wood; products of wood; cork
Basic metals
Manufacturing nec; repair; installation of machinery
Chemical
Motor vehicles; trailers
Pharmaceuticals
Rubber; plastics
Paper; printing
Fabricated metal products
Machinery; equipment; nec
Other transport equipment
Computer; electronic; optical
Electrical equipment
Land; pipelines transport
Warehousing; support for transportation
Air transport
Postal
Water transport
Wholesale; retail trade; repair of vehicles
Professional; scientific; technical activities
Telecommunications
Electricity; gas; steam; air conditioning
Publishing; audiovisual; broadcasting
Financial; insurance
Other service activities
Real estate
Administrative; support
IT; other information services
Accommodation; food service
Water supply; sewerage; waste
Construction
Arts; entertainment; recreation
Education
Health; social work
Public administration; defence; social security
households
Mining; quarrying (energy)
Agriculture; hunting; forestry
Mining; quarrying (non-energy)
Mining support service
Fishing ; aquaculture
0
100
200
300
400
Reduction in Gross Value Added
Scenario
Reduction in VA due to lower bilateral export of intermediary goods to the US
Reduction in VA due to lower bilateral export of final goods to the US
Reduction in VA due to total output reduction through the GVC

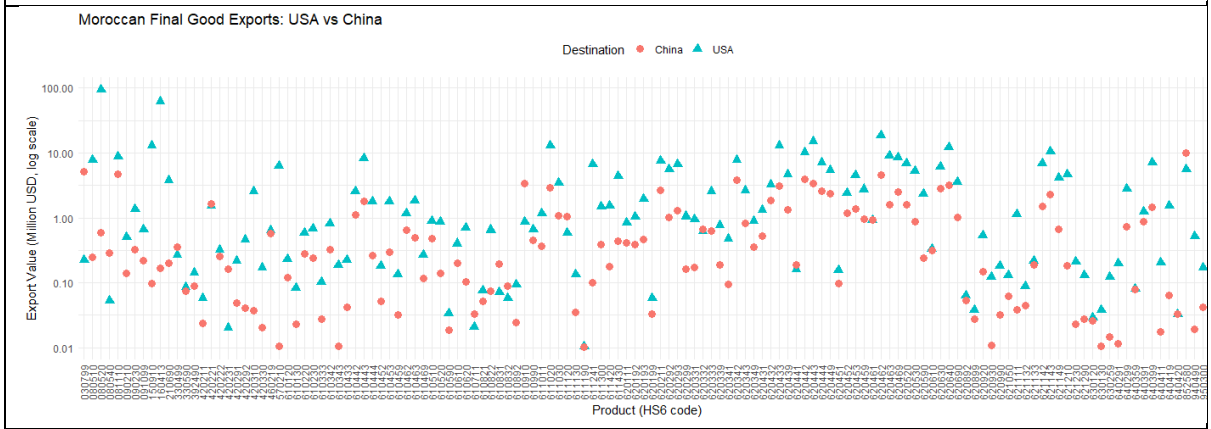

Million USD
10
1000
Senegal
T-shirts, singlets and o... - AGO
Trousers, bib and brace ... - AGO
Garments - BDI
Garments - BDI
Cosmetic and toilet prep... - BEN
Organic surface-active p... - BEN
Cosmetic and toilet prep... - BFA
Plastics - BFA
Cells and batteries - CAF
Footwear - CAF
Footwear - CIV
Cosmetic and toilet prep... - CIV
Cosmetic and toilet prep... - CMR
Mattresses - CMR
Cosmetic and toilet prep... - COD
Soap and organic surface... - COD
Trousers, bib and brace ... - COG
Cosmetic and toilet prep... - COG
Plastics - COM
Sports footwear - COM
Washing and cleaning pre... - CPV
Cosmetic and toilet prep... - CPV
Shirts - DJI
Nightdresses and pyjamas - DJI
Shirts - DZA
T-shirts, singlets and o... - EGY
Jerseys, pullovers, card... - EGY
Anoraks, wind-cheaters, ... - ETH
Artwork - ETH
Washing and cleaning pre... - GAB
T-shirts, singlets and o... - GAB
Cosmetic and toilet prep... - GHA
Perfumes and toilet wate... - GHA
Cosmetic and toilet prep... - GIN
Washing and cleaning pre... - GIN
Washing and cleaning pre... - GMB
Cosmetic and toilet prep... - GMB
Plastics - GNB
Cosmetic and toilet prep... - GNB
Dresses - KEN
Sculptures and statuary - KEN
Oral or dental hygiene p... - LBR
Washing and cleaning pre... - LBR
Cosmetic and toilet prep... - MAR
Perfumes and toilet wate... - MAR
Artwork - MDG
Sports footwear - MDG
Cosmetic and toilet prep... - MLI
Footwear - MLI
Cosmetic and toilet prep... - MOZ
Organic surface-active p... - MOZ
Footwear - MRT
Cosmetic and toilet prep... - MRT
Wood - MUS
Printed matter - MUS
Footwear - NAM
Track suits and other ga... - NAM
Cosmetic and toilet prep... - NER
Bedding and similar furn... - NER
Cosmetic and toilet prep... - NGA
Perfumes and toilet wate... - NGA
T-shirts, singlets and o... - RWA
Jerseys, pullovers, card... - RWA
Cosmetic and toilet prep... - SLE
Razors - SLE
Cases and containers - SWZ
Disinfectants - TCD
Plastics - TCD
Cosmetic and toilet prep... - TGO
Line telephone sets with... - TGO
False beards, eyebrows a... - TUN
Wigs, false beards, eyeb... - TUN
Cosmetic and toilet prep... - TZA
T-shirts, singlets and o... - TZA
Cosmetic and toilet prep... - UGA
Soap and organic surface... - UGA
Cosmetic and toilet prep... - ZAF
False beards, eyebrows a... - ZAF
Cosmetic and toilet prep... - ZMB
Organic surface-active p... - ZMB
Million USD
100
5000
Nigeria
Perfumes and toilet wate... - AGO
Hair preparations - AGO
Soap and organic surface... - BEN
Glues or adhesives - BEN
Footwear - BFA
Footwear - BFA
Cosmetic and toilet prep... - BWA
Perfumes and toilet wate... - BWA
Footwear - CAF
Refrigerators - CAF
Insecticides - CIV
Washing and cleaning pre... - CIV
Perfumes and toilet wate... - COG
Cosmetic and toilet prep... - COG
Soap and organic surface... - CPV
Glues or adhesives - CPV
Tricycles, scooters, ped... - EGY
Suits - EGY
Ceramic tableware, kitch... - ETH
Suits - ETH
Insecticides - GAB
False beards, eyebrows a... - GAB
Soap and organic surface... - GHA
Wigs, false beards, eyeb... - GHA
False beards, eyebrows a... - GIN
Hair preparations - GIN
Footwear - GMB
Washing and cleaning pre... - GMB
Washing and cleaning pre... - KEN
Cosmetic and toilet prep... - KEN
Cosmetic and toilet prep... - LBR
Hair preparations - LBR
Cosmetic and toilet prep... - LBY
Cosmetic and toilet prep... - LSO
Shirts - LSO
T-shirts, singlets and o... - MAR
T-shirts, singlets and o... - MAR
Cosmetic and toilet prep... - MDG
Jewellery - MDG
Media n.e.c. in heading ... - MOZ
Soap - MOZ
Soap - MRT
Washing and cleaning pre... - MRT
Washing and cleaning pre... - MUS
Soap and organic surface... - MUS
Cosmetic and toilet prep... - MWI
Wigs, false beards, eyeb... - MWI
Wigs, false beards, eyeb... - NAM
Projectors - NAM
Plastics - NER
Footwear - NER
Cosmetic and toilet prep... - SEN
Pens - SEN
Cosmetic and toilet prep... - SLE
Footwear - STP
False beards, eyebrows a... - STP
Soap - SWZ
Cosmetic and toilet prep... - SWZ
Footwear - SYC
Dresses - SYC
Footwear - TGO
Insecticides - TGO
Cosmetic and toilet prep... - TUN
False beards, eyebrows a... - TUN
Soap and organic surface... - TZA
Cosmetic and toilet prep... - TZA
Wigs, false beards, eyeb... - UGA
False beards, eyebrows a... - UGA
Hair preparations - ZAF
Paintings, drawings and ... - ZAF
Magnetic media - ZMB
Garments - ZMB
Cosmetic and toilet prep... - ZWE
Wigs, false beards, eyeb... - ZWE

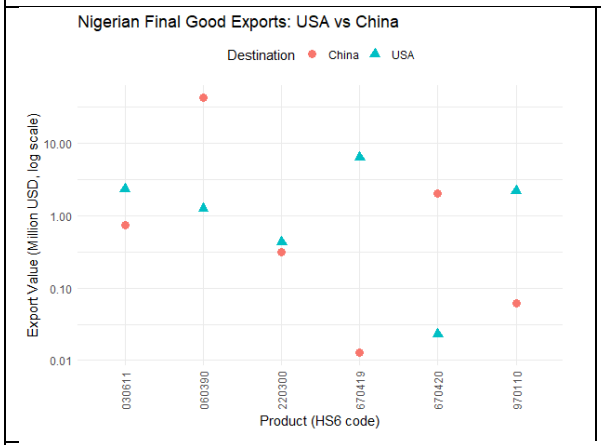

Million USD
50
5000
Egypt
Rodenticides and other s... - AGO
Washing and cleaning pre... - AGO
Plastics - BDI
Freezers - BDI
Plastics - BEN
Freezers - BEN
Footwear - BFA
Clothing accessories - BFA
Plastics - BWA
Heaters - BWA
Oral or dental hygiene p... - CIV
Glassware - CIV
T-shirts, singlets and o... - CMR
Oral or dental hygiene p... - CMR
Soap and organic surface... - COD
Tableware and kitchenware - COD
Soap and organic surface... - COG
Heaters - COG
Freezers - COM
Washing machines - COM
Refrigerators - CPV
Mattresses - CPV
Washing and cleaning pre... - DJI
Soap and organic surface... - DJI
Glassware - DZA
Razors - DZA
Electro-mechanical domes... - ERI
Soap - ETH
Insecticides - ETH
Washing and cleaning pre... - GAB
Soap and organic surface... - GAB
Washing machines - GHA
Razors - GHA
Soap and organic surface... - GIN
Razors - GIN
Washing and cleaning pre... - GMB
Soap and organic surface... - GMB
Refrigerators - GNB
Refrigerators - GNQ
Electro-mechanical domes... - GNQ
Washing and cleaning pre... - KEN
Soap and organic surface... - KEN
Soap and organic surface... - LBR
Razors - LBR
Heaters - LBY
Garments - LBY
Pens - LSO
Cases and containers - LSO
Hair preparations - MAR
Glassware - MAR
Washing and cleaning pre... - MDG
Glassware of a kind used... - MDG
Oral or dental hygiene p... - MLI
Perfumes and deodorizers - MLI
Furnishing articles - MOZ
Heaters - MOZ
Washing and cleaning pre... - MRT
Refrigerators - MRT
Washing and cleaning pre... - MUS
Bed linen - MUS
Plastics - MWI
Plastics - MWI
Cosmetic and toilet prep... - NAM
Cosmetic and toilet prep... - NAM
Disinfectants - NER
Insecticides - NER
Plastics - NGA
Perfumes and deodorizers - NGA
Washing and cleaning pre... - RWA
Soap and organic surface... - RWA
Soap and organic surface... - SDN
Soap and organic surface... - SDN
Glues or adhesives - SEN
Heaters - SEN
Razors - SLE
Washing and cleaning pre... - SOM
Disinfectants - SOM
Washing machines - SSD
Freezers - SSD
Soap and organic surface... - STP
Soap - STP
Plastics - SWZ
Hair preparations - SWZ
Washing machines - SYC
Perfumes and deodorizers - SYC
Glassware - TCD
Balls - TCD
Razors - TGO
Heaters - TGO
Hair preparations - TUN
Washing and cleaning pre... - TUN
Fungicides - TZA
Washing and cleaning pre... - TZA
Oral or dental hygiene p... - UGA
Washing and cleaning pre... - UGA
Cosmetic and toilet prep... - ZAF
T-shirts, singlets and o... - ZAF
Heaters - ZMB
Freezers - ZMB
Freezers - ZWE
Refrigerators and freeze... - ZWE
Million USD
10
500
50000
Morocco
Footwear - AGO
Footwear - AGO
Air conditioning machines - BEN
Footwear - BEN
Footwear - BFA
Garments - BFA
Trousers, bib and brace ... - BWA
Trousers, bib and brace ... - BWA
Chandeliers and other el... - CAF
Footwear - CAF
Footwear - CIV
Footwear - CIV
Chandeliers and other el... - CMR
Footwear - CMR
Bedding and similar furn... - COD
Sleeping bags - COD
Footwear - COG
Chandeliers and other el... - COG
Footwear - CPV
Trousers, bib and brace ... - CPV
Chandeliers and other el... - DJI
Oral or dental hygiene p... - DJI
Track suits and other ga... - DZA
Garments - DZA
Jerseys, pullovers, card... - EGY
Trousers, bib and brace ... - EGY
Chandeliers and other el... - ETH
Cosmetic and toilet prep... - ETH
Chandeliers and other el... - GAB
Trousers, bib and brace ... - GAB
T-shirts, singlets and o... - GHA
Washing and cleaning pre... - GHA
Footwear - GIN
Track suits and other ga... - GIN
Chandeliers and other el... - GMB
Carpets and other textil... - GMB
Soap - GNB
Washing and cleaning pre... - GNB
Air conditioning machines - GNQ
Chandeliers and other el... - GNQ
T-shirts, singlets and o... - KEN
T-shirts, singlets and o... - KEN
Soap - LBR
Umbrellas and sun umbrel... - LBR
Cosmetic and toilet prep... - LBY
Perfumery, cosmetic or t... - LBY
Jackets and blazers - LSO
Sculptures and statuary - MDG
Chandeliers and other el... - MDG
Footwear - MLI
Chandeliers and other el... - MLI
Trousers, bib and brace ... - MOZ
Footwear - MOZ
Plastics - MRT
Garments - MRT
Trousers, bib and brace ... - MUS
Dresses - MUS
T-shirts, singlets and o... - MWI
Footwear - MWI
Footwear - NAM
Jackets and blazers - NAM
Chandeliers and other el... - NER
Magnetic media - NER
Electro-mechanical domes... - NGA
Track suits and other ga... - NGA
Cosmetic and toilet prep... - RWA
Electro-mechanical domes... - RWA
Television cameras, digi... - SDN
Footwear - SDN
Jackets and blazers - SEN
Track suits and other ga... - SEN
Chandeliers and other el... - SLE
Printed matter - SOM
Shirts - STP
Footwear - STP
Shirts - SWZ
Shirts - SWZ
Cosmetic and toilet prep... - SYC
Curtains and interior bl... - SYC
Perfumes and toilet wate... - TCD
Chandeliers and other el... - TCD
Footwear - TGO
Chandeliers and other el... - TGO
Cosmetic and toilet prep... - TUN
Trousers, bib and brace ... - TUN
Cases and containers - TZA
Printed matter - TZA
Trousers, bib and brace ... - UGA
Trousers, bib and brace ... - UGA
Hair preparations - ZAF
Jackets and blazers - ZAF
Soap and organic surface... - ZMB
T-shirts, singlets and o... - ZMB

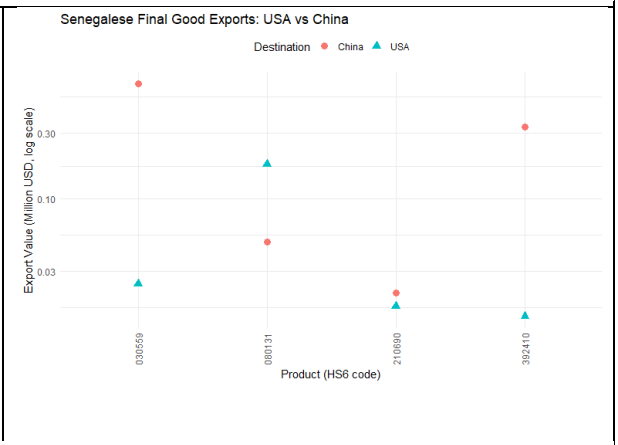

Million USD
100
5000
Côte d'Ivoire
Cosmetic and toilet prep... - AGO
Perfumes and toilet wate... - AGO
Plastics - BDI
Tableware and kitchenware - BDI
Footwear - BEN
Insecticides - BEN
Insecticides - BFA
Soap and organic surface... - BFA
Footwear - CAF
Footwear - CAF
Footwear - CMR
Plastics - CMR
Footwear - COD
Cosmetic and toilet prep... - COD
Perfumes and toilet wate... - COG
Cosmetic and toilet prep... - COG
Cosmetic and toilet prep... - DJI
Footwear - DJI
Plastics - DZA
Apparel - DZA
Balls - EGY
Pens - EGY
Hair preparations - ETH
Cosmetic and toilet prep... - ETH
Cosmetic and toilet prep... - GAB
Footwear - GAB
Cosmetic and toilet prep... - GHA
Soap and organic surface... - GHA
Footwear - GIN
Cosmetic and toilet prep... - GIN
Footwear - GMB
Cosmetic and toilet prep... - GMB
Cosmetic and toilet prep... - GNB
Soap and organic surface... - GNB
Perfumes and toilet wate... - GNQ
Cosmetic and toilet prep... - GNQ
Insecticides - KEN
Cosmetic and toilet prep... - KEN
Cosmetic and toilet prep... - LBR
Perfumes and toilet wate... - LBR
Cosmetic and toilet prep... - LBY
Perfumes and toilet wate... - LBY
Cosmetic and toilet prep... - MAR
Clothing accessories - MAR
Cosmetic and toilet prep... - MDG
Soap and organic surface... - MDG
Cosmetic and toilet prep... - MLI
Insecticides - MLI
Cosmetic and toilet prep... - MOZ
Organic surface-active p... - MOZ
Cosmetic and toilet prep... - MRT
Soap and organic surface... - MRT
Cosmetic and toilet prep... - MUS
Fishing reels - MUS
Footwear - MWI
Heaters - MWI
Cosmetic and toilet prep... - NAM
Soap and organic surface... - NAM
Soap and organic surface... - NER
Cosmetic and toilet prep... - NER
Footwear - NGA
Cosmetic and toilet prep... - NGA
Cosmetic and toilet prep... - RWA
Plastics - RWA
Soap and organic surface... - SDN
Perfumes and toilet wate... - SDN
Footwear - SEN
Cosmetic and toilet prep... - SEN
Footwear - SLE
Perfumes and toilet wate... - SLE
Perfumes and toilet wate... - SOM
Cosmetic and toilet prep... - SOM
Footwear - TCD
Perfumes and toilet wate... - TCD
Footwear - TGO
Cosmetic and toilet prep... - TGO
Headphones and earphones... - TUN
Equipment for outdoor ga... - TUN
Soap and organic surface... - TZA
Cosmetic and toilet prep... - TZA
Cosmetic and toilet prep... - UGA
Soap and organic surface... - UGA
Cosmetic and toilet prep... - ZAF
Organic surface-active p... - ZAF
Soap and organic surface... - ZMB
Cosmetic and toilet prep... - ZMB
Cosmetic and toilet prep... - ZWE
Perfumes and toilet wate... - ZWE
Million USD
50
5000
Cameroon
Curtains and interior bl... - AGO
Headphones and earphones... - AGO
Cosmetic and toilet prep... - BEN
Garments - BEN
Bedding and similar furn... - BWA
Media n.e.c. in heading ... - BWA
Footwear - CAF
Plastics - CAF
Plastics - CIV
Refrigerators - CIV
Refrigerators - ETH
Athletics and gymnastics... - ETH
Soap and organic surface... - GAB
False beards, eyebrows a... - GAB
Fungicides - GHA
Headphones and earphones... - GHA
Vacuum cleaners, other t... - KEN
Sculptures and statuary - KEN
Paintings, drawings and ... - MAR
Sleeping bags - MAR
T-shirts, singlets and o... - MUS
Wood - MUS
Projectors - MWI
Tents - MWI
Suits - NAM
Jerseys, pullovers, card... - NAM
Plastics - NGA
Wood - NGA
Cosmetic and toilet prep... - SEN
Perfumes and toilet wate... - SEN
Wigs, false beards, eyeb... - STP
Projectors - STP
Cosmetic and toilet prep... - TGO
T-shirts, singlets and o... - TGO
Jewellery - TZA
Games - TZA
Cosmetic and toilet prep... - UGA
Perfumes and toilet wate... - UGA
T-shirts, singlets and o... - ZAF
Hair preparations - ZAF
Soap and organic surface... - ZMB
Cosmetic and toilet prep... - ZMB

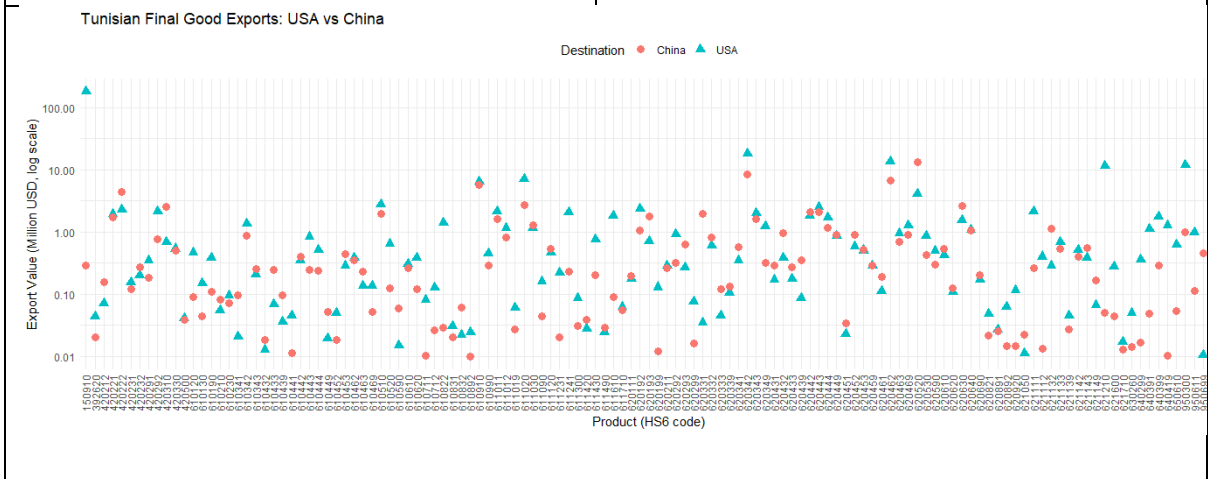
Identifying the consumption goods that Africa export both to the US and China



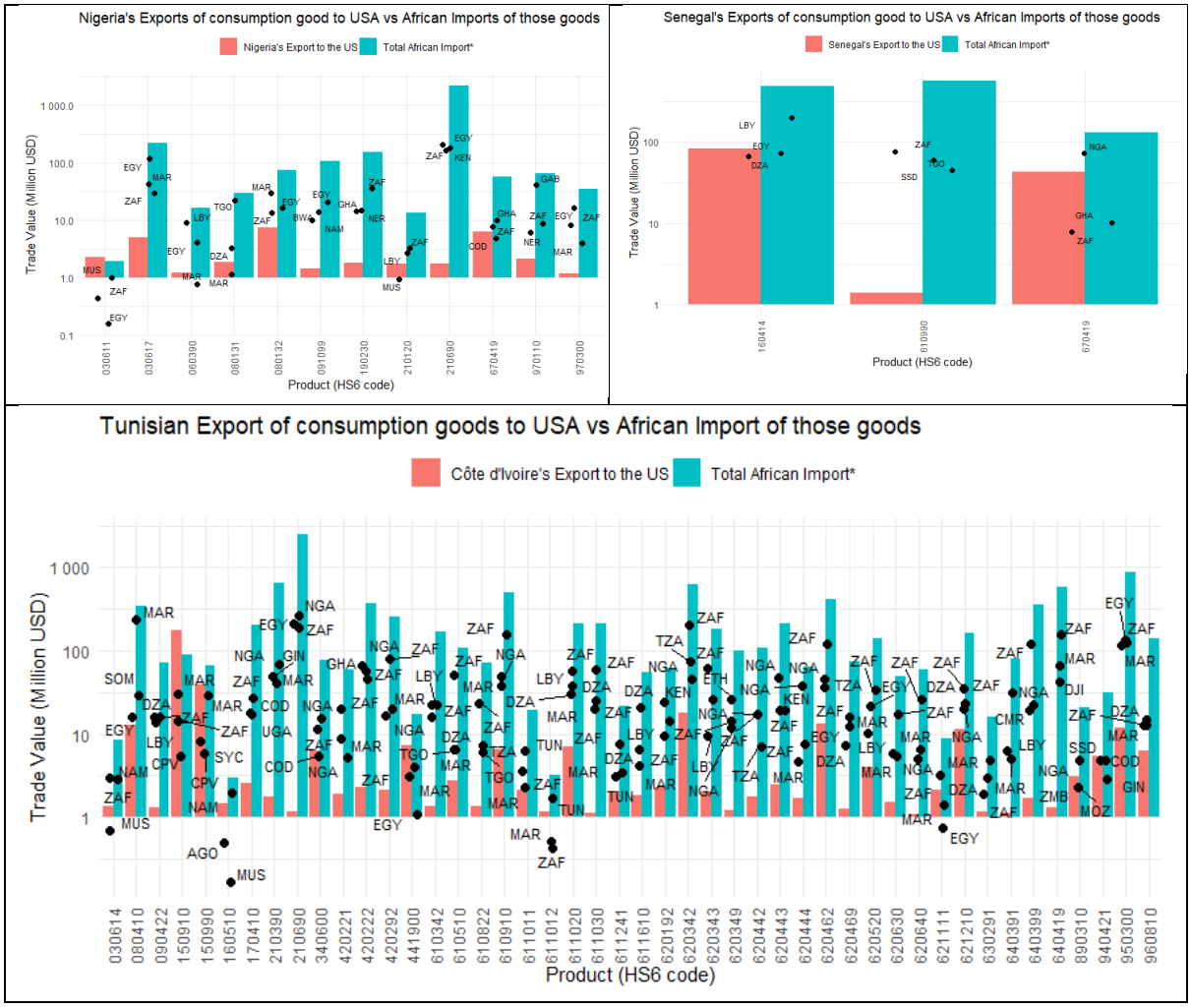








Identifying consumption goods with potential for export to African markets


Nigeria's Exports of consumption good to USA vs African Imports of those goods
Nigeria's Export to the US
Total African Import*
Trade Value (Million USD)
Product (HS6 code)
Senegal's Exports of consumption good to USA vs African Imports of those goods
Senegal's Export to the US
Total African Import*
Trade Value (Million USD)
Product (HS6 code)
Tunisian Export of consumption goods to USA vs African Import of those goods
Côte d'Ivoire's Export to the US
Total African Import*
Trade Value (Million USD)
Product (HS6 code)