CHAPTER 8

Assessing the Effects of Trump's 2.0 Tariffs on Africa's Export Competitiveness

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Introduction

Considering the continuing trade war between the United States (US) and China, the tariff policies implemented under Trump's 2.0 presidency have had a substantial impact on the global trading landscape. The immediate consequences of these tariffs on the US and China have received much attention, however, little is known about how these policies have impacted Sub-Saharan African nations, particularly in terms of their ability to compete internationally. Understanding how shifts in global trade dynamics, especially US tariffs, impact African countries' standing in international markets is essential as their economies are depending more on trade (Adebajo, 2025; Cohen, 2025; Dube, 2025). Africa's export industries, such as manufacturing, mining and agriculture, are vital to many of the continent's economies. However, traditional trade flows have been interrupted by the USs' imposition of tariffs and other protectionist measures, pushing African nations to adapt to new economic realities. With uncertainty surrounding global commerce, some nations have been able to diversify their trading partnerships, while others have found it difficult to keep their competitive edge. With an emphasis on how the continent has dealt with the difficulties presented by these trade policies, this study attempts to evaluate how Trump's 2.0 tariffs have affected Africa's export competitiveness. This study will advance knowledge of the wider effects of the US–China trade war on Africa's trading environment by analysing the effects on important industries like manufacturing, energy and agriculture.

Global trade patterns have changed significantly as a result of the Trump's 2.0 tariffs, especially the trade war with China. The studies currently available on the indirect consequences of these policies on Sub-Saharan African nations are lacking, nonetheless. Africa's distinct role in international trade receives little attention in most of the studies currently accessible, which mostly concentrates on the effects of the US–China trade war on established economies or emerging markets. Particularly, there are not many thorough studies on how US tariffs on Chinese goods have impacted the export competitiveness of African nations, which rely significantly on the sale of raw materials. African countries are frequently stuck between the US trade policies and China's increasing economic might, making this research gap crucial. Some African nations continue to rely on conventional markets, such as the US, while others have bolstered their commercial relations with China. African countries may have trouble retaining market access and obtaining advantageous conditions for their goods, since US tariffs have hampered trade with China. By evaluating how Trump's tariffs have impacted Africa's capacity to compete in global markets and the wider ramifications for trade policy in the area, the current study aims to fill this gap.

Trump's trade war and global trade dynamics

President Donald Trump started the trade war between the US and China in 2018, and it had a significant impact on both countries' economies as well as the dynamics of international commerce. Global supply networks, international trade flows and the overall economic environment were all altered by the US tariffs placed on Chinese imports and the subsequent retaliatory tariffs from China on US exports. This dispute, which was fuelled by Trump's 'America First' trade policy, was centred on lowering the trade gap between the US and China, resolving issues with intellectual property theft and stopping what were seen as unfair trade practices by China (Mbeya, 2025; Sachs, 2025). Sub-Saharan African nations and other places that depend on international commerce for economic growth and development were among those affected, however, the effects went well beyond the US and China.

Several increasing tariffs were imposed during the Trump administration's trade war, impacting goods valued at hundreds of billions of dollars. Targeting important sectors such as electronics, manufacturing and consumer goods, the US levied a 25 per cent tariff on US$34 billion worth of Chinese imports in 2018. These levies' reach grew over time, impacting an additional US$200 billion in Chinese imports. China responded by enacting taxes on American imports, including consumer and industrial goods, as well as agricultural products such as soybeans. Trump asserted that unfair state subsidies, forced technology transfers and intellectual property theft were all part of China's trade policies, and he sought to rectify the trade imbalance between the US and China (Sharma, 2025; Stewart and Thorbecke, 2025). Established supply networks were significantly impacted by this trade war, particularly those that relied heavily on Chinese manufacturing. As a global centre for low-cost manufacturing, China has become an essential link in the supply chain for goods used by people worldwide, including many African countries. African economies, which often export raw materials and import finished goods, were indirectly affected by tariffs that disrupted these global supply chains.

In several respects, the US–China trade war changed the nature of international trade. First, it forced businesses to reconsider their sourcing strategy by upsetting long-standing trade flows. Businesses searched for alternate manufacturing sites abroad, especially in Southeast Asia, Latin America and to a lesser extent, Africa, as tariffs increased the cost of Chinese goods on the American market. Although it was difficult to scale up production to meet the new global demand, several African nations, especially those with lower labour costs, were seen as possible winners of this change. Second, the trade war made the world economy more uncertain. Other regions saw market volatility and economic slowdowns as a result of the trade friction between the two biggest economies in the world. For example, the African Development Bank (2025) stated that the US–China trade war had a negative impact on international investment, commodity prices and economic stability by slowing global growth. Due to their heavy reliance on commodity exports, several African nations were left exposed to changes in global demand and prices brought on by the trade war.

Africa's export competitiveness was indirectly harmed by the US–China trade war, even though it had a direct influence on international trade ties. Africa exports a wide range of minerals, agricultural products and raw materials to China and the US, resulting in substantial trade between the two nations. African nations that relied on American markets and Chinese manufacturing for their exports faced new difficulties as the trade war upended global supply chains. Price instability was one of the main effects of the trade war on African exports. The market for African exports, especially those linked to Chinese demand, became increasingly erratic as tariffs on Chinese commodities increased the production costs for global supply chains. The shifting dynamics of the US–China trade war have an impact on price swings for African commodities like copper, oil and cobalt, which are essential to the Chinese manufacturing sector. African exporters, thus, faced difficulties in accessing markets and dealing with price volatility (Zhou and Njoroge, 2025; Zou and Tang, 2025). Furthermore, African nations that shipped agricultural goods to the US and China were entangled in the trade dispute. African exporters had the chance to close gaps in the Chinese market as a result of China's retaliatory tariffs on American agricultural products. These chances, however, were frequently fleeting and heavily reliant on the dynamic political environment of the US–China relationship. African nations that sell wine, fruits and vegetables to China, such as South Africa and Kenya, may have seen a brief increase in exports; however, they also had to contend with escalating competition from other emerging countries looking to break into the Chinese market.

Although African nations faced both possibilities and difficulties due to the US–China trade war, the overall effects have been complex. On the one hand, African countries with a wealth of natural resources and lower labour costs were able to take advantage of the opportunities that the changing global supply chains presented. As businesses looked to move their manufacturing operations outside of China, nations with thriving manufacturing industries, such as Ethiopia and Kenya, were able to draw in foreign investment. However, many African countries struggled to take advantage of these chances. One important barrier is the absence of infrastructure and industrial capability. Although several African nations aimed to gain from changes in supply chains, many lacked the labour and manufacturing capacity needed to satisfy the demands of international markets. Furthermore, it was challenging for the continent to integrate into the global supply chain in more developed sectors, because of its reliance on exporting low-value commodities and raw materials. The trade war between the US and China also brought attention to how susceptible African economies are to outside economic shocks. Many African nations found themselves at risk of economic instability as global markets became increasingly volatile and commodities prices varied. To reduce the impact of external shocks, this vulnerability highlighted the necessity of economic diversification and increased reliance on intra-African trade (Dube, 2025; Ghosh and Milner, 2025).

African nations were forced to re-evaluate their trade strategies because of the changing global trade dynamics brought about by Trump's trade war. African countries started looking into new markets as the US–China conflict upended established trade patterns, especially within the African continent. To lessen Africa's reliance on outside markets and boost intra-African commerce, initiatives such as the African Continental Free Trade Area (AfCFTA), which aims to establish a single continental market for goods and services, have attracted increased attention. The AfCFTA is viewed as a crucial tactic to lessen the adverse effects of disruptions in global trade by promoting regional integration, which may increase Africa's negotiating leverage in global trade. However, for African nations to take advantage of intracontinental trade potential, AfCFTA will require large expenditures in technology, infrastructure and regulatory frameworks (Rutherford and Van Besebroeck, 2025).

Impact on African agricultural exports

Cocoa, coffee, cotton, tobacco and other agricultural exports are major sources of income for many African nations. African agricultural products were directly impacted by the tariffs imposed by the Trump administration, both in terms of competitiveness with Chinese exports and changes in global demand. According to Stewart and Thorbecke (2025), the trade war led to large price swings that impacted the demand for raw materials, posing problems for the global agriculture industry. Global commodity price fluctuations brought on by tariffs disproportionately affected African nations that depend on exporting to China. For instance, it became more difficult for African producers to be competitive because of rising competition from other international suppliers for African coffee and cocoa exports to the US and other markets. Significant repercussions for African agricultural exports were among the many effects of the Trump administration's US–China trade war on international trade. African nations are particularly susceptible to changes in international trade patterns and tariffs, since they are significant exporters of agricultural products like cocoa, coffee, tea, tobacco and fresh fruit. African agricultural producers and exporters were directly impacted by the trade war between the US and China, which changed market access and consumer demand for agricultural products, and increased price volatility. With an emphasis on market disruptions, price volatility and the changing dynamics of global trade, this section examines the direct and indirect implications of the US–China trade war on agricultural exports from Africa.

Market disruptions resulted from the Trump administration's tariffs on Chinese goods, including agricultural items, especially in the agricultural sector. China retaliated by placing duties on US agricultural exports, such as soybeans, cotton and pork, in response to the US placing tariffs on Chinese goods worth billions of dollars. African nations attempted to fill the void this produced in the Chinese market (Lopes and Nweke, 2025; Mwanza, 2025). For example, when US agricultural exports were priced out of the market, nations that export agricultural products like fruit, wine and vegetables, such as South Africa, Kenya and Ghana, saw an opportunity to boost exports to China. In certain instances, African nations could profit from this change by exploiting China's demand for substitute suppliers of goods like cotton and soybeans. These chances, though, were frequently fleeting and heavily reliant on the shifting political climate of the trade war between the US and China. African agricultural exporters' access to conventional markets was also hampered by the tariffs. African nations that depended significantly on exports to China occasionally experienced payment delays, a decline in order volumes and heightened rivalry from other international providers looking to take the place of American exporters. African producers encountered obstacles such as limited marketing reach, logistical problems and regulatory impediments that hindered their capacity to fully benefit from the changing trade dynamics as they looked for new markets.

African agricultural exports are extremely vulnerable to changes in world prices, and the trade war between the US and China made matters worse. Price volatility resulted from the uncertainty created by the tariffs on agricultural commodities markets. Global demand for substitute suppliers, especially African nations, varied in response to price fluctuations and shifting trade flows when China placed tariffs on US agricultural products. For instance, there was significant volatility in the prices of important agricultural exports from Africa, like wine, coffee and cocoa. According to Sachs (2025), the trade war caused agricultural product prices to fluctuate, which made it challenging for African farmers to forecast their revenue and make long-term investment plans. Price volatility had a direct effect on farmers in Ghana and Côte d'Ivoire, where smallholder producers found it difficult to sustain steady revenue levels in the case of cocoa, one of the continent's most significant exports. Furthermore, because the trade war had a knock-on effect on commodity markets, African farmers—especially those cultivating cash crops—were vulnerable to worldwide price shocks. African nations found it more difficult to negotiate long-term trade agreements and investments because of the uncertainty created by fluctuating tariffs, which also damaged investor confidence in the continent's agricultural sectors.

African nations were compelled to reassess their economic alliances and policies due to the global trade disruptions caused by the US–China trade war. The tariffs had an impact on agricultural exports from Africa, however, several nations tried to expand their trade networks and find new customers. For instance, the horticultural industry in Kenya, which exports fruits, vegetables and flowers to the US and Europe, has endeavoured to broaden its scope to include the Middle East and Asia (Kumar and Vines, 2025). Similarly, South Africa, which exports wine and fresh food to China and the US, began to diversify its trading partners by increasing exports to countries inside the European Union (EU), as well as to other rising markets in Asia and Africa. However, because African agricultural exports frequently encounter obstacles relating to tariffs, transportation facilities and regulatory frameworks, these attempts were compounded by logistical issues. By encouraging intra-African trade, AfCFTA, which went into effect in 2021, gives African nations the chance to lessen their reliance on outside markets. Through AfCFTA, African agricultural producers can access new regional markets with lower tariffs, which can mitigate the effects of foreign trade wars, like the US–China trade war.

Although some African countries had the chance to boost their agricultural exports to China, several obstacles prevented Africa from completely replacing the agricultural exports from the US that were impacted by the tariffs. First, African agricultural sectors frequently lack the infrastructure, technological capacity and production scale necessary to satisfy China's high demand for agricultural products. For instance, although nations like Ghana and Côte d'Ivoire produce a lot of cocoa, they are not as capable at exporting goods like soybeans, which the US used to be a big exporter of to China. Furthermore, smallholder farmers continue to dominate the African agricultural sector, despite obstacles to financing, land ownership and access to contemporary farming equipment. These limitations make it more difficult for the industry to swiftly increase output and satisfy changing demand around the world. African farmers have thus found it difficult to fully capitalise on the opportunities brought about by the US–China trade war, particularly in markets that demand steady, large-scale supplies (Cohen, 2025; Mbeya, 2025). Africa's agricultural value chains were also significantly impacted by the trade war. The agricultural industries in many African nations are intricately linked to international supply networks, especially for goods like cocoa, tea and coffee. Both producers' upstream and downstream businesses, like processing and packaging, were impacted by the disruption of these global supply chains, especially due to tariff increases and trade uncertainties. Furthermore, the wider trade uncertainty brought about by the tariffs had an impact on foreign direct investment (FDI) in Africa's agricultural sector, which is essential for market access, technology adoption and infrastructure development. Investors grew increasingly wary as US–China trade ties deteriorated, especially in industries that were highly susceptible to global market swings. The expansion and competitiveness of Africa's agricultural industry are impacted by this decreased investment.

The US–China trade war's long-term effects for African agricultural exports are still developing. While some African countries were able to take advantage of some opportunities, the overall impact remains uneven. African agricultural exporters will likely continue to face challenges from the disruption of international agricultural markets and the volatility of commodity prices. Additionally, Africa's capacity to effectively compete in international markets may be hampered by the move toward protectionist trade policies in the US and other regions. In the longer term, African nations may need to invest in agricultural diversification, infrastructure improvements and technology adoption to strengthen their competitiveness. Expanding regional markets through initiatives like AfCFTA will also be vital for minimising reliance on foreign markets that are subject to global trade conflicts.

Why trade diversification is vital for Africa

Reducing economic sensitivity to changes in commodity prices is one of the primary advantages of trade diversification. Economic instability can result from external shocks to African nations that rely significantly on agricultural exports, gold or oil. African nations can establish a more stable economic climate that is less dependent on the volatility of raw commodity markets by diversifying into other industries, including manufacturing, technology and services. For example, nations like Nigeria or Angola have significant economic setbacks when the price of oil declines globally. These consequences can be lessened by diversifying into sectors including light manufacturing, tourism and information technology (IT). According to Adebajo (2025), expanding the economic base through diversification promotes long-term economic resilience. Economies are more resilient to changes in market demand, trade interruptions and global economic crises when they have several thriving sectors. In addition to being more resilient to outside shocks, nations with a wide variety of exports are also better equipped to draw in consistent FDI in a variety of sectors. By fostering intraregional trade and lowering dependency on external markets, regional economic integration, such as that achieved through AfCFTA, is essential to improving economic resilience. One of the most important ways to increase competitiveness is to shift from exporting raw materials to value-added products (such as processed goods or high-tech services). Countries can boost their trade revenue and solidify their place in international markets by raising the value of their exports. For instance, African nations like Ghana or Côte d'Ivoire should concentrate on developing cocoa processing companies to make chocolate and other goods, rather than exporting raw cocoa beans. This strategy can boost African economies' overall competitiveness in international markets, improve the trade balance and generate jobs.

Industrialisation, the process by which economies shift from being largely dependent on agriculture and raw materials to being based on manufacturing and services, is made possible by trade diversification. In addition to increasing economic growth, industrialisation raises living standards and creates jobs. By generating value-added industries, the growth of the manufacturing sector, which includes electronics, cars and textiles, plays a crucial part in changing the economy. Infrastructure investments, innovation promotion and targeted policies can all help to support this transition. One of the most promising instruments for increasing trade diversity throughout the continent is AfCFTA, which came into play in 2021. By removing barriers to intra-African trade, AfCFTA enables African countries to access new markets within the continent, encouraging industrialisation and broadening the range of goods sold. By taking advantage of the sizable, unexplored intra-African market, African nations can diversify their exports. More diverse economies can be built on the foundation of the ease with which capital, goods and services can be moved across international borders. According to studies, if African nations can lower trade obstacles such as tariffs and non-tariff measures, intra-African commerce might rise dramatically (Mbeya, 2025; Mwanza, 2025).

Poor infrastructure is one of the main obstacles to trade diversification. Lack of connectivity, ineffective ports and inadequate transportation networks can all impede trade and raise operating costs. African nations must place a high priority on enhancing digital infrastructure like broadband internet and mobile connectivity, as well as physical infrastructure like ports, airports, railroads and highways, to promote trade diversification. In addition to lowering transaction costs, infrastructure investments will make it possible for new sectors to emerge, such as digital services and e-commerce, which can increase competitiveness and diversify exports. A key factor in promoting trade diversification is human capital. The development of new industries, such as technology, manufacturing and services, requires a competent labour force. African countries must invest in education and vocational training programmes to equip workers with the skills needed to support the growth of varied industries (International Trade Centre, 2025). For example, a focus on STEM (Science, Technology, Engineering and Mathematics) education can help generate a workforce capable of thriving in high-tech areas like information technology, biotechnology and digital finance, which are increasingly crucial in global trade.

Innovation and technology are important forces behind competitiveness. African countries must embrace technology improvements to increase the quality and competitiveness of their exports. This includes investing in R&D, adopting modern manufacturing techniques and supporting entrepreneurship in emerging industries like fintech, e-commerce and renewable energy. Precision farming and agro-processing technology are two examples of agricultural innovations that can boost value addition and raise the competitiveness of African agricultural exports. New trade prospects can be facilitated by digital platforms and mobile applications, especially for small- and medium-sized businesses (SMEs) and small firms. SMEs are frequently the foundation of economic diversification; however, they confront several obstacles, such as restricted financial access, a lack of market knowledge and poor infrastructure. Policies and initiatives that support SMEs' expansion by giving them access to money, training and markets should be developed by governments and development partners. Further diversification can be achieved by assisting entrepreneurs who invent and produce new goods, as this can result in the development of new industries and export revenue streams.

The impact of tariffs on African manufacturing sectors

One of the most widely used tools in trade policy is a tariff, which is a tax levied on imports. Tariffs have a significant impact on economies, especially in developing nations like Africa, where the manufacturing sector is frequently in its infancy or underdeveloped. Depending on their design and implementation, tariffs have the potential to both support regional industries and cause difficulties for production. Tariffs have a wide range of consequences on the manufacturing sector in African nations, affecting everything from foreign investment to domestic production.

According to Sachs (2025), safeguarding home sectors from overseas competition is one of the main reasons governments impose tariffs. When it comes to African manufacturing, tariffs can provide several protective advantages: The problem of low-cost imports oversaturating local marketplaces affects several African nations. Local manufacturers may be weakened by imported goods, which are often produced more cheaply in countries with developed manufacturing sectors. Tariffs increase the price of these imports, giving domestic producers a competitive edge. Tariffs can act as a kind of protection for developing industries that are not yet competitive on the international scene for nations attempting to expand their manufacturing sectors. This gives local businesses time to grow and improve their efficiency before they must contend with fierce worldwide competition. Tariffs can incentivise firms and consumers to purchase locally produced items by raising the cost of imports. This can boost the market for goods made in the country, encouraging producers to boost output, develop new ideas and grow their businesses. For example, local manufacturers may increase their efforts to meet demand and invest in manufacturing capacity when tariffs are placed on imported vehicles. Tariffs have several drawbacks for African manufacturing sectors, even though they can provide protection (Sharma, 2025; Kumar and Vines, 2025). To create their final items, many African businesses depend on imported intermediates and raw materials. Tariffs on these inputs increase production costs for domestic producers, making it more difficult for them to compete both domestically and abroad. A tariff on imported equipment or parts, for instance, may make it more expensive to produce manufactured items in Africa, which would raise consumer costs. Manufacturers' profit margins will be reduced if they are unable to pass on the increased input costs to customers (due to price sensitivity or competition). This may restrict the manufacturer's capacity to grow their business, increase productivity or reinvest in technology.

Consumer prices frequently increase because of tariffs on imported items. Tariffs may shield domestic producers, however, if input costs rise, so too may the price of items made in the country. For instance, local producers that depend on imported fertilisers, equipment or packing materials may see a rise in the cost of locally produced food if a tariff is placed on imported food items. As cheaper imported goods become more expensive or less available, customers may have fewer options in the marketplace because of increasing tariffs. This might make it more difficult for those in lower-income groups to obtain high-quality goods and services (Ghosh and Milner, 2025). Trade partners frequently retaliate against tariffs, which can hurt other economic sectors. For instance, the exporting nation (like the EU or China) may impose its own tariffs on African exports, like agricultural items or raw materials, in retaliation for an African nation's imposition of taxes on imported automobiles. This has the potential to reduce export earnings and affect the entire economy, including non-manufacturing industries. Negotiating trade agreements with other countries or regional blocs may be challenging for states that impose high tariffs. For instance, taxes on essential inputs may make local goods more costly than those from other countries, which would limit Africa's ability to participate in global value chains. Tariffs on technology and machinery may make it more difficult to improve production methods, which would lower local manufacturing's overall competitiveness.

One of the primary focuses of regional trade policy is the AfCFTA, which aims to reduce trade barriers and increase intra-African trade. Tariffs between African nations are being lowered or removed under the AfCFTA framework in an effort to promote industrialisation and increase intraregional trade. AfCFTA's goal is to lower intra-African trade barriers, which will result in lower prices for goods and services and a more integrated market. Giving producers access to less expensive raw materials, intermediate goods and even completed goods from other African nations can help African manufacturing. Additionally, it creates new markets for domestically produced manufactured items. African nations can create regional manufacturing value chains with lower tariffs. An electronics product, for instance, may be put together with components from several African nations, fostering a more competitive and effective manufacturing industry throughout the continent (African Development Bank, 2025). Even though AfCFTA seeks to lower tariffs, African nations continue to have disparate trade policies and tariff systems, which could make integration more difficult. Lowering import duties that could hurt their fledgling industries may make nations with heavily protected industrial sectors hesitant. It is still quite difficult to get consistent tariff rates across African countries. Despite lowering tariffs within Africa, AfCFTA does not fully shield African producers from lower-priced imports from other countries. Open trade policies may make it difficult for nations to compete with the cheap commodities made in nations like China, particularly in sectors like electronics and textiles.

Policymakers, academics and international organisations are increasingly in agreement that Africa requires a fair tariff policy. On the one hand, protective tariffs might lessen dependency on imports and foster the growth of regional manufacturing sectors. Conversely, overprotection in the form of high tariffs can result in reduced competitiveness, increased costs and inefficiency. Many analysts advise African nations to implement targeted and 'smart' protectionist policies—such as time-bound tariffs or tariffs targeted at particular industries that are essential for long-term economic growth and diversification—instead of imposing broad tariffs. The sector's overall competitiveness can be raised by policies that prioritise the development of value-added sectors like processing and assembly over the export of raw materials alone. By concentrating on export-led policies, several African nations, like those in East Asia, have seen notable growth in their manufacturing sectors. Export-driven growth helps to spur innovation, improve production efficiencies and offer access to wider global markets. However, African manufacturing must concentrate on cutting costs, enhancing product quality and using technology in order to compete in international markets.

The role of African trade policy in addressing the challenges of US tariffs

African economies face major obstacles because of US tariffs on African goods, especially as they work to expand and diversify their trade sectors. One of Africa's most significant trading partners historically, has been the US, and new tariff policies may influence anything from industrial development to export growth. To overcome these obstacles and lessen the detrimental effects of US tariffs on their economies, African nations must make the most of their trade policies. Therefore, African trade policy must be flexible, strategic and centred on strengthening intraregional economic integration as well as reducing external threats.

According to Friedman (2025), US tariffs can reduce the competitiveness of African exports in the US market, particularly when they are applied to textiles, agricultural products and specific industrial goods. For instance, US tariffs impact African agricultural products such as cocoa, coffee and specific minerals, raising their prices and decreasing their appeal to American consumers. Preferential trade agreements with the US, like the African Growth and Opportunity Act (AGOA), benefit Africa by granting duty-free access to a large number of African goods. However, these advantages may be compromised, and African nations' incentives to export to the US may be diminished if the US imposes taxes on particular African items. African producers must contend with established exporters like China, India and Southeast Asia, who frequently enjoy lower tariffs or better trade terms, in addition to other developing nations, when African goods are subject to higher tariffs in the US. These nations might be able to provide goods at reduced costs, which would further strain African exports. To boost its industrial and manufacturing sectors, several African nations import raw materials, machinery and equipment from the US. Tariffs imposed by the US on these goods may raise production costs and hinder Africa's capacity to establish competitive manufacturing industries. For instance, production prices may increase for African manufacturers who depend on American industrial goods or intermediate items, lowering the competitiveness of their final products, both domestically and abroad.

Considering these obstacles, African nations must create strong trade policies that can mitigate the effects of US tariffs and improve their trading positions, both domestically and internationally. African trade policy can be used in several ways: One of the most effective ways for African countries to respond to US tariffs is to reduce their reliance on the US market by increasing intra-Africa trade. AfCFTA, which was established in 2021, aspires to create a single market for products and services throughout the continent by lowering trade barriers and harmonising regulations. By improving regional integration, AfCFTA helps African countries shift their focus from US exports to intra-regional trade, offering a bigger market for African commodities. This can help counterbalance the negative impact of US tariffs by opening new trade opportunities within the continent. AfCFTA can enable African nations to build regional value chains, where raw materials or intermediate items are exchanged and processed within the continent, reducing dependency on foreign markets like the US for both raw materials and manufactured products (Cohen, 2025; Mbeya, 2025).

African countries should diversify their trade contacts to lessen exposure to US tariffs. African products may find new markets if commercial relations with nations in Asia, the EU and the Middle East are strengthened. To offset the difficulties caused by US tariffs, trade with China, which has grown to be one of Africa's biggest trading partners, can be increased. African countries can reach alternative markets that might not impose comparable tariffs by concentrating on non-traditional trading partners. African nations ought to investigate prospects in developing regions including the Caribbean, Southeast Asia and Latin America. These areas might present chances to increase commerce and discover fresh markets for African goods. African nations can lessen the effects of US tariffs by increasing their own competitiveness, especially through the development of their infrastructure. The ability for African manufacturers to compete with other international producers, notably those from nations with lower tariff barriers than the US, can be improved by investments in digital infrastructure, energy and transportation. To increase the effectiveness of cross-border trade both inside and outside of Africa, infrastructure investments in ports, airports, highways and railroads are crucial. This can lessen dependency on any one trading partner and make it easier to move goods to other markets.

Under trade accords like AGOA, African nations can also bargain collectively and diplomatically for better terms with the US. In the context of AfCFTA, African leaders might collaborate through regional organisations such as the African Union and the African Development Bank to advocate for reduced tariffs and advantageous trade terms. While AfCFTA can reduce tariffs within Africa, countries may also pursue trade agreements with other global powers. Negotiating free trade agreements with the US, the EU or China that include more favourable terms or tariff reductions, could help offset the negative effects of US tariffs. African countries should support policies that stimulate domestic processing of raw resources into higher-value goods. By adding value domestically, African countries can better compete in global markets by producing more advanced and diversified products. Even with US tariffs in place, creating export processing zones where businesses can obtain tax breaks and other advantages, could increase African exports by making them more competitive. To make sectors more competitive, African governments should also support innovation and the uptake of new technology. This entails implementing sophisticated production methods, including automation, and assisting sectors with the rising demand around the world, like electronics and renewable energy.

To make commerce simpler and more effective, African nations must enhance customs processes, lower trade obstacles and simplify regulatory frameworks. Institutions capable of managing cross-border trade and making sure that taxes and charges are applied in a way that supports regional sectors are necessary for the successful implementation of trade agreements such as AfCFTA. Governments can implement programmes that provide financial support, export credit and insurance to assist African exporters in overcoming the difficulties presented by tariffs. Exporters may be encouraged to diversify into new markets as a result of the decreased financial risks.

The future of African export competitiveness post-Trump tariff

The effects of the Trump administration's US tariffs are still influencing African trade dynamics as 2025 approaches. However, African nations now have new chances to boost their export competitiveness due to the evolving global political environment, the Biden administration's changes to US trade policies, and the continued development of AfCFTA. Examining the changing trade landscape and the tactics African nations can use to take advantage of new opportunities is essential to comprehending the future of African exports in the post-Trump tariff era.

Although some of the protectionist policies that defined the Trump administration were abandoned by the Biden administration, many of the tariffs that were put in place under Trump's presidency, particularly on steel, aluminium and some agricultural products, remain in effect, albeit with minor modifications. Key African exports, including textiles, agricultural products and raw materials, may not be as competitive in the US market as goods from nations with preferential tariff treatment or lower production costs. African nations that depend on exporting to the US continue to face difficulties because of US tariffs (Chin and Lard, 2025; Dube, 2025). Global trade flows have realigned because of the Trump administration's increase in trade conflicts and tariffs. The need to diversify markets and find new trading partners grew as some African products lost their competitiveness in the US. By focusing more on cooperative trade agreements and lowering some of the friction brought on by tariffs, the Biden administration has taken a more multilateral and cooperative approach to trade. Tariffs on certain items may decline, however, for Africa to remain competitive, new trade objectives, including technology, climate change and digital economy trade policies, are emerging. Through AGOA, the US and Africa have a long-standing preferential trade agreement that permits many African exports to enter the country duty-free. However, the Biden administration's policies will determine AGOA's future. If African nations support US interests like economic facilitation, democratic governance and human rights, they may be granted continuing access under AGOA. The future of AGOA may depend on the continuing of US commerce with Africa and additional amendments that broaden the agreement's scope to cover more goods, particularly in value-added industries like machinery and electronics.

One of the most important trade agreements for African nations is AfCFTA. By 2025 and beyond, AfCFTA's objectives to establish a single market with lower tariffs and standardised trade regulations may greatly increase Africa's export competitiveness. AfCFTA will encourage African nations to trade more with one another, rather than relying primarily on external markets like the US or China by removing tariffs on intra-African trade and harmonising rules of origin. This change will promote more resilient and diverse export strategies and help African nations avoid becoming vulnerable to tariffs imposed by external powers, such as the US. Through the development of regional supply chains, wherein raw materials, semi-finished commodities and services are exchanged throughout the continent, African nations can benefit from AfCFTA. African nations can increase the value of their exports and lessen their dependency on the sale of raw commodities, which are frequently prone to unstable global price swings, by concentrating on industrialising their local economies and processing raw materials domestically. African companies will have access to new clients throughout the continent because of AfCFTA, which will expand the market to include over 1.3 billion people. African exports can become more competitive as a result of this expanded market base, which can spur innovation and raise demand for value-added goods (Mwanza, 2025; Sachs, 2025). African nations must keep investing in ports, roads, railroads and digital infrastructure to enable easier and more affordable intra-African commerce if they want AfCFTA to reach its full potential. Exporters can sell their goods at more competitive prices if trade facilitation improves their costs. Furthermore, improving transportation and logistics systems will fortify Africa's supply chains and its capacity to effectively satisfy global demand.

African nations must keep diversifying their economic links to lessen the effects of US tariffs and lessen their reliance on any one market. Exploring new markets and promoting trade with emerging economies and neighbours will be crucial to Africa's export competitiveness in the future. For many African nations, China remains a vital commercial partner, particularly when it comes to the export of natural resources. Africa's export environment will probably continue to be significantly influenced by China's need for raw materials and its investments in African infrastructure, notwithstanding worries about the long-term viability of trade relations. African countries must make sure they negotiate fair trade conditions and diversify into higher-value goods like electronics, processed goods and finished goods, instead of only exporting commodities. The EU remains another crucial partner for African countries, particularly for agricultural goods, textiles and high-tech products. The EU–Africa economic connection continues to offer prospects, particularly in areas such as green energy, climate change mitigation and digital technology (Adebajo, 2025; Zhou and Njoroge, 2025). Similarly, India is becoming an increasingly important trade partner, particularly in sectors such as pharmaceuticals, textiles and chemicals. African nations must also search for new markets in developing economies in Asia, Latin America and the Middle East in addition to their traditional trading partners. Africa's strategic location between key global trade routes positions it well to expand its reach into these growing markets. With the right trade policies and infrastructure in place, Africa could become a hub for trade between these regions.

African nations must prioritise industrialisation, innovation, and the adoption of new technology if they want their exports to compete on the global market. Africa will be more successful in the future if it moves up the value chain to create superior manufactured goods and services that can compete globally, rather than just exporting raw commodities. To stand out from other growing economies, African nations must concentrate on exporting value-added goods. African economies can boost their export value and shift away from low-margin, raw material exports by establishing industries such as advanced agriculture, digital services, renewable energy and electronics manufacturing. African nations have a great opportunity to boost their export competitiveness through the digital economy. Digital trade, e-commerce platforms and Africa's expanding tech industry may create new avenues for the export of services. African countries may establish themselves as major participants in the global digital economy by giving priority to innovation hubs and digital infrastructure. African export competitiveness will be significantly impacted by the green shift. African countries with a wealth of renewable energy resources, such as wind and solar, may capitalise on the growing demand for clean energy technology worldwide as sustainability and climate change become increasingly important issues. Africa may gain a competitive edge through the development and export of eco-friendly manufacturing, sustainable agriculture and green technologies.

Conclusion

A combination of industrialisation, innovation, strategic diversification and regional integration will determine African export competitiveness in 2025 and beyond. By lowering their reliance on the US, boosting intra-African commerce and adopting innovative, sustainable technology, African nations may turn the difficulties caused by US tariffs under the Trump administration into opportunities for prosperity. Africa's ability to adapt and create robust, diverse and value-added economies that can prosper in a quickly changing global market will be just as important to the continent's export competitiveness in the future as external trade policies.

Recommendations

1. By lowering intra-African trade obstacles and establishing a single market, AfCFTA offers a revolutionary chance for Africa's economic destiny. Prioritising the following actions will help you get the most out of AfCFTA. Ensure that all member states fully implement the terms of the AfCFTA. To facilitate smooth international trade, national trade policies must align with the AfCFTA framework. Reduce non-tariff obstacles, such as administrative bottlenecks, regulatory irregularities and customs delays, which currently raise operating costs and

impede competitiveness, by standardising customs processes throughout the continent.

2. Although the US is still a significant trading partner for many African countries, African exports are susceptible to changes in trade policy and tariffs due to their continued reliance on a small number of markets. African nations should explore rising markets in Asia (like India and Japan), the Middle East (like Saudi Arabia and the United Arab Emirates) and Latin America (like Brazil and Argentina) in order to diversify their economic links. The economy of these areas is expanding, as is the demand for agricultural products, raw minerals and other African exports. To obtain better conditions for African exports, make use of current bilateral agreements, investigate new ones and join international trade networks such as BRICS (Brazil, Russia, India, China, and South Africa). Make the most of the EU–Africa collaboration, especially in areas like agriculture, green energy and the digital economy. Africa can increase its export base by taking advantage of the EU's need for sustainable goods, especially in the areas of sustainable agriculture and renewable energy technologies. Promote more flexible terms that enable African value-added products to enter EU markets under preferential conditions to increase Africa's involvement in EU trade agreements.
3. Africa's ability to advance up the value chain will be just as important to its competitiveness in the global market as the raw materials it exports. African nations must: Provide tax cuts, financial access and industry infrastructure development as incentives for domestic production to promote industrialisation. Africa will benefit from this by diversifying its exports into goods like electronics, textiles, cars and medications. Create regional industrial clusters to promote innovation, economies of scale, and specialisation. By assisting sectors ranging from processing agriculture to auto assembly, these centres can draw in international capital and generate employment.
4. Innovation and digital technology must be at the heart of export

strategy to guarantee Africa's competitiveness in the twenty-first century. Digital trade is the way of the future, and Africa needs to make significant investments in this area. Encourage the export of digital goods, such as software, internet platforms, IT services and digital content. Fintech, e-commerce, and other digital services with high-value potential can fall under this category, particularly in the post-pandemic environment. Invest in digital infrastructure, such as e-commerce platforms and broadband connectivity. African countries can help consumers and enterprises participate more successfully in international digital trade by investing in these areas.

5. Good governance and sensible policies are necessary for any trade plan to be successful. African nations must focus on creating favourable conditions for investment and trade. Simplify governance around trade by lowering corruption, increasing transparency and establishing more predictable and business-friendly trade laws. This entails streamlining customs processes, eliminating inefficient bureaucracy, and making it simpler to launch and operate a firm. Improve training and capacity-building initiatives pertaining to trade for stakeholders in the private sector, as well as government representatives. African nations will be better able to negotiate trade agreements and adhere to international trade standards if they build institutional capacity.
6. Africa can establish itself as a leader in green exports, including eco-friendly agricultural products, sustainable manufacturing and renewable energy technology, as the demand for sustainable products grows globally. Invest in sustainable agriculture and renewable energy sources, including solar, wind and geothermal. Africa has abundant renewable energy resources that can be utilised to power regional industries, lower energy costs, and generate green jobs, all of which will enhance the appeal of the continent's exports to other countries. Encourage organic and sustainable farming methods to satisfy the rising demand for certified and environmentally friendly goods

worldwide. African exports may become more diverse as a result, moving beyond basic commodities. To build a strong foundation for sustainable commerce, align trade and climate policies. African nations should adopt sustainability practices and environmental standards aligned with international trends to ensure they can compete in green industries.

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