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Killing AGOA Softly? The Impact of Trump's Tariffs for Sub-Saharan Africa

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Summary

With President Trump's return to office, United States (US) trade and development policy has undergone a decisive shift – marked by sweeping cuts to the United States Agency for International Development (USAID), shifting alliances, escalating trade tensions, and a broader retreat from multilateralism. The expiration of the Generalized System of Preferences (GSP) in 2020 and the scheduled end of the African Growth and Opportunity Act (AGOA) in 2025 had already raised concerns among sub-Saharan African (SSA) countries. Recent shifts under the renewed "America First" agenda – particularly the introduction of new tariffs – have now effectively brought AGOA to an early end.

This policy brief examines the potential effects of the shift from duty-free treatment under the US GSP and AGOA to the new Trump-era tariffs, including a universal 10% tariff applied to all US trading partners and so-called "reciprocal" tariffs announced for 57 countries on "Liberation Day". Applying a multi-region Computable General Equilibrium (CGE) model, we find the following:

- Notable adverse effects for specific SSA economies, such as Lesotho, Madagascar, Chad, Botswana, Nigeria, South Africa, Mauritius, and Malawi.
- Limited aggregate impact on AGOA-eligible countries with overall exports declining by up to 1.1% and real gross domestic product (GDP) largely unchanged.
- Most affected sectors include wearing apparel, leather products, and other manufacturing.
- The US and China would bear the largest losses under the new tariff regime.

Given the relatively weak ties of SSA to the US as well as declining utilisation rates of US preferential trade programmes over time, the limited aggregate effects for all AGOA-eligible countries are not surprising. However, empirical results likely understate the full impact of new Trump-era tariffs and do not capture the indirect effects like reduced foreign investment, weakened supply chains, rising poverty, or the loss of capacity-building linked to AGOA. Moreover, our simulations do not account for potential retaliatory measures, so an intensified global trade war and economic downturn might further harm SSA economies. For these countries, the risks are compounded by limited fiscal space and growing debt vulnerabilities.

This underscores the importance for SSA countries of continuing to build more resilient and diversified trade structures, deepening regional integration through the African Continental Free Trade Area (AfCFTA), and pursuing value chain upgrading. At the same time, the European Union (EU) must reaffirm its role as a reliable, development-friendly partner by defending World Trade Organisation (WTO)-based rules, renewing its GSP ahead of 2027, and avoiding retaliatory tariffs that harm vulnerable countries. Strategic engagement with the Global South – through initiatives like Clean Trade and Investment Partnerships (CTIPs) or Sustainable Investment Facilitation Agreements (SIFAs) – offers a timely opportunity to strengthen trust and promote sustainable, inclusive trade.

Introduction

With President Trump's return to office, US (United States) trade and development policy has undergone a decisive shift – marked by sweeping cuts to the United States Agency for International Development (USAID), shifting alliances, escalating trade tensions, and a broader retreat from multilateralism. For sub-Saharan African (SSA) countries, this shift has intensified concerns that had already emerged with the expiration of the US Generalized System of Preferences (GSP) in 2020 and the scheduled expiry of the African Growth and Opportunity Act (AGOA) in September 2025.

Under President Trump's renewed "America First" agenda, the imposition of new tariffs have effectively brought AGOA to an early end. Both AGOA and GSP have long served as pillars of US engagement with developing economies, providing duty-free access to thousands of products from low- and middle-income countries and encouraging political and economic reforms. While a bipartisan bill to renew AGOA was introduced in April 2024 (Coons & Risch, 2024), the current direction of the US trade policy offers little hope for future non-reciprocal trade programmes.

This reversal comes at a time when many SSA countries are facing mounting global challenges, from climate shocks and debt distress to food insecurity and conflict. To aggravate matters further, sweeping hikes in so-called "reciprocal" tariffs announced on "Liberation Day" disproportionately affect small and vulnerable economies, while offering no clear benefit to the US. Under this regime, universal additional 10% tariffs apply to all trading partners, while 57 countries could face steep additional tariffs of up to 50%. Lesotho, Madagascar, Mauritius, and South Africa are among the hardest hit, highlighting the substantial risks these measures pose to export opportunities and economic stability.

Although the "reciprocal" tariffs have been temporarily suspended to allow for negotiations, the threat of further sharply deteriorating market access remains. Amid this policy upheaval, developing countries continue to call for clarity, predictability, and a meaningful commitment to development-friendly trade. Yet with the US pivoting towards a more transactional and protectionist approach, the future of equitable and rules-based trade engagement remains uncertain.

This policy brief examines what is at stake for AGOA-eligible and formerly GSP-eligible countries in the current US trade landscape. Using a global Computable General Equilibrium (CGE) model, we quantify the potential economic effects of a shift from AGOA and GSP trade preferences to the proposed tariffs by the Trump administration. The analysis highlights the sectors and countries most exposed to rising tariffs and offers important insights for policymakers, helping to assess the risks associated with the abrupt end of development-friendly trade preferences.

Simulating Trump's new protectionism

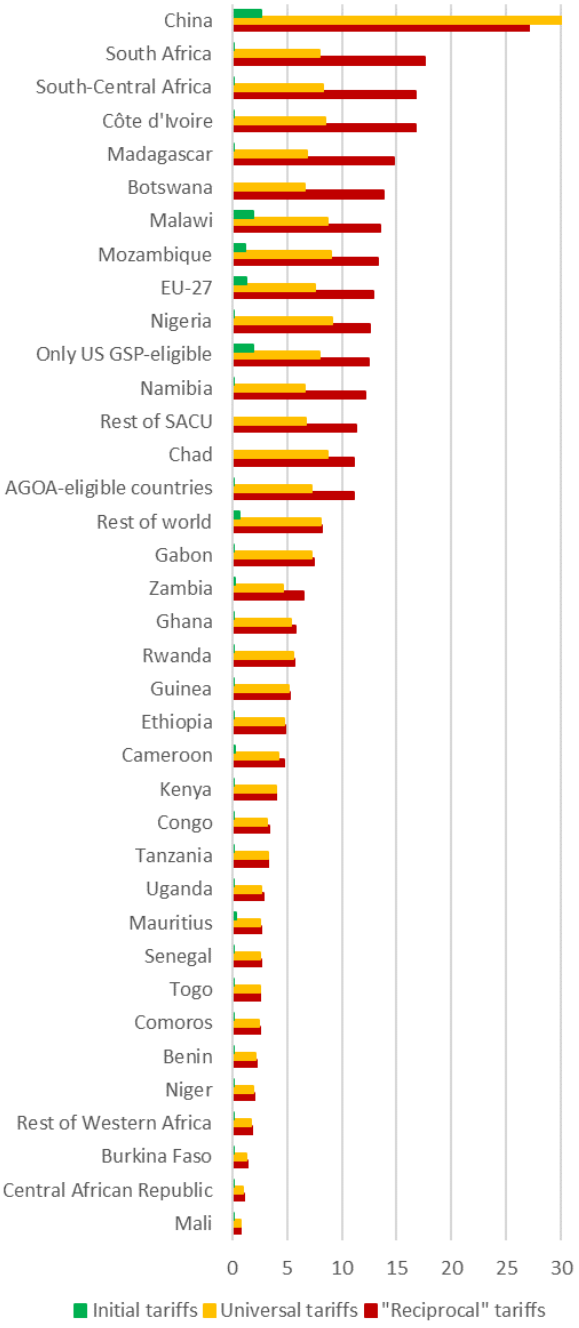
To quantify the effects of Trump's newly suggested tariffs, we analyse the loss of US trade preferences in the Global Trade Analysis Project (GTAP)-based (Aguiar et al., 2022) CGE model following the approach of Britz et al. (2025). methodological approach is particularly suitable for current analysis, as it accounts for simultaneous interactions among producers, households, and governments in multiple product markets and regions worldwide, while capturing the economy-wide responses to a trade policy shock. While we mainly focus on SSA countries due to the region's high vulnerability, we also simulate the new tariffs for all countries around the world – a policy suggested by the Trump administration to account for trade diversion resulting from differentiated US protectionism.

We simulate two illustrative scenarios. Given the continual changes in the US tariff levels (Bown, 2025) and growing complexity of their sector- and partner-specific interactions, we aim to capture the general direction and magnitude of representative shifts in US trade policy. First, we replace the US tariffs in 2017 with the universal tariff of 10% for all goods sectors and countries or regions of the

model (initial tariffs higher than 10% remain unchanged). For China, we assume a tariff rate of 60% as suggested during Trump's 2024 presidential campaign (York, 2025). Second, we incorporate the "reciprocal" tariffs suggested by President Trump on "Liberation Day" (The White House, 2025). Here, we first calculate the 2017 weighted average Most-Favoured Nation (MFN) level based on International Trade Centre (ITC) (2024) data and add the "reciprocal" tariffs for the affected countries and regions (for GTAP rest regions as well as for the US GSP-eligible group of countries, we calculate a simple average of suggested on-top tariffs). For the countries not on the list of "reciprocal" tariffs, we add 10% to the respective MFN rate. Given that these "reciprocal" tariffs are currently suspended, this scenario illustrates the upper bound of potential effects of measures announced at the so-called "Liberation Day".

Both scenarios imply the end of AGOA and GSP preferences as well as a shift from 2017 tariffs to the new Trump-era tariffs worldwide. Figure 1 illustrates that China is the most affected country under both scenarios, facing an economy-wide trade-weighted average US tariff rate of around 30% in the new scenarios. For the other countries and regional groups of our model, the highest shocks are induced by "reciprocal" tariffs and hit countries such as South Africa, Côte d'Ivoire, Madagascar, and South-Central Africa (combining Angola and Sao Tome & Principe) especially hard, with country averages between 15% for Madagascar and 18% for South Africa. In case of universal tariffs, the highest average US tariffs of around 9% occur in Chad, Malawi, Mozambique, and Nigeria.

Figure 1: Trade-weighted average US tariff rates for countries and regions of the model (%)



Notes: Trade-weighted averages are based on the total trade of respective countries and regions, including services without any imposed tariffs. Apart from single countries, we include three GTAP rest regions in Africa: South-Central Africa covers Angola and Sao Tome & Principe; rest of Southern African Customs Union (SACU) covers mainly Lesotho (we assume 25% "reciprocal" tariff for this region); and rest of Western Africa covers Cabo Verde, the Gambia, Guinea-Bissau, Liberia, Mauritania, and Sierra Leone. European Union (EU) includes 27 member states without United Kingdom. For composition of US GSP-eligible and AGOA-eligible regions, see the notes for Table 1.

Source: Authors' calculations.

Table 1: Changes in trade of regions

Scenario	Universal tariffs							"Reciprocal" tariffs						
	Importer													
Exporter	World	AGOA eligible	EU-27	US GSP eligible	United States	China	Rest of world	World	AGOA eligible	EU-27	US GSP eligible	United States	China	Rest of world
AGOA eligible	-1.45	-0.31	1.08	0.57	-2.69	-1.70	1.61	-4.29	0.01	1.38	1.21	-11.35	0.94	3.52
	-0.4%	-0.7%	1.4%	1.0%	-8.2%	-2.2%	1.8%	-1.1%	0.0%	1.8%	2.0%	-34.7%	1.2%	3.9%
EU-27	-0.26	-1.50	-1.80	-5.47	24.47	-22.76	6.80	-54.22	-0.19	11.55	1.14	-119.43	-7.67	60.37
	0.0%	-1.7%	-0.1%	-1.4%	5.0%	-7.2%	0.4%	-0.9%	-0.2%	0.3%	0.3%	-24.4%	-2.4%	3.8%
US GSP eligible	0.97	-1.36	-3.08	-3.61	24.10	-13.54	-1.56	-25.04	-0.42	2.04	1.43	-50.31	-2.67	24.88
	0.1%	-2.3%	-0.7%	-1.1%	9.2%	-4.7%	-0.2%	-1.2%	-0.7%	0.5%	0.4%	-19.1%	-0.9%	3.3%
United States	-290.32	-3.33	-41.29	-24.13		-36.30	-185.27	-341.19	-4.17	-56.33	-30.52		-37.91	-212.26
	-13.0%	-10.5%	-10.8%	-11.9%		-17.0%	-13.2%	-15.2%	-13.2%	-14.8%	-15.0%		-17.8%	-15.1%
China	-130.04	8.00	58.34	56.96	-437.39	8.25	175.80	-105.32	4.61	31.82	33.70	-318.98	6.17	137.36
	-4.9%	9.3%	16.8%	14.0%	-83.3%	4.9%	15.9%	-4.0%	5.3%	9.1%	8.3%	-60.8%	3.7%	12.5%
Rest of world	-10.55	-1.35	4.98	-5.74	40.71	-66.70	17.54	-2.02	-2.64	-31.78	-22.86	98.89	-58.15	14.51
	-0.1%	-1.5%	0.4%	-0.6%	2.6%	-5.0%	0.8%	0.0%	-2.9%	-2.4%	-2.6%	6.4%	-4.4%	0.7%
World	-431.65	0.15	18.22	18.59	-350.80	-132.74	14.93	-532.09	-2.80	-41.32	-15.90	-401.17	-99.29	28.38
	-2.1%	0.0%	0.3%	0.8%	-12.3%	-5.6%	0.2%	-2.5%	-0.7%	-0.7%	-0.7%	-14.1%	-4.2%	0.4%

Notes: While the upper value represents absolute changes of bilateral trade in billion 2017 US dollars, the lower value represents the corresponding relative change against the benchmark in 2017.

[1] Among AGOA-eligible countries, we include Benin, Botswana, Burkina Faso, Cameroon, Central African Republic, Chad, Comoros, Republic of Congo, Côte d'Ivoire, Ethiopia, Gabon, Ghana, Guinea, Kenya, Madagascar, Malawi, Mali, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, South Africa, United Republic of Tanzania, Togo, Uganda, and Zambia, as well as three GTAP rest regions (rest of South and Central Africa, rest of Western Africa, and rest of SACU), covering Angola, Sao Tome & Principe, Cabo Verde, the Gambia, Guinea-Bissau, Liberia, Mauritania, Sierra Leone, and Lesotho.

[2] The US GSP-eligible group excludes countries that are eligible for AGOA. It includes Afghanistan, Albania, Armenia, Azerbaijan, Bolivia, Brazil, Algeria, Democratic Republic of the Congo, Eswatini, Ecuador, Egypt, Georgia, Indonesia, India, Iraq, Kazakhstan, Kyrgyzstan, Cambodia, Lebanon, Sri Lanka, Mongolia, Nepal, Pakistan, Philippines, Paraguay, Serbia, Thailand, Tunisia, Turkey, Ukraine, Uzbekistan, and Zimbabwe, as well as the following countries from GTAP rest regions: Burundi, Djibouti, Somalia, South Sudan, Eritrea, Cook Islands, Fiji, Niue, Pitcairn Islands, Papua New Guinea, Tokelau, Tonga, Kiribati, Solomon Islands, Tuvalu, Vanuatu, Samoa, Wallis and Futuna, Moldova, Bhutan, Maldives, Burma (Myanmar), Timor-Leste, and Yemen. Djibouti is the only country that also had AGOA preferences, but it is part of the GTAP rest region that qualifies for GSP preferences.

Source: Authors.

Figure 2a: Export changes of AGOA-eligible countries to the US (left) and world (right) for universal tariffs

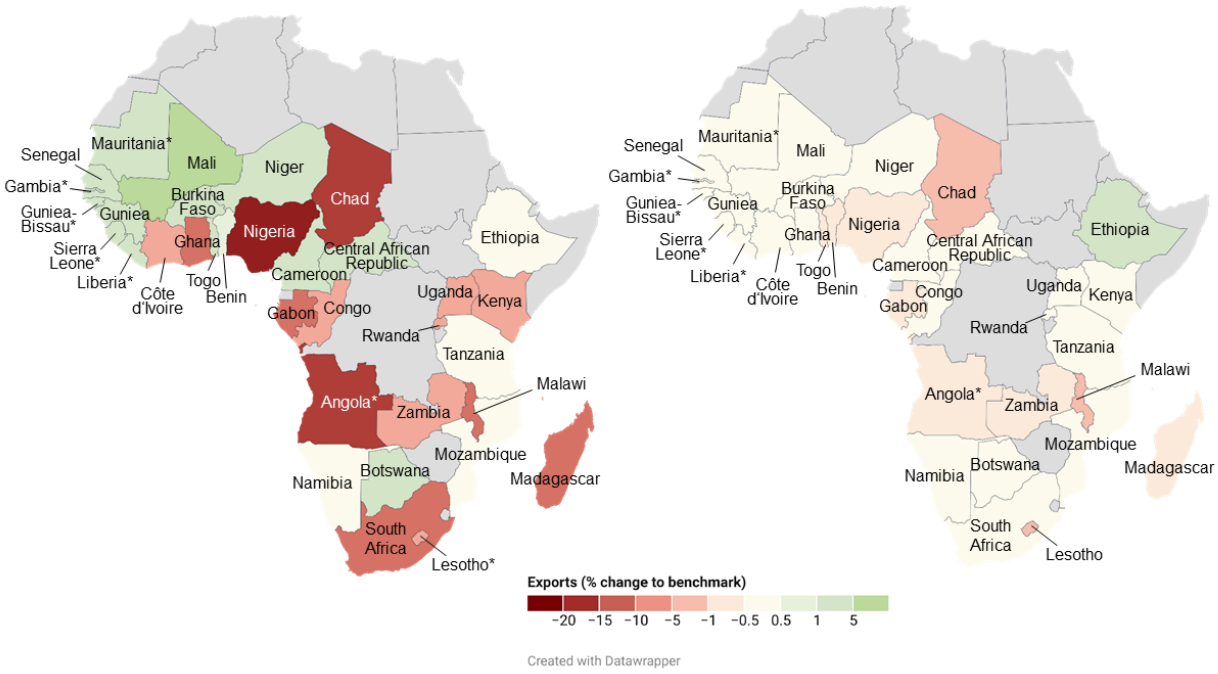
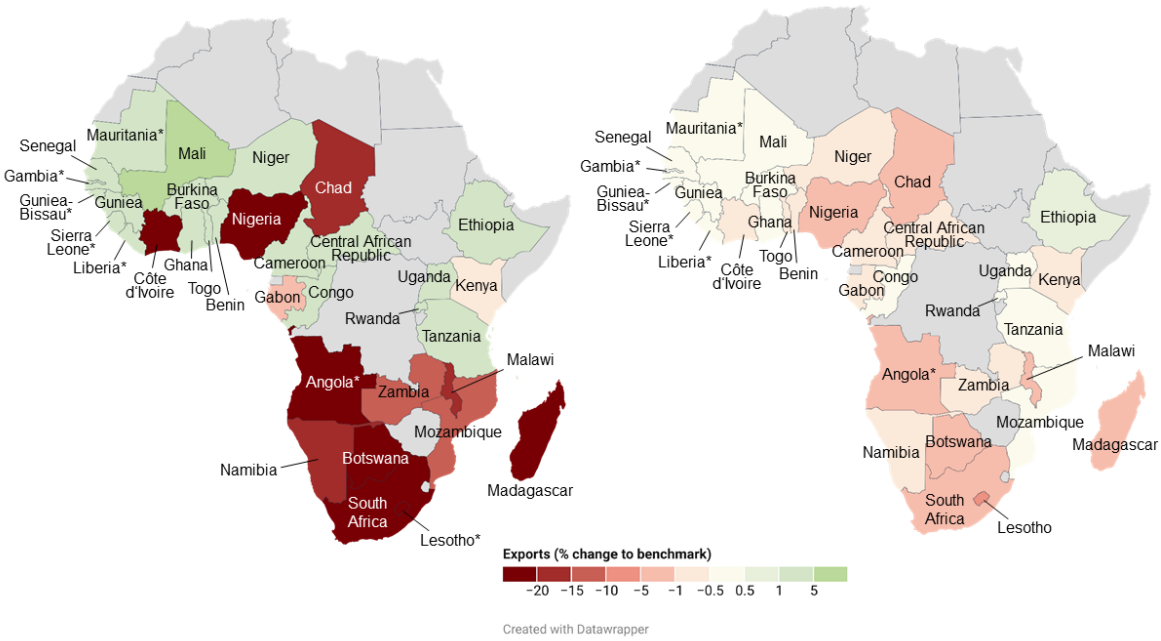


Figure 2b: Export changes of AGOA-eligible countries to the US (left) and world (right) for "reciprocal" tariffs



Notes: Countries marked in grey were not eligible for AGOA preferences in 2017. The only exception is Djibouti, which was AGOA-eligible in 2017, but is not separately available in the GTAP dataset and therefore is not covered here. * Indicates that a country is part of a "rest region" in GTAP with no individual input-output tables available.

Source: Authors.

Aggregate results

Increased US protectionism might lead to a reduction of world trade by 2.1% or even 2.5% in case of higher "reciprocal" tariffs (Table 1). Imposing new import tariffs causes the highest loss for the US with trade decreased by 12-15% and real gross domestic product (GDP) by almost 0.5%. As China faces the highest tariff increases (Figure 1), it is the country with the second highest impact. Chinese exports to the US decline by 60-83%, while total exports drop by 4-5% and real GDP falls by 0.15-0.20%, depending on the scenario. The other regions face milder impacts due to trade diversion. In particular, US GSP-eligible countries can slightly increase their total exports by 0.1% due to increased exports to the US by 9.2% in case of universal tariffs. But they face a drop in total exports by 1.2% under higher "reciprocal" tariffs.

The AGOA-eligible countries are also able to divert some of their exports to the EU, GSP-eligible countries, or to the rest of the world, but their total exports still decline by 0.4% in case of universal tariffs and by 1.1% in case of "reciprocal" tariffs (Table 1). These rather small trade effects have almost no impact on real GDP, illustrating limited macro-criticality of changes in the US trade policy on SSA countries as a block. This reflects the small share of AGOA exports to the US of only 8.5% in 2017 as China, the EU, and other regions became more important markets for SSA countries. Moreover, the utilisation rates of the US preferential trade programmes dropped significantly according to UNCTAD (2023). While in 2008 over 80% of US imports from SSA countries used benefits from AGOA and GSP, the share decreased to only 24.7% in 2021. This highlights the limited effectiveness of the AGOA preference scheme independent of Trump-era policies (Britz et al., 2025).

Country-level effects for SSA

Although the aggregate effects for AGOA-eligible countries are rather limited, there is a number of countries losing strongly from US protectionism. In case of universal tariffs, the highest tariff increase of 8-9 percentage points is observed in Nigeria, Chad, Côte d'Ivoire, and South-Central Africa (combining Angola and Sao Tome & Principe). This leads to a decline in their exports to the US, for example, by 17% for Nigeria, 15% for South-Central Africa, and 11% for Chad (Figure 2). The highest decrease of total exports occurs in the rest of SACU (-1.6%), Chad (-1.3%), Malawi (-1.1%), and Comoros (-1%).

In case of "reciprocal" tariffs, the magnitude of effects increases due to higher changes in US tariffs. These range between 0.75 percentage points for Mali to 17.5 percentage points for South Africa. Thus, bilateral exports to the US decline by 68% for South-Central Africa, 56% for Madagascar, 53% for South Africa, and 44% for Botswana. Given the high dependence of the rest of SACU (mainly Lesotho) on the US market – with nearly 40% of its total exports going to the US in 2017 – it faces the highest decline in total exports by 5.9%, while its bilateral exports to the US drop by 35.7%. These changes in trade result in the highest decrease of real GDP among the considered SSA countries and regions, namely by 0.3%. For other AGOA-eligible countries, the decline of total exports is lower, for example, 3.3% for Madagascar, 1.9% for Chad and Botswana, and 1.5% for South-Central Africa and Nigeria.

Apart from these adverse effects, there are a couple of AGOA countries with rather low changes in US tariffs, which benefit from trade diversion and increase their exports to the US. In case of "reciprocal" tariffs, an increase of total and bilateral exports is observed for Ethiopia (0.53% and 2.7%), rest of Western Africa (0.24% and 3.44%), and Burkina Faso (0.09% and 3.56%). Moreover, for an additional 14 AGOA countries we observe an increase of bilateral exports to the US, which is not connected to a positive effect on their total exports. These include Mali (+9.36%), Guinea (+4.67%), Senegal (+4.10%), and Togo (+4.06%). In case of universal tariffs, there are 12 countries with positive effects on bilateral exports to the US, including Mali (+7.27%), Cameroon (+3.54%), Central

African Republic (+2.21%), and Senegal (+2.07%). Small positive effects on total exports occur only in Ethiopia (+0.96), rest of Western Africa (+0.44%), Burkina Faso (+0.14%), Guinea (+0.11%), and Ghana (+0.03%).

Tracing sectoral effects

Given the high differences in assumed tariff rates for the two scenarios, trade diversion and reallocation effects vary strongly among countries and sectors. Thus, tracing sectoral effects for AGOA-eligible countries is rather challenging. Here, we focus on sectors which are on the list of the most affected ones for both scenarios.

Looking at the sectoral composition, the one sector bearing the highest losses in relative terms for total AGOA exports in both scenarios is wearing apparel. Due to the trade-weighted US tariff increase by 9.96 (universal case) or even 16.43 percentage points ("reciprocal" scenario) for AGOA as a whole, bilateral exports to the US fall by 11.94% in case of universal tariffs and by 49.42% in case of "reciprocal" tariffs. Total AGOA exports decline by 6.49% (-$205.14 million) and 17.84% (-$563.71 million), respectively. Among the AGOA-eligible countries, the highest reduction of apparel exports to the US occurs in case of higher "reciprocal" tariffs for Madagascar (-89.08%), Mauritius (-85.36%), Botswana (-83.68%), South Africa (-76.07%), Namibia (-58.54%), Côte d'Ivoire (-57.51%), and rest of SACU (-58.43%). The corresponding decrease of total exports is the highest in rest of SACU (-34.42% or -$170.80 million), Botswana (-24.87% or -$1.04 million), Mauritius (-22.18% or -$147.06 million), and Madagascar (-19.20% or -$128.51 million). In case of universal tariffs, the effects are lower with the highest drop of total apparel exports in Kenya by 13.39% or $55.45 million. In both scenarios, there are some AGOA-eligible countries that increase bilateral and total apparel exports due to trade diversion. These include, for example, Togo with an increase of total apparel exports by 1.39% (+$0.16 million) in case of universal tariffs and by 0.81% (+$0.09 million) in case of "reciprocal" tariffs, and Gabon (+4.27% or +$0.01 million for both scenarios).

Other sectors that overlap among the top eight losers in terms of total exports in both scenarios are leather products, other manufactures, and sugar cane and beet.

For leather products, the decline of total AGOA exports ranges between 4.54% (-$58.35 million) in case of "reciprocal" tariffs and 5.46% (-$70.24 million) in case of universal tariffs. A lower drop of 10-13% occurs in the universal scenario for Côte d'Ivoire, Benin, Burkina Faso, Malawi, Tanzania, Niger, Mali, and South-Central Africa. In case of "reciprocal" tariffs, the highest reduction of total leather exports in relative terms is observed in South-Central Africa (-20.51% or -$1.13 million), Rwanda (-13.81% or -$0.72 million), and Cameroon (-10.69% or -$0.19 million). In absolute terms, the main losers are South Africa (-$18.82 million or -4.03%), Ethiopia (-$12.79 million or -7.01%), and Kenya (-$10.27 million or -7.54%).

For manufactures not elsewhere classified (n.e.c.), total AGOA exports decline between 2.98% (-$230.65 million) in case of the universal scenario and 8.30% (-$643.07 million) in the "reciprocal" scenario. Again, a lower drop of 3-4% is observed in case of universal tariffs in Malawi, South Africa, and Togo. In case of "reciprocal" tariffs, the highest reduction of total exports in relative terms occurs in Botswana (-29.22% or -$114.19 million), Namibia (-27.99% or -$20.03 million), and Madagascar (-18.77% or -$11.66 million). In absolute terms, South Africa is by far the most affected country with a drop of total manufactures n.e.c. exports by $428.87 million (-7.71%).

For sugar cane and beet, the aggregate effect for AGOA-eligible countries is lower with a reduction of total exports by 2.73% in case of universal tariffs and by 4.24% in the "reciprocal" scenario. These relative changes correspond to a reduction by only $0.10 and $0.15 million, respectively. For Guinea, Malawi, Central African Republic, Comoros, and Rwanda, we

observe a decline of total exports of 4-5% in case of universal tariffs. For the "reciprocal" scenario, the highest losses occur in Mauritius (-8.63% or -$0.02 million), South-Central Africa (-7.02% or -$0.01 million), Malawi (-5.94% or -$0.06 million), and Zambia (-3.96% or -$0.03 million).

Some sectors are not particularly relevant in the overlapping consideration of both scenarios, but are relevant in a specific scenario. The other four sectors on the list of top losers in relative terms for the universal scenario include forestry (-3.82% or -$99.65 million in total AGOA exports), textiles (-3.34% or -$46.94 million), raw milk (-2.92% or -$0.26 million), and rape seed cake (-2.79% or -$0.06 million). In case of "reciprocal" tariffs, the remaining four sectors include other crops (-8.70% or -$197.45 million), ferrous metals (-6.85% or -$593.49 million), other animal products (-5.06% or -$9.62 million), and motor vehicles and parts (-4.58% or -$501.9 million).

Observing the most affected sectors in absolute terms for both scenarios illustrates that manufactures n.e.c., ferrous metals, and wearing apparel are again on the top four list of losers for the AGOA aggregate. However, oil exports, which constitute 34% of AGOA's exports to the US, are placed first with a decline between $1.37 billion in case of universal tariffs and $1.98 billion in case of "reciprocal" tariffs. Although oil is currently exempted from the new Trump tariffs, our simulations with increased tariffs also for oil illustrate that the highest losses might appear in Nigeria (-$237.23 million) and South-Central Africa (-$675.94 million).

Conclusions and policy implications

In summary, our simulations of the shift from duty-free access to the new US tariff regime indicate that notable adverse effects arise for specific economies, including Lesotho (in the rest of SACU), Madagascar, Chad, Botswana, Nigeria, South Africa, Mauritius, and Malawi. The aggregate impact on all AGOA-eligible countries is rather limited, with their overall exports declining by up to 1.1% and real GDP remaining largely unchanged under the "reciprocal" tariff scenario. The most affected sectors include wearing apparel, leather products, and other manufacturing. Overall, the US and China would bear the greatest burden under the new tariff regime.

The described results represent a lower bound of potential effects from the US protectionist policy. The applied GTAP model as well as many other existing trade and macroeconomic models fail to capture the full harm caused by new Trump-era tariffs. On the one hand, the quantified effects are conditional on a number of assumptions, such as no change in employment or real investment, which do not reflect the harsh reality. Moreover, the magnitude of Trump tariffs is outside the range of our historic experience, calling even basic price response parameters into serious question (Balistreri, 2025). On the other hand, the model does not account for indirect effects, such as lower foreign direct investment due to sustained uncertainty, weakened supply chain integration, increased poverty levels, and loss of capacity-building support previously available under the AGOA umbrella. Moreover, our simulations do not account for any potential retaliatory measures, so an intensified global trade war and economic downturn might further harm African economies. The consequences could be also more severe for SSA countries due to their limited fiscal space and potential implications for debt repayment and financial stability.

Since the current US trade policy is de facto killing AGOA by introducing new tariffs and its future is uncertain, this underscores the importance for SSA countries to continue building more resilient and diversified trade structures. While most SSA economies have limited exposure to the US market at large, recent developments highlight the need to reduce vulnerability – particularly of specific sectors – to external policy shifts. This entails diversifying

export destinations and products, going beyond the EU and China, and benefiting more from potential trade diversion. It also requires prioritising regional integration within the continent, with the AfCFTA serving as a focal point for aligning efforts of the Regional Economic Communities. Moreover, SSA countries should continue their efforts to create higher value-added products and to move up regional and global value chains.

In response to the shift in US trade and development policy, the EU should seize this moment to reinforce its commitment to fair and rules-based trade. The EU must act as a counterbalance by defending multilateral institutions and supporting vulnerable economies. This includes actively supporting reform of the WTO and using WTO channels to coordinate responses through existing multilateral mechanisms, while avoiding unilateral actions that undermine global rules. The EU should also reject retaliatory tariffs that risk harming developing countries integrated in global value chains. Instead, it must renew and extend its GSP before its 2027 expiry to provide long-term certainty for investment and trade. Furthermore, the EU has an opportunity to deepen strategic partnerships with the Global South through initiatives like the Clean Trade and Investment Partnerships (CTIPs) or the Sustainable Investment Facilitation Agreements (SIFAs). By doing so, the EU can reaffirm its role as a reliable and development-friendly trade partner amid global uncertainty.

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