



Trade Hot Topics

AGOA and Beyond: New Trade Directions for Commonwealth African Countries

Neil Balchin and Opeyemi Abebe*

1. Introduction

In September 2025, the African Growth and Opportunity Act (AGOA), which had served as the United States' (US') flagship trade initiative with Africa for more than two decades, expired against the backdrop of an already tumultuous trade landscape for African countries. Launched in 2000 under the Clinton Administration, and renewed in 2015 for another decade, this non-reciprocal and unilateral initiative has offered eligible African exporters preferential access to the US market to encourage trade, attract investment, drive growth and generate employment on the continent.

AGOA has provided duty-free, quota-free access to the US market for eligible African countries as an extension of the US' unilateral Generalized System of Preferences (GSP). Thirty-two countries were eligible to benefit from AGOA in 2025, with the initiative providing preferential treatment for 1,800 additional products on top of those coming under the existing GSP duty-free access. From its inception, AGOA has provided duty-free access to the US market for African exports in more than 6,500 product lines. AGOA preferential access has therefore covered a large share of potential

exports from African beneficiaries, across product and tariff lines.

In order to remain eligible for AGOA, countries have had to meet the eligibility criteria set forth in Section 104 of AGOA (19 U.S.C. 3703) and Section 502 of the Trade Act of 1974 (19 U.S.C. 2462). The eligibility requirements outlined in Section 104 of AGOA included stipulations that the country establish, or be making continual progress towards establishing, a market-based economy; rule of law, political pluralism and the right to due process; the elimination of barriers to US trade and investment; economic policies to reduce poverty; a system to combat corruption and bribery; and the protection of internationally recognised worker rights. In addition, the country could not engage in activities that undermined US national security or foreign policy interests, or engage in gross violations of internationally recognised human rights. This meant that AGOA eligibility has been withdrawn from countries in cases where they had been deemed in violation of the eligibility criteria.

Evidence from various studies suggests AGOA achieved a certain amount of success in relation to supporting export growth and economic

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diversification in some of its beneficiaries between 2000 and 2025. The initiative has been an especially important driver of growth in export-oriented apparel sectors in countries such as Eswatini, Kenya, Lesotho and Madagascar (Perozo, 2025). Apparel exports from these countries have benefited from a large preference differential compared with the tariffs applied to major global exporters in Asia (including Bangladesh, Cambodia and China) that lack preferential access to the US market (Mendez-Parra, 2025). AGOA has also been credited with fostering growth in US foreign direct investment (FDI) in Africa, while contributing to the establishment of some supply chains in specific sectors on the continent and providing much-needed access to foreign exchange (Miriri, 2025; UNCTAD, 2025a).

The future of AGOA is thus a matter of considerable concern for the many African exporters that have — or could have — benefited from the preferential access to the vast US market it has afforded. Prior to January 2025, the average tariff on goods imported by the US from the 17 AGOA-eligible Commonwealth members stood at just 0.2 per cent. This climbed to 10.8 per cent in September 2025 as a result of the escalation in US tariffs and, with the expiry of AGOA, reached 14.4 per cent.

On 4 February 2026, US President Donald Trump signed a one-year extension to AGOA until 31 December 2026, to be applied retroactively with effect from 30 September 2025. This short extension means the future of AGOA remains in doubt and offers limited guarantees for long-term economic investments and business continuity planning.

With the long-term future of AGOA facing an uncertain fate, this edition of *Commonwealth Trade Hot Topics* examines historical trends in trade between Commonwealth African countries and the US under the programme, and explores the potential implications of an end to AGOA in the future — and the resulting loss of market access benefits — for Commonwealth AGOA beneficiaries.¹ It concludes by recommending ways for these countries to mitigate any adverse impacts from a prolonged or permanent loss of AGOA preferences.

2. Commonwealth trade with the US under AGOA

Since AGOA grants duty-free access to the US solely for goods imported from eligible sub-Saharan African countries, and excludes services, this section concentrates on trends in merchandise exports to the US from AGOA-eligible Commonwealth member countries. The analysis covers the period from 2000, when AGOA came into force, until 2024.

2.1. Overall trends

The combined value of merchandise exports from the 17 AGOA-eligible Commonwealth countries to the US stood at US\$15.6 billion in 2024, up from \$12.4 billion in 2000. AGOA exports increased rapidly in the first decade following the inception of the scheme (Figure 1). They peaked at \$34.7 billion in 2011 and exceeded \$30 billion in 2007, 2008 and 2010 — spearheaded by massive growth in exports of petroleum and petroleum products (mainly from Nigeria). This was followed by a steep decline between 2012 and 2015, driven predominantly by a collapse in US energy imports. The rise of the fracking industry in the US led to a boom in domestic production, positioning the country as a net energy exporter and sparking a drastic drop-off in demand for crude petroleum imports from Africa.

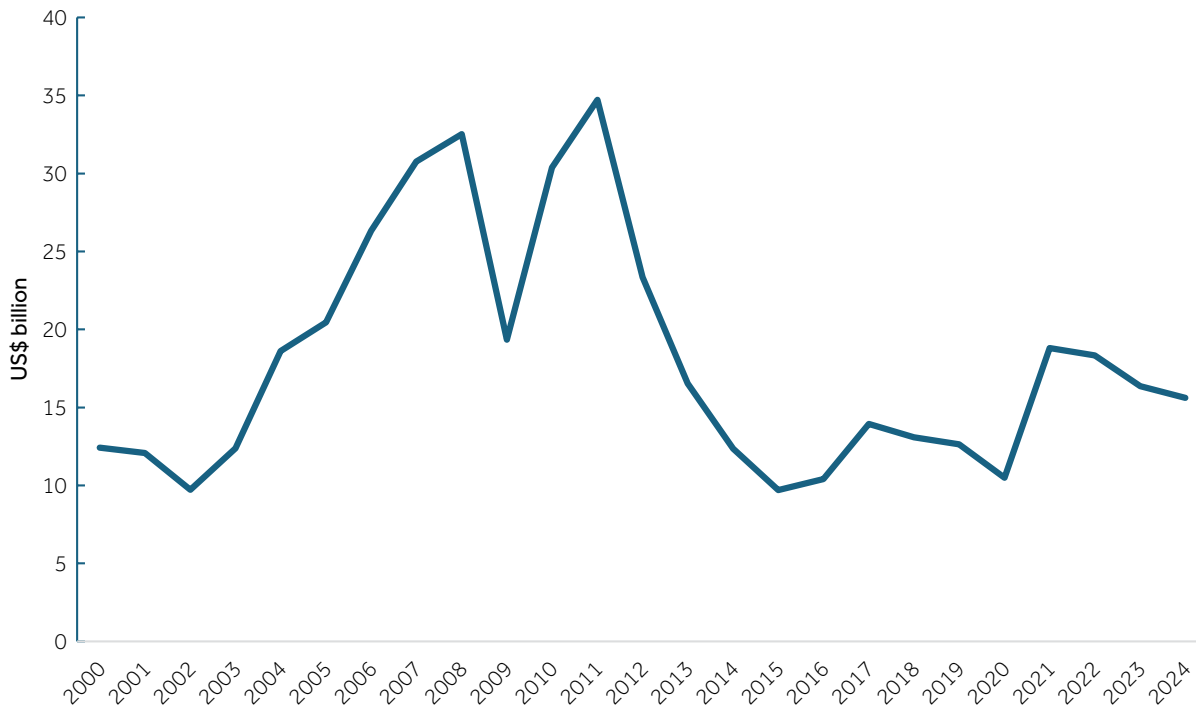
The US is a key market for goods exported from some of the Commonwealth's AGOA-eligible countries (Table 1). Among them, South Africa (US\$8.2 billion, 7.5% of total merchandise exports), Nigeria (\$4.6 billion, 8.8%), Ghana (\$797 million, 3.9%) and Kenya (\$560 million, 6.8%) sent the largest volumes of exports to the US in 2024. Despite exporting smaller absolute volumes to the US, several other AGOA-eligible Commonwealth countries are relatively more dependent on the US market. Nearly one-quarter (23.7%) of all merchandise exports from Lesotho were bound for the US in 2024, along with more than 10 per cent from Mauritius.²

Even so, the average share of exports going to the US across all AGOA-eligible Commonwealth countries (5%) in 2024 was nearly three times lower than the equivalent average of exports to the US for the

1 The analysis focuses on the 17 Commonwealth countries that were eligible to benefit from AGOA in 2024 and 2025. These countries are Botswana, Eswatini, The Gambia, Ghana, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Rwanda (excluding apparel benefits, which were suspended effective 31 July 2018), Sierra Leone, South Africa, Tanzania, Togo and Zambia.

2 In comparison, the average share of total merchandise exports going to the US is around 3 per cent for AGOA-eligible countries that are not Commonwealth members.

Figure 1. Merchandise exports to the US by Commonwealth AGOA beneficiaries, 2000–2024



Note: Based on the list of AGOA-eligible countries in 2024.
 Source: Commonwealth Secretariat (calculated using UNCTADStat data).

Table 1. Merchandise exports to the US by Commonwealth AGOA beneficiaries, 2024

Commonwealth AGOA beneficiary	Value of exports to US (US\$ million)	Share of total exports to world (%)
Botswana	201.7	4.5
Eswatini	30.0	1.3
The Gambia	1.8	0.7
Ghana	797.0	3.9
Kenya	560.2	6.8
Lesotho	236.8	23.7
Malawi	33.8	3.6
Mauritius	244.2	10.3
Mozambique	135.4	1.6
Namibia	225.1	3.4
Nigeria	4,617.4	8.8
Rwanda	56.3	1.8
Sierra Leone	41.1	2.7
South Africa	8,209.3	7.5
Tanzania	157.5	1.8
Togo	38.0	2.3
Zambia	36.7	0.3

Source: Commonwealth Secretariat (calculated using UNCTADStat data).

rest of the Commonwealth (14.2%). Furthermore, some AGOA-eligible Commonwealth countries sent only small shares of their merchandise exports to the US in that year. These shares ranged from 1 to 2 per cent for Eswatini, Rwanda, Mozambique and Tanzania, and were less than 1 per cent for The Gambia and Zambia.

The Commonwealth's 17 AGOA-eligible countries have been modest contributors to the US' overall imports under AGOA. In fact, their share of total US merchandise imports actually declined after AGOA came into force, dropping from 1.2 per cent in 2000 to 0.8 per cent in 2024 (Figure 2).³ This implies these countries have been losing market share in the US to competitors, despite enjoying duty- and quota-free access for a large number of commodities and goods. Their declining share is primarily a result of reduced oil exports to the US, which was the dominant export product under AGOA prior to 2011. The expiration of the World Trade Organization's (WTO's) Multifibre Arrangement in 2005 also had a significant preference erosion impact on textile and apparel exports, which were among the more dominant non-oil sectors under AGOA, as it removed export quotas and opened up developed country markets (including the US)

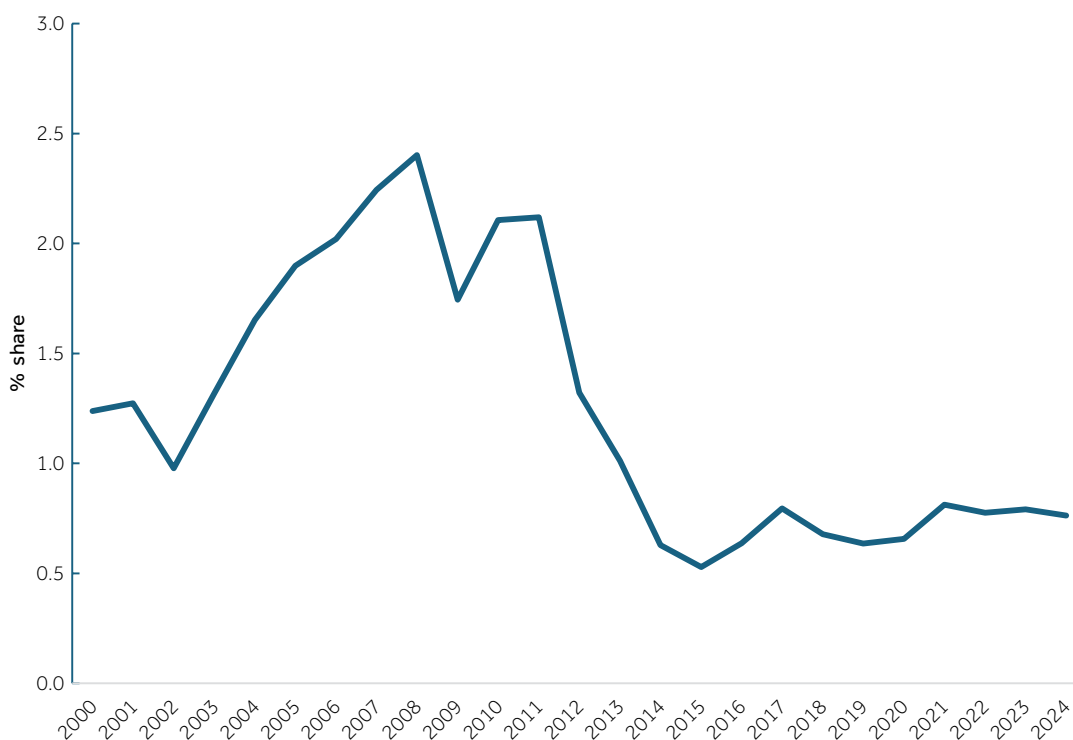
to cheaper imports from China and other low-cost producers in Asia.

2.2. Key sectors

As noted above, the falling share of Commonwealth AGOA beneficiaries in the overall value of US merchandise imports can be explained in part by changes in the sectoral profile of commodities and goods that the US has imported from these countries. In the first decade after AGOA came into force, US imports from eligible Commonwealth countries were dominated by petroleum, petroleum products and related materials. These imports declined sharply after 2011, coinciding with greater US energy independence and the rise of the domestic fracking industry. This was accompanied by some diversification, including through growth in imports of non-ferrous metals, non-metallic mineral manufactures, apparel and clothing accessories, and road vehicles from AGOA-eligible Commonwealth countries (chart A in Figure 3).

As of 2024, petroleum, petroleum products and related materials still accounted for the largest share (24.3%) of merchandise imported by the

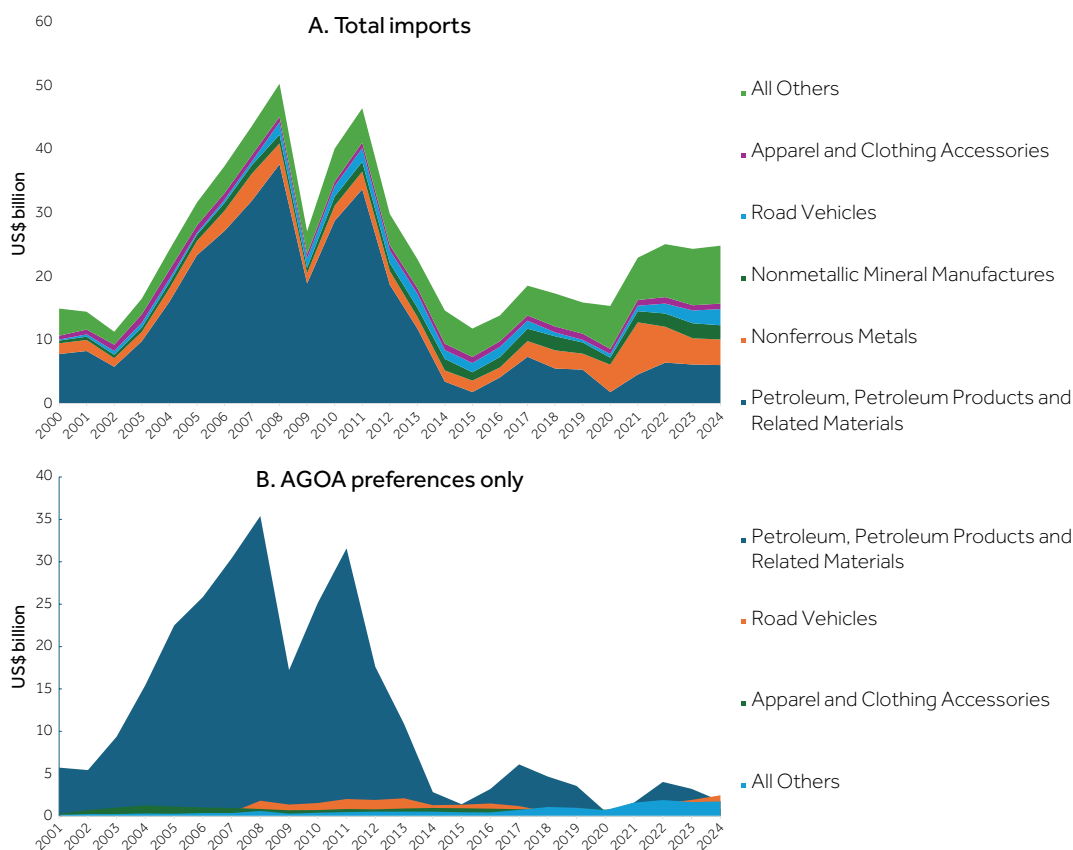
Figure 2. Share of imports from Commonwealth AGOA beneficiaries in total US merchandise imports, 2000–2024



Notes: Based on the list of AGOA-eligible countries in 2024. Data on the customs value of imports for consumption is used. Source: Commonwealth Secretariat (calculated using US ITC data).

³ These numbers are based on calculations using data from the United States International Trade Commission (US ITC) on imports for consumption for the list of AGOA-eligible Commonwealth countries in 2024 and 2025.

Figure 3. Sectoral distribution of US imports from Commonwealth AGOA beneficiaries, 2000–2024



Note: Data reflects imports for consumption and is reported as the customs value of imports.

Source: US ITC data.

US from these countries in aggregate, followed by non-ferrous metals (16.3%), miscellaneous manufactured articles (12.8%), road vehicles (10.2%), non-metallic mineral manufactures (9%) and articles of apparel and clothing accessories (3.5%). Other significant imports included gold, iron and steel, and natural/manufactured gas, each contributing between 2 and 3 per cent of total imports.

These patterns and trends have largely been replicated for imports specifically entering the US under the AGOA programme (chart B in Figure 3). Petroleum and related products accounted for the overwhelming majority of merchandise imports from eligible Commonwealth countries under AGOA up until 2013, but their overall share fluctuated thereafter and has generally declined.⁴ In 2024, road vehicles (36.1%), petroleum, petroleum products and related materials (26.1%), articles of apparel and clothing accessories (12.4%), vegetables and fruit (4.9%) and iron and steel (3.4%) contributed the largest shares of products imported from Commonwealth members under AGOA.

3. Implications and potential impacts of a future loss of AGOA for Commonwealth beneficiaries

3.1. Escalating tariffs affecting market access and competitiveness

If AGOA is not extended beyond the current short-term renewal, the resulting loss of duty-free market access would mean previously eligible beneficiaries would face higher tariffs on their merchandise exports to the US in a large number of product lines. These countries were already facing elevated tariffs on exports to the US as a result of recent changes in US tariff policy. Earlier in 2025, the US introduced a wave of tariffs on imports under the guise of the 'America First' trade agenda advanced by the Trump Administration. Baseline reciprocal tariffs ranging from 10 to 50 per cent were imposed on nearly all trading partners through sweeping tariff hikes announced on 2 April 2025, dubbed 'Liberation Day.' These tariffs have since been adjusted several times, including through the implementation of new country-specific tariffs on 7 August 2025, but

⁴ From the inception of AGOA up until 2024, petroleum and petroleum products accounted for more than half (54%) of all goods and commodities imported by the US from the 17 eligible Commonwealth countries, and 81.5 per cent of those entering the US under the AGOA programme.

remain above pre-2025 levels for most of the US' trading partners, including several AGOA-eligible Commonwealth members.

The introduction of the country-specific and Section 232 tariffs by the US government had already diluted the duty-free advantages AGOA beneficiaries enjoyed. The tariffs raised average duties on exports from all AGOA-eligible countries from 0.4 per cent in 2024 to 12.9 per cent (ITC, 2025). In the absence of AGOA, the country-specific and sectoral tariffs are applied on top of most-favoured nation (MFN) rates; as a result, average duties have climbed to 13.9 per cent (ibid.). At the sector level, textiles and apparel (24.6 percentage points), metals, machinery and equipment (19.7 percentage points) and agriculture and food (15 percentage points) have faced the highest average tariff increases since January 2025, with the specific effect from a loss of AGOA preferences felt most acutely in the textiles and apparel and agriculture and food sectors (UNCTAD, 2025b).

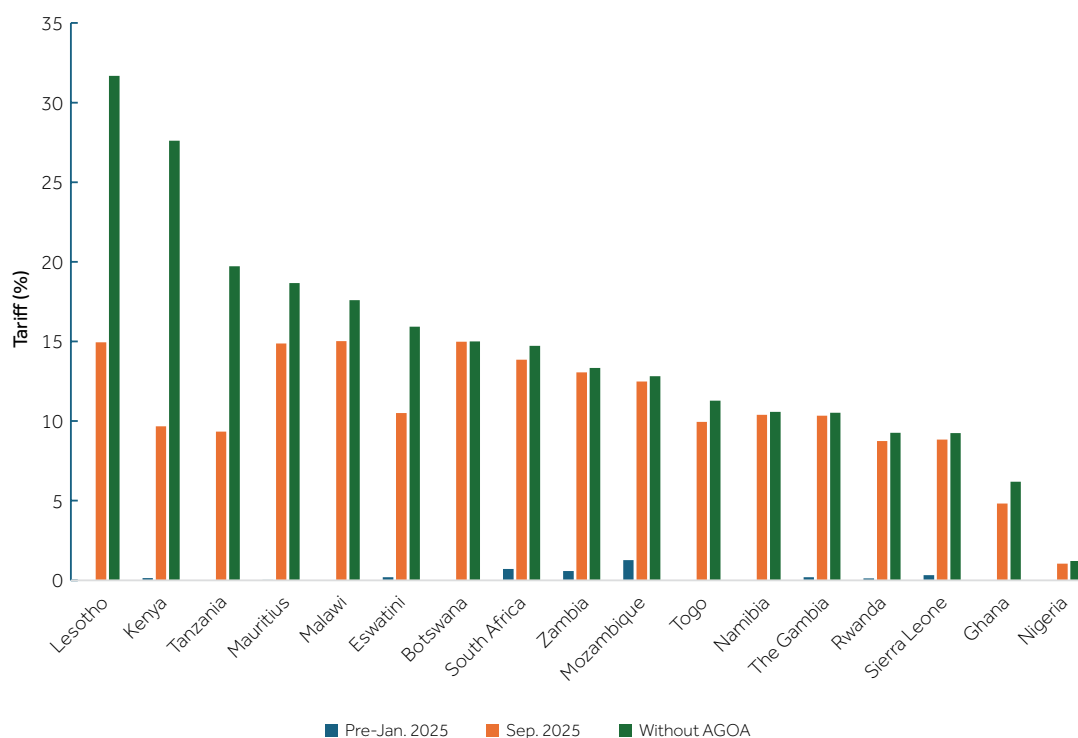
There have been sizeable escalations in tariffs for several individual AGOA-eligible Commonwealth African members (Figure 4), eroding the competitiveness of their exports in the US market and threatening the viability of key industries. Trade-weighted tariffs on US imports reached 31.7 per cent for Lesotho without AGOA, up from 15 per cent in September 2025 and zero prior to January 2025.

When AGOA expired in September 2025, it meant US import tariffs increased to 27.6 per cent for Kenya, up by nearly 18 percentage points from the prior level and far in excess of the 0.1 per cent in place prior to January 2025. Tanzania, Mauritius, Malawi and Botswana, all of which faced trade-weighted tariffs of zero in the US market prior to January 2025, saw these tariffs rise to 19.7 per cent, 18.7 per cent, 17.6 per cent and 15 per cent, respectively, in the absence of AGOA. The equivalent tariff on imports from Eswatini climbed from 0.2 per cent prior to January 2025 to 10.5 per cent in September 2025 and 15.9 per cent without AGOA.

South Africa (14.7%), Zambia (13.3%), Mozambique (12.8%), Togo (11.3%), Namibia (10.6%) and The Gambia (10.5%) would all face trade-weighted tariffs exceeding 10 per cent without AGOA; these tariffs would be above 9 per cent for both Rwanda and Sierra Leone, and 6.2 per cent for Ghana. In comparison, Nigeria would face a significantly lower trade-weighted tariff of 1.2 per cent without AGOA, up marginally from 1 per cent in September 2025 and zero prior to January 2025.

For Eswatini, Ghana, Kenya, Lesotho, Mauritius and Tanzania, the increase in US tariffs in the absence of AGOA would be driven overwhelmingly by higher tariffs on their exports of textiles and apparel. In contrast, higher tariffs on agriculture and food products would be the main sources of an increase in

Figure 4. Tariffs on US imports before and after AGOA expiry



Note: Tariffs are trade-weighted applied tariffs on US imports, with weights for 2024. These include country-specific tariffs and new sector-specific tariffs (Section 232; on iron, steel, aluminium, copper, automobiles and parts).

Source: UNCTAD data.

post-AGOA trade-weighted tariffs for The Gambia, Malawi, Mozambique and Togo. Elevated tariffs on metals, machinery and transportation products would be the key drivers for South Africa and Zambia.

The higher tariffs would erode the competitive advantage AGOA beneficiaries previously enjoyed via preferential access to the US market, leading to a decline in their US-bound exports. Across all 32 AGOA-eligible countries in Africa, [Lwere \(2025\)](#) estimates exports currently covered by AGOA preferences would decline by 13.6 per cent, resulting in a 4.2 per cent drop in total exports to the US.

For some AGOA-eligible countries, the reciprocal tariffs imposed by the US had already negated much of the benefit available through AGOA (as highlighted above), meaning the additional loss of exports were it to end would be relatively small. Estimates by the International Trade Centre (ITC), using a partial equilibrium model, suggest the tariff measures the US introduced in 2025 will lead to an 8 per cent decline in the projected exports of

all AGOA beneficiaries by 2029, with the expiry of AGOA resulting in only a relatively modest additional reduction of 0.6 percentage points (or US\$189 million).

However, the aggregate impact masks significant differences across countries, as reflected in the ITC's estimated export losses for AGOA-eligible Commonwealth countries shown in Table 2. Kenya, South Africa, Lesotho, Nigeria, Mauritius, Ghana and Tanzania, in that order, would face the largest absolute losses, ranging from just over US\$8 million for Tanzania to more than \$65 million for Kenya by 2029. In relative terms, Lesotho, Kenya, Mauritius and Tanzania, in that order, would be most affected, with their exports falling by between 5 and 8 per cent. The losses are projected to be much smaller for some other AGOA-eligible members, especially Botswana and Namibia, whereas The Gambia, Malawi, Mozambique, Sierra Leone, Togo and Zambia would all be expected to see some growth in their exports by 2029, despite a loss of access to AGOA benefits.

Table 2. Estimated change in projected exports from Commonwealth AGOA beneficiaries by 2029 without AGOA

Country	Reduction in exports (US\$)	Percentage change
Botswana	-6,694	0.0
Eswatini	-423,475	-1.4
The Gambia	440,939	+25.9
Ghana	-11,803,767	-0.5
Kenya	-65,237,525	-6.9
Lesotho	-26,461,231	-8.2
Malawi	78,054	0.1
Mauritius	-16,583,928	-5.5
Mozambique	168,247	0.1
Namibia	-24,633	0.0
Nigeria	-19,444,823	-0.4
Rwanda	-413,915	-0.6
Sierra Leone	108,649	0.3
South Africa	-38,309,911	-0.2
Tanzania	-8,011,157	-4.8
Togo	183,912	0.2
Zambia	260,224	0.1

Notes: Projected changes in exports are calculated using a partial equilibrium model that captures the direct effect of tariff changes (using trade-weighted tariff averages) at the product level but does not account for indirect impacts on exports via supply chains, shifts in consumer preferences or broader macroeconomic conditions. The estimates are based on tariffs in place as of the end of August 2025.

Source: ITC.

The impacts of a future end to AGOA would likely be felt hardest in specific sectors. Labour-intensive sectors, particularly light manufacturing industries such as apparel and food processing, would be most affected,⁵ while the impacts on exports of minerals and raw materials would be less severe. In the absence of AGOA preferences, average tariffs for exports of agricultural goods and manufactured products would be two to three times higher than those applied to fuels and minerals (UNCTAD, 2025b).

Apparel manufacturers in many AGOA-eligible countries would struggle to absorb the impact of higher tariffs, given their tight profit margins and limited competitiveness. Moreover, heavy reliance on specific garment value chains means they may encounter difficulties shifting production to supply alternative export markets (Mendez-Parra, 2025). Countries with large export-oriented apparel industries, such as Kenya and Lesotho, would likely be most affected, and may struggle to compete in the US market with lower-cost manufacturers in Asia.

The adverse impacts on key manufacturing industries could stall much-needed progress towards economic transformation and exacerbate commodity dependence in some Commonwealth AGOA beneficiaries. They could also compromise integration into global value chains, discourage

inward FDI, undermine efforts to enhance productive capacity and lead to job losses. Across Africa, an estimated 1.3 million people are employed in AGOA-dependent industries (Denton and Tiro, 2025).⁶ Many of these jobs would be in jeopardy if the initiative is eventually brought to an end.

3.2. Mitigating factors

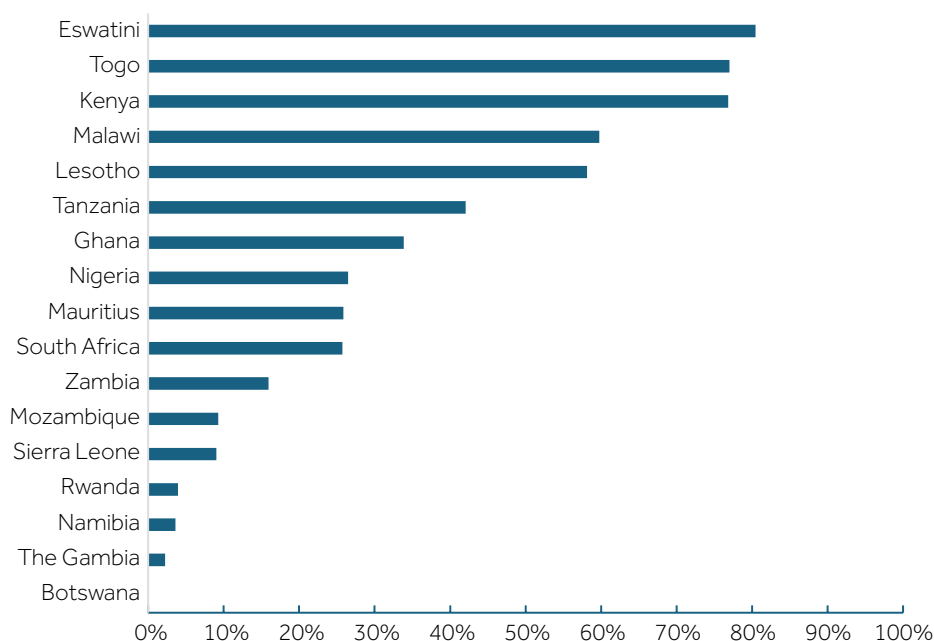
3.2.1. A question of utilisation

Ultimately, whether these potential impacts were to be realised in full would depend to some degree on the extent to which traders are leveraging AGOA's preferential market access provisions. They would be felt more acutely in countries where a larger share of their exported products enter the US duty- and quota-free via AGOA.

Since AGOA's inception, its preference utilisation rates have been uneven across both beneficiaries and products (UNCTAD, 2025a). Among all 32 Commonwealth and non-Commonwealth beneficiaries, less than half (43.8%) of eligible exports entered the US under AGOA preferences in 2024 (ITC, 2025). Overall, just 21.3 per cent of Africa's exports to the US benefited from AGOA preferences in that year (Lwere, 2025).

These rates of utilisation are higher for some AGOA-eligible Commonwealth countries (Figure 5).

Figure 5. Share of US imports entering under AGOA preferences, 2024



Note: Data reflects imports for consumption and is reported as the customs value of imports.

Source: Commonwealth Secretariat (using US ITC data).

⁵ According to estimates by ITC (2025), projected exports of apparel and textile products from AGOA beneficiaries could decline by 9.7 percentage points by 2029, while exports of skins, leather, products thereof and footwear may fall by 3.3 percentage points, processed food and animal feed by 1.6 percentage points and vehicles by 1.3 percentage points.

⁶ This comprises an estimated 300,000 direct jobs and 1 million indirect jobs (Ray, 2025).

In 2024, the majority of goods imported into the US from Eswatini (80.5%), Togo (77%) and Kenya (76.8%) entered under AGOA preferences, as did close to 60 per cent from Malawi (59.8%) and Lesotho (58.1%), 42 per cent from Tanzania, one-third from Ghana and around one-quarter from Mauritius, Nigeria and South Africa. For others, these shares are notably smaller: just 9 per cent of imports from Mozambique and Sierra Leone, under 4 per cent from Namibia and Rwanda, only 2 per cent from The Gambia and a negligible amount from Botswana. In some cases, the balance of their exported goods entered the US under other programmes (e.g., the GSP, the Agreement on Trade in Civil Aircraft or the Agreement on Trade in Pharmaceutical Products); in others, they did so without claiming preferences through any special programme.

The variation in utilisation rates was partly dictated by differences in preference margins. In sectors in which the US already applies low MFN tariffs, preference margins were smaller and, therefore, there were fewer incentives for eligible exporters to utilise AGOA benefits (ITC, 2025). Even with a loss of AGOA preferences, some key exports from African countries to the US would face zero or low duties under the existing US tariff schedules (Lwere, 2025). These include exports of oil and certain metals, such as copper, zinc, tin, nickel and other non-ferrous metals.

The application of rules of origin has also played a role in shaping AGOA preference utilisation. For example, in the specific case of the apparel industry, the special third-country fabric provision — which allows eligible countries to export apparel to the US duty-free, even if the fabric used to produce it is not sourced from the US or an AGOA beneficiary country — has been a strong motivating factor in favour of utilising AGOA preferences.

In certain cases, utilisation of these preferences by eligible African countries has been constrained by a lack of awareness among traders of the available benefits, administrative hurdles or difficulties exporters face in meeting AGOA standards and compliance certification requirements (Ferragamo et al., 2025). At a more systemic level, there have been mismatches between the goods covered under AGOA and those actually produced by eligible beneficiaries (Gary and Grant-Chapman, 2025). This reality owes, at least in part, to a lack of capacity in some African countries to produce advanced manufactured products.

3.2.2 Prioritising other markets and opportunities

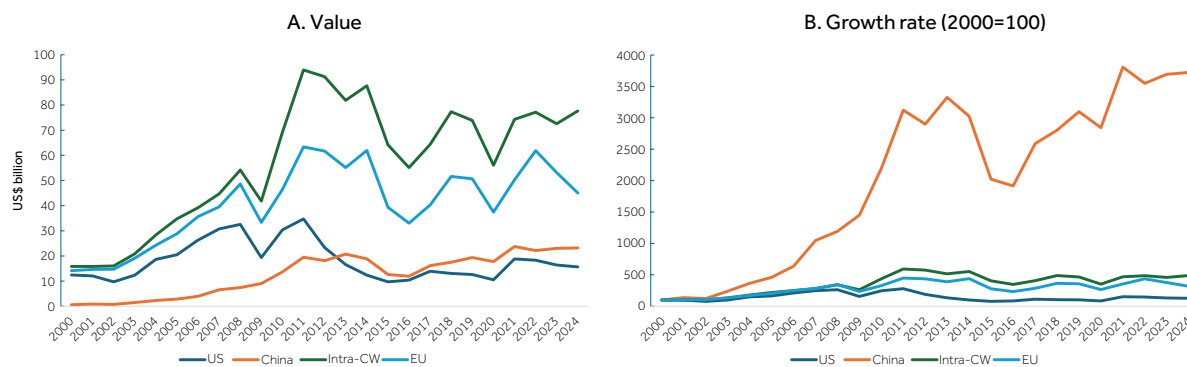
Even with the AGOA preferences in place, there has been rapid growth in exports from eligible Commonwealth African countries to other key markets, often outpacing growth in exports to the US. This follows a more general pattern witnessed in US–Africa trade since the enactment of AGOA. From the start of AGOA to 2024, US–Africa goods trade increased by 86 per cent, while the US' total trade with the rest of the world expanded by 168 per cent (Gary and Grant-Chapman, 2025). The value of African goods exported to the US under AGOA decreased by close to 6 per cent between 2002 and 2024, and the continent's share of total US trade has actually declined since 2000 (from 2 per cent to 1.4 per cent in 2024) (ibid.).

China has emerged as Africa's largest trading partner and a key source of commercial investment. African exports to China have grown exponentially, spearheaded by exports of fuels, metals and minerals. These exports are expected to continue to expand in the wake of the Chinese government's recent offer to extend tariff-free access to its market for exports from 53 African countries (with Eswatini the only exclusion).

The rising prominence of other markets as alternative export destinations to the US is strikingly evident in the case of AGOA-eligible Commonwealth countries. When AGOA was enacted in 2000, the combined value of merchandise exports from these countries to the US stood at US\$12.4 billion, compared with \$15.9 billion in intra-Commonwealth exports, \$14.1 billion in exports to the European Union (EU) member states and \$624 million in exports to China. Since then, merchandise exports to fellow Commonwealth members as well as the EU have pulled away, surpassing US-bound exports by large margins (chart A in Figure 6). By 2024, the combined value of these countries' intra-Commonwealth exports stood at \$77.7 billion, while those to the EU had reached \$45 billion, far exceeding the \$15.6 billion in US-bound exports. These countries' combined exports to China also exceeded those destined for the US in each year since 2013. Since the start of AGOA, merchandise exports from Commonwealth AGOA beneficiaries to China have grown at a much faster pace than have exports to other Commonwealth countries, the EU and the US (chart B in Figure 6).

As well as encouraging Commonwealth African countries to shift to alternative markets to sell their goods, a loss of preferential access via AGOA

Figure 6. Value and growth of merchandise exports to major markets by Commonwealth AGOA beneficiaries, 2000–2024



Notes: Based on the list of AGOA-eligible countries in 2024. Growth rates in chart B reflect the indexed growth in merchandise exports (2000=100).

Source: Commonwealth Secretariat (calculated using UNCTADStat data).

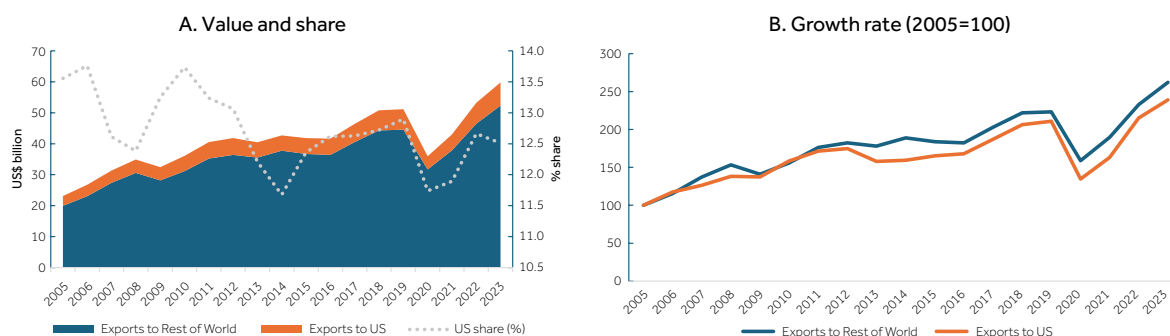
would also heighten the need for such exporters to diversify away from heavy dependence on a narrow range of goods and commodity exports. Diversifying and expanding exports of services, for instance, presents a viable pathway to economic transformation for some countries, and could help soften the blow if AGOA were to come to an end. AGOA provides duty-free access to the US market for qualifying goods from eligible countries but does not cover services, meaning market access for services exported to the US by AGOA-eligible countries would be unaffected were the programme to end.

Despite the exclusion of trade in services under AGOA, services exports from Commonwealth AGOA beneficiaries have grown rapidly over the past two decades. The combined value of their global services exports more than doubled between 2005 and 2023, climbing from US\$23.1 billion to \$59.8 billion. During this period, their services exports to the US increased in value from \$3.1 billion to \$7.5 billion, although the share of their global services exports destined for the US actually declined from 13.6 per cent to 12.5 per cent (chart A in Figure 7). In

relative terms, these countries' services exports to the rest of the world also outpaced those bound for the US between 2005 and 2023 (chart B in Figure 7).

There is clearly room to grow services exports to the US and globally for countries with excess capacity or where there is scope to expand and diversify their services offerings. This is especially true in the rapidly growing global market for digitally deliverable services. In line with worldwide trends, the average share of digitally deliverable services exports in total services trade across AGOA-eligible Commonwealth countries increased from 15.3 per cent in 2010 to 28.7 per cent in 2024, and is notably higher in Mauritius (66.7%), Ghana (58.7%) and South Africa (52.9%), while lagging behind in The Gambia (0.4%), Mozambique (2.5%), Lesotho (6.6%) and Rwanda (6.9%). Given the pace of digital transformation underway in many parts of the world, and the rapid emergence of artificial intelligence and other frontier technologies, there remains considerable scope for further growth, particularly if these countries can improve their digital infrastructure and capabilities and narrow crippling digital divides.

Figure 7. Services exports to the US and the rest of the world by Commonwealth AGOA beneficiaries, 2005–2023



Note: Balanced values for services exports are used.

Source: Commonwealth Secretariat (calculated using OECD-BaTIS data).

4. Conclusions and way forward

The expiry of AGOA at the end of September 2025, and its abbreviated extension to the end of December 2026, means the long-term future of the US' flagship trade programme in Africa remains in doubt. This is cause for concern for the many exporters in eligible Commonwealth African countries that have benefited from duty- and quota-free access for a large share of their products in the US under AGOA. Without AGOA, higher tariffs on key products exported to the US will undermine these countries' market access and competitiveness. This could lead to a decline in their US-bound exports and potentially limit further integration into key supply chains. It may also have significant knock-on effects on inward investment and jobs.

Even so, given the unilateral nature of AGOA and the attendant political considerations that underpin its eligibility criteria, a question remains as to whether African countries should seek a longer-term extension of the programme as currently designed in spite of the market access it offers. The US president reserves the right to re-evaluate each country for AGOA eligibility on an annual basis; 32 countries in sub-Saharan Africa were eligible in 2025. In order to qualify, African countries have to meet a specific set of stringent conditions. Topping the list is the requirement that the beneficiary country promote 'a market-based economy that protects private property rights and minimizes government interference in the economy through such measures as price controls, subsidies and government ownership of economic assets.' In addition, the beneficiary must make progress towards 'elimination of barriers to the United States trade and investment.' In the past, some Commonwealth countries have had their eligibility withdrawn or threatened, creating short-term uncertainty for businesses and undermining their attractiveness as long-term investment destinations.

Even with the benefits available under AGOA, many eligible Commonwealth countries have struggled to gain a foothold in the vast US market. Moreover, large shares of their exports entering the US under AGOA have been concentrated in primary sectors with little or no value-added. This raises valid concerns that the programme may have failed to sufficiently foster the economic diversification it intended.

On balance, however, the overall economic impacts if AGOA is ultimately discontinued are likely to depend on several factors. To some extent, the benefits available via the AGOA preferences were

already negated through the imposition by the US government of country-specific and Section 232 tariffs in 2025. These tariffs diluted the duty-free advantages AGOA beneficiaries enjoyed, meaning the additional loss of exports from any future expiry of the programme may be comparatively small in certain cases.

Nevertheless, the combined escalation in tariffs resulting from changes in US tariff policy in 2025 and any future end to AGOA could undermine progress towards economic diversification and exacerbate commodity dependence in many Commonwealth AGOA beneficiaries. Worryingly, exports would likely be hit hardest in light manufacturing industries, such as textiles and apparel and food processing, which tend to be labour-intensive and can serve as springboards for industrial development and economic transformation.

The actual impact on individual countries would also be dictated by the extent to which they rely on the US market. Some countries are relatively more exposed to changes in US tariff policy by virtue of the large shares of their exports bound for the US. Nearly one-quarter of Lesotho's merchandise exports went to the US in 2024, as did between 7 and 10 per cent of all merchandise exports from Kenya, Mauritius, Nigeria and South Africa. In contrast, some AGOA-eligible Commonwealth African countries—including Eswatini, The Gambia, Mozambique, Rwanda, Tanzania and Zambia — are far less dependent on the US market, sending under 2 per cent of their merchandise exports to the US in 2024.

Similarly, countries with higher AGOA preference utilisation rates would be more exposed to a loss of duty-free access under the programme. This means Eswatini, Kenya, Lesotho, Malawi and Togo, for which between 60 and 80 per cent of total merchandise exports in 2024 entered the US under AGOA preferences, would be more affected overall compared with Botswana, The Gambia, Namibia and Rwanda, where these shares are in the low single digits.

Commonwealth African countries should look to diversify their trading relationships, especially those that have historically relied heavily on the US market. There is evidence to suggest such diversification is already underway among the group of AGOA-eligible Commonwealth countries. Collectively, their exports to China, the EU member states and fellow Commonwealth countries have grown rapidly, often outpacing growth in their exports to the US, even with the AGOA preferences

in place. This is consistent with broader patterns on the continent, where there has been significant expansion in African trade with partners such as China, India, Turkey and the EU, whereas the share of exports from AGOA beneficiaries bound for the US dropped from 28 per cent in 2005 to just 7 per cent in 2024 (ITC, 2025).

There are significant untapped opportunities for the 17 AGOA-eligible Commonwealth countries to grow their intra-Commonwealth exports. The value of their merchandise exports to other Commonwealth members has grown nearly five-fold since 2000, but they still collectively account for a relatively small share of overall intra-Commonwealth trade. On average, Commonwealth members enjoy 21 per cent lower bilateral trade costs when trading with each other compared with when they trade with non-member countries (Commonwealth Secretariat, 2024). This 'Commonwealth advantage' provides a strong foundation for Commonwealth African countries to expand their trade with fellow Commonwealth nations.

Similarly, they can look to grow their intra-African trade by capitalising on preferential market access opportunities available through the African Continental Free Trade Area. This requires renewed impetus to fast-track its implementation and finalise rules of origin — particularly for strategically important industries such as vehicles, and textiles and apparel — to ensure firms can utilise it effectively. Parallel efforts should focus on deepening regional capital markets and harmonising financial regulations, alongside developing integrated cross-border payment systems that build on the Pan-African Payment and Settlement System to reduce reliance on foreign currencies, especially the US dollar, in intra-African transactions.

These moves should be complemented by efforts to address the persistent non-tariff barriers — including high transport costs, weak connectivity and logistics infrastructure, and lack of harmonisation of regulations and standards — that constrain many African firms from getting goods to market in a cost-effective and timely manner. Removing these barriers is essential if firms on the continent are to compete in heavily contested international markets, particularly amid rising trade protectionism in many parts of the world.

Commonwealth African countries can also intensify efforts to build capacity and strengthen competitiveness in sectors not covered by AGOA, particularly fast-growing, high-value services and

emerging industries within the digital economy. Expanding and diversifying exports from these sectors presents a practical pathway to economic transformation for many countries, while also providing a resilient buffer against any negative effects that may arise if AGOA is permanently discontinued in the future.

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Annex

Table A1. Total merchandise exports to the US by Commonwealth AGOA beneficiaries, 2000–2024 (US\$ million, current prices)

Economy	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Botswana	43.2	15.8	26.0	13.9	71.1	144.1	190.8	156.3	178.8	116.6	146.1	182.3	148.1	205.3	310.8	216.0	305.7	404.9	339.7	183.6	123.1	202.7	340.5	292.2	201.7
Eswatini	80.5	57.8	111.2	228.5	253.1	180.6	127.1	102.6	147.5	149.3	125.4	72.3	58.3	51.3	62.2	19.1	16.6	14.8	11.5	15.2	21.0	19.0	25.7	27.1	30.0
The Gambia	0.1	0.1	0.2	0.0	0.2	0.1	0.1	0.1	0.2	1.1	3.2	0.0	0.2	0.8	0.2	0.6	0.5	0.6	0.6	1.1	0.4	0.2	0.3	2.0	1.8
Ghana	155.7	150.2	108.0	85.3	140.7	157.1	188.7	192.1	229.6	169.7	345.5	628.9	306.5	338.3	266.5	262.5	268.3	663.7	549.1	889.2	696.6	1,330.6	1,722.1	1,290.8	797.0
Kenya	63.8	92.0	125.6	159.3	208.1	301.3	325.0	319.5	325.9	259.9	317.1	283.5	315.8	372.4	448.7	487.9	495.5	510.1	539.0	555.9	486.3	587.6	741.2	624.3	560.2
Lesotho	188.6	146.2	220.4	394.5	195.1	394.6	491.9	338.4	459.1	310.2	242.5	442.0	362.6	267.4	270.7	316.8	325.1	314.6	381.7	257.6	251.9	286.2	248.6	161.8	236.8
Malawi	45.4	64.0	61.6	66.5	54.9	55.8	59.2	35.9	50.3	48.8	72.2	76.9	48.7	76.6	56.3	46.1	57.5	38.8	47.8	49.0	35.5	41.2	47.3	40.4	33.8
Mauritius	278.3	285.4	320.8	323.1	277.9	209.5	210.1	166.1	151.1	144.2	215.5	260.0	262.6	309.8	377.3	292.1	259.5	234.6	262.6	262.9	190.5	191.7	227.8	239.2	244.2
Mozambique	19.2	7.0	9.6	12.7	9.8	18.7	13.6	4.5	16.1	34.8	47.5	28.4	36.7	81.3	65.4	64.0	84.0	95.8	93.0	96.8	77.1	113.4	127.7	141.9	135.4
Namibia	51.3	36.0	45.2	85.7	197.2	167.8	83.1	134.2	235.5	195.4	195.8	366.1	194.0	205.5	215.7	85.0	115.0	144.3	152.1	147.1	82.9	110.3	222.6	99.6	225.1
Nigeria	9,037.5	7,544.0	6,223.6	7,119.6	12,453.0	13,863.5	18,480.9	21,645.7	22,585.6	12,959.4	21,377.1	24,056.4	13,575.1	7,567.5	3,589.5	1,568.8	2,751.0	4,705.6	4,088.3	3,703.6	1,219.7	2,688.1	3,566.2	4,783.9	4,617.4
Rwanda	3.2	2.8	1.6	1.3	1.1	4.9	8.1	12.8	9.2	13.8	19.6	28.0	42.2	30.8	52.6	56.8	36.3	55.9	56.3	38.4	32.5	47.4	68.5	52.6	56.3
Sierra Leone	0.4	1.2	1.5	2.2	4.2	6.2	28.8	33.1	30.7	17.9	19.0	15.1	14.9	28.3	17.1	23.5	62.7	14.7	28.8	22.5	17.4	15.0	21.9	32.3	41.1
South Africa	2,409.2	3,631.5	2,439.2	3,844.2	4,689.5	4,893.2	6,058.2	7,528.7	7,987.4	4,859.7	7,158.6	8,173.5	7,820.3	6,913.6	6,483.5	6,153.0	5,486.3	6,621.7	6,359.9	6,261.6	7,131.5	12,974.2	10,728.4	8,319.5	8,209.3
Tanzania	23.2	24.0	23.2	20.6	21.8	29.0	31.1	55.5	64.4	53.2	54.5	62.7	104.5	60.1	92.3	76.8	110.4	78.7	58.2	99.0	88.0	66.3	108.6	119.3	157.5
Togo	5.4	10.1	2.9	6.7	1.8	6.5	5.2	3.4	4.5	3.2	11.7	13.7	18.8	5.4	5.0	5.9	5.5	5.3	4.2	4.4	12.1	7.8	29.8	26.6	38.0
Zambia	16.4	14.2	9.5	10.8	22.8	20.5	17.7	43.5	39.7	7.6	18.5	28.1	38.0	29.3	42.6	25.6	24.6	37.3	101.9	43.4	34.0	120.8	96.6	104.2	36.7

Note: Based on the list of AGOA-eligible countries in 2024.

Source: UNCTADStat.

International Trade Policy Section at the Commonwealth Secretariat

This Trade Hot Topic is brought out by the International Trade Policy (ITP) Section of the Economic Development, Trade and Investment Directorate of the Commonwealth Secretariat, which is the main intergovernmental agency of the Commonwealth – an association of 56 independent countries, comprising large and small, developed and developing, landlocked and island economies – facilitating consultation and co-operation among member governments and countries in the common interest of their peoples and in the promotion of international consensus-building.

ITP is entrusted with the responsibilities of undertaking policy-oriented research and advocacy on trade, investment and development issues and providing informed inputs into the related discourses involving Commonwealth members. The ITP approach is to scan the trade and development landscape for areas where orthodox approaches are ineffective or where there are public policy failures or gaps, and to seek heterodox approaches to address those. Its work plan is flexible to enable quick response to emerging issues in the international trading environment that impact particularly on highly vulnerable Commonwealth constituencies – least developed countries (LDCs), small states and sub-Saharan Africa.

Scope of ITP Work

ITP undertakes activities principally in three broad areas:

- It supports Commonwealth developing members in their negotiation of multilateral and regional trade agreements that promote development friendly outcomes, notably their economic growth through expanded trade and investment.
- It conducts policy research, consultations and advocacy to increase understanding of the changing international trading and investment environment and of policy options for successful adaptation.
- It contributes to the processes involving the multilateral and bilateral trade regimes that advance more beneficial participation of Commonwealth developing country members, particularly, small states and LDCs and those in sub-Saharan Africa.

ITP Recent Activities

ITP's most recent activities focus on assisting member countries in their negotiations in the World Trade Organization (WTO) and various regional trading arrangements, undertaking analytical research on a range of trade policy, emerging trade-related development issues, and supporting workshops/dialogues for facilitating exchange of ideas.

Selected Recent Meetings/Workshops Supported by ITP

31 October to 12 December 2025: The Commonwealth Small States Office (CSSO) in Geneva, in collaboration with Diplo Foundation and the Geneva Internet Platform, conducted a hybrid capacity-building course on 'Digital Trade and E-commerce Policy, Rules and Governance Frameworks.' Designed to demystify complex digital trade and e-commerce governance issues, the course equipped government officials, negotiators, and policymakers from small economies and LDCs with essential technical and regulatory skills for managing cross-border digital trade. A total of 43 officials from Commonwealth LDCs and small states, based in Geneva and capitals across the Africa, Asia, Caribbean and Pacific regions, participated.

9–10 December 2025: The CSSO, in partnership with the Pacific Island Forum Secretariat and the WTO, conducted a Pacific Regional Preparatory Workshop for the 14th WTO Ministerial Conference (MC14). The workshop aimed to deepen senior trade officials' understanding and foster discussion on key negotiating issues ahead of MC14 in Yaoundé, Cameroon, including the expected role of the December General Council in finalising the agenda for the Ministerial level discussions.

18–20 June 2025: Commonwealth Trade Ministers Meeting in Windhoek, Namibia, during which ministers discussed critical trade policy issues as well as ways to strengthen intra-Commonwealth trade and investment and foster resilience in the global trading system.

20 February 2025: CSSO in Geneva capacity building meeting on Boosting Small Developing Economies' Competitiveness in Digital Services Trade.

29 January 2024: Commonwealth Secretariat-UNCTAD event to launch a joint report on Harnessing Intellectual Property Rights for Innovation, Development and Economic Transformation in LDCs.

15–16 November 2023: Commonwealth Secretariat-WTO-IISD workshop in preparation for the WTO's 13th Ministerial Conference. The workshop, hosted in Kigali, Rwanda, was attended by senior trade and fisheries officials and technical experts, who discussed Africa's interests, priorities and strategies in multilateral and regional trade.

15 September 2023: Commonwealth Secretariat-Cardano Foundation session on Unlocking the Power of Blockchain for Carbon Accounting in Supply Chains at the WTO Public Forum in Geneva.

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