

INTERNATIONAL TRADE WORKING PAPER

# The Ripple Effects of US Tariffs: Economic Implications for the Commonwealth

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## 1. Introduction

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The ‘America First’ trade agenda advanced by the current US administration, featuring higher tariffs and stricter trade controls, poses a threat of increased barriers to trade worldwide. The scale and geographical scope of these tariffs mean they are set to exert immensely disruptive effects on trade (WTO, 2025b). Moreover, the ‘on/off’ transactional approach to tariff setting adopted by the US — reflected in constantly changing reciprocal tariff rates and implementation dates — has created unprecedented global turmoil, causing significant uncertainty in international trade, generating confusion in global financial markets and fragmenting global trade flows (UNCTAD, 2025b).

As other nations implement or contemplate implementing retaliatory measures amid significant uncertainty and frequently changing tariff pronouncements by the US, the risk of a global trade imbalance has intensified. The waves of tariffs announced by the US and other major economies since early 2025 are placing considerable strain on the global trading system and compounding trade policy uncertainty worldwide. This may herald delays in investment decisions and threaten global foreign direct investment (FDI) flows, while reducing revenue and raising operational costs for businesses, especially for micro, small and medium enterprises. It is also likely to disproportionately impact the trade flows of smaller, vulnerable economies and least developed countries (LDCs), particularly those commodity-dependent economies relying on duty-free or low-tariff exports to the US market, as well as the investments they attract through such market access opportunities.

This is occurring against the backdrop of a rapidly transforming global trade landscape. Mounting geopolitical tensions, an increasingly

fragmented global economy, widening technological divides and the growing adoption of climate-aligned trade policies are reshaping global markets, supply chains, and trade and investment patterns. At the same time, rising trade protectionism, marked by the use of import tariffs, subsidies and various trade barriers to shield domestic industries and boost government revenues, threatens to weaken cross-border trade and may lead to a significant reorientation of investment flows worldwide (UNCTAD, 2025a).

These developments could dampen global economic growth, contribute to rising inflation, and deepen divisions within the global economy (OECD, 2025).<sup>1</sup> They are likely to compound the challenges confronting an embattled global economy already burdened by multiple overlapping crises. Lingering weaknesses and an uneven recovery following the Covid-19 pandemic, escalating cost of living crises, persistently high inflation, rising food and energy insecurity, tightening financial conditions and ongoing conflicts in Ukraine, the Middle East and elsewhere have been disrupting supply chains, slowing investment and undermining economic growth in many parts of the world. Alongside sweeping cuts to foreign aid budgets, these challenges threaten to erode decades of progress in advancing economic development, growing trade and reducing poverty (D’Andrea et al., 2024).

This paper assesses the potential trade-related implications and wider economic impacts of the US tariff policy for Commonwealth countries.<sup>2</sup> It suggests insights and actionable pathways to help these countries mitigate the anticipated negative effects of the trade policy measures announced to date and navigate the significant uncertainty and rapidly changing dynamics in the global trade landscape.

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## 2. US tariff policy: Key developments and the state of play

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Historically, US tariff rates have fluctuated significantly, with the average effective tariff rate

on imports reaching a peak of 26.6 per cent in 1890, then declining to 15.7 per cent in 1922,

3.1 per cent in 1980 and 1.6 percent in 2000, before rising to 14.5 per cent in 2025. The 2025 rate is a significant increase from 2.5 per cent in 2024 (Neufeld, 2025).

The increase in tariffs in recent years has been the result of significant changes to US tariff policy, especially under the Trump Administration. During his first term, President Trump implemented several protectionist trade policies, including imposing tariffs on solar panels and washing machines in January 2018 (Office of the United States Trade Representative, 2018). This was followed by tariffs on steel and aluminium in March 2018, which affected imports from several countries (CRS, 2025a).

The Biden Administration continued to use tariff measures to protect US workers and businesses from perceived unfair trade practices, particularly those of China. The Administration increased tariffs on US\$18 billion worth of imports from China under Section 301 of the Trade Act of 1974 (US Department of Commerce, 2024).

In his second term in office, President Trump has intensified the adoption of tariff measures, as they are perceived as a vital part of the Administration's economic and international policy agenda. In this regard, the Administration has adopted new types of tariffs on key trading partners and broadened product-specific tariffs, citing national security concerns (Table 1).

The first category of tariffs to be imposed was the 'fentanyl tariffs' targeting Mexico, Canada and China, aiming to address national security concerns related to the influx of synthetic opioids like fentanyl (Brownstein, 2025). Second was the first wave of 'reshoring tariffs,' intended to encourage manufacturers to shift production to the US. These tariffs targeted specific goods and industries such as aluminium and copper. Third, came 'reciprocal tariffs,' imposed by the US President's Executive Order on 2 April 2025. These were designed to counteract tariffs imposed on US exports by other countries, with a view to correcting the US' perceived 'non-reciprocal' trade relationships. The US contended the perceived imbalances in these trade relationships constituted 'an unusual and extraordinary threat to the national security and economy of the United States.' A further iteration has been to apply tariffs for specific, non-trade purposes, penalising governments on the grounds of political orientations. These include an additional 25 per cent punitive tariff for India on some products, effective as of 27 August 2025, as a penalty for purchasing Russian oil; and an additional 40 per cent duty on some products of Brazilian origin, effective 1 August 2025, to address certain alleged Brazilian domestic measures, including free speech restrictions on US citizens and online platforms and for pursuing legal prosecution

**Table 1** Timeline of key US tariff announcements

Date	Summary of tariff announcements	Commonwealth countries affected
20 January 2025	President Trump begins second term and invokes Section 232 and the International Emergency Economic Powers Act (IEEPA) to initiate broad tariff hikes	Australia, Canada, India, Pakistan, South Africa
2 April 2025	'Liberation Day' tariffs: blanket 10–50 per cent baseline and reciprocal tariffs imposed on nearly all trade partners as of 9 April 2025	All Commonwealth countries
9 April 2025	Temporary suspension of tariffs until 9 July 2025	All Commonwealth countries
7 July 2025	Extension of suspension period to 1 August 2025	All Commonwealth countries
28 July 2025	Letters sent to trade partners announcing adjusted country-specific tariffs effective 1 August 2025	Australia, India, Pakistan, South Africa
31 July 2025	New 15 per cent tariffs announced for 40 countries together with other country-specific adjusted reciprocal tariffs	Bangladesh, India, Pakistan, South Africa
7 August 2025	Tariffs go into effect; rates range from 10 to 41 per cent, depending on trade balance and sector	All Commonwealth countries
5 September 2025	Scope of reciprocal tariffs are modified; 'Potential Tariff Adjustments for Aligned Partners' (PTAAP)	All Commonwealth countries

Sources: CRS (2025b), Jeyaretnam (2025)

against former President Jair Bolsonaro (The White House, 2025a).

The US had hoped to induce, via this unilateral tariff action, some 180 trading partners, which it alleged had non-reciprocal trading relationships with the US, to negotiate, with the intention of encouraging them to offer the US more favourable terms of trade and correct perceived trade imbalances, under the guise of national security concerns. Thus far, these tactics have shown some degree of effectiveness. In subsequent negotiations, some key trading partners were also persuaded to remove what the US perceived as non-tariff barriers, including in relation to trade in services, such as the withdrawal of digital service taxes, which had targeted prominent US technology firms. Others were persuaded to reduce their reliance on Chinese inputs.

On 9 April 2025, the US announced a temporary tariff reduction for a 90-day negotiation period. Two days before the end of the 90-day suspension period ending on 9 July 2025, a new deadline was set for 1 August 2025. At the same time, individual letters were sent to specific trade partners, announcing adjusted country-specific tariffs effective that same day. This was followed up with the 31 July 2025 Executive Order entitled, 'Further Modifying the Reciprocal Tariff Rates,' which adjusted the country-specific rates, based on the US perception of the status of pending trade negotiations; its receipt of additional information and recommendations on foreign relations and economic and national security matters; and other countries' efforts to retaliate against the US deficits (The White House, 2025b). Tariffs ranging from 10 to 41 per cent came into effect on 7 August 2025.

Furthermore, following the abolishment by the US of a *de minimis* tax exemption on small packages entering the country from 29 August 2025, such packages entering the US face tariffs of between 10 and 50 per cent, depending on their origin. As a result, postal services across France, the UK, Germany, Italy, India, Australia and Japan are refusing to accept US-bound packages. The suspension of duty-free *de minimis* imports from all countries is also affecting smaller traders, such as indigenous exporters from Canada (Passafiume, 2025).

On 29 August 2025, a US federal appeals court ruled that most of the US tariffs were illegal, insofar as they constituted an overreach

of the US president's use of emergency powers. This ruling upheld the May 2025 ruling from the Court of International Trade, rejecting the US argument that the global tariffs were permitted under the International Emergency Economic Powers Act (IEEPA). In a 7:4 decision against the tariffs, the appeals court held that the IEEPA did not provide the president wide-ranging authority to impose tariffs. The tariffs are subject to a stay until 14 October 2025, pending the Administration's appeal to the US Supreme Court, hence they will remain in place until that date, and possibly longer, if the stay is extended pending the outcome of the Supreme Court's ruling. The legality of the US tariff measures has important implications for those countries negotiating bilateral trade deals with the US.

On 5 September 2025, the US modified the scope of reciprocal tariffs, exempting certain goods from reciprocal tariffs, including bullion-related articles and certain critical minerals and pharmaceutical products, subject to pending Section 232 investigations. At the same time, some goods are now subject to reciprocal tariffs, including certain aluminium hydroxide, resin and silicone products (The White House, 2025c). A Potential Tariff Adjustments for Aligned Partners (PTAAP) Annex enumerates products 'for which the President may be willing to apply only the Most-Favored-Nation (MFN) tariff upon the conclusion of any future reciprocal trade and security deal.' The products fall into four categories: certain aircraft and aircraft parts; certain generic pharmaceuticals and their ingredients; unavailable natural resources and closely related derivative products; and certain agricultural products not grown or produced in sufficient quantity in the US. To qualify for tariff reduction with respect to goods listed in the PTAAP Annex, a trading partner must conclude a deal with the US that 'helps mitigate the national emergency relating to the trade deficit.' Additionally, the president will evaluate the extent of a trading partner's commitments to address US trade concerns, 'among other things' when determining which products in the PTAAP Annex qualify for a tariff reduction (*ibid.*).

Several Commonwealth countries are affected directly or indirectly by these tariff measures. At the same time, the US is pressing its trading partners to cut certain China-sourced goods, leading to potential retaliation from China

(Draper and Gray, 2025). Under such circumstances, some Commonwealth countries face challenges in balancing relations with both the US and China, many under pressure to choose sides. In addition, many countries are weighing up whether to negotiate bilaterally with the US, given the volatile and unpredictable nature of US tariff policy and uncertainty as to what tariffs will ultimately be imposed.

This widespread and unchecked deployment of tariffs by the US is drastically changing global trade patterns, arguably reducing the

country's participation in world trade (Wolff, 2025). Furthermore, as will be elaborated in Section 3.5, these tariffs threaten to fundamentally alter international trade dynamics and the existing multilateral trading system with the World Trade Organization (WTO) at its core, raising potentially significant implications for Commonwealth countries. The reciprocal tariffs that seek to address trade imbalances impact all countries, including those with existing preferential free trade agreements (Elms, 2025).

### 3. Commonwealth trade with the US: Scope and potential effects of tariffs

The recent shifts in US tariff policy have important ramifications for Commonwealth countries' trade, both bilaterally with the US and with other partners. This section first examines the extent to which Commonwealth countries — in aggregate, regionally and for individual members — export to the US market. Based on these levels, and the tariff rates announced for exports from Commonwealth countries to the US, it then assesses the potential implications for goods and services trade in the Commonwealth.

#### 3.1 Commonwealth exports to the US market

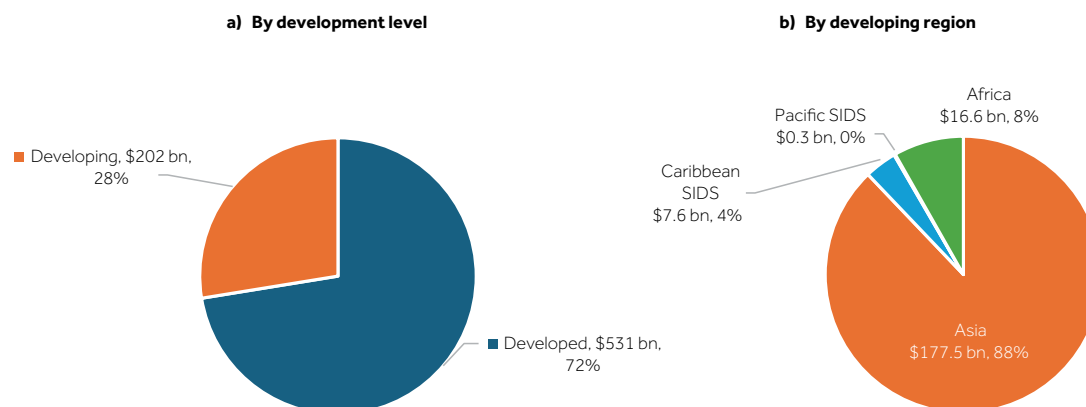
Commonwealth countries exported US\$733.4 billion worth of goods to the US in 2023. This

represented nearly one-quarter (23%) of the Commonwealth's total global merchandise exports (around \$3.1 trillion) in that year, highlighting the significance of the US as a market for Commonwealth goods.

In 2023, nearly three-quarters (72%) of the Commonwealth's merchandise exports to the US, amounting to US\$531 billion, originated from developed member countries, mainly Canada, the UK, Australia and New Zealand (chart A in Figure 1). In turn, exports from the 50 developing members accounted for 28 per cent, with a combined value of \$202 billion.

Asian Commonwealth countries — mainly India, Pakistan, Bangladesh and Malaysia — contributed the vast majority (88%) of the exports destined for the US from

Figure 1 Commonwealth exports to the US by development level and region, 2023 (US billion, % share)



**Note:** United States import mirror data is used.

**Source:** Commonwealth Secretariat (calculated using UNCTADstat data)

Commonwealth developing regions (chart B in Figure 1). This was followed by exports from Africa (8%), with a smaller share for Caribbean small island developing states (SIDS) (4%) and a negligible contribution — in relative terms — from Pacific SIDS.

Looking at averages for 2022–2023 (Figure 2), the US absorbed 35 per cent of all goods collectively exported by the Commonwealth's six developed countries, meaning they are highly exposed to changes in trading conditions in the US market. Around a quarter of the goods exported by Caribbean and Pacific SIDS were destined for the US. The Caribbean nations are the main drivers of these exports, whereas Pacific islands' merchandise trade is mostly with neighbouring economies, primarily Australia and New Zealand and members of the Association of Southeast Asian Nations. African Commonwealth countries are relatively less exposed, with the US absorbing around 8 per cent of their merchandise exports. While African members have limited exposure in aggregate, exporters operating in specific sectors in individual African countries rely heavily on the US market and are at risk — including, for example, textiles and garments exported from Lesotho and cocoa from Ghana.

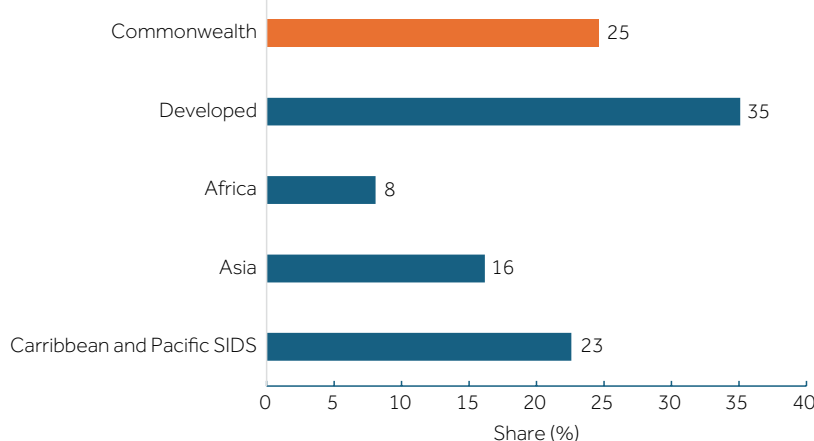
At the level of individual countries, some Commonwealth members are heavily exposed to higher tariffs on exports to the US, while others are less reliant on the US market. Canada is the largest exporter to the US by a considerable margin: its exports, worth US\$440 billion,

singlehandedly account for 60 per cent of all Commonwealth exports to the US. Canada and four other countries — India, the UK, Singapore and Malaysia — account for 91.5 per cent of Commonwealth exports to the US (Figure 3).

The US is the largest destination for exports from 16 Commonwealth countries: The Bahamas, Bangladesh, Barbados, Belize, Canada, Fiji, Grenada, Guyana, India, Jamaica, Pakistan, St Kitts and Nevis, Saint Lucia, Sri Lanka, Trinidad and Tobago, and the UK. As many as 22 Commonwealth countries send at least 10 per cent of their exports to the US. The countries with the greatest exposure to changes in US tariff policy are Canada (78% of merchandise exports destined for the US in 2023), Jamaica (51%), St Kitts and Nevis (50%), The Bahamas (38%), Trinidad and Tobago (35%), Lesotho (29%), Grenada and Fiji (both 25%) (Figure 4). For some of these countries and several others, exports to the US represent a significant portion of their gross domestic product (GDP). Canada's exports to the US account for 20.5 per cent of its GDP, followed by Guyana (17.7%), Trinidad and Tobago (12.4%), Lesotho (11.3%) and Singapore (9.8%).

Others have minimal exposure, including several small states (Brunei Darussalam, Gabon) and SIDS (Kiribati, Papua New Guinea, Seychelles, Solomon Islands) as well as certain African Commonwealth members (Eswatini, The Gambia, Zambia), all with 1 per cent or less of their exports going to the US in 2023. Compared with the US, Commonwealth

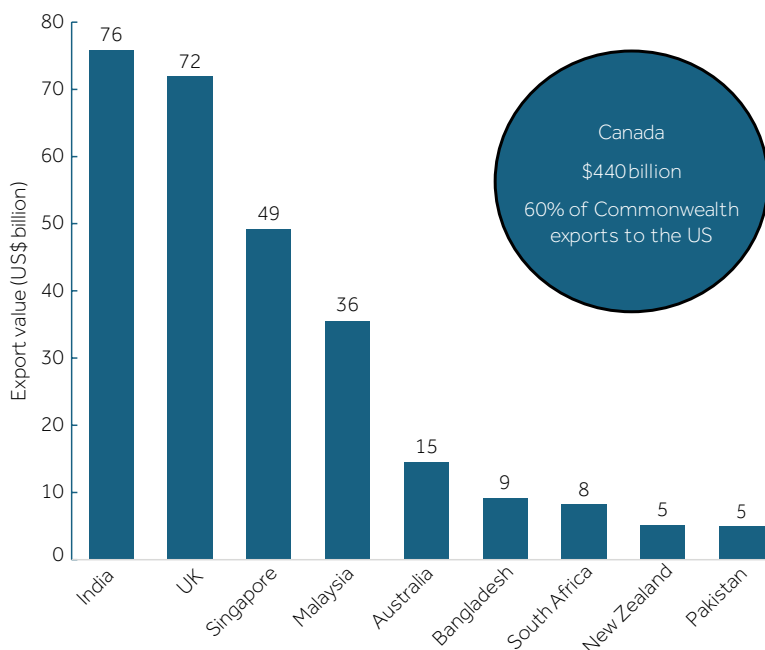
Figure 2 Share of the Commonwealth's total worldwide exports destined for the US by region, 2022–2023 average (% of total exports)



**Note:** The shares in the chart represent the respective portions of each region's worldwide exports that are destined for the US, calculated using averages for 2022–2023. US import mirror data is used.

**Source:** Commonwealth Secretariat (calculated using UNCTADstat data)

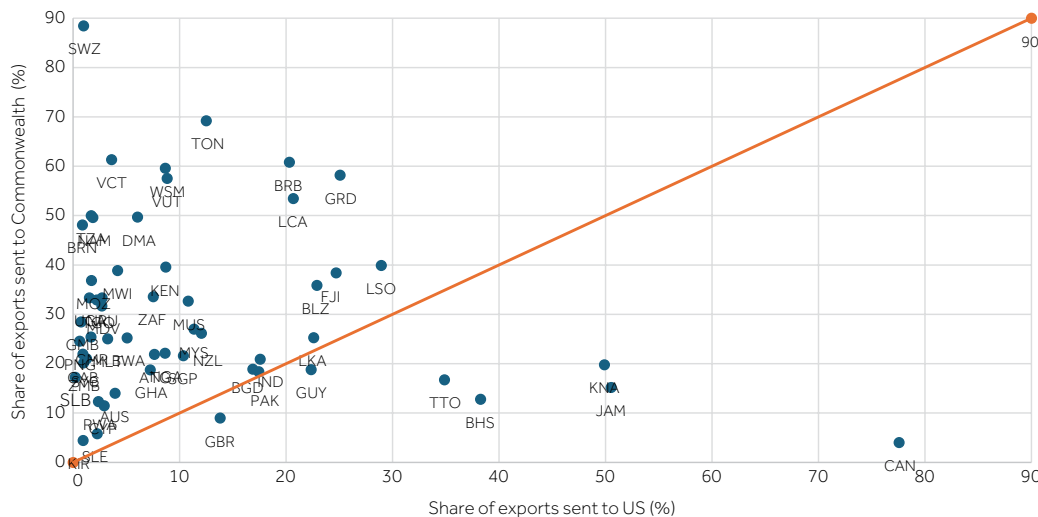
Figure 3 Top 10 Commonwealth exporters to the US, 2023 (US\$ billion)



**Note:** Canada is excluded from the bar chart, and included in an insert, given its outsized contribution to the Commonwealth’s exports to the US.

**Source:** Commonwealth Secretariat (calculated using UNCTADstat data)

Figure 4 Commonwealth merchandise exports to fellow Commonwealth members and the US (%)



**Note:** The shares on the horizontal and vertical axes represent the percentage shares of merchandise exported from individual Commonwealth countries that are destined for the US and fellow Commonwealth members, respectively.

**Source:** Commonwealth Secretariat (calculated using UNCTADstat data)

markets are more important export destinations for many member countries, especially developing members in Africa, the Caribbean and the Pacific (Figure 4), highlighting the potential to mitigate the effects of higher US tariffs through deeper economic integration to grow intra-Commonwealth trade (see Section 5).

### 3.2 Trade (im)balances and US tariffs faced by Commonwealth countries

As noted in Section 2, the current tariff policy agenda of the US is ostensibly driven by a desire to correct perceived trade imbalances with partner countries. Thus, a core motivation

for the US Administration is to reduce current US trade deficits by using tariffs as a tool to discourage imports and rebalance trade. The reciprocal tariffs announced by the US in April 2025 were calculated using a simple formula whereby the size of the US' trade deficit with a particular country (exports minus imports) was divided by the total value of US imports from that country. The resulting number was then cut in half to produce a 'discounted reciprocal tariff' for each country.

Collectively, Commonwealth countries had a surplus in both goods and services trade with the US in 2023. They exported goods worth US\$733 billion to the US, while importing goods with a total value of \$522 billion, resulting in a \$211 billion surplus in goods trade (chart A in Figure 5). Commonwealth countries had a smaller surplus of \$46 billion in the case of services trade with the US, exporting \$383 billion in services, while importing services valued at \$337 billion (chart B in Figure 5). For goods and services combined, the Commonwealth boasted a \$257 billion trade surplus with the US in 2023.

Individually, 18 Commonwealth countries<sup>3</sup> enjoyed a merchandise trade surplus with the US in 2023 (Table A1 in the Annex). The same number of countries — albeit with a slightly different composition<sup>4</sup> — boasted a surplus when goods and services are combined.

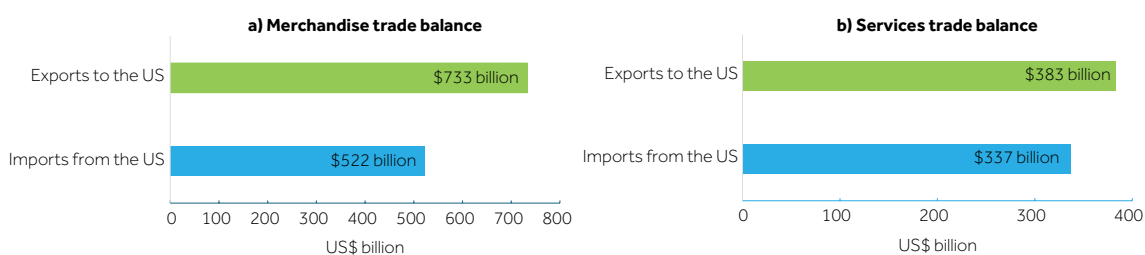
As explained above, these trade balances have an important bearing on the tariff treatment the US has accorded to individual countries. Whereas the universal 10 per cent baseline tariff imposed by the US Administration applies to all imports into the US regardless of their country of origin, higher reciprocal tariffs were announced on 2 April 2025 (and paused a week later for 90 days) for around 90 countries, with the intention of erasing the trade deficit between

the US and these countries. Among these, 22 Commonwealth members — including five LDCs — were subjected to reciprocal US tariff rates exceeding 10 per cent (Figure 6). Thirteen of these 22 boasted a trade surplus with the US in 2023, while Brunei Darussalam, Cameroon, Malawi, Malta, Namibia, Nauru, South Africa, Vanuatu and Zambia had trade deficits in that year. With these rates, the average reciprocal tariff for Commonwealth countries enjoying a trade surplus with the US was 25.4 per cent, whereas the equivalent average across those with a trade deficit was 12.7 per cent. Across the Commonwealth overall, the average reciprocal tariff imposed by the US on 2 April 2025 was 16.8 per cent, with a higher tariff rate, on average, for developing countries (17.2%) compared to developed members (13.3%).

Some of the highest reciprocal tariff rates announced globally on 2 April 2025 were allocated to developing Commonwealth countries and LDCs. Lesotho, for example, faced the world's highest reciprocal tariff, at 50 per cent. Very high tariffs were announced for a number of other vulnerable economies facing similar challenges, including several SIDS and small states. These countries are among the worst equipped to respond to the higher tariffs given their concentrated export structures, limited diversification options and, in certain cases, weak negotiating capacity.

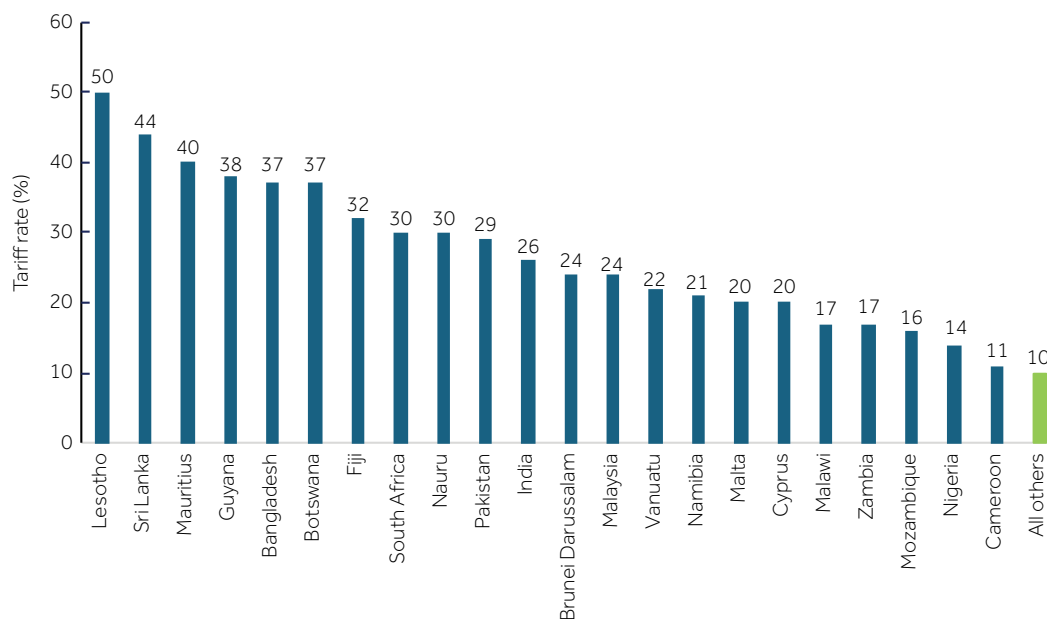
On 31 July 2025, the US announced adjusted reciprocal tariffs for 68 countries as well as the EU member states, to take effect from 7 August 2025. These adjusted tariffs apply to 26 Commonwealth countries, as outlined in Table 2. Several Commonwealth countries received welcome reductions to their reciprocal tariffs, especially those initially facing very high rates. Lesotho's reciprocal tariff fell by 35 percentage points; Botswana, Guyana,

Figure 5 Commonwealth goods and services trade balances with the US, 2023 (US\$ billion)



Source: Commonwealth Secretariat (calculated using UNCTADstat data for merchandise trade and WTO-OECD BaTiS data for services trade)

Figure 6 Reciprocal tariff rates announced by the US for Commonwealth countries on 2 April 2025



**Note:** These reciprocal tariff rates were announced on 2 April 2025 and subsequently paused for 90 days on 9 April 2025, leaving a 10 per cent levy in place for nearly all global goods imported by the US (Grantham-Philips, 2025).

**Source:** Commonwealth Secretariat (using reciprocal tariffs announced in The White House, 2025d)

Mauritius and Sri Lanka all received reductions exceeding 20 percentage points; and the reductions for Bangladesh, Fiji and Nauru ranged between 15 and 17 percentage points. In contrast, South Africa's reciprocal tariff rate remained unchanged at 30 per cent, while Brunei Darussalam, Cameroon, Ghana, New Zealand, Nigeria, Papua New Guinea, Trinidad and Tobago, and Uganda all faced higher reciprocal tariffs compared with those initially announced on 2 April 2025. With the adjustments, the Commonwealth countries facing the highest reciprocal tariffs are South Africa, India, Brunei Darussalam, Sri Lanka, Pakistan and Malaysia, in that order.

### 3.3 Potential effects

The initial US tariff announcements and subsequent developments (see Section 2) have generated considerable uncertainty regarding their likely effects. Amid the surge in tariffs and a deteriorating outlook for global trade, the WTO (2025a) estimates that the volume of world merchandise trade will grow by 0.9 per cent in 2025, up from the -0.2 per cent contraction forecast in April but down from earlier projections — predating the tariff increases — that it would grow by 2.7 per cent. However, in the face of significant downside risks, including the

lingering threat of a further escalation in tariffs announced by the US, possible retaliatory actions by other countries and the prospect of spillover effects generated by wider trade policy uncertainty beyond US-linked trade relationships, global goods trade could decline by as much as 1.5 per cent (*ibid.*).

While not the subject of new US tariffs or retaliatory responses directly, services trade is also likely to be affected, particularly for services linked to goods trade, such as transport and logistics. Recent forecasts suggest the volume of commercial services trade worldwide will grow by 4 per cent in 2025, approximately 1 percentage point lower than initially anticipated (*ibid.*). Furthermore, the broader economic impacts caused by trade policy uncertainty are likely to reduce discretionary spending on leisure-related services such as travel and tourism, of critical importance to many small economies and SIDS (WTO, 2025c). Evidence from some smaller Commonwealth members with large diaspora networks suggests there may also be severe impacts on remittance flows from the US. This could have significant economic consequences for small states, SIDS and LDCs in the Commonwealth, which tend to rely heavily on remittances as a major component of external financing (Kampel and Balchin, 2025). Furthermore, there is already evidence that,

**Table 2 Adjusted reciprocal tariffs announced by the US for Commonwealth countries on 31 July 2025**

Commonwealth country	Reciprocal tariff (2 April 2025)	Adjusted reciprocal tariff (31 July 2025)	Change (percentage points)
Bangladesh	37%	20%	-17%
Botswana	37%	15%	-22%
Brunei Darussalam	24%	25%	1%
Cameroon	11%	15%	4%
Fiji	32%	15%	-17%
Ghana	10%	15%	5%
Guyana	38%	15%	-23%
India	26%	25%	-1%
Lesotho	50%	15%	-35%
Malawi	17%	15%	-2%
Malaysia	24%	19%	-5%
Mauritius	40%	15%	-25%
Mozambique	16%	15%	-1%
Namibia	21%	15%	-6%
Nauru	30%	15%	-15%
New Zealand	10%	15%	5%
Nigeria	14%	15%	1%
Pakistan	29%	19%	-10%
Papua New Guinea	10%	15%	5%
South Africa	30%	30%	0%
Sri Lanka	44%	20%	-24%
Trinidad and Tobago	10%	15%	5%
Uganda	10%	15%	5%
United Kingdom	10%	10%	0%
Vanuatu	22%	15%	-7%
Zambia	17%	15%	-2%

Source: The White House (2025b)

through its bilateral negotiations process, the US is extracting significant concessions from certain affected countries in relation to their domestic measures regulating or taxing digital services trade.

The tariffs announced by the US are expected to directly reduce merchandise exports from individual countries to the US market. Thus far, the unilateral ‘reciprocal tariffs’ and their adjusted variants announced for different countries have been uneven, with some significantly affected while others have received more lenient tariffs. Certain Commonwealth members — Lesotho, Sri Lanka, Mauritius, Guyana, Bangladesh and Botswana — faced among the highest reciprocal tariffs initially announced on 2 April, while many other countries were subject to the base duty of 10 per cent (see Section 3.2).

Subsequent adjustments still leave considerable divergence in the reciprocal tariff rates across countries. This disparity is likely to have significant distributional consequences. There is scope for certain Commonwealth countries to benefit from tariff differentials on US imports that alter competitive advantages between countries and create opportunities to take up market share from exporters in countries facing higher tariffs, while others may lose out.<sup>5</sup>

The US tariffs may also lead to trade *deflection*, with exporters responding to the higher tariffs by redirecting their exports to alternative markets with lower tariffs. Furthermore, the escalating US–China trade war and its disruptive effects on trade flows between the two countries is likely to trigger significant trade *diversion*, with the prospect of Commonwealth

exports facing greater competition from Chinese products in other markets. As a result of the redirection of US–China trade, Chinese merchandise exports to all other non-US regions are projected to increase by between 4 and 9 per cent in 2025, while Chinese exports to the US decline, sparking concerns regarding competition from increased Chinese trade flows (WTO, 2025c). This has increased the possibility of countries employing trade defence mechanisms such as safeguards and other trade remedies to offset the competitive threat posed by the redirection of Chinese merchandise trade into third country markets, adding to the unpredictable, volatile, global trading environment.

Chinese merchandise exports to the US are dominated by machinery and transport equipment (46.6%), miscellaneous manufactured articles (31.8%) and manufactured goods (11.6%). The sectors likely to be heavily impacted by diverted Chinese exports include footwear, garments and various types of light manufacturing. Exports of automobiles, steel and aluminium — subject to high tariffs in the US market — may also be diverted to other countries, creating additional competition for Commonwealth exporters of these products.

The remainder of this section provides estimates of the potential trade-reducing and trade-diverting effects of the US tariffs for Commonwealth countries. Possible impacts from three different scenarios are analysed. The first scenario covers the reciprocal tariffs announced by the US on 2 April 2025, affecting EU member states along with 56 other countries, including 22 Commonwealth members.<sup>6</sup> The second scenario involves application of the base tariff of 10 per cent on US imports from all countries and an additional tariff of 30 percentage points on imports from China, Hong Kong and Macao. Finally, the third scenario analyses the effects of the adjusted reciprocal tariff rates announced by the US on 31 July 2025 (see Table 2).

Partial equilibrium simulations using the Trade Intelligence and Negotiation Adviser (TINA) platform developed by the United Nations Economic Commission for Asia and the Pacific are used to assess the implications of these three scenarios. Importantly, partial equilibrium analysis considers only the effects of the announced tariffs in markets that are directly affected. Therefore, the analysis does not account for the effects of tariffs imposed

on other sectors in an economy and the results should be interpreted with caution. That said, the partial equilibrium modelling allows for a detailed analysis of the tariff policy effects for individual countries with minimal data requirements and at a high-level of disaggregation across products and sectors.

Key highlights and implications for the scenarios involving the base tariff and the reciprocal tariffs are presented below. More detailed information on the estimated impacts of these three tariff scenarios on individual Commonwealth countries is provided in Tables A2 and A3 in the Annex.

### 3.3.1 Export losses

#### *Base tariff scenario*

Although the US applied a common additional tariff of 10 per cent to all countries under the base tariff scenario, the resulting effects vary considerably across Commonwealth countries (column 2 in Figure 7). Among those in Africa, imports by the US from Uganda, Eswatini and Rwanda are all expected to fall by more than 65 per cent. US imports from Togo (down by 54%), Tanzania (38%), Malawi (27%), Kenya (26%), The Gambia (25%), Lesotho (24%) and Zambia (22%) are also expected to decline significantly. With its high level of reliance on the US market for exports, Lesotho is expected to face the largest decline in worldwide exports, which could fall by 5 per cent as a result of the imposition of the base tariff; Rwanda, Togo, Kenya and Mauritius could see these exports decline by around 2 per cent. In contrast, the impact on total exports from the other Commonwealth countries in Africa is expected to be less severe, with a loss of around 1 per cent for Eswatini, Malawi, South Africa and Uganda, and less than 1 per cent for the remaining 12 countries in the region.

Among Commonwealth members in Asia, Bangladesh is expected to face the largest decline in imports by the US — dropping by nearly one-third — and, alongside Sri Lanka, the greatest loss in total exports worldwide — falling by 5 per cent — with the base tariff applied. Imports by the US from Pakistan, Brunei Darussalam and Sri Lanka could all fall by more than 20 per cent, with this contributing to a 4 per cent reduction in total exports for Pakistan.

The Caribbean SIDS expected to be most affected via losses in total exports under the base

tariff scenario are Belize (an 8% drop), Jamaica (7%) and St Kitts and Nevis and Trinidad and Tobago (both 6%). Belize would also experience the largest fall in imports by the US (expected to decline in value by 28%), followed by St Kitts and Nevis (23%), Trinidad and Tobago (22%) and St Vincent and the Grenadines (21%).

Turning to the Pacific SIDS, Papua New Guinea would be most affected by a drop in imports by the US, declining by 67 per cent, while imports from Kiribati and Fiji would also record large declines, of 25 and 23 per cent, respectively. Fiji faces the largest drop in total exports (5%), followed by Tonga (3%), Papua New Guinea and Samoa (both 1%).

Finally, among the developed Commonwealth countries, New Zealand faces the largest export losses — at least in relative terms — under the base tariff scenario and if the reciprocal tariffs announced on 2 April 2025 are imposed (see Section 3.2.2). Imports by the US from New Zealand could fall by 30 per cent with the base tariff applied to all countries, and New Zealand's global exports could decline by 4 per cent. While also facing relatively large declines in products imported by the US, the impacts on the total exports of the UK and Australia are likely to be comparatively smaller — declining by 2 per cent and 1 per cent, respectively.

### *Reciprocal tariffs scenario*

For several Commonwealth countries, the potential negative effects on exports would be magnified in the scenario involving the application of the reciprocal tariffs announced on 2 April 2025 (column 3 in Figure 7), with some potentially facing unilateral tariffs far exceeding the base tariff of 10 per cent.

New Zealand would likely be hit hardest among developed Commonwealth members under the reciprocal tariff scenario, even though it would still be subject to a 10 per cent tariff. Imports by the US from New Zealand could drop by 22 per cent, while the country faces a 3 per cent reduction in its total exports. Australia and the UK also face the base tariff under this scenario and are expected to see imports of their products from the US fall by 16 per cent and 5 per cent, respectively, with smaller impacts on overall exports.

Among African Commonwealth members, US imports from Lesotho, which could face a 50 per cent reciprocal tariff, might decline by as much as 71 per cent. Uganda, Eswatini and

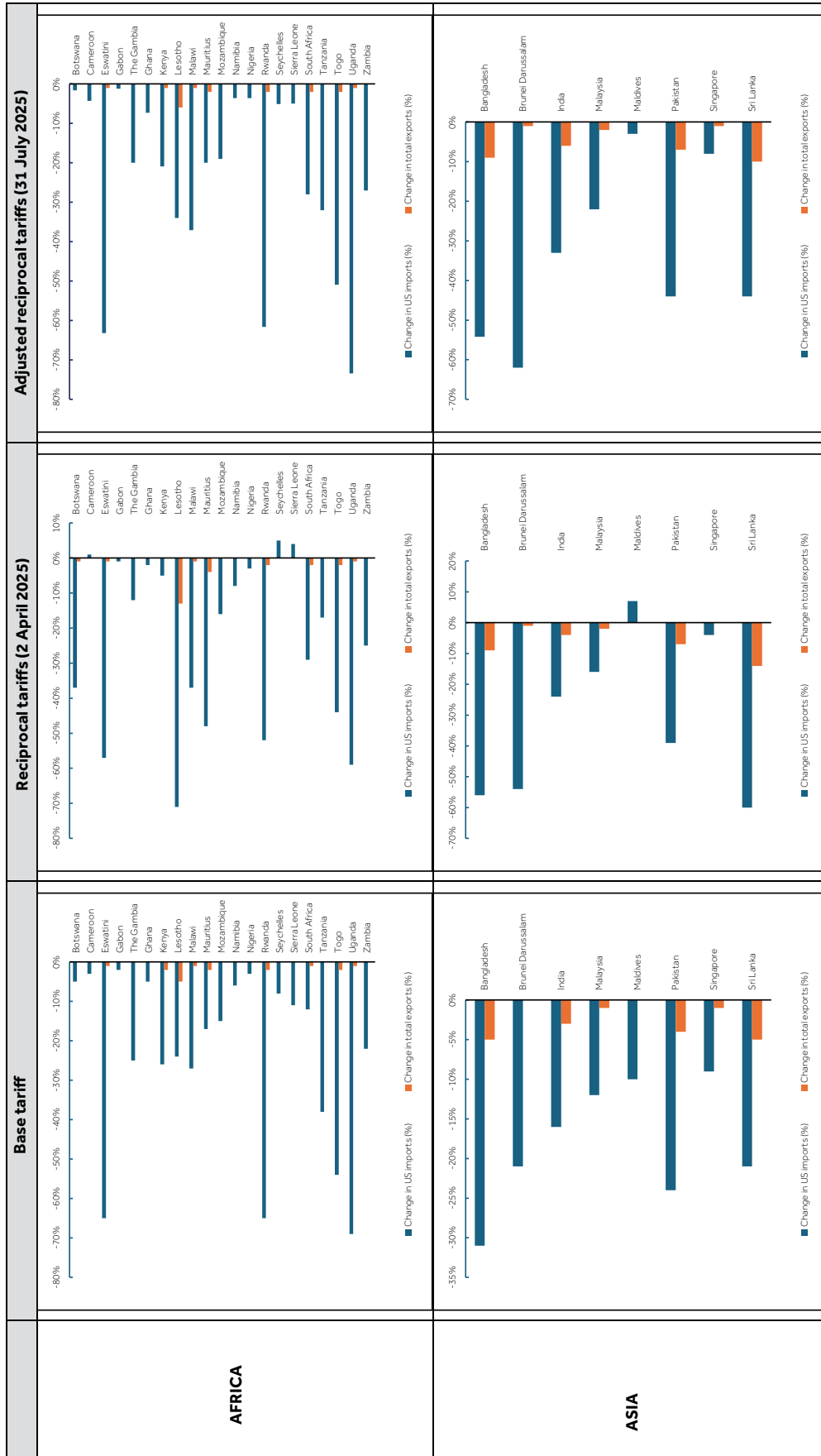
Rwanda could all see their products imported by the US decline by more than 50 per cent, while reductions exceeding 40 per cent are possible for Mauritius (48%) and Togo (44%). In contrast, US imports from Gabon would be minimally affected, whereas imports from Cameroon (1%), Sierra Leone (4%) and the Seychelles (5%) may all increase as a result of overriding trade diversion effects.

Lesotho, with a high level of exposure to the US market and facing the highest reciprocal tariff under this scenario, would likely experience the largest decline in total exports, which could fall by 13 per cent. Mauritius (4%), Rwanda, South Africa and Togo (all 2%) could also experience significant export losses.

Several Asian Commonwealth members are among the countries initially facing the highest reciprocal tariffs announced on 2 April 2025, with only Maldives and Singapore accorded the base tariff of 10 per cent. Under this tariff scenario, the majority would register steep declines in their products imported by the US, which could fall by as much as 60 per cent for Sri Lanka and more than 50 per cent for both Bangladesh (56%) and Brunei Darussalam (54%). Imports by the US from Pakistan (down by 39%) and India (24%) may also fall considerably. This would be accompanied by large declines in overall exports for Sri Lanka (14%), Bangladesh (9%) and Pakistan (7%), in particular.

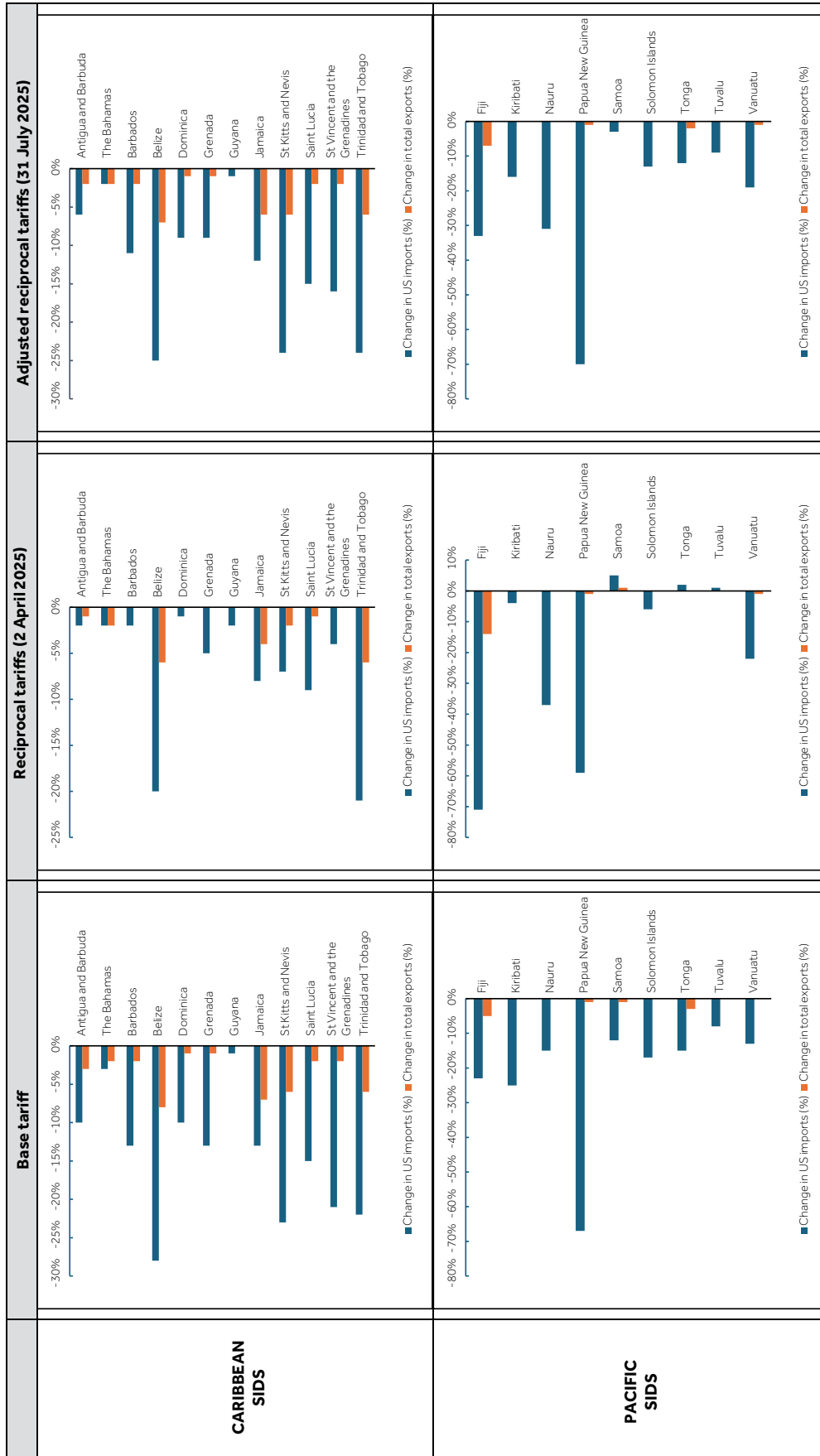
Most Commonwealth SIDS in the Caribbean face the base tariff of 10 per cent. Even so, a number of these countries could experience substantial declines — in relative terms — in their exports to the US and globally. US imports from Trinidad and Tobago and Belize would fall by 21 per cent and 20 per cent, respectively, with these two countries both likely to see their overall exports fall by 6 per cent. Saint Lucia (9%), Jamaica (8%) and St Kitts and Nevis (7%) also face the prospect of sizeable declines in imports by the US; Jamaica's worldwide exports could fall by as much as 4 per cent. Most other Caribbean SIDS can expect their overall exports to decline in the range of 1–2 per cent, with even smaller impacts — of less than 1 per cent — estimated for Dominica, Grenada and Guyana. Even though Guyana faces a 38 per cent reciprocal tariff under the rates announced on 2 April 2025, it has a comparatively more diversified base of export partners and relies less on the US market compared to many other Commonwealth SIDS (see Figure 4). This may

Figure 7 Estimated changes in US imports and total worldwide exports resulting from the US' base and reciprocal tariff scenarios (%)



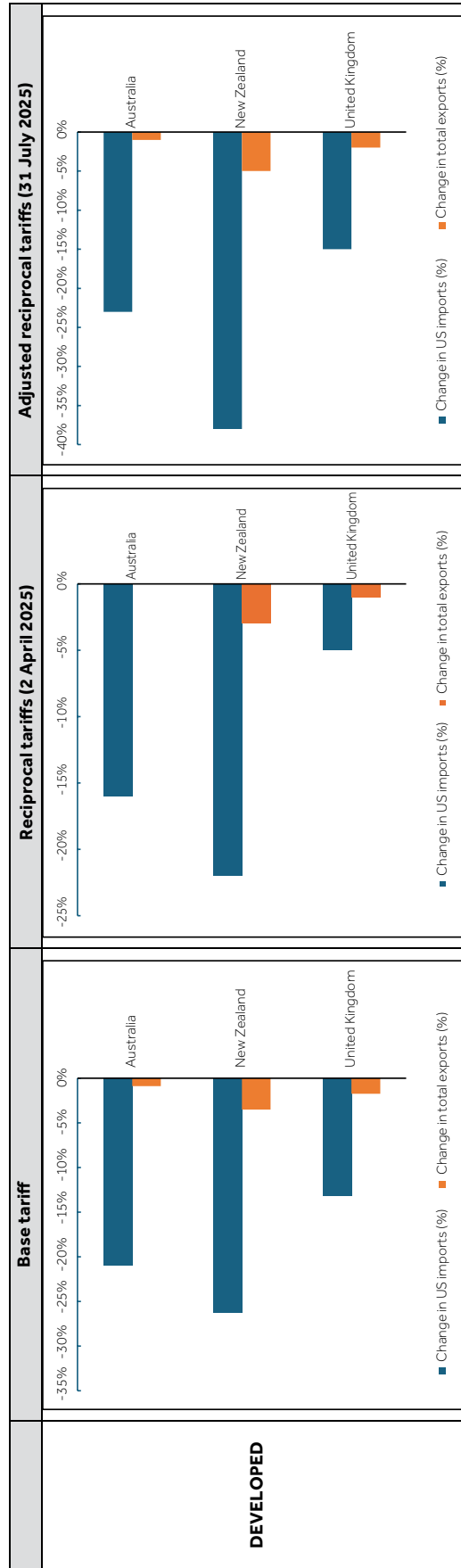
(Continued)

Figure 7 Estimated changes in US imports and total worldwide exports resulting from the US' base and reciprocal tariff scenarios (Continued)



(Continued)

Figure 7 Estimated changes in US imports and total worldwide exports resulting from the US' base and reciprocal tariff scenarios (%) (Continued)



Notes: (i) Products excluded based on exclusion lists provided in Annex II (2 April) and Annex III (5 April 2025), as outlined in The White House (2025e) and U.S. Customs and Border Protection (2025); (ii) Canada, Cyprus and Malta (all developed countries) are excluded as they are not analysed individually on the TINA platform.

Source: TINA

explain why its exports would be largely shielded from the effects of the high reciprocal tariff.

Under this scenario, the base tariff is applied to most Pacific SIDS, with the exception of Vanuatu (22%), Nauru (30%) and Fiji (32%), which face the prospect of high reciprocal tariffs. These three countries could experience substantial declines in imports of their products by the US and in their overall exports. Imports by the US from Fiji could fall by as much as 71 per cent, with Fiji's overall exports dropping by 14 per cent. Imports by the US from Nauru and Vanuatu could decline by 37 per cent and 22 per cent, respectively, although the overall impact on their total exports will be relatively small (around 1% or less). Among the Pacific SIDS facing the base tariff, only Papua New Guinea would record a substantial loss of nearly 60 per cent in imports by the US.

#### *Adjusted reciprocal tariffs scenario*

The adjustments to the reciprocal tariffs announced on 31 July 2025 — and taking effect one week later — provide a degree of relief for some Commonwealth countries facing very high rates after they were initially announced on 2 April 2025. As a result, Botswana, Lesotho, Mauritius, Sri Lanka and Fiji are likely see their exports to the US decline by notably smaller margins compared to those estimated under the initial, 2 April, scenario. However, many others, especially Kenya, Rwanda, Seychelles, Tanzania, Uganda, Maldives, St Kitts and Nevis, Kiribati, Papua New Guinea, Tonga, Solomon Islands, New Zealand and the UK, are likely to register considerably larger reductions in their exports to the US under the adjusted reciprocal tariffs.

With these adjusted tariffs in place, 36 Commonwealth countries are expected to see their exports to the US decline by more than 10 per cent (relative to 2023 values). Among African members, Uganda (73%), Eswatini (63%), Rwanda (62%) and Togo (51%) face the largest reductions, while Malawi, Lesotho and Rwanda would also record sizeable losses (all exceeding 30%) as well as South Africa, Zambia, Kenya, Mauritius and The Gambia (all exceeding 20%). Lesotho faces the largest relative loss in its overall global exports, which could fall by as much as 6 per cent.

In Commonwealth Asia, exports to the US from Brunei Darussalam (down by 62%), Bangladesh (54%), Pakistan, Sri Lanka (both 44%) and India (33%) would be most affected.

Sri Lanka, Bangladesh, Pakistan and India also face substantial losses in their global exports, ranging from 6 to 10 per cent.

Among Caribbean SIDS, Belize (25%), St Kitts and Nevis and Trinidad and Tobago (both 24%) face the most significant losses in exports to the US with the adjusted reciprocal tariffs in place. These countries, along with Jamaica and St Vincent and the Grenadines, could each see their worldwide exports fall by between 6 and 7 per cent.

Many Pacific SIDS face even larger reductions in their US-bound exports. They could decline by as much as 70 per cent for Papua New Guinea and more than 30 per cent for both Fiji and Nauru, while Kiribati, Solomon Islands, Tonga and Vanuatu also face losses well in excess of 10 per cent. Kiribati's global exports could fall by 7 per cent with the implementation of the adjusted reciprocal tariffs.

Among developed Commonwealth members, New Zealand's, Australia's and the UK's US-bound exports are set to drop by 38, 23 and 15 per cent, respectively. New Zealand's global exports could fall by 5 per cent with the adjusted reciprocal tariffs in place.

### 3.3.2 Sectoral impacts

#### *Export losses*

The results of the partial equilibrium analysis suggest some Commonwealth countries may experience very large reductions in exports of specific products as a result of the US tariff policy. [Table 3](#) presents the top 10 products exported by Commonwealth countries where the largest losses are anticipated in overall value terms under all three tariff scenarios. Several large exporting countries in Asia will experience substantial losses, with jewellery and diamonds from India and garments from Bangladesh among the products facing substantial reductions in exports under all three scenarios. There would also be sizeable reductions in exports of bovine meat from New Zealand and Australia (for the base and adjusted reciprocal tariffs); vehicles and palladium from South Africa (when the 2 April reciprocal tariff of 30 per cent is applied); parts of turbo-jets and turbo-propellers from the UK (base tariff scenario); various types of electrical components (base tariff) or machines and apparatus (adjusted reciprocal tariff) and parts and accessories for printing machinery (reciprocal tariff) from Malaysia; frozen shrimps and prawns (both reciprocal

Table 3 Top 10 country-product combinations with the largest expected export losses under different tariff scenarios, by value (US\$ million)

Exporting country	Base tariff			Reciprocal tariff (2 April 2025)			Adjusted reciprocal tariff (31 July 2025)				
	Product	Change in trade value (US\$m)	Exporting country	Product	Change in trade value (US\$m)	Exporting country	Product	Change in trade value (US\$m)	Exporting country	Product	Change in trade value (US\$m)
India	Jewellery (711319)	-2,635.2	India	Jewellery (711319)	-2,635.2	India	Jewellery (711319)	-2,635.2	India	Jewellery (711319)	-2,635.2
Australia	Frozen bovine meat (020230)	-932.2	Bangladesh	Men's or boys' cotton trousers, overalls, breeches and shorts (620342)	-932.2	Bangladesh	Men's or boys' cotton trousers, overalls, breeches and shorts (620342)	-1,493.3	India	Diamonds (710239)	-1,564.0
New Zealand	Frozen bovine meat (020230)	-925.3	India	Diamonds (710239)	-925.3	India	Diamonds (710239)	-1,292.7	Bangladesh	Men's or boys' cotton trousers, overalls, breeches and shorts (620342)	-1,493.3
Bangladesh	Men's or boys' cotton trousers, overalls, breeches and shorts (620342)	-880.0	New Zealand	Frozen bovine meat (020230)	-880.0	New Zealand	Frozen bovine meat (020230)	-925.3	Australia	Frozen bovine meat (020230)	-932.2
Singapore	Food preparations (210690)	-812.3	Bangladesh	Women's or girls' cotton trousers, overalls, breeches and shorts (620462)	-812.3	Bangladesh	Women's or girls' cotton trousers, overalls, breeches and shorts (620462)	-829.6	New Zealand	Frozen bovine meat (020230)	-925.3
Bangladesh	Women's or girls' cotton trousers, overalls, breeches and shorts (620462)	-614.4	Malaysia	Printing machinery parts and accessories (844399)	-614.4	Malaysia	Printing machinery parts and accessories (844399)	-795.6	Bangladesh	Women's or girls' cotton trousers, overalls, breeches and shorts (620462)	-829.6
Trinidad and Tobago	Ferrous products (720310)	-592.5	South Africa	Vehicles (870323)	-592.5	South Africa	Vehicles (870323)	-752.9	Malaysia	Printing machinery parts and accessories (844399)	-818.4
United Kingdom	Parts of turbo-jets and turbo-propellers (841191)	-489.6	India	Frozen shrimps and prawns (030617)	-489.6	India	Frozen shrimps and prawns (030617)	-653.5	Singapore	Food preparations (210690)	-719.7
India	Diamonds (710239)	-410.4	Trinidad and Tobago	Ferrous products (720310)	-410.4	Trinidad and Tobago	Ferrous products (720310)	-592.5	Malaysia	Electrical machines and apparatus (854370)	-697.7
Malaysia	Boards, panels, consoles, desks and other bases for electric control or the distribution of electricity (853710)	-396.3	South Africa	Palladium (711021)	-396.3	South Africa	Palladium (711021)	-554.1	India	Frozen shrimps and prawns (030617)	-686.2

**Note:** The products are ranked based on the largest expected loss in export value across all Commonwealth countries. Product HS codes are in parenthesis.

**Source:** TINA

tariff scenarios) from India; and food preparations (base and adjusted reciprocal tariffs) from Singapore.

Looking more broadly across all Commonwealth countries, the exported products most affected by the US tariffs are generally consistent across all three tariff scenarios, although in some instances the size of the losses is magnified with the reciprocal tariffs. [Table A2](#) in the Annex outlines the exported product in each Commonwealth country facing the largest reduction in export value when the base, reciprocal or adjusted reciprocal tariffs are applied.

Some of the largest and most widespread impacts across Commonwealth countries will be felt in the agriculture and agri-processing sector. Exports of bovine meat (from Australia and New Zealand), cane sugar (Belize, Eswatini, Fiji, Guyana, Jamaica, Malawi, Mauritius, Mozambique), cocoa beans, fat and oil or paste (Cameroon, Ghana, Papua New Guinea), coffee (Jamaica, Kenya, Papua New Guinea, Rwanda, Tanzania, Uganda, Zambia), dairy products (New Zealand), nuts (Kenya, Malawi), oil cake (Ghana, Nigeria, Togo, Uganda), soya beans (Ghana, Togo), spices (Fiji, Jamaica, Papua New Guinea, Uganda), tea (Malawi) and vegetable fats and oils (Kenya, Togo) will be among the most affected, with losses felt across several member countries in Africa as well as a number of Caribbean and Pacific SIDS.

Exports from other primary sectors will also be impacted significantly. For instance, the overall value of diamonds exported from Botswana, India and Namibia could decline substantially under all three tariff scenarios. Similarly, exports of various precious and semi-precious stones from India (with both the reciprocal and the adjusted reciprocal tariffs), Mozambique, Sri Lanka and Tanzania face large reductions. Further down the value chain, jewellery exports from India, Singapore and South Africa (in the case of the baseline and adjusted reciprocal tariffs) could decline precipitously.

Several Commonwealth SIDS face sizeable export losses in their fisheries sectors, with major implications for economic growth and development given the extent to which their economies rely on this sector. The base and/or reciprocal tariffs are expected to have the largest impacts in reducing exports of fresh or chilled fish and frozen fish from Guyana, frozen rock lobsters and other sea crawfish from Antigua and Barbuda, The Bahamas and Belize,

fish preparations from Fiji and Mauritius, and molluscs from Belize.

Key exports from the textiles and garments sector, often a crucial stepping stone in the development of manufacturing capacity, may also experience steep declines. The export-reducing effects will be felt across most major garment-producing countries in the Commonwealth, including Bangladesh, Ghana, India, Kenya, Lesotho, Mauritius, Pakistan, Sri Lanka and Tanzania.

The largest impacts on exports from other sectors will mostly be concentrated in small clusters of Commonwealth countries. In the beverages sector, for instance, Jamaica (beer), Barbados and Guyana (rum and other spirits, when the base tariff is applied for Barbados and the reciprocal tariffs for Guyana) could see the biggest declines in their exports of alcoholic beverages. In the Pacific, Fiji faces a massive reduction in exports of water, a major export from the country, under all three tariff scenarios, and New Zealand could see wine exports fall significantly with the application of the base tariff and the adjusted reciprocal tariff.

Various precious metals rank among the top exports affected in South Africa (aluminium, gold, palladium and rhodium, depending on the specific tariff scenario) and Australia (aluminium — reciprocal tariff only). Similarly, in the iron and steel sector, ferrous products are expected to be the most affected export from Trinidad and Tobago, while Brunei Darussalam faces the largest cuts in exports of iron and steel casing and tubing and structures and parts (when the base tariff is applied).

Within the automotive sector, vehicles are among the most affected exports from South Africa and the UK, together with tractors exported by India (base and reciprocal tariff scenarios) and the UK, and vehicle parts and accessories exported by India (base and reciprocal tariffs). South Africa and the UK also face large declines in exports of various types of machinery, including machines for filtering or purifying gases (base tariff) in the case of South Africa and forklifts and work trucks along with turbines for the UK. Elsewhere, machines for boring and sinking from Guyana and printing machinery parts and accessories from Malaysia rank among the exported products facing the largest declines in those two countries.

Other prominent sectors where a significant hit to exports is anticipated in individual

Commonwealth countries under one or more of the tariff scenarios include chemicals (principally alcohols and ammonia exported by Trinidad and Tobago, catalysts by Nigeria, cyclic hydrocarbons by Brunei Darussalam and fertilisers by Nigeria and Trinidad and Tobago) and electronics, mainly in the form of exports of boards and panels (Malaysia, Singapore, St Kitts and Nevis, UK), electrical machines and apparatus (Malaysia) and electrical transformers (St Kitts and Nevis — base tariff), food preparations (Jamaica and Singapore) and tobacco (Malawi — reciprocal tariff). For certain countries, exports of various types of instruments and apparatus are also set to decline by large margins with the introduction of the tariffs. These include instruments and apparatus used for medical purposes — hearing aids (Australia) and therapeutic respiration apparatus (Australia — base/adjusted reciprocal tariffs, Singapore) or for telecommunications (Malaysia — base tariff), as well as surveying equipment (Malaysia — base tariff) and microtomes and parts and accessories (Singapore).

#### *Export gains*

As a result of the trade diversion and trade deflection effects described earlier, some sectors in individual Commonwealth countries stand to gain through growth in exports under the three tariff scenarios. In both the baseline tariff and the 2 April reciprocal tariff scenarios, the largest gains — in value terms — would be confined to a small number of Asian member countries — namely, India (for exports of certain household items), Malaysia (electronics), Pakistan (textiles, when the base tariff or adjusted reciprocal tariff is applied) and Bangladesh (garments, also under the base tariff scenario) as well as the UK (vehicles, aeroplane/helicopter parts, plastics for the reciprocal tariff scenario) (Table 4).

The greatest beneficiaries in absolute terms are markedly different in the case of the adjusted reciprocal tariffs. Australia and the UK are both set to gain through substantial growth in exports of precious metals. The UK would also register sizeable increases in exports of specific types of construction vehicles and heavy equipment and, to a smaller extent, electrical static converters, while Australia can expect growth in exports of diamonds and animal/vegetable fats and oils. Singapore would also see notable

growth in exports of instruments and apparatus using optical radiations under this tariff scenario.

Beyond the Commonwealth countries and the products listed in Table 4, most other countries are expected to see only modest export gains — even in product categories where the largest increases in export value are anticipated (see Table A3 in the Annex). These expected gains are mostly outweighed by anticipated losses for other exported products under both tariff scenarios.

### 3.4 Implications for developing countries and small and vulnerable economies

In general, as Figure 8 illustrates, the US maintains a notable trade deficit with Commonwealth countries, particularly the LDCs.<sup>7</sup> On the other hand, Commonwealth small states as a group record a trade deficit with the US, implying they are net importers of US goods and services.

In this regard, the Commonwealth LDCs are particularly vulnerable to changes in US trade policy, given their growing trade reliance on the US market. In 2024, Commonwealth LDCs exported an average of US\$717 million worth of goods to the US, while importing just \$243 million, resulting in an average trade surplus of \$474 million. Since 2014, these countries have nearly doubled their collective surplus with the US, increasing from \$237 million to \$473 million in 2024. The growth in exports to the US by LDCs has been driven primarily by countries in Africa and Asia such as Bangladesh, Lesotho, Mozambique, Uganda and Zambia.

However, as Figure 9 illustrates, the trade picture across Commonwealth LDCs is mixed. Some countries, like Bangladesh and Lesotho, have consistently maintained large trade surpluses with the US over the past decade. For instance, Bangladesh's surplus has risen by 48 per cent, from US\$4.16 billion in 2014 to \$6.15 billion in 2024, largely because of strong exports of textiles and garments. Several countries, such as Mozambique, Uganda and Zambia, have also successfully shifted from a trade deficit to a trade surplus. For example, Mozambique's trade balance has improved significantly, with a 514 per cent increase, turning a deficit of \$275.2 million into a surplus of \$66.4 million. Meanwhile, Togo, although still running a trade deficit with the US, has made

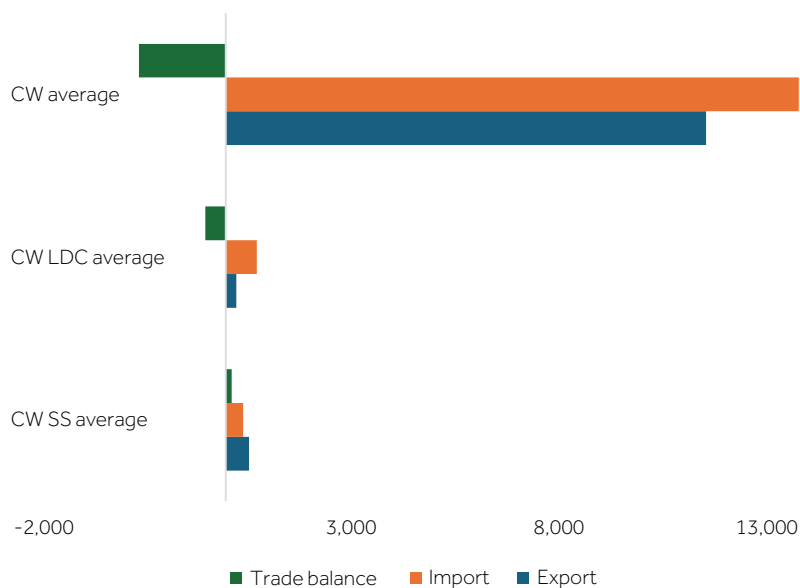
Table 4 Top 10 country-product combinations with the largest expected export gains under different tariff scenarios, by value (US\$ million)

Exporting country	Base tariff			Reciprocal tariffs (2 April 2025)			Adjusted reciprocal tariffs (31 July 2025)				
	Product	Change in trade value (US\$m)	Exporting country	Product	Change in trade value (US\$m)	Exporting country	Product	Change in trade value (US\$m)	Exporting country	Product	Change in trade value (US\$m)
India	Bedding and similar furnishing articles (940490)	46.5	UK	Vehicles (870324)	225.3	Australia	Precious metal (711590)	105.4			
India	Stainless steel table, kitchen and other household articles (732393)	34.8	India	Bedding and similar furnishing articles (940490)	222.7	UK	Precious metal (711590)	89.8			
Malaysia	Microwave ovens (851650)	26.0	UK	Aeroplane or helicopter parts (880330)	156.3	UK	Dumper vehicles (870410)	33.4			
India	Statuettes and other ornaments (830629)	21.7	India	Stainless steel table, kitchen and other household articles (732393)	148.2	UK	Front-end shovel loaders (842951)	23.3			
Pakistan	Bedding and similar furnishing articles (940490)	19.9	Malaysia	Television cameras, digital cameras and video camera recorders (852580)	129.9	Singapore	Instruments and apparatus using optical radiations (902750)	16.9			
India	Iron or steel table, kitchen and other household articles (732399)	11.4	Malaysia	Microwave ovens (851650)	123.9	UK	Electrical static converters (850440)	13.7			
India	Parts for pumps (841391)	11.2	Malaysia	Loudspeakers (851822)	123.0	Australia	Diamonds (710239)	11.7			
Malaysia	Electric accumulators (850760)	10.9	Malaysia	Electrical static converters (850440)	106.5	UK	Wadding, gauze, bandages and similar (300590)	9.8			
Malaysia	Loudspeakers (851822)	10.2	India	Electrical static converters (850440)	96.5	Australia	Animal or vegetable fats and oils (151800)	6.3			
Bangladesh	Men's or boys' anoraks, wind-cheaters, wind-jackets and similar (620193)	9.1	UK	Plastics (392690)	94.5	Pakistan	Bedding and similar furnishing articles (940490)	6.0			

**Note:** The products are ranked based on the largest expected gain in export value across all Commonwealth countries. Product HS codes are in parenthesis.

**Source:** TINA

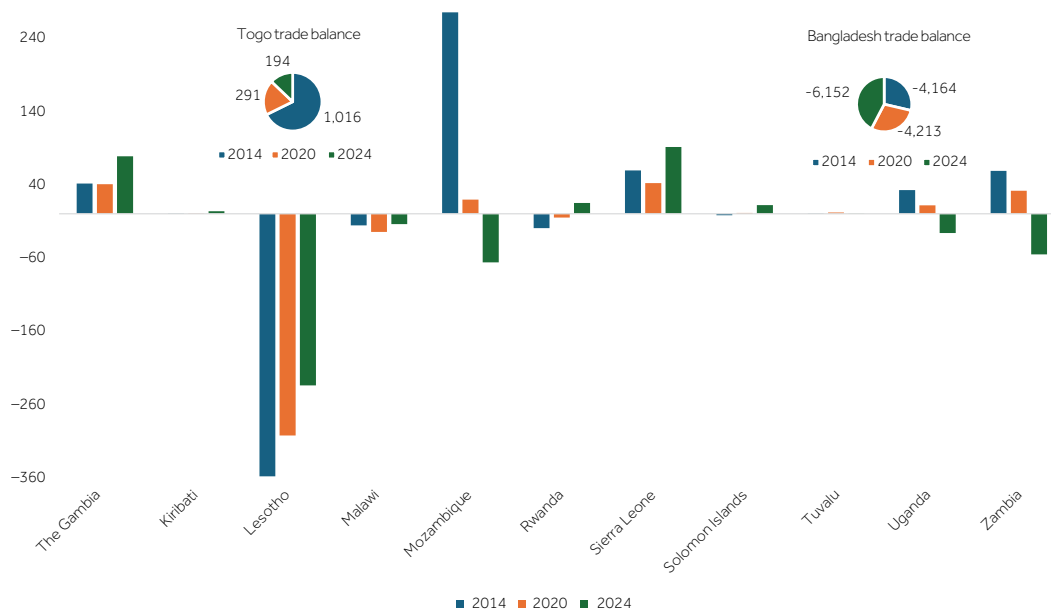
Figure 8 US trade in goods with Commonwealth countries, 2024 (US\$ million)



CW=Commonwealth; SS=small states.

Source: Commonwealth Secretariat (using data from the US Census Bureau)

Figure 9 Commonwealth LDCs' goods trade balance with the US (US\$ million)



Source: Commonwealth Secretariat (using US Census Bureau data)

notable progress. Its deficit has narrowed by 425 per cent, from \$1.016 billion in 2014 to just \$194 million in 2024.

In contrast, some Commonwealth LDCs have seen a reduction in trade with the US since 2014. Rwanda and Solomon Islands, for example, moved from surpluses in 2014 to deficits in 2024, reflecting a divergence from the US markets and shift to other countries.

In summary, while the overall trade balance between Commonwealth LDCs and the US has strengthened over time, these countries remain highly susceptible to changes in US tariff and trade policy. The impact of any tightening in US trade preferences or new tariff barriers would be particularly significant for countries like Bangladesh, Lesotho, Mozambique and Togo, whose export sectors are deeply tied to the US

market. By contrast, Rwanda and Solomon Islands, with more limited trade exposure, are likely to be less affected.

Turning to Commonwealth small states, while the group as a whole records a trade deficit with the US, certain subregions maintain significant trade surpluses and are therefore particularly exposed to US tariff changes. Moreover, in the wake of the tariff changes, the status of existing preference schemes providing favourable access to the US market — such as the Caribbean Basin Economic Recovery Act and the African Growth and Opportunity Act — remains under question. As Figure 10 shows, small states in Africa, Asia and the Pacific regions — especially in Africa — record notable surpluses. In Africa, countries such as Botswana, Lesotho, Mauritius and Namibia are especially exposed (see Table A1 in the Annex). These nations primarily export diamonds, textiles, sugar and beef to the US. For instance, Botswana and Namibia are known for diamond and beef exports, while Mauritius and Lesotho are significant exporters of textiles and apparel. The latter, facing the highest reciprocal tariff worldwide, at 50 per cent, when they were initially announced on 2 April 2025, has suffered factory closures, sizeable job losses and the potential withdrawal of major investors in the textiles and garment sector (Ngcobo and Fihlani, 2025). Even with a reduction in the reciprocal tariff to 15 per cent, much of the damage to the sector and the

broader economy appears to have already been done (Eligon, 2025).

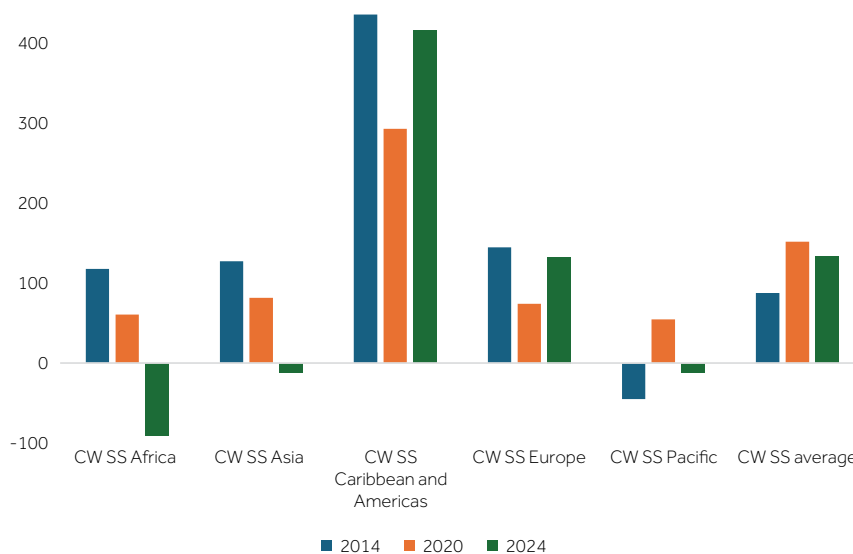
In Asia, Brunei Darussalam stands out, with major exports to the US including crude oil and related petroleum products. Tariff increases or further volatility with respect thereto in relation to these goods could negatively impact its energy sector revenues. In the Pacific, Fiji is particularly vulnerable, exporting products such as bottled water, sugar and tuna to the US. While the Caribbean and Americas region as a whole has a trade deficit with the US, individual countries such as Guyana and Trinidad and Tobago maintain substantial trade surpluses. Guyana's main exports include crude oil and gold, while Trinidad and Tobago exports liquefied natural gas, petrochemicals and ammonia to the US. These commodities are critical to their economies, and any US tariffs could significantly reduce export revenues.

### 3.5 Implications for the multilateral trading system

#### Relevant WTO trade rules implicated

Discriminatory tariffs against specific countries may breach the WTO most-favoured nation (MFN) treatment rule if they are found to discriminate among WTO members (Article I:1 of the General Agreement on Tariffs and Trade, GATT, 1994). Further, the proposed slew of bilateral trade deals being negotiated by the

Figure 10 Commonwealth small states' trade balance in goods with the US (US\$ million)



CW = Commonwealth; SS = small states.

Source: Commonwealth Secretariat (calculated using US Census Bureau data)

second Trump Administration may also potentially violate the MFN non-discrimination clause (GATT Article I) if WTO rules are not adhered to, with the ultimate impact of marginalising multilateralism.

The US retaliatory tariffs could also be found to breach the country's bound rate commitments in its Schedule of Concessions and Commitments annexed to the GATT 1994, by exceeding those bindings. Imposing tariffs above these bound rates that WTO members have committed to, without renegotiation, violates Article II of GATT 1994.

As a basis for imposing its baseline and reciprocal tariffs, the US invoked its IEEPA on 2 April 2025, declaring a national emergency based on what was identified as an 'unusual and extraordinary threat to the national security and economy of the US' (The White House, 2025f). The relevant Executive Order states that persistent US goods trade deficits, caused by asymmetric differences in tariff rates and extensive use of non-tariff barriers by foreign trading partners, have led to the absence of sufficient domestic manufacturing capacity in critical and advanced industrial sectors, rendering them less resilient to supply chain disruption, and also compromising military readiness.

### WTO members' responses

Some affected WTO members have opted to resort to lengthy WTO dispute settlement proceedings to seek to enforce their rights under the WTO Agreements, initiating consultations within the US by requesting the establishment of panels to adjudicate the matter, in accordance with the WTO's Dispute Settlement Understanding.

At time of writing, Canada, China and Brazil had initiated WTO dispute proceedings with the US. Between March and April 2025, Canada requested consultations concerning certain US tariff measures imposed earlier in the year, including on automobiles and automobile parts from Canada; on certain steel and aluminum articles; and with respect to Canadian energy and non-energy goods entering the US. China has also challenged the US tariffs, requesting consultations with the US in early April 2025 with respect to measures that imposed universal and country-specific additional duties on imports from China, supplementing them with additional consultation

requests on 9 and 11 April 2025.<sup>8</sup> On 11 August 2025, Brazil requested WTO dispute consultations with the US concerning tariff measures imposing a 10 per cent reciprocal tariff duty on all Brazilian products and an additional 40 per cent duty on certain products of Brazilian origin.<sup>9,10</sup>

The US contends that the measures taken relate to issues of national security under Article XXI of the GATT 1994, which provision the US regards as completely self-judging, giving each member carte blanche to determine what is in their national/essential security interests, without the Dispute Settlement Body infringing on this right. Moreover, the US does not accept the legitimacy of the WTO dispute settlement system/process and has stymied the Appellate Body member appointment process since 2019, rendering it non-functional. Accordingly, if a country seeks to appeal a panel ruling, there is no functioning Appellate Body to hear the dispute (meaning appeals essentially go 'into the void'), hence the enforcement of the dispute settlement ruling will effectively be neutered. This stasis means panel decisions for disputes involving US tariffs or retaliatory actions by the US' trading partners are unlikely to be enforceable under the current circumstances, unless both parties agreed to an alternative appeal mechanism, such as the Multi-Party Interim Appeal Arbitration Arrangement.

There is another form of retaliation that is explicitly permitted under the WTO agreement, whereby members can seek to rebalance trade concessions with the US. Several WTO members have, without prejudice to ongoing bilateral consultations with the US, proposed to suspend concessions under the Agreement on Safeguards, with respect to the US' sector-specific tariffs on steel, aluminium and their derivatives, and automobiles and certain automobile parts. However, the US has pushed back regarding the legal basis for this, asserting that these are not safeguard measures, but, instead, the tariffs were measures taken to defend its national security interests.

### Retaliatory action

Since the US' Executive Order in early April 2025, the threat of retaliation in response to US tariffs has loomed large, with many fearing an all-out global trade war, destabilising global supply chains, raising costs and up-ending planned investment projects. The outlook had

appeared especially bleak, since the US initially threatened that retaliation would be met with even higher, more punitive tariffs.

After the initial tariff announcements, China did, in fact, opt to retaliate against the US, resulting in both the US and China pushing their respective tariffs beyond 100 per cent. Pursuant to a series of tit-for-tat tariff increases, after a series of negotiations, the US and China agreed in Geneva on 14 May 2025 to suspend mutual tariff hikes. This was followed by further talks in London on 11 June 2025. The US agreed to reduce to 10 per cent from 125 per cent the cumulative tariffs under IEEPA imposed on certain imports from China on 5 to 10 April 2025; China would in turn reduce to 10 per cent from 125 per cent its cumulative retaliatory tariff that it had imposed on 10 and 12 April 2025 (Brown, 2025). In recent days, Brazil has authorised a planned response to retaliate against the 50 per cent US tariff (Paraguassu, 2025).

#### Bilateral negotiations

Otherwise, for the most part, broad-scale global retaliatory action has, at the time of writing, remained relatively modest, though matters could escalate as additional tariffs are imposed for non-trade-related and political reasons. Instead, there have been intense efforts to find bilaterally negotiated solutions, rather than deploying wide-scale tit-for-tat escalation. The US–UK Economic Prosperity Deal was announced on 8 May 2025, with partial implementation announced on 16 June 2025 (WTO, 2025c). Many other countries have approached the US Administration to discuss or negotiate the pending reciprocal tariff rates or have made efforts to mitigate various measures that have stoked the US' ire. For example, in late June 2025, Canada rescinded its digital services tax legislation that had targeted large US technology firms, in support of further bilateral negotiations with the US.

After initial US threats to apply 30 per cent tariffs against the EU from 1 August 2025, the EU also opted for restraint, indicating that it would delay its plan to apply retaliatory tariffs on €21 billion of the US' annual exports to Europe, initially slated for 15 July 2025, pending bilateral negotiations (Bounds, 2025). Instead, on 27 July 2025, the EU and US announced a deal, their Framework on an Agreement on Reciprocal, Fair and Balanced

Trade ('Framework Agreement'). Other high-profile trade deals have been announced with Indonesia, Japan, the Philippines, Republic of Korea and Vietnam, though their precise terms have not been disclosed. Broadly, these agreements tend to follow a similar template, incorporating a 'baseline' agreed tariff rate (tariff cap) on goods into the US while ensuring duty-free market access for US products in the partner country concerned. In addition, they tend to address several alleged non-tariff measures faced by the US in such markets; express commitments to making significant investments into US sectors and industries; incorporate agreements to co-operate on economic or energy security priorities to ensure the safety and reliability of critical supply chains; and some reflect broader geopolitical considerations, among others.

While all deals are asymmetric, insofar as they tend to favour the US, bigger countries and trading blocs may be able to negotiate on a greater level of parity with the US, whereas smaller Commonwealth developing and LDC economies may face the distinct disadvantage of more acute negotiating power asymmetries when seeking favourable terms from the US in any bilateral negotiation. These may include being coerced into signing onto existing agreement templates or into making other far-reaching, substantial commitments, contrary to their multilateral interests in the WTO. Furthermore, while the legality of the IEEPA-based US tariffs is still subject to legal uncertainty domestically in the US, it is an open question whether bilateral trade agreements could serve to cement or institutionalise such unilateral US tariffs, which no doubt many countries will weigh up as they contemplate future bilateral engagements with the US.<sup>11</sup>

#### Systemic impact on the multilateral trading system

The US' deployment of a mix of tariffs, and market access- and investment-generating bilateral deals, is intended to lay the foundation for a new global economic order (Greer, 2025). These actions have potentially serious implications for the future of the multilateral trading system in its current form.

The US' unilateral tariffs, regarded by some as a de facto forced market liberalisation on the part of the US' trade partners, are threatening to escalate trade tensions and to undermine and marginalise the authority, predictability

and credibility of the WTO and the rules-based multilateral trading system, by flouting well-established trade rules and a multilateral trade order that has endured for several decades. It reflects a concerted shift away from multilateralism, replacing predictable WTO principles and rules with economic might and unilateral coercion, and exploiting power imbalances between trading nations. Some WTO members fear that this threatens to undermine the legitimacy of the rules-based multilateral trade order and usher in a shift towards a potential sliding slope of fragmented, interest and transaction based terms of trade among WTO members. More systemically, this situation could induce other WTO members to ignore global trade rules, and implement their own unilateral and discriminatory trade measures, entrenching power-based coercion and influence as a pathway forward for global trade, dictated by the largest and most powerful countries and economic blocs.

Some WTO members have raised the issue of US tariffs, as well as the bilateral trade deals reached between the US and other members, for discussion in various WTO councils and regular bodies. As time evolves, and as implementation of such agreements is pursued, these are likely to be closely scrutinised at the WTO to evaluate their degree of compliance with WTO requirements under Articles I and XXIV of the GATT and WTO notification requirements, as well as tariff modification requirements under Article XVIII of the GATT.

Nevertheless, despite the threat to the legal framework of the multilateral trading system,

and the US' apparent moves to seek a new global economic order outside the WTO framework through its bilateral deals, other nations' trade relations continue to be governed by WTO rules. According to the WTO, around 72 per cent of world merchandise trade is, at the time of writing, conducted under MFN terms. The extent to which US action may, going forward, encourage the conclusion of trade deals among alliances of countries without the US, remains to be seen. Already, on 29 August 2025, a group of WTO members, including Singapore and the United Arab Emirates, announced the Future of Investment and Trade Partnership, via which a group of small and medium-sized nations intend to forge their own trade links under the umbrella of 'rules-based' international trade. Time will tell whether this ushers in a new generation of plurilateral and regional trade deals, whereby countries seek to forge new trading relationships, independent from US influence and control (Foster et al., 2025).

Ahead of a key gathering of Trade Ministers at the 14th Ministerial Conference of the WTO in Yaoundé, Cameroon, at the end of March 2026, it remains to be seen whether and the extent to which members of the WTO will seek solutions to address the US tariff measures and the root causes of the US' discomfort with the WTO under the WTO reform agenda and other future work streams. No doubt the WTO compatibility of the trade measures implemented, the bilateral agreements struck, and their implications for the future of global trade, will rise in prominence with the passage of time.

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## 4. Wider economic implications for Commonwealth countries

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### 4.1 Implications for investment

The US is a major contributor to global investment flows, both as a source of FDI and as a key recipient of inward investment. It has the largest outward FDI stock worldwide, valued at more than US\$9.7 trillion in 2024 and accounting for around 22 per cent of global FDI outward stock (UNCTAD, 2025c). FDI outflows from the US to the rest of the world totalled \$266.4 billion in that

year, the largest from any single country and representing 16.5 per cent of global outflows (ibid.).

The US is similarly significant as a source of investment for Commonwealth countries. In 2022, almost one-third (31%) of all FDI inflows to the Commonwealth originated from the US, with a cumulative value of US\$152.9 billion.<sup>12</sup> Many member countries, especially small states and SIDS, rely heavily on productive greenfield FDI<sup>13</sup> originating from the US. Between 2021

and 2023 (Table 5), greenfield FDI announced from the US in all Commonwealth countries reached a combined total of \$209 billion, representing more than one-fifth of all greenfield investment announced in the Commonwealth over this period.

Close to all greenfield FDI announced between 2021 and 2023 in Guyana (98.5%)

and Brunei Darussalam (97%) was from the US, close to 90 per cent in Belize, around two-thirds in Jamaica, 58 per cent in New Zealand and 44 per cent in Fiji. The US accounted for more than 10 per cent of all greenfield FDI announced in 20 Commonwealth countries over this period. Should the recently introduced tariffs achieve one of their intended

**Table 5 Main Commonwealth beneficiaries of greenfield FDI announced from the US, 2021–2023**

Country	World (US\$ million)	US (US\$ million)	US share (%)
Guyana	13,708.0	13,502.2	98.5%
Brunei Darussalam	158.5	153.8	97.0%
Belize	103.5	93.0	89.9%
Jamaica	225.4	149.1	66.1%
New Zealand	11,212.7	6,516.6	58.1%
Fiji	346.4	153.8	44.4%
Nigeria	12,245.3	4,692.9	38.3%
Canada	84,262.8	30,675.5	36.4%
Malaysia	87,820.7	25,271.9	28.8%
India	181,669.2	51,012.0	28.1%
Sierra Leone	833.4	224.6	26.9%
Cyprus	1,069.1	252.8	23.6%
United Kingdom	238,179.7	43,202.5	18.1%
Maldives	870.4	153.8	17.7%
Singapore	43,005.2	7,150.3	16.6%
Bangladesh	4,962.5	776.0	15.6%
Mauritius	456.1	65.8	14.4%
Ghana	5,211.3	732.0	14.0%
Australia	128,738.3	17,906.7	13.9%
Kenya	11,999.6	1,401.3	11.7%
Zambia	3,894.8	356.5	9.2%
South Africa	46,318.8	3,754.5	8.1%
Tanzania	4,221.0	310.6	7.4%
Malta	547.6	26.2	4.8%
Sri Lanka	8,156.6	212.8	2.6%
Gambia	371.4	9.5	2.6%
Trinidad and Tobago	363.5	9.0	2.5%
Pakistan	13,667.3	319.1	2.3%
Bahamas	120.1	2.2	1.8%
Mozambique	7,047.5	119.5	1.7%
Rwanda	1,050.7	15.7	1.5%
Botswana	1,784.2	22.0	1.2%

**Note:** Based on cumulative values for 2021–2023. Investment originating from the US accounted for less than 1 per cent of greenfield FDI announced in Antigua and Barbuda, Barbados, Cameroon, Eswatini, Gabon, Grenada, Lesotho, Malawi, Namibia, Papua New Guinea, Samoa, Seychelles, Togo, Tonga, Uganda and Vanuatu over this period.

**Source:** Commonwealth Secretariat (calculated using fDi Markets data from the Financial Times Ltd)

effects, which is to disincentivise offshoring by businesses in the US, then they are likely to slow or even reverse outward FDI flows from the US, with potentially damaging implications for many Commonwealth members reliant on US investment.

In this regard, the US' tariff policies are expected to impact global trade and the world economy negatively in several ways, with potentially detrimental implications for investment flows globally and into Commonwealth economies. First, in the face of the heightened trade policy uncertainty generated by frequently changing tariff announcements and actual and threatened tariff hikes, business and investors are likely to delay their investment decisions, postpone planned capital expenditure or cancel investments entirely. Second, the heightened instability in financial markets generated by the uncertainty surrounding tariff policies and their effects is expected to lead to greater volatility in investment flows worldwide. The large emerging markets and other developing countries in the Commonwealth could be most affected by this heightened volatility, given their weaker economic fundamentals, susceptibility to capital flight and vulnerability to shifts in global investor sentiment. Third, maintaining the focus at a macro level, if the retreat to trade protectionism leads to slower economic growth and/or a global recession, investment flows will decline across the world, meaning countries will be competing to attract investment from a smaller pool of capital.

Fourth, the nature of the reciprocal tariffs — and their subsequent adjustments — announced by the US, and the prospect of additional tariffs and/or variation in negotiated outcomes, means some Commonwealth countries face the prospect of significantly higher tariffs compared to their competitors. The resulting differences in trading conditions with the US will result in significant changes in export competitiveness across countries. This is likely to raise the incidence of tariff-jumping investments aimed at exploiting tariff discrepancies and could lead to outflows of investment from export-oriented industries in some Commonwealth countries facing high tariffs in the US market. At the same time, others with more favourable tariff differentials may benefit from any reorientation and refocusing of investment, particularly in export-oriented industries, as investors seek to exploit newfound advantages.

Fifth, and linked to the above, as companies seek to shift production or relocate parts of their supply chains to avoid or reduce tariffs on exports to the US, potentially upending established trading relationships, there is likely to be significant reconfiguration of supply chains and restructuring of global value chains. This could potentially spark a large-scale reorientation of global FDI flows, with both winners and losers within the Commonwealth. To add to the complex landscape, a potential 40 per cent transshipment tariff or other penalty on goods determined to have the objective of evading applicable duties, introduced by the US' Modification of Reciprocal Tariff Rates Executive Order dated 31 July 2025, could disincentivise such tariff mitigation strategies. This could further raise the risk profile of particular markets, thereby stifling general investment appetite and increasing the volatility of investment flows.

#### 4.2 Wider economic development implications

The reliance on the US market by most Commonwealth LDCs and a significant number of smaller states implies that tariffs imposed by the US are likely to generate negative economic impacts. These impacts would not only disrupt trade flows but also impair long-term development prospects in many of these vulnerable economies. Some of the potential impacts on Commonwealth LDCs and small states include:

- *Reduced export competitiveness:* The most immediate consequence of higher US tariffs is the erosion of price competitiveness for exports from Commonwealth LDCs and small states. As tariffs raise the final cost of goods entering the US market, products from many of these countries could become less attractive compared to those from non-tariffed nations or domestic alternatives. This would likely result in declining export volumes and foreign exchange earnings.
- *Slower economic growth:* Export revenues are a critical component of GDP for many Commonwealth LDCs and small states. A decline in exports owing to reduced US demand could slow economic growth, curtail fiscal revenues and limit the governments' ability to invest in public services or infrastructure. In turn, this could negatively affect employment, particularly in export-reliant

sectors such as textiles, mining or agriculture. A slowdown in economic growth globally could also entail knock-on effects in key services sectors — including travel and tourism — pivotal to the economies of certain smaller Commonwealth members.

- *Rising inflation and import costs:* Although the primary concern is with exports, increased global tariffs or retaliatory measures may also raise the cost of imports. For countries importing capital goods, machinery or foodstuffs from the US, this could feed into domestic inflation. Moreover, higher input costs would further diminish the competitiveness of local industries.
- *Disruptions to global supply chains:* Many Commonwealth developing countries are part of wider global value chains. For example, several African and Asian countries provide intermediate goods that are processed or assembled in other regions before being exported to the US. Tariffs on final goods or on intermediate components from key economies like China or Vietnam can disrupt these chains, leading to delays, inefficiencies and reduced demand for inputs from smaller states.
- *Currency volatility and financial instability:* Trade tensions and protectionist measures can lead to exchange rate fluctuations. For Commonwealth countries with significant trade exposure or high levels of external debt, currency depreciation can increase the price of imported goods and raise the cost of servicing debt, leading to heightened debt distress. In economies already facing fiscal constraints, this could exacerbate macroeconomic vulnerabilities and lead to increased reliance on external aid that is already diminishing.
- *Slowed poverty reduction:* Trade has long served as a critical engine of poverty alleviation in many Commonwealth LDCs and small states. Export-oriented growth has been pivotal in creating jobs, increasing household incomes and improving social outcomes. By undermining the competitiveness of exports, tariffs can significantly raise poverty levels and deepen socio-economic inequalities.
- *Reduced investment in development:* Lower trade volumes translate into reduced government revenues through diminished tax collection and customs duties. As a result, critical spending on infrastructure, education and healthcare may be deprioritised. This underinvestment undermines long-term productivity and human capital formation, which are key enablers of sustained economic growth.
- *Impacts on achieving the Sustainable Development Goals (SDGs):* Lower revenue because of tariffs can slow progress towards multiple SDGs, including SDG 1 (No Poverty), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure) and SDG 13 (climate resilience).
- *Risk of foreign aid reductions:* Amid growing protectionism and fiscal tightening in donor countries, aid to developing nations may decline. Coupled with reduced export earnings, this dual shortfall intensifies challenges in financing development and responding to crises.
- *Challenges for multilateralism and global co-operation:* Unilateral tariff actions and bilateral agreements outside WTO frameworks weaken the rules-based international order that LDCs and small states rely on, creating an unequal playing field, exploiting power asymmetries, eroding trust in established global multilateral institutions and encouraging retaliatory or copycat measures and policies. This could not only affect trade but also potentially undermine co-operation on broader global challenges such as climate change, health and debt relief.

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## 5. Conclusion and way forward

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### 5.1 Key insights and their implications

Many Commonwealth members, including a number of developing countries and several of the most vulnerable economies, face

the prospect of sharply elevated tariffs on the products they export to the US, especially if the reciprocal tariffs — and their adjusted versions — announced by the US are implemented.

The wider uncertainty created by the frequent changes in tariff rates and implementation timelines that have become a feature of the incumbent US Administration's transactional approach to tariff-setting threatens to stifle global trade flows, constrain investment, raise costs for businesses and entrepreneurs and derail an already faltering multilateral trading system.

The Commonwealth as a whole and many of its individual members rely heavily on the US as a major trading partner and are thus highly exposed to changes in trading conditions in the US market. If implemented, the reciprocal tariffs announced on 2 April 2025 for 22 Commonwealth members and the adjusted tariffs coming into effect on 7 August 2025, some of the highest of which have been allocated to developing countries and LDCs, could therefore create severe economic challenges. This is evident from the partial equilibrium analysis presented in this paper, which forecasts substantial export losses for a number of Commonwealth members facing high reciprocal tariffs. These losses are concentrated in many cases in key export products and sectors that play a critical role in supporting jobs, livelihoods and economic growth. Even in the scenario in which the baseline tariff of 10 per cent is applied to all countries, some Commonwealth members face sizeable losses in exports either to the US or worldwide. More generally, the disparities in duties across countries is likely to have significant distributional consequences. In addition, in many instances, the losses will not be confined to goods trade, with growth in services trade also expected to slow.

While the losses are expected to be substantial, some Commonwealth countries also stand to gain through growth in exports as competitors face higher tariffs. The largest gains — in value terms — will be confined to a small number of Asian member countries, Australia and the UK. Most other countries are expected to record only modest export gains, most of which would be outweighed by anticipated losses for other exported products under the three tariff scenarios.

The tariffs may also have damaging effects on inward investment flows to Commonwealth countries, many of which rely heavily on investments originating from the US. Differences in trading conditions with the US resulting from tariff variation across countries may lead to

outflows of investment from export-oriented industries in those facing high tariffs in the US market, whereas others with more favourable tariffs may benefit from increased investment. However, more generally, the prospect of heightened instability in financial markets, slower global growth and elevated trade policy uncertainty is likely to generate greater volatility in investment flows, prompt delays in investment decisions and compel some investors to postpone or cancel future investments, forcing countries to compete for a smaller pool of investment globally.

The US' tariff policy is also likely to have broader implications for economic development, particularly in Commonwealth LDCs, small states and SIDS. The surge in tariffs will slow economic growth, drive up inflation, raise import costs, disrupt supply chains, amplify currency volatility and increase instability in financial markets, in the process undermining efforts to reduce poverty and accelerate inclusive and sustainable development. Any resulting losses in revenue and reductions in investment targeting development are likely to jeopardise progress towards achieving the SDGs and place further strain on already diminishing aid budgets.

Unilateral tariff action to induce subsequent bilateral trade negotiations on asymmetric terms undermines the credibility and stability of the multilateral trading system, a key bulwark against rampant protectionism. As unilateral tariffs are deployed to induce a slew of bilateral trade deals involving the US, the terms of such will no doubt come under greater scrutiny over time. Furthermore, time will tell the extent to which countries going forward look to pursue larger configurations of trade integration without the US and whether and to what extent WTO members will, going forward, choose to strengthen the WTO with a view to defending the global trading system, or whether the US' new international economic order will prevail.

## 5.2 Mitigating the effects of the US tariff policy

Commonwealth member countries can — individually and collectively — consider a range of strategic responses to navigate these and other adverse effects arising from the US' tariff policy. One seemingly obvious route may be that countries introduce retaliatory tariffs on US exports

into Commonwealth markets. However, this approach risks escalating trade tensions, may spark further rounds of retaliation by the US and could harm the already fragile and undiversified economies of small states, SIDS and LDCs, including by raising the cost of crucial imported inputs.

An alternative approach could be to maintain favourable, constructive relations with the US through appropriate channels with a view to attempting to secure exemptions or improved trading terms, while at the same time being wary of negotiating power imbalances and being locked into future asymmetrical agreements, especially if the US tariffs are confirmed by US courts to be illegal. In the short term, countries would likely weigh these various considerations against domestic political pressure to proceed to seek or negotiate favourable trade deals with the US. For this reason, continuous, regular dialogue, transparency and communication with domestic industry stakeholders about the government's intentions *vis-à-vis* engaging with the US as well as the long-term ramifications is advisable, to ensure their buy-in regarding any action taken.

At the same time, Commonwealth countries could look to diversify their trading partners by supporting their exporters to expand into new markets beyond the US. Commonwealth governments may also be in the process of identifying potential export markets for products hit hardest by and most exposed to US tariffs. Commonwealth small states and LDCs could constantly monitor developments in global supply chains to see what opportunities and gaps open up as a result of the redirection and reconfiguration of global supply chains. At the same time, Commonwealth members may consider remaining in constant engagement and

good faith with regional and global trade partners, through diplomatic channels and trade fairs, to exploit new opportunities. Here, again, the Commonwealth can play a valuable analytical, convening and advocacy role.

Deeper economic integration and collaboration to grow intra-Commonwealth trade, leveraging the Commonwealth advantage, can play a crucial role in these efforts. Developing Commonwealth countries could also look to deepen South-South trading relationships as well as those with larger regional groupings.

Further economic diversification sectorally could focus on developing industries and sectors less vulnerable to tariff shocks. Moreover, given the US tariffs target goods trade, shifting the focus towards the services sector, particularly with a view to nurturing digital sectors and growing exports of high-value and digitally deliverable services, can help Commonwealth countries offset some of the export losses in goods and support job creation and economic growth and development.

Deeper trade and investment collaboration across the Commonwealth is essential in the face of a rapidly shifting global trade landscape and a retreat towards protectionism. International co-operation and commitment to removing tariff and unnecessary non-tariff barriers and cultivating an inviting, transparent and predictable trading environment align with core WTO principles on sustaining healthy, uninterrupted trade flows and well-functioning global supply chains. Commonwealth countries have an opportunity therefore to strengthen their collective efforts to uphold a fair, rules-based, transparent and inclusive global trading system, ensuring trade continues to serve as a cornerstone of development, growth and prosperity.

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## Notes

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- 1 Notwithstanding that there is scope for domestic and regional markets to be developed.
- 2 The analysis is based on information available at the time of writing. It should be noted that the tariff situation is constantly evolving amid frequent changes in tariffs announced by the US as well as pauses or delays in their implementation, and as some countries seek to negotiate improved trading terms with the US.
- 3 Bangladesh, Botswana, Canada, Cyprus, Fiji, Ghana, Guyana, India, Kenya, Lesotho, Malaysia, Mauritius, Mozambique, New Zealand, Nigeria, Pakistan, Singapore and Sri Lanka.
- 4 Bangladesh, Botswana, Canada, Cyprus, Fiji, India, Kenya, Lesotho, Malaysia, Maldives, Mauritius, New Zealand, Pakistan, Samoa, Seychelles, Sri Lanka, the UK and Vanuatu.

- 5 It is also not immediately clear how the reciprocal tariffs will impact existing preferential market access schemes offered by the US, such as those provided through the Caribbean Basin Economic Recovery Act or the African Growth and Opportunity Act. Ostensibly, most preferential schemes would be eliminated with the implementation of the reciprocal tariffs; however, at the time of writing, the US has yet to confirm the exact status of these schemes.
- 6 This scenario takes account of the product groups excluded from the reciprocal tariffs announced on 2 April (see The White House, 2025e) as well as the subsequent exclusion of more products on 5 April 2025 (U.S. Customs and Border Protection, 2025).
- 7 Whereas Sections 3.1–3.3 use data for 2023 (the latest year available for bilateral trade data in international databases at the time of writing), this section draws on data from the US Census Bureau — available up to 2024 — to provide an initial assessment of the level of exposure of developing countries and small and vulnerable economies in the Commonwealth to the US market, based on more recent data.
- 8 DS638: United States — Universal and Country-Specific Additional Duties on Imports from China.
- 9 As a result, certain goods from Brazil are subject to 50 per cent duties when imported into the US.
- 10 The Brazilian request concerns the US ‘reciprocal’ tariffs on goods originating in Brazil and other countries postponed from April 2025 as well as additional tariffs announced by the US on 9 and 30 July 2025 on certain products of Brazilian origin, and any further tariff measures.
- 11 In late August 2025, a US federal appeals court ruled that most of the US’ tariffs were illegal, insofar as they constituted an overreach of the US president’s use of emergency powers (see Section 2 for further details).
- 12 Commonwealth Secretariat calculations using bilateral FDI data provided by UNCTAD.
- 13 A greenfield investment involves the initiation of a new venture in which a parent company builds its operations in a foreign country from the ground up. This may involve constructing production and processing facilities, building new distribution hubs and offices, or developing project sites.

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## Annexes

Table A1 Commonwealth trade with the US and the world, 2023

Country	Exports to the world (US\$ million)	Exports to the US (US\$ million)	Share of exports to the US (%)	Share of CW exports to the US (%)	Share of all exports to the US — excluding Canada (%)	Global exports' share of GDP (%)	US exports' share of GDP (%)	Goods trade balance with the US (US\$ million)	Goods trade surplus/deficit with the US	Goods and services trade balance with the US (US\$ million)
<b>Commonwealth</b>	<b>3,131,016</b>	<b>733,448.5</b>	<b>23.4</b>	<b>100.00</b>	<b>100.00</b>	<b>21.80</b>	<b>5.12</b>	<b>178,976.4</b>	<b>Surplus</b>	<b>217,469.7</b>
<i>of which</i>										
<b>Developed</b>	<b>1,507,801</b>	<b>531,349.5</b>	<b>35.2</b>	<b>72.45</b>	<b>31.22</b>	<b>18.32</b>	<b>4.40</b>	<b>121,640.1</b>	<b>Surplus</b>	<b>192,501.3</b>
Australia	369,235	14,502.4	3.9	1.98	4.94	20.79	0.82	-17,980.0	Deficit	-21,482.6
Canada	566,655	439,595.1	77.6	59.94	26.45	26.45	20.52	162,553.8	Surplus	148,212.8
Cyprus	5,067	147.8	2.9	0.02	0.05	14.95	0.44	3.3	Surplus	2,143.9
Malta	3,467	112.2	3.2	0.02	0.04	15.61	0.51	-84.9	Deficit	-576.5
New Zealand	42,170	5,084.2	12.1	0.69	1.73	16.72	2.02	166.1	Surplus	1,588.9
United Kingdom	521,207	71,907.7	13.8	9.80	24.47	15.42	2.13	-23,018.2	Deficit	62,614.8
<b>Developing</b>	<b>1,623,215</b>	<b>202,099.0</b>	<b>12.5</b>	<b>27.55</b>	<b>68.78</b>	<b>21.72</b>	<b>2.12</b>	<b>57,336.3</b>	<b>Surplus</b>	<b>24,968.4</b>
<i>by region</i>										
<b>Africa</b>	<b>257,647</b>	<b>16,598.4</b>	<b>6.4</b>	<b>2.26</b>	<b>5.65</b>	<b>23.32</b>	<b>1.20</b>	<b>1,376.8</b>	<b>Surplus</b>	<b>-5,883.4</b>
Botswana	5,503	279.2	5.1	0.04	0.10	28.37	1.44	208.8	Surplus	90.8
Cameroon	4,901	81.8	1.7	0.01	0.03	9.94	0.17	-155.4	Deficit	-237.9
Eswatini	2,029	19.9	1.0	0.00	0.01	44.37	0.44	-12.7	Deficit	-70.9
Gabon	7,700	70.9	0.9	0.01	0.02	38.39	0.35	-316.9	Deficit	-593.6
The Gambia	287	2.1	0.7	0.00	0.00	11.94	0.09	-32.6	Deficit	-45.3
Ghana	16,875	1,221.6	7.2	0.17	0.42	22.10	1.60	605.7	Surplus	-398.7
Kenya	7,158	622.7	8.7	0.08	0.21	6.63	0.58	71.0	Surplus	118.3
Lesotho	830	240.2	28.9	0.03	0.08	39.18	11.34	234.0	Surplus	183.8
Malawi	966	40.4	4.2	0.01	0.01	7.65	0.32	-6.9	Deficit	-26.6

(Continued)

Table A1 Commonwealth trade with the US and the world, 2023 (Continued)

Country	Exports to the world (US\$ million)	Exports to the US (US\$ million)	Share of exports to the US (%)	Share of all CW exports to the US (%)	Share of all exports to the US—excluding Canada (%)	Global exports' share of GDP (%)	US exports' share of GDP (%)	Goods trade balance with the US (US\$ million)	Goods trade surplus/ deficit with the US	Goods and services trade balance with the US (US\$ million)
Mauritius	2,295	248.1	10.8	0.03	0.08	15.94	1.72	130.1	Surplus	377.6
Mozambique	8,276	142.0	1.7	0.02	0.05	39.50	0.68	20.0	Surplus	-140.4
Namibia	5,488	101.1	1.8	0.01	0.03	44.43	0.82	-116.8	Deficit	-364.4
Nigeria	55,182	4,763.8	8.6	0.65	1.62	14.72	1.27	2,168.7	Surplus	-1,328.5
Rwanda	2,358	55.9	2.4	0.01	0.02	16.73	0.40	-13.1	Deficit	-30.1
Seychelles	541	6.8	1.3	0.00	0.00	25.28	0.32	-11.6	Deficit	14.8
Sierra Leone	1,328	30.0	2.3	0.00	0.01	20.71	0.47	-66.4	Deficit	-121.9
South Africa	110,608	8,319.5	7.5	1.13	2.83	29.28	2.20	-880.5	Deficit	-2,552.2
Tanzania	7,274	124.2	1.7	0.02	0.04	9.00	0.15	-187.1	Deficit	-0.6
Togo	1,456	32.3	2.2	0.00	0.01	15.69	0.35	-43.5	Deficit	-58.7
Uganda	6,162	93.5	1.5	0.01	0.03	12.08	0.18	-128.7	Deficit	-413.1
Zambia	10,431	102.4	1.0	0.01	0.03	37.82	0.37	-89.3	Deficit	-285.8
<b>Asia</b>	<b>1,326,504</b>	<b>177,528.4</b>	<b>13.4</b>	<b>24.20</b>	<b>60.41</b>	<b>37.82</b>	<b>3.59</b>	<b>62,344.1</b>	<b>Surplus</b>	<b>36,639.0</b>
Bangladesh	54,677	9,228.2	16.9	1.26	3.14	12.94	2.18	6,715.9	Surplus	6,779.3
Brunei Darussalam	11,241	99.1	0.9	0.01	0.03	74.30	0.66	-120.5	Deficit	-325.5
India	431,412	75,805.3	17.6	10.34	25.80	12.06	2.12	32,213.1	Surplus	48,058.1
Malaysia	312,605	35,455.2	11.3	4.83	12.07	78.22	8.87	15,927.1	Surplus	7,707.4
Maldives	421	11.4	2.7	0.00	0.00	6.39	0.17	-70.0	Deficit	134.6
Pakistan	28,746	5,010.8	17.4	0.68	1.71	9.59	1.67	3,350.7	Surplus	3,169.0
Singapore	475,349	49,195.1	10.3	6.71	16.74	94.80	9.81	2,042.5	Surplus	-31,682.7
Sri Lanka	12,052	2,723.3	22.6	0.37	0.93	14.29	3.23	2,285.3	Surplus	2,798.9
<b>Caribbean SIDS</b>	<b>26,126</b>	<b>7,627.1</b>	<b>29.2</b>	<b>1.04</b>	<b>2.60</b>	<b>14.11</b>	<b>3.77</b>	<b>-6,418.7</b>	<b>Deficit</b>	<b>-5,928.8</b>
Antigua and Barbuda	30	2.3	7.6	0.00	0.00	1.50	0.11	-485.9	Deficit	-329.6

(Continued)

Table A1 Commonwealth trade with the US and the world, 2023 (Continued)

Country	Exports to the world (US\$ million)	Exports to the US (US\$ million)	Share of exports to the US (%)	Share of all CW exports to the US (%)	Share of all exports to the US (%)	Share of all CW exports to the US — excluding Canada (%)	Global exports' share of GDP (%)	US exports' share of GDP (%)	Goods trade balance with the US (US\$ million)	Goods trade surplus/deficit with the US	Goods and services trade balance with the US (US\$ million)
The Bahamas	667	255.3	38.3	0.03	0.03	0.09	4.65	1.78	-2,250.6	Deficit	-1,546.1
Barbados	476	96.7	20.3	0.01	0.01	0.03	7.08	1.44	-690.3	Deficit	-383.2
Belize	488	111.8	22.9	0.02	0.02	0.04	15.85	3.63	-428.1	Deficit	-284.2
Dominica	16	0.9	6.0	0.00	0.00	0.00	2.39	0.14	-72.5	Deficit	-94.1
Grenada	46	11.5	25.1	0.00	0.00	0.00	3.50	0.88	-223.2	Deficit	-120.1
Guyana	13,210	2,953.1	22.4	0.40	0.40	1.00	79.18	17.70	942.9	Surplus	-764.0
Jamaica	2,002	1,011.2	50.5	0.14	0.14	0.34	10.31	5.21	-2,123.6	Deficit	-1,317.2
St Kitts and Nevis	25	12.6	49.9	0.00	0.00	0.00	2.39	1.19	-162.2	Deficit	-37.7
Saint Lucia	80	16.5	20.7	0.00	0.00	0.01	3.28	0.68	-403.7	Deficit	-210.6
St Vincent and the Grenadines	40	1.4	3.6	0.00	0.00	0.00	3.67	0.13	-175.7	Deficit	-150.5
Trinidad and Tobago	9,046	3,153.8	34.9	0.43	0.43	1.07	35.49	12.37	-345.8	Deficit	-691.5
<b>Pacific SIDS</b>	<b>12,937</b>	<b>345.1</b>	<b>2.7</b>	<b>0.05</b>	<b>0.05</b>	<b>0.12</b>	<b>13.81</b>	<b>0.77</b>	<b>34.2</b>	<b>Surplus</b>	<b>141.6</b>
Fiji	1,068	263.7	24.7	0.04	0.04	0.09	19.62	4.85	104.6	Surplus	496.2
Kiribati	18	0.2	0.9	0.00	0.00	0.00	6.23	0.06	-3.8	Deficit	-11.4
Nauru	43	1.2	2.7	0.00	0.00	0.00	24.55	0.67	-0.3	Deficit	-0.3
Papua New Guinea	11,272	69.2	0.6	0.01	0.01	0.02	36.34	0.22	-2.3	Deficit	-276.6
Samoa	42	3.7	8.7	0.00	0.00	0.00	4.11	0.36	-29.5	Deficit	4.7
Solomon Islands	427	0.9	0.2	0.00	0.00	0.00	26.12	0.05	-13.5	Deficit	-38.2
Tonga	10	1.3	12.5	0.00	0.00	0.00	2.03	0.25	-18.0	Deficit	-34.6
Tuvalu	0	0.0	1.8	0.00	0.00	0.00	0.25	0.00	-0.3	Deficit	-3.9
Vanuatu	57	5.0	8.8	0.00	0.00	0.00	5.06	0.45	-2.6	Deficit	5.8
<b>LDCs</b>	<b>94,546</b>	<b>10,097.2</b>	<b>10.7</b>	<b>1.38</b>	<b>1.38</b>	<b>3.44</b>	<b>17.39</b>	<b>1.14</b>	<b>6,382.2</b>	<b>Surplus</b>	<b>5,792.8</b>
<b>SIDS</b>	<b>517,670</b>	<b>57,433.5</b>	<b>11.1</b>	<b>7.83</b>	<b>7.83</b>	<b>19.54</b>	<b>17.44</b>	<b>2.57</b>	<b>-4,293.6</b>	<b>Deficit</b>	<b>-36,942.9</b>
<b>Small states</b>	<b>83,932</b>	<b>9,310.9</b>	<b>11.1</b>	<b>1.27</b>	<b>1.27</b>	<b>3.12</b>	<b>19.78</b>	<b>2.14</b>	<b>-6,574.3</b>	<b>Deficit</b>	<b>-4,817.8</b>

Source: Commonwealth Secretariat (using data from the UNCTADstat and WTO-OECD BaTIS datasets)

Table A2 Most affected product by country, value of lost exports and tariff scenario

Commonwealth region	Commonwealth country	Base tariff			Reciprocal tariff (2 April 2025)			Adjusted reciprocal tariff (31 July 2025)		
		Product	Change in trade value (US\$)	Product	Change in trade value (US\$)	Product	Change in trade value (US\$)	Product	Change in trade value (US\$)	
Africa	Botswana	Diamonds (710239)	-24,436,454	Diamonds (710239)	-172,795,659	Diamonds (710239)	-4,894,858			
	Cameroon	Cocoa; butter, fat and oil (180400)	-1,479,701	Cocoa; butter, fat and oil (180400)	-987,942	Cocoa; butter, fat and oil (180400)	-2,072,574			
	Eswatini	Cane sugar (170114)	-19,723,918	Cane sugar (170114)	-19,135,051	Cane sugar (170114)	-19,365,935			
	Gabon	Antiques (970600)	-1,230,274	Antiques (970600)	-926,984	Antiques (970600)	-1,068,285			
	The Gambia	Surveying equipment (901580)	-108,021	Surveying equipment (901580)	-82,516	Surveying equipment (901580)	-97,908			
	Ghana	Cocoa beans (180100)	-22,186,451	Soya beans (120190)	-12,025,442	Cocoa beans (180100)	-33,953,146			
	Kenya	Coffee (090111)	-73,827,717	Coffee (090111)	-69,883,624	Coffee (090111)	-71,874,053			
	Lesotho	Men's or boys' trousers, bib and brace overalls, breeches and shorts (620342)	-20,474,879	Men's or boys' trousers, bib and brace overalls, breeches and shorts (620342)	-31,905,091	Men's or boys' trousers, bib and brace overalls, breeches and shorts (620342)	-29,942,043			
	Malawi	Cane sugar (170114)	-6,398,979	Cane sugar (170114)	-8,094,209	Cane sugar (170114)	-8,094,209			
	Mauritius	Cane sugar (170114)	-10,341,019	Diamonds (710239)	-38,861,885	Tuna, skipjack and Atlantic bonito fish preparations (160414)	-13,826,336			
Mozambique	Rubies, sapphires and emeralds (710391)	-21,176,266	Rubies, sapphires and emeralds (710391)	-21,031,692	Rubies, sapphires and emeralds (710391)	-27,453,591				
Namibia	Diamonds (710239)	-5,622,751	Diamonds (710239)	-8,521,921	Diamonds (710239)	-1,126,291				
Nigeria	Fertilisers (310210)	-65,215,964	Fertilisers (310210)	-89,184,381	Fertilisers (310210)	-97,959,351				
Rwanda	Coffee (090111)	-22,821,764	Coffee (090111)	-21,602,559	Coffee (090111)	-22,217,844				
Seychelles	Tuna (030232)	-362,190	Tubular metal needles and needles for sutures (901832)	-69,552	Intake air filters for internal combustion engines (842131)	-113,404				
Sierra Leone	Diamonds (710239)	-445,942	Smoked fish (030544)	-260,581	Smoked fish (030544)	-288,678				
South Africa	Jewellery (711319)	-255,236,928	Vehicles (870323)	-752,948,403	Vehicles (870323)	-338,090,795				
Tanzania	Coffee (090111)	-28,642,175	Coffee (090111)	-27,112,026	Coffee (090111)	-27,884,233				
Togo	Oil-cake and other solid residues (230400)	-29,255,577	Oil-cake and other solid residues (230400)	-28,088,478	Oil-cake and other solid residues (230400)	-27,828,599				
Uganda	Coffee (090111)	-53,903,459	Coffee (090111)	-51,023,778	Coffee (090111)	-54,093,254				
Zambia	Rubies, sapphires and emeralds (710391)	-24,150,579	Rubies, sapphires and emeralds (710391)	-27,724,332	Rubies, sapphires and emeralds (710391)	-31,309,587				

(Continued)

Table A2 Most affected product by country, value of lost exports and tariff scenario (Continued)

Commonwealth region	Commonwealth country	Base tariff		Reciprocal tariff (2 April 2025)		Adjusted reciprocal tariff (31 July 2025)	
		Product	Change in trade value (US\$)	Product	Change in trade value (US\$)	Product	Change in trade value (US\$)
Asia	Bangladesh	Men's or boys' trousers, bib and brace overalls, breeches and shorts (620342)	-879,984,166	Men's or boys' trousers, bib and brace overalls, breeches and shorts (620342)	-1,493,260,837	Men's or boys' trousers, bib and brace overalls, breeches and shorts (620342)	-1,493,260,837
		Cyclic hydrocarbons (290243)	-42,597,591	Cyclic hydrocarbons (290243)	-118,354,440	Cyclic hydrocarbons (290243)	-131,852,634
	Brunei Darussalam	Jewellery (711319)	-2,635,243,669	Jewellery (711319)	-2,635,243,669	Jewellery (711319)	-2,635,243,669
	India	Boards, panels, consoles, desks and other bases (853710)	-396,322,791	Parts and accessories for printing machinery (844399)	-795,630,627	Parts and accessories for printing machinery (844399)	-818,376,711
	Malaysia	Frozen tuna (030342)	-690,243	Fish fillets (030449)	-42,112	Frozen tuna (030342)	-326,134
	Maldives	Women's or girls' trousers, bib and brace overalls, breeches and shorts (620462)	-292,170,953	Women's or girls' trousers, bib and brace overalls, breeches and shorts (620462)	-394,541,424	Women's or girls' trousers, bib and brace overalls, breeches and shorts (620462)	-394,541,424
	Pakistan	Food preparations (210690)	-812,279,101	Food preparations (210690)	-531,417,824	Food preparations (210690)	-719,655,191
	Singapore	Women's or girls' trousers, bib and brace overalls, breeches and shorts (620462)	-70,481,408	Rubies, sapphires and emeralds (710391)	-190,208,144	Women's or girls' trousers, bib and brace overalls, breeches and shorts (620462)	-95,176,590

(Continued)

Table A2 Most affected product by country, value of lost exports and tariff scenario (Continued)

Commonwealth region	Commonwealth country	Base tariff		Reciprocal tariff (2 April 2025)		Adjusted reciprocal tariff (31 July 2025)	
		Product	Change in trade value (US\$)	Product	Change in trade value (US\$)	Product	Change in trade value (US\$)
Caribbean and Americas	Antigua and Barbuda	Paintings, drawings and pastels (970110)	-652,505	Paintings, drawings and pastels (970110)	-126,129	Paintings, drawings and pastels (970110)	-321,192
	The Bahamas	Frozen rock lobsters and other sea crawfish (030611)	-24,081,126	Frozen rock lobsters and other sea crawfish (030611)	-20,862,700	Frozen rock lobsters and other sea crawfish (030611)	-20,786,608
	Barbados	Rum and other spirits (220840)	-1,503,431	Waffles and wafers (190532)	-779,162	Rum and other spirits (220840)	-1,065,313
	Belize	Cane sugar (170114)	-9,108,573	Cane sugar (170114)	-8,836,632	Cane sugar (170114)	-8,943,255
	Dominica	Gold waste and scrap (711291)	-123,394	Gold waste and scrap (711291)	-119,491	Gold waste and scrap (711291)	-115,209
	Grenada	Fruit and nuts (081190)	-1,093,358	Fruit and nuts (081190)	-970,346	Fruit and nuts (081190)	-1,029,658
	Guyana	Cane sugar (170114)	-15,445,614	Cane sugar (170114)	-19,537,495	Cane sugar (170114)	-19,537,495
	Jamaica	Beer (220300)	-18,470,152	Beer (220300)	-17,931,480	Beer (220300)	-19,724,543
	St Kitts and Nevis	Boards, panels, consoles, desks and other bases (853710)	-1,772,015	Boards, panels, consoles, desks and other bases (853710)	-1,466,168	Boards, panels, consoles, desks and other bases (853710)	-2,078,241
	Saint Lucia	Foliage, branches and other parts of plants (060490)	-571,621	Foliage, branches and other parts of plants (060490)	-567,621	Foliage, branches and other parts of plants (060490)	-571,621
	St Vincent and the Grenadines	Molluscs (030799)	-774,524	Gold waste and scrap (711291)	-213,657	Molluscs (030799)	-579,634
	Trinidad and Tobago	Ferrous products (720310)	-592,504,720	Ferrous products (720310)	-592,504,720	Ferrous products (720310)	-592,504,720

(Continued)

Table A2 Most affected product by country, value of lost exports and tariff scenario (Continued)

Commonwealth region	Commonwealth country	Base tariff		Reciprocal tariff (2 April 2025)		Adjusted reciprocal tariff (31 July 2025)	
		Product	Change in trade value (US\$)	Product	Change in trade value (US\$)	Product	Change in trade value (US\$)
Europe	United Kingdom	Turbines (841191)	-489,592,139	Turbines (841191)	-340,606,047	Vehicles (870390)	-563,513,828
Pacific	Australia	Frozen bovine meat (020230)	-932,207,696	Frozen bovine meat (020230)	-932,207,696	Frozen bovine meat (020230)	-932,207,696
	Fiji	Waters (220190)	-50,560,757	Waters (220190)	-170,271,470	Waters (220190)	-75,843,397
	Kiribati	Signal generators (854320)	-74,655	Signal generators (854320)	-45,827	Signal generators (854320)	-56,519
	Nauru	Electrical switches (853650)	-32,604	Electrical switches (853650)	-84,164	Furniture mountings (830242)	-68,489
	New Zealand	Frozen bovine meat (020230)	-925,306,328	Frozen bovine meat (020230)	-925,306,328	Frozen bovine meat (020230)	-925,306,328
	Papua New Guinea	Coffee (090111)	-45,214,445	Coffee (090111)	-42,798,957	Coffee (090111)	-45,373,646
	Samoa	Coconut oil (151311)	-581,588	Saddlery and harnesses (420100)	-60,521	Coconut oil (151311)	-93,597
	Solomon Islands	Coffee (090111)	-127,978	Coffee (090111)	-121,141	Coffee (090111)	-124,592
	Tonga	Lighting sets for Christmas trees (940530)	-102,239	Fresh or chilled fish (030289)	-91,452	Fresh or chilled fish (030289)	-92,642
	Tuvalu	Seat parts (940190)	-12,475	Communication apparatus (851762)	-22,543	Electrical capacitors (853224)	-3,490
	Vanuatu	Plants and parts used primarily in perfumery, pharmacy or for insecticidal, fungicidal purposes (121190)	-451,807	Plants and parts used primarily in perfumery, pharmacy or for insecticidal, fungicidal purposes (121190)	-826,281	Plants and parts used primarily in perfumery, pharmacy or for insecticidal, fungicidal purposes (121190)	-583,730

**Note:** Each product listed represents the exported product expected to record the largest reduction in value terms under each tariff scenario. Exports from Canada, Cyprus and Malta (all developed countries) are excluded as they are not analysed individually on the TINA platform.

**Source:** TINA

Table A3 Largest export gains by product, country and tariff scenario

Commonwealth region	Commonwealth country	Base tariff		Reciprocal tariff (2 April 2025)		Adjusted reciprocal tariff (31 July 2025)	
		Product	Change in trade value (US\$)	Product	Change in trade value (US\$)	Product	Change in trade value (US\$)
Africa	Botswana	Statuettes and other ornaments (830629)	1,714	Statuettes and other ornaments (830629)	6,385	Statuettes and other ornaments (830629)	1,321
	Cameroon	Waxes (152190)	23,409	Cocoa paste (180320)	2,061,530	Bedding and similar furnishing articles (940490)	11,840
Eswatini	Gabon	Citrus fruit (200830)	53,241	Citrus fruit (200830)	460,070	Wrist-watches (910121)	62,058
		Knives (821192)	1,635	Manganese oxides (282090)	305,383	Manganese oxides (282090)	210,774
The Gambia	Ghana	Ballbearings (848210)	531	Ballbearings (848210)	5,848	Palm oil (151190)	820
		Garments (611430)	73,031	Cocoa powder (180500)	2,973,817	Garments (611430)	34,951
Kenya	Lesotho	Men's or boys' underpants and briefs (610712)	445,703	Men's or boys' trousers, overalls, breeches and shorts (620343)	25,154,901	Men's or boys' trousers, overalls, breeches and shorts (620343)	4,654,618
		Garments (611430)	47,868	Garments (611430)	69,754	Women's or girls' cotton trousers, overalls, breeches and shorts (620462)	85,487
Malawi		Plastics (392690)	1,822	Green tea (090220)	58,429	Electrical static converters (850440)	40
Mauritius	Mozambique	Brushes (851830)	182,626	Brushes (851830)	606,377	Live primates (010611)	783,220
		Yachts and other vessels (890310)	201	Equipment for outdoor games and recreation (950699)	21,728	Yachts and other vessels (890310)	53
Namibia	Nigeria	Marble, travertine and alabaster (680291)	218,388	Marble, travertine and alabaster (680291)	958,186	Marble, travertine and alabaster (680291)	141,390
		Ginger (091012)	52,180	Vegetable products (121299)	1,182,157	Pigeon peas (071360)	37,067
Rwanda	Seychelles	Vegetable saps and extracts (130219)	71,014	Vegetable saps and extracts (130219)	1,792,146	Vegetable saps and extracts (130219)	433,152
		Headphones and earphones (851830)	11,813	Yellowfin tuna (030232)	321,177	Yellowfin tuna (030232)	19,113
Sierra Leone	South Africa	Articulated link chain (731512)	4,331	Diamonds (710239)	858,292	Diamonds (710239)	715,666
		Parts of pumps (841391)	446,764	Plastics (392690)	3,931,556		
Tanzania	Togo	Vegetable saps and extracts (130219)	139,221	T-shirts, singlets and other vests (610990)	6,280,260	Vegetable saps and extracts (130219)	849,179
		Waxes (152190)	62,373	Waxes (152190)	912,544	Waxes (152190)	141,004
Uganda	Zambia	Imitation jewellery (711790)	10,066	Precious metal (711590)	297,520	Precious metal (711590)	189,050
		Precious and semi-precious (710590)	3,161	Precious and semi-precious (710590)	18,072	Precious and semi-precious (710590)	2,526

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Table A3 Largest export gains by product, country and tariff scenario (Continued)

Commonwealth region	Commonwealth country	Base tariff		Reciprocal tariff (2 April 2025)		Adjusted reciprocal tariff (31 July 2025)	
		Product	Change in trade value (US\$)	Product	Change in trade value (US\$)	Product	Change in trade value (US\$)
Asia	Bangladesh	Men's or boys' anoraks, wind-cheaters, wind-jackets and similar (620193)	9,089,851	Men's or boys' anoraks, wind-cheaters, wind-jackets and similar (620193)	44,649,495	Seats with metal frames (940179)	612,733
	Brunei Darussalam	Women's or girls' jackets (610432)	10,862	Women's or girls' overcoats, car-coats, capes, anoraks, wind-jackets and similar (610220)	106,382		
	India	Bedding and similar furnishing articles (940490)	46,496,777	Bedding and similar furnishing articles (940490)	222,728,190	Statuettes and other ornaments (830629)	1,274,746
	Malaysia	Microwave ovens (851650)	25,965,355	Television cameras, digital cameras and video camera recorders (852580)	129,940,291	Microwave ovens (851650)	2,588,041
	Maldives	Imitation jewellery (711790)	2,718	Yellowfin tuna (030232)	417,985	Yellowfin tuna (030232)	24,874
	Pakistan	Bedding and similar furnishing articles (940490)	19,857,232	Bedding and similar furnishing articles (940490)	90,573,951	Bedding and similar furnishing articles (940490)	6,020,154
	Singapore	Electric accumulators (850760)	3,946,968	Electric accumulators (850760)	44,016,039	Instruments and apparatus using optical radiations (902750)	16,862,546
	Sri Lanka	Men's or boys' underpants and briefs (610712)	1,964,225	Men's or boys' underpants and briefs (610712)	6,434,292	Bedding and similar furnishing articles (940490)	25,755

(Continued)

Table A3 Largest export gains by product, country and tariff scenario (Continued)

Commonwealth region	Commonwealth country	Base tariff		Reciprocal tariff (2 April 2025)		Adjusted reciprocal tariff (31 July 2025)	
		Product	Change in trade value (US\$)	Product	Change in trade value (US\$)	Product	Change in trade value (US\$)
Caribbean and Americas	Antigua and Barbuda	Parts of pumps (841391)	2,453	Parts of pumps (841391)	29,760	Sailboats (890391)	8,291
		Sawing machines (846591)	1,472	Footwear (640391)	120,947	Footwear (640391)	14,646
	The Bahamas	Multimeters (903031)	155,796	Multimeters (903031)	1,482,054	Multimeters (903031)	282,672
		Front-end shovel loaders (842951)	4,896	Wooden furniture (940360)	674,850	Wooden furniture (940360)	62,628
	Dominica	Brooms, brushes, mops, feather dusters, squeegees, hand operated mechanical floor sweepers (960390)	12,222	Brooms, brushes, mops, feather dusters, squeegees, hand operated mechanical floor sweepers (960390)	68,466	Statuettes and other ornaments (830629)	8,367
		Vegetable saps and extracts (130219)	1,812	Yellowfin tuna (030232)	433,166	Yellowfin tuna (030232)	25,777
	Guyana	Carp, eel and snakehead fillets (030439)	3,113	Carp, eel and snakehead fillets (030439)	14,624	Knives (821192)	977
		Vegetable preparations (200599)	163,477	Vegetable preparations (200599)	2,832,645	Yams (071430)	935,400
	St Kitts and Nevis	Brushes as parts of machines, appliances or vehicles (960350)	10,174	Instruments, appliances and machines for measuring or checking (903180)	495,299	Live primates (010611)	71,706
		Green tea (090220)	748	Seaweeds and other algae (121221)	165,900	Seaweeds and other algae (121221)	26,371
St Vincent and the Grenadines	Christmas festivity articles (950510)	8,484	Christmas festivity articles (950510)	96,619	Christmas festivity articles (950510)	9,767	
	Imitation jewellery (711790)	119,800	Artificial teeth (902121)	697,614	Imitation jewellery (711790)	88,265	
Europe	United Kingdom	Front-end shovel loaders (842951)	7,724,493	Vehicles (870324)	225,349,208	Precious metal (711590)	89,796,637

(Continued)

Table A3 Largest export gains by product, country and tariff scenario (Continued)

Commonwealth region	Commonwealth country	Base tariff		Reciprocal tariff (2 April 2025)		Adjusted reciprocal tariff (31 July 2025)	
		Product	Change in trade value (US\$)	Product	Change in trade value (US\$)	Product	Change in trade value (US\$)
Pacific	Australia	Animal or vegetable fats and oils (151800)	4,789,924	Animal or vegetable fats and oils (151800)	91,564,065	Precious metal (711590)	105,411,085
	Fiji	Mixtures of vegetables (071290)	13,700	Vegetable saps and extracts (130219)	57,734	Vegetable saps and extracts (130219)	8,046
	Kiribati			Frozen tuna fillets (030487)	28,206		
	Nauru	Reciprocating piston engines (840732)	1,856	Reciprocating piston engines (840732)	9,083	Bed linen (630231)	873
	New Zealand	Animal or vegetable fats and oils (151800)	3,847,224	Animal or vegetable fats and oils (151800)	63,926,410	Carpets and other textile floor coverings (570310)	332,766
	Papua New Guinea	Plastics (392690)	2,949	Plastics (392690)	95,295	Vegetable fats and oils (151620)	1,138
	Samoa	Electrical static converters (850440)	9,329	Electrical static converters (850440)	325,265	Electrical static converters (850440)	80,556
	Solomon Islands	Vegetable saps and extracts (130219)	72	Plants and parts used primarily in perfumery, pharmacy or for insecticidal, fungicidal purposes (021190)	19,382	Live reptiles (010620)	4,455
	Tonga	Christmas festivity articles (950510)	16,143	Christmas festivity articles (950510)	183,838	Christmas festivity articles (950510)	18,584
	Tuvalu			Electrical capacitors (853224)	14,309	T-shirts, singlets and other vests (610910)	1,776
	Vanuatu	Headphones and earphones (851830)	3,777	Headphones and earphones (851830)	22,872		

**Note:** Each product listed represents the exported product expected to record the largest gain in value terms under each tariff scenario. Exports from Canada, Cyprus and Malta (all developed countries) are excluded as they are not analysed individually on the TINA platform.

**Source:** TINA

