

AFRICA

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A David vs. Goliath Trade War

Lesotho versus U.S. Tariff

“ How a small African
nation became the
face of an unequal
trade war. ”

Issue 001

Mon 7 Apr 2025

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Lesotho's struggle in a trade war not of its making

In a trade policy twist that shocked many, the United States recently imposed a **50% tariff on imports from Lesotho**, the highest tariff rate applied to any nation under the new measures. For Lesotho—a small, landlocked kingdom in Southern Africa—this isn't just an economic blow; it's a fight for survival.



An unequal battle

Lesotho's economic footprint is modest: a nation of just over 2 million people, with a GDP of approximately \$2.2 billion and a GDP per capita of about \$1,052. In stark contrast, the United States boasts the world's largest economy, with a GDP surpassing \$28 trillion and GDP per capita over \$80,000.

This is not a trade dispute between equals. It is, in every sense, a **David versus Goliath** battle—except this time, the slingshot is in the hands of the more powerful player.

The heart of the matter - Textile exports

Lesotho's economic engine is driven by textile and apparel exports, a sector that supports **more than 12,000 workers, the majority of them women**. In 2024, Lesotho exported \$237 million worth of goods to the U.S., primarily clothing and denim, destined for major American brands like Levi's.

These exports represented over 10% of Lesotho's GDP, and the U.S. was by far its most critical export market. The newly introduced 50% tariff not only disrupts this flow—it threatens to dismantle a key pillar of the nation's economy.

By the numbers **Lesotho–U.S.** trade at a glance

▶ Lesotho exports to U.S

USD 237M

(2024)

▶ Tariff imposed

50%

▶ GDP Impact

10%

Lesotho's total economy

▶ Jobs at stake

12,000+

in apparel sector

▶ Import duties

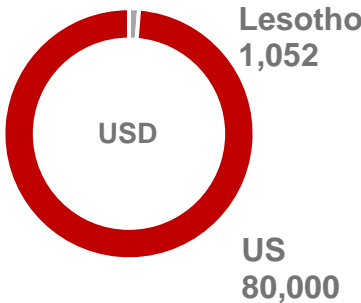
▶ GDP per Capita

99%

Lesotho on U.S
goods
(low volume)

50%

U.S. on
Lesotho goods





The AGOA Promise—Now Undone?

Lesotho has long been a poster child for the African Growth and Opportunity Act (AGOA), a U.S. initiative designed to stimulate trade with sub-Saharan Africa through duty-free access. The country's factories flourished under AGOA, attracting foreign investment and generating employment.

The recent tariff hike undermines years of progress and erodes trust in bilateral agreements.

“The latest policy direction undertaken by the United States is shocking... as it has been a very important market for Lesotho”

Mokhethi Shelile
Lesotho's Trade Minister



Financial Fractures and Global Imbalances

To understand the disparity, consider this: the U.S. imposed this tariff partly on the grounds that Lesotho applies a 99% import duty on U.S. goods.

While technically true, it's misleading. Lesotho imports very little from the U.S.—mainly machinery and electronics—and the scale of trade is minuscule in reverse. The so-called reciprocity ignores not just scale but also economic capability and dependency.

For Lesotho, exports to the U.S. are existential. For the U.S., imports from Lesotho are a rounding error. This can be considered as questionable economics, and it undermines the principles of fairness and proportionality that are supposed to underpin global trade.

Strategic Messaging or Misstep?

From a communications perspective, this decision presents a challenge for the U.S. administration. On the surface, it signals a tougher stance on trade and reciprocity. But internationally, it **raises eyebrows and invites criticism** for targeting a low-income country already grappling with economic hardship.

The decision runs the risk of reinforcing a narrative of **U.S.**

overreach, particularly at a time when the Global South is increasingly seeking alternative alliances with China, India, and BRICS.

The Bigger Picture: A Cautionary Tale

Lesotho's plight offers a cautionary tale for developing nations that tie their economic fortunes to trade with global powers.

In an era of shifting alliances, protectionist policies, and disrupted supply chains, no trade relationship is guaranteed—and no country, however small, is safe from the ripple effects of global policy shifts.

Lesotho may not have the leverage to fight back in this trade war, but its story resonates well beyond its borders. It spotlights the urgent need for more equitable, context-aware trade frameworks—ones that do not sacrifice the most vulnerable economies on the altar of political signaling.

This is more than just a tariff dispute. It's a test of fairness in global economic relations. And right now, **David is losing.**

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