

MINISTERIAL STATEMENT: IMPOSITION OF TARIFFS BY THE UNITED STATES OF AMERICA ON ITS TRADING PARTNERS

Honorable Speaker
Honorable Members,

1. I am Selma Ashipala -Musavyi, Minister of International Relations and Trade. I rise to inform this august house about the latest geopolitical developments, focusing particular on the recent introduction of a new tariff policy by the new administration of the United States of America through the Executive Order 14257 of April 2, 2025. The US Administration has provided a variety of reasons for the adoption of this tariff policy, including rebalancing global trade flows into the United States by imposing additional tariffs on essentially all imports from all its trading partners, addressing currency manipulation, and bringing back manufacturing jobs to the US.
2. The new US tariff policy has two components or tariffs: (i) a 10% general or “baseline” tariff rate on most trading partners (e.g. except Canada and Mexico are excluded), which entered into effect on 5 April 2025; and (ii) a set of higher, country-specific “reciprocal” tariff rates on 57 trade partners with which the United States has trade deficits, entering into effect on 9 April 2025.
3. For Namibia, the United States of America will impose so-called “reciprocal tariff” of 21% for products originating from Namibia. Unless indicated otherwise by the US Government, we can only assume that the tariffs will apply to all Namibian products entering the US market. The products affected by this are measure (tariffs) include beef, fish and a number of minerals amongst others. As we all know, tariffs are a tax placed on imports, and can raise the price for consumers in the importing country, leading to a decline in imports. The impact on Namibia thus means that, due to the price increases as a result of the general and reciprocal tariffs, a reduction in Namibian exports to the United States is very likely.
4. The action by the US Administration has created additional volatility and uncertainty in global trade, which undermines the commitments made by all countries in the multilateral trading system as characterised in the World Trade Organisation (WTO), as well as commitments made by the United States government under the African Growth and Opportunity Act (AGOA). AGOA is a non- reciprocal agreement designed to support eligible developing countries and Least Developed Countries in Africa by

providing additional preferential access in the US market. Unfortunately, the general and so-called reciprocal tariffs on our exports could result in unfair market conditions for Namibian products to compete fairly within the US market. Furthermore, the tariffs imposed by the US government may jeopardize the proposal by the majority of African States to extend AGOA beyond 2025. Clarity is therefore required from the US Administration on how they plan to treat AGOA, including on whether they wish to extend this arrangement beyond 2025.

5. We are deeply concerned about many aspects of the newly imposed US tariffs, including the lack of transparency and consultations with affected countries prior to their implementation. This unilateral action contradicts the principles of the multilateral trading system, which emphasize transparency and prior engagements before members enact decisions that may impact other WTO Members.
6. The Ministry of International Relations and Trade will continue to monitor the evolving dynamics of the “America First Trade Policy”, as well as its implications for non-reciprocal trade agreements. Unilateral trade actions that exceed the WTO's scheduled commitments can be arbitrary and may violate WTO rules.

Among the mitigating factors for consideration are the following:

Namibia cannot always determine what action any of our bilateral trading partners undertake, but we can control how we react, respond and the type of mitigating measures we put in place.

Therefore:

- i) The Ministry will continue to engage Namibian stakeholders, through the Namibia Trade Forum (NTF), to obtain more statistics on Namibian exports to the US in terms of commodities, value and volumes over the years. This will help to ensure that any response by Government is evidence-based and grounded in reliable data and facts to determine the implication thereof.
- ii) The Ministry of International Relations and Trade has initiated and will continue discussions with the US Embassy in Windhoek on the matter. Discussions through diplomatic channels with the U.S. Government will also seek a better understanding of their implementation in view of Namibia's benefits under the AGOA.
- iii) Since Namibia is a member of SACU, and given the Common External Tariff applied by the Customs Union, dialogue at SACU is envisaged in order to

have a common understanding on how best to engage the US Administration. In this context, I wish to inform that SACU has been tasked to undertake a comprehensive analysis on the impact of the new tariff imposed by the new US administration.

iv) Namibia will continue to reiterate its strong advocacy for a rules-based multilateral trading system. Through our diplomatic missions, the Ministry will continue to monitor the evolving trade landscape to adapt strategies in compliance with WTO rules, while advocating for fair trade practices.

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7. As the new US tariff regime is still evolving, there are developments and nuances yet to appear and government is diligently keeping track of them and assessing their import on Namibia's economy and overall wellbeing. Furthermore, as other nations, regions and alliances around the world begin to devise their own strategies, alliances, rules and regulations in response to this new tariff regime by the United States of America, Government is keeping track of their implications for Namibia, ready to in time craft responses to minimize any negative consequences for us while taking advantage of any opportunities they might offer for strengthening our global trade positioning.
8. In all of this uncertain and unstable dynamics, Namibia is most mindful of its solidarity with its sister African countries in the region and throughout the continent under the aegis of SADC and the African Union - thus the African Continental Free Trade Area, respectively, and the importance of keeping those ties even closer and stronger in uncertain times such as this.
9. Government is open to dialogue at both bilateral and multilateral level to further enhance our trade relations.

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I THANK YOU!