



Meeting the Challenges of Emerging Global Realities: Pathways and Opportunities for Africa

By Patrick Low



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"A Practical and Realistic Agenda for the AfCFTA"



Dominant Trends and Pressures Challenging International Cooperation

- The geopolitics and geoeconomics of shifting power structures: from hegemony to contentious multipolarity
- A confluence of pressure points:
 - The Great Recession of 2008-2009
 - The rise of China
 - Retreat of US leadership in global economic relations
 - The Covid pandemic
 - Russia-Ukraine

The Rise of Protectionism

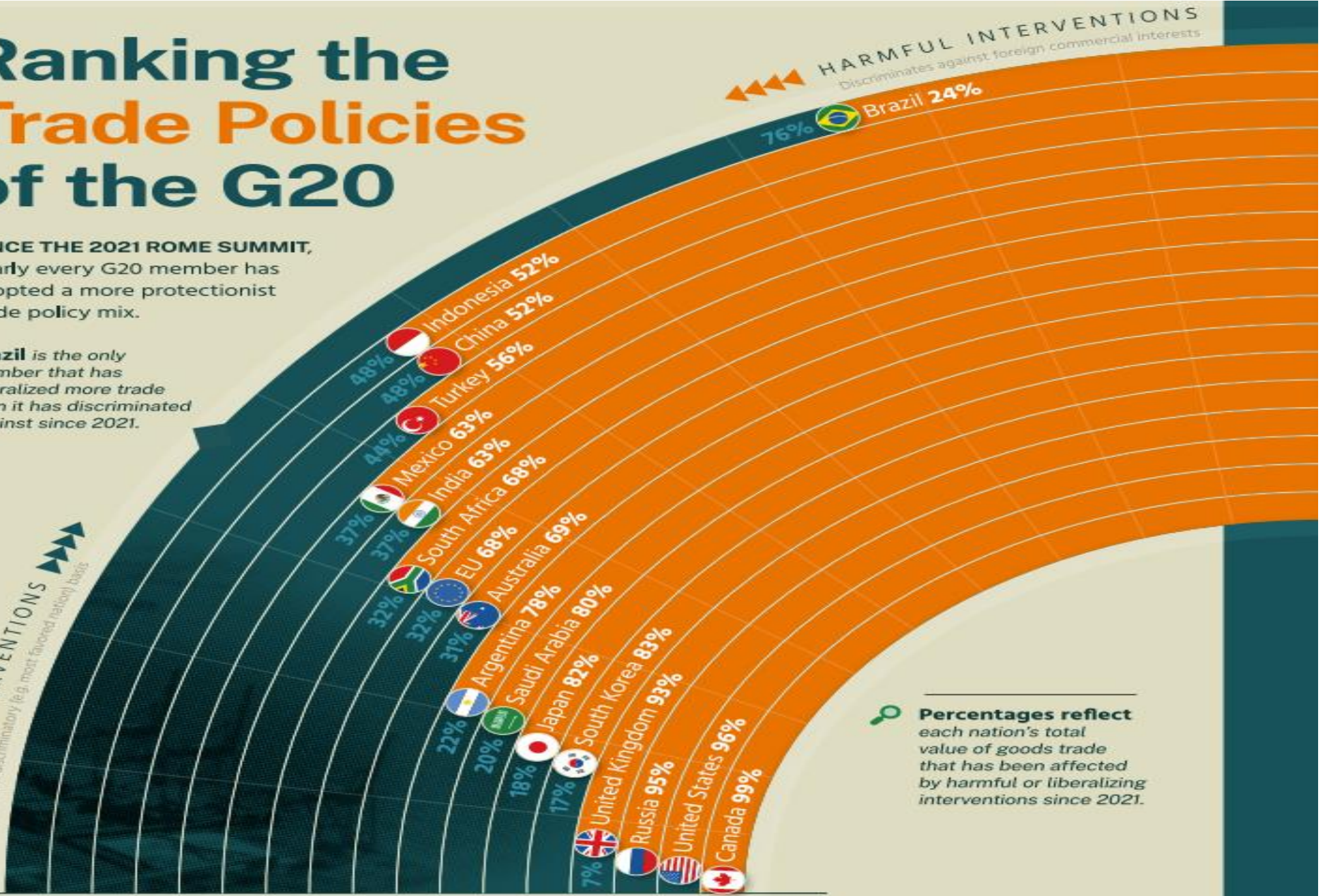
- Protectionist surges in both trade and investment policies
 - Growing restraints on trade flows – on-shoring, friend-shoring and near-shoring – diminished international vertical integration
 - Trends towards inward and outward investment restrictions
 - The struggle for technological dominance/exclusion
 - National security and strategic positioning trumps economic efficiency and competitiveness
 - Growing concerns about environmental sustainability weaponized in trade and investment policies
 - Increasing dominance of the digital economy and competition around standard-setting

Ranking the Trade Policies of the G20

SINCE THE 2021 ROME SUMMIT, nearly every G20 member has adopted a more protectionist trade policy mix.

Brazil is the only member that has liberalized more trade than it has discriminated against since 2021.

LIBERALIZING INTERVENTIONS
Liberalizes on a non-discriminatory (e.g. most favored nation) basis



HARMFUL INTERVENTIONS
Discriminates against foreign commercial interests

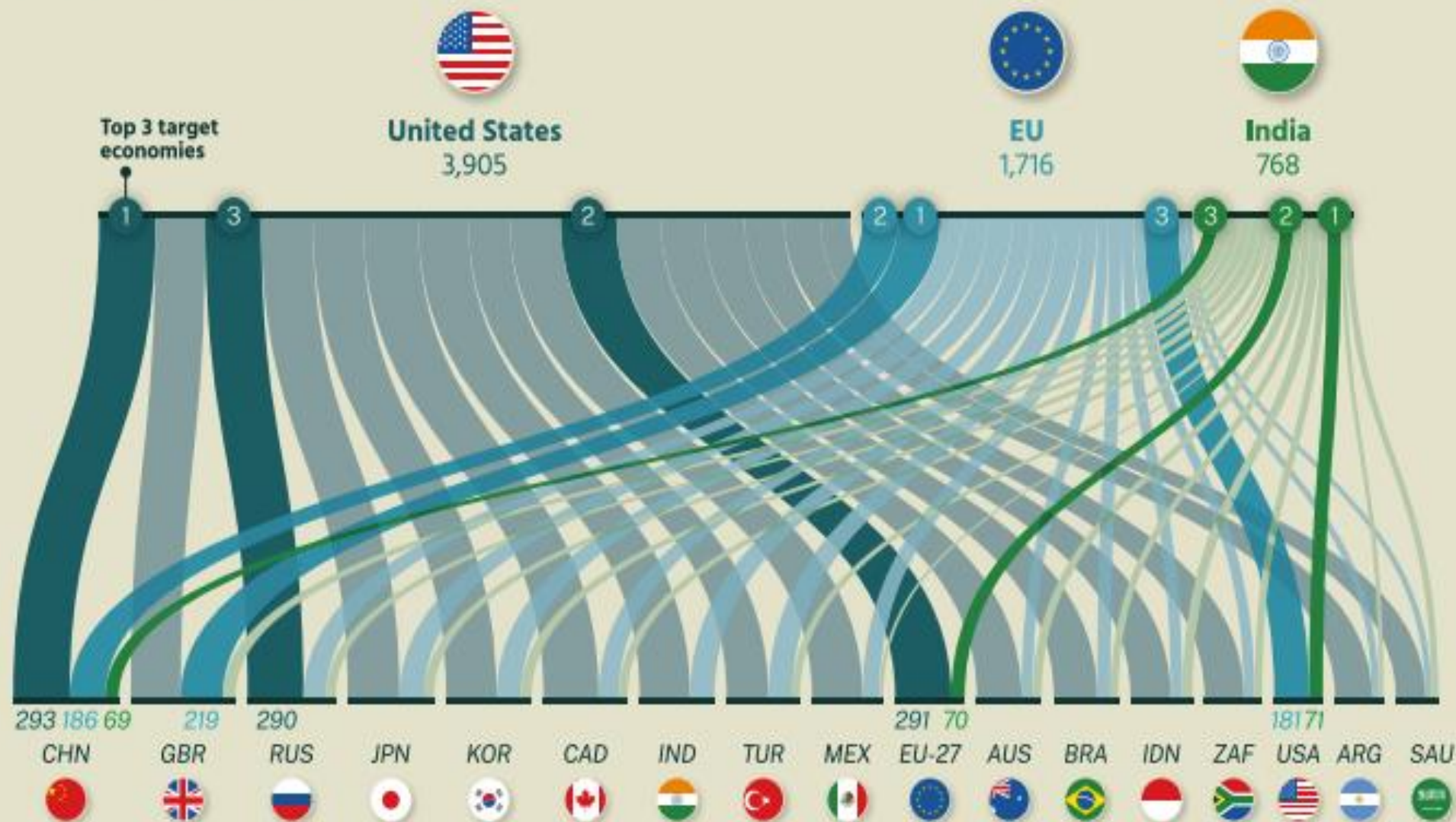
Percentages reflect each nation's total value of goods trade that has been affected by harmful or liberalizing interventions since 2021.

Who's targeting whom?

Harmful interventions implemented since 2021 Rome summit

OCT 2021 - NOV 2022

The U.S., EU, and India have introduced the greatest number of trade measures that harm the commercial interests of other G20 members.



The Crisis Besetting Multilateralism and the WTO

- The weakening over time of commitment to multilateral cooperation and the notion of non-discrimination (MFN)
- The collapse of the dispute settlement system and widespread disregard for WTO obligations, especially among the big players
- The destruction of good citizenship in matters of national security
- The weaponization of “good” (environmental) subsidies for protectionist ends (e.g. US Inflation Reduction Act and CHIPS and Science Act)
- Emerging plans for equalizing costs of carbon emission reduction policies – CBAM et al.
- The use and abuse of notions of “equivalence” to get around MFN

Is There Any Pro-Multilateralism Impulse on the Horizon? Or Is All the News Glum?

- Perhaps something on digital with the E-Commerce negotiations – a rare opportunity to make the WTO count
- A willingness to circumvent abuse of the consensus principle as a veto weapon (getting around the efforts of India and South Africa in particular to block progress on any WTO agenda via Joint Initiatives)
- Joint initiatives on e-commerce, investment facilitation for development, domestic regulation in services
- Doing something about fisheries subsidies
- Attempts to embrace new initiatives such as gender inclusion, environmental good citizenship, and addressing the challenges facing MSMSEs

Implications for Africa of Compromised Multilateralism

- The push for AfCFTA bucks an inward-looking trend in most other parts of the world
- A united Africa pursuing joint initiatives and shared orientations at the multilateral level could be a force to be reckoned with
- Scope for African leadership in rejuvenating flailing multilateral cooperation if the continent comes together in a common cause

Thank you

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