
Sub-Saharan Africa in the Great Global Trade Slowdown

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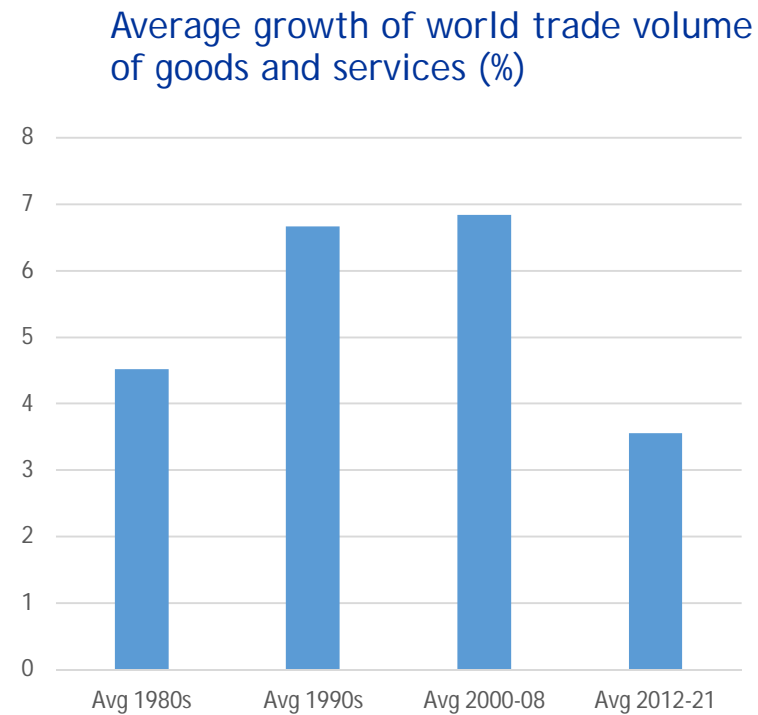
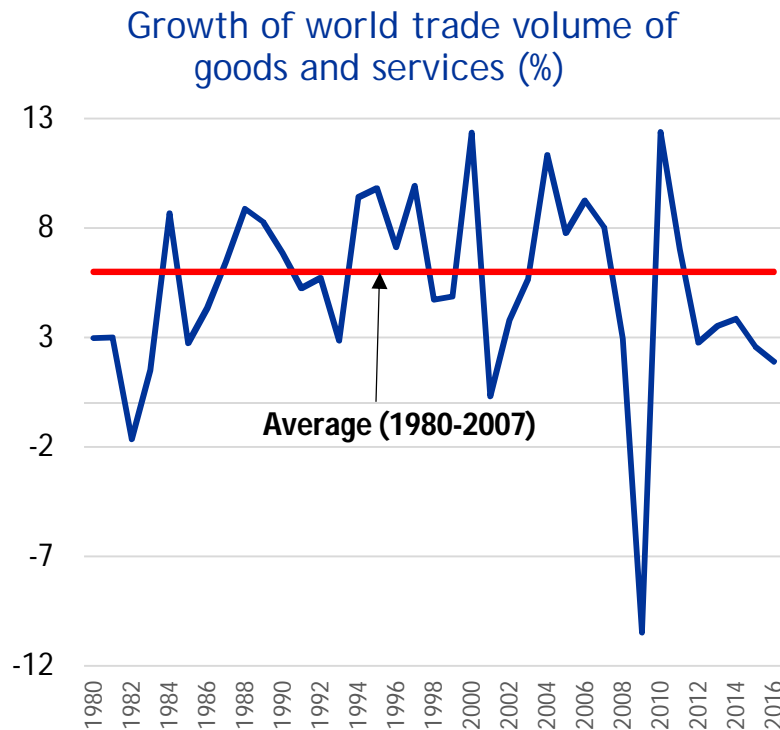
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The Commonwealth

The great global trade slowdown

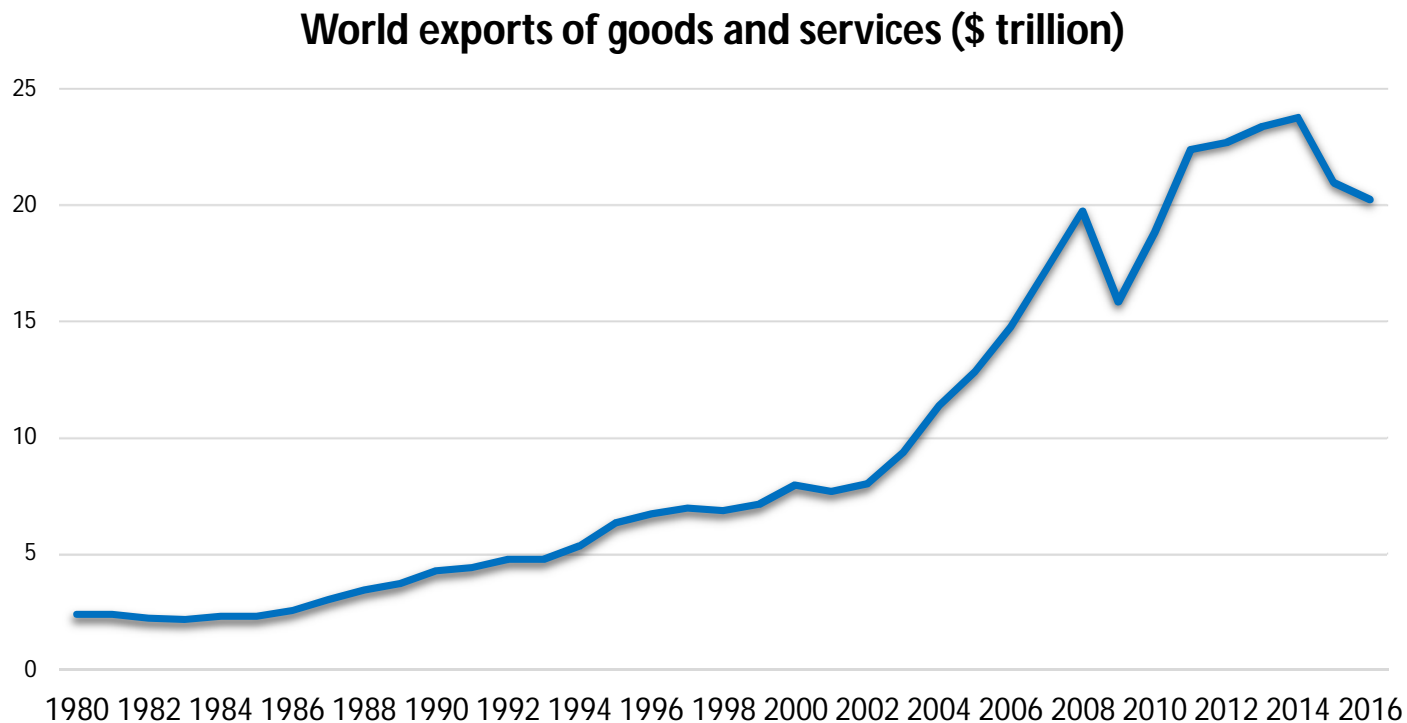
- An unprecedented slowdown in global trade
- Since 2012, trade volume growth is lower than 1980-2007 annual avg growth of 6%



- 2012-21 could be the slowest period of trade expansion since the second world war

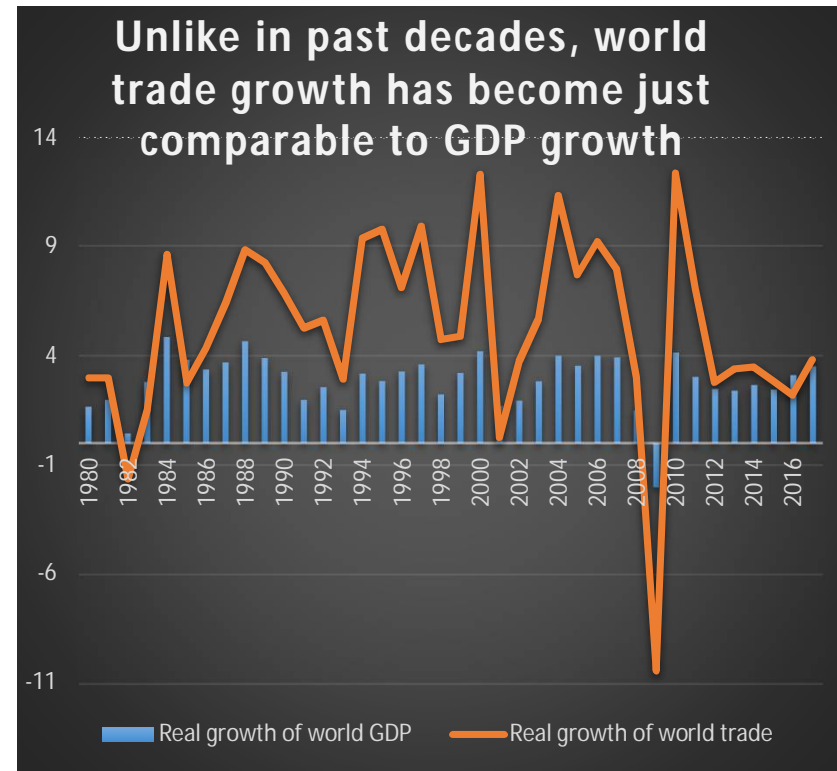
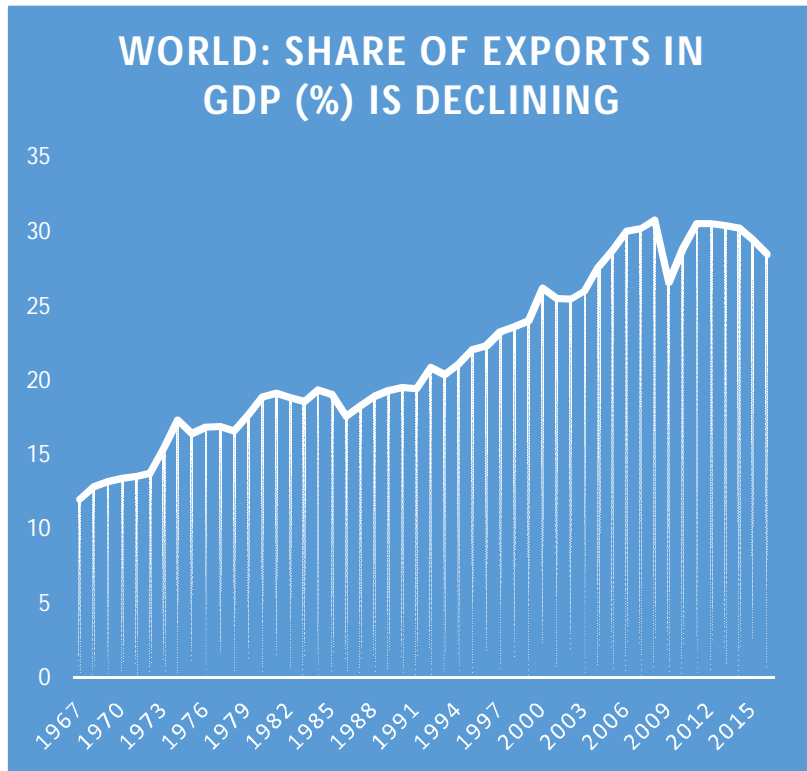
Trade in absolute terms fell in 2015 and 2016

World exports of goods and services in US\$ contracted by US\$2.8 trillion in 2015 and then by another \$700 billion in 2016.



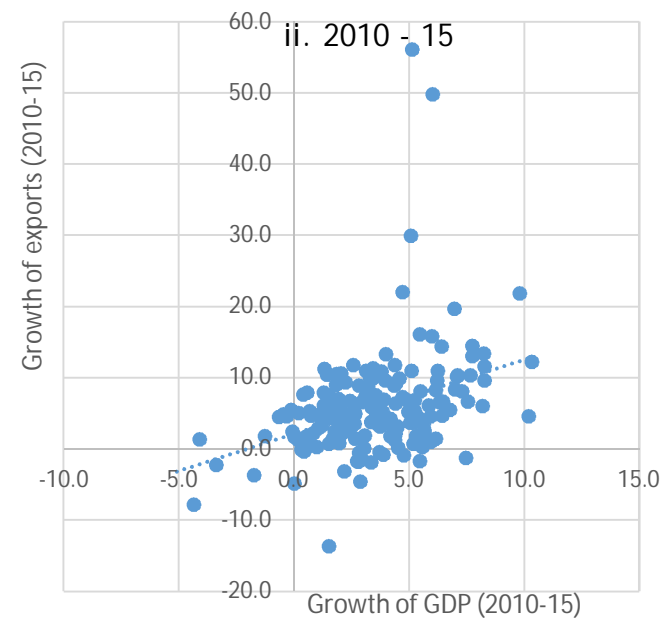
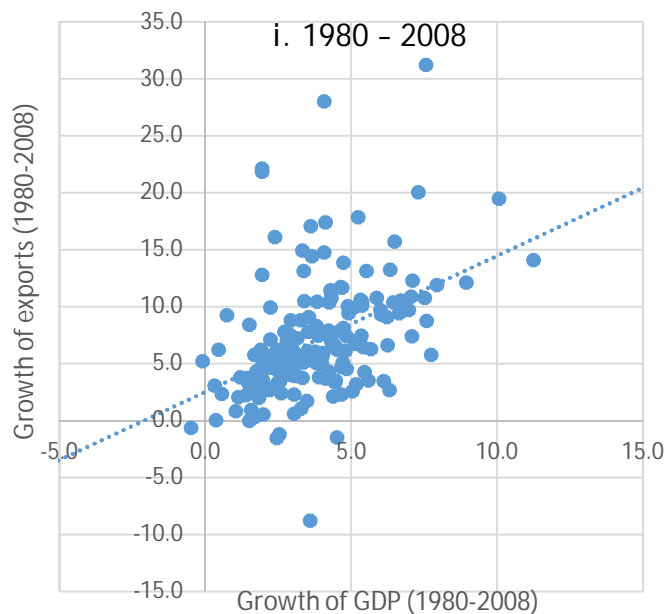
Note: Services exports for 2016 are based on projections.

Declining significance of trade



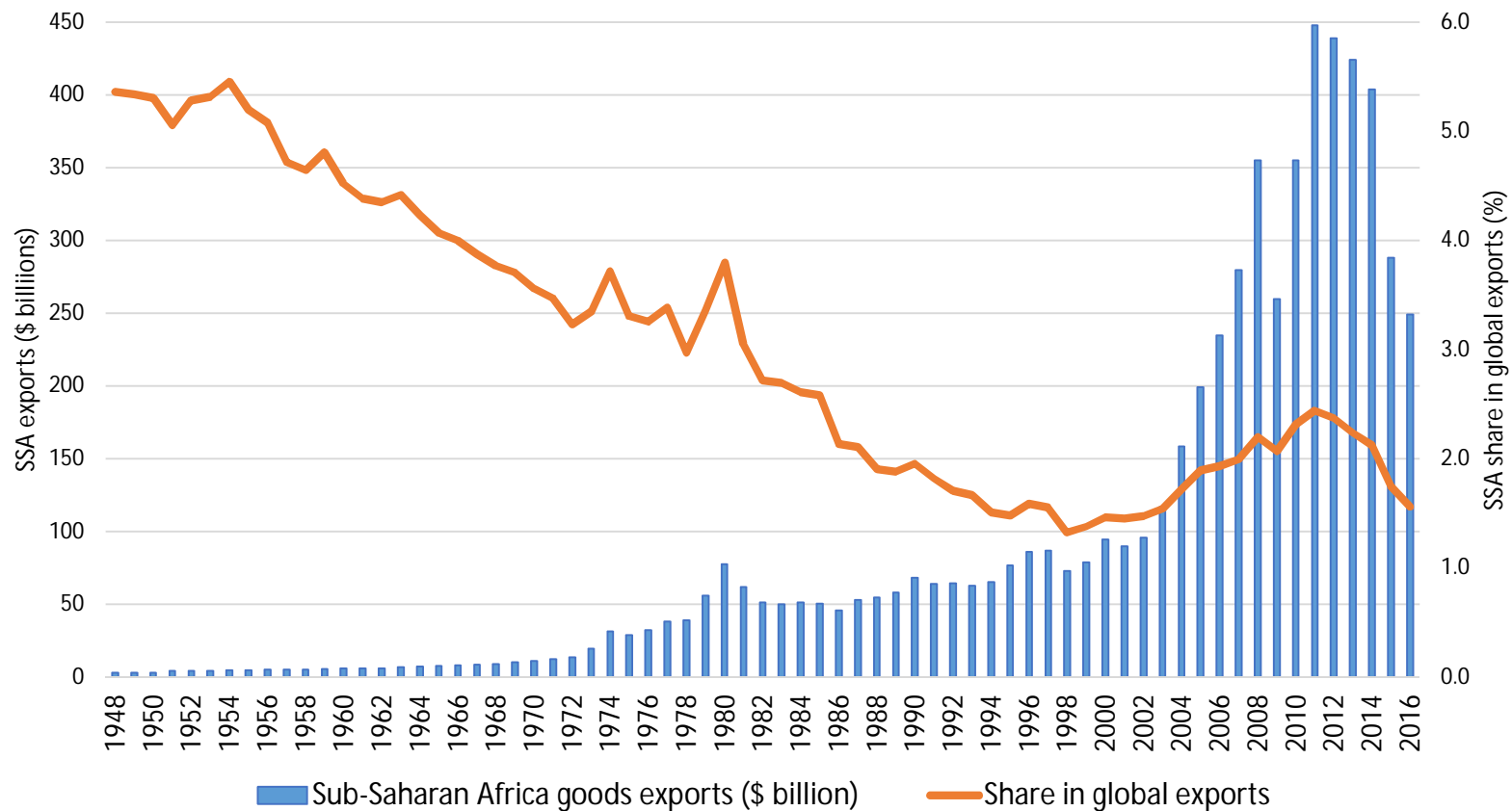
The positive association between trade and GDP growth has weakened

- During the mid-1980s-2000, a 1% increase in global GDP was associated with a more than 2% rise in the volume of trade
- Since the 2000s this relationship has fallen to just 1.3%
- This trade-growth relationship has further weakened since 2008



Sub-Saharan Africa's trade

- SSA exports fell from \$450 billion in 2010 to \$250 billion in 2016
- And, the rising share of SSA in global exports as during 1998-2010 has been reversed



Individual SSA countries' trade performance

- Fall in merchandise exports in 2015 (compared to 2014) - 183 countries/territories in the world economy
- Fall in merchandise exports in 2016 (compared to 2015) - 112 countries/territories
- **25 SSA** states saw exports decline **both in 2015 and 2016**
- Only **4 countries** (Gambia, Uganda, Lesotho and Tanzania) had +ve export growth both in 2015 and 2016.

Estimated goods and services exports volume growth (i.e. in real terms,) for Commonwealth SSA countries

Growth of exports of goods and services (in real terms) (%)				
Country	2000-10 average	2015	2016	2017
Botswana	0.90	-17.11	15.89	-19.68
Cameroon	1.20	16.09	6.73	1.58
Ghana	3.62	-8.63	6.66	12.40
Kenya	6.96	-0.86	8.25	9.98
Lesotho	16.67	14.60	4.54	5.99
Malawi	7.87	-4.16	-5.31	18.75
Mauritius	5.29	-6.85	1.51	4.03
Mozambique	8.96	2.26	-5.95	11.87
Namibia	5.71	1.63	0.09	13.98
Nigeria	3.62	8.82	-7.43	5.86
Rwanda	8.70	-3.73	9.81	8.97
Seychelles	0.54	15.03	18.71	-2.88
Sierra Leone	18.82	-25.49	18.37	17.05
South Africa	2.79	3.86	-0.05	1.34
Swaziland	2.63	7.58	1.42	0.71
Tanzania	11.69	15.19	12.06	7.36
Uganda	10.83	6.91	9.79	6.51
Zambia	10.04	-11.10	-4.76	-1.06

Source: IMF WEO data

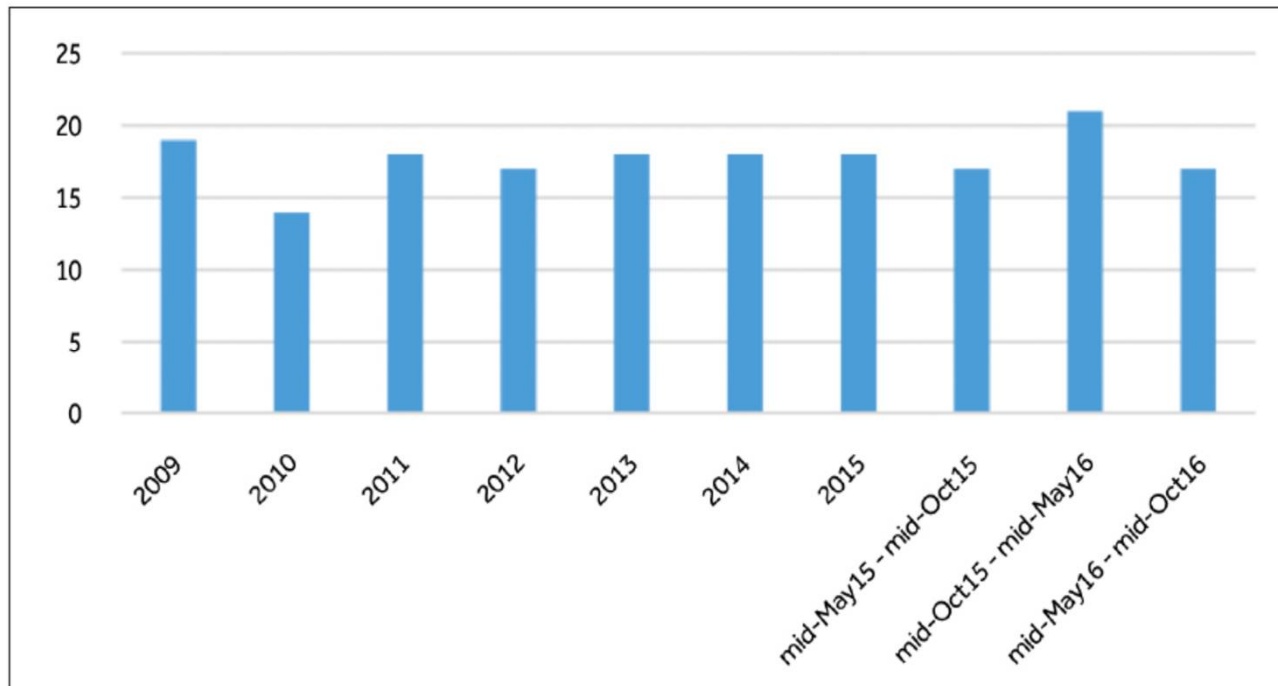


Causes of the trade slowdown

- China's rebalancing of economic activities away from investment and manufacturing towards consumption and services
- Consolidation of value chain activities in production and trade, particularly in China and the USA
- Weak commodity prices
- Growing discontent about globalisation in advanced economies
- Policy uncertainty (Brexit, policy reversals in the US etc.)
- Increased protectionist measures

There has been a steady rise in trade-restrictive measures implemented by G20 economies

G20 trade restrictive measures (average per month)



Note: Values are rounded

Source: WTO Secretariat

Implications of trade slowdown

- What it implies for trade-led growth? Is there a need for revisiting growth and trade strategy?
- Impact on participation in global value chains
- Can regionalism help mitigate consequences of global trade slowdown?
- Role of trade in SDGs

Tackling the trade slowdown

- MC11 - Unique opportunity to promote a rules-based, fair and transparent multilateral trading system
- Effective implementation of the Trade Facilitation Agreement (TFA)
- Mobilising more Aid for Trade support
- Removal of all trade-restrictive measures imposed
- Commonwealth can collectively advocate for greater trade openness and tackling of trade protectionism, which hinders achievement of the SDGs
- Exploring more trading opportunities with other Commonwealth countries as trade costs between Commonwealth partners tend to be lower

Thank you

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