



## OPINION PIECE

# Re-globalization around green trade: challenges and opportunities for Africa

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For decades, Africa has engaged with the multilateral trading system, but the continent has struggled to see the full benefits of globalization. Yet, globalization *per se* has never been the problem; the problem has been with the terms, ideological foundations and operational tools on which the edifice of globalization is built. Precisely because of this, today's Africa bears the brunt of the three major challenges identified by this World Trade Report – extreme and widespread poverty, environmental degradation, and a lack of security and resilience.

In this context, the proposition of re-globalizing for a resilient, inclusive and sustainable future must be welcomed by Africa and Africans – and, in fact, Africa is uniquely placed to energize re-globalization. The question then is how the world is to re-globalize. Here are a few thoughts from an African perspective.

First, we need to agree that the turn towards regional or bloc-based trade is second-best to globalization. But if all we mean by re-globalization is an expansion of the multilateral trading system towards new topics and new actors, then we are missing the point. We know that globalization did not lift all boats. Africa's share of global trade has remained stagnant and, as recently as 2021, nearly 70 per cent of Africa's global exports were primary commodities. Africa has also been dependent on the import of manufactured goods, a combination that has left the continent exposed to the vagaries of international commodity markets. Re-globalization cannot, therefore, be more of the same old globalization.

Second, re-globalization based on principles of fairness and equity, with human development at the core, is the only viable way forward. There is no viable alternative to rules-based multilateralism; only the nature of the rules on which we re-globalize needs proper reflection, discussion and decision.

Third, Africa's support for the agenda of re-globalization for a resilient, inclusive and sustainable future is

founded on principles. At a time when rules-based multilateralism is under attack, Africa has been busy building a continental single market based on principles of fairness, non-discrimination, transparency and accountability. That is what the Agreement Establishing the African Continental Free Trade Area (AfCFTA) is all about. Modelling estimates by the United Nations Economic Commission for Africa (ECA) show that in 2045, Africa's agri-food, services and industry sectors will be 50.2 per cent, 37.6 per cent and 36.1 per cent higher, respectively, compared to a situation without the AfCFTA. The AfCFTA will position Africa as a powerful voice for rules-based multilateralism on the global stage.

Fourth, a revamped multilateral trading system underpinning re-globalization efforts needs to place development and sustainability at its core. Africa can pursue its development objectives in tandem with its environmental objectives thanks to its unique endowment in minerals critical to the green transition, such as its vast reserves of cobalt, lithium, nickel, and other commodities.

In sum, Africa should welcome re-globalization based on green trade. But a re-globalization that does not put development and justice at its core will likely face the same fate as today's version of globalization. Unfortunately, the introduction by major trading powers of unilateral measures in the name of fighting climate change risks stifling Africa's industrialization prospects under a re-globalization anchored around green trade.

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