

International Trade



International Trade - A Blessing in Disguise

International trade plays a critical role in driving private sector-led growth and creating jobs and can be a strong force in reducing poverty and enhancing other livelihood opportunities. Over time, trade has significantly contributed to poverty reduction through challenges to ensure that all people can reap benefits from it.

International trade and its liberalisation can expand the range of goods and services available to the poor and reduce the prices of those goods and services, increasing real income and reducing poverty. In the process, trade can reduce relative as well as absolute poverty.

Here, it is important to mention that a dramatic increase in developing countries' participation in international trade has coincided with an equally sharp decline in extreme poverty worldwide. Trade has helped increase the number and quality of jobs in developing countries and stimulated economic growth. Trade integration is important not only because of the boost to growth that it can provide but also because there is room for it to be executed in ways that more effectively overcome the constraints faced by the extremely poor.

Furthermore, trade agreements, such as the recently concluded African Continental Free Trade Area (AfCFTA) can provide a unique opportunity to boost growth, cut poverty, and reduce a country's dependence on the boom-and-bust commodity cycle. Agreements like the AfCFTA have the potential to attract cross-border investment by eliminating tariffs and non-tariff barriers and replacing the existing patchwork of bilateral and regional trade deals with a unified market.

When poverty reduction efforts worldwide were slowing, recent forecasts indicate that the global economy is heading into a period of deepening uncertainty. This makes measures to boost growth and expand economic opportunity through international trade, among others, all the more urgent - which is why revitalising trade must be high on the global policy agenda. Trade works as an engine of economic growth and a critical tool for combating poverty.

With appropriate trade reforms, governments can loosen constraints while lowering transaction costs, promoting competition, and setting clear rules for cross-border commerce.

Therefore, one of the most effective ways to drive inclusive and sustainable economic growth, create new opportunities, and bring us closer to a shared goal of ending extreme poverty is by addressing the roots of global trade tensions, strengthening the rules-based international trading system, and pursuing further trade liberalisation.

Given this context, this Occasional News Wrap (ONW) has reviewed and compiled various relevant articles in print and electronic media on the implications of trade on poverty in specific and on the economies in general.

1.	<p>Globe at 'critical crossroads' to avert hunger catastrophe, World Food Programme says</p> <p><i>Grayce McCormick</i></p> <p>KATV.com</p> <p>July 23, 2022</p>	<p>The World Food Programme calls 2022 “a year of unprecedented hunger.”</p> <p>The agency reports that as many as 828 million people go to bed hungry every night. The number of people facing acute food insecurity soared to 345 million, up from 135 million in 2019. And 50 million people in 45 countries are teetering on the edge of famine.</p>
2.	<p>Myanmar’s economy remains fragile, with reform reversals weakening the outlook</p> <p>Modern Diplomacy</p> <p>July 22, 2022</p>	<p>Myanmar’s economy has faced a series of external and internal disruptions which have impeded recovery from the large contraction in economic activity last year. The absence of a substantial rebound in growth – with GDP in 2022 estimated to be still around 13 per cent lower than in 2019 – means that livelihoods and coping mechanisms will continue to be severely strained.</p>
3.	<p>End of the Indian Gulf dream for remittances?</p> <p><i>N Chandra Mohan</i></p> <p>Financial Express</p> <p>July 21, 2022</p>	<p>Remittances or private transfers from the vast Indian diaspora – working not only in the Gulf region but also in developed nations like the US and Europe – to the home country are the highest in the world at US\$89bn or three per cent of gross domestic product (GDP) in 2021, according to the World Bank. These transfers have transformed India’s external profile into one of the biggest strengths of the economy.</p>
4.	<p>World Bank: Andrew Dabalen, kingpin of the Bretton Woods institution’s transformation</p> <p><i>Herald Aloo, Emmanuelle Morau</i></p> <p>The Africa Report</p> <p>July 21, 2022</p>	<p>The World Bank has chosen Andrew Dabalen to succeed Cameroon’s Albert Zeufack as chief economist for sub-Saharan Africa. His expertise in the fight against poverty was a determining factor in this choice.</p>
5.	<p>Why central banks are not worried about the global economy despite all the warfare</p> <p><i>Francois Moreau</i></p> <p>Global Trade</p> <p>July 19, 2022</p>	<p>When Russia invaded Ukraine in February of 2022, no one was quite sure how it would play out. Months later, Russia continues to advance in Ukraine, and the effects of the war are being felt across the globe. One of these impacts has been driving more and more people into poverty around the world.</p>

6.	<p>UN and partners meet to address 'critical' state of the global food crisis</p> <p>UN News</p> <p>July 18, 2022</p>	<p>Scaling up climate resilience across food systems is among the actions needed to counter rising hunger and malnutrition, UN General Assembly President Abdulla Shahid said at a special meeting to address the global food crisis.</p>
7.	<p>Experts urge cooperatives to leverage tech for poverty eradication</p> <p><i>Seyi John Salau</i></p> <p>Business Day</p> <p>July 18, 2022</p>	<p>Experts in the financial and trade sectors have urged cooperative societies in Nigeria to leverage technology, eradicate poverty, drive financial inclusion and fast-track development through collective wealth creation.</p>
8.	<p>Ensuring global food security: what China says and does</p> <p><i>Mission of the People's Republic of China to the EU</i></p> <p>EU Observer</p> <p>July 18, 2022</p>	<p>Hit by intense heat, it is reported that some European countries will see their soft-wheat output drop by seven per cent, lower than their five-year average, another bad news for the already strained global food supply.</p>
9.	<p>China, CELAC to deepen cooperation on poverty reeducation in a fresh sign of growing ties</p> <p><i>Hu Yuwei</i></p> <p>Global Times</p> <p>July 14, 2022</p>	<p>China, Latin American and Caribbean countries have agreed on deeper cooperation in poverty reduction, with joint efforts in areas such as post-pandemic economic recovery, infrastructure construction and digital technology. Officials and experts said this at the second Community of Latin American and Caribbean States (CELAC)-China Forum on Poverty Reduction and Development, held virtually.</p>
10.	<p>UN report found 71 million people pushed into poverty after the war in Ukraine started</p> <p><i>Sara Edwards</i></p> <p>USA Today</p> <p>July 08, 2022</p>	<p>A staggering 71 million more people worldwide are experiencing poverty due to soaring food and energy prices that climbed in the weeks following Russia's invasion of Ukraine. The United Nations Development Programme stated this said in a report.</p>
11.	<p>Free Trade Pact could help lift 50 million Africans from extreme poverty</p> <p>Modern Diplomacy</p>	<p>The African Continental Free Trade Area (AfCFTA) can bring significant economic and social gains to the region, leading to higher incomes, lower poverty, and faster economic growth, according to a new</p>

	July 01, 2022	World Bank report done in partnership with the AfCFTA Secretariat. The implementation of the trade agreement would also lead to more considerable wage gains for women and skilled workers.
12.	China, ASEAN to continue to strengthen cooperation in poverty reduction Global Times June 28, 2022	The 16 th ASEAN-China Forum on Social Development and Poverty Reduction was held in the city of Nanning, Southern China's Guangxi Zhuang Autonomous Region.