

## **Trade Policy Unit**

### **Daily news and updates**

#### **(1) Indonesia plans to expand export markets to Africa (VietnamPlus)**

- Africa has a huge potential of becoming a destination for Indonesia's manufacturing exports, besides its traditional markets such as the US, the EU, or China, according to the Indonesian Chamber of Commerce and Industry (Kadin).
- Although its purchasing power still falls behind other traditional export markets, Africa is also promising in terms of market size growth and trade competition. Not many exporters have entered the African market, and the continent's trade barriers are not as sophisticated.
- Speaking at a conference on March 14, Kadin deputy chairwoman Shinta W Kamdani said that Indonesian exports can enter and compete in Africa, particularly manufacturing products as African countries generally lack basic manufacture.
- For his part, Silvano Rumantir, director for corporate and international banking at BNI, said Indonesia's export potential to Africa totals 8.16 billion USD, with about 4.56 billion USD still remaining untapped. Indonesia's exports to Africa with high competitiveness include palm products, soap, coffee, motor vehicles, pipes, sauces, paper and rubber products.

#### **(2) Addressing multiple shocks can turn around Africa's economic growth (UNECA)**

- Africa's economic growth is projected to rise slightly to 3.9% after a considerable decrease to 3.6 per cent over the past year in 2022, says an overview report of recent economic and social developments in Africa by the Economic Commission for Africa (ECA). In 2022, Africa saw the fastest expansion among developing world countries after East and South Asia. This is due to improvements in East, North and West African sub-regions, which drove Africa's overall growth.
- ECA Director, Macroeconomics and Governance Division, indicated that that based on ECA analysis, slow growth is expected in most Southern African countries led by the subregion's largest economy, South Africa, reaching a subregional average of 2.8 per cent.

#### **(3) Green technologies: Coherent policy action needed for developing countries to reap the benefits (UNCTAD)**

- UNCTAD's Technology and Innovation Report 2023 published on 16 March warns that economic inequalities risk growing as developed countries reap most of the benefits of green technologies such as artificial intelligence, the Internet of Things and electric vehicles.

- UNCTAD estimates that the 17 frontier technologies covered in the report could create a market of over \$9.5 trillion by 2030. The total exports of green technologies from developed countries jumped from around \$60 billion in 2018 to over \$156 billion in 2021. In the same period, exports from developing nations rose from \$57 billion to only about \$75 billion. In three years, developing countries' share of global exports fell from over 48% to under 33%.
- UNCTAD's analysis shows that developing countries must act quickly to benefit from this opportunity and move to a development trajectory leading to more diversified, productive and competitive economies.
- The report includes a "frontier technology readiness index" that shows that very few developing countries have the capacities needed to take advantage of frontier technologies. These include blockchain, drones, gene editing, nanotechnology and solar power. Countries in Latin America, the Caribbean and sub-Saharan Africa are the least ready to harness frontier technologies and are at risk of missing current technological opportunities.
- UNCTAD calls on governments in developing countries to align environmental, science, technology, innovation and industrial policies. Developing countries should also urgently boost technical skills and scale up investments in ICT infrastructure, addressing the connectivity gaps between small and large firms and between urban and rural regions.
- The report says international trade rules should permit developing countries to protect emerging green industries through tariffs, subsidies and public procurement – so that they not only meet local demand but also reach the economies of scale that make exports more competitive.
- International support to transfer green technologies to developing countries is also critical. The report proposes the application of principles that were invoked against the COVID-19 pandemic, when some countries were allowed to produce and supply vaccines without the consent of the patent holder. This would offer manufacturers in developing countries quicker access to key green technologies.
- It says international trade and related intellectual property rules should provide more flexibility for developing countries to put in place industrial and innovation policies to nurture their nascent industries so that new green technology sectors can emerge there.
- The report also calls for an international programme of guaranteed purchase of tradable green items, coordinated green technology research at the multinational level, increased support for regional centres of excellence for green technologies and innovation, and a multilateral fund to stimulate green innovations and enhance cooperation between countries.