

OPENING REMARKS

BY PRADEEP S. MEHTA

**AT THE 2ND WEBINAR ON GLOBAL STRATEGIES IN THE AGE
GEOECONOMICS (G-SAGE) 23RD APRIL, 2026**

Distinguished speakers, colleagues, and friends from across the globe - a very warm welcome to the second webinar of the CUTS International Geoeconomic Monograph Series, Global Strategies in the Age of Geoeconomics, or as we have come to call it, G-SAGE.

Today's gathering brings together remarkable minds from South Africa, the United Kingdom, Taiwan, and India. Each of our contributors has produced a chapter that not only enriches our G-SAGE monograph series but, I would venture to say, speaks directly and urgently to the world we are navigating right now, in April 2026.

We launched this project with a simple but profound conviction: that the old vocabulary of international relations, geopolitics and trade rules is no longer sufficient. We need a new grammar. And that grammar, as our speakers today will show us, is geoeconomics.

When we designed this series, we drew attention to the fact that economic instruments such as trade, technology, finance, supply chains, and critical minerals are increasingly being deployed as tools of geopolitical power. That observation, which some found overstated at the time, has since been vindicated many times over.

Canada's Prime Minister Mark Carney, speaking at Davos earlier this year, put it sharply: we are witnessing 'a rupture, not a transition'. This is not a recalibration of the existing order. It is a fundamental break.

The multilateral trading system, painstakingly built over eight decades, is fraying. The WTO's appellate body remains paralysed. The Most Favoured Nation principle, the very bedrock of non-discriminatory trade, is being openly questioned by both the United States and the European Union. Unilateral tariff measures, economic nationalism, and the weaponisation of supply chains have replaced the collegial rule-making of an earlier era.

And yet - and this is the vital point- the response cannot be despair. It must be a strategy. The chapters we will hear from today are precisely that: strategic thinking from regions and economies that have everything to gain from getting geoeconomics right.

Let me turn first to Africa and to the two chapters that interrogate, from different but complementary angles, how the continent must respond to this turbulent geoeconomic moment.

Professor Garth le Pere, writing from the University of Pretoria, invokes Edward Luttwak's famous formulation that geoeconomics is the 'logic of conflict and the grammar of commerce.' He applies this lens to the African Continental Free Trade Area (AfCFTA) and asks what it truly means for Africa's strategic autonomy. His argument is powerful: the AfCFTA is not merely a trade agreement. It is a collective act of economic statecraft. It is Africa's riposte to decades of what he calls 'collective clientelism', the asymmetric dependencies embedded in Economic Partnership Agreements with the EU and market-access conditionalities under AGOA.

With 54 signatory states, a combined GDP of \$3 trillion, and a population of 1.4 billion, set to exceed the combined populations of India and China within four decades, the AfCFTA holds enormous promise. Prof. Le Pere shows us that its promise lies not just in boosting intra-African exports from 17 per cent today

to a projected 52 per cent by 2040, but in shifting Africa from commodity dependence towards value-added productive activity and genuine industrialisation. That shift, he argues, is the continent's path to strategic autonomy in a world defined by geo-economic power.

Professor David Luke and Ms Hana AL Wakeel of the LSE Firoz Lalji Institute for Africa take this further by asking a pointed question: what kind of trade agreements does Africa actually need? Their answer challenges conventional trade orthodoxy. They propose a sequencing logic that is as elegant as it is compelling: regional integration first, strategic openness second, and full reciprocity last. They argue, backed by UN Economic Commission for Africa modelling, that prematurely entering into fully reciprocal agreements with major trading partners before the AfCFTA is consolidated, would produce trade diversion and regulatory fragmentation, undermining the very gains the continent is trying to secure.

Their call for 'smart protectionism' - time-bound protection of strategic sectors such as agro-processing, pharmaceuticals, and manufacturing- is not a retreat from globalisation. It is a developmentally informed approach to engaging it. And their call for WTO reform, relaxing the substantial proportion of trade requirements, reforming MFN disciplines, and removing consensus requirements for waivers, is a call to restore a rules-based framework that actually serves development. As WTO Director-General Okonjo-Iweala has emphasised, Africa must be integrated into the world trading system, not further excluded from it.

Moving from Africa to South Asia, we turn to one of India's most distinguished economists, Professor Kirit Parikh, Chairman of the Integrated Research and Action for Development (IRADe).

Professor Parikh's chapter reminds us that geoeconomics is not only about tariffs and trade agreements. It is also about electrons. Cross-border electricity trade, he argues, has evolved from a technical question of grid connectivity into a full-fledged instrument of economic statecraft shaping patterns of regional interdependence, market access, and bargaining power.

The BBIN framework - Bangladesh, Bhutan, India, and Nepal- offers a remarkable case study. Nepal and Bhutan sit atop vast hydropower surpluses of 83,000 MW and 41,000 MW of potential, respectively, while Bangladesh faces a structural power deficit. India, with its transparent power exchanges and rapidly expanding solar and wind capacity, serves as the regional energy hub. This complementarity is not accidental; it is a structural geoeconomic asset waiting to be fully leveraged.

The results of deeper integration are striking. Professor Parikh's modelling shows that with accelerated power trade, Nepal's GDP could be 39 per cent larger by 2045, with per capita electricity consumption 50 per cent higher, strong correlates of human development. And in November 2024, Nepal made history by exporting electricity to Bangladesh through the Indian grid — the first-ever trilateral power trade in South Asia.

But here is the insight that I find most compelling for our G-SAGE framework: Prof. Parikh links electricity access directly to the digital divide. He argues that 24x7 reliable and affordable power is not merely an infrastructure question; it is a precondition for digital inclusion, for the demographic dividend, and for competitiveness in an AI-dominated world. Geoeconomics, in this reading, runs through the power grid.

And finally, no discussion of global geoeconomics in 2026 would be complete without addressing semiconductors and for semiconductors, there is no avoiding Taiwan.

Dr Kristy Tsun-Tzu Hsu, Director of the Taiwan ASEAN Studies Centre at the Chung-Hua Institution for Economic Research, offers us a meticulous anatomy of Taiwan's position at the centre of the global semiconductor supply chain. Her chapter's title says it all: When the World Runs Through an Island.

The numbers are breathtaking. Taiwanese firms account for 76.3 per cent of the global foundry market. TSMC alone supplies advanced logic chips to Apple, Intel, and Samsung. Nearly a fifth of all maritime global trade passes through the Taiwan Strait. Taiwan's plans to mass-produce 2-nanometre chips, the most advanced in the world, were announced for late 2025.

Dr Hsu's chapter is not a celebration, however. It is a rigorous stress test of Taiwan's semiconductor resilience. She identifies four structural vulnerabilities: energy with 95.77 percent of Taiwan's energy imported and semiconductor consumption projected to peak in 2028; water with chip fabs facing high water stress risk and a projected supply gap of 680,000 cubic meters per day by 2036; cybersecurity with sustained and sophisticated attacks on semiconductor firms; and talent with a labour shortage of over 34,000 workers in May 2025 and a declining share of STEM graduates.

The concept she invokes - the 'silicon shield'- captures the dual nature of Taiwan's semiconductor position: it is both an economic asset and a geopolitical vulnerability. For CUTS, a 40+ year old public policy research and advocacy group, which include consumer and competition issues, this raises urgent questions. What happens to global consumers and to entire economies if this single node in the supply chain is disrupted? What does supply chain resilience

actually require? These are not abstract questions. They define the geoeconomic stakes of our era.

Distinguished guests, what connects these four diverse chapters from Africa's trade architecture, to South Asia's electricity grid, to Taiwan's semiconductor foundries?

The connecting thread is this: in the age of geoeconomics, economic choices are strategic choices. A tariff schedule is a form of foreign policy. A power purchase agreement is an act of statecraft. A chip fabrication plant is a geopolitical asset. The separation between economics and strategy that we once took for granted has collapsed.

CUTS International launched the G-SAGE series because we believe that developing countries and emerging economies - the regions from which most of our contributor's hail cannot afford to be passive observers of these transformations. They must be strategic actors. They must have the analytical tools, the policy frameworks, and the institutional capacity to navigate geoeconomics on their own terms.

The four chapters before us today and the colleagues who will present them are a contribution to exactly that endeavour. I am deeply grateful to Professor Garth le Pere, to Ms Hana AlWakeel and Professor David Luke, to Professor Kirit Parikh, and to Dr Kristy Tsun-Tzu Hsu for their exceptional scholarship and generosity in bringing these insights to our platform.

I also warmly thank our moderator, Ms Jackline Kagume, whose thoughtful stewardship will guide our discussion today.

And to all of you joining us from across the world this afternoon, your presence affirms the relevance of this work. Let us now engage with these ideas with the rigour and the urgency they deserve.

Thank you.