Markets and Trade: Implications of the Post-Western World

Rohan Hazell:

For centuries, the West has dominated global trade and shaped international markets. But the rise of economic powerhouses in the East is already disrupting the status quo, reshaping trade dynamics and challenging past hierarchies.

Just take China's Belt and Road Initiative, fostering new trade corridors and bypassing traditional Western-led structures as a sign of things to come.

Professor Kishore Mahbubani, former President of the UN Security Council, and Distinguished Fellow at the Asian Research Institute, shares more about the economic implications of a multipolar world.

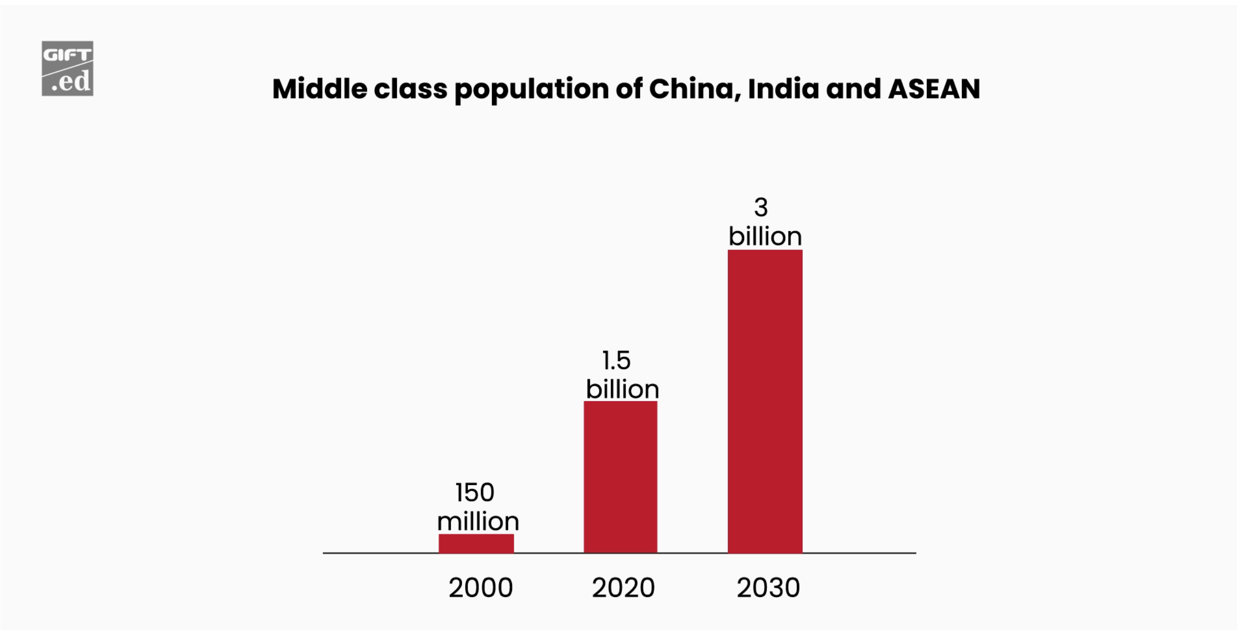
Professor Kishore Mahbubani:

What are the market opportunities in the post-Western world?

I think as you move into the post-Western world, it's important to emphasise that this post-Western world is a result of the successful development initially, especially of many Asian societies. And the successful development of the new Asian societies is going to create greater global growth and prosperity.

In fact, I believe when you ask what it means for the ordinary citizen, for the SMEs, what it means is new markets for their products, new opportunities for them to grow and thrive. And I believe that the future growth in the 21st century will be driven by the new CIA. Now, CIA doesn't stand for the Central Intelligence Agency. The new CIA stands for China, India and ASEAN.

Let me give you one statistic that illustrates how much of the global economic growth is going to come from the new CIA. In the year 2000, the total middle class population of China, India and ASEAN was only 150 million in the year 2000. But by 2020, the total middle class population of CIA had grown ten times to 1.5 billion, and by 2030, it could reach 3 billion. Now, a world in which you have 3 billion new members of the middle class means tremendous new opportunities for SMEs or individuals who are looking for markets for their products.



So it's important to emphasise therefore, that the return of Asia and the transition to a post-Western world is actually a better world for people all over the world, and by the way, including for people in Europe and in the United States because it creates greater opportunities for them also to grow their businesses with the growth and development of the new CIA - China, India and ASEAN.

The Global Trade Benefit of China, India and ASEAN

So far, fortunately, even though the United States has stepped up its geopolitical contest against China, trade between the US and China has actually grown. And indeed, despite the tariffs that the United States has put on Chinese products, as President Joe Biden said in his 2019 election campaign for the presidency, these tariffs that the United States has put on China have hurt American workers, American consumers and the American economy. And that's why I think it'd be wiser for President Joe Biden to heed his own words and lift these tariffs on China. But the remarkable thing is that despite the fact that these tariffs on China have not been lifted, Chinese exports to the United States have actually grown.

Therefore, I actually believe that the whole world should welcome the resurgence of the Chinese market, the resurgence of the Indian market and the ASEAN markets because this will provide a lot of economic growth to the world. And let me give you one stunning statistic so that people understand what I mean. In the year, if you add up the total GNP of European Union countries, it comes to 15 trillion and ASEAN is only 3 trillion.

Yet in the last ten years, if you ask a simple question: Did the European Union contribute more to global economic growth or did ASEAN contribute more to global economic growth? And the answer is that ASEAN contributed more to global economic growth than the European countries did. And this shows you the power of the emergence of these Asian economies. And that's why, frankly, we should all welcome this development and work to strengthen it instead of resisting the return and resurgence of Asia.

Rohan Hazell:

The emergence of the post-Western world is largely a result of the economic development of Asian societies, including China, India and ASEAN.

Western powers have held reservations at this emerging reality as we have seen with the US trade war with China. However, the resurgence of these markets will drive much of the growth and prosperity we will see around the world in the years to come.