

“Tariffs, Taco and Cepas: diverging trade paths in a fragmenting world”, Op-ed in Arabian Gulf Business Insight (AGBI), 17 July 2025

The opinion piece titled “[Tariffs, Taco and Cepas: diverging trade paths in a fragmenting world](#)” was published in Arabian Gulf Business Insight (AGBI) on 17th July 2025.

“Tariffs, Taco and Cepas: diverging trade paths in a fragmenting world”

On July 9 the 90-day tariff pause imposed by the Trump administration came to an end, reigniting global trade tensions.

Several countries now face a fresh wave of levies scheduled to take effect on August 1.

These include a 25 percent tariff on nations such as Japan and South Korea, both currently in trade negotiations with the US; 30 percent on the European Union, Mexico and South Africa; 35 percent on Canada; 40 percent on Laos and Myanmar and a steep 50 percent rate on Brazil.

In a broader escalation, the administration also threatened an additional 10 percent tariff on Brics nations should they pursue what it describes as an “anti-American” policy stance.

For many small, developing, export-orientated countries, the loss of access to US markets represents a major economic

shock.

Adding to the pressure, a 50 percent tariff was announced on copper – a critical material used in everything from wiring and plumbing to clean energy and AI infrastructure.

Other sectors under consideration for new imposts include pharmaceuticals, semiconductors and lumber, potentially broadening the impact across global supply chains.

Unlike the April announcement, which triggered a stock market sell-off, last week's developments barely ruffled investor sentiment.

Wall Street remains at record highs, and Nvidia reached a \$4 trillion market cap milestone – suggesting markets view the threats as negotiating theatrics, summed up by the acronym Taco: Trump Always Chickens Out.

But this calm may prove premature. Markets could be underestimating the risk that rhetoric hardens into policy.

US protectionism, aimed at shielding domestic industries under the guise of national security, has proven disruptive. It has fractured supply chains, distorted trade and investment flows and injected global economic uncertainty, affecting far more than direct trade partners.

Policy volatility has surged to levels not seen since the pandemic, heightening uncertainty over monetary policy, debt and interest rates, given tariffs' impact on inflation and growth. Tariffs act as a tax on imports, raising prices for both intermediate goods and consumer products.

The Fed is left with a dilemma: keep policy tight to fight inflation and risk stifling weak growth, or accommodate price shocks and face Trump's attacks on the Fed chair for not cutting rates.

GCC nations were initially hit with a blanket 10 percent US

tariff, with sectors like aluminium and steel facing duties of up to 25 percent. The latest list now imposes a 30 percent rate on Algeria, Iraq and Libya, and 25 percent on Tunisia.

A major focus is the transshipment of goods from China, an issue raised in the US-Vietnam trade agreement, which introduces a 20 percent general tariff and a 40 percent rate on transshipped goods. Yet the definition of “transshipment” remains vague: does it mean rerouting and repackaging, or include Chinese inputs?

For Gulf countries like the UAE, Saudi Arabia and Qatar, global logistics and re-export hubs, with deep trade ties to China and extensive special economic zones, the implications are serious. These states could face further tariff pressure unless they increase local value addition to ensure goods meet domestic origin criteria.

The UAE’s agreements with China to develop EV and solar glass manufacturing facilities mark strategically important steps toward localisation. This shift is increasingly essential, particularly as rules of origin pose major hurdles in trade talks, as seen in the ongoing US-India negotiations.

In contrast to US protectionism, the UAE has pursued a radically different path. By negotiating around 27 comprehensive economic partnership agreements (Cepas), it has positioned itself as a global model of trade and investment liberalisation.

These Cepas go well beyond traditional free trade deals, covering goods, services, digital trade and investment. They also address non-tariff barriers and standards, creating a seamless framework for global commerce.

Such deep trade agreements also drive investment and innovation. The UAE is a case in point: its non-oil foreign trade surged 19 percent year-on-year in Q1 to AED835 billion, far outpacing the global average of just 2-3 percent.

At this pace, the UAE is set to reach its AED4 trillion trade goal within two years – ahead of its 2031 target.

It has also emerged as a major FDI destination. Inbound investment rose 49 percent to \$46 billion in 2024, ranking second globally for greenfield projects, behind only the US.

Beyond trade and investment, the UAE is attracting entrepreneurs, skilled professionals, including tech talent, and high-net-worth individuals, a testament to a stable, business-friendly ecosystem.

Trade remains a critical engine of economic growth. Cepas support not just liberalisation, but also economic diversification and modern industrial strategy.

For the GCC, these deals are forging resilient new corridors linking the Gulf with fast-growing Asian markets and the demographic powerhouse of Africa.

Combined with the region's rapid tech adoption, from AI to green data centres and clean energy exports, Cepas can place the GCC on a more sustainable growth path.

In a world where political and economic fragmentation threatens prosperity, the UAE offers a compelling countermodel: strategic openness remains the most viable path to a resilient, high-growth economy.

Dr Nasser Saidi is the president of Nasser Saidi and Associates. He was formerly chief economist and head of external relations at the DIFC Authority, Lebanon's economy minister and a vice governor of the Central Bank of Lebanon

Comments on the UAE-EU CEPA negotiations in The National, 11 Apr 2025

Dr. Nasser Saidi's comments on the UAE starting negotiations for a CEPA with the EU appeared in an article in The National titled "[UAE-EU trade deal to boost FDI to Emirates amid rising global uncertainties, economists say](#)" published on 11th April 2025.

The comments are posted below.

The announcement of EU-UAE trade talks is "timely", as there is greater global fragmentation and decoupling with China, in general, said Nasser Saidi, a former economy minister in Lebanon and vice governor of its central bank.

"It is in the economic and financial interest of the UAE and the GCC to expand and deepen relations with the EU, given the latter's growing trade and investment confrontation with the US," he said. "As the US imposes tariffs on the EU, the bloc has to diversify and divert to other markets.

"For the UAE, this provides a perfect opportunity to further open up and strengthen its trade and investment linkages with the EU."

The bottom line is that a policy of continued openness and liberalisation by the UAE will be beneficial at a time when other countries are moving towards more trade barriers and increased protectionism, Mr Saidi added.

Top exports from the UAE to the EU include fuels and precious metals, as well as aluminium and plastics – providing inputs for Europe's industry and manufacturing, Mr Saidi said.

The top imports from the EU to the UAE are machinery,

mechanical appliances and electrical equipment, “both essential to facilitate the UAE’s ambition to emerge as a leading manufacturing and industrial hub”, he said.

Beyond the remit of trade in goods, the CEPA with the UAE will allow EU countries to increase trade in services, including tourism, with collaboration in key areas such as artificial intelligence, renewable energy, climate technology and climate finance, as well as financial services and capital markets, he added.

“Existing EU-Middle East air travel routes could be strengthened further with a fully deregulated open skies policy in a bid to increase both passenger and cargo movements,” he estimated.

At a time of rising economic uncertainty relating to trade, Mr Saidi suggested the UAE and EU could also explore options to sign swap agreements between the European Central Bank and the UAE Central Bank, strengthen payment networks and complete trade transactions in euros and/or using digital currency.

“UAE-China Partnership for a Transforming Global Economic Geography”: Presentation at the China-UAE Investment Summit (Abu Dhabi Finance

Week), 10 Dec 2024

Dr. Nasser Saidi's joined as a keynote speaker presenting on "[UAE-China Partnership for a Transforming Global Economic Geography](#)" at the China-UAE Investment Summit session held during the Abu Dhabi Finance Week on 10th of December 2024.

Starting with an overview of the 40 years of diplomatic & economic relations between UAE and China, Dr. Nasser Saidi highlighted that China was an important partner in UAE's initial diversification phase (infrastructure, trade, tourism). With the UAE and wider GCC benefiting from reconfiguration of global supply chains, trade & investment diversion from China "decoupling", China can become a Comprehensive Strategic Partner for UAE's next phase of diversification.

What are the building blocks of such a Comprehensive Strategic Partnership? Regional / multilateral cooperation measures aside, bilateral efforts could range from a free trade agreement to banking/ financial integration and investing in future technologies among others.

Some snippets of the summit are highlighted below:

The China-UAE Investment Summit 2024 at ADFW wrapped up with valuable insights into the strengthening economic ties between China and the UAE.

Leaders from both nations explored key opportunities in trade, innovation, and investment, setting the stage for a new era of... pic.twitter.com/QTtmZ9o3D2

– ADFW (@ADFinanceWeek) [December 10, 2024](#)

Comments on UAE-India relations in CNN Arabia, 9 Sep 2024

Dr. Nasser Saidi's comments appeared in a CNN Arabia article titled "زيارة ولي عهد أبوظبي إلى الهند.. ما الاتفاقيات الاقتصادية المتوقعة؟" focusing on the UAE delegation visit to India in Sep 2024, during which discussions are expected to centre around strengthening trade and investment ties. This article was published on 9th September 2024 & can be accessed [directly](#).

Dr. Saidi's comments are posted below:

وقال ناصر السعيدى، رئيس شركة ناصر السعيدى وشركاه، فى تعليقاته الاقتصادية، «من المرجح أن تتمحور المناقشات حول مواصلة CNN- تعزيز الشراكة الاستراتيجية والتكنولوجيا والخدمات المصرفية والمالية».

وقال ناصر السعيدى، «تتمتع الإمارات بميزة نسبية وخبرة فى تطوير البنية التحتية الأساسية، والشبكات والأنظمة التى توفر الخدمات الأساسية، والتى تمكن وتسهل النشاط الاقتصادى، وحركة أو تخزين البضائع، والمياه، والطاقة بما فى ذلك الطاقة المتجددة، والبيانات، ومراكز البيانات المستدامة».

(Translated as:

“Discussions will likely revolve around continuing to strengthen strategic partnerships, technology, banking and financial services,” Nasser Al Saidi, chairman of Nasser Al Saidi & Partners, told CNN Business.

“The UAE has a comparative advantage and expertise in developing the core infrastructure, networks and systems that provide essential services, enable and facilitate economic activity, the movement or storage of goods, water, energy including renewable energy, data and sustainable data centers,” Nasser Al Saidi said.)

Comments on the GCC-Turkey trade negotiations & opportunity in The National, 30 July 2024

Dr. Nasser Saidi's comments appeared in an article in The National titled [“GCC and Turkey's trade agreement could create \\$2.4tn opportunity”](#) published on 30th July 2024.

The comments are posted below.

“By liberalising trade in goods and services and investment, a GCC-Turkey FTA would potentially create one of the world's largest FTAs of \$2.4 trillion if fully implemented,” Nasser Saidi, a former economy minister and vice-governor of Lebanon's central bank, told The National.

“This would require agreement on domestic content, GCC co-ordination with Turkey on trade facilitation to avoid long

waiting times at borders, inappropriate fees, cumbersome customs formalities, and inadequate or unclear rules and regulations.”

“The GCC are now negotiating as a trading bloc, strengthening their negotiating power as compared to negotiating individually,” Mr Saidi said.

“Greater regional economic and financial integration implies greater economic diversification gains and generate higher economic growth.”

He said that the GCC and Turkey are to benefit from the deal as global trade is disrupted by sanctions and tariffs at a time when the US and China are at odds.

The deal will also have “positive spillover effects for other countries, such as Iraq and Syria, that can benefit as GCC-Turkey trade and investment links grow”, Mr Saidi said.

A GCC-Turkey free-trade agreement could also facilitate Brics membership and “add an important economic and geostrategic member”, to the 10-member bloc, Mr Saidi said.

Comments on UAE-Turkey CEPA in Zawya, 30 May 2023

Aathira Prasad’s comments (posted below) on the prospects for UAE-Turkey CEPA in the backdrop of President Erdogan’s election victory, appeared in the article titled [“With Erdogan’s win, UAE looks to strengthen trade relations with Turkey”](#) on Zawya dated 30th May 2023.

“Erdogan’s victory will ensure continuity in planned economic

and trade cooperation,” said Aathira Prasad, Director, Macroeconomics, at the Dubai-based consultancy Nasser Saidi & Associates.

“For the UAE, the CEPA with Turkey will support its diversification efforts – both in terms of expanding into new emerging markets (i.e. trade partners) and an increased focus on the non-oil sector,” Prasad told Zawya.

“The UAE is likely to push for greater cooperation on newer, up-and-coming avenues such as clean energy and adoption of digital technologies, including AgriTech, alongside the usual suspects of real estate and construction,” Prasad added.

“There has to be a concerted effort from Turkey’s part to convince foreign investors: the lira has already dipped to a record low of 20 to the dollar and the central bank’s net foreign reserves are already in negative territory (first time since 2002). Unless the central bank raises interest rates, the currency will likely fall further – an unsustainable option for the medium-term and a worrisome prospect for investors,” said Prasad.

Comments on UAE trade deals in Reuters, 25 May 2023

Dr. Nasser Saidi’s comment (posted below) on UAE’s recent spate of trade deals appeared in the article titled [“Analysis: UAE steps up pace of solo trade deals in regional economic race”](#) on Zawya dated 25th May 2023.

Dubai-based economist Nasser Saidi said CEPAs could be a “stepping stone” into financial markets, facilitating company cross-listings, and cooperation in new sectors such as clean energy. “They signal a decision to engage on a wider diplomatic front.”