

“Trumponomics, tariffs and the global flight from the US”, Op-ed in Arabian Gulf Business Insight (AGBI), 28 Apr 2025

The opinion piece titled “[Trumponomics, tariffs and the global flight from the US](#)” was published in Arabian Gulf Business Insight (AGBI) on 28th April 2025.

Trumponomics, tariffs and the global flight from the US

GCC and Asian economies are moving to de-risk from American dominance. Economic policy must focus on reconfiguring the global trade, financial and technology landscape

The rise of “Trumponomics” has sharply heightened global trade tensions, economic uncertainty and market volatility.

It’s no overstatement to say that the US administration’s erratic tariffs and policies risk the dissolution of the “rules-based order” established by the US and the West after the second world war, severely eroding America’s global credibility and geopolitical hegemony.

The concept of Trumponomics extends well beyond tariffs and

trade wars to include chip and technology battles, as well as broader protectionist policies – subordinating economic interests to national security imperatives rather than to financial rationale, comparative advantage, or the functioning of free markets.

President Donald Trump's approach harks back to a bygone era when manufacturing was the foundation of financial power.

In contrast, today's US economic strength is anchored in tech-based services, with the country running a substantial \$293 billion surplus in trade in services and revenues from intellectual property rights.

In a globalised economy physical location matters less than participation in supply chains and the ability to navigate growing product complexity.

However, US efforts to decouple from China – combined with rising tariff and non-tariff barriers with the EU, Canada, Mexico and others – already signal a restructuring of global supply chains.

Tariffs, retaliation and trade policy uncertainty have prompted the IMF to downgrade its growth forecasts sharply, revising global growth down by 0.5 percentage points to 2.8 percent for this year.

In the Mena region growth is now projected at only 2.6 percent – a downward revision of 0.9 percentage points – with Saudi Arabia and the UAE expected to expand by 3 percent (down from 3.3 percent) and 4 percent, respectively.

While the direct impact of the US tariff hikes on Mena will be limited, \$22 billion in non-oil exports is at risk. Bahrain, Egypt, Jordan, Lebanon, Morocco and Tunisia are expected to be significantly affected by the new tariff hikes.

The indirect impact stems from several factors: weaker oil

demand and Opec+ production hikes, which could push prices lower and hurt oil-exporting nations; pressure from a weakening dollar; a pause in the IPO pipeline amid heightened market volatility and increased financing costs, with rising interest payments posing challenges for highly indebted countries such as Bahrain, Morocco, Jordan, Tunisia and Egypt.

These pressures are also likely to weigh on trade-dependent sectors such as transport and logistics.

Buffering strategies

For Asian and Arab economies – particularly those led by the GCC – economic policy must increasingly focus on reconfiguring the global trade, financial and technology landscape to reflect the priorities of a more multipolar, non-US-centric order.

The first critical building block of this new order is the development of deep, reciprocal regional and bilateral trade agreements that extend beyond goods to encompass broader policy areas.

For the GCC, immediate strategic priorities include securing a trade agreement with the Asean Free Trade Area and finalising a long-negotiated free trade agreement with China.

The second task at hand is the development, deepening and interlinking of financial markets. As of the end of 2024, the US accounted for almost half of global equity market capitalisation, with the size of its financial markets reaching nearly 200 percent of GDP – compared to just 50 percent for China.

The dominance of US markets means that financial shocks originating there – as witnessed during the global financial crisis – reverberate worldwide. This highlights the urgent need for regions like the GCC to reduce their exposure and de-risk from US financial markets.

The capital-exporting GCC financial markets should be integrated. Their larger size allows them to link to Singapore, Hong Kong and Shanghai efficiently. Linking with Asian markets would transform the GCC into a global player in financing the energy transition, AI, robotics, biotech and automation.

The third step entails de-risking regional payment systems from the US dollar and its increasing weaponisation.

As of January 2025, according to global finance network SWIFT, the dollar accounted for 50 percent of global payment transactions – compared to the euro's 22 percent and the Chinese yuan's 4 percent. Its dominance in the trade finance market is even greater, with an 83 percent share, versus just 6 percent for the yuan and 5 percent for the euro.

However, the future belongs to digital currencies. As global supply chains continue to pivot towards Asia and China, the yuan – and particularly the digital yuan – are likely to form the basis of a growing share of non-dollar trade financing.

Yet for the yuan to truly become a global reserve currency, China must accelerate the development of broad, deep and liquid domestic debt and financial markets.

Full convertibility of the yuan remains a critical milestone if it is to stand as a viable, long-term alternative to the US dollar.

Meanwhile the ongoing Trumponomics-driven trade and technology wars are accelerating a pivot towards the East – and prompting the GCC and its linked economies to intensify efforts to de-risk from overexposure to the US.

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 BRICS+, geo-political fragmentation and the role of the USD in CNN Business Arabia, 17 Jun 2024

Dr. Nasser Saidi's comments appeared in a CNN Arabia article titled "هل يضعف تدويل اليوان هيمنة الدولار الأميركي؟" on the BRICS+, geo-political fragmentation and the role of the USD. This article was published on 17th June 2024 & can be accessed [directly](#).

His comments are posted below:

واعتبر مؤسس ورئيس شركة «ناصر السعيدى وشركاه» ناصر السعيدى في الاقتصادية أنه في وقت يعاني العالم من تفتت جيوسياسي CNN حديث مع ويتراجع مفهوم العولمة، ترغب قائمة طويلة من الدول، ما يقارب 15 دولة، الانضمام إلى بريكس بلس.

وأعربت تايلاند (أول دولة في جنوب شرق آسيا) وتركيا (العضو في حلف شمال الأطلسي) مؤخراً عن رغبتها في الانضمام.

وتابع السعيدى «مع توسع بريكس بلس، تعمل اقتصادات الدول فيها على توحيد وجهات النظر بشأن القضايا العالمية والتنمية الاقتصادية». «والتجارة وإنشاء مؤسسات جديدة تتحدى اتفاقية بريتون وودز».

وأكد السعيدى أن هذه التغيرات تؤثر على النظام المالي الدولي والسياسات النقدية وسلاسل الإمداد العالمية وأنظمة الدفع، وبينما كانت هناك مناقشات حول اعتماد عملة البريكس داخل المجموعة استبعد سعيدى هذا السيناريو ورجح سيناريو اتفاقيات تبادل العملات بين دول

.التحالف.

وعلى الصعيد العالمي، يرى السعيد أن هناك هيمنة للدولار في المعاملات طويلة الأمد؛ مثل نظام سويفت الذي يمثل 47.37 في المئة من إجمالي قيمة المعاملات في مارس آذار 2024، ومع ذلك - بحسب سعيد- تفيد التقارير بأنه يتم التعامل مع مبيعات النفط بعملة بعيدة عن الدولار منها اليوان الصيني والدرهم الإماراتي.

وقال السعيد إن استخدام الدولار كسلاح - من خلال العقوبات المالية أو تجميد الحسابات واستخدام الدخل من الأصول الروسية المجمدة - يعني أن سندات وأذونات الحكومة الأميركية لم تعد «خالية من المخاطر»، وذلك يدفع الدول والمصارف المركزية إلى تقليل حصتها من احتياطي الدولار في سنداتها والاحتياطيات الدولية والأصول الموجودة في الولايات المتحدة.

وأضاف سعيد أن الجمع بين تنامي قوة الصين الاقتصادية وبعض الاقتصادات الناشئة، إلى جانب القيود التجارية المتزايدة (وصلت نحو 3 آلاف قيد في عام 2023) واستخدام الدولار كسلاح، يؤدي إلى إلغاء تدريجي للدولار على المستوى الدولي.

وبلغت الاحتياطيات المخصصة بالدولار الأميركي على مستوى العالم بحسب السعيد 58.4 في المئة حتى نهاية عام 2023 متراجعة من نحو 70 في المئة في مطلع القرن الحالي.

وأكد السعيد أن البنوك المركزية اختارت زيادة حصتها من العملات الاحتياطية غير التقليدية (بما في ذلك الرمينبي الصيني، والدولار الكندي، والدولار الأسترالي، وعملات الشمال من بين عملات أخرى) بدلاً من اليورو أو الين الياباني أو الجنيه الإسترليني.

وكان هناك أيضاً تحول واضح نحو الاحتفاظ بالذهب كوسيلة للتحوط على الرغم من أن حصة الذهب في الاحتياطيات لا تزال منخفضة، بحسب ما قاله سعيد، ما يساعد على رفع سعر الذهب.

Interview with Asharq Business (Bloomberg) on should countries move away from reliance on the dollar, 11 Apr 2023

Dr. Nasser Saidi joined Asharq Business (Bloomberg) on 11th April 2023, to speak about the reliance on the US dollar, the rise of the renminbi and whether the GCC's economic relations with China could take a new turn (free trade agreement, trading oil in the yuan)

Watch the interview (in Arabic) at this [link](#).

الصباح مع صباح

ناصر السعيد: تسعير النفط بالدولار لا يمنع تداوله باليوان

دبي.. د. ناصر السعيد/ مؤسس ورئيس شركة ناصر السعيد وشركاه: البريكست تمثل 32% من الناتج القومي العالمي.. تسعير النفط بالدولار لا يمنع تداوله باليوان.. قد نشهد منطقة تجارة حرة بين دول التعاون الخليجي والصين

The Redback Cometh: Renminbi Internationalization and What

to Do About it

<http://nassersaidi.com/wp-content/uploads/2012/03/The-Redback-Cometh-Renminbi-Internationalisation-What-to-do-about-it-DIFC-Economic-note-18.pdf>

DIFC Economic Note 18, [The Redback Cometh Renminbi Internationalisation & What to do about it](#), analyses the growing international role of China which spans trade, investment, foreign reserve accumulation and Sovereign Wealth Funds. Despite the growing economic & financial international role of China, its currency, the Renminbi (RMB) remains largely a domestic currency. There are increasing calls for the RMB to become an international payment, investment and reserve currency. However, the move towards internationalization necessitates the development of an onshore capital market complemented by domestic policy reforms leading to a changed financial structure, with lower dependence on bank financing.

Internationalization of the RMB forms an integral part of the process of capital market development and financial sector reform. To date, there have been three main channels of RMB internationalization: the introduction of the RMB as the settlement currency for cross-border trade transactions, the provision of RMB swap lines between the People's Bank of China (PBoC) and other central banks and the creation of a RMB offshore market. In this context we estimate that the RMB will emerge as the third global currency by 2015! In addition, the paper also discusses the GCC's rising stature as a major trading partner for China, underscoring the fact that it is in the GCC's strategic interest to move towards greater economic & financial integration with China through accelerating the GCC-China free trade agreement, establishing links between financial markets, finance bilateral trade using the RMB and establishing RMB swap lines with GCC Central Banks.

The Redback cometh and we need to prepare for this momentous coming.