



BANCA D'ITALIA
EUROSISTEMA

Africa Growth and Opportunity: Research in Action Conference

'Mattei Lecture' (Ngozi Okonjo-Iweala, Director-General, WTO)

Introduction by Luigi Federico Signorini
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Ladies and gentlemen

It is an honour to introduce Dr. Ngozi Okonjo-Iweala, Director-General of the World Trade Organization, who will deliver this year's Mattei Lecture.

Dr. Okonjo-Iweala is an economist, reformer, and global leader with a distinguished career spanning over four decades. She served twice as Finance Minister of Nigeria, was Managing Director of the World Bank, and has led the WTO since 2021 – the first woman and the first African to do so. Her leadership has been instrumental in guiding the organisation through one of the most complex and turbulent periods in its history.

We meet at a time when the international trading order is being put to the test. Geopolitical tensions are deepening, strategic rivalries are reshaping trade flows, and protectionist measures – often justified by concerns about security or industrial resilience – are proliferating. In this context, it is important to keep the flows of goods, services, ideas, and people as open as possible. This is especially necessary for emerging and developing economies such as those in Africa.

Recent tariff increases are part of a broader trend of economic fragmentation that has accelerated since Russia's invasion of Ukraine. Trade barriers, export controls, and non-market policies have multiplied, leading to the resurgence of a bloc-based economic order. Intra-bloc trade has increased, while cross-bloc exchanges have declined.

These developments weaken global trade flows and may negatively affect overall growth prospects – not only due to the direct effects of new barriers, but also because of the heightened uncertainty that the absence of a clear, predictable, and commonly accepted framework of rules creates.

An evolving series of bilateral agreements, and the absence – so far – of a general retaliatory escalation, have helped avert the most negative scenarios for the world economy. Yet, there is a perception of continued instability, and significant risks remain.

Fragmentation extends beyond trade. It also affects the financial system, global payment networks, and the global financial safety net.

Fragmentation comes at a cost. Barriers reduce productivity, slow innovation and weaken growth. They also limit our collective capacity to address global challenges that do not stop at borders – from climate change to food security, health security, and the governance of the digital economy.

The cost may be particularly high for developing countries. In the framework of an open-trade system that has long prevailed, many emerging and developing economies have enjoyed long periods of growth. Over the past few years, even the most disadvantaged African countries – particularly those in the Sub-Saharan region – have experienced an acceleration in economic growth.

Still, despite being home to nearly one-fifth of the world's population, Africa accounts for barely 3 per cent of global merchandise trade, and trade within the continent remains limited.¹ Deeper integration into global markets and technological exchange should be seen as a powerful mechanism for turning Africa's demographic dynamism into sustainable prosperity. Initiatives such as the Resilient and Inclusive Supply-chain Enhancement (RISE) project, prioritized under the G7 agenda, have the potential to foster investment and facilitate the transfer of technology and skills, enabling African economies to participate more effectively in global value chains and play a more prominent role in international production networks.

The challenge before us is not to restore the past, but to rebuild and re-design a rules-based trading system fit for today's geopolitical and technological realities. This means acknowledging legitimate national security concerns while reaffirming the primacy of cooperation and dialogue. Open trade and strategic resilience need to coexist.

It also means addressing the imbalances that have long distorted trade and finance – from excessive surpluses and deficits to overdependence on critical sectors. Persistent external imbalances mainly stem from internal mismatches between savings, investment and public and private consumption, influenced by divergent domestic policies and often worsened by non-market practices.

The WTO stands at the heart of the efforts to rebuild a fair and open trading system. To do so, it must evolve. The international community should support reforms that better equip it to address market distortions and ensure that it can effectively perform its dispute-settlement function. As Dr. Okonjo-Iweala has often reminded us, the goal is not de-globalisation but re-globalisation, which means rebuilding global flows of trade, investment, and ideas on fairer, more secure, and more sustainable foundations. Multilateralism may seem difficult in an age of rivalry, but it needs to remain a goal.

¹ WTO World Trade Statistics 2024 and Mancini, M., Mattoo, A., Taglioni, D., & Winkler, D. (2023). Sub-Saharan Africa's participation in global value chains: 1995-2021. *The World Economy*, 46(11), 3192-3207.

Trade increases prosperity and discourages war. We forget this at our peril.

I am confident that under Dr. Ngozi Okonjo-Iweala's leadership, the WTO will play a pivotal role in this transformation, and I look forward to hearing her vision for the future of global trade and Africa. Please join me in welcoming Dr. Okonjo-Iweala. You may take to the floor.

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