



## ECONOMIC COMMENTARY

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financial well-being*

### THE NEXT ECONOMIC BATTLE IS NOT ABOUT OIL; IT IS ABOUT WHO WRITES THE RULES

Markets are drawn to visible power. Missiles, tariffs, sanctions, trade wars, oil spikes; these are all things that move prices quickly and dominate headlines. They feel like the real story because they are dramatic and immediate. But the deeper shifts in the global economy often happen elsewhere, in quieter places: Committees, secretariats, treaties, standards bodies, and the institutions that slowly shape how countries and companies are expected to operate. That is why China's push to host the secretariat linked to the new United Nations High Seas Treaty matters more than it first appears.

At first glance, it can sound technical, almost bureaucratic. Oceans governance does not have the emotional punch of a war or the market impact of an oil shock. But that is exactly why it deserves attention. This is not simply about where officials meet. It is about who gains proximity to an emerging global institution, who helps shape its administrative culture, who becomes central to its networks, and who strengthens its standing as a responsible organiser of international co-operation. All of this matters economically.

Modern economic power is no longer exercised only through factories, military reach, commodity flows, or export strength. Increasingly, it is exercised through influence over the frameworks that govern trade, regulations, resources, data, and the global commons. Whoever helps shape the rulebook does not need to dominate every market directly. It is often enough to help define the language, procedures, standards, and legitimacy within which others must function.

For years, many assumed that although the global economy was changing, the institutional architecture underneath it would remain broadly Western in its character. The United States (US), in particular, was expected to remain the default anchor of the multilateral order. But when the US steps back (whether as a result of fatigue, domestic political division, or strategic neglect), the vacuum does not stay empty. Other powers move in.

China understands that power is not only about building roads, ports, rail lines, and supply chains. It is also about building influence inside the institutions that govern international life. That is a subtler form of power, but in many ways a stickier one. Countries can reject rhetoric. It is much harder to ignore a system once it becomes embedded in how decisions are made.

For investors and businesses, this should not be dismissed as distant diplomacy. Institutions shape commercial reality. They influence compliance burdens, environmental obligations, dispute-resolution mechanisms, reporting standards, and the broader predictability of doing business across borders. Once those frameworks settle, capital begins to adapt around them. So do governments. So do multinational companies.

South Africa should pay attention. We often think geopolitical rivalry only matters when it hits the oil price, the rand, or shipping costs. But countries like ours are also deeply affected by rule-making that we do not control. We export into systems shaped elsewhere. We seek investment from markets that care about standards, governance, and strategic alignment. We operate within legal and commercial frameworks whose direction can change without our consent. That means the contest over institutions is not a side issue. It is part of the terrain on which smaller and mid-sized economies must compete.

There is an irony here. The world talks endlessly about the return of hard power, yet some of the most important battles are being fought through administrative influence, procedural credibility, and institutional positioning. This is slower power, but it lasts. It accumulates quietly, then suddenly looks obvious.

That may be the most thought-provoking feature of the moment. The world is still obsessed with the visible drama of power. Yet the quieter contest may prove more enduring: Not who fires the loudest shot, but who ends up writing the manual everyone else has to use. And that is why the next global economic struggle may not be decided only by who produces more, exports more, or threatens more. It may be decided by who becomes the default organiser of the world.

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