

Facts and figures

Global trade growth continues, but fragility rises



HIGHLIGHTS

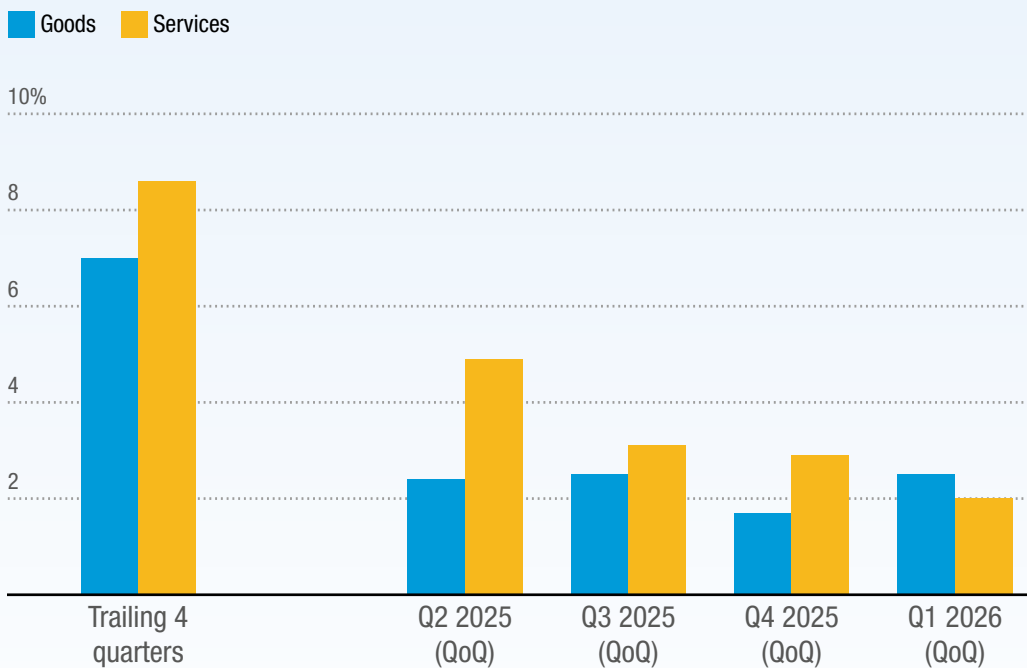
- 1 **Global trade in goods and services grew by \$2.5 trillion in 2025**, reaching \$35 trillion, and is projected to expand further in Q1 2026.
 - 2 **Trade gains in 2025 were broad-based**, with East Asia and Africa posting the strongest advances. South–South trade also outperformed overall global trends.
 - 3 Amid United States–China trade decoupling, **several connector countries have emerged**, stabilizing flows and supporting global trade growth despite rising geopolitical fragmentation.
 - 4 **A strong manufacturing sector**, led by electronics trade, drove global trade growth, while the automotive sector remained subdued amid rising protectionism.
 - 5 **Trade growth is expected to slow considerably in 2026**, weighed down by geopolitical uncertainties, persistent inflationary pressures and rising trade costs, with only a few sectors expected to see trade expansion.
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Global trade trends and nowcast

Global trade growth remained robust in Q4 2025, rising roughly 2 per cent quarter-over-quarter (QoQ). Both goods and services contributed, with goods up 1.7 per cent and services nearly 3 per cent. UNCTAD's nowcast indicates that this positive trend continued in Q1 2026, with goods and services expected to grow 2.5 per cent and 2 per cent, respectively, QoQ. On a trailing four-quarter basis, trade growth was strong, reflecting a persistent expansion rather than short-term fluctuations. However, growth in services has slowed over the course of the last four quarters. These positive results are being tested by the macroeconomic consequences of the ongoing conflict in the Middle East.¹

Global trade in goods started strong in 2026, while services slowed

Trade value in goods and services: trailing four quarters and quarterly growth



Source: UNCTADstat; UNCTAD estimates based on national statistics.

Note: Trailing four quarters (T4Q) growth measures the change in a variable over the last four quarters (Q2-2025 to Q1-2026) compared to the previous four quarters (Q2-2024 to Q1-2025). Quarterly growth (QoQ) is the quarter-over-quarter growth rate of seasonally adjusted values. Growth figures are based on nominal trade values. Figures for Q4-2025 are preliminary. Q1-2026 is a nowcast as of 24 March 2026.

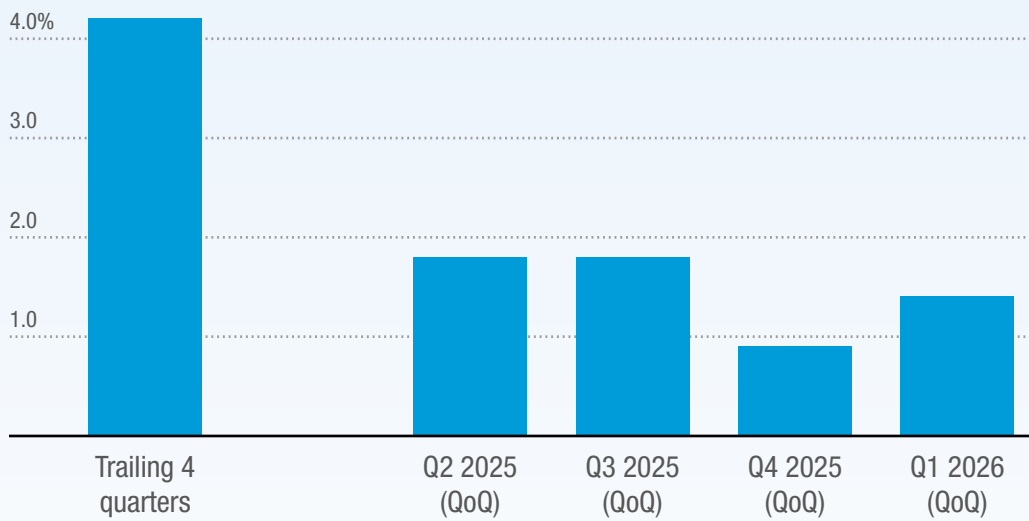
¹ See: <https://unctad.org/publication/strait-hormuz-disruptions-growth-and-financial-implications>

Global trade inflation fell in Q4 2025 but rebounded to nearly 1.5 per cent QoQ in Q1 2026, indicating that part of early-2026 trade growth is driven by higher prices rather than volumes, which suggests that trade growth remains relatively weak. Over the past 12 months, trade inflation has averaged around 4 per cent, reflecting continued upward pressure on the value of global trade.



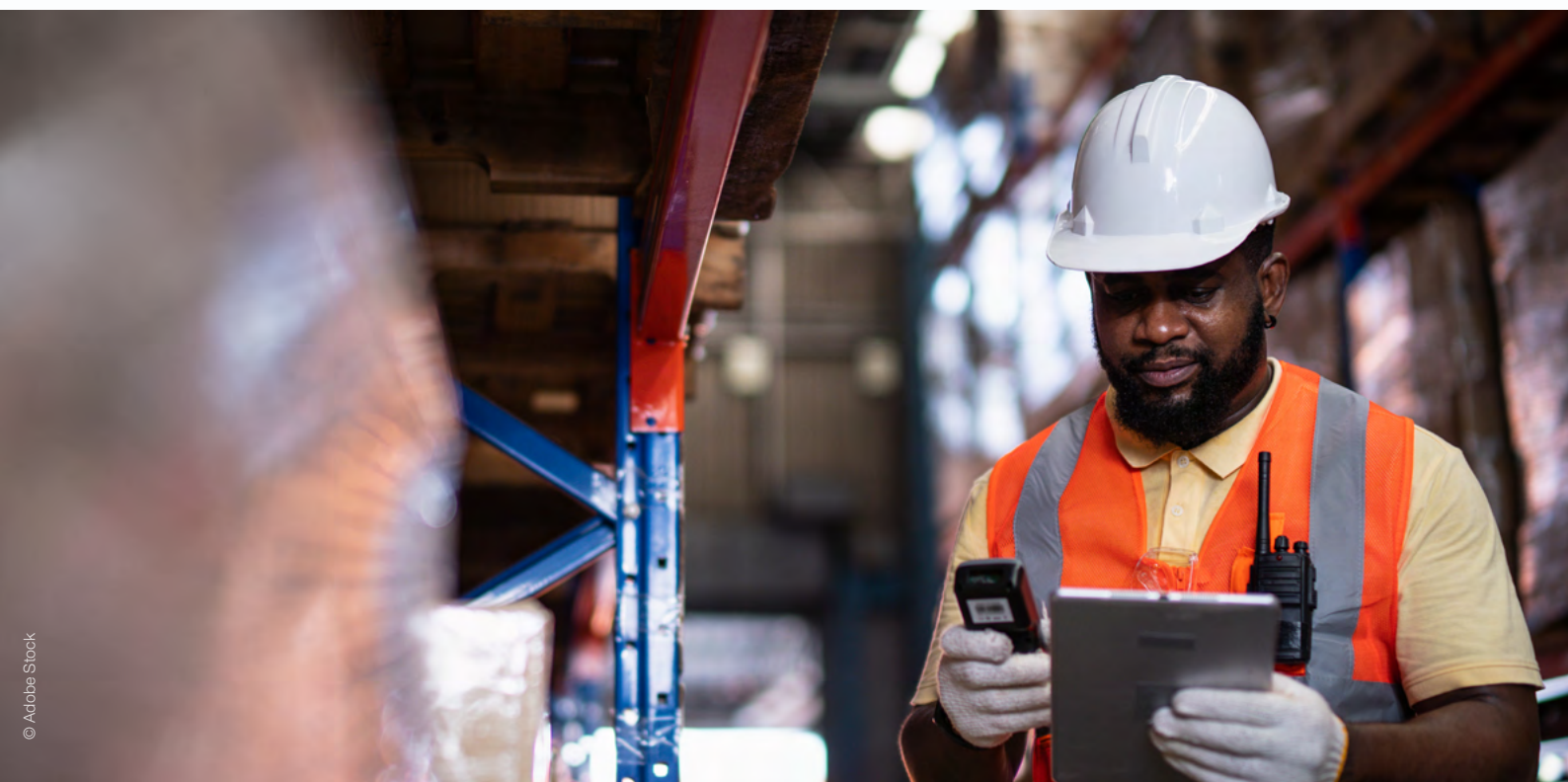
Price pressures on trade goods pick up in early 2026

Overall price of traded goods: trailing four quarters and quarterly growth



Source: UNCTADstat; UNCTAD estimates based on national statistics.

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Summary and Outlook

The value of global trade increased substantially during 2025 reaching about \$35 trillion, an increase of around \$2.5 trillion, or almost 7.5 per cent, compared to 2024. Goods account for about \$1.8 trillion of that rise (about 7 per cent growth), while services contributed roughly \$700 billion (about 8 per cent growth). Trade growth was supported by developing economies in East Asia and Africa and strong South–South trade.

While trade growth remained solid in the first quarter of 2026, global trade is expected to slow for the remainder of the year. The conflict in the Middle East and the shipping disruptions in the Strait of Hormuz are likely to exacerbate inflationary pressures weighing on a global economy already challenged by geopolitical tensions, policy shifts, and limited fiscal space in many countries. Rising energy costs, combined with higher trade costs from tariffs, regulatory changes, and erosion of trade rules, further dampen prospects. Although global demand for goods related to AI and some consumer-driven markets and sectors, such as digital technologies and green industries, remain very strong and may provide support to global trade, these factors are unlikely to offset current geoeconomic challenges and mounting trade frictions. On the positive side, trade sentiment in many developing regions remains broadly supportive, sustaining commitments to openness and investment in cross-border commerce. This could help expand intra-regional and South–South trade. Overall, however, the outlook for the incoming quarters points to slower global trade growth, with risks skewed to the downside compared with the robust performance observed in 2025.



➤ East Asia and Africa drove trade in 2025

Imports and exports growth: percentage-point difference from global average, 2025

● Country ● Region ● European Union



Source: UN Trade and Development (UNCTAD) estimates based on national statistics.

Note: Data exclude services. Regions include only developing countries and exclude listed economies. Growth figures are based on nominal trade values.

Key factors shaping short-term trade outlook

Negative Factors Hindering the Trade Outlook



Conflict in the Middle East and the shipping disruptions in the Strait of Hormuz

The ongoing conflict continues to disrupt energy flows, regional logistics, and broader geopolitical stability. This is the current primary global trade headwind, with direct impacts on energy markets and indirect consequences for global economic activity.



Persistent Uncertainty in United States Trade Policy

While the rollback of certain United States tariffs provides limited relief, uncertainty remains high due to expanding Section 301 investigations that may result in new selective tariffs. Upcoming United States–Mexico–Canada Agreement renegotiations add further uncertainty for North American trade patterns.



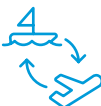
Geoeconomic Competition and Fragmentation

Governments are increasingly deploying export controls, subsidy regimes, industrial policies, and non-tariff measures to boost growth in strategic sectors. These actions are often trade restrictive, reduce predictability, fragment markets, and increase compliance burdens for supply chains.



Restrictive Policies Driven by Global Overcapacity

Industrial policies, combined with potentially weaker global demand, risk exacerbating oversupply in key sectors such as green and advanced manufacturing. This may trigger defensive trade measures and intensify competition within strategic value chains.



Slowing Trade in Services

Services trade growth has slowed in recent quarters, and elevated fuel costs are expected to raise travel and transport expenses, reducing a key post-pandemic trade driver. Tighter restrictions on cross-border data and digital services create friction for IT and professional services, further constraining growth.



Mounting Debt Pressures in Developing Economies

Elevated public and private debt continues to constrain fiscal space, stifle investment, and weaken import demand. As global interest rate cuts become less certain, debt sustainability challenges are increasingly relevant to global trade stability.



Positive Factors Influencing the Global Trade Outlook



Growth in Digital, AI, and Environmental Sectors

Rapid expansion in technology-intensive and green industries continues to drive global trade growth. These sectors support high-value goods and services, including semiconductors, batteries, AI hardware, and clean-energy equipment.



Emergence of Connector Economies

Strategic competition among major economies has created significant opportunities for connector economies, driving investment, manufacturing relocation, and new industrial clusters in previously underused trade corridors. Trade in these economies is expected to continue rising in the near term, providing a stabilizing buffer for global supply chains.



Expansion of South-South Trade

Trade among developing economies is expected to continue growing faster than the global average, reinforcing diversification and boosting regional trade resilience. This trend indicates the increasing role of developing markets as key engines of global trade growth.



Resilient Import Demand from Emerging Economies

Despite macroeconomic uncertainties, several emerging markets continue to exhibit resilient or expanding consumer and industrial demand. Targeted policy measures stimulate key sectors -particularly in China- effectively bolstering global trade flows.



New Regional Initiatives and Preferential Access Schemes

Agreements under negotiation could provide incremental trade gains if finalized. Additionally, China's expanded duty-free access for African exports and the potential renewal of the African Growth and Opportunity Act support preferential market access, while deepening and implementation of existing regional agreements offer medium-term upside.



Trade trends of major economies

Goods trade during Q4 2025 displayed a mixed picture across major economies. Imports declined in several key economies, particularly Brazil and South Africa, while rising substantially in India and the Russian Federation. On the export side, all major economies experienced growth, with the United States outperforming the rest. Significant export increases were also recorded for Brazil and South Africa.



Exports rise in all major economies in Q4 2025, imports more uneven

Goods (Q4 2025)	Imports growth		Exports growth	
	QoQ	T4Q	QoQ	T4Q
Brazil	-5%	7%	4%	3%
China	-1%	0%	2%	5%
India	3%	5%	3%	1%
Japan	-1%	2%	3%	4%
Republic of Korea	-1%	0%	2%	4%
Russian Federation*	7%	1%	1%	-3%
South Africa	-4%	4%	4%	5%
United States	1%	5%	5%	6%
European Union	1%	7%	0%	7%

Source: UNCTAD estimates based on national statistics.










Note: Trailing four quarters (T4Q) growth measures the change in a variable over the last four quarters (Q1-2025 to Q4-2025) compared to the previous four quarters (Q1-2024 to Q4-2024). Quarterly growth (QoQ) is the quarter-over-quarter growth rate between Q3 2025 and Q4 2025. Data are seasonally adjusted. Growth figures are based on nominal trade values. Data exclude intra-European Union trade.

* denotes estimates.



Most major economies saw an increase in services trade in Q4 2025. Services exports were particularly strong in Brazil, China and India. In contrast, trends in the European Union were relatively muted, with imports declining during the quarter.

Services trade growth remained positive in most of the major economies in Q4 2025

Services (Q4 2025)	Imports growth		Exports growth	
	QoQ	T4Q	QoQ	T4Q
 Brazil	0%	1%	9%	8%
 China	4%	3%	4%	13%
 India	5%	3%	5%	10%
 Japan	2%	9%	-1%	8%
 Republic of Korea	3%	8%	-3%	6%
 Russian Federation*	0%	17%	-7%	8%
 South Africa¹	7%	7%	6%	12%
 United States	3%	7%	1%	7%
 European Union	-1%	10%	3%	8%

Source: UNCTAD estimates based on national statistics.

Note: Trailing four quarters (T4Q) growth measures the change in a variable over the last four quarters (Q1-2025 to Q4-2025) compared to the previous four quarters (Q1-2024 to Q4-2024). Quarterly growth (QoQ) is the quarter-over-quarter growth rate between Q3 2025 and Q4 2025. Data are seasonally adjusted. Growth figures are based on nominal trade values. Data exclude intra-European Union trade.

* denotes estimates.

¹ data are for Q3 2025.



Regional trade trends

Goods trade growth in Q4 2025 was fairly balanced between developed and developing economies, although import growth outside East Asia was more subdued. South–South trade recorded above-average growth during the quarter and remained well above trend over the past 12 months, expanding by around 9 per cent over the year—driven largely by the strong performance of East Asian economies.

▶ South-South trade drive annual growth, but largely because of East Asian economies

	Quarterly growth		Trailing four quarters	
	Imports	Exports	Imports	Exports
Developed countries	3%	2%	7%	6%
Developing countries	3%	3%	7%	8%
Developing countries (excluding East Asia)	2%	3%	4%	5%
South-South trade	4%		9%	
South-South (excluding East Asia)	3%		2%	

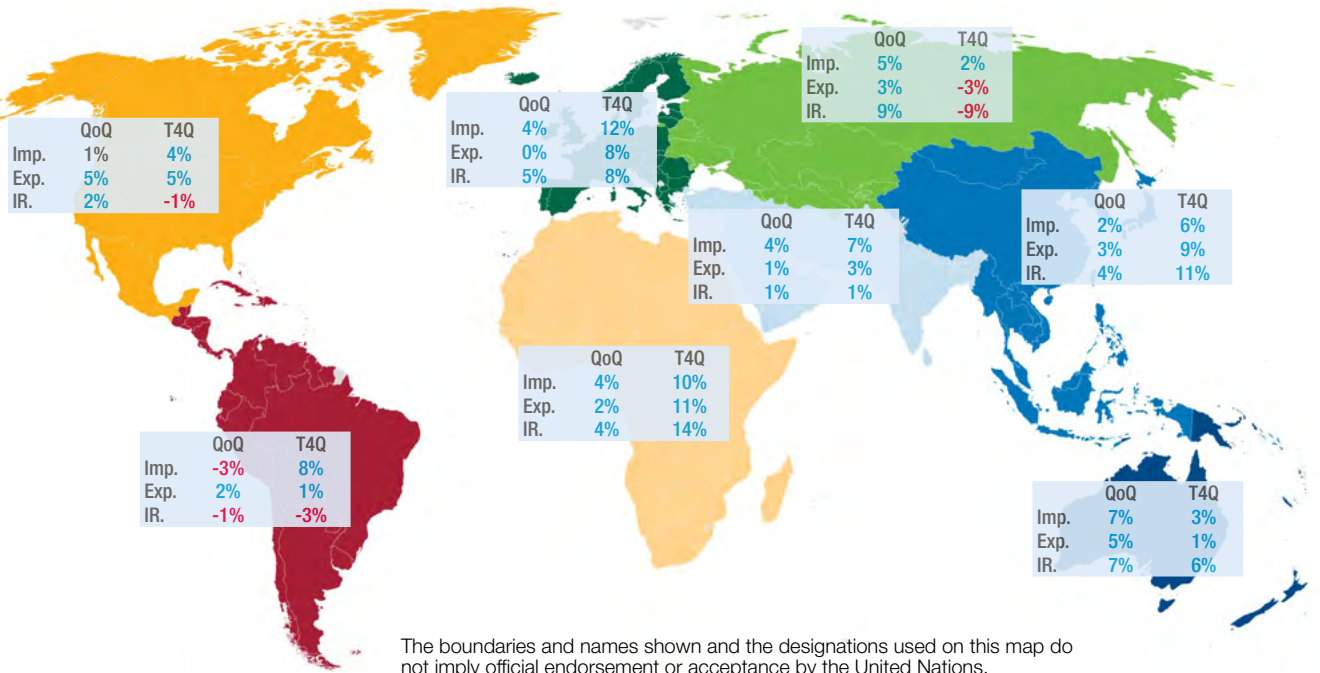
Source: UNCTAD estimates based on national statistics.

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In Q4 2025, goods trade growth was strong across many regions, but less dynamic in South America and Europe. Intra-regional trade expanded in most areas, though it remained weak in South America. Over the past 12 months, Europe, East Asia, and Africa have outperformed other regions, while the Pacific and Central Asia have lagged, particularly in terms of export growth.

Q4 2025 sees trade growth above average in South America, while East Asia drives T4Q growth



Source: UNCTAD estimates based on national statistics.

Note: Trailing four quarters (T4Q) growth measures the change in a variable over the last four quarters (Q1-2025 to Q4-2025) compared to the previous four quarters (Q1-2024 to Q4-2024). Quarterly growth (QoQ) is the quarter-over-quarter growth rate between Q3 2025 and Q4 2025. Data are seasonally adjusted. Growth figures are based on nominal trade values. Data exclude trade in services. Imports and exports exclude intra-European Union trade, while intra-regional for Europe includes intra-European Union trade.



Global imbalances in goods trade

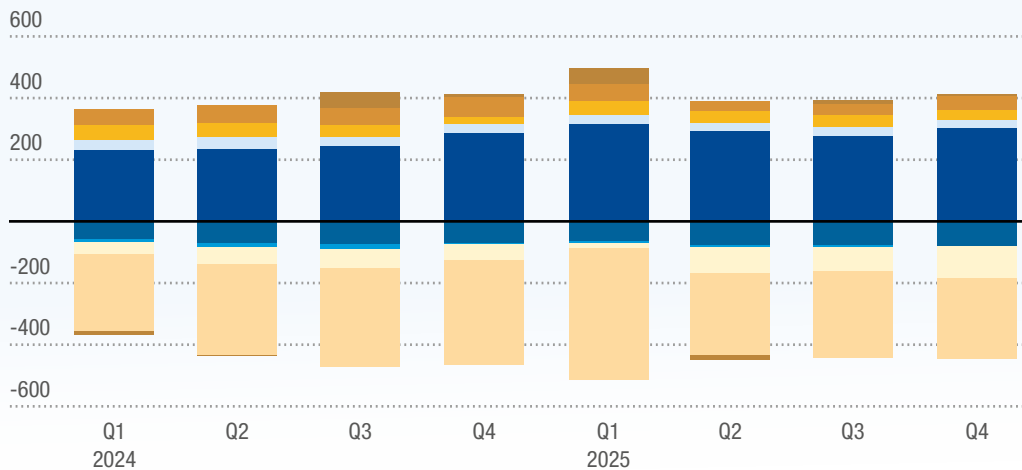
Global imbalances in goods trade remained relatively stable in Q4 2025. China's goods trade surplus, which had narrowed in Q3, expanded again during the quarter. Meanwhile, the United States trade deficit continued to decline in Q4.



Global trade imbalances are stabilizing, yet remain at high levels

Trade balance in goods (\$ billion)

■ China
 ■ India
 ■ Japan
 ■ Russian Federation
 ■ United Kingdom
 ■ United States
 ■ European Union
 ■ Other developed countries
 ■ Other developing countries



Source: UNCTAD estimates based on national statistics.



Bilateral trade imbalances in goods among major economies remained elevated in Q4 2025, with some widening over the quarter. The United States trade deficits with China, Canada, and the European Union continued to narrow, while its deficits with Mexico and Viet Nam increased. Meanwhile, China's trade surpluses with the European Union and Viet Nam expanded.

➤ Bilateral trade imbalances remain large in Q4 2025, though some have shrunk

Bilateral trade balances in goods, selected flows (\$ billion)

Deficit economy	Surplus economy	T4Q deficit	Deficit increase in Q4 2025	Deficit economy	Surplus economy	T4Q deficit	Deficit increase in Q4 2025
European Union	China	282	6	United Kingdom	China	66	2
United States	China	277	-29	United States	Canada	62	-11
United States	European Union	255	-18	India	Russian Federation	53	5
United States	Mexico	205	9	United States	India	47	-1
China	Taiwan Province of China	147	2	United States	Japan	46	-2
United States	Viet Nam	139	9	China	Australia	43	-1
United Kingdom	European Union	135	4	European Union	Norway	40	-4
India	China	117	2	China	Brazil	27	6
Viet Nam	China	97	9	Mexico	European Union	25	-1
Mexico	China	69	1	Russian Federation	European Union	8	-1

Source: UNCTAD estimates based on national statistics.

Note: Trailing four quarters (T4Q) deficit positions are calculated as the total over the last four quarters (Q1 2025 to Q4 2025). Deficit increase in the last quarter is measured by the difference between consecutive four-quarter moving sums.



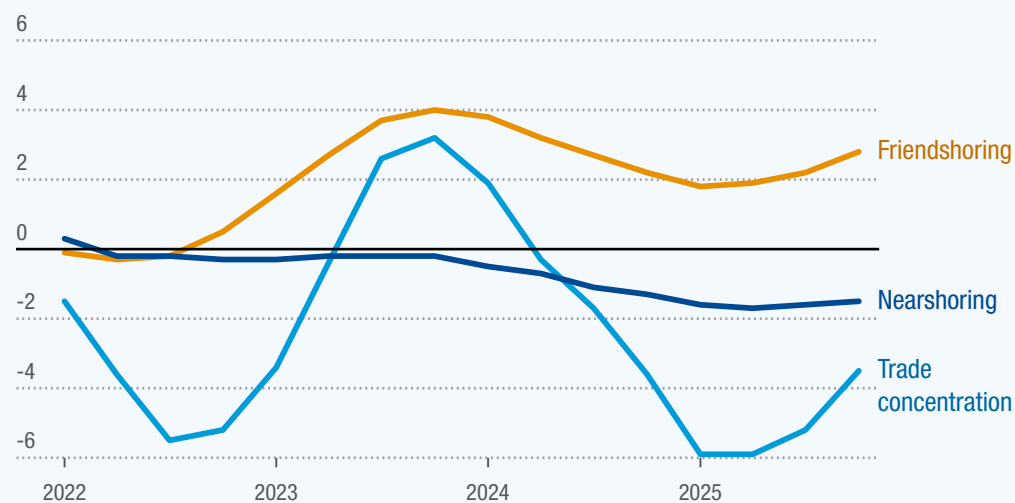


Global trade dynamics and trade dependence

Trade between politically aligned countries remained above historical averages and began rising again in Q4 2025. Trade concentration also increased during the quarter, reflecting faster trade growth among the largest economies. At the same time, trade trends point to a gradual return to nearshoring, with moderately stronger trade growth between geographically close countries.

➤ Q4 data suggest a return to friendshoring, nearshoring and concentration in trade flows

Annual change relative to 2021 average (per cent)



Source: UNCTAD estimates based on national statistics.

Note: Annual changes are measured as deviation from baseline index of 2021. Nearshoring is calculated as reverse of tradeweighted average distance in km. Friendshoring is calculated as trade-weighted political proximity as measured by the United Nations voting patterns. Trade concentration is calculated based on the Herfindahl concentration index.

Geoeconomic factors continue to play a significant role in shaping key bilateral trade patterns, with substantial effects on trade between major economies and their relationships with other partners. During 2025, trade interdependence between China and the United States has declined markedly, accompanied by notable shifts in trade relations among several of their respective trading partners.

Geoeconomic fragmentation reflects in trade interdependencies

Increasing trade dependence		T4Q change	Decreasing trade dependence		T4Q change
Dependent	Depending on		Dependent	Depending on	
Indonesia	China	2.0%	Switzerland	European Union	-4.0%
Viet Nam	United States	1.5%	Canada	United States	-3.9%
Thailand	United States	1.3%	United States	China	-3.5%
India	United States	1.2%	United Kingdom	European Union	-2.9%
India	China	1.2%	Singapore	China	-2.3%
United Kingdom	United States	0.9%	China	United States	-2.3%
Canada	European Union	0.9%	Malaysia	China	-1.6%
Thailand	China	0.8%	United States	Canada	-1.5%
Norway	European Union	0.8%	India	Russian Federation	-0.9%
Turkey	European Union	0.5%	Russian Federation	India	-0.9%

Source: UNCTAD estimates based on national statistics.

Note: The trade dependence of an economy on another is calculated as their bilateral trade over the total trade of the dependent economy. Trailing four quarters (T4Q) change is calculated as a four-quarter average (Q1 2025 to Q4 2025) of this ratio compared to the previous four quarters (Q1 2024 to Q4 2024). Data for Russian Federation include estimates.



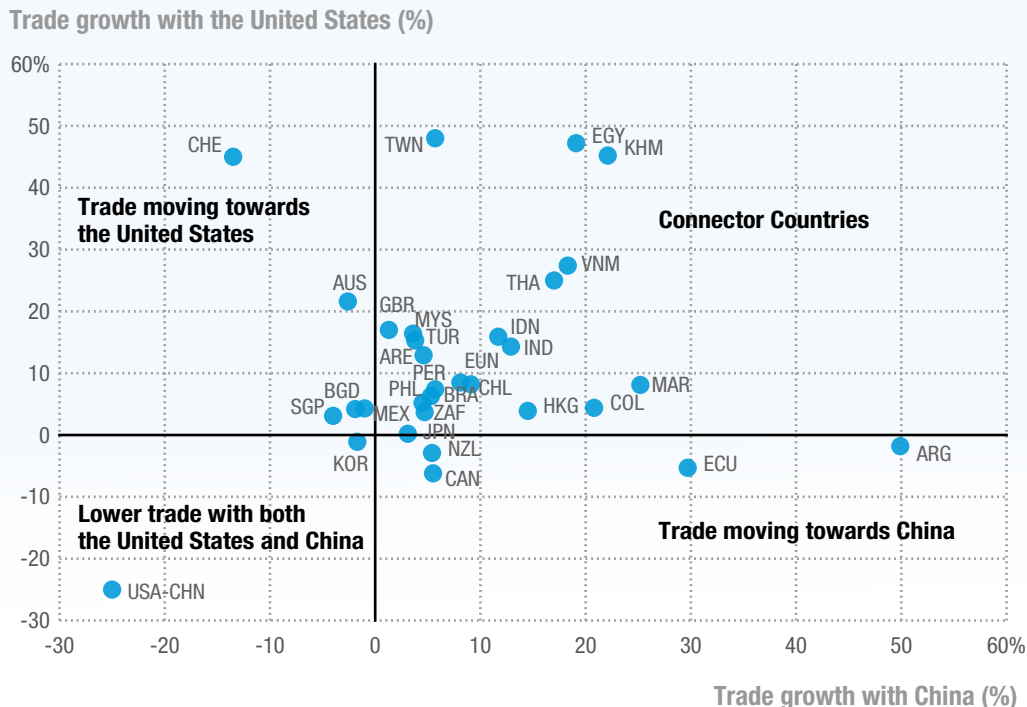
Trade consequences of United States - China economic decoupling

In 2025, trade between the United States and China declined sharply, falling by roughly one-quarter compared with 2024, or about \$170 billion. Despite this drop, overall trade for both economies continued to grow. Some of the missing bilateral trade was redirected through other countries, giving rise to several “connector” economies -those whose trade with both the United States and China increased- which helped sustain positive global trade trends in 2025. Prominent examples include Egypt, Cambodia, Viet Nam, and Thailand. Very few countries saw their trade flows polarize toward only one of the two poles, indicating that global trade fragmentation remains uneven and should be understood in the context of specific sectors and countries.



United States–China trade decline highlights emerging connector countries

Trade growth with United States and China (2025)



Source: UNCTAD estimates based on national statistics.

Note: Economies are identified by ISO alpha3 codes (<https://unstats.un.org/unsd/methodology/m49/>). Growth figures are based on nominal trade values.



Global trade trends at the sectoral level

Trade growth in 2025 varied significantly across sectors, with commodity price fluctuations playing an important role. Agricultural trade expanded strongly, led by animal products, cereals, coffee, tea, and spices; notably, rising coffee prices contributed to this growth. However, momentum in these sectors slowed in the final quarter of the year. Trade in natural resources declined overall, weighed down by lower prices for mineral fuels. By contrast, manufacturing recorded a strong year, expanding by around 11 per cent, driven by robust growth in machinery, including both electrical and non-electrical segments. Rising prices of precious metals supported strong growth in trade in the other base metals sector.



Manufacturing expanded by around 11 per cent in 2025

Growth (per cent)

	QoQ	T4Q
Agriculture	3	6
Animal products	3	8
Cereals	0	-3
Coffee, tea, spices	6	33
Fruits and vegetables	-1	4
Oil seeds and oils	2	0
Other agriculture	1	0
Natural Resources	1	-7
Metal ores	8	5
Mineral fuels and distillates	-1	-10
Minerals	6	6
Manufacturing	5	11
Chemical products	-2	6
Electrical machinery	5	10
Iron and steel	5	-2
Machinery	9	16
Other base metals	10	28
Plastics and rubber	0	1
Precision instruments	1	5
Prepared foodstuff	0	2
Textiles and apparel	2	0
Transport sector	0	2
Other manufacturing	0	-1

Source: UNCTAD estimates based on national statistics of Australia, Brazil, China, Japan, South Africa, the United States and the European Union.

Note: Trailing four quarters (T4Q) growth measures the change in a variable over the last four quarters (Q1-2025 to Q4-2025) compared to the previous four quarters (Q1-2024 to Q4-2024). Quarterly growth (QoQ) is the quarter-over-quarter growth rate between Q3 2025 and Q4 2025. Data are seasonally adjusted. Growth figures are based on nominal trade values.

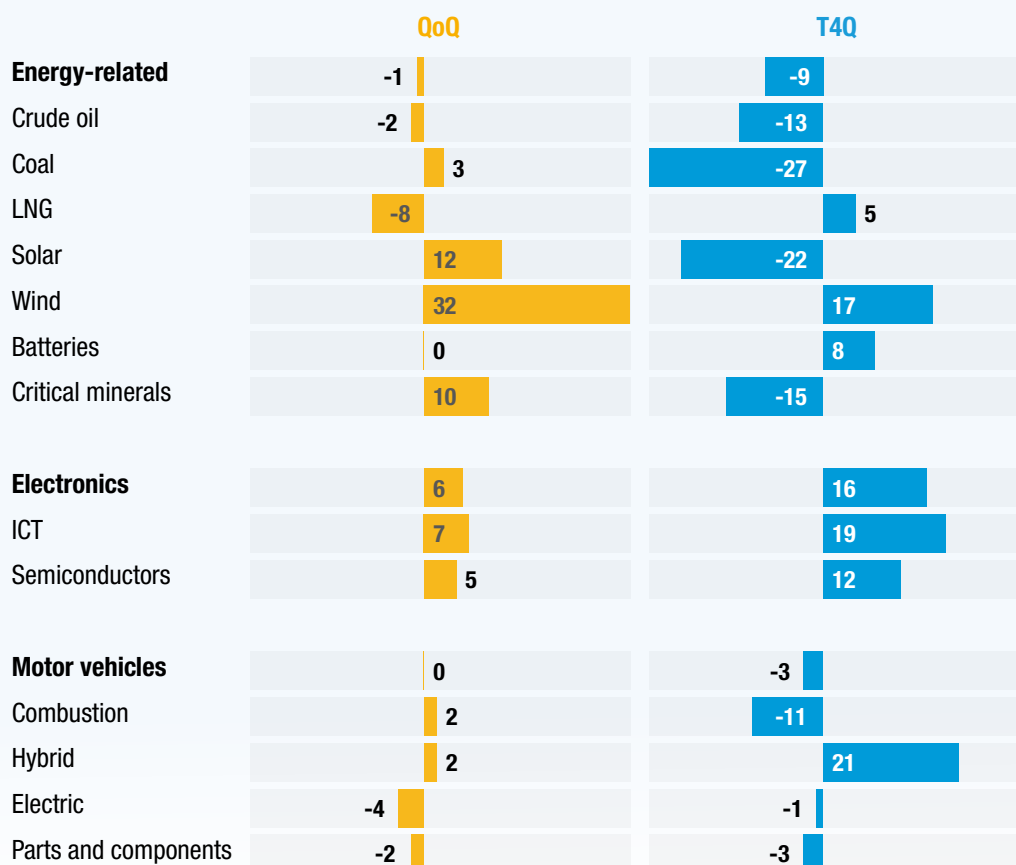


Global trade trends for selected industries

In 2025, trade patterns across the energy, electronics, and automotive sectors shifted markedly. Fossil fuel trade declined sharply amid falling prices, while renewable energy products delivered mixed results: wind- and battery-related goods expanded, whereas solar products and critical minerals contracted. In the final quarter of the year, wind-related goods continued to grow at an exceptionally strong pace. Meanwhile, solar products and critical minerals returned to growth after strong decline in the previous quarters. Electronics trade continued to grow in Q4, making 2025 a standout year for the sector, driven by surging demand for AI-related products. By contrast, trade in the automotive sector remained below average, with growth limited to hybrid and combustion-engine vehicles.

AI related goods, wind turbines and hybrid vehicles showed strong growth in 2025

Growth (per cent)



Source: UNCTAD estimates based on national statistics of Australia, Brazil, China, Japan, South Africa, the United States and the European Union.

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Through this publication,
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into current and emerging trade policy
issues and their impact
on economic development in a fast
changing global trade context.

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