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Global trade update

Policy Insights

Top trends redefining global trade in 2026

KEY TRENDS

1. **Global economic and trade growth slows** – developing countries will face headwinds.
2. **Updating the rules** – WTO reform at a crossroads for global trade in 2026.
3. **Tariffs on the rise** – increased protectionism may trigger greater policy uncertainty.
4. **Value chains continue to reconfigure** – geopolitics redraws trade and investment maps.
5. **Servicification of trade** – exports of services continue to grow faster than goods.
6. **South–South trade surge** – developing countries drive global export growth.
7. **Sustainable trade** – environment will continue to be part of global trade initiatives.
8. **Critical minerals** - oversupply and geopolitics may destabilize trade and global value chains.
9. **Feeding the future** – agricultural trade will remain fundamental to food security.
10. **Trade regulations tighten** – national policies reshape global commerce.

Global trade in 2026 is at a critical juncture. Geopolitical considerations, economic headwinds, shifting supply chains, digital breakthroughs, and sustainability imperatives are redefining how countries engage in commerce – with especially profound implications for developing nations. Policymakers face an urgent challenge to navigate this complex landscape while ensuring trade continues to drive inclusive and sustainable growth. This report examines ten key trends to follow in 2026.

TREND **1**

Global economic and trade growth slows – developing countries will face headwinds

Global growth remains sluggish. Global economic growth in 2026 will moderate trade prospects, investment flows, and policy choices. UNCTAD estimates global growth will remain subdued at 2.6 per cent in 2025 and 2026, despite potential gains from technologies such as artificial intelligence.[1] Growth in developing economies (excluding China) is expected to ease slightly to 4.2 per cent in 2026, down from 4.3 per cent in 2025, pointing to a volatile external environment.[2]

Major economies will also lose momentum. The United States growth is projected at 1.5 per cent in 2026, down from 1.8 per cent in 2025, while China—an essential trade and investment partner for many developing countries—is expected to expand by 4.6 per cent in 2026, down from 5 per cent in 2025. In Europe, fiscal stimulus in countries like Germany may offer limited support, but overall demand will remain modest.[3]

1 UNCTAD, *Trade and Development Report 2025*, pp. 4–5.
2 UNCTAD, *Trade and Development Report 2025*, p. 2..
3 UNCTAD, *Trade and Development Report 2025*, pp. 4–5.

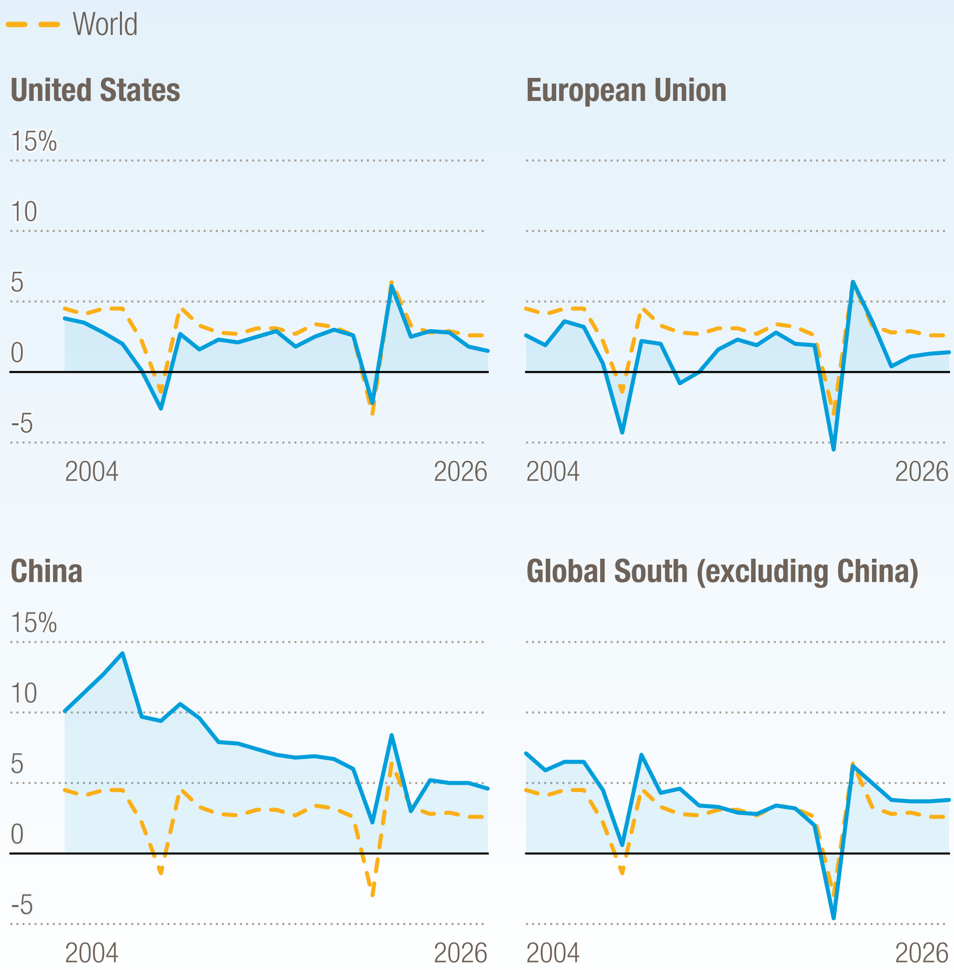
Slower growth affects trade through weaker export demand, tighter financial conditions, and greater exposure to shocks. Commodity-dependent economies may face heightened price volatility, while access to external finance could become more constrained. Globally, policy volatility may further dampen long-term investment, complicating infrastructure and industrial financing for developing countries.

The impact on developing countries will be significant. Subdued global growth raises the stakes in developing countries by limiting investment and access to finance for infrastructure and industrialization (figure 1). Policymakers will need to adapt strategies—such as strengthening regional integration or digital trade—to counter global headwinds and build resilient development plans toward 2026.

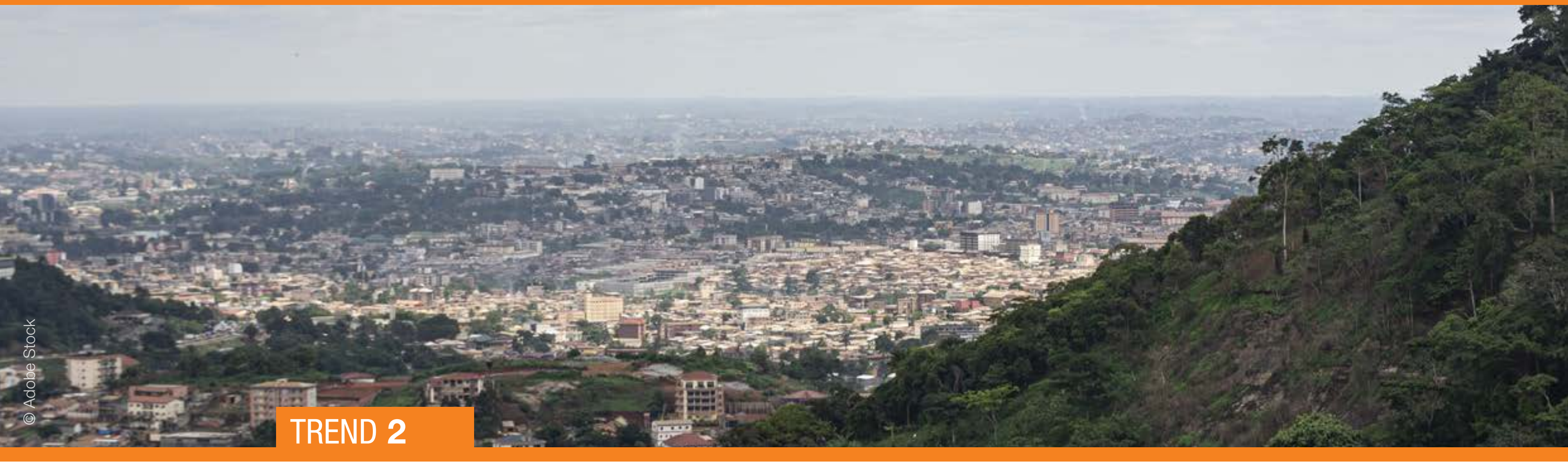
Figure 1

A deteriorating policy environment inhibits growth across the globe.

Real gross domestic product (GDP) growth, world and selected economies, percentage, 2004–2026



Source: UNCTAD. TDR 2025. p. 5.



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TREND 2

Updating the rules – WTO reform at a crossroads for global trade in 2026

The 14th WTO Ministerial Conference (MC14) will take place in Yaoundé, Cameroon, against a backdrop of geopolitical tensions and trade uncertainties driven by unilateral tariffs, bilateral deals, and economic security concerns.

For developing countries, addressing systemic challenges remains a priority, particularly reforming the dispute settlement mechanism and restoring a fully-functioning Appellate Body. These reforms are essential to safeguard market access and ensure developing members can effectively uphold their rights within the multilateral trading system.

Preserving policy space and reinforcing Special and Differential Treatment (SDT) will also be central concerns. SDT provisions are critical for industrialization, value addition, and structural transformation, enabling developing countries to maximize the benefits of global trade.

Developing countries' interests span several areas. These interests include agriculture and fisheries, with an emphasis on food security and rural livelihoods; electronic commerce, covering regulatory approaches that support digital development strategies, cross-border data flows, emerging services trade models, and the future of the e-commerce moratorium; and the potential integration of the plurilateral Investment Facilitation for Development Agreement (IFDA) into the WTO legal framework, aimed at promoting foreign direct investment and facilitating integration into global value chains.

The intersection of trade and climate policy will remain relevant. Discussions on subsidies for sustainable industrialization and eco-labelling measures could affect developing countries' trade competitiveness and are likely to feature in the longer-term WTO reform agenda.

Deliverables at MC14 will shape the trajectory of WTO reform and global trade governance. For developing countries, this is a pivotal moment to influence reforms that address contemporary economic challenges and opportunities while also fostering inclusive growth.

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TREND 3

Tariffs on the rise - increased protectionism may trigger greater policy uncertainty

Tariff proliferation creates uncertainty. In 2026, governments are expected to continue using tariffs as protectionist and strategic tools. Their role in regulating market access expanded markedly in 2025, led by the United States' tariff increases tied to industrial, geoeconomic, and geopolitical objectives. As a result, average global tariffs rose, with uneven effects across sectors and trading partners (figure 2 a,b). Uncertainty is likely to persist in 2026 as governments pursue a variety of domestic policy objectives using tariffs and other trade policy instruments, including industry support, intensifying industrial policies, addressing trade imbalances, and adjustments to supply-chain reorganization and technological change within existing and new trade agreements.

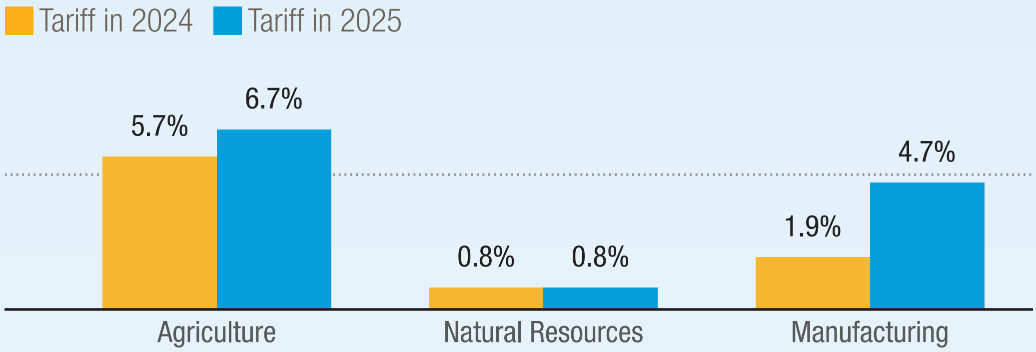
Tariffs shape trade flows by increasing import costs, and even small increases can ripple across markets by weakening demand, shifting sourcing, and rerouting trade. Frequent policy changes amplify uncertainty, discouraging investment and complicating planning. Trade volumes may fall not only after tariffs rise, but also as firms adjust preemptively to expected policy shifts. A volatile tariff environment, therefore, risks undermining global trade growth and efficiency.

Smaller, less diversified economies are particularly exposed to rising tariffs and policy volatility. Limited capacity to redirect exports or absorb higher costs can lead to revenue losses, fiscal strain, and slower development. Tariff hikes on commodities may also threaten livelihoods and food security.

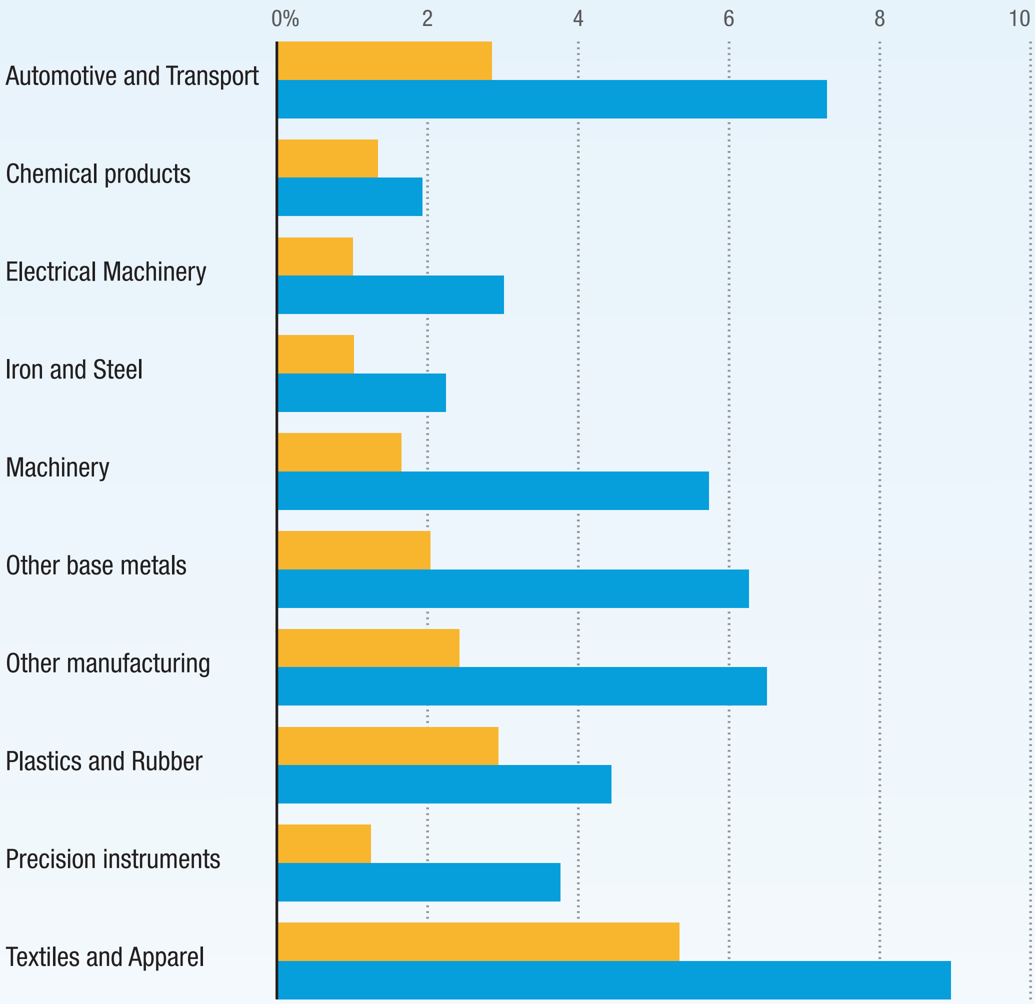
Figure 2

a. Tariffs increase on global trade has been substantial in 2025, especially in manufacturing.

Trade-weighted average applied tariff on global trade



b. Tariff increases in global trade in selected manufacturing subsectors



Source: UN Trade and Development (UNCTAD).

TREND 4

Value chains continue to reconfigure – geopolitics redraws trade and investment maps

Global value chains are shifting. Recent shocks are reshaping production networks as trade tensions and the pandemic pushed firms beyond cost-driven offshoring and towards risk-aware strategies. This reconfiguration is expected to continue in 2026, driven by geopolitical strains, new industrial and climate policies, and technological change. Firms are diversifying suppliers, "near-shoring" production closer to consumers, and vertically integrating to secure key inputs. Advances in automation and artificial intelligence are also reducing labour-cost advantages, encouraging production relocation.

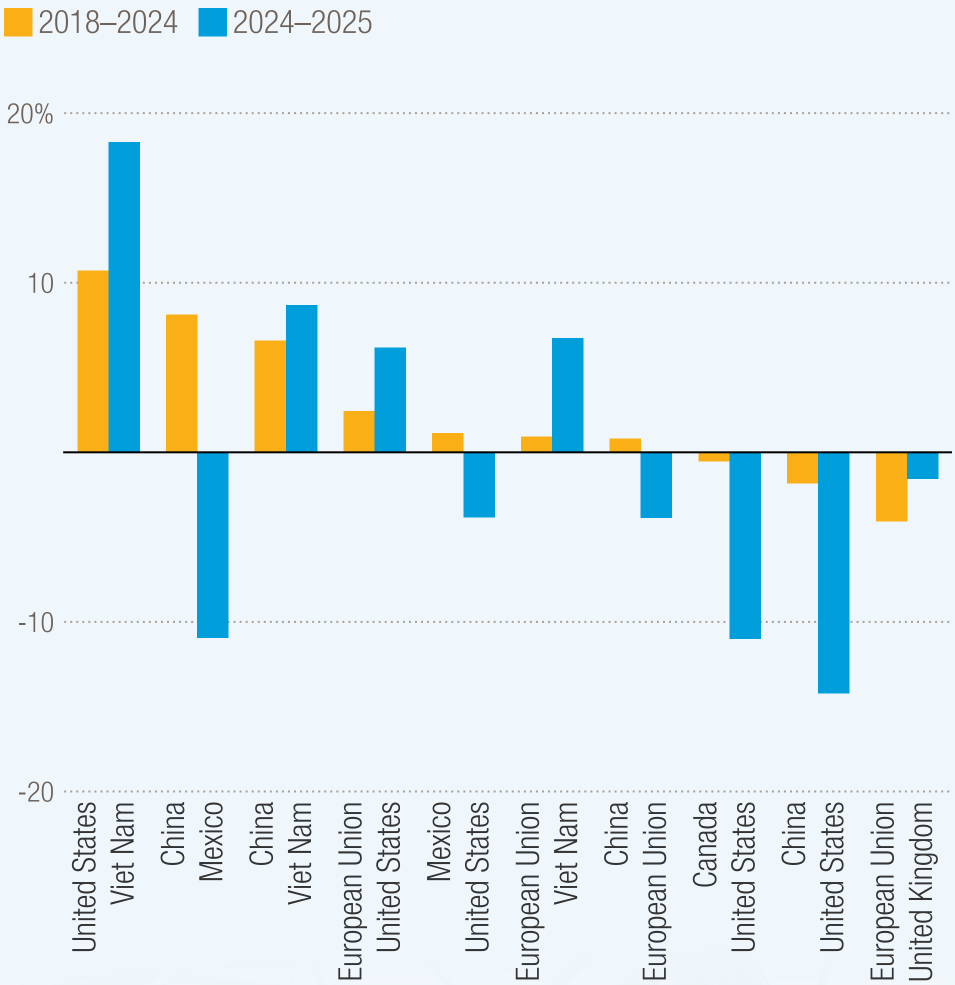
Structural shifts are altering trade patterns. Nearly two-thirds of global trade occurs within global value chains, and changes in their configuration are creating new hubs and routes. Some hub countries -key locations where value chain activities are concentrated- and routes through which goods and services move- are expanding faster than average, while others decline (figure 3). Although supplier diversification can strengthen resilience and thus stabilize trade, it may also introduce inefficiencies and weigh on trade growth.

Developing economies face both opportunities and risks. Countries with strong infrastructure, skilled labour, and stable long-term policies are better positioned to attract investment as firms seek new locations. By contrast, peripheral economies — especially those reliant on low-cost labour exports — risk marginalization if production concentrates in a few hubs. Proactive measures, including improved logistics, workforce upgrading, and a stronger investment climate, are essential to remain integrated into global value chains.

Figure 3

Uneven trade growth in global value chain-related bilateral flows

Annual growth rates of selected bilateral flows (relative to the global average in the period)



Source: UNCTAD calculation based on UNCTADSTAT and national statistics.

TREND 5

Servicification of trade – exports of services continue to grow faster than goods

Services are powering global trade growth. Over the past decade, world services exports expanded by about 5.3 per cent annually—more than twice the pace of goods trade—and now account for 27 per cent of global trade. In 2025, services export growth is expected to reach 9 per cent, with momentum likely to continue in 2026. This reflects growing servicification, as services increasingly underpin production across sectors. By 2022, services made up 71 per cent of global intermediate inputs, including sizeable shares in primary industries (about 18 per cent) and manufacturing (about 31 per cent).[4] Access to efficient services such as finance, logistics, and information technology, often through imports, has become essential for competitiveness.

Digitalization accelerates servicification. Advances in digital technology have made many services tradable at scale. Digitally deliverable services now represent 56 per cent of global services exports, having grown at an average annual rate of 7.1 per cent over the past decade. However, a pronounced digital divide remains: in developed economies, about 61 per cent of services exports are delivered digitally, compared with just 16 per cent in least developed countries (LDCs).[5] At the same time, new barriers are emerging, with the global digital services trade restrictiveness index rising from 0.168 in 2014 to 0.182 in 2024.[6] Figures 4 and 5 illustrate both the rapid expansion of digital services trade and the limited participation of LDCs.

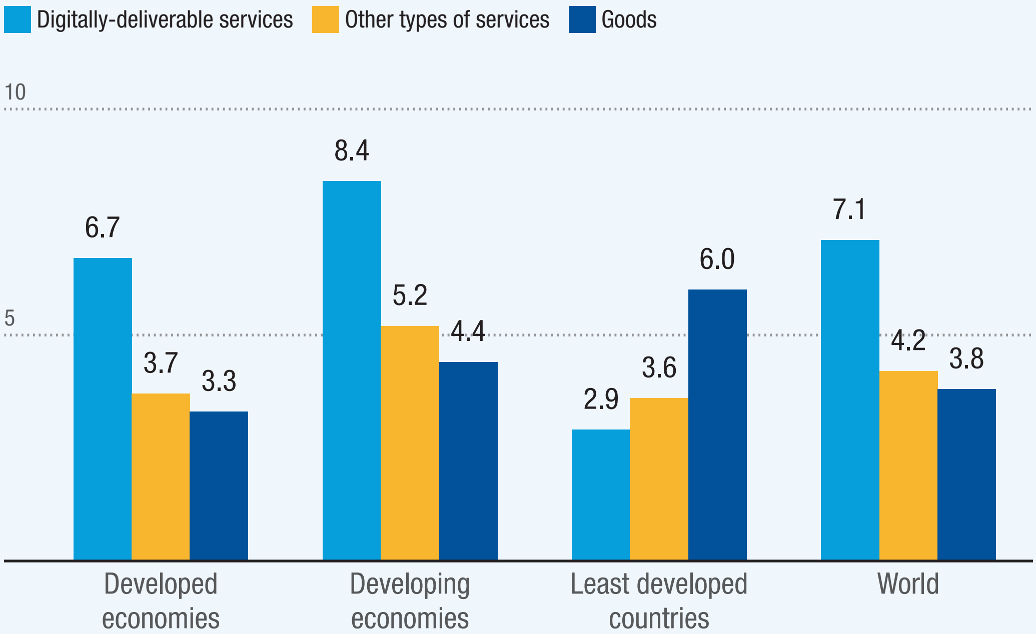
Digital services increasingly feature prominently in bilateral and regional trade agreements, such as for example, the AfCFTA Digital Trade Protocol with its 9 Annexes (adopted in 2025, going for ratification by African countries in 2026), recent bilateral deals between the United States and some Asian countries, and ongoing negotiations toward the ASEAN Digital Economy Framework Agreement (DEFA). Looking ahead, ministerial decisions on electronic commerce and digital transactions at the WTO MC14 may carry significant implications for global strategies aimed at advancing servicification and integrating value chains, as well as for the capacity of developing countries to effectively participate in these activities.

4 Intermediate inputs data from OECD TIVA database. Accessed November 2025.
5 Export data from UNCTADstat. Accessed November 2025.
6 The Digital Services Trade Restrictiveness Index data from the OECD digital STRI database. Accessed November 2025.

Figure 4

Digitally deliverable services are a fast-growing segment of global trade

Average annual growth of exports, percentage, 2015–2024

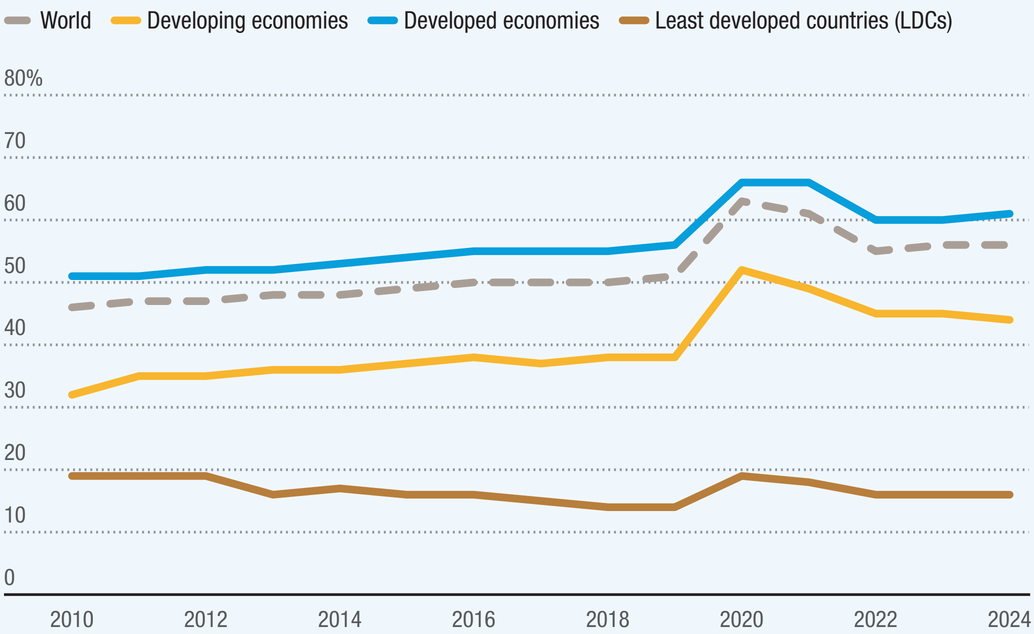


Source: UN Trade and Development (UNCTAD) estimates based on UNCTADstat statistics.
Note: Growth rate is the compound annual growth rate. Digitally deliverable products include: insurance and financial services, telecommunications, computer and information services, intellectual property charges, research-and-development services, trade-related, technical, managerial, consultancy, engineering, scientific and architectural services, audiovisual services, as well as health and education personal services, and cultural heritage and recreational services.

Figure 5

Digitally deliverable services account for only a small share of services exports in least developed countries

Export of digitally deliverable services as a share of total export of services, percentage,2010–2024



Source: UN Trade and Development (UNCTAD) based on UNCTADstat.
Note: Digitally deliverable products include: insurance and financial services, telecommunications, computer and information services, intellectual property charges, research-and-development services, trade-related, technical, managerial, consultancy, engineering, scientific and architectural services, audiovisual services, as well as health and education personal services, and cultural heritage and recreational services.

TREND 6

South–South trade surge – developing countries drive global export growth

South–South trade is emerging as a major engine of global trade. Between 1995 and 2025, South–South merchandise exports are estimated to have soared from about $0.5 trillion to $6.8 trillion, far outpacing both South–North trade and overall world trade growth (figure 6). Today, 57 per cent of developing country exports go to other developing markets, up from 38 per cent in 1995.

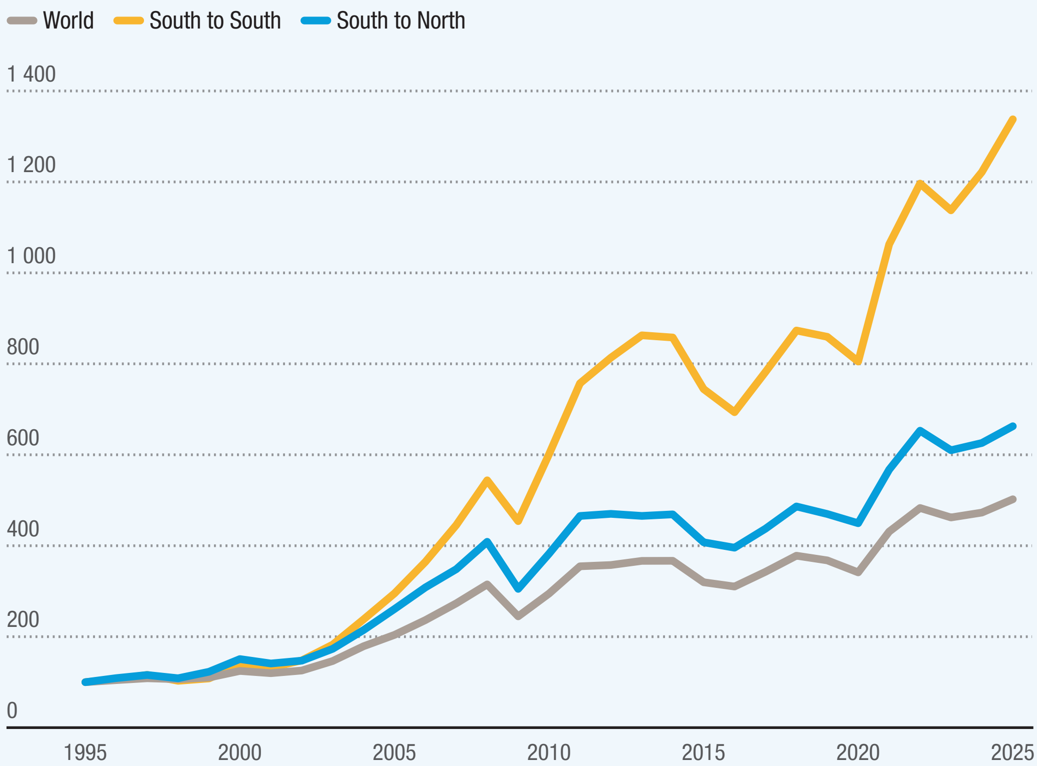
This surge has been fueled largely by Asia's regional value chains – especially in East and Southeast Asia – where high- and medium-tech manufacturing accounts for roughly half of South–South trade.[7]

[7] UNCTAD calculations based on UNCTADStat data.

Figure 6

South-South trade outpaced developing countries' exports to North and world trade growth

World, South to South, and South to North merchandise export flows (1995=100)



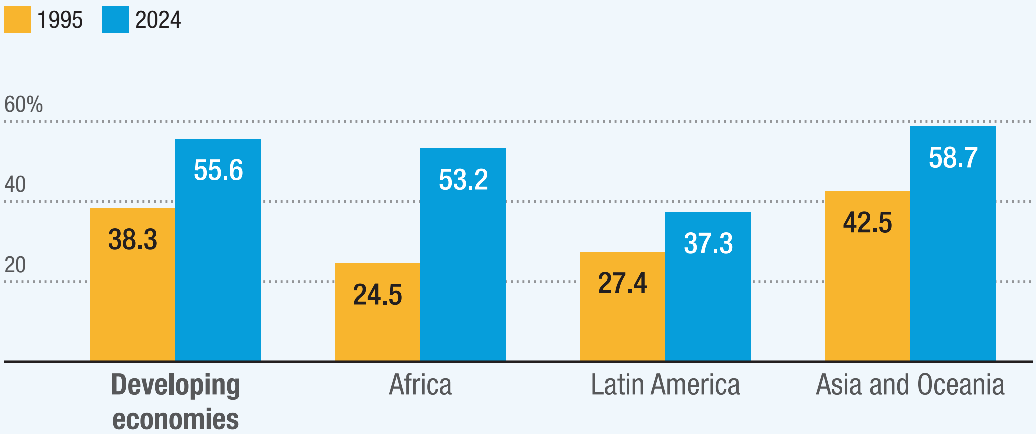
Source: UNCTAD calculations based on UNCTADstat and UNCTAD estimates.
Note: Merchandise exports. Do not include services.

South–South trade across regions is on the rise. More than half of Africa's exports now go to other developing countries (figure 7), reflecting deeper regional integration and the growing role of large emerging economies as import markets. Geopolitical fragmentation could further accelerate this trend, as developing countries increasingly rely on each other to offset weaker demand in advanced economies.

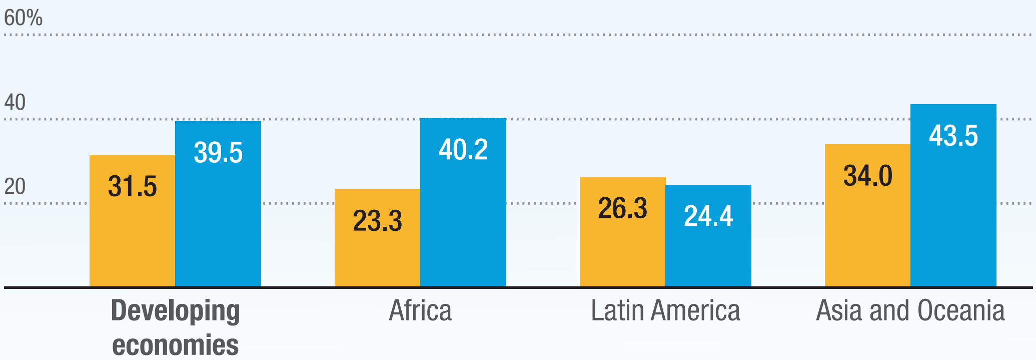
Figure 7

Southern markets became a prominent export destination for developing countries

Share of developing countries in merchandise exports by region (per cent)



Share of developing countries (excluding China) in merchandise exports by region (per cent)



Source: UNCTAD calculations based on UNCTADstat.
Note: China is also excluded as reporting country (exporter)

Developing countries can harness opportunities. Interregional trade outside Asia, particularly between Africa and Latin America, remains significantly underdeveloped despite strong complementarities. Strengthening South–South linkages could become a key driver of resilience within global trade networks.[8]

[8] See https://unctad.org/news/unctad16-stronger-south-south-cooperation-trade-and-investment-key-shared-prosperity

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TREND 7

Sustainable trade – environment will continue to be part of global trade initiatives

Environmental agendas are moving into implementation. In 2026, international agreements on oceans, biodiversity, fisheries subsidies, and water resources are taking effect, with implications for embedding environmental governance into trade and economic planning. As of 9 November 2025, enhanced climate pledges by 113 countries could cut global emissions by 12% by 2035 in comparison to 2029 levels, signaling a decisive shift toward low-carbon growth.

The 2026 United Nations Climate Change Conference (COP31) will take place from 9 to 20 November in Antalya, Türkiye. Trade-related discussions are expected to focus on accelerating the energy transition, including financing renewable energy, halting deforestation, and advancing a just and equitable shift away from fossil fuels. As carbon-related regulations and industrial policies reshape market access and competitiveness, the green economy is redefining trade flows—driven by clean energy technologies, carbon pricing mechanisms, and growing demand for environmental goods and services

The green economy is reshaping trade. In 2026, the European Union Carbon Border Adjustment Mechanism will become fully operational, imposing a carbon price on selected imports and, from 2028, on specific steel and aluminium-intensive downstream goods. Applying to imports without equivalent carbon pricing, including those from LDCs, may affect market access, while similar measures elsewhere could further influence trade and investment flows.

Carbon-related regulations and industrial policies are also redirecting trade. Clean energy technology markets could reach US$ 640 billion annually by 2030.[9] Trade in clean and climate-adaptation technologies will drive environmental goods growth through 2030. Environmental sustainability is increasingly central to competitiveness, requiring inclusive access to green technologies and finance, lower barriers for environmental goods, and targeted technical assistance to build resilient productive capacity.

9 https://www.iea.org/reports/the-state-of-clean-technology-manufacturing/analysis

Critical minerals – Oversupply and geopolitics may destabilize trade and global value chains

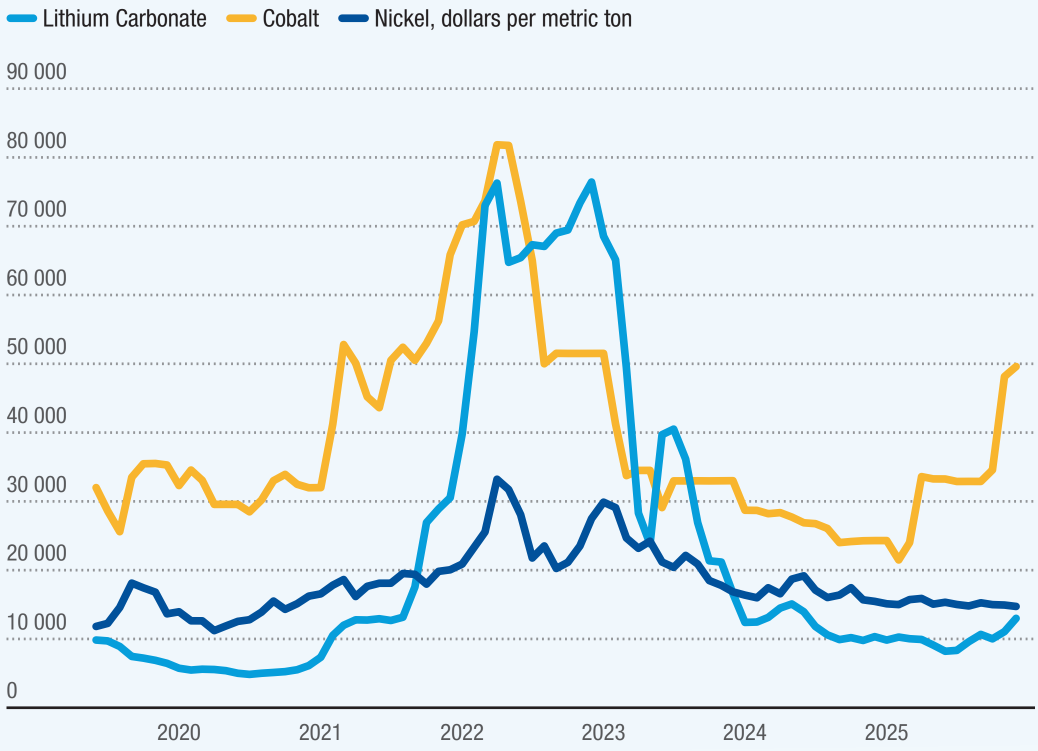
Critical mineral markets enter 2026 after a sharp price correction from their 2021–2022 highs. By late 2025, prices of key minerals essential for clean energy technologies were 18–39 per cent below peak levels, despite notable short-term volatility (figure 11). While cobalt prices rebounded strongly in 2025, this increase was largely driven by temporary supply disruptions and export restrictions in the Democratic Republic of Congo, amplified by low inventories and precautionary restocking, rather than by sustained recovery in underlying demand.

Overall, the price decline since 2022 reflects rapid supply expansion, slower-than-expected battery demand, and technological shifts that reduce mineral intensity.[10] These trends are expected to continue in 2026.

Lower prices have eased cost pressures for electric vehicles and renewable energy producers, but also risk discouraging new mining projects in 2026. In 2024, investment spending grew by only 5 per cent compared to 14 per cent in 2023 and 30 per cent in 2022.[11] Entering 2026, critical-minerals investment remains constrained, with policy-driven funding in the European Union[12] and the United States[13] partially offsetting weak market incentives. Financing is expected to recover only modestly and remain focused on near-mine projects rather than new greenfield development.[14]

[10] International Energy Agency, 2024a, Trends in electric vehicle batteries, available at https://www.iea.org/reports/global-ev-outlook-2024/trends-in-electric-vehicle-batteries
[11] International Energy Agency, 2025, Global critical Minerals Outlook, available at https://www.iea.org/reports/global-critical-minerals-outlook-2025
[12] European Commission (2025), RESourceEU Action Plan, COM(2025) 945 final, Brussels.3 December 2025. https://single-market-economy.ec.europa.eu/document/download/01c448d6-dc93-40d7-9afe-4c2af448d00c_en
[13] United StatesDepartment of the Interior (2025), Final 2025 List of Critical Minerals press release, 7 Nov. https:// www.doi.gov/pressreleases/interior-department-releases-final-2025-list-critical-minerals
[14] https://www.iea.org/news/diversification-is-the-cornerstone-of-energy-security-yet-critical-minerals-are-moving-in-the-opposite-direction

Figure 8
Critical mineral prices decline from 2021 highs



Source: UNCTAD based on Thomson Reuters and World Bank data
Note: Lithium Carbonate value refers to 99.2 % Industrial Grade, cobalt value refers to London Metal Exchange.

Despite lower prices, supply risks persist. Export controls and licensing regimes have intensified, including the Democratic Republic of the Congo's cobalt export ban in February 2025 (followed by the introduction of export quotas)[15] and China's controls on seven heavy rare earths and high-performance permanent magnets.[16] Such measures can tighten supply abruptly, even in a low-price environment. The cobalt episode also signals that some resource-rich countries may increasingly use export restrictions in 2026 to manage market conditions, though adoption is likely to be selective and mineral-specific given fiscal and investment trade-offs. Import-dependent countries are responding through stockpiling and bilateral agreements to secure access to upstream and processing capacity, potentially increasing supply-chain fragmentation and reducing efficiency in 2026.

Resource security will remain a strategic trade issue, as governments intervene to protect critical mineral supply chains. Despite moderating prices, competition over critical mineral supplies is intensifying and is expected to continue in 2026.

15 https://www.iea.org/policies/28969-temporary-suspension-of-cobalt-export-from-the-democratic-republic-of-congo
16 https://www.mofcom.gov.cn/zwgk/zcfb/art/2025/art_9c2108ccaf754f22a34abab2fedaa944.html

TREND **9**

Feeding the future – agricultural trade will remain fundamental to food security

Agricultural trade will continue to underpin food security. Food and agricultural products represent around one-third of commodity exports, with food products making up nearly 87 per cent.[17] Many developing countries depend on food imports to meet basic needs, making open and predictable trade essential. At the same time, agricultural exports support livelihoods and incomes for millions of farmers and rural workers.

Agricultural markets remain highly vulnerable to shocks. In recent years, conflicts, trade restrictions, and extreme weather have disrupted food and fertilizer supplies. Droughts, floods, and storms are becoming more frequent, reducing yields and triggering local shortages. These shocks keep food prices volatile. Fertilizer markets have been especially volatile, with prices of nitrogenated and phosphate fertilizers surging in 2025 and remaining high (figure 12), raising production costs for farmers around the world.[18] Developing countries are particularly exposed, as many lack the fiscal and policy buffers to absorb price spikes.

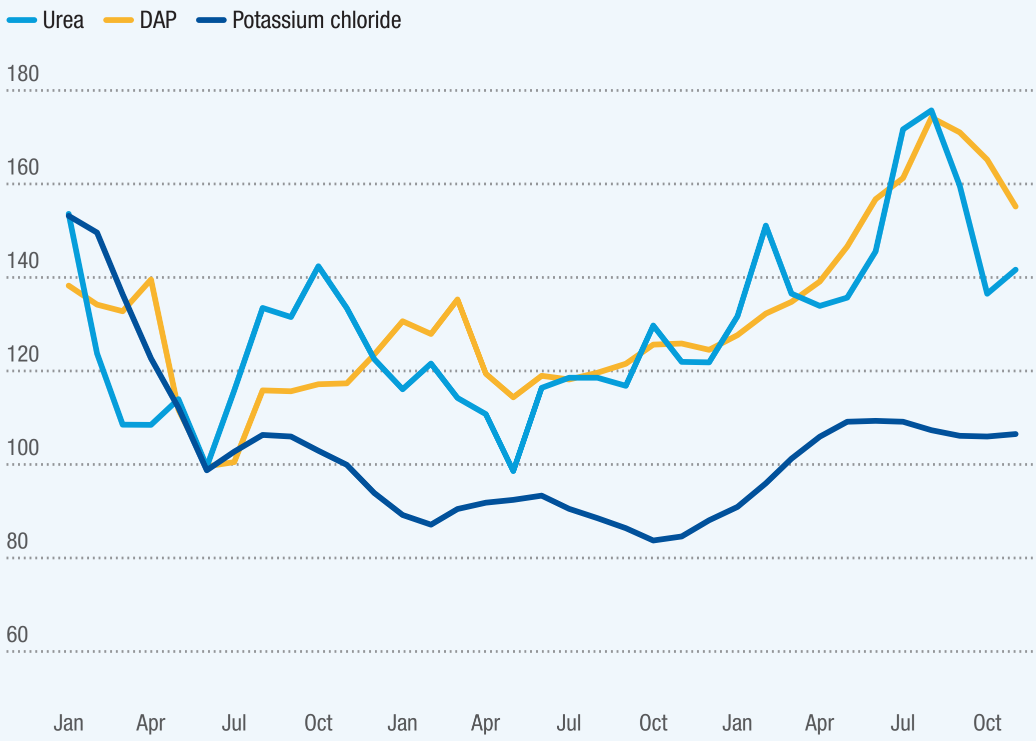
Keeping global food trade open is a lifeline for vulnerable economies. When domestic harvests fall short, imports can prevent severe shortages. At the same time, strengthening domestic agriculture is critical to reduce excessive reliance on imports. This requires better access to inputs such as seeds, fertilizer, and machinery; improved rural infrastructure; greater access to finance; and wider adoption of climate-resilient farming practices. Many low-income countries, however, face low agricultural yields and remain highly dependent on food imports, highlighting the need for international support to boost food security.

[17] See UNCTAD (2025), State of Commodity Dependence. Data source is UNCTADSTAT export data for the average of the period 2021-2023.

[18] While there were different drivers for nitrogenated and phosphate fertilizers in 2025, they include sustained demand for nitrogenated fertilizers in some countries (e.g. in India) during the first half of the year, and increases in the price of production inputs like sulfur and (in the second half of the year) ammonia, which affect phosphates.

Figure 9

Fertilizer prices surged in 2025 and remain elevated



Source: UNCTAD elaboration based on World Bank data.

Monitoring food commodity markets and providing early warnings will remain key, allowing policymakers to manage import bills, diversify production, and avert food crises while advancing sustainable development. Increasingly, these priorities overlap with financial stability issues, as financialization of commodity markets is reshaping the agriculture sector,often creating new risks.[19]

[19] UNCTAD TDR 2025, Chapter III

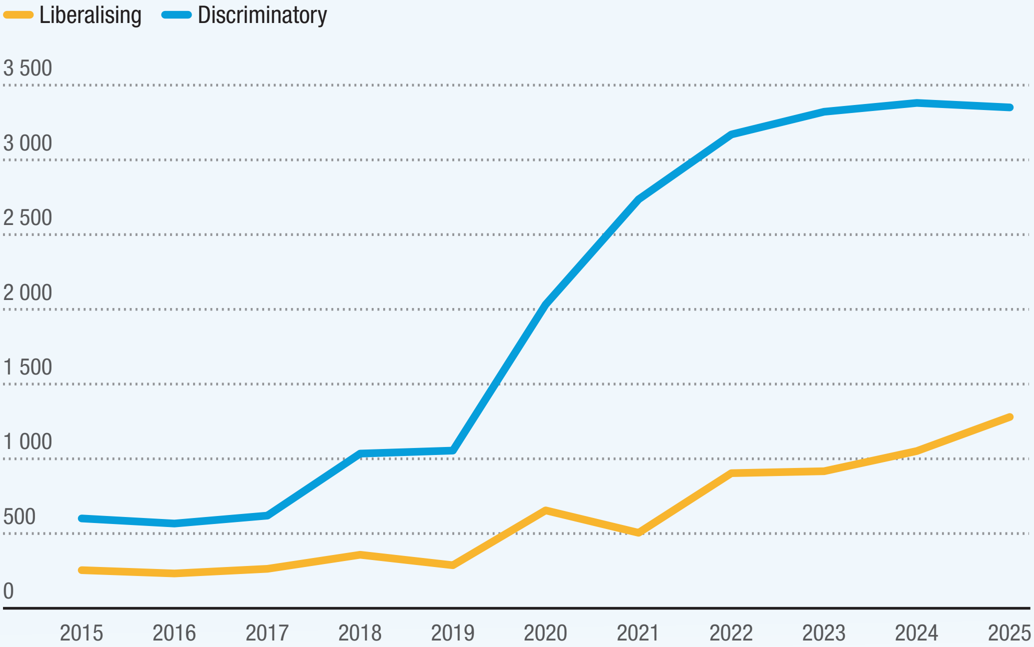
Trade regulations tighten – national policies reshape global commerce

Trade-distorting measures are on the rise. Governments are increasingly using trade measures to pursue domestic goals in areas like security, industry, public health, and the environment. Since 2020, around 18,000 new discriminatory trade measures have been recorded globally (Figure 13), marking a sharp protectionist turn. Today, technical regulations and sanitary standards affect roughly two-thirds of world trade, covering trade worth US$ 2.6 trillion. Major powers are also promoting their own standards abroad, potentially creating rival regulatory blocks that force smaller countries to choose sides. In addition, trade policy is being applied to climate and social objectives – for example, carbon border taxes and import barriers linked to deforestation or labour practices. These initiatives address important goals but add new compliance burdens for exporters.

In 2026, the use of non-tariff measures (NTMs) will expand, driven by environmental, social and security priorities alongside persistent protectionist pressures. While affecting global trade, their impact will fall unevenly, as smaller exporters and lower-income economies face rising procedural and compliance costs. More flexible global rules and targeted technical assistance will be essential to ensure inclusive implementation.

Figure 10

The use of trade-restricting and trade-distorting measures continues to rise



Source: UNCTAD based on Global Trade Alert.

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