

Facts and figures

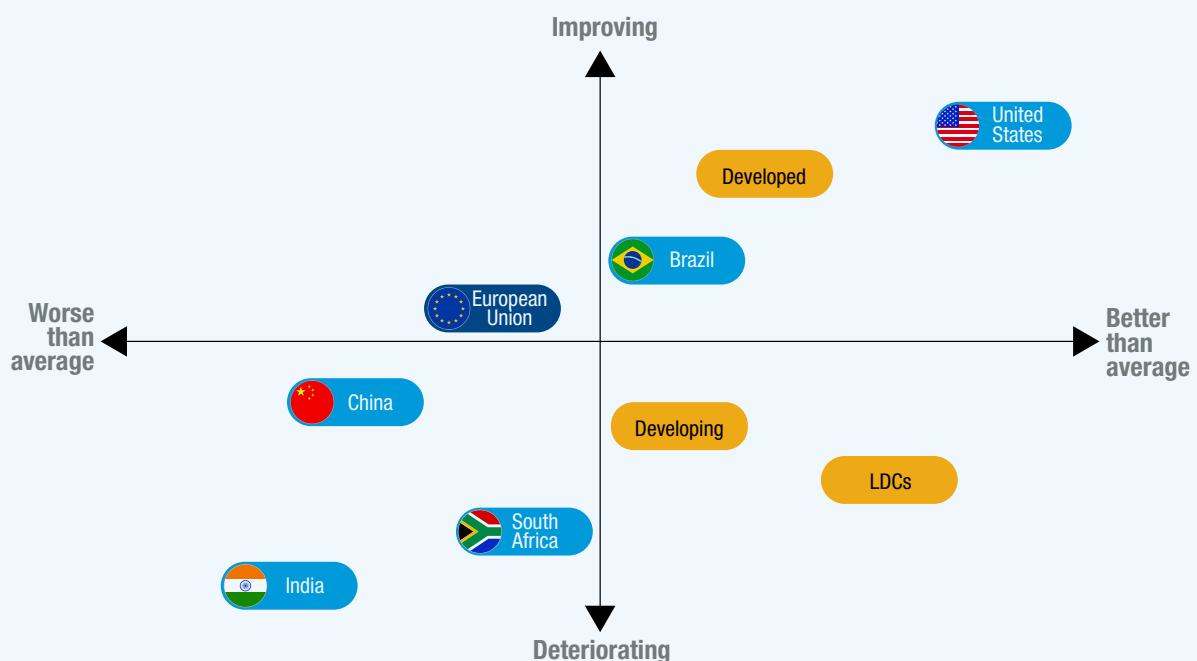
Global trade endures policy changes and geoeconomic risks

HIGHLIGHTS

- ▶ Global trade continued to expand at a slower rate in Q1 2025 and likely rose further in Q2, potentially increasing by US\$300 billion in the first half of 2025.
- ▶ Developed countries' trade increased more than developing countries' in Q1 2025 driven by strong United States import growth and European Union exports.
- ▶ Trade imbalances continued to widen in Q1 2025, with an increasing United States deficit and rising surpluses in China and the European Union.
- ▶ Continued policy uncertainty and persistent geopolitical tensions are set to pressure global trade in the months ahead.

United States leads global trade growth while many developing nations lag behind in Q1 2025

Annual and quarterly trade growth relative to global averages



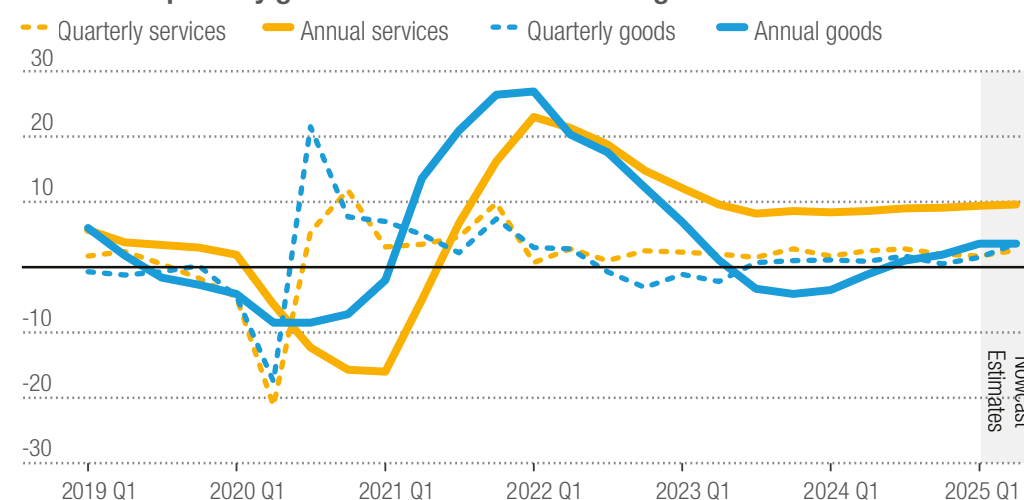
Source: UNCTAD calculations based on national statistics.

Note: Deteriorating and improving trends are calculated as the QoQ growth in Q1 2025 of seasonally adjusted values. Worse and better than averages are calculated on the annual growth over the past four quarters. All statistics are rescaled relative to global averages. Trade growth is measured by the growth in imports plus exports. Data exclude services.

Global trade trends and nowcast

Global trade in goods and services continued its positive trajectory during the first quarter of 2025 (Q1 2025), with a quarter-over-quarter (quarterly) increase of about 1.5 per cent and a trailing four quarters (annual) growth rate of 3.5 per cent. In Q1 2025, trade in goods and services grew at similar rates of approximately 1.5 and 1.7 per cent, respectively. However, services growth remains much higher on an annual basis, at around 9 per cent. The [UNCTAD nowcast](#) remains positive for Q2 2025, indicating a QoQ growth of about 2 per cent in both goods and services. According to these estimates, global trade is set to expand by approximately US\$300 billion in the first half of 2025, with goods contributing about US\$230 billion and services around US\$70 billion.

Global trade in goods and services remains strong in the first half of 2025 Annual and quarterly growth in the value of trade in goods and services

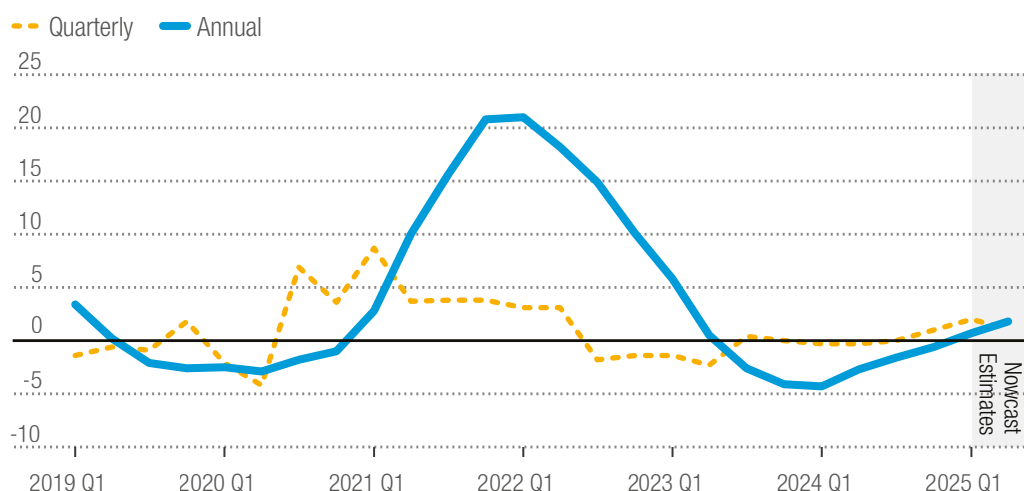


Sources: UNCTADstat; UNCTAD calculations based on national statistics.

Note: Quarterly growth is the quarter over quarter growth rate of seasonally adjusted values. Annual growth is calculated using a trade-weighted moving average over the past four quarters. Figures for Q1 2025 are estimates. Q2 2025 is a [nowcast](#) as of 25 June 2025.

Prices for traded goods registered a small upward tick in Q1 2025 and are expected to have increased further in Q2 2025. This price increase partially explains the more significant growth in the value of goods trade during the first half of 2025, as volume growth was lower, at about 1 per cent.

Trade inflation increased during 2025 Annual and quarterly growth in the overall price of traded goods



Source: UNCTADstat; UNCTAD calculations based on national statistics.

Note: Quarterly growth is the quarter over quarter growth rate of seasonally adjusted values. Annual growth is calculated using a trade-weighted moving average over the past four quarters. Figures for Q1 2025 are estimates. Q2 2025 is a [nowcast](#) as of 25 June 2025.

Outlook

Overall, trade growth has been positive in the first half of 2025, despite increasing trade policy uncertainty, ongoing geopolitical tensions, and a challenging global economic environment. In the first quarter of 2025, global trade trends continued the gradual upward trajectory that began in the second half of 2023. Over recent quarters, both goods and services trade have shown consistent growth, largely driven by the strong performance of developing countries. However, in Q1 2025, developed economies outpaced developing ones in trade growth—primarily due to a surge in imports by the United States ahead of anticipated tariff increases, and robust export activity from the European Union. In contrast, South–South trade remained relatively subdued, although Africa registered strong export growth. Nowcasts for Q2 2025 point to continued growth in both goods and services trade. Preliminary data show that China’s exports remained resilient in April and May, driven by rising intra-regional trade and trade with Africa. United States’ exports also increased in April. However, imports into the United States fell sharply QoQ, reflecting the impact of newly imposed tariffs and the unusually high volume of imports in Q1, as businesses rushed to bring in goods ahead of the tariff increases.

Looking ahead to the second half of 2025 continued resilience in trade will depend heavily on policy clarity, geoeconomic developments, and supply chain adaptability. On the negative side, global economic growth is expected to slow down in many regions, suggesting that international trade may face slower growth. Moreover, the potential imposition of higher tariffs in the United States—and the risk of broader trade conflicts—pose significant downside risks. A negative signal also comes from the latest reading of China’s Purchasing Managers’ Index, which often reflects weakening manufacturing activity and can signal reduced demand for imports and softening export orders. However, growing regional integration may provide some support to global trade. Moreover, leading indicators such as the Shanghai Containerized Freight Index and the Baltic Dry Index have rebounded from early 2025 lows, although remain below 2024 averages.

The most important factors contributing to heightened uncertainty in global trade for the second half of 2025 are:

► **Persisting trade policy uncertainty in the United States**

The United States adopted a 10 per cent baseline tariff, with additional tariffs on specific countries currently on hold. Moreover, it imposed additional import duties on steel and aluminum. While the 10 per cent rate is expected to remain, uncertainty is growing over potential pauses, exemptions, new broad-based tariffs targeting specific countries, and additional product-specific duties—such as those affecting the automotive sector.

► **Potential for retaliatory actions**

While retaliatory trade policy measures have been so far limited, a further increase in unilateral trade measures could trigger retaliation, leading to escalating trade tensions that can spill over to third-party countries not directly involved in the disputes.

► **Growth in subsidies and inward-looking industrial policies**

Domestic-focused industrial strategies could intensify through 2025, with an increased use of domestic subsidies and trade-restrictive policies aimed at supporting national industries. This is likely to weigh on international trade, especially in strategic and high-tech sectors.

► **Ripple effects along global value chains**










Trade policy uncertainty targeting specific segments of global value chains affects not only the intended countries and sectors but also interconnected segments across the value chain. Given today’s deeply integrated production systems, such measures can disrupt entire supply networks and drive substantial shifts.



Trade trends of major economies

Merchandise trade showed mixed trends among major economies in Q1 2025. Import growth was strong in the United States, as importers raced to beat incoming tariffs, further contributing to the country's 12-month import growth. These impending United States tariffs also partly drove an increase in exports from several major economies. Exports from the European Union were particularly strong in Q1 2025. Conversely, exports contracted for India and the Republic of Korea, although the latter remained among the top performers on an annual basis—on par with China. China's import growth was negative on both quarterly and annual bases, while trade growth estimates for the Russian Federation showed a sharp contraction in Q1 2025.

United States import growth strong in Q1 2025; European Union exports lead major economies










GOODS (Q1 2025)	Imports growth		Exports growth	
	Quarterly	Annual	Quarterly	Annual
 Brazil	7%	13%	1%	-2%
 China	-4%	-1%	1%	6%
 India	-8%	6%	-4%	0%
 Japan	2%	-1%	1%	0%
 Republic of Korea	-4%	1%	-5%	6%
 Russian Federation	-11%*	1%*	-9%*	1%*
 South Africa	0%	-1%	-5%	1%
 United States	14%	12%	3%	3%
 European Union	3%	1%	6%	3%

Source: UNCTAD calculations based on national statistics.

Note: Quarterly growth rates are relative to the previous quarter. The annual growth is calculated using a trade-weighted average over four quarters. Data is seasonally adjusted. Data excludes intra-European Union trade. *denotes estimates.

Services trade showed mixed patterns among major economies in Q1 2025. Quarter-over-quarter export growth was relatively strong for India and South Africa, while declines were recorded in China, Japan, and the European Union. On the import side, growth was more pronounced for Japan and South Africa, whereas India saw a sharp contraction in services imports. On a 12-month basis, trade in services remained robust, with many of the largest economies posting double-digit growth.

Q1 2025 services trade growth was mixed for major economies

SERVICES (Q1 2025)	Imports growth		Exports growth	
	Quarterly	Annual	Quarterly	Annual
 Brazil	-1%	14%	-2%	5%
 China	2%	11%	-4%	18%
 India	-9%	11%	2%	15%
 Japan	4%	7%	-3%	9%
 Republic of Korea	0%	6%	0%	10%
 Russian Federation	-4%*	6%*	-1%*	3%*
 South Africa ¹	4%	6%	2%	12%
 United States	2%	10%	0%	8%
 European Union	3%	6%	0%	6%

Source: UNCTAD calculations based on national statistics.

Note: Quarterly growth rates are relative to the previous quarter. The annual growth is calculated using a trade-weighted average over four quarters. Data is seasonally adjusted. Data excludes intra-European Union trade. *denotes estimates. ¹data is for Q4 2024.

Regional trade trends

Merchandise trade growth in Q1 2025 was driven largely by developed economies. Imports by developed countries grew strongly—by about 4 per cent—while imports in developing countries declined on a quarter-over-quarter basis. This pattern contrasts with the trend over the previous 12 months as well as the longer-term trend¹, during which export growth in developing countries significantly outpaced that of developed economies. South–South trade growth was also below average in Q1 2025, though it remained relatively strong when viewed over a 12-month period. However, excluding East Asian economies, South–South trade contracted during Q1 2025 and was comparatively weaker on an annual basis.

Developed trade growth outpaced developing in Q1 2025

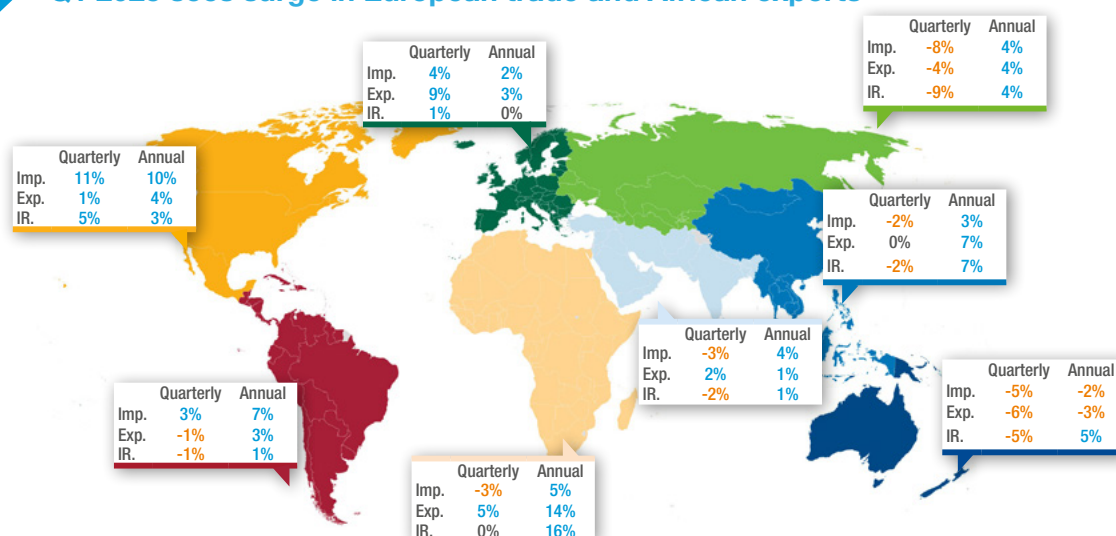
	Quarterly growth		Annual growth	
	Imports	Exports	Imports	Exports
Developed countries	4%	2%	3%	2%
Developing countries	-2%	1%	4%	6%
South–South Trade	0%		6%	
Developing countries (excluding East Asia)	-3%	0%	3%	6%
South–South Trade (excluding East Asia)	-3%		4%	

Source: UNCTAD estimates based on national statistics.

Note: Quarterly growth rates are relative to the previous quarter. The annual growth is calculated using a trade-weighted average over four quarters. Data is seasonally adjusted. Data does not include trade in services.

During Q1 2025, merchandise trade growth was stronger in Europe and North America, while contracting in the Pacific and Central Asia regions. Export growth was also strong in Africa. In North America and Africa, a significant share of the increase was driven by intra-regional trade, whereas Europe's growth was largely due to extra-regional trade. On a 12-month basis, trade expanded across all regions except the Pacific.

Q1 2025 sees surge in European trade and African exports



The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Source: UNCTAD estimates based on national statistics.

Note: Quarterly growth rates are relative to the previous quarter. The annual growth is calculated using a trade-weighted average over four quarters. IR denotes intra-regional. Data is seasonally adjusted. Data does not include trade in services. Imports and exports exclude intra-European Union trade.

¹ See [Trade and development foresights 2025: Under pressure – uncertainty reshapes global economic prospects](#) | UN Trade and Development (UNCTAD).

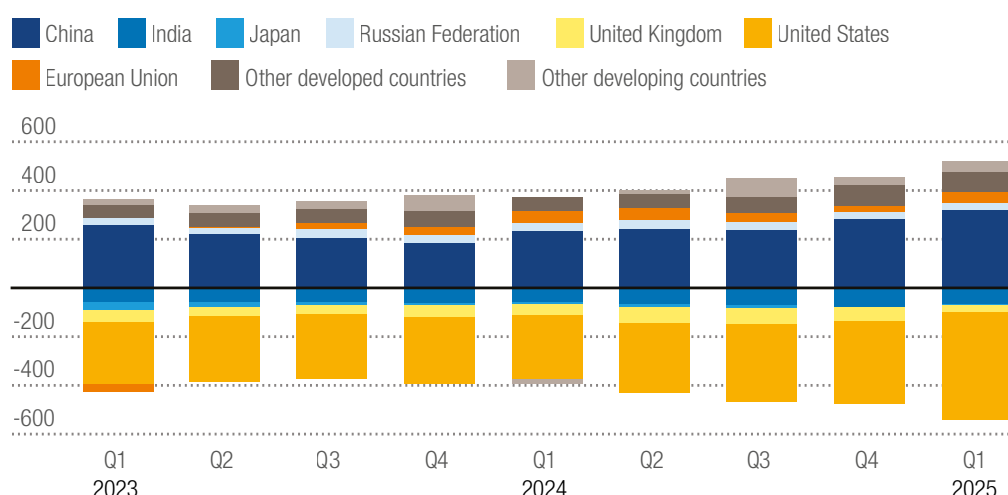
Global trade imbalances

Global imbalances in goods trade continued to widen during recent quarters. In Q1 2025, this pattern was largely driven by a growing trade deficit in the United States. Other major deficit economies—including India, Japan, and the United Kingdom—recorded narrowing trade deficits during Q1 2025. Among surplus economies, China registered a large and expanding trade surplus. The European Union also saw an increase in its surplus in the last quarter.



Global trade imbalances continued to increase in 2025

Trade balance in goods (US\$ billion)



Source: UNCTAD estimates based on national statistics.

Bilateral imbalances in goods trade among major economies remain high and, in most cases, have widened over the last quarter. The largest imbalances are observed between the United States and China, the United States and the European Union, and the European Union and China—all of which increased in Q1 2025. The United States also ran significant trade deficits with Mexico and Viet Nam. Meanwhile, China's main trade deficits were with Australia and Taiwan Province of China.



Bilateral trade imbalances remain large and have mostly widened in Q1 2025

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

Deficit economy	Surplus economy	Annual deficit	Deficit increase in last quarter	Deficit economy	Surplus economy	Annual deficit	Deficit increase in last quarter
United States	China	360	5	Viet Nam	China	66	7
United States	European Union	276	40	United Kingdom	China	61	1
European Union	China	244	7	India	Russian Federation	61	3
United States	Mexico	209	1	United States	Japan	54	0
United Kingdom	European Union	182	7	China	Australia	47	-6
United States	Viet Nam	116	7	United States	India	39	1
India	China	108	6	China	Taiwan Province of China	36	-3
United States	Canada	95	12	Mexico	European Union	26	3
Mexico	China	70	-1	China	Brazil	19	-6
European Union	Norway	67	4	Russian Federation	European Union	6	0

Source: UNCTAD estimates based on national statistics.

Note: Annual deficit positions are calculated as the total over the last four quarters. Deficit increase in the last quarter is measured by the difference between consecutive four-quarter moving sums.

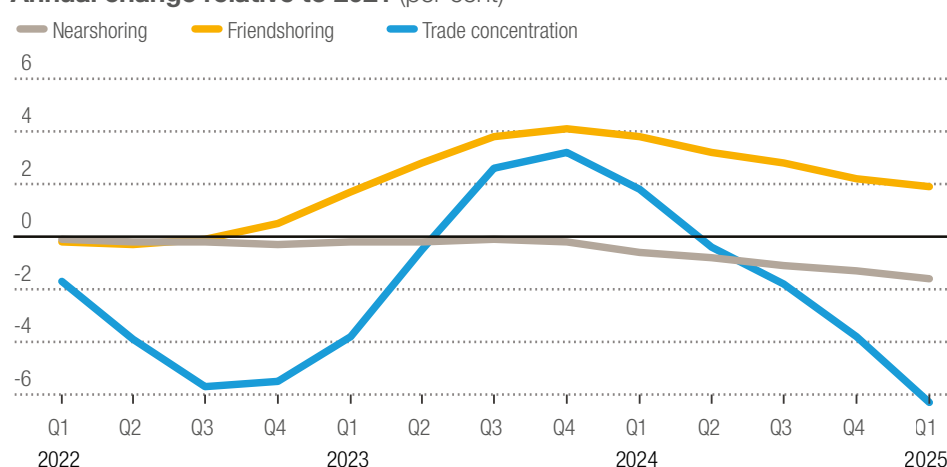


Global trade dynamics and trade dependence

While friendshoring trends remain above 2021 averages, recent quarters have shown a gradual increase in trade diversification. This shift is largely driven by reduced interdependence between China and the United States, as well as broader efforts to diversify supply chains and avoid over-reliance on single partners. Notably, nearshoring has declined in recent quarters, suggesting a renewed expansion of trade between geographically distant countries.

Nearshoring and trade concentration continue to decline, while friendshoring remains above trends

Annual change relative to 2021 (per cent)



Source: UNCTAD estimates based on national statistics.

Note: Nearshoring is calculated as reverse of trade-weighted 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. These dynamics have had a substantial impact on trade between major economies and on their relationships with other partners. However, some of these shifts may be stabilizing. For instance, over the past 12 months, trade interdependence between China and the United States has shifted only marginally, while more significant changes have occurred among some of their respective trading partners.

Global integration trends reflect continuing geoeconomic fragmentation

Increasing trade dependence		Annual change	Decreasing trade dependence		Annual change
Dependent	Depending on		Dependent	Depending on	
Taiwan Province of China	United States	2.8%	United Kingdom	European Union	-3.1%
Malaysia	United States	2.0%	Australia	China	-3.1%
Viet Nam	United States	1.9%	Norway	European Union	-2.0%
United Kingdom	United States	1.6%	Brazil	China	-1.9%
Korea, Republic of	Taiwan Province of China	1.5%	Russian Federation	European Union	-1.7%
Brazil	United States	1.0%	Taiwan Province of China	China	-1.6%
Brazil	European Union	0.8%	Canada	United States	-1.2%
United States	Taiwan Province of China	0.6%	Taiwan Province of China	Japan	-1.1%
Türkiye	European Union	0.5%	United States	Canada	-1.1%
China	United States	0.2%	United States	China	-0.6%

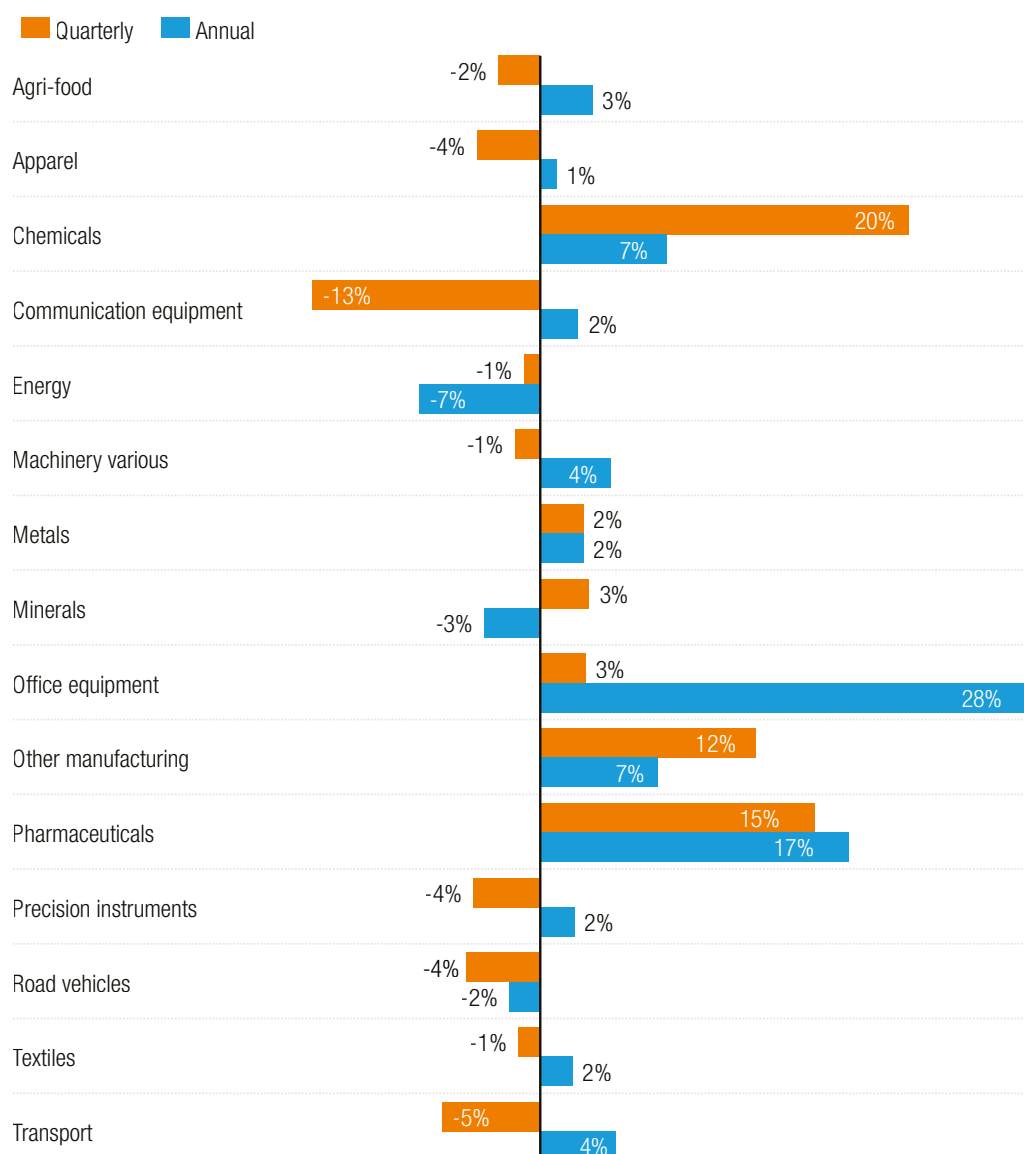
Source: UNCTAD estimates based on national statistics.

Note: The dependence of an economy on another is calculated as the ratio of their bilateral trade over the total trade of the dependent economy. Annual change is calculated as a four-quarter average of this ratio relative to the same period in the previous year. Data for Russian Federation includes estimates.

Global trade trends at the sectoral level

Trade growth varied significantly across sectors in Q1 2025. General manufacturing, particularly chemicals and pharmaceuticals recorded growth rates well above the global average, while trade in communication equipment saw a sharp decline. Over a 12-month period, however, the strongest gains were in office equipment and pharmaceuticals. Trade in energy products and road vehicles remained relatively weak both quarterly and annually.

Chemicals and pharmaceuticals drove Q1 2025 trade growth; communication equipment declined



Source: UNCTAD estimates based on national statistics of China, European Union and the United States.

Note: Quarterly growth is the quarter over quarter growth rate of seasonally adjusted values. The annual growth is calculated using a trade-weighted average over four quarters.

Global trade update

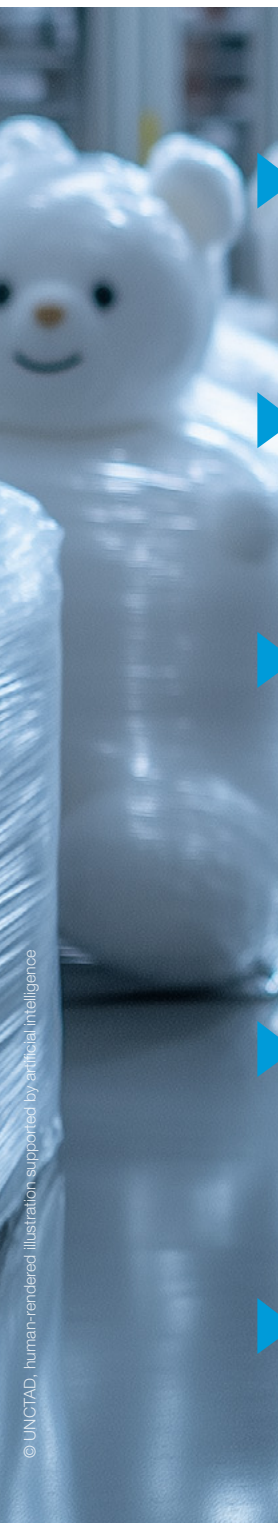


Policy Insights

Highly concentrated digital markets put competition and consumers at risk

KEY TAKEAWAYS

- ▶ **Antitrust enforcement** is increasingly used to correct market distortions by big tech and create a fair and non-discriminatory level playing field for users and consumers.
- ▶ **New trade policies linking innovation, investment, and competition** condition how fairly and transparently governments enforce competition law and regulate digital platforms.
- ▶ **Policy frictions risk obscuring the reality of high market concentration in digital markets, dominated by a handful of global platforms and technology firms.** The 2025 U.S. Trade Policy Agenda along with its innovation policy target foreign antitrust actions against American big tech as de facto trade barriers.
- ▶ **High market concentration in digital economy** undermines competition, restricts innovation, creates significant barriers to digital participation and narrows consumer choice, more so for MSMEs in developing countries.
- ▶ **Stronger, not weaker, competition law enforcement and robust competition frameworks** are vital to ensuring digital markets are open, fair, and inclusive.



While digital platforms dominate markets, too many developing countries are left behind



Digital platforms now dominate the global economy—reshaping commerce, communication and consumers' lives. Seven of the world's ten most valuable companies are digital giants, including Microsoft, Apple, Amazon, Google and Meta. These firms do not just lead in one area—they sprawl across the digital economy, from cloud computing and e-commerce to AI and advertising, entrenching their dominance (Tables 1 and 2).



Table 1
Digital platforms break into top 10 of global markets value rankings

Billion dollars, 26 June 2025

Rank	Company	Location	Industry	Market capitalization
1	NVIDIA	United States	Information Technology	3 781
2	Microsoft	United States	Information Technology	3 674
3	Apple	United States	Information Technology	2 985
4	Amazon	United States	Consumer Discretionary	2 257
5	Alphabet (Google)	United States	Communication Services	2 077
6	Meta Platforms	United States	Communication Services	1 792
7	Saudi Aramco	Saudi Arabia	Energy	1 567
8	Broadcom	United States	Information Technology	1 248
9	TSMC	Taiwan Province of China	Information Technology	1 160
10	Tesla	United States	Consumer Discretionary	1 055

Source: [Companies ranked by Market Cap - CompaniesMarketCap.com](#).



Table 2
Digital platforms reshape the digital economy landscape
Business activities of the eight biggest technology companies

Company name	E-commerce and digital payment	Digital content and distribution	Social media	Online search	Online advertising	Cloud services	AI models
Amazon	Amazon.com	Prime Video, Twitch, Kindle	/	/	Amazon Ads, Twitch Ads	AWS	Alexa +, Titan, Q (for AWS)
Alphabet (Google)	Google Store, Google Pay	YouTube, Chrome, Android, Google Play	/	Google Search	Google Ads, YouTube Ads	Google Cloud	Gemini (Bard)
Apple	Apple.com, Apple Pay	Music, TV+, Podcasts, News+, Apple store	/	/	App Store Ads	iCloud	Apple has been developing a framework called "Ajax", a large language model.
Meta Platforms	Facebook Marketplace	Meta Horizon Store	Facebook, Instagram, WhatsApp, Messenger, Threads	/	Facebook, Instagram, Messenger, Threads, WhatsApp Ads	Volcano Engine, Lark	Meta AI (Llama 3)
Microsoft	Microsoft.com	Xbox Game Pass, Windows Store, Microsoft Store	Teams, LinkedIn	Bing	Bing, Microsoft, LinkedIn Ads	Azure, Microsoft 365	Copilot
Bytedance	In-app purchases, TikTok shop, Douyin e-commerce	TikTok, Douyin, Xigua Video, Toutiao, Fanqie	Helo	/	TikTok Ads, Douyin Ads, BytePlus Ads	Volcano Engine, Feishu, Lark	Doubao
Alibaba	Taobao, Tmall, Taote, 1688, Aliexpress, Lazada, Trendyol, Daraz, Alibaba.com, Alipay	Youku, Alibaba Pictures	/	Quark	Alimama (ads services provider on Alibaba platforms)	Alibaba Cloud, DingTalk	Tongyi Qianwen
Tencent	WeChat Stores, WeChat Pay	Tencent Video, Tencent Music, WeRead	WeChat, QQ	Internal search in WeChat	Ads service on WeChat, Tencent Video, Tencent Music, WeRead, Tencent Marketing Solution	Tencent Cloud	Hunyuan

Source: Companies' annual reports except for Bytedance for which the official website is used.

As tech giants have grown, they have made it harder for new entrants to break into markets, stifling innovation and limiting choice. Fewer competitors mean higher prices, lower quality, and weakened privacy protections for users. Platforms thrive on **network effects and control over data**. The more users a platform has, the more attractive it becomes—creating a cycle of growth that is hard for smaller rivals to break. Massive amounts of user data are collected, analyzed, and monetized—mostly through advertising, which remains a primary revenue source for firms like Meta (97.6 per cent) and Google (75.6 per cent) (Figure 1).

Figure 1 Advertising accounts for a large share of total revenues of major digital platforms

Share of advertising revenue in total revenue (Percentage, 2024)



Source: UNCTAD, based on annual reports from [Meta](#) and [Alphabet](#).¹

Tech giants also have the resources to invest and stay at the technology frontier or simply acquire highly innovative firms that offer cutting-edge technology and expertise.

Between 2020 and 2024, digital multinational enterprises (MNEs) accounted for almost one third of announced greenfield projects in data centres, and their share of projects in the logistics sector reached 10 per cent. Their share of global foreign direct investment (FDI) in research and development in IT and software peaked at 26 per cent before 2015, then declined to 21 per cent during 2020–2024.²

And while digital platforms accelerate transformation, much of the developing world is being left behind. Limited internet access in low- and lower-middle-income countries keeps millions locked out of digital opportunities—unable to participate fully in online markets or benefit from the data-driven economy.

Even where access exists, competition doesn't. Digital markets remain alarmingly concentrated. A handful of firms, including China's Tencent, Alibaba, and ByteDance, control app ecosystems with massive reach. In China, for example, WeChat alone serves over 95 per cent of the population.³

¹ In 2024, Alphabet's total revenue was \$350,018 million. Google's advertising revenue, which includes Google Search & other, YouTube ads, and Google Network advertising, amounted to \$264,590 million, accounting for 75.59 per cent of total revenue; In the same year, Meta's total revenue was \$164,501 million, with advertising revenue contributing \$160,633 million, representing 97.65 per cent of the total.

² UNCTAD World Investment Report 2025.

³ As of 2023, China's total population was approximately 1.41 billion.

Market concentration in digital markets



Market concentration within the top 100 digital enterprises has grown significantly.

The combined share of sales held by the top five digital MNEs more than doubled – from 21 to 48 per cent between 2017 and 2025. A similar trend is observed in asset concentration, with the top five firms increasing their share of total assets from 17 to 35 per cent in the same period.⁴



Table 3
Top 10 digital enterprises by sales, 2025

Rank	Company name	Country of headquarters	Industry classification	Sales (billions of dollars)		Assets (billions of dollars)	
				Total	Foreign	Total	Foreign
1	Amazon	United States	E-commerce	573	155	528	138
2	Apple	United States	Platforms	383	245	353	84
3	Alphabet	United States	Platforms	307	161	402	104
4	Microsoft	United States	Digital solutions	212	105	412	160
5	JD.com	China	E-commerce	153	2	89	0
6	Meta Platforms	United States	Platforms	135	85	230	37
7	Alibaba	China	E-commerce	126	13	255	10
8	Bytedance	China	Platforms	120	40	NA	NA
9	Walt Disney	United States	Digital content	89	19	206	23
10	Tencent	China	Digital content	86	8	222	80

Source: UNCTAD World Investment Report 2025.

Note: Data are for fiscal year 2023.

This deep market concentration reinforces existing global divides. Without fair competition, open markets, better connectivity and infrastructure, developing countries' chances of creating and capturing value in the digital economy are reduced.

More inclusive and competitive digital ecosystems are necessary. Stronger enforcement of competition rules—paired with infrastructure investment, stronger regulatory systems, skills development and financing opportunities for startups in the digital economy—is essential to ensure the digital economy works for all, not just a few global tech giants.

Digital platforms grow by controlling and monetizing data. They collect, store, and analyze user data to generate digital intelligence (big data) which is commonly monetized through advertising and data sales.⁵ Control over user data, together with network effects, confers platforms significant market power.

As both gatekeepers and competitors, tech giants act like essential infrastructure. Digital platforms like Apple and Google leverage their platform dominance to expand into other markets—forcing App Store or GooglePlay developers to use their payment systems and pay a high commission on revenue generated.

Competition is not “one click away”⁶—and without digital literacy, users are left vulnerable. Switching is not easy for consumers, who face hidden costs.

Generative AI is booming—and competition concerns are rising. Major players like

⁴ UNCTAD World Investment Report 2025.

⁵ UNCTAD DER 2019.

⁶ A Candeub, 2014, Behavioural economics, Internet search and antitrust, I/S: A Journal of Law and Policy for the Information Society, 9(3):407–434; see <https://www.wired.com/2012/10/google-gets-closer-to-a-court-date/>.



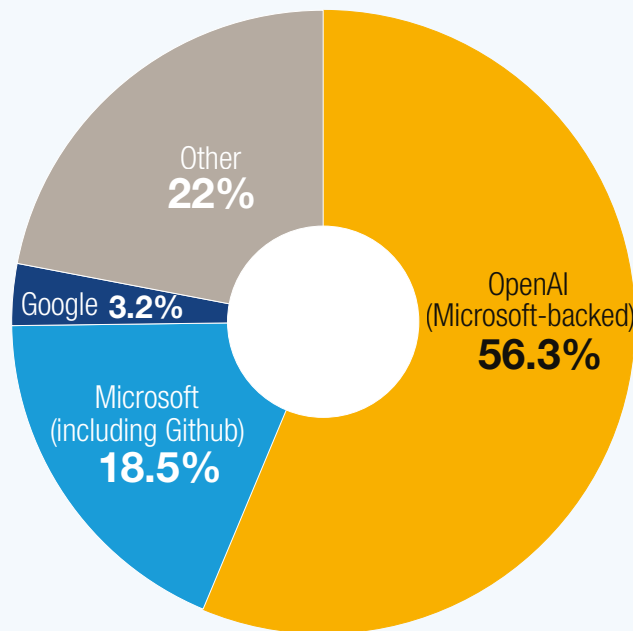
Generative AI sparks new fears over market power

Microsoft and Alphabet together dominate the AI value chain, accounting for 78 per cent, often partnering with start-ups like OpenAI and Anthropic to consolidate leading positions⁷ (Figure 2). Barriers to entry are steep: Generative AI requires massive computing power, AI chips, cloud services, talent, and data—all controlled by tech giants.⁸ As platforms embed AI into core services, such as Microsoft's Copilot, smaller firms struggle to compete. Regulators warn that these dynamics could stifle innovation, limit market access, and entrench Big Tech's dominance in the next frontier of digital power.⁹



Figure 2
Few companies dominate the Generative AI market

Company share of monthly visits among top 10 most visited AI websites, February 2025



Source: <https://www.aibase.com/best-ai-tools/global-all-traffic-in-month-02-2025>.

⁷ Generative artificial intelligence: the Autorité issues its opinion on the competitive functioning of the sector | Autorité de la concurrence

⁸ Generative artificial intelligence: the Autorité issues its opinion on the competitive functioning of the sector | Autorité de la concurrence; G7 2024 - Digital Competition Communiqué.pdf.

⁹ See Activity Tracker - Digital Policy Alert; Generative artificial intelligence: the Autorité issues its opinion on the competitive functioning of the sector | Autorité de la concurrence; G7 2024 - Digital Competition Communiqué.pdf; <https://www.jftc.go.jp/file/241002SummaryEN.pdf>; Consultation on Artificial Intelligence and Competition: What We Heard; https://assets.publishing.service.gov.uk/media/661941a6c1d297c6ad1dfeed/Update_Paper__1_.pdf.





Competition law enforcement steps in to maintain open, fair and contestable digital markets

Competition authorities around the world are intervening in digital markets through innovative interpretations of their competition laws, including in developing countries.

Ex-ante regulations,¹⁰ such as the European Union's **Digital Markets Act (DMA)**, set out criteria for identifying a digital platform that plays a significant role in controlling access to goods or services. This allows enforcement against practices that may not clearly fit in existing competition legislation but have significant harmful effect. Inspired by the DMA, countries like Australia, Brazil, India and the United Kingdom are adopting similar approaches to pre-empt unfair practices.¹¹

Others are adopting soft law tools—such as guidelines on market definition—to reflect zero-price business models and the strategic use of data. Examples include Japan's Digital Platform Guidelines, Nigeria's Notice on Market Definition, and the United States Merger Guidelines.

Enforcing competition law in digital markets increasingly requires authorities to consider data protection alongside traditional antitrust concerns. A holistic approach means integrating **competition, consumer protection, and data privacy**, as these areas are deeply interconnected. Consumer data is a key asset for digital platforms, reinforcing their market power, entrenching dominance, and creating risks for user privacy. In these complex digital ecosystems, addressing one area in isolation is no longer effective.

¹⁰ Preventive rules designed to proactively address anti-competitive behavior before it occurs, especially in markets where traditional enforcement may be too slow or ineffective—such as digital markets.

¹¹ [Global competition law and policy approaches to digital markets | UN Trade and Development \(UNCTAD\)](#).



Cracking down on killer acquisitions in the digital economy

Big Tech's unchecked merger and acquisition spree is finally facing serious pushback.

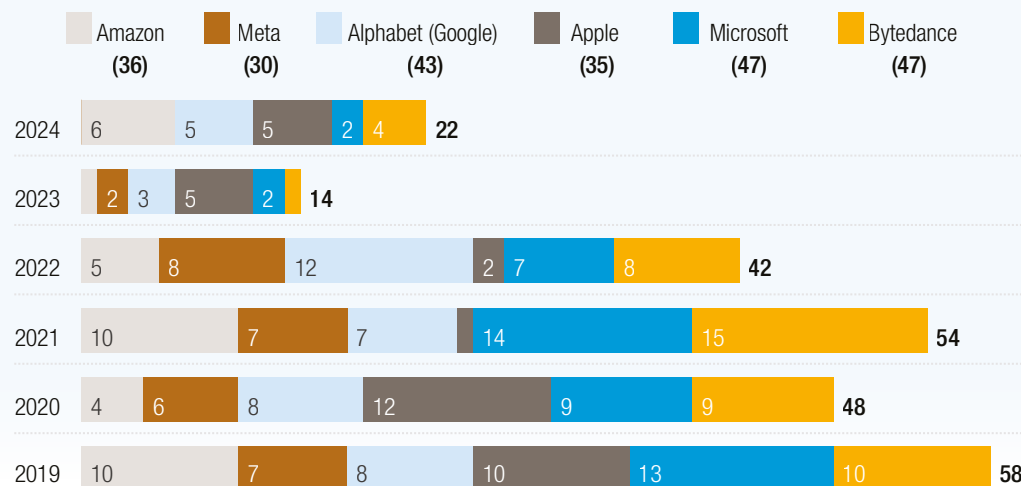
Between 2010 and 2019, Alphabet, Amazon, Apple, Meta (Facebook), and Microsoft made 819 acquisitions that did not meet United States reporting thresholds, according to the Federal Trade Commission.¹² In China, Tencent and Alibaba also quietly acquired dozens of firms without notification, prompting penalties by SAMR.¹³

Many of these were “killer acquisitions”—buyouts of young, innovative start-ups that could grow into future rivals. Meta's 2012 purchase of Instagram¹⁴ and Google's earlier acquisition of YouTube are now seen as textbook cases of how platforms lock in dominance and eliminate competition before it matures.

To counter this, competition authorities are tightening merger rules. In 2023, United States regulators introduced new guidelines, flagging deals where a dominant firm holds 30+ per cent market share.¹⁵ Brazil¹⁶ and the Philippines¹⁷ followed suit with updated guidance targeting digital-specific features, such as network effects, low prices and multi-sided markets.

The impact is clear: Big Tech deal-making is slowing down. Acquisitions by major players like Alphabet, Amazon, Apple, Meta, Microsoft and Bytedance fell from 58 in 2019 to just 22 in 2024 (Figure 3).

Figure 3
Big tech's acquisitions have dropped sharply since 2022 due to stricter merger scrutiny
Number of acquisitions of big tech companies, 2019-2024



Source: [Big Tech M&A Tracker](#) (Amazon, Meta, Apple, Alphabet, Microsoft); [Itjuzi](#) and European Union Commission, [List of Acquisitions by Gatekeepers](#) (Bytedance¹⁸, [Itjuzi](#) source in Chinese).

¹² United States Federal Trade Commission, 2021, Non-HSR reported acquisitions by select technology platforms, 2010-2019, available at <https://www.ftc.gov/system/files/documents/reports/non-hsr-reported-acquisitions-select-technology-platforms-2010-2019-ftc-study/p201201technologyplatformstudy2021>.

¹³ https://www.samr.gov.cn/xw/zj/art/2023/art_58890b3964a947438e050bec99133f7e.html and https://www.samr.gov.cn/jzxts/tzgg/xzcf/art/2023/art_e938cefc24774f2483b7394abc47bfba.html (Original in Chinese).

¹⁴ For more on Facebook's acquisition of WhatsApp and Instagram, see [Restoring competition in “winner-took-all” digital platform markets | UN Trade and Development \(UNCTAD\)](#).

¹⁵ <https://www.justice.gov/d9/2023-12/2023%20Merger%20Guidelines.pdf>.

¹⁶ <https://cdn.cade.gov.br/Portal/centrais-de-contedo/publicacoes/guias-do-cade/V+-%20Guide%20in%20English%20-%20Final%20version%202.pdf>.

¹⁷ <https://phcc.gov.ph/file-manager/file-manager/POSTS/PCC-Guidelines-on-Merger-Remedies-01July2024.pdf>.

¹⁸ Bytedance, best known as the parent company of TikTok, ranks as the second most active acquirer in China's M&A landscape.

Regulators step up to tame big tech—but gaps remain

Governments worldwide are racing to rein in digital giants and restore fair competition through regulations. Since the European Union enacted the **DMA**, targeting dominant “gatekeepers” like Apple, Meta, and Alphabet with strict rules to level the playing field,¹⁹ countries including **Australia, Brazil, India, Japan, and the United Kingdom** have followed suit with their own digital competition laws.²⁰

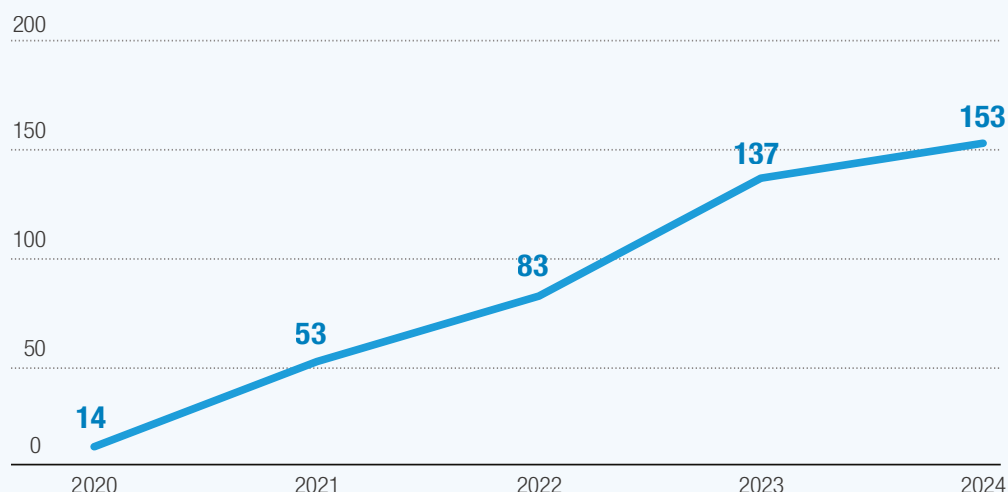
Australia’s ACCC proposed a sweeping new regime in late 2024,²¹ while **India’s** draft Digital Competition Act, released in 2024, mirrors the European Union’s gatekeeper approach.²² In 2022, **Japan** introduced targeted laws to increase transparency and break dominance in mobile ecosystems.²³ **South Africa** has also acted amending its Competition Act to promote inclusion and tackle concentration in digital sectors through market inquiries, including e-commerce, travel platforms, and food delivery where distortions are more likely.²⁴

The number of competition interventions in digital markets has surged globally since 2020, but enforcement is uneven (Figure 4). Europe and Asia lead the way, while Africa and Latin America lag due to capacity constraints and limited access to data (Figure 5). Meanwhile, advanced economies are creating specialized digital units to bolster enforcement, including the European Union’s DMA taskforce, the United Kingdom’s Digital Markets Unit, and Canada’s Digital Intelligence Branch.



Figure 4
Increase in actions taken to restore competition in digital markets

Competition interventions in the digital economy, February 2020 to December 2024



Source: UNCTAD, based on [Digital Policy Alert](#).

Note: “Competition interventions” in Figures 4 and 5 refer to legislation revisions, policy changes, introduction of new soft law instruments, competition law enforcement cases, lawsuits, market studies, and other advocacy activities.

¹⁹ See <https://www.europarl.europa.eu/topics/en/article/20211209STO19124/eu-digital-markets-act-and-digital-services-act-explained>.

²⁰ UNCTAD, 2024, [Global Competition Law and Policy Approaches to Digital Markets](#).

²¹ Ibid.

²² <https://www.mca.gov.in/bin/dms/getdocument?mds=gzGtvSkE3zVhAuBe2pbow%253D%253D&type=open>.

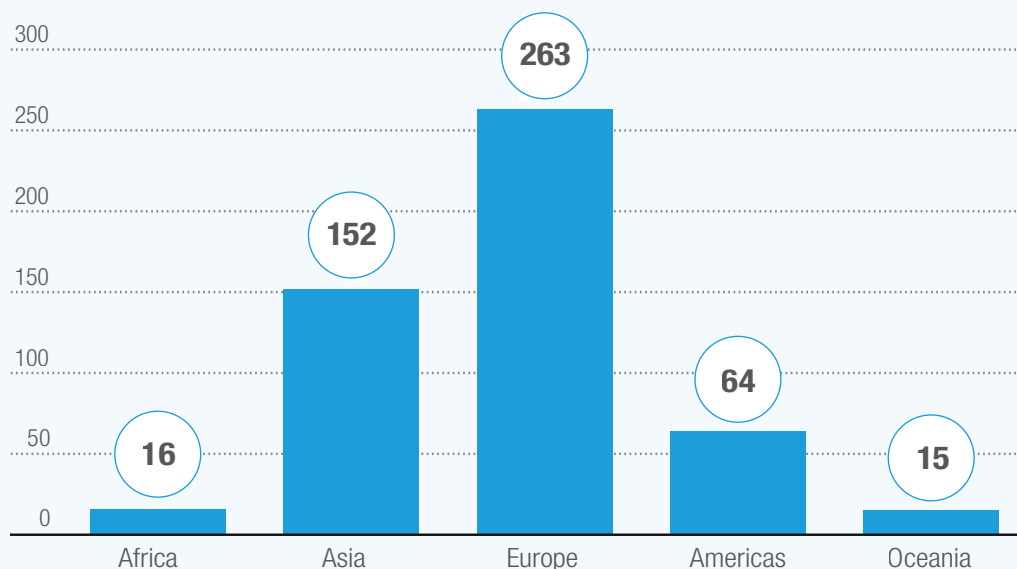
²³ <https://www.japaneselawtranslation.go.jp/en/laws/view/4532>.

²⁴ https://www.compcom.co.za/wp-content/uploads/2023/07/CC_OIPMI-Summary-of-Findings-and-Remedial-action.pdf; UNCTAD, 2024, Enforcing competition law in digital markets and ecosystems: Policy challenges and options, at https://unctad.org/system/files/official-document/ciclpd74_en.pdf



Figure 5
Europe and Asia intervene the most in digital markets

Competition interventions in digital economy, by continent, February 2020 to May 2025



Source: UNCTAD, based on [Digital Policy Alert](#).

Note: "Competition interventions" in Figures 4 and 5 refer to legislation revisions, policy changes, introduction of new soft law instruments, competition law enforcement cases, lawsuits, market studies, and other advocacy activities.



Trade policy meets competition policy and regulation: Antitrust action in digital markets may trigger trade retaliation

On February 21, 2025, President Trump announced the “Directive to Prevent the Unfair Exploitation of American Innovation,”²⁵ a new measure under the *America First Trade Policy*. It pledged to impose tariffs and trade restrictions in response to foreign regulations—particularly those affecting digital markets—viewed as threats to U.S. technology firms that have driven “America’s digital economic dominance.”²⁶

The Executive Order²⁷ complements the 2025 Trade Policy Agenda,²⁸ specifically identifying regulations, data localization mandates, and cross-border data restrictions targeting U.S. companies as potential trade barriers. It cites the European Union’s Digital Markets Act (DMA) and Digital Services Act (DSA), as well as digital services taxes on big tech companies imposed by several European countries, Türkiye, and the United Kingdom.

The United States has challenged the use of regulatory oversight on big tech firms, which have contributed to making the United States’ digital economy “larger than most countries’ entire economy in recent years, including Australia, Canada, and most members of the European Union.”²⁹ Washington’s stance is that enforcement undermines fair competition and deters American innovation, prompting calls for trade countermeasures.

Yet this policy friction risks obscuring a critical and widely acknowledged reality: digital markets remain highly concentrated, with significant power held by a few dominant global platforms. Left unchecked, this concentration threatens to undermine competition, stifles innovation, weakens consumer choice, and limits the ability of smaller firms—especially in developing countries—to participate meaningfully in the digital economy.

Rather than reducing regulatory scrutiny, the current landscape calls for more robust, transparent, and coordinated enforcement of competition law, not less. Effective regulation is also essential to ensure that the digital economy evolves in a way that is fair, inclusive, and development-oriented. For developing countries in particular, strong competition frameworks together with investment in infrastructure can support digital industrialization, encourage innovation, and ensure that the benefits from digitalization are more equitably shared.

²⁵ Fact Sheet: President Donald J. Trump Issues Directive to Prevent the Unfair Exploitation of American Innovation

²⁶ Idem.

²⁷ Defending American Companies and Innovators From Overseas Extortion and Unfair Fines and Penalties – The White House

²⁸ US 2025 Trade Policy Agenda And 2024 Annual Report

²⁹ Fact Sheet: President Donald J. Trump Issues Directive to Prevent the Unfair Exploitation of American Innovation





Timeline of selected investigations into anti-competitive practices in digital markets

2021 ● April: China's competition authority fined Alibaba Group for abuse of dominance in online shopping marketplaces

China's State Administration for Market Regulation (SAMR) imposed a fine of approximately \$2.8 billion on Alibaba Group in April 2021, for abusing its dominant position in the online retail services market. Alibaba Group was the operator of two e-commerce platforms, Taobao and Tmall, whose market share exceeded 50 per cent between 2015 and 2019. According to SAMR's investigation, Alibaba abused its dominant position by restricting the development of rival platforms to entrench its market position. It engaged in exclusive practices by prohibiting sellers on its platform from opening stores or participating in promotional activities on rival e-commerce platforms. This case is the highest anti-monopoly fine ever imposed in China.³⁰

2025 ● January: Indonesia's KPPU fined Google for abuse of dominance

The Indonesian Competition Commission (KPPU) found that Google abused its dominant position in the online search market by requiring the use of its payment system in the Google Play Billing System. The KPPU found that Google's actions impacted competition, leading to "a decrease in the number of app users, a decrease in transactions which correlated with a decrease in revenue, and an increase in app prices of up to 30 per cent due to increased service costs".³¹ KPPU ordered Google to stop requiring the use of Google Play Billing System in the Google Play Store and imposed a fine of \$12.65 million for committing anti-competitive practices.

● April: European Commission fined Apple and Meta for infringing Digital Markets Act

The European Commission issued its first non-compliance decisions under the DMA on 23 April 2025, targeting Apple and Meta. Apple was found to have breached the DMA's anti-steering provision by restricting app developers from directing users to alternative purchasing options outside the App Store. Meta's "consent or pay" model was deemed non-compliant, as it failed to offer users a meaningful choice to access its services with reduced personal data processing. The Commission imposed fines of €500 million on Apple and €200 million on Meta.³²

● April: Nigeria fined Meta for exploitative practices on social network platforms

The Federal Competition and Consumer Protection Commission of Nigeria (FCCPC) and the Nigerian data protection authority joined hands to investigate competition and privacy concerns in social networking platforms. The 38-month long investigation into abuse of dominance by Meta and WhatsApp concluded that WhatsApp forced its users to accept an updated privacy policy, which facilitated sharing user data across Meta's associated platforms, including Facebook, without the consent of its users. Users who did not consent lost access to WhatsApp, which held 65 per cent market share in Nigeria. FCCPC ordered Meta to cease the transfer of

³⁰ https://www.samr.gov.cn/zt/qhfidzf/art/2021/art_74b2593fd32a432baf3dcdbd163935167.html; UNCTAD (2024), *Global competition law and policy approaches to digital markets*.

³¹ <https://asean-competition.org/read-news-google-found-in-violation-kppu-imposes-fine-of-idr-2025-billion>.

³² https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1085.



data from WhatsApp to Facebook without explicit consent and ensure that its privacy policy complies with data protection laws in Nigeria. Facebook was fined about \$220 million USD for engaging in these discriminatory and exploitative practices harming Nigerian consumers.³³

► **May:** Brazil's CADE fined Apple for abuse of dominance in online payment systems

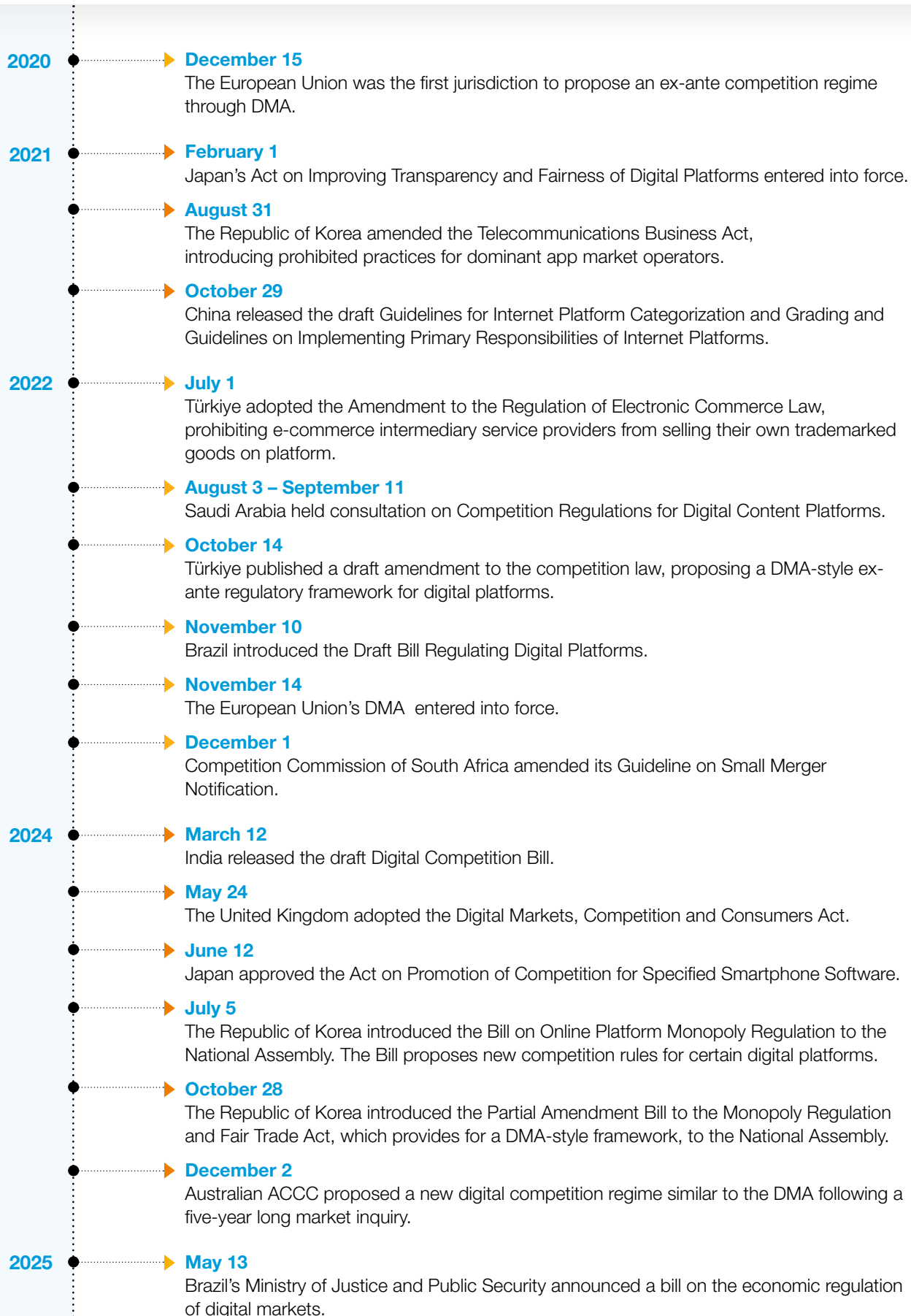
Administrative Council for Economic Defense (CADE) of Brazil imposed a preliminary injunction on Apple for potential abuse of dominant position, by requiring developers to use the Apple payment system, which charges 30 per cent commission.³⁴ CADE's decision was upheld by the CADE Tribunal in May 2025. The ruling requires Apple to stop preventing the use of third-party payment systems in the IOS platform. Apple's appeal against this order was denied. Non-compliance may result in a daily fine of BRL 250000. Apple has 90 days from the date of the decision to comply with the order. At the time of writing, Apple is still within the compliance period.

³³ <https://fccpc.gov.ng/wp-content/uploads/2024/07/Final-order-FCCPC-Meta-18072024.pdf>; <https://africanantitrust.com/wp-content/uploads/2024/07/meta-2023-nigeria-investigative-report-fccpc-whatsapp-13.11.23.pdf>; <https://africanantitrust.com/2025/04/29/nigeria-flexes-regulatory-muscle-tribunal-upholds-220-million-fine-against-whatsapp-and-meta-over-data-discrimination-practices/>.

³⁴ <https://www.gov.br/cade/pt-br/assuntos/noticias/tribunal-do-cade-mantem-medida-preventiva-em-desfavor-da-apple>.



Timeline of ex-ante competition regulations for digital platforms



Through this document,
UNCTAD provides valuable insights
into current and emerging trade policy
issues and their impact
on economic development in a fast
changing global trade context.

