UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Technical and statistical report

Key statistics and trends in international trade 2024

Trade growth amid volatility and ongoing uncertainties

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Note

Key Statistics and Trends in International Trade is a yearly publication. It is a product of the Division on International Trade and Commodities of UNCTAD. This publication monitors the trends of international trade in goods and services in the medium term.

The series is part of a larger effort by UNCTAD to analyse trade-related issues of particular importance for developing countries, as requested by the mandate of UNCTAD XV outlined in the Bridgetown Covenant paragraphs 107 and 113.

The underlying data is available upon request at tab@unctad.org.

Table of contents

List of Figures

Overview

Fragmentation and heterogeneity have characterized global trade patterns since the onset of the COVID-19 pandemic. Geopolitical tensions, the resurgence of industrial policies, and uncertainty in trade regulations are reshaping international trade patterns and global value chains. As the trade policy environment remains uncertain, the persistence of these factors suggest that global trade patterns are undergoing significant changes, potentially ushering in a new era with distinct challenges for economies worldwide. Close monitoring of these developments is crucial to understanding their implications for developing countries.

This report is organized into four sections. The first section provides an overview of global trends influencing international trade since 2010, with a focus on key developments and shifts in recent years, including preliminary data for 2024. The second section presents detailed statistics comparing trade dynamics between developing and developed countries, alongside an analysis of South-South trade and intra-regional trade flows. The third section examines sectoral trade patterns, offering insights into the current state and evolution of global trade networks. Finally, the fourth section includes maps visualizing key trade indicators, providing insights into trade patterns and performance at the country level. Sections 2, 3, and 4 are based on official statistics for 2023 and changes observed since 2018.

Data sources

The statistics in this publication were produced by the UNCTAD secretariat using data from various sources. This report relies on the United Nations Commodity Trade Statistics Database (COMTRADE) (comtrade.un.org) data for merchandise trade statistics. UNCTADstat (unctadstat.unctad.org) is the source of service statistics. Preliminary data from 2024 comes from UNCTAD nowcast and from national authorities' statistics. The data has been standardized to facilitate cross-country comparisons. Data, although comprehensive and comparable across countries, does not perfectly reflect national statistics, and thus some discrepancies with specific national statistics may be present. Unless otherwise specified international trade is defined as trade in goods (merchandise) and services. Countries are categorized by geographic region as defined by the United Nations classification (UNSD M49). Developed countries are these identified in the UNSD M49 according to the distinction as of December 2021. Product sectors are categorized according to Harmonized System Classification (HS) at Chapter level, and in some instances further aggregated at Section level. Figures are in current United States of America dollars, except where otherwise specified. The statistics presented in this report include intra-European Union flows unless specified otherwise.

The boundaries, colours, denominations, and other information shown on any map in this work do not imply any judgment on the part of UNCTAD concerning the legal status of any territory or the endorsement or acceptance of such boundaries.

1

Trends in international trade

1. Trends in international trade

This section illustrates some of the significant trade trends at the global level, covering their developments from 2010 to the most recent patterns observed in 2024. It begins by discussing overarching global trade trends in goods and services, also by looking at the dynamics of globalization. This section then presents patterns of diversification and concentration in global trade. The analysis then presents overall trade trends for the major global economies, providing a comparative perspective. Finally, the section concludes with an overview of trade trends across economic sectors and specific categories of goods.

1.1 Global trade trends

As of 2024, global trade in goods and services combined is estimated to have reached approximately US$ 33 trillion. Goods (merchandise) trade accounts for about US$ 25 trillion—roughly three-quarters of the total—while services contribute the remaining US$ 8 trillion, or about one-quarter. This difference highlights the continued prominence of goods trade in shaping the overall patterns of international commerce, even as services play an increasingly important role in the global economy.

Over the past 15 years, the trajectory of global trade in goods has been marked by increasing volatility.

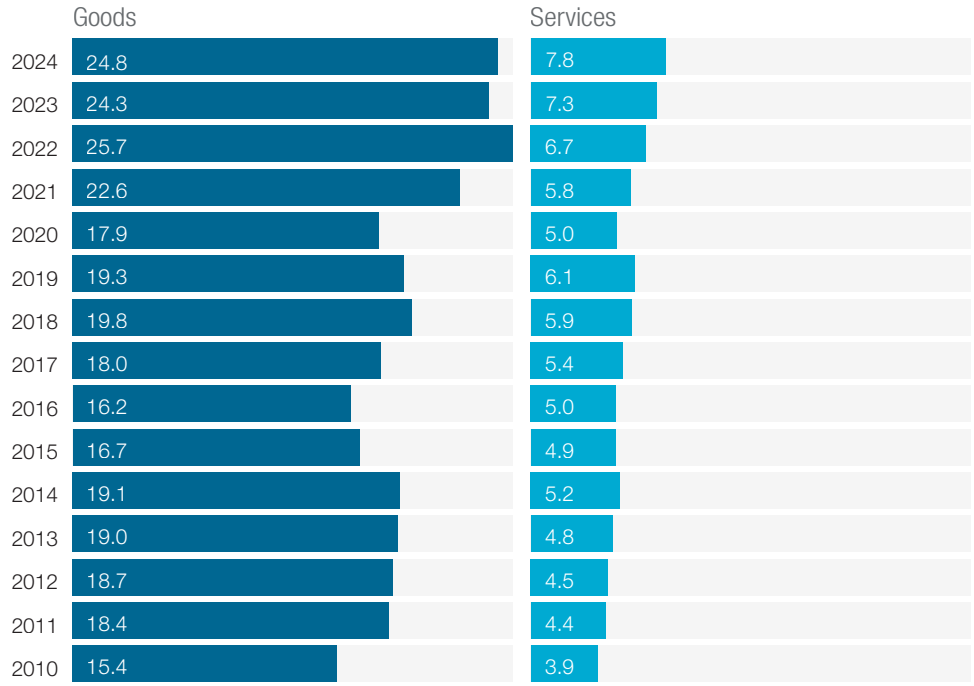
After a sustained period of robust growth that ended around 2014, trade in goods experienced several cycles of sharp expansions and contractions (Figure 1.1). This period was characterized by notable disruptions, such as oil price shocks and the sharp downturn caused by the COVID-19 pandemic in 2020, which temporarily disrupted supply chains and led to a decline in global trade volumes.[1] However, these disruptions were consistently followed by rebounds. For instance, the post-pandemic recovery saw a surge in trade activity, with goods trade reaching an all-time high in 2022. This recovery, however, proved uneven, as trade values and volumes declined in 2023 due to geopolitical tensions, only to resume growth again in 2024.[2]

Over the past 15 years, the trajectory of global trade in goods has been marked by increasing volatility.

[1] See for example: the impact of covid 19 on trade and development (UNCTAD, 2022), available at: https://unctad.org/publication/impact-covid-19-pandemic-trade-and-development-lessons-learned

[2] See Global Trade Update (UNCTAD) available at: https://unctad.org/publications-search?f%5B0%5D=product%3A1572

Figure 1.1
Global trade is expected to reach an all-time high in 2024
Global trade in goods and services, US$ trillion



Source: UNCTAD calculation based on UNCTADstat data.
Note: Data for 2024 includes estimates and UNCTAD nowcast.

Trade in services has generally been resilient, with steadier growth often surpassing the growth of trade in goods. Throughout the past 15 years, trade in services has experienced consistent growth, even as it faced occasional challenges. The most significant disruption occurred in 2020, when the pandemic led to a temporary contraction in services trade due to widespread restrictions on travel and tourism.[3] However, the services sector rebounded quickly, with a strong recovery beginning in 2021. Since then, services trade has continued to demonstrate robust performance, benefiting from structural trends such as the digitalization of economies, the growth of e-commerce, resurgence in travel and tourism, and the increasing global demand for professional and financial services.

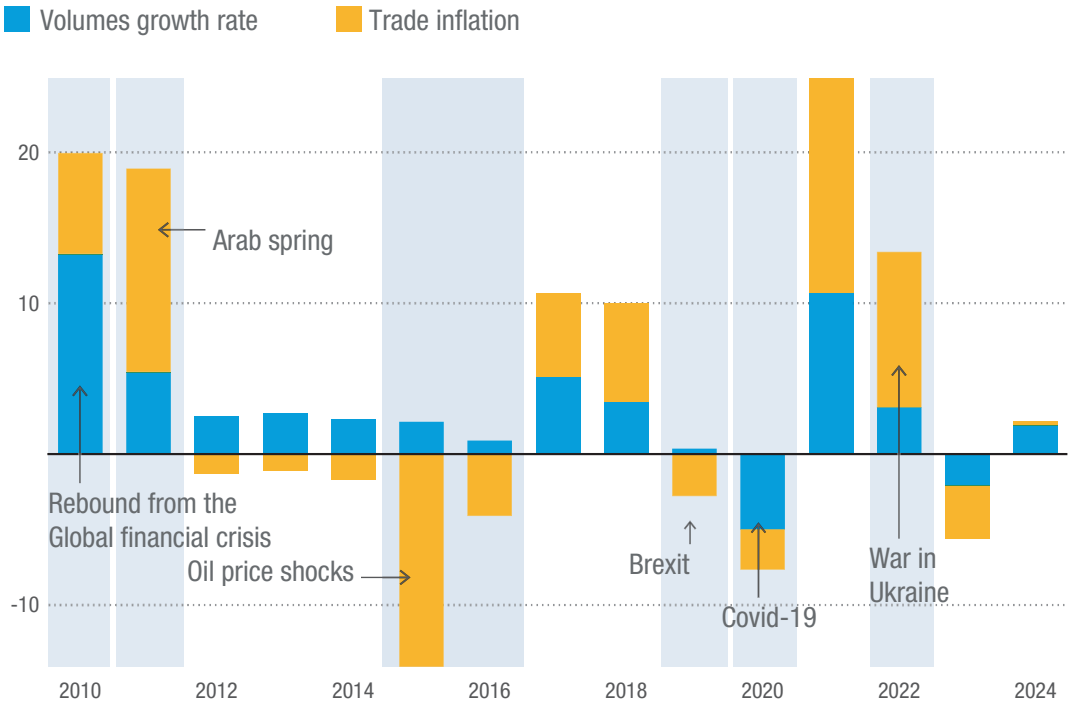
The value of global trade in goods has been largely and increasingly influenced by price volatility. The value of global trade is influenced by the prices of traded goods, which in turn is shaped by a combination of factors, including inflationary trends, commodity prices, and fluctuations in the value of the United States dollar. Over the past 15 years, both general inflation and commodity prices have experienced significant volatility, with major global events further contributing to sharp changes in the values of international trade through changes volumes. Figure 1.2 illustrates the trends in the overall prices of traded goods, highlighting several key episodes that have contributed to these recent trends. For instance, the oil price shocks and economic downturns of 2015–2016, the uncertainty surrounding Brexit ongoing negotiations

[3] For more information see: Covid-19 and Tourism, an update (UNCTAD, 2022) available at: https://unctad.org/publication/covid-19-and-tourism-update

Figure 1.2

Global trade volumes, like trade inflation, have become more volatile

Import volumes growth rate, unit value growth rate (per cent)



Source: UNCTAD calculation based on UNCTADstat data.

Note: Data for 2024 includes estimates and UNCTAD nowcast. Data does not include trade in services.

in 2019, and the COVID-19 pandemic in 2020 all coincided with declines in the prices of traded goods. On the other hand, the surge in prices observed in 2021 and 2022 was largely driven by generalized global inflationary pressures and the war in Ukraine[4], while the decline in the value of global merchandise trade in 2023 was influenced by a moderation in global inflation.

Over the past 5 years, global trade volumes have become more volatile, reflecting heightened global uncertainties. Trade volumes have historically been more stable than values, as they are influenced by deeper structural factors such as production capacity, consumer demand, and supply chain dynamics, which typically change more gradually over time. However, during the last few years, trade volumes have shown increased volatility. The heightened volatility began during the COVID-19 pandemic in 2020, when trade volumes contracted sharply. In subsequent years, trade volumes continued to fluctuate, culminating in 2023 with a decline. This decline, though more subtle, was largely driven by geopolitical tensions and heightened global economic uncertainty. Projections for 2024 suggest renewed growth, indicating that international trade volumes may stabilize once again. Nevertheless, the volatility in trade volumes observed over the past few years represents a new trend not seen in recent history.

Globalization trends have stalled, with mounting global uncertainties likely leading to a period of de-globalization. Globalization trends are often assessed by comparing global trade performance to global GDP growth. Historically, trade

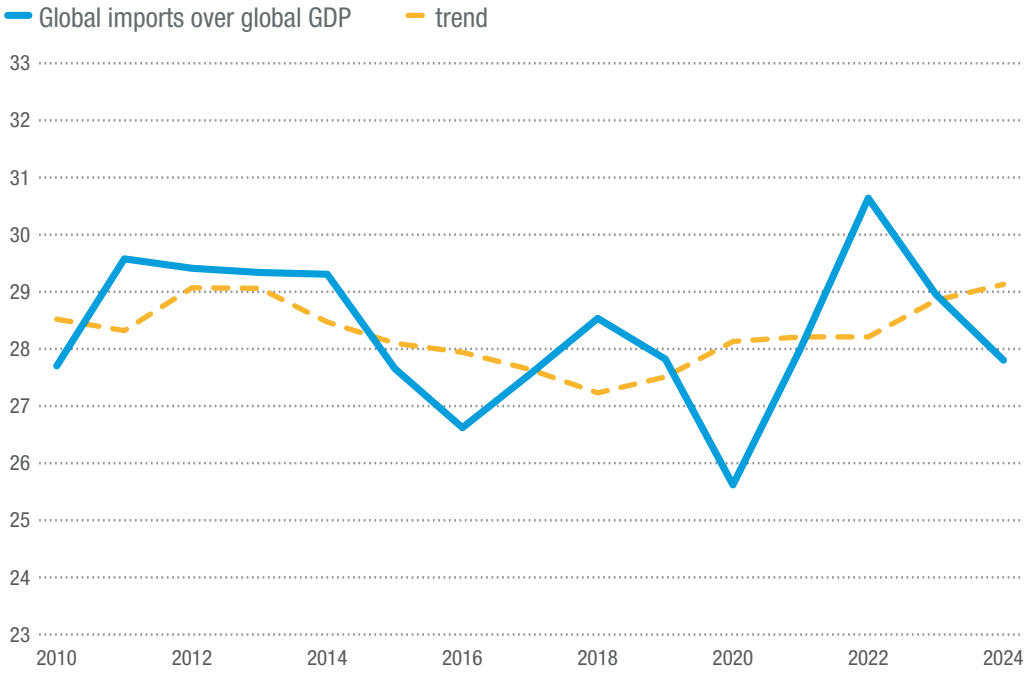
[4] The impact on trade and development of the war in Ukraine (UNCTAD, 2022) available at: https://unctad.org/publication/impact-trade-and-development-war-ukraine

volumes and values have generally mirrored the growth of global GDP, highlighting their close interdependence. Similar, but more volatile, patterns emerge when examining the value of international trade in goods and services relative to global GDP (Figure 1.3). The globalization trends that emerged at the beginning of the century have largely stalled since 2012, as global value chains matured and consolidated around established bilateral trade relationships. However, since 2016, the trade-to-GDP ratio started to exhibit increased volatility to decline after 2022. Overall, disruptions such as the war in Ukraine, United States-China trade tensions, the COVID-19 pandemic, logistics and shipping bottlenecks, and heightened geopolitical uncertainties have exposed vulnerabilities in the global trade system and signalled a shift away from previous globalization patterns.

1.2 Diversification and trade concentration trends

Recent trends suggest that the concentration of global trade around large economies has shifted into a more decentralized trade structure.
The past 15 years have seen a shift in trade concentration patterns. Initially, global trade became more concentrated around larger economies, with global trade concentration peaking in the mid-2010s. However, after that, the concentration of global trade declined, as larger economies lost some of their relative importance (Figure 1.4). The increase in concentration of global trade in the early 2010s was driven largely by the continuing integration of major East Asian economies into the global market, with China playing a significant role. However, in the latter part of the decade, this trend reversed, and trade growth for smaller

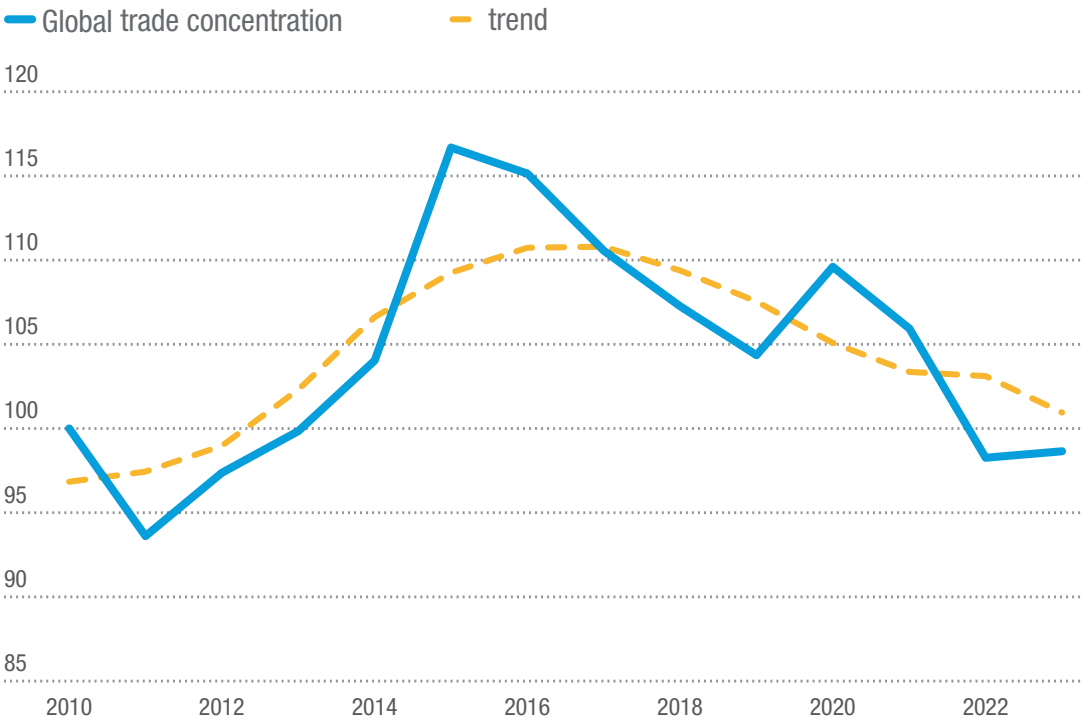
Figure 1.3
Trade-to-GDP ratio has stabilized but declined in the last two years
Imports of goods and services, per cent of gross domestic product at current prices



Source: UNCTAD calculation based on UNCTADstat data.

Note: Data for 2024 includes estimates and UNCTAD nowcast. Trend is calculated using 5-year moving average. GDP stands for gross domestic product.

Figure 1.4
Global trade concentration peaked in the mid-2010s
Index (2010=100)



Source: UNCTAD calculation based on UNCTADstat data.

Note: Trend is calculated using 5-year moving average. Data does not include services. Trade concertation is calculated based on the Herfindahl concentration index.

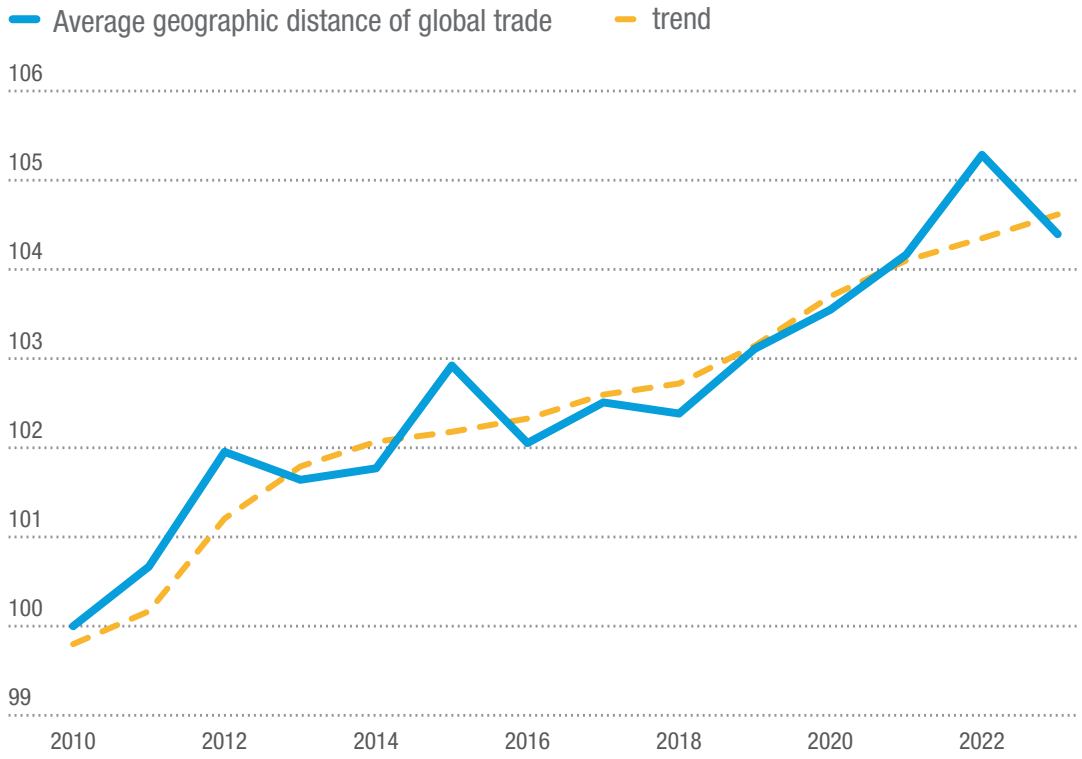
economies started to pick up and outpace that of larger ones. This is a trend that is partly due to rising geopolitical and trade tensions among major economies, and the consequent increase in the importance of smaller economies acting as intermediaries or new hubs for trade networks. Notably, the trade concentration index has become more volatile in recent years, reflecting increasing uncertainty in global trade dynamics.

Long standing far-shoring trends have turned into nearshoring in 2023. One well-established trade trend that has emerged during the era of globalization is the diminishing importance of geographic distance in shaping international trade. This shift was largely driven by strategic business decisions to optimize production processes by sourcing materials, labour, and manufacturing from locations around the world. Advancements in technology, transportation, communication, lower trade costs, and reduced risk of cross border transactions due to multilateral and bilateral agreements have enabled companies to manage complex global supply chains spanning multiple countries and continents. As a result, the average geographic length of bilateral trade relationships has increased (Figure 1.5). However, in 2023, this trend reversed, with trade between geographically closer nations growing at a faster rate, potentially signalling the emergence of a nearshoring trend. While it is too early to determine whether this reversal represents a permanent shift, as a similar dynamic was observed between 2015 and 2016, the current context of risk mitigation strategies addressing overextended value chains, trade tensions, and geopolitical uncertainties could reinforce and embed this change.

Figure 1.5

Increasing far-shoring dominated the past decades but reversed in 2023

Index (2010=100)



Source: UNCTAD calculation based on UNCTADstat data. Geodesic distance is from CEPII.

Note: Trend is calculated using 5-year moving average. Data does not include services. Average geographic distance is calculated as a trade-weighted average distance in km.

1.3 Major countries trade and global trade imbalances

China and India have experienced some of the highest export growth rates among major economies during the last 15 years, with annual growth surpassing 6 per cent (Figure 1.6). They were followed by Mexico, Brazil, and Switzerland, which registered annual growth between 4 and 5 per cent. The United States and the European Union also performed relatively well, with a recorded annual export growth of nearly 4 per cent during the same period. In terms of global trade share, China's growth has been particularly notable, with its share increasing by about 3.5 percentage points, reaching around 14 per cent of global exports of goods and services in 2023, equivalent to US$ 3.6 trillion. India also saw a sizeable increase in its global trade share, growing by nearly 1 percentage point.

The importance of the United States and the European Union as global exporters remained relatively stable over the last 15 years, accounting for approximately 12 per cent and 17 per cent of global exports, respectively. In contrast, the export performance of Japan, the Russian Federation, and South Africa has considerably weakened since 2010. These economies experienced export growth significantly below the global average, resulting in a notable contraction in their share of global exports. This shift underscores the changing dynamics of global trade, where emerging economies like China and India have gained substantial market share, while some developed but also major developing economies have seen a decline in their relative importance in global export markets.

Figure 1.6
Export trends of selected economies
Share of global exports and annual growth (per cent), exports of goods and services

Country	Share of global exports 2010-2023	Growth 2010-2023	Growth 2022-2023	Value 2023 (US$ trillion)
European Union	17.1 → 17.4	3.9%	11.0%	4.4
China	10.6 → 14	6.1%	-5.6%	3.6
United States of America	12 → 12.1	3.9%	1.3%	3.1
United Kingdom	4.6 → 4.2	3.2%	4.3%	1.1
Japan	5.6 → 3.6	0.5%	-0.1%	0.9
India	2.2 → 3	6.3%	0.8%	0.8
Republic of Korea	3.4 → 3	2.6%	-6.0%	0.8
Canada	3 → 2.8	3.2%	-2.3%	0.7
Switzerland	2.5 → 2.6	4.2%	5.4%	0.7
Mexico	2 → 2.5	5.6%	3.1%	0.6
Russian Federation	2.8 → 1.8	0.4%	-27.0%	0.5
Brazil	1.5 → 1.5	4.1%	2.8%	0.4
South Africa	0.7 → 0.5	1.1%	-8.2%	0.1

Source: UNCTAD calculation based on UNCTADstat data.
Note: Intra-EU trade is not included.

China's importance as an import market has greatly increased but still lags the United States and the European Union. Different patterns among major economies are also evident in relation to imports (Figure 1.7). Like exports, import growth rates have been higher for China, India, and Mexico as their importance in the global economy increased. On the other hand, Japan, the Russian Federation, and South Africa have experienced lower than average growth in imports. The European Union remains the largest global market for imports, accounting for approximately US$ 4.3 trillion, or about 17 per cent of global imports in 2023. The United States ranks second, with around 15.5 per cent of global imports, while China, in third place, holds a share of 12.5 per cent. Notably, China's role as a global importer has grown significantly since 2010 for two key reasons. First, domestic demand for imported goods has surged, driven by the growth of China's middle class and consumers' increasing desire for a wider range of products. Second, imports of raw materials, components, and intermediate goods have been essential to support China's export sectors.

Figure 1.7
Import trends of selected economies
Share of global exports and annual growth (per cent), exports of goods and services

Country	Share of global imports 2010-2023	Growth 2010-2023	Growth 2022-2023	Value 2023 (US$ trillion)
European Union	17.3 → 16.9	3.7%	1.7%	4.3
United States of America	15.4 → 15.4	3.8%	-3.2%	3.9
China	9.3 → 12.5	6.2%	-0.3%	3.1
United Kingdom	4.9 → 4.4	3.1%	0.3%	1.1
Japan	5.1 → 3.9	1.7%	-8.8%	1.0
India	3.1 → 3.7	5.3%	-4.9%	0.9
Republic of Korea	3.3 → 3	3.1%	-7.0%	0.8
Canada	3.3 → 2.9	2.8%	-0.6%	0.7
Mexico	2.2 → 2.7	5.5%	0.4%	0.7
Switzerland	2.1 → 2.2	4.0%	7.4%	0.6
Russian Federation	2.1 → 1.5	1.3%	9.0%	0.4
Brazil	1.6 → 1.4	2.5%	-7.8%	0.3
South Africa	0.7 → 0.5	1.4%	-3.3%	0.1

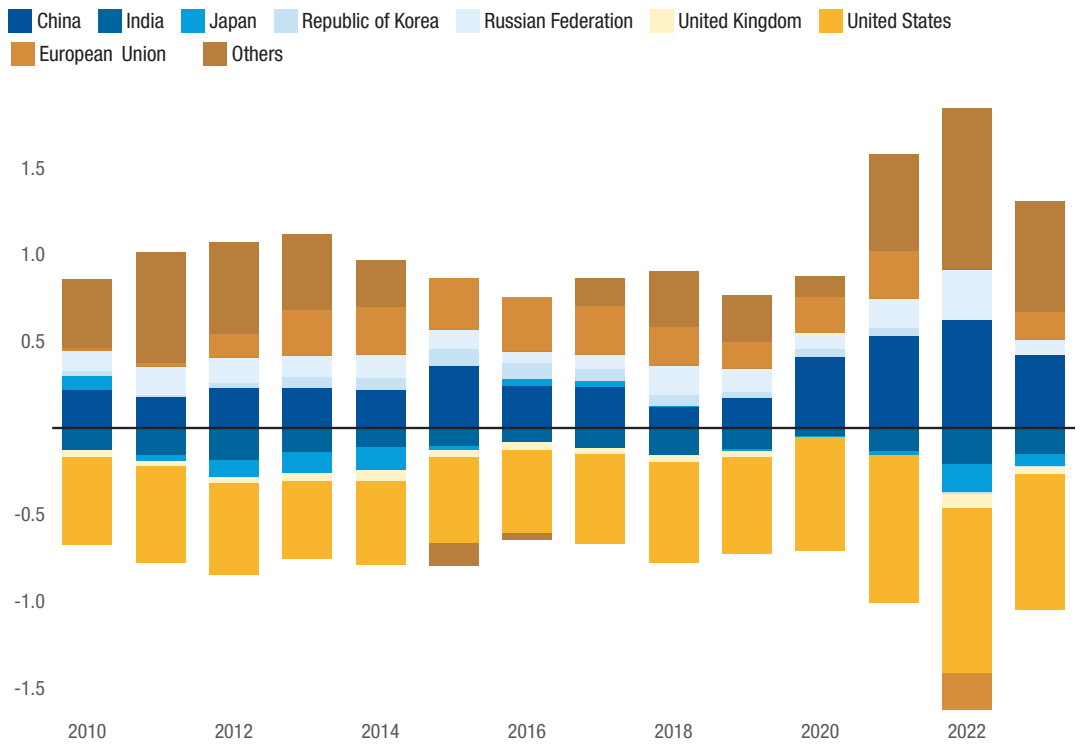
Source: UNCTAD calculation based on UNCTADstat data.
Note: Intra-EU trade is not included.

Global trade imbalances hit a peak in 2022 and remained above historical averages in 2023. Trade imbalances, while a natural feature of global trade, carry both opportunities and risks for the global economy. While they can be in line with macroeconomic fundamentals and result from an efficient allocation of resources, persistently large imbalances can also create economic instability. Moreover, large trade imbalances can strain international relations, as countries may view persistent deficits or surpluses as signs of misalignment in global economic policies or of unfair trade practices. The already significant trade imbalances of the 2010s have deteriorated markedly after 2020, highlighting the growing global trade disparities (Figure 1.8). China's substantial trade surplus, alongside the large trade deficit of the United States have both contributed to this increase. Other economies that typically run a surplus include the Russian Federation, the Republic of Korea, and Japan; however, Japan's trade balance shifted to a deficit after 2022, mainly because of rising energy prices. On the other hand, India and the United Kingdom have consistently run trade deficits over much of the last decade and a half. Meanwhile, other developing countries, as a group, have generally experienced a trade surplus, which has expanded notably since 2020.

Figure 1.8

Global trade imbalances peaked in 2022 but remained relatively large in 2023

Trade balance of goods and services, US$ trillion



Source: UNCTAD calculation based on UNCTADstat data.

Note: Country codes correspond to ISO 3166-1 alpha-3 standard. OTH stands for Other. Intra-EU trade is not included.

1.4 Global trade trends across economic sectors

Trade in agricultural goods remains relatively small but its growth has outpaced that of manufacturing goods and natural resources since 2010. Global trade trends have shown considerable diversity when examined across economic sectors and different types of goods. Since 2010, trade in services has grown at an annual rate of about 5 per cent, significantly outpacing the growth of all categories of merchandise trade. As of 2023, services account for about US$ 7.3 trillion or almost one-quarter of global trade. Within merchandise trade, the increase in value has been largely driven by manufacturing goods. In contrast, the value of trade in natural resources has remained relatively stable, while trade in agricultural goods has seen the fastest growth, with annual growth rates since 2010 at around 4.7 per cent. As of 2023 agricultural trade accounts for about US$ 2.2 trillion or 7 per cent of global trade. (Figure 1.9). This trend is also evident when differentiating goods by their stage of processing, with primary goods experiencing slower growth compared to more processed categories. Consumer and intermediate goods, on the other hand, have seen stronger growth, largely due to the continuous development of global value chains. Manufacturing goods represent a significant share of global trade, totalling about US$ 18 trillion in 2023, or almost 60 per cent of global trade. Regarding the stage of processing, intermediate goods are the most important category, valued at around US$ 10 trillion in 2023, or about 43 per cent of merchandise trade.

The value of trade in natural resources is generally volatile and greatly driven by movement in oil prices. Between 2022 and 2023, trade patterns show a marked decline in the trade of natural resources, as well as primary and intermediate products. This shift reflects changes in oil prices, broader commodity trends, and the evolving structure of global value chains. The broader slowdown in the trade of intermediate goods in 2023 was partly a correction driven by large inventories from 2022, compounded by

Figure 1.9
Significant differences in trade by broad category and state of processing
Global import values and growth

	Value 2010-2023 (US$ trillion)	Growth 2010-2023	Growth 2022-2023	Share 2023
Broad category				
Agriculture	1.2 → 2.2	4.7%	-3.5%	7.1%
Manufacturing	11.1 → 17.8	3.7%	-2.2%	57.5%
Natural Resources	2.6 → 3.6	2.4%	-19.0%	11.6%
Services	3.9 → 7.3	5.0%	9.3%	23.7%
Stage of processing for goods				
Capital	2.3 → 3.3	2.8%	2.2%	14.0%
Consumer	2.6 → 4.7	4.5%	-1.1%	19.8%
Intermediate	6.4 → 10.1	3.6%	-7.3%	42.8%
Primary	3.1 → 4.5	2.9%	-13.2%	18.9%

Source: UNCTAD calculation based on UN Comtrade data.

rising geopolitical risks and the result of businesses began reevaluating and adjusting their production strategies to increase vertical integration and reduce reliance on vulnerable global supply chains.

Iron and steel products, electrical machinery, chemicals, transport and automotive sectors were the main drivers of manufacturing trade growth since 2010, while trade growth for textiles and apparel lagged below average. Global trade patterns have been even more diverse when examined across specific economic sectors (Figure 1.10). For example, the sharp decline in the value of trade in natural resources has largely been driven by the reduced value of the trade in energy products, which in turn was a consequence of lower oil prices. The decline in other natural resources sectors was much more muted. Among manufacturing goods, the annual growth between 2010 and 2023 has been higher in chemicals and electrical machinery, while textiles and apparel have experienced relatively slower growth. Trade growth has been more similar across agricultural sectors, but differences are still evident. The changes between 2022 and 2023 reveals even more variability. For instance, trade in cereals and oilseeds saw a sharper decline within the agriculture

Figure 1.10

Trade patterns have been diverse across goods sectors

Global import values and growth

Sector	Value 2010-2023 (US$ trillion)	Growth 2010-2023	Growth 2022-2023
Agriculture			
Animal products	0.3 → 0.5	4.1%	-1.7%
Cereals	0.1 → 0.2	5.3%	-11.3%
Coffee, tea, spices	0.0 → 0.1	4.8%	-6.4%
Fruits and vegetables	0.1 → 0.3	4.7%	5.6%
Oil seeds and oils	0.2 → 0.3	5.8%	-10.5%
Prepared foodstuff	0.5 → 0.8	4.6%	6.2%
Other agriculture	0.0 → 0.1	4.1%	-0.7%
Natural resources			
Metal ores	0.2 → 0.4	3.8%	-1.1%
Mineral fuels and distillates	2.4 → 3.2	2.3%	-20.9%
Minerals	0.0 → 0.1	3.8%	-1.8%
Manufacturing			
Chemical products	1.4 → 2.5	4.5%	-5.3%
Electrical machinery	2.0 → 3.7	5.0%	-2.6%
Iron and steel	0.4 → 1.0	8.0%	3.0%
Machinery	2.0 → 2.7	2.3%	0.0%
Other base metals	1.2 → 1.7	2.6%	-10.1%
Plastics and rubber	0.7 → 1.0	2.9%	-10.9%
Precision instruments	0.5 → 0.7	2.6%	-1.6%
Textiles and apparel	0.7 → 1.0	2.4%	-9.4%
Transport and automotive	1.3 → 2.2	4.0%	17.3%
Other manufacturing	0.9 → 1.2	2.5%	-9.6%

Source: UNCTAD calculation based on UN Comtrade data.

category. Fuel and distillates were the driving force for the drop in the value of the natural resource sector. In manufacturing, base metals, plastics and rubber, and textiles and apparel also saw substantial declines in 2023. On the other hand, the value of trade in the transport sector notably increased. These trends reflect the normalization of commodity markets following the war in Ukraine, as well as rising geopolitical tensions and the shift towards alternative energy sources, which have been driving the recent surge in trade in the transport sector.

Since 2010, the telecommunications and IT sector experienced the highest trade growth, while the travel and insurance services sectors have seen the lowest. Trade growth has also been diverse across service sectors. Between 2010 and 2023, the sectors that grew the most were telecommunications and IT, which expanded at an average annual rate of 8.7 per cent, and professional and consulting services, which grew by about 7.7 per cent annually (Figure 1.11). Goods-related service sectors also saw above-average growth, though their value remains relatively low. Among the most traded service sectors, transport has grown at a rate of about 4.1 per cent annually since 2010, while travel at 3.9 per cent per year. Looking at the most recent changes between 2022 and 2023, the travel sector experienced the highest growth, continuing its recovery from pandemic-era closures. Professional and consulting services also saw significant growth, building on the upward trend that began in 2010. Research and development, along with telecommunications and IT, and goods-related services, also grew significantly in 2023. Meanwhile, the transport sector was the only service sector to experience a decline in 2023.

Figure 1.11
Trade patterns have been diverse across services sectors
Global import values and growth

Sector	Value 2010-2023 (US$ trillion)	Growth 2010-2023	Growth 2022-2023
Transport	1.0 → 1.7	4.1%	-5.4%
Travel	0.9 → 1.4	3.9%	36.4%
Technical and trade-related	0.4 → 0.8	4.7%	8.2%
Professional and consulting	0.3 → 0.7	8.0%	12.4%
Telecommunications and information technology	0.2 → 0.6	8.7%	9.3%
Intellectual property rights	0.3 → 0.6	5.9%	4.3%
Financial	0.2 → 0.4	5.6%	7.6%
Research and development	0.1 → 0.3	6.2%	12.8%
Insurance	0.2 → 0.3	3.6%	7.0%
Goods-related	0.1 → 0.2	7.2%	9.3%

Source: UNCTAD calculation based on UNCTADstat data.

2

Regional and bilateral trade trends

2. Regional and bilateral trade trends

This section highlights key trade trends at the regional and bilateral levels, covering developments from 2018 to 2023. It begins with an analysis of trade trends in goods for both developed and developing countries, with a specific focus on regions within developing countries. It then presents statistics on trade within and between developed and developing nations, such as South-South trade. The section concludes with a review of the trends in major bilateral trade flows, supported by relevant data.

2.1 Regional trends

Developed countries represent a higher share of global trade both in terms of exports and imports, but experienced slower growth rates in the past five years. Figure 2.1 illustrates growth trends in merchandise trade (exports and imports) for the periods 2018–2023 and 2022–2023, comparing developed and developing countries, also providing figures for developing regions. Over the past five years, developing countries have generally experienced faster trade growth compared to developed countries. However, in 2023, developing countries witnessed a sharper decline in exports. Specifically, exports of developed countries contracted approximately 3.8 per cent in 2023, while developing countries experienced a sharper decline of 7.2 per cent.

Most of developing countries' trade is about East Asian economies, other developing regions contribute significantly less to global trade figures. Trade in East Asian developing economies amounted to US$6.4 trillion in exports and US$5.4 trillion in imports, accounting for about 60 per cent of all trade by developing countries. However, over the last five years, trade in other developing regions has generally grown faster than in East Asia. Specifically, East Asia underperformed in exports compared to all developing regions except Africa, while it also recorded the weakest growth in imports among developing regions during this period.

Developed countries remain the primary importers of manufactured goods, while manufacturing exports are more equally shared between developed and developing countries. Figure 2.2 shows the composition of merchandise exports and imports by broad category (manufacturing, agriculture, and natural resources) in 2023. Developed countries export more manufacturing products compared to developing countries (US$ 9.8 trillion vs. 8.0 trillion). A relatively large difference is seen also in agricultural exports and imports, with developed countries at US$1.3 trillion and developing countries at US$900 billion. At the same time, developing countries are larger exporters of natural resources. On the import side, developed countries imported about one-third more manufacturing products than developing countries, driven by their large consumer markets and advanced industries needing diverse intermediate goods.

Developed countries remain the primary importers of manufactured goods, while manufacturing exports are more equally shared between developed and developing countries.

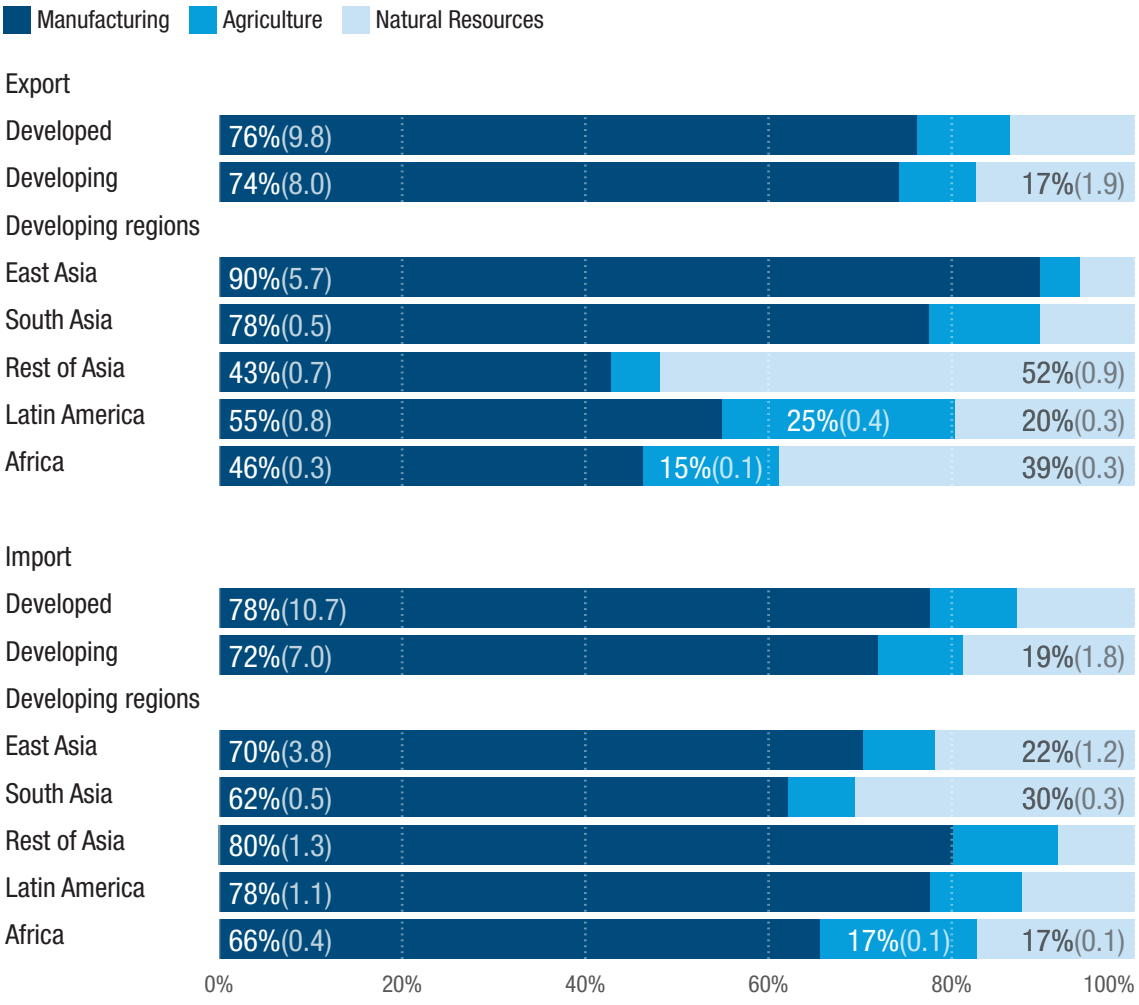
Figure 2.1
Developed and developing countries trade
Growth (per cent) and value (US$ trillion)

Development status	Growth 2018-2023	Growth 2022-2023	Value 2023 (US$ trillion)
Export			
Developed	3.3%	-3.8%	12.8
Developing	5.0%	-7.2%	10.8
Developing regions			
East Asia	4.6%	-8.4%	6.4
South Asia	6.6%	-5.4%	0.6
Rest of Asia	5.6%	-8.2%	1.7
Latin America	5.7%	-1.3%	1.5
Africa	4.6%	-8.0%	0.7
Import			
Developed	3.9%	-5.4%	13.9
Developing	4.6%	-4.4%	9.8
Developing regions			
East Asia	3.6%	-5.8%	5.4
South Asia	4.3%	-10.9%	0.8
Rest of Asia	9.0%	7.5%	1.6
Latin America	4.8%	-6.7%	1.4
Africa	3.8%	-4.6%	0.6

Source: UNCTAD calculations based on UN Comtrade data. Data does not include services.

Among developing countries regions, East Asian economies account for most of manufacturing trade, while other developing regions export structure is more heavily weighted toward agriculture and natural resources. East Asia alone accounts for most manufacturing trade, with US$5.7 trillion in exports and US$3.8 trillion in imports in 2023. In contrast, other developing regions contribute far less to global manufacturing exports, with their trade portfolios primarily driven by agriculture and natural resources. Except for East Asia and South Asia, all other developing regions are net importers of manufacturing products.

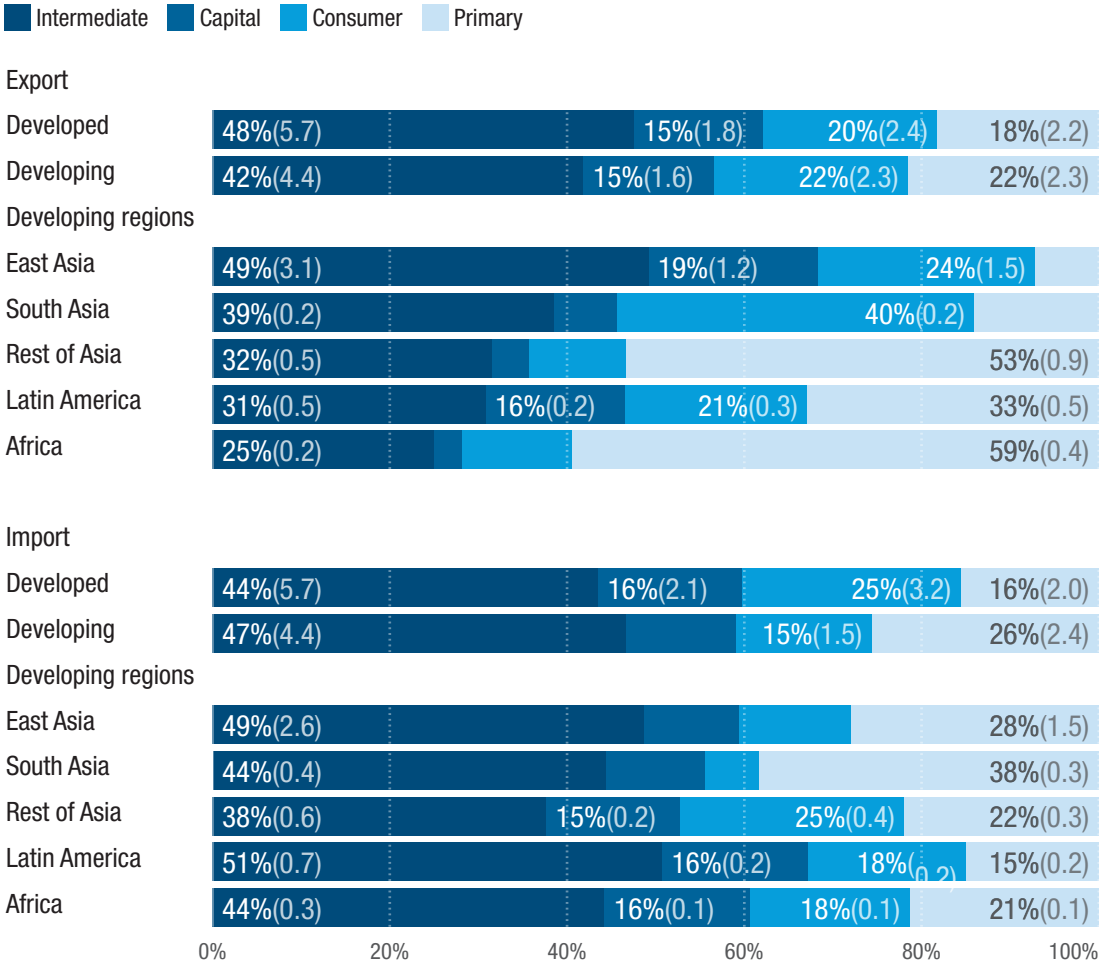
Figure 2.2
Export and import by broad category, 2023
As a percent of total trade, and in value (US$ trillion)



Source: UNCTAD calculations based on UN Comtrade data.

Intermediates products make the bulk of global trade, but most of their trade tends to be related to developed countries and East Asian economies. Figure 2.3 shows the breakdown of developing and developed regions' trade by stage of goods processing in 2023. Developing countries imported significantly less consumer and capital goods in 2023, but more primary resources compared to developed countries. East Asia exported a significant share of developing regions' intermediate, capital and consumer goods, and imported a sizeable amount of primary products. Other developing regions' imports were dominated by intermediate goods, also with significant amounts of capital and consumer goods in Latin America and the rest of Asia. Their exports, as well as those of Africa, strongly relied on primary products. South Asia and Latin America also exported consumer goods.

Figure 2.3
Export and import by stage of processing, 2023
As a percent of total trade, and in value (US$ trillion)



Source: UNCTAD calculations based on UN Comtrade data.

2.2. South-North and South-South trade

Growing at a relatively faster pace, the value of South-South trade in 2023 exceeded that of North-South trade or South-North. Still, North-North trade dominates global trade in terms of value, amounting to approximately twice the value of other trade flows in 2023 (Figure 2.4). However, a significant portion of this trade occurs within European Union member states. Importantly, trade between developing countries has grown at a faster pace over the past five years, with an average annual growth rate of about 5.5 percent compared to 3.3 percent for North-North trade. However, South-South trade remains volatile, experiencing slightly above-average declines in 2023. Finally, the above average decline in North-South trade is largely due to China's reduced imports from many developed countries.

South-South is overly reliant on natural resources and includes fewer manufacturing and capital goods compared to other trade flows. Figures 2.5 and 2.6 show the breakdown of the North and South trade flows by broad goods category and by stage of processing. North-North trade is strongly dominated by manufacturing, largely in the form of intermediate products. Imports of developed countries from developing countries (North-South), while of similar magnitude as the South-South trade, has a different structure, with relatively more manufacturing and consumers goods. South-South trade is relatively related to natural resources and primary products. South-South trade has the lowest share of capital goods (12 per cent).

Figure 2.4
North-South imports showed the largest decline in 2023
Growth (percentage) and value (US$ trillion)

	Growth 2018-2023	Growth 2022-2023	Value 2023 (US$ trillion)
North-North	3.3%	-4.3%	8.7
North-South	4.5%	-8.8%	5.2
South-North	3.5%	-2.6%	4.1
South-South	5.5%	-5.7%	5.6

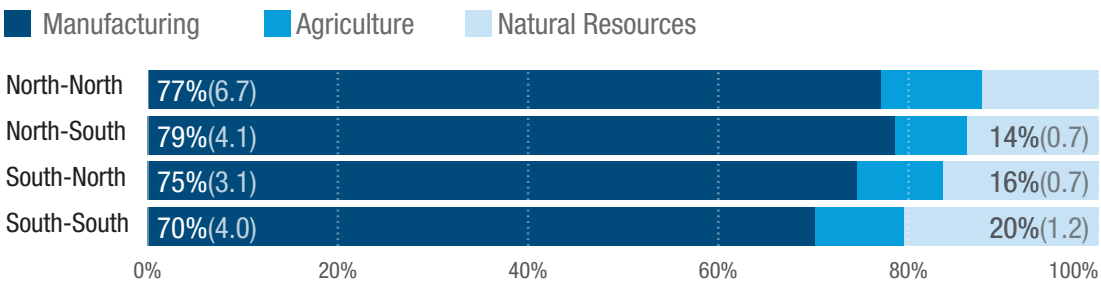
Source: UNCTAD calculations based on UN Comtrade data.

Note: North-North includes intra-EU trade of US$ 3.8 trillion. Data does not include services.

Figure 2.5

Trade between North and South by broad category, 2023

As a percent of total trade, and in value (US$ trillion)

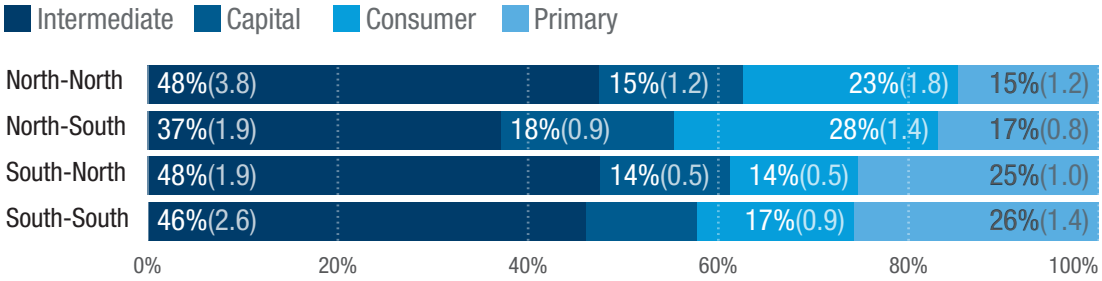


Source: UNCTAD calculations based on UN Comtrade data.

Figure 2.6

Trade between North and South by stage of processing, 2023

As a percent of total trade, and in value (US$ trillion)



Source: UNCTAD calculations based on UN Comtrade data.

Most global merchandise trade occurs within and between developed and East Asia economies. Figure 2.7 shows imports and exports flows across developed and five developing countries regions in 2023. Developed regions and East Asia economies dominate global trade, and more so considering their trade among themselves. Of the about US$ 23 trillion global merchandise trade, about US$ 16 trillion occurs within or between these two groups. Trade between these regions and the rest is significantly smaller, and trade between the other developing countries region is often marginal. Some exceptions are intra-regional trade of Latin America and the Rest of Asia region.

Over the past five years, trade has grown more rapidly between and within many developing regions compared to trade within or between developed countries and East Asia. Trade growth has varied significantly across the globe, with some bilateral flows expanding much faster than others (Figure 2.8). Generally, trade growth has been stronger between regions that were less interconnected and slower for regions where trade volumes were already substantial. For example, intra-East Asia trade grew at an average annual rate of 3.9 per cent between 2018 and 2023, while Latin American exports to East Asia increased by 8.7 per cent, and East Asia's exports to the Rest of Asia rose by 14.0 per cent. Conversely, trade within Africa slightly declined during this period.

Figure 2.7
Trade flows by importing and exporting regions, 2023
Merchandise trade value, US$ trillion

Importers/Exporters	Developed	East Asia	South Asia	Rest of Asia	Latin America	Africa
Developed	8,680	2,920	295	717	935	306
East Asia	2,180	2,240	79	416	295	141
South Asia	267	282	38	166	26	39
Rest of Asia	683	388	97	281	38	78
Latin America	749	367	28	20	214	14
Africa	252	164	40	76	20	84

Source: UNCTAD calculations based on UN Comtrade data.
Note: Statistics do not include trade in services.

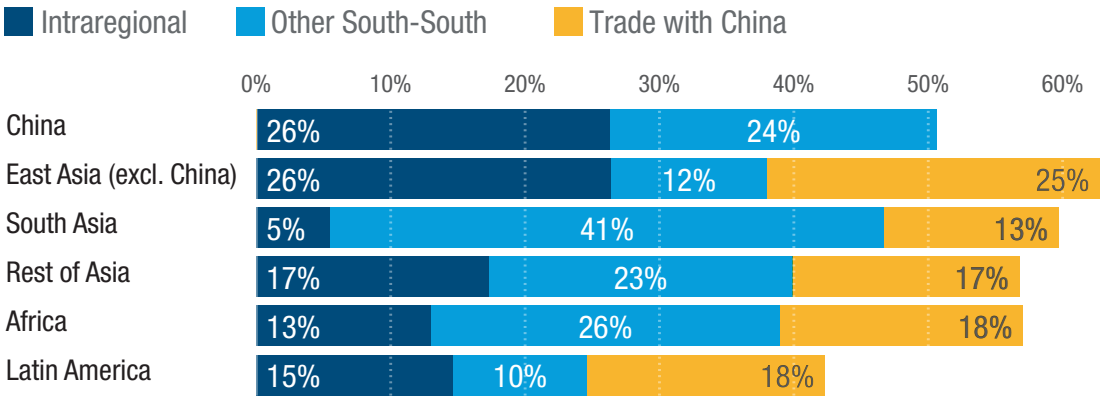
Figure 2.8
Trade growth by importing and exporting regions, 2018-2023
Average annual growth of merchandise trade value, per cent

Importers/Exporters	Developed	East Asia	South Asia	Rest of Asia	Latin America	Africa
Developed	3.3%	3.9%	7.5%	4.3%	5.5%	5.7%
East Asia	2.4%	3.9%	1.3%	6.4%	8.7%	3.3%
South Asia	5.8%	5.0%	2.6%	4.4%	-2.4%	-2.3%
Rest of Asia	6.1%	14.0%	9.5%	9.6%	7.0%	17.2%
Latin America	4.0%	6.7%	9.2%	13.1%	4.4%	1.9%
Africa	2.3%	6.4%	7.9%	7.0%	3.9%	-0.2%

Source: UNCTAD calculations based on UN Comtrade data.
Note: Statistics do not include trade in services.

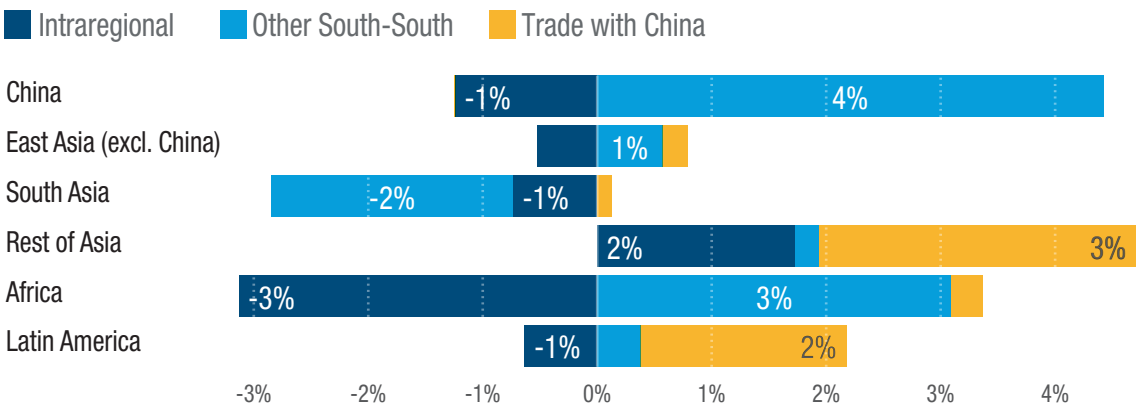
Trade with China contributes to a substantial share of South-South trade, often larger than intra-regional trade. Further delving into the composition of South-South trade, Figure 2.9 highlights trade with China relative to other flows among developing regions. In 2023, South-South trade made up more than half of most developing regions' trade, with a significant proportion of it being trade with China alone. Trade with China exceed or equalled to intra-regional trade for all regions in 2023. Exceptionally, South Asia showed a significantly lower share of intra-regional trade compared to other regions (5 per cent), while it also had a much higher share of other South-South trade (41 per cent). The share of South-South trade as per cent of total trade increased for all regions but South Asia in 2023 compared to 2018, with increased trade with China contributing to this positive change (Figure 2.10). Also, all regions (except for the rest of Asia) saw a decline in the share of intra-regional trade since 2018.

Figure 2.9
South-South trade composition by region, 2023
Share in total region's trade (imports plus exports), per cent



Source: UNCTAD calculations based on UN Comtrade data.
Note: Statistics do not include trade in services.

Figure 2.10
South-South trade composition by region, 2023 vs. 2018
Change in the share in total region's trade (imports plus exports), percentage points



Source: UNCTAD calculations based on UN Comtrade data.
Note: Statistics do not include trade in services.

2.3. Major bilateral trade flows

Trade between the European Union and the United States represents the largest bilateral trade flow and has grown substantially faster than average over the past five years. This does not consider trade within European Union members, which accounts for about US$ 4 trillion. Figure 2.11 presents the largest global trade flows driving the more general trade patterns across regions and their changes in 2023. The European Union and the United States maintain the largest trade flow, valued at nearly US$1 trillion, which has been growing in recent years. Other significant flows include China-European Union (US$0.9 trillion) and China-United States (US$0.6 trillion), with contrasting trends since 2018: an almost five per cent increase for China-European Union trade and a nearly three per cent decline for China-United States trade. However, both flows fell significantly in 2023 compared to 2022. Additionally, the European Union further weakened its trade relationship with the United Kingdom in 2023, while the United States strengthened its trade ties with USMCA countries. China's trade with Japan and the Republic of Korea also declined last year, while trade between China and the Russian Federation saw notable growth. In contrast, trade between the European Union and the Russian Federation experienced a dramatic drop of more than 50 per cent. These shifts in major trade flows reflect the impact of geopolitical developments and evolving trade partnerships.

Figure 2.11
Selected trade flows and changes, 2023
Growth and merchandise trade value

Country pair	Growth 2022-2023	Growth 2018-2023	Value 2023 (US$ billion)	Change 2018-2023 (US$ billion)
European Union - United States of America	1.5%	7.1%	995	288
China- European Union	-9.9%	4.9%	911	193
Mexico - United States of America	1.6%	5.4%	736	170
Canada - United States of America	-2.9%	4.7%	707	146
China - United States of America	-18.7%	-3.1%	613	-106
European Union - United Kingdom	-2.9%	-1.5%	527	-40
Switzerland - European Union	3.0%	5.3%	352	81
China - Japan	-12.0%	-1.5%	329	-26
China - Republic of Korea	-13.9%	-0.4%	305	-6
China - Russian Federation	19.8%	16.4%	237	106
Australia - China	0.7%	6.9%	227	65
China - Viet Nam	-2.5%	9.1%	201	71
European Union - Russian Federation	-54.0%	-13.8%	135	-149
United States of America - Viet Nam	-10.7%	16.0%	134	70
United Arab Emirates - China	0.3%	19.8%	125	74

Source: UNCTAD calculations based on UN Comtrade data.

Note: Trade value is constructed as the sum of bilateral imports of both countries. Selected flows include flows with largest trade value in 2023 and also those with largest changes in trade value between 2018 and 2023. Statistics do not include trade in services.

3

Sectoral level trade and trade networks

3. Sectoral level trade and trade networks

This section explores significant trade trends at the sectoral level, covering developments from 2018 to 2023. It starts with an analysis of trade trends across economic sectors for both developed and developing countries, highlighting the top importers and exporters. The section then presents statistics on intra-industry trade and examines sectoral trade networks within developed countries and across different regions of developing countries.

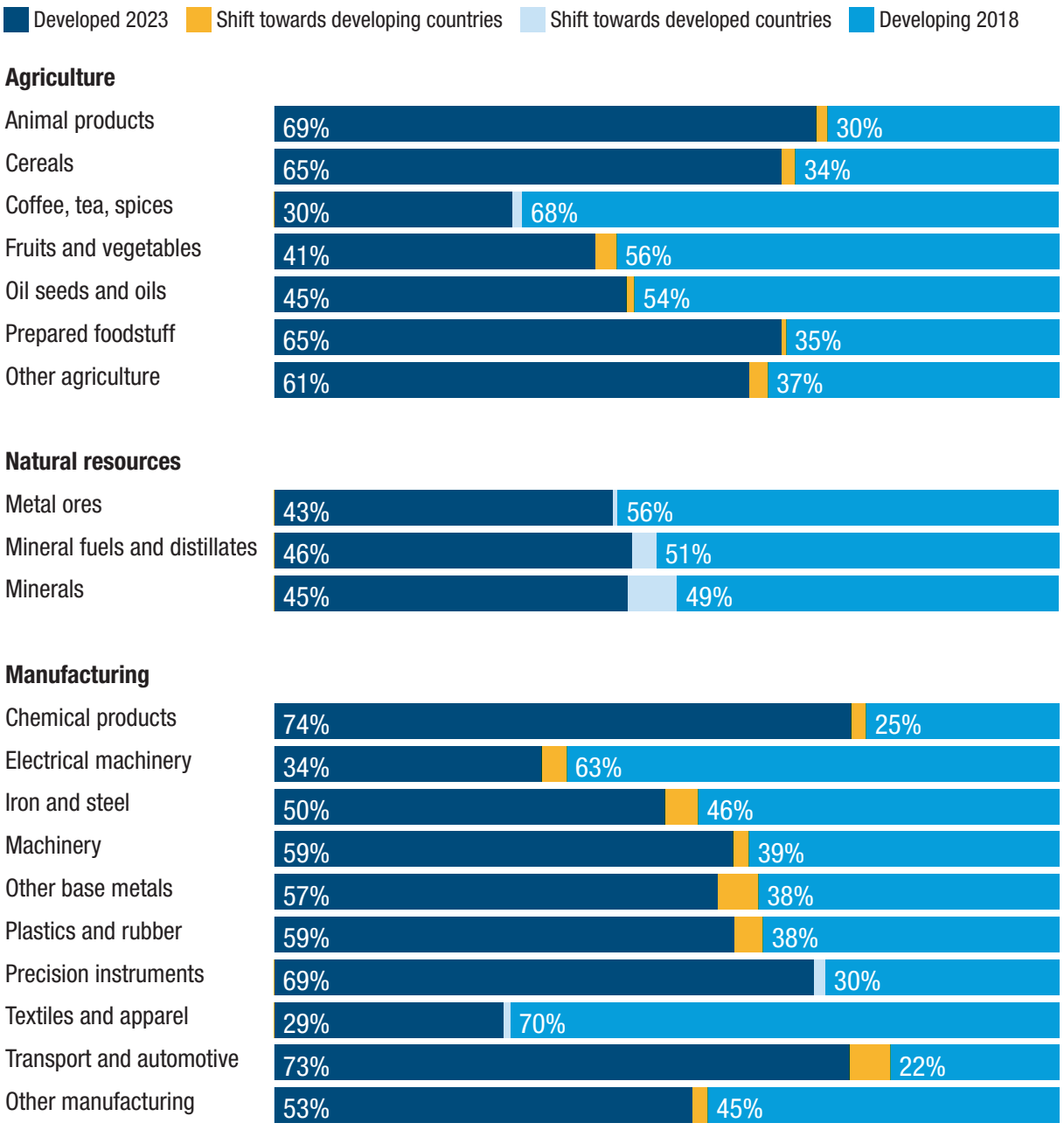
3.1 Trade across economic sectors

As emerging economies enhance their competitiveness in many economic sectors, global trade patterns are changing accordingly. These shifts are influenced by several factors, including export competitiveness, domestic demand for imported products, and the ways in which countries integrate into and advance within global production networks. Broadly, as developing nations grow wealthier and more competitive, international trade patterns adapt. This is evident on both the supply side, where exports from these nations often expand, and the demand side, as their demand for imports evolves to meet changing domestic needs.

Developed countries continue to lead global exports in most economic sectors, but developing countries are steadily increasing their share of the global market in most of the sectors. Figure 3.1 illustrates the relative importance of developed and developing countries as exporters in specific sectors in 2023, along with changes since 2018. One general observation is that developed countries dominate global trade in many sectors, often significantly. For example, in 2023, they accounted for nearly 75 per cent of global exports in the chemicals and in transport and automotive sectors. Conversely, developing countries tend to hold relatively large shares of global trade regarding natural resources, agricultural sectors and in textiles and apparel, where they contribute approximately 70 per cent of global trade. Overall, developing countries have increased their presence as exporters across most sectors. For instance, their share in global trade in the transport sector rose by about 5 percentage points between 2018 and 2023. Developed countries, meanwhile, have generally experienced declines in market share, with exceptions in sectors such as minerals and fuels, where their share has either grown or remained stable.

Developed countries continue to lead global exports in most economic sectors, but developing countries are steadily increasing their share of the global market in most of the sectors.

Figure 3.1
Global export market share 2023 and changes since 2018
Market share (per cent)

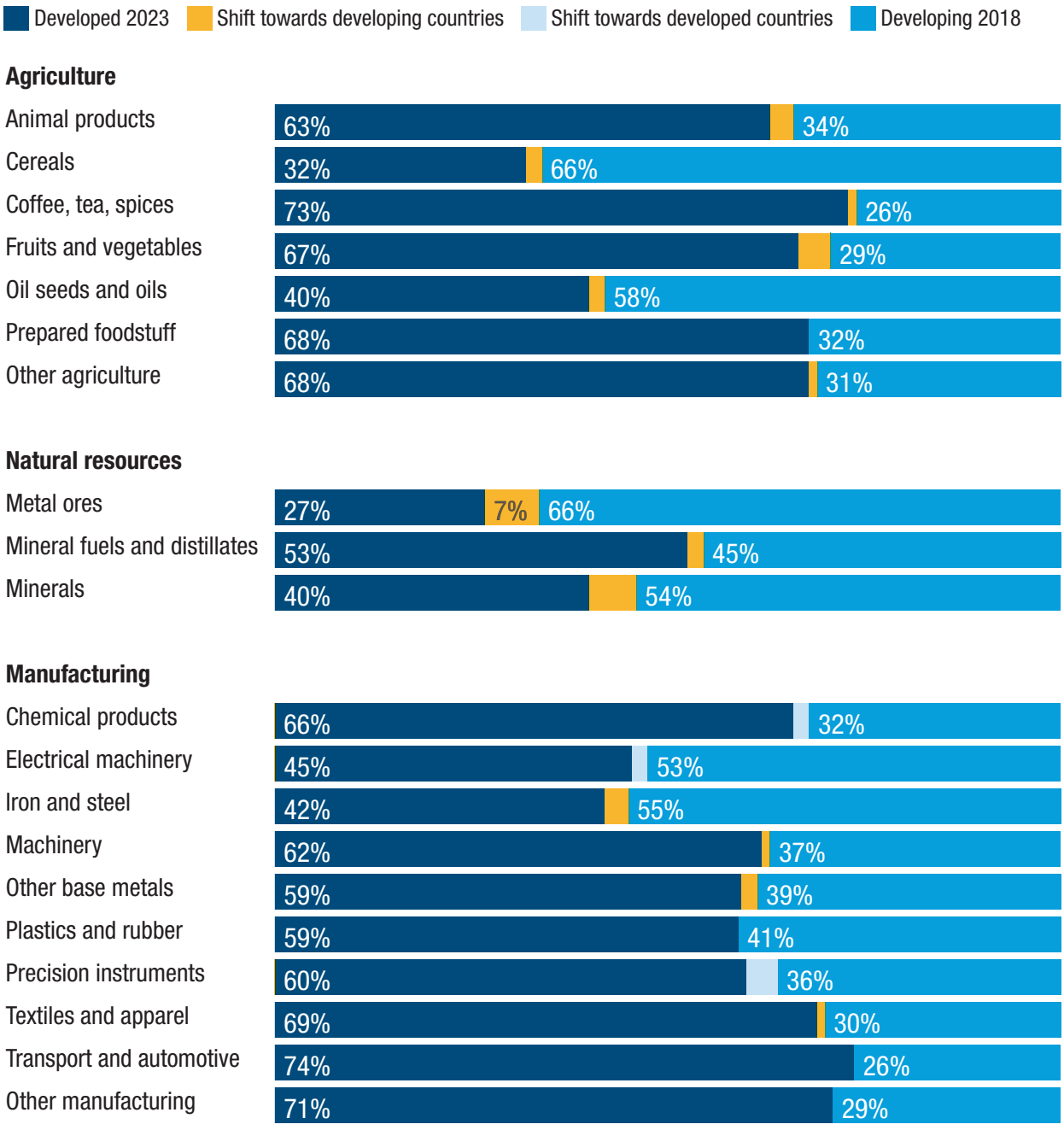


Source: UNCTAD calculations based on UN Comtrade data.

Demand for imported goods is growing more rapidly in developing countries, but developed countries remain significantly larger importers across most sectors. Figure 3.2 illustrates the relative importance of developed and developing countries as importers in specific sectors in 2023, as well as changes in their market shares since 2018. Developed countries continue to dominate imports in many sectors. For example, they account for about 73 per cent of global imports in the transport sector and the sector comprising coffee, tea, and spices. In contrast, developing countries have a more significant presence as importers of raw materials and essential commodities, particularly in sectors like metal ores and cereals. This

reflects their need for raw materials to fuel economic development in many emerging economies and meet the agricultural demands of growing populations in many developing countries. Regarding changes over time, developed countries increased their share as importers in sectors such as chemical products and electrical machinery. On the other hand, developing countries have gained substantial ground as importers in most other sectors. Notably, their share of global imports in metal ore and minerals rose significantly, by 7 and 6 percentage points, respectively, between 2018 and 2023. This trend highlights the intensifying demand for raw materials in emerging economies, driven by industrialization and infrastructure development.

Figure 3.2
Global import market share 2023 and changes since 2018
Market share (per cent)



Source: UNCTAD calculations based on UN Comtrade data.

China is typically the largest exporter in most manufacturing sectors, Brazil is a large exporter of agricultural products, while Australia and the United States are largest exporters in natural resources. Looking beyond the broad trends, Figure 3.3 provides a detailed breakdown of the major traders in various sectors based on their global market shares. For example, in the transport sector, Germany emerges as the leading exporter, capturing approximately 15 per cent of the global market. The United States ranks second, followed closely by China in third place. When examining specific products, the United States dominates as the largest exporter of cereals, chemical products, mineral fuels and distillates, precision instruments, and prepared foodstuffs. China, meanwhile, plays a commanding role in manufacturing exports, particularly in textiles and apparel, where it contributes about 31 per cent of global trade. Other economies also hold significant positions. For instance, Brazil leads in exports of coffee, tea, and spices, as well as vegetable oils and seeds. Mexico stands out as the top exporter in the fruits and vegetables sectors. Australia is the clear leaderin metal ores, accounting for nearly one-third of global exports in this category.

China is the largest importer in natural resources sectors, while the United States leads in imports across most manufacturing sectors. On the import

Figure 3.3
Major traders by sector, 2023
Market share (per cent)

	Exporter						Importer					
	First			Second			Third			First			Second			Third	
Agriculture																
Animal products	8%	USA	7%	NLD	6%	DEU	12%	CHN	9%	USA	6%	DEU
Cereals	14%	USA	9%	BRA	8%	AUS	11%	CHN	5%	JPN	4%	MEX
Coffee, tea, spices	13%	BRA	7%	IND	7%	VNM	17%	USA	8%	DEU	6%	FRA
Fruits and vegetables	9%	MEX	8%	ESP	7%	USA	16%	USA	9%	CHN	8%	DEU
Oil seeds and oils	19%	BRA	11%	USA	10%	IDN	26%	CHN	6%	USA	5%	IND
Prepared foodstuff	7%	USA	7%	DEU	6%	FRA	12%	USA	7%	DEU	5%	GBR
Other agriculture	19%	NLD	7%	DEU	5%	CHN	14%	USA	8%	DEU	8%	NLD
Natural resources																
Metal ores	32%	AUS	13%	BRA	8%	CHL	64%	CHN	7%	JPN	6%	KOR
Mineral fuels and distillates	12%	USA	8%	RUS	7%	SAU	16%	CHN	9%	USA	6%	IND
Minerals	19%	AUS	6%	CHN	5%	TUR	28%	CHN	8%	USA	5%	IND
Manufacturing																
Chemical products	11%	USA	10%	DEU	10%	CHN	14%	USA	7%	CHN	7%	DEU
Electrical machinery	32%	CHN	11%	TWN	7%	KOR	15%	CHN	13%	USA	9%	HKG
Iron and steel	15%	CHE	7%	ARE	6%	USA	14%	ARE	12%	CHN	12%	CHE
Machinery	22%	CHN	11%	USA	10%	DEU	17%	USA	7%	CHN	7%	DEU
Other base metals	16%	CHN	8%	DEU	6%	USA	11%	USA	9%	CHN	7%	DEU
Plastics and rubber	16%	CHN	10%	USA	9%	DEU	11%	USA	8%	CHN	7%	DEU
Precision instruments	15%	USA	12%	CHN	11%	DEU	18%	USA	11%	CHN	7%	DEU
Textiles and apparel	31%	CHN	8%	VNM	6%	ITA	15%	USA	7%	DEU	5%	FRA
Transport and automotive	15%	DEU	10%	USA	9%	CHN	19%	USA	8%	DEU	5%	GBR
Other manufacturing	26%	CHN	7%	DEU	6%	USA	19%	USA	7%	DEU	6%	CHN

Source: UNCTAD calculations based on UN Comtrade data.
Note: codes correspond to ISO 3166-1 alpha-3 standard.

side, China and the United States dominate most sectors, reflecting both their reliance on international markets and integration with global supply chains. European Countries are also among the larger importers. Notably, the iron and steel sector is characterized by some triangular trade, as United Arab Emirates and Switzerland hold significant market shares both as importers and exporters.

Over the last five years, Brazil has solidified its role as a major exporter in most agricultural sectors, while China's importance as a global importer of agricultural and natural resource imports has increased substantially. Figure 3.4 illustrates the economies that experienced the most significant changes in global market share across sectors between 2018 and 2023. For example, during this period, China increased its global market share in the export of transport equipment by approximately 3.8 percentage points, whereas Germany's share declined by 1.9 percentage points. On the import side, China's share in global trade rose significantly across several sectors, particularly minerals (13.6 percentage points). However, it saw decreases in others; for instance, by 2023, China's global market share as an importer of precision instruments was 5.3 percentage points lower than in 2018. Other significant market share shifts include Australia's substantial increase as a mineral exporter, the United States' gains in fuel exports, and Brazil's expanded global presence across most agricultural sectors.

Figure 3.4
Largest gains and loss in global market share 2018-2023
Market share (per cent)

	Exports				Imports			
	Largest gain		Largest loss		Largest gain		Largest loss	
Agriculture								
Animal products	1%	BRA	-1%	CHN	4%	CHN	-2%	JPN
Cereals	5%	BRA	-5%	USA	7%	CHN	-2%	IRN
Coffee, tea, spices	3%	BRA	-2%	VNM	1%	CHN	-1%	FRA
Fruits and vegetables	1%	THA	-2%	USA	3%	CHN	-1%	HKG
Oil seeds and oils	1%	BRA	-1%	USA	1%	ETH	-1%	NLD
Prepared foodstuff	1%	BRA	-1%	FRA	1%	USA	-1%	JPN
Other agriculture	1%	COL	-2%	NLD	1%	USA	-1%	DEU
Natural resources								
Metal ores	3%	AUS	-1%	BRA	9%	CHN	-2%	JPN
Mineral fuels and distillates	4%	USA	-3%	RUS	2%	CHN	-2%	KOR
Minerals	15%	AUS	-3%	CHN	14%	CHN	-1%	DEU
Manufacturing								
Chemical products	2%	CHN	-1%	DEU	2%	USA	-1%	CHN
Electrical machinery	2%	TWN	-1%	KOR	1%	DEU	-3%	CHN
Iron and steel	2%	KAZ	-3%	GBR	5%	ARE	-2%	IND
Machinery	2%	TWN	-2%	CHN	1%	USA	-1%	CHN
Other base metals	2%	IDN	-1%	RUS	1%	KOR	-1%	DEU
Plastics and rubber	3%	CHN	-1%	DEU	1%	MEX	-3%	CHN
Precision instruments	1%	CHE	-2%	KOR	3%	USA	-5%	CHN
Textiles and apparel	1%	VNM	-3%	CHN	1%	POL	-2%	USA
Transport and automotive	4%	CHN	-2%	DEU	1%	MEX	-3%	CHN
Other manufacturing	1%	VNM	-1%	RUS	1%	VNM	-1%	CHN

Source: UNCTAD calculations based on UN Comtrade data.
Note: codes correspond to ISO 3166-1 alpha-3 standard.

3.2 Manufacturing trade networks and intra-industry trade

Manufacturing trade networks are predominantly concentrated within developed countries and East Asia economies, while being far less developed in and between other regions. Since 2018, there has been a decline in the international integration of manufacturing networks between many regions. In many developing regions, trade networks are more closely integrated with developed countries or East Asia than among themselves. For example, Figure 3.5 shows Africa's manufacturing trade networks remain significantly less developed compared to those of other regions, limiting intra-regional trade and industrial integration. Since 2018, manufacturing networks within East Asia have continued to expand, while manufacturing trade networks have contracted in many other regions, including developed countries. Notably, trade networks between developed countries and East Asia have slightly declined since 2018.

Figure 3.5
Manufacturing integration across regions (2023 and changes from 2018)
Percentage points change

Intra Industry Inegration 2023

	Developed	Africa	East Asia	Latin America	South Asia	Rest of Asia
Developed	54%					
Africa	22%	8%				
East Asia	32%	4%	45%			
Latin America	36%	13%	12%	28%		
South Asia	27%	4%	16%	14%	12%	
Rest of Asia	27%	13%	10%	12%	12%	19%

Change 2018-2023

	Developed	Africa	East Asia	Latin America	South Asia	Rest of Asia
Developed	-1%					
Africa	1%	-1%				
East Asia	-2%	-1%	3%			
Latin America	0%	6%	0%	-4%		
South Asia	0%	-2%	-2%	-4%	-4%	
Rest of Asia	2%	-2%	0%	-5%	-5%	2%

Source: UNCTAD calculations based on UN Comtrade data.

Note: Manufacturing integration is calculated using the trade-weighted average of the intra-industry trade index, based on the Grubel-Lloyd methods at the chapter level of the Harmonized System (HS) classification including only manufacturing consumers and intermediate goods as defined as the HS 6-digit level.

The machinery sector is highly integrated into manufacturing trade networks. Conversely, industries within the textile and apparel sectors are less integrated, reflecting a more limited reliance on these networks. Figure 3.6 illustrates the intra-industry trade index across various manufacturing sectors, highlighting the diversity in trade dynamics. Some sectors are much more internationally integrated than others. For instance, machinery, plastics, rubber, and precision instruments tend to be more internationally integrated. By contrast the textiles and apparel sector exhibits much lower levels of intra-industry trade, suggesting more domestic content.

Between 2018 and 2023 there has been a decline in international integration in most manufacturing sectors. The overall decline likely stems from the vertical consolidation of production processes within individual economies, where countries increasingly rely on domestic supply chains rather than engaging in cross-border trade of similar goods. Figure 3.6 shows that the degree of manufacturing integration varies across manufacturing sectors as does it varies in its decline between 2018 and 2023. The sole exception to this trend is the iron and steel products sector, which has seen a modest increase in intra-industry trade over the period. However, despite this growth, the iron and steel sector remains one of the least integrated globally, with relatively low levels of intra-industry trade compared to others.

Figure 3.6
Manufacturing integration, by sector (2023 and change since 2018)
Per cent and percentage points change

Manufacturing sector	Manufacturing integration	Change 2018-2023
Chemical products	40%	-2%
Electrical machinery	39%	-2%
Iron and steel	27%	3%
Machinery	49%	-1%
Other base metals	36%	-3%
Plastics and rubber	50%	-1%
Precision instruments	46%	-4%
Textiles and apparel	18%	0%
Transport and automotive	36%	0%
Other manufacturing	26%	-1%

Source: UNCTAD calculations based on UN Comtrade data.
Note: Manufacturing integration is calculated using the trade-weighted average of the intra-industry trade index, based on the Grubel-Lloyd methods at the chapter level of the Harmonized System (HS) classification.

Developed countries and East Asia economies maintain highly integrated trade networks in most sectors, whereas the degree of integration within economic sectors is substantially lower for most other regions. Figure 3.7 delves deeper into trade networks at the regional level, highlighting the disparities between developed and developing economies in terms of intra-industry trade. Developed countries exhibit highly integrated trade networks, particularly in the plastics and rubber sectors, as well as in machinery. These networks reflect industrial interdependence with foreign producers and consumers. In contrast, developing countries generally show much less integrated trade networks. The notable exception is East Asia, where intra-industry trade levels in many sectors are often comparable to those of developed countries. This underscores East Asia's robust integration into global value chains, driven by its role as a hub for manufacturing and component trade. Other developing regions lag significantly behind. Intra-industry trade in Africa, for example, is markedly lower across all sectors compared to other regions, reflecting limited trade integration. Similarly, South Asia's intra-industry trade levels are often below global averages. Latin America displays a mixed picture. While intra-industry trade is often relatively low, some sectors—such as machinery, plastics and rubber, and precision instruments—exhibit relatively higher levels of trade integration. Notably, the transport sector for Latin America is more internationally integrated than for East Asia.

Figure 3.7
Manufacturing integration, by sector and region, 2023
Per cent

Manufacturing sector	Developed	Africa	East Asia	Latin America	South Asia	Rest of Asia
Chemical products	45%	11%	37%	19%	27%	18%
Electrical machinery	47%	22%	38%	30%	15%	17%
Iron and steel	25%	2%	32%	4%	26%	36%
Machinery	57%	12%	45%	36%	31%	23%
Other base metals	46%	10%	26%	28%	20%	19%
Plastics and rubber	62%	11%	39%	38%	28%	31%
Precision instruments	48%	12%	47%	39%	29%	21%
Textiles and apparel	26%	7%	14%	10%	5%	9%
Transport and automotive	41%	15%	23%	29%	14%	17%
Other manufacturing	34%	7%	15%	16%	15%	13%

Source: UNCTAD calculations based on UN Comtrade data.
Note: Manufacturing integration is calculated using the trade-weighted average of the intra-industry trade index, based on the Grubel-Lloyd methods at the chapter level of the Harmonized System (HS) classification.

For developed countries and East Asia, trade networks are primarily regional, with a high degree of integration within their respective regions. In contrast, trade networks in other developing countries tend to be more focused on extra-regional economies. Figure 3.8 provides detailed information by comparing intra-industry trade at the intra-regional and extra-regional levels. For developed countries, intra-industry trade is significantly higher within their own group of economies compared to trade with developing countries, often by a substantial margin. This reflects the advanced and tightly interlinked trade networks among developed economies, driven by similar levels of industrial development, technological capabilities, and demand structures. Similarly, East Asia exhibits a strong tendency toward intra-regional trade integration in production networks. The region's industries are substantially more interconnected within East Asia than with the economies of other regions. This highlights East Asia's deeply integrated supply chains and regional specialization. In contrast, manufacturing industries in other developing regions are more integrated with extra-regional partners than with their regional neighbours. This pattern underscores the weaker trade linkages within these regions and their reliance on global markets. Exceptions to this trend are few and largely related to iron and steel and textiles and apparel sectors.

Figure 3.8

Difference in manufacturing integration at the intra-regional relative to extra-regional level (2023)

Percentage points difference

Manufacturing sector	Developed	Africa	East Asia	Latin America	South Asia	Rest of Asia
Chemical products	20%	-5%	17%	6%	-13%	3%
Electrical machinery	28%	-5%	18%	-3%	6%	4%
Iron and steel	16%	26%	12%	2%	82%	37%
Machinery	22%	-6%	22%	-7%	-29%	-8%
Other base metals	26%	-4%	12%	-10%	0%	10%
Plastics and rubber	25%	-5%	9%	4%	-7%	3%
Precision instruments	10%	-6%	8%	-5%	-11%	-11%
Textiles and apparel	38%	4%	17%	9%	8%	-2%
Transport and automotive	19%	-13%	1%	7%	-10%	-16%
Other manufacturing	30%	4%	12%	-2%	4%	4%

Source: UNCTAD calculations based on UN Comtrade data.
Note: Manufacturing integration is calculated using the trade-weighted average of the intra-industry trade index, based on the Grubel-Lloyd methods at the chapter level of the Harmonized System (HS) classification.

4

Trade indicators

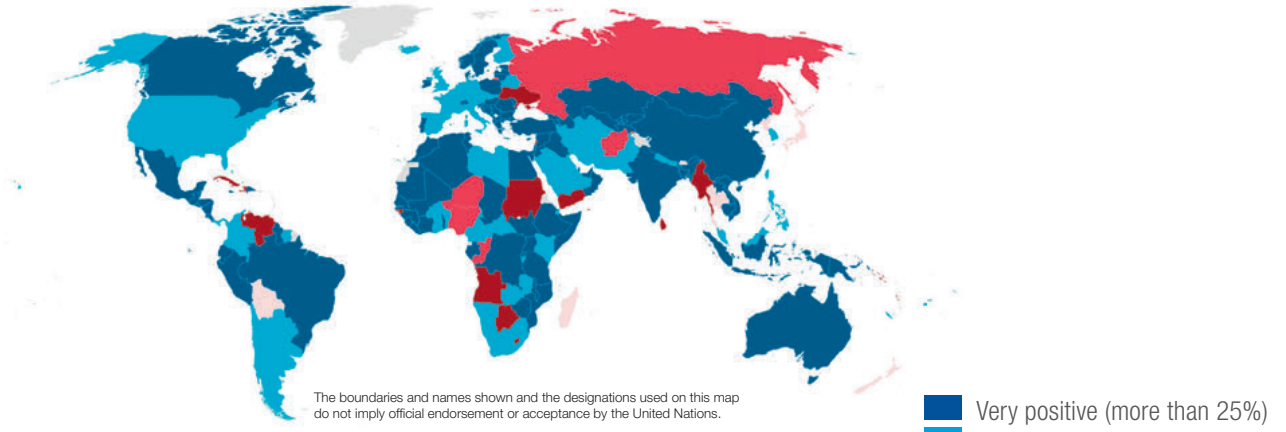
4. Trade indicators

This section presents a series of trade indicators where the magnitude of the indicator is represented by the shading of an economy on the world map. It provides statistics for 2023 and in some instances changes from 2018.

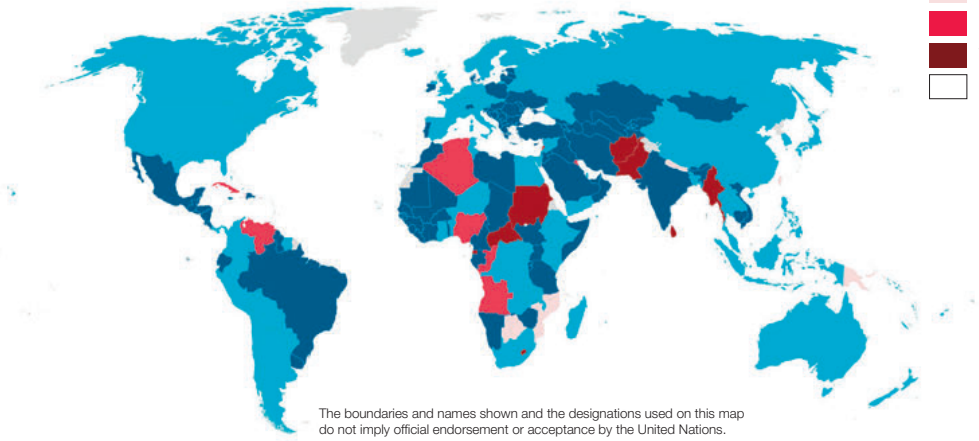
Global trade in goods and services has experienced robust growth since 2018. However, this upward trend was not uniform across all economies. Figure 4.1a illustrates the annualized export growth over the past five years, while Figure 4.1b presents the annualized import growth for the same period. A few economies saw a decline in trade, with reductions observed often in both exports and imports. The decline in trade for these nations was often linked to significant geopolitical or domestic disruptions. For example, economies involved in prolonged conflicts, political instability, or international sanctions faced challenges in maintaining trade relationships and market access. Economic and fiscal crises also played an important role in undermining trade for some economies.

Figure 4.1
Export performance and export competitiveness

a. Export growth in goods and services, 2018–2023



b. Import growth in goods and services, 2018–2023

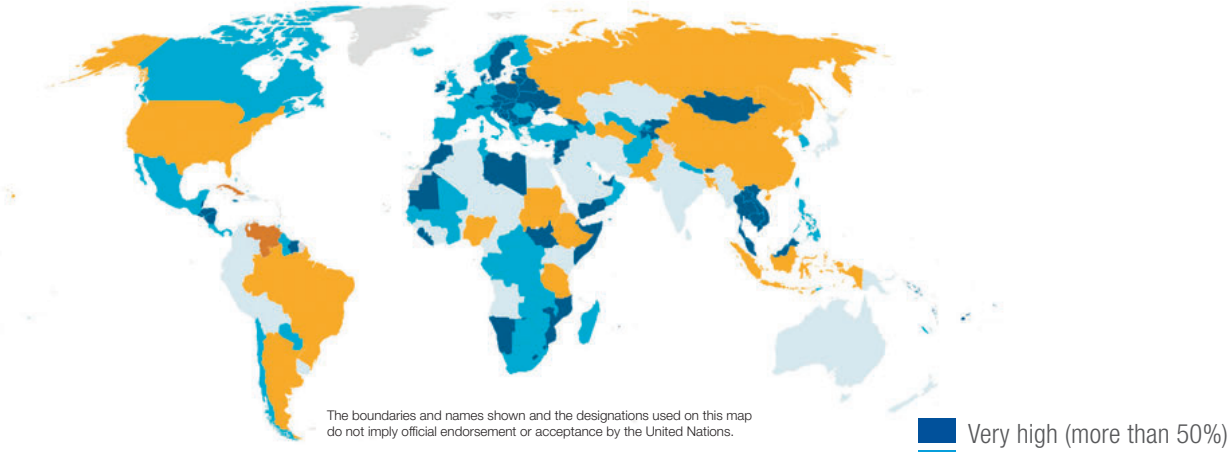


Source: UNCTAD calculations based on UNCTADStat data.
Note: Import and export growth in goods and services is calculated as the percentage change in trade values over the period from 2018 to 2023.

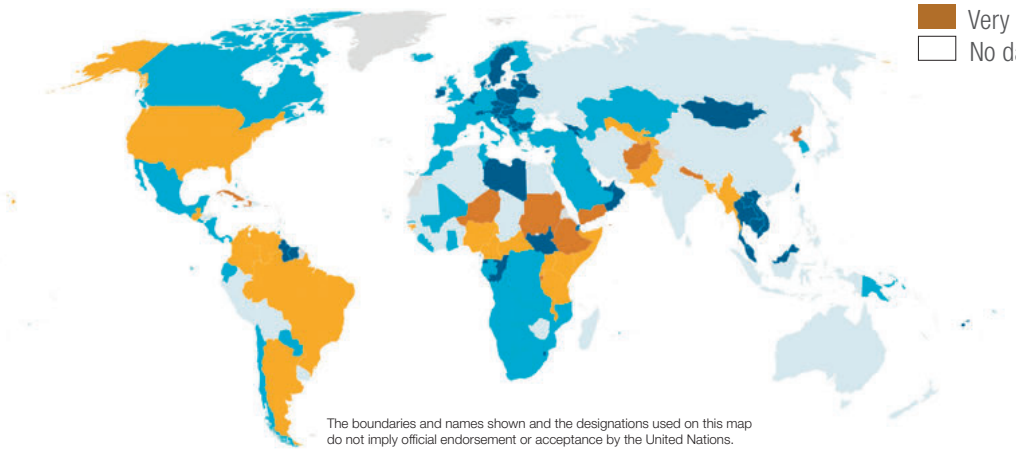
Smaller economies often display a disproportionately large share of trade relative to their gross domestic product, underscoring their dependence on external markets for economic growth and development. Figure 4.2a shows imports of goods and services as a percentage of gross domestic product (GDP), while Figure 4.2b presents the same statistic for exports. This tendency is particularly evident in many of the economies of Eastern Europe, Africa, and Southeast Asia. However, the underlying reasons for this trend can vary significantly reflecting economic structures and integration into global trade networks. For instance, for Eastern Europe and East Asia, the high trade-to-GDP ratio is predominantly driven by deep integration into regional and global value chains. The interconnectedness of these economies with their regional partners amplifies their trade volumes relative to their overall economic output. In contrast, Africa's elevated trade-to-GDP ratio arises from a different set of dynamics. Many African nations remain heavily dependent on imports of energy products, manufactured goods, and food products to meet domestic needs and drive economic activity. Limited industrialization and reliance on agricultural exports or resource extraction make these economies more reliant on external markets for both imports and exports.

Figure 4.2
Import and export propensities

a. Imports of goods and services over gross domestic product, 2023



b. Exports of goods and services over gross domestic product, 2023

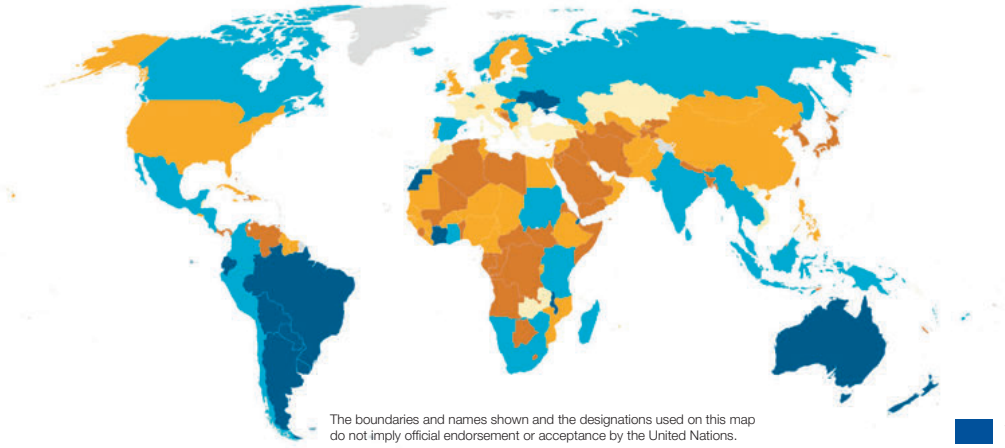


Source: UNCTAD calculations based on UNCTADStat data.
Note: Import and export propensities are computed as the value of imports or exports divided by current GDP. The import propensity expresses the proportion of income spent on imports. The export propensity shows the overall degree of reliance of domestic producers on foreign markets. Higher values imply greater dependence on foreign demand.

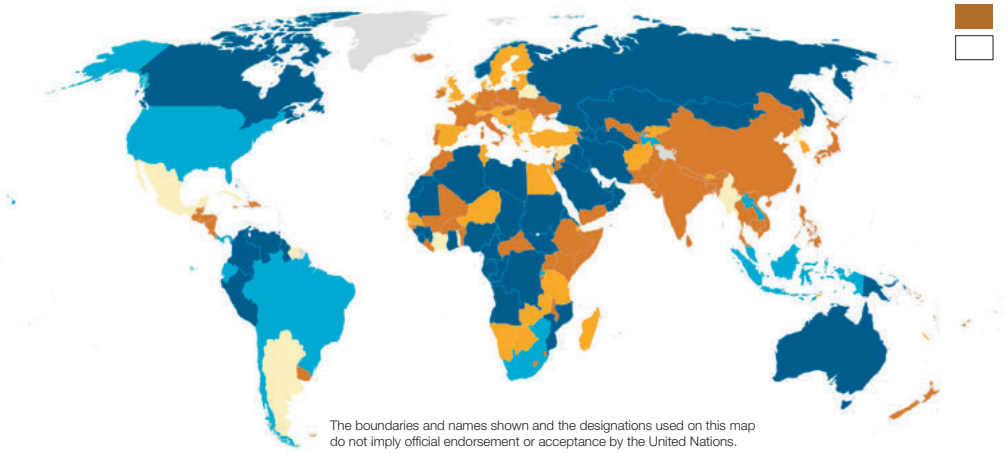
While some economies rely on agriculture and energy for export earnings, many depend on international trade to meet their food and energy needs. Figure 4.3a shows net food positions, and Figure 4.3b shows net energy positions. International trade allows countries with resource shortages to import essential goods like food and energy, supporting their populations and economies. Meanwhile, resource-rich countries rely on exports to generate revenue and ensure economic stability. This creates a global system of supply and demand for these important commodities. Economies in Latin America and South Asia are generally net food exporters due to strong agricultural sectors. In contrast, most of Asia and Africa are net food importers, reflecting constraints of limited arable land and high population pressures. Energy trade patterns also vary by region. Europe and many nations in East and South Asia are significant energy importers, reliant on external sources to fuel their economies. Conversely, West and Central Asia, along with parts of Africa and the Americas, are net energy exporters, leveraging abundant reserves of oil, gas, and other resources.

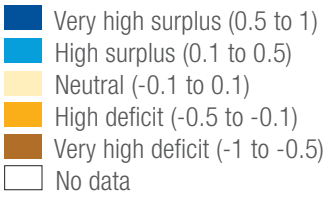
Figure 4.3
Food and energy net positions

a. Food net position, 2023



b. Energy net position, 2023



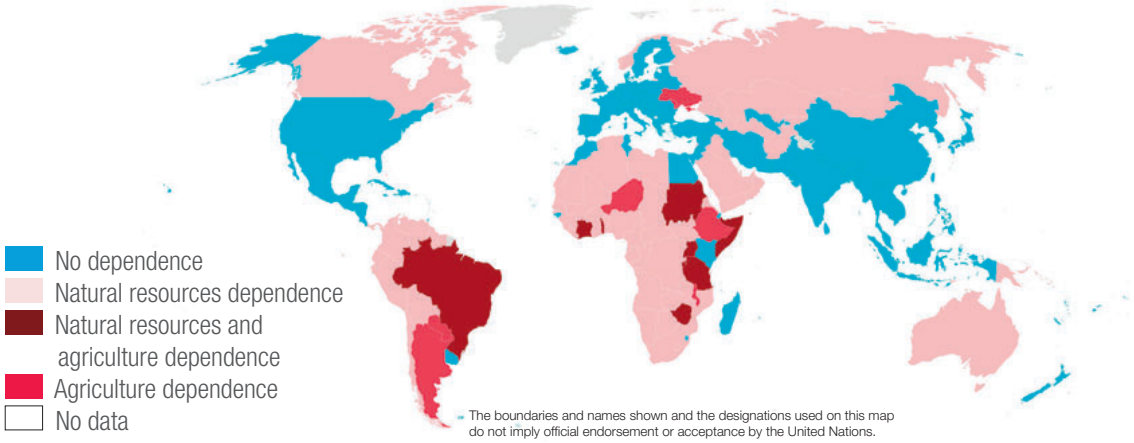


Source: UNCTAD calculations based on UNCTADStat and COMTRADE data.
Note: The food net position is computed as a country's exports minus its imports of agricultural products. It is then normalized by dividing it by agricultural trade (imports plus exports). The index varies between -1 and 1, with positive values meaning that the country exports more agricultural products than it imports. The energy net position is computed in the same manner.

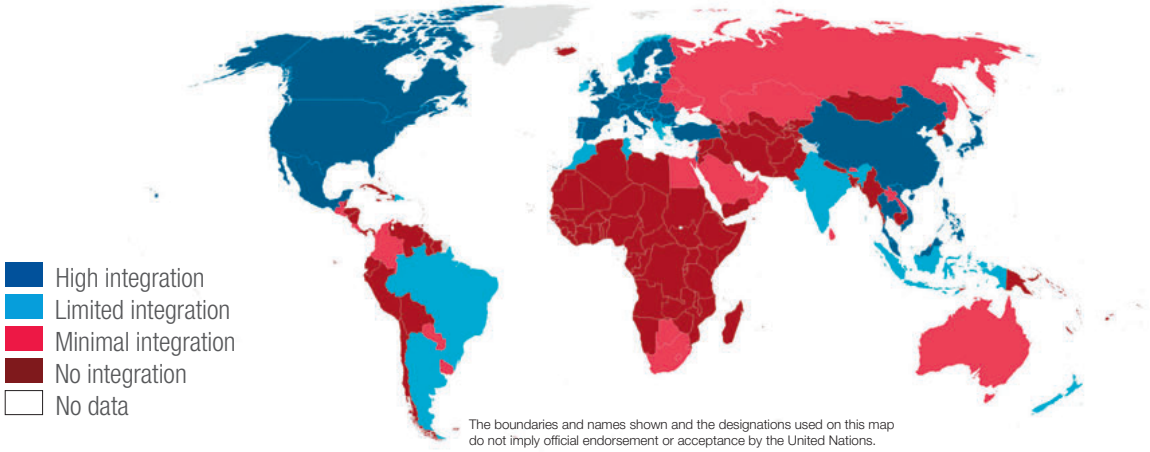
For most developing countries in Africa and Latin America, export baskets are heavily reliant on natural resources and agricultural commodities. Meanwhile, their manufacturing sectors remain minimally integrated with global trade networks. Figure 4.4a illustrates export dependence on primary products, while Figure 4.4b provide a measure of integration into manufacturing trade networks. Many countries' export compositions reflect heavy reliance on primary products, indicating resource wealth but also often a lack of success in diversifying economies or leveraging trade for manufacturing and technological advancement. This is particularly evident for most African and Latin American countries, and for some economies in Asia. In contrast, most developed countries and developing economies in South and East Asia exhibit a fundamentally different trade structure. These economies are not characterized by commodity dependence. Instead, their manufacturing sectors are deeply integrated with both regional and global partners, as evidenced by high intra-industry trade index scores. Such robust integration enables these economies to actively participate in global value chains, enhancing their economic resilience and fostering sustained growth through increased productivity and innovation.

Figure 4.4
Commodity dependence and manufacturing integration

a. Export dependence on primary products, 2023



b. Integration in trade networks, 2023

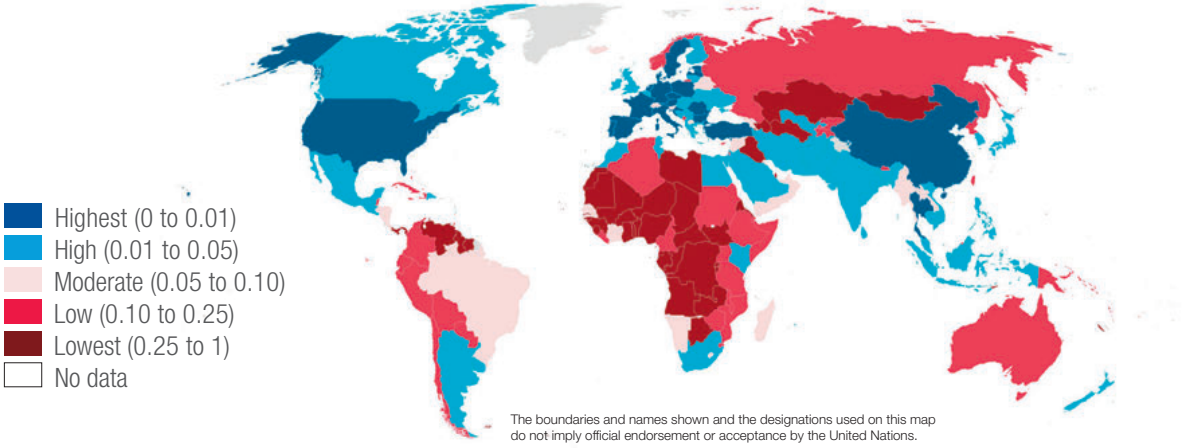


Source: UNCTAD calculations based on UNCTADStat and COMTRADE data.
Note: Commodity dependence is measured as the share of a country's exports comprising primary agricultural products (exceeding 15 per cent) and natural resources (exceeding 20 per cent). Manufacturing integration is calculated using the trade-weighted average of the intra-industry trade index, based on the Grubel-Lloyd index at the chapter level of the Harmonized System (HS) classification.

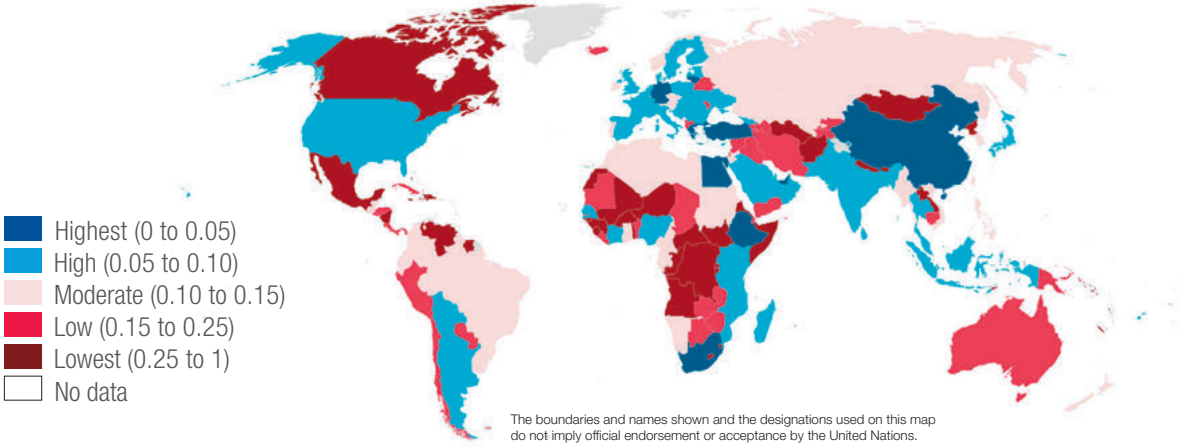
Exports of many developing countries are often characterized by limited diversification, with their exports concentrated in a small range of products and destinations. Figure 4.5a provides an illustration of export diversification in terms of the number of products exported, and Figure 4.5b shows diversification patterns in terms of number of destination markets. Poor diversification often leaves economies highly susceptible to external shocks, such as commodity price fluctuations or changes in demand from their primary trade partners. For example, many African countries primarily export raw materials like oil and minerals, or agricultural commodities to a limited number of trading partners, leaving their economies vulnerable to disruptions in these markets. Only a limited number of developing countries have achieved levels of export diversification similar to those of developed economies. These diversified economies benefit from exporting a wider range of products and leveraging well-established trade networks, which reduces their dependence on any single market or commodity. Regional dynamics can also strongly influence the diversification patterns of export-reliant nations. For instance, economies in North America and East Asia tend to exhibit high product diversification but lower destination diversification, as their exports are often tied to major regional economies through integrated supply chains and trade agreements.

Figure 4.5
Export diversification

a. Export diversification index by product, 2023



b. Export diversification index by destination, 2023

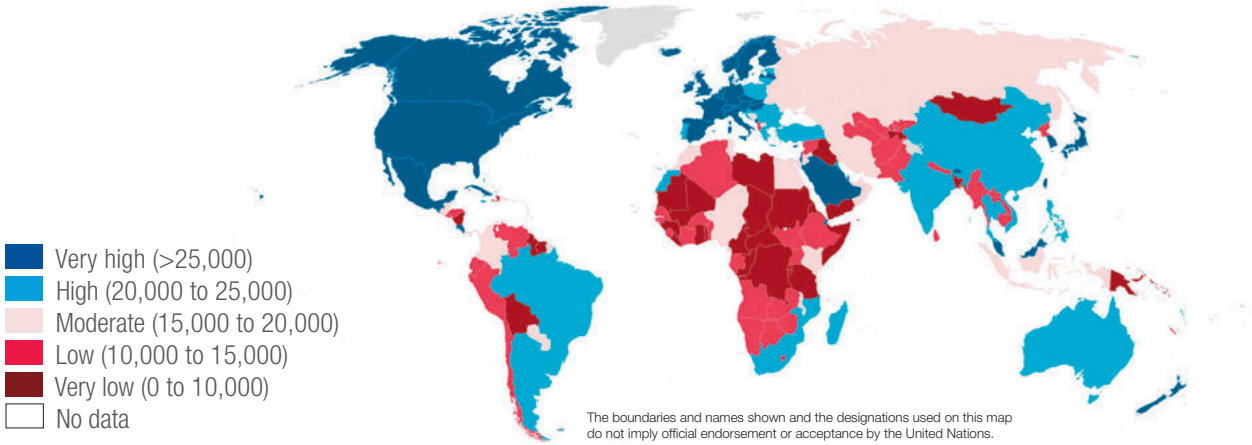


Source: UNCTAD calculations based on COMTRADE data.
Note: Diversification of exports is measured by the Hirschmann–Herfindahl index where lower values reflect higher diversification. It indicates the degree to which a country's exports are dispersed across different destinations or different goods (at the HS 6-digit level). Low diversification is interpreted as an indication of vulnerability since an exporter being limited to a small number of export markets or goods is more exposed to economic shocks

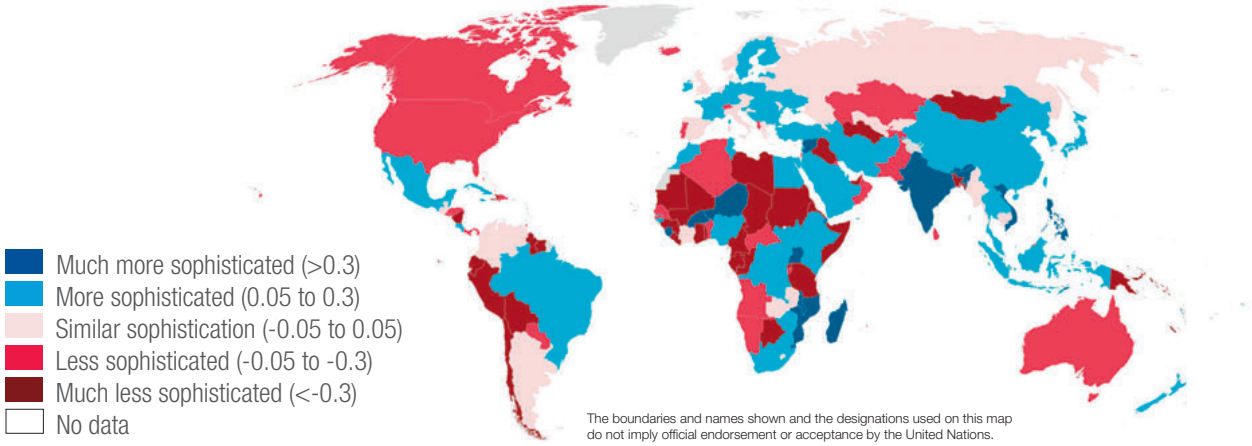
A country's export profile often reflects its economic development. Wealthier economies typically export more sophisticated goods, while developing countries tend to focus on less complex products, such as raw materials and agricultural goods. Figure 4.6a provides an indicator of the sophistication of a country's export basket, which reflects the complexity and value-added nature of the goods it exports. On the other hand, Figure 4.6b compares the sophistication of a country's export basket with that of other economies at a similar level of economic development, offering a relative benchmark. Countries whose export baskets are more sophisticated than anticipated for their economic stage tend to have more advanced and diversified economies. These economies often experience broader and faster economic development, driven by the ability to move beyond primary products and invest in manufacturing, technology, and innovation, leading to higher levels of industrialization and economic growth. For instance, the exports of many East Asian economies show a level of sophistication level that far exceeds what would typically be expected given their stage of development. On the other hand, some regions, including the Middle East and South America, as well as certain developed economies that rely heavily on primary product exports, have less sophisticated export baskets relative to their level of development.

Figure 4.6
Export sophistication and the export sophistication gap

a. Export sophistication, 2023



b. Export sophistication gap, 2023



Source: UNCTAD calculations based on UNCTADStat and COMTRADE data.
Note: Export sophistication is measured by the EXPY index. Countries with a higher EXPY are those that export goods that are more sophisticated (as measured by the PRODY index). The export sophistication gap measures the gap between the EXPY and GDP per capita of a country. A positive gap implies an export structure that is more sophisticated than the country's GDP per capita would predict. Conversely, a negative gap implies an export structure that is more typical of countries at a lower level of development.

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