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FACTS & FIGURES

Trade

Uncertainty, the new tariff weighing on trade and development

With uncertainty now raising costs as steeply as any tariff, international trade remains a driver of development but faces growing headwinds. With supply chain disruptions, tariff escalation and threats of trade wars, all countries stand to lose if the price of goods gets more expensive and transport costs rise. But beyond tariffs and logistics, policy unpredictability itself has become a hidden tariff, raising costs, reshaping trade routes and weighing heavily on developing economies. UNCTAD16 – the UN's global conference on trade and development (Geneva, 20–23 October 2025) – will spotlight trade as one of its four core themes, alongside investment, finance and technology. The goal: to restore stability and predictability to global trade and deliver tangible gains for people and economies.

What's inside

The following brief distills the main messages and trends shaping UNCTAD16's trade track. It outlines the conference's core focus on practical solutions for global trade cooperation and how UNCTAD's convening power can help turn today's uncertainty into a catalyst for more stable and fair trade.

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International trade is an important driver of economic growth and prosperity

- *Size of global trade.* Global goods and services trade was valued at $33 trillion in 2024 (close to 30% of global GDP). Trade in goods continued to expand in early 2025, rising 2.5% in the second quarter according to UNCTAD's latest Global Trade Update.
- *Trade and investment relationships.* Some 80% of trade takes place in the global supply chains of multinational companies. These trading patterns drive production and investment decisions. Unpredictable policies add a premium to every decision, acting like a tariff on confidence and slowing investment worldwide.

Disruption is currently fueling uncertainty…

- *Tariff impact.* In 2024, the average effective U.S. tariff rate was approximately 2.6%; by September 2025, it had surged to 17.9%. As the world's largest importer, even modest policy changes in the United States can send shockwaves across the globe, reshaping supply chains and global trade flows. But beyond formal tariffs, uncertainty over future trade rules is already adding to costs.
- *Rising uncertainty.* With the weakening of agreed rules and treaties, and fierce competition for critical raw materials, uncertainty has soared to record levels. This uncertainty itself is becoming the new tariff, unpredictable, costly and hardest on those least able to absorb it.
- *Fragile outlook.* Despite near-term growth, the outlook remains fragile as uncertainty and geopolitical tensions continue to weigh on investment and trade confidence.

…But two potential areas of growth stand out: critical minerals and trade in services

- *Role of services.* Despite rising uncertainty and policy change, the growth of trade in services remains robust—around 6 per cent supporting trade in goods.
- *Critical minerals.* The rising demand for critical energy transition minerals, such as lithium, nickel or cobalt, presents opportunities for millions as they can help economies diversify and become more resilient to shocks.

- *Diversification.* But this potential can only be realized if countries - especially the least developed –reduce dependence on a single export commodity, diversify their export markets, and leverage trade agreements that encourage investment.

How does UNCTAD16 address these issues?

- *Convening power.* UNCTAD16 gathers policymakers, business leaders, trade and logistics specialists to identify pathways to foster resilience in a world where developing economies and smaller firms pay the highest price for policy fluctuations and have limited resources to cushion the shock.
- *High-level platform.* World leaders will convene to discuss the future of the multilateral trading system, exploring how trade policy and supply chains can evolve in response to shifting global dynamics while ensuring trade delivers broader development benefits, beyond export gains.
- *Build trust, promote peace.* UNCTAD16 will also reaffirm the importance of predictable and fair trade rules which serve as the foundation for trust and stability among nations.

More broadly, what is UNCTAD doing to help?

- *Data and research.* UNCTAD provides evidence-based analysis of international trade, developments in maritime transport and trade policy, including global trends, trade agreements, tariffs and non-tariff measures.
- *Consensus building.* It co-leads the UN Secretary-General's Panel on Critical Energy Transition Minerals, spearheading efforts on local value addition and ensuring fair benefit-sharing and responsible production throughout critical mineral value chains.
- *Technical assistance.* UNCTAD-backed initiatives – such as BioTrade and the Sustainable Manufacturing and Environmental Pollution programme – show how trade policy can directly translate into jobs, cleaner production and more resilient economies

Key reports

- For more data and analysis on global trade, see the Global Trade Update series and the Review of Maritime Transport 2025.