

IN THE SPOTLIGHT

Global trade developments and outlook

World trade grew faster than expected in 2025, with the volume of world merchandise trade rising 4.6 per cent in volume terms (up from 2.7 per cent in 2024) while commercial services trade grew 5.3 per cent.

The strong growth in merchandise trade reflects a surging demand for artificial intelligence (AI)-related goods, which offset the negative impacts of higher tariffs and increased trade policy uncertainty. In value terms, merchandise trade increased by 7 per cent to US\$ 26.26 trillion, while commercial services trade rose 8 per cent to US\$ 9.56 trillion (see Figure 1). More moderate trade expansion is expected for 2026 due to the impact of the conflict in the Middle East, among other factors.

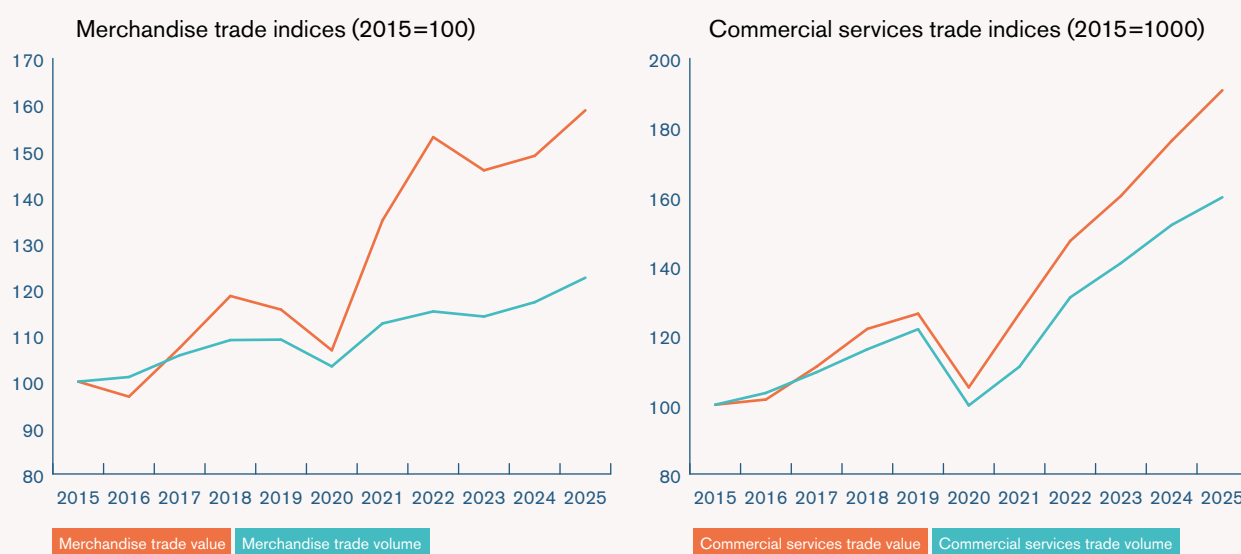
Merchandise trade

Growth in world merchandise trade volume in 2025 (4.6 per cent) was stronger than world GDP growth at market exchange rates (2.9 per cent), marking a departure from the near parity between trade and GDP growth in 2024 (2.7 per cent and 2.9 per cent, respectively). Most regions recorded positive growth in both exports and imports

China remained the world's largest merchandise exporter in 2025, with

exports valued at US \$3.77 trillion, representing a 17.5 per cent share of world trade (excluding intra-EU trade). Meanwhile, the United States continued to be the largest merchandise importer, with imports of US\$ 3.51 trillion, representing a 15.9 per cent share of world trade. Taken as a whole, the European Union was the second largest trader in both exports and imports, with extra-EU trade exports of US\$ 2.99 trillion and extra-EU imports of US\$ 2.84 trillion, respectively representing 13.8 per cent and 12.9 per cent of world trade.

Figure 1: World merchandise and commercial services trade, 2015-25
Indices, 2015=100



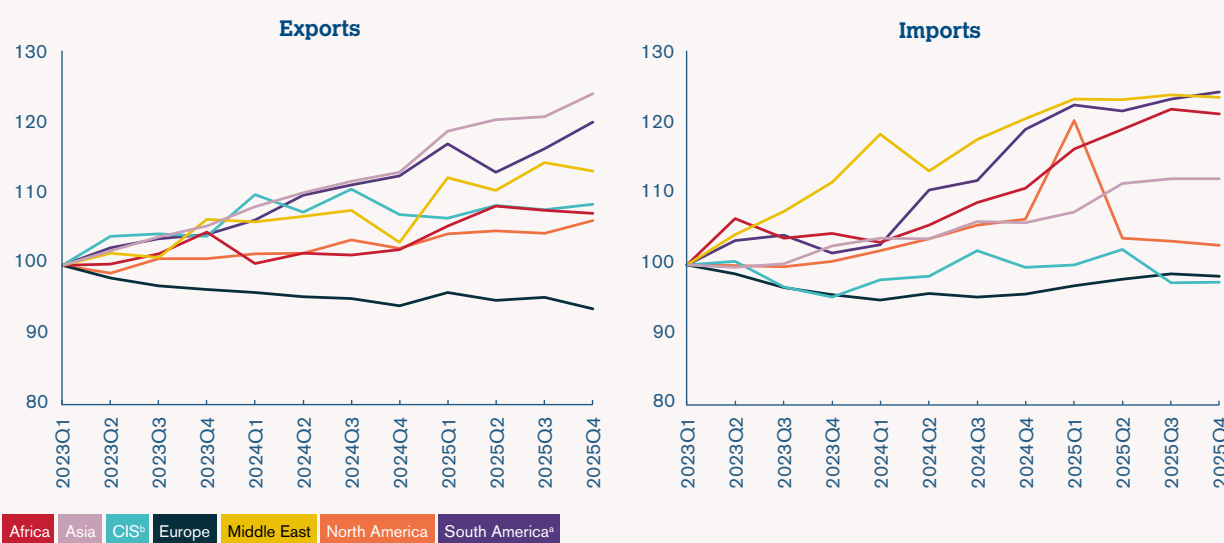
Note: Merchandise trade refers to average of exports and imports. Services trade refers to exports.

Sources: WTO-UNCTAD.



Figure 2: Merchandise export and import volume indices by region, 2023Q1-2025Q4

Volume index, 2023Q1=100



a Refers to South and Central America and the Caribbean.

b Refers to Commonwealth of Independent States (CIS), including certain associate and former member states.

Note: Quarterly merchandise trade volume indices may diverge slightly from annual indices due to differences in data availability and methodology.

Source: WTO-UNCTAD.

Merchandise trade in early 2025 was boosted by the front-loading of imports ahead of expected higher tariffs imposed by the United States. Imports in North America rose sharply in the first quarter before falling in the second quarter. The region's import growth continued to slow after higher tariffs came into effect mid-year, but imports were buoyed by inflows of AI-enabling goods (see Figure 2).

The Middle East recorded the strongest export volume growth (12.9 per cent) of any region in 2025, followed by Africa (10.3 per cent), and Asia (9.5 per cent). Asian economies was the main driver of global merchandise trade volume

growth, contributing 71 per cent of total growth as Chinese exports expanded across multiple destinations. At the same time, the value of China's shipments to the United States fell by around 20 per cent, continuing the decline in bilateral goods trade between the two economies. Meanwhile, the highest import volume growth was recorded by South and Central America and the Caribbean (10.4 per cent), the Middle East (10.4 per cent) and Africa (8.7 per cent).

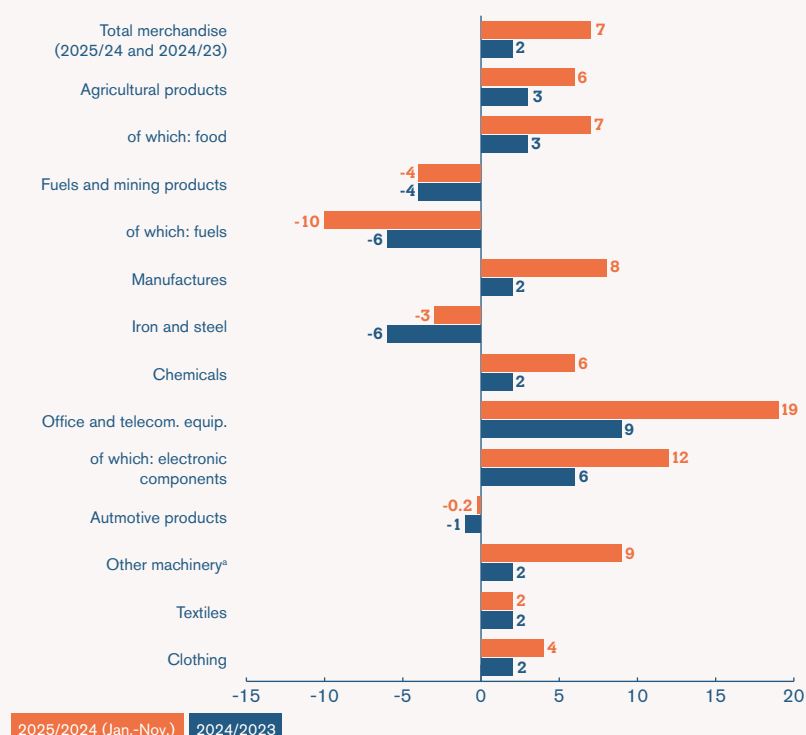
Measured in value (US dollar) terms, world merchandise trade growth was stronger in 2025 than in 2024 (see Figure 3). Office and

telecommunications equipment recorded the strongest growth last year (19 per cent), reflecting rising demand for digital infrastructure and computing equipment.

The value of world trade in AI-enabling goods was up more than 20 per cent in 2025, causing its share in total merchandise trade to climb to 16.8 per cent by the end of the year, up from 13.0 per cent in the first quarter of 2024 (see Figure 4). These products accounted for 42 per cent of merchandise trade growth in 2025 despite representing only one-sixth of total merchandise trade. Asia made the largest regional contribution to AI enabling goods

Figure 3: Year-on-year merchandise trade growth by product, 2025 (January-November for product breakdown) and 2024

% change in US\$ values



Total merchandise trade growth based on average of exports and imports.

a Includes electrical machinery, non-electrical machinery and power-generating equipment.

Source: WTO-UNCTAD for total merchandise, WTO estimates for products.

trade growth, followed by North America and Europe.

Services trade

In 2025, commercial services trade increased by 8 per cent in value terms, reaching US\$ 9.56 trillion (see Figure 5). Growth slowed slightly compared with 2024, as travel services have largely returned to their pre-pandemic levels. Nevertheless, all of the major services categories recorded positive growth in 2025.

The value of transport services increased by 2 per cent in 2025 to US\$ 1.54 trillion, following an 8 per cent rise in 2024. This weaker growth reflects developments in maritime transport and lower shipping rates than in 2024. International travel remained resilient despite rising geopolitical uncertainty as travel services continued to expand, reaching US\$ 1.89 trillion in 2025, an increase of 8 per cent in value terms.

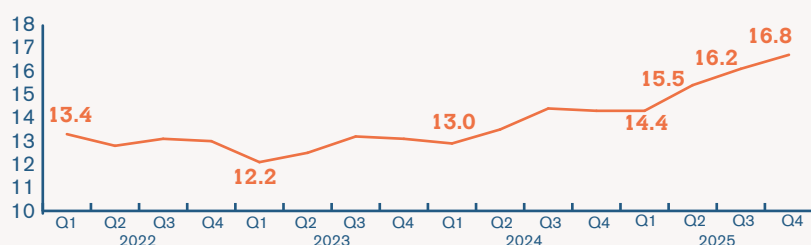
The category “other commercial services”, which encompasses a wide variety of services ranging from financial to professional services, recorded continued strong growth, rising 10 per cent in 2025 to US\$ 5.78 trillion. The increase was partly driven by rapid growth in computer services, reflecting rising demand for computing capacity, data processing and software development as individuals and businesses increasingly adopted AI technologies.

Services export growth varied across major economies in 2025. Taken as a whole, the European Union remained the largest exporter and importer of commercial services, with extra-EU exports of US\$ 1.76 trillion and extra-EU imports of US\$ 1.61 trillion. The next largest services trader was the United States, with exports of US\$ 1.21 trillion and imports of US\$ 870 billion.

Figure 4: AI-enabling merchandise trade, 2025

Percentage share and percentage points contributions

Share of AI-enabling goods in world merchandise trade value, 2022-2025

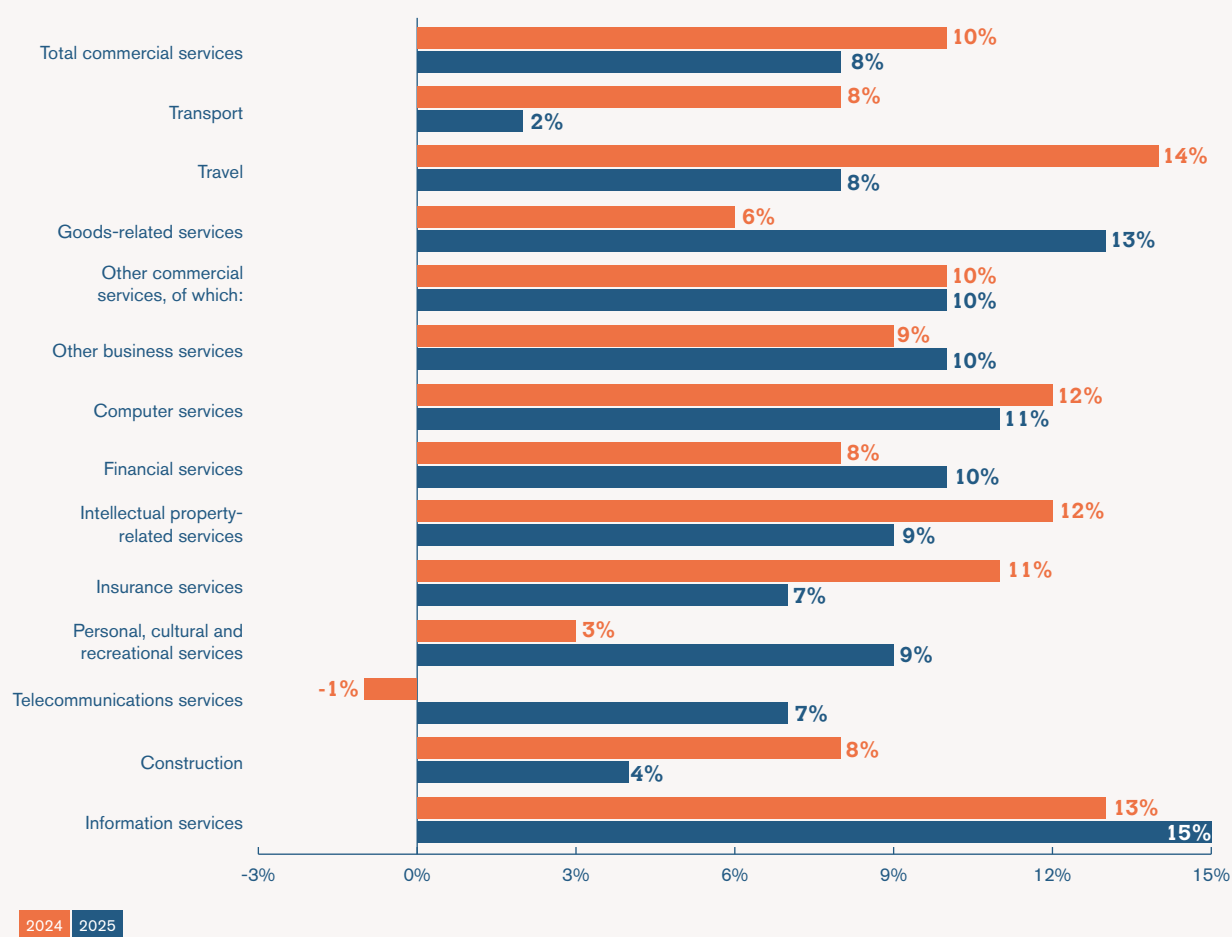


Note: Trade is an average of imports and exports. Estimates for AI-enabling goods trade are based on available reporters in the Trade Data Monitor. Data for Viet Nam are mirrored. Data for Q4 2025 include estimates for economies for which full Q4 data had not been published as of 9 March 2026. The trade contribution of AI-enabling goods is minor for regions other than North America, Europe and Asia, and is not included in the chart.

Source: WTO Secretariat estimates.



Figure 5: Commercial services trade growth by sector, 2024-25
Annual % change



Note: Services trade measured as exports. Other commercial services are ranked according to their relative share in services trade.

Source: WTO estimates for subsectors of other commercial services. WTO-UNCTAD for total commercial services and main sectors.

Outlook for trade in 2026

Prospects for world trade in 2026 remain uncertain. In March, WTO economists predicted 1.9 per cent growth in merchandise trade volume under a baseline scenario, but conflict in the Middle East could reduce it to 1.4 per cent. Similarly, commercial services trade volume was expected to grow 4.8 per cent under the baseline scenario, with growth

potentially reduced to 4.1 per cent due to the Middle East conflict. However, sustained investment in AI could lift trade growth for the year. These estimates remain highly uncertain due to the unpredictability of the conflict and the unknown durability of AI-related investment.