

Facts and figures

Global trade remains strong despite policy changes and uncertainty

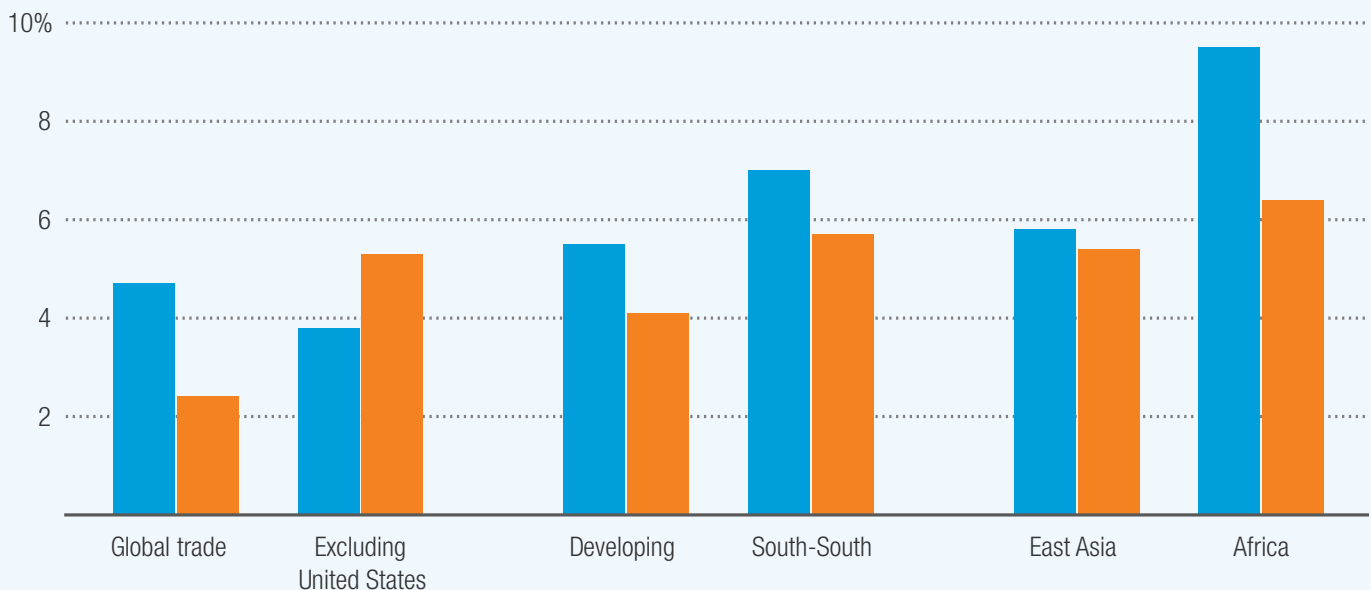
HIGHLIGHTS

- ▶ Global trade expanded by more than half a trillion US\$ in the first half of 2025 despite volatility and policy shifts, with growing momentum continuing into Q3.
- ▶ Growth in Q2 was driven primarily by developing economies, supported by South-South trade. Weak trade performance by the United States pulled down the global average.
- ▶ The manufacturing sector continues to drive global trade growth, led by electronics. Hybrid and electric vehicles are driving automotive trade growth.
- ▶ The negative impact of trade policy uncertainty has remained relatively contained, keeping the overall outlook for global trade in 2025 strongly positive.



Developing economies drove global trade in goods to new highs in Q2 amid softening United States imports

■ Trailing four quarters growth ■ Quarterly growth



Source: UNCTAD calculations based on national statistics.

Note: Trailing four quarters growth measures the change in a variable over the last four quarters (Q3 2024 to Q2 2025) compared with the previous four quarters (Q3 2023 to Q2 2024). Quarterly growth is the quarter-over-quarter growth rate between Q1 2025 and Q2 2025. Data are seasonally adjusted. Data exclude services.

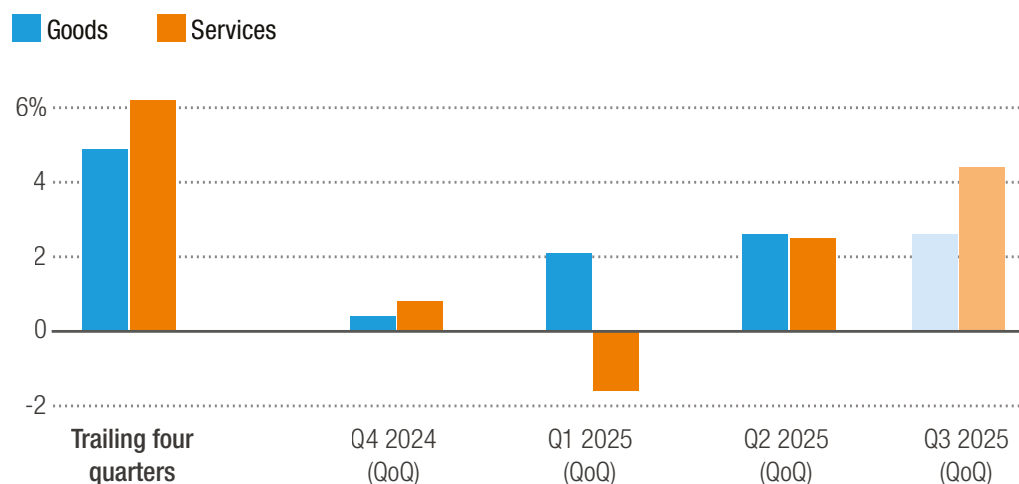
Global trade trends and nowcast

Global trade in goods and services continued its positive trajectory in the second quarter of 2025 (Q2 2025), recording a quarter-over-quarter (QoQ) increase of about 2.5 per cent. Both goods and services saw significant gains compared to Q1 2025. Trade in goods saw its growth rate edge up from about 2 to 2.5 per cent QoQ, while growth in trade in services returned to positive territory after contracting in Q1. The UNCTAD nowcast points to continued growth in Q3 2025, with goods expected to expand by about 2.5 per cent QoQ and services accelerating strongly to about 4 per cent QoQ. On a trailing four quarters (T4Q) basis, growth remains robust—around 5 per cent for goods and 6 per cent for services. Barring major negative shocks in the final months of 2025, the value of global trade is projected to surpass its record levels of 2024.



Global trade in goods and services remains strong in Q2 and Q3 of 2025

Trailing four quarters and quarterly growth in the value of trade in goods and services



Source: UNCTADstat; UNCTAD calculations based on national statistics.

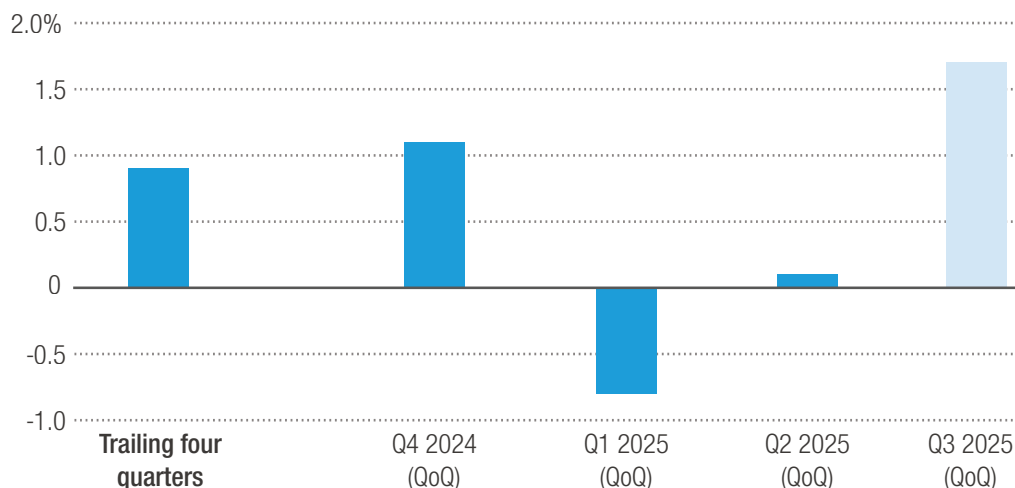
Note: Trailing four quarters growth measures the change in a variable over the last four quarters (Q4 2024 to Q3 2025) compared with the previous four quarters (Q4 2023 to Q3 2024). Quarterly growth (QoQ) is the quarter-over-quarter growth rate of seasonally adjusted values. Figures for Q2 2025 are preliminary. Q3 2025 is a [nowcast](#) as of 7 October 2025.

Prices for traded goods registered a slight uptick in Q2 2025, with preliminary estimates pointing to a significant increase in Q3. This suggests that while the increase in the value of trade in the first half of 2025 was driven by higher volumes, the increase in Q3 is expected to be fueled partly by rising prices.



Trade inflation declined in first half of 2025, but set to increase in Q3 2025

Trailing four quarters and quarterly growth in the overall price of traded goods



Source: UNCTADstat; UNCTAD calculations based on national statistics.

Note: Trailing four quarters growth measures the change in a variable over the last four quarters (Q4 2024 to Q3 2025) compared with the previous four quarters (Q4 2023 to Q3 2024). Quarterly growth (QoQ) is the quarter-over-quarter growth rate of seasonally adjusted values. Figures for Q2-2025 are preliminary. Q3-2025 is a [nowcast](#) as of 7 October 2025.



Global trade outlook

Overall, trade growth remained positive in the first half of 2025, despite rising trade policy uncertainty, persistent geopolitical tensions, and a challenging global economic environment. During this period, global trade increased by about US\$ 500 billion compared with the second half of 2024, although growth patterns were volatile. During Q2 2025, both goods and services trade showed consistent expansion, largely supported by the strong performance of developing economies, while trade of developed economies was subdued because of a significant drop in United States imports.

Looking ahead to the rest of 2025, global trade is expected to remain resilient and reach record highs by the end of the year. Despite turbulence from shifting United States trade policy, global trade dynamics have so far shown limited disruption, with developing economies maintaining strong commitment to trade as a foundation for growth. Still, uncertainty over United States policy remains a notable risk. Forward-looking indicators send mixed signals: China's Purchasing Managers' Index (PMI) stayed below 50 in August, signaling contraction, while the United States PMI remained well above 50, pointing to expansion. Shipping measures also diverged, with the Shanghai Containerized Freight Index declining but the Baltic Dry Index rising. Overall, trade momentum should continue, but growth patterns will vary regionally.

Negative factors hindering the trade outlook:

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

Although the United States has concluded some trade deals, many details still need to be finalized. Moreover, negotiations with several of its most important trading partners remain ongoing, leaving room for further policy shifts that could affect global trade flows. In addition, additional sector-specific tariffs remain a distinct possibility.

► **Continuing geopolitical tensions and ongoing conflicts**

Geopolitical instability is expected to continue affecting global trade, while ongoing conflicts show no signs of easing. Some of these factors could intensify, potentially altering regional trade dynamics and potentially leading to energy and food security concerns.

► **Resurgence of restrictive policy as a response to global overcapacity**

Domestic-focused industrial strategies, combined with reduced demand for imported goods in the United States, may exacerbate oversupply in certain sectors, prompting countries to adopt defensive trade measures. This trend was already evident in Q2 2025 for some sectors (e.g., steel) and may expand to other industries in the near term.

Positive factors influencing the global trade outlook:

► **Stronger economic growth and monetary support**

Upward revisions to global growth forecasts, combined with the potential for additional monetary easing in major economies, are expected to sustain economic momentum and global trade activity.

► **Limited negative policy spillovers and growth of services trade**

The so far limited trade policy responses by other governments to United States trade restrictions are expected to continue, while services trade is likely to remain largely insulated from policy shifts, supporting further growth in global trade.

► **Resilience of the multilateral trading system and increased scope for trade cooperations**










Despite its weaknesses and the need for reforms, the multilateral trading system has remained relatively resilient in recent months, supported by the commitment of many countries. Cooperation among developing economies appears to be strengthening, which could translate into reduced policy uncertainty and higher trade growth.



Trade trends of major economies

Merchandise trade showed mixed trends among major economies in Q2 2025. Import growth was strong in many of the largest Asian economies, but very weak in the United States as additional tariffs took effect. On the export side, the Republic of Korea posted the highest growth among major economies, while export growth from China was more subdued, although China exports remained the top performer on a 12-month basis. Figures for the Russian Federation remained highly volatile.

United States imports strongly declined in Q2 2025; Major Asian economies overperformed in the same period










GOODS (Q2 2025)	Imports growth		Exports growth	
	QoQ	T4Q	QoQ	T4Q
 Brazil	-4%	11%	-2%	-2%
 China	4%	-2%	1%	7%
 India	6%	5%	3%	0%
 Japan	4%	2%	3%	3%
 Republic of Korea	1%	1%	6%	4%
 Russian Federation	8%*	4%*	3%*	-1%*
 South Africa	-1%	0	-1%	0%
 United States	-16%	11%	3%	4%
 European Union	2%	5%	1%	4%

Source: UNCTAD calculations based on national statistics.

Note: Trailing four quarters (T4Q) growth measures the change in a variable over the last four quarters (Q3 2024 to Q2 2025) compared with the previous four quarters (Q3 2023 to Q2 2024). Quarterly growth (QoQ) is the quarter-over-quarter growth rate between Q1 2025 and Q2 2025. Data are seasonally adjusted. Data exclude intra-European Union trade. *denotes estimates.

Services trade showed mixed patterns among major economies in Q2 2025. Quarter-over-quarter export growth was relatively strong for China, Japan and the European Union, while small declines were recorded in the United States. On the import side, growth was more pronounced for the European Union and the Republic of Korea, whereas China saw a sharp contraction in services imports. Figures for the Russian Federation remained highly volatile.

Services trade growth was positive in most of the major economies in Q2 2025

SERVICES (Q2 2025)	Imports growth		Exports growth	
	QoQ	T4Q	QoQ	T4Q
 Brazil	-4%	11%	3%	3%
 China	-3%	6%	6%	19%
 India	1%	10%	1%	14%
 Japan	2%	7%	5%	10%
 Republic of Korea	7%	8%	2%	9%
 Russian Federation	23%*	13%*	13%*	6%*
 South Africa ¹	-3%	8%	-4%	12%
 United States	-1%	9%	-1%	7%
 European Union	6%	5%	7%	4%

Source: UNCTAD calculations based on national statistics.

Note: Trailing four quarters (T4Q) growth measures the change in a variable over the last four quarters (Q3 2024 to Q2 2025) compared with the previous four quarters (Q3 2023 to Q2 2024). Quarterly growth (QoQ) is the quarter-over-quarter growth rate between Q1 2025 and Q2 2025. Data are seasonally adjusted. Data exclude intra-European Union trade. * denotes estimates. ¹data are for Q1 2025.

Regional trade trends

Merchandise trade growth in Q2 2025 was driven largely by developing economies. Imports by developing countries grew strongly—by about 6 per cent—while imports in developed countries were unchanged from Q1 2025. Exports show a similar trend, with developing countries' growth outperforming that of developed countries in Q2 2025. South–South trade growth was also above average in Q2 2025, consolidating the strong pattern over a 12-month period. However, excluding East Asian economies, South–South trade contracted during Q2 2025 and was comparatively weaker in the 12-month period.

Global trade growth driven by Developing and South-South Economies in Q2 2025

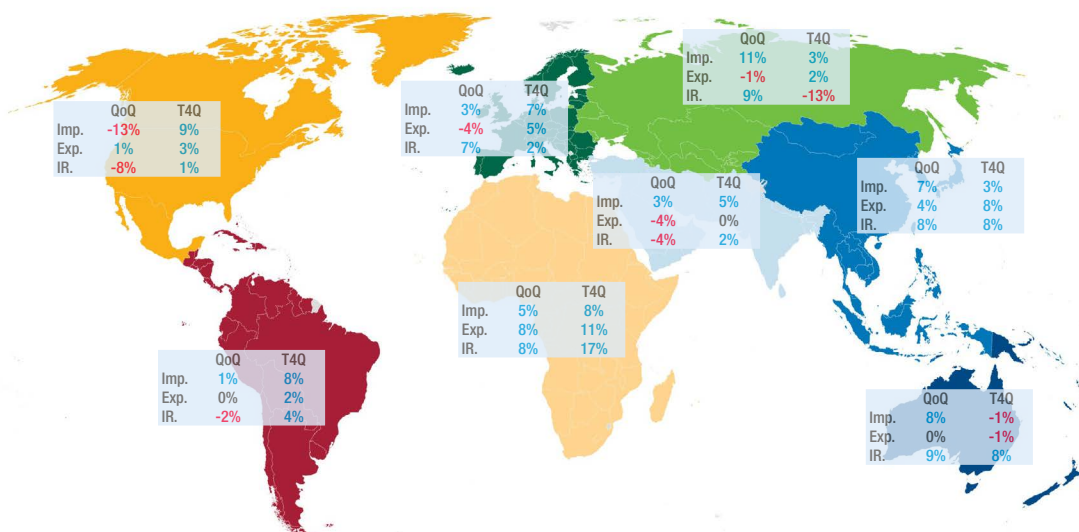
	Quarterly growth		Trailing four quarters	
	Imports	Exports	Imports	Exports
Developed countries	0%	1%	5%	3%
Developing countries	6%	3%	4%	7%
Developing countries (excluding East Asia)	2%	-1%	3%	5%
South-South trade	6%		7%	
South-South trade (excluding East Asia)	-1%		4%	

Source: UNCTAD estimates based on national statistics.

Note: Trailing four quarters growth measures the change in a variable over the last four quarters (Q3 2024 to Q2 2025) compared with the previous four quarters (Q3 2023 to Q2 2024). Quarterly growth is the quarter-over-quarter growth rate between Q1 2025 and Q2 2025. Data are seasonally adjusted. Data do not include trade in services. East Asia is defined as in the map below.

During Q2 2025, merchandise trade growth was stronger in East Asia and Africa, while imports in North America contracted, albeit from the very high levels seen in Q1 2025 due to tariff front-loading in the United States. Intra-regional trade was also robust in East Asia and Africa, as well as in the Pacific region. On a 12-month basis, trade expanded across all regions except the Pacific.

Q2 2025 sees trade surging in East Asia and Africa



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

Source: UNCTAD estimates based on national statistics.

Note: Trailing four quarters (T4Q) growth measures the change in a variable over the last four quarters (Q3 2024 to Q2 2025) compared with the previous four quarters (Q3 2023 to Q2 2024). Quarterly growth (QoQ) is the quarter-over-quarter growth rate between Q1 2025 and Q2 2025. Imports (Imp) and exports (Exp) exclude intra-European Union trade, while intra-regional (IR) for Europe includes intra-European Union trade. Data are seasonally adjusted. Data do not include trade in services.

Global trade imbalances

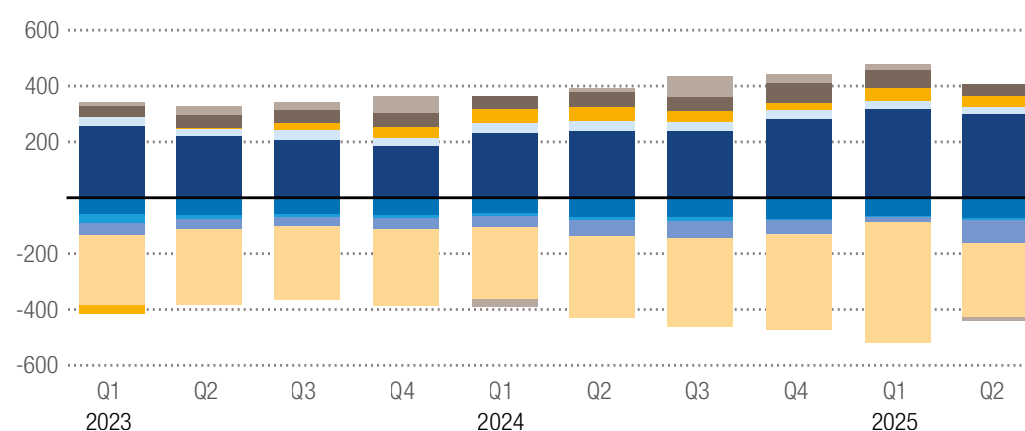
Global imbalances in goods trade continued to widen in recent quarters but reversed in Q2 2025, largely due to shifts in the United States' trade policy. Trade deficits widened for Japan, India, and the United Kingdom. Among surplus economies, China's surplus declined only marginally, despite a significant reduction in its surplus with the United States. The European Union's trade surplus also declined in Q2 2025.



Global trade imbalances declined in Q2 2025

Trade balance in goods (US\$ billion)

China India Japan Russian Federation United Kingdom United States
European Union Other developed countries Other developing countries



Source: UNCTAD estimates based on national statistics.

Bilateral imbalances in goods trade among major economies remain high and, in most cases, have widened in Q2 2025. The exception is the United States trade deficit with China and Canada, which has declined significantly. Meanwhile, China's trade surplus with the European Union and Viet Nam has increased.



Bilateral trade imbalances shifted in Q2 2025: some narrowed, others widened

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

Deficit economy	Surplus economy	T4Q deficit	Deficit increase in Q2 2025	Deficit economy	Surplus economy	T4Q deficit	Deficit increase in Q2 2025
United States	China	350	-15	United Kingdom	China	62	2
United States	European Union	279	0	India	Russian Federation	58	0
European Union	China	258	14	United States	Japan	53	-1
United Kingdom	European Union	185	4	European Union	Norway	47	-1
United States	Mexico	132	4	United States	India	47	5
United States	Viet Nam	122	10	China	Australia	45	-2
India	China	112	4	China	Taiwan Province of China	36	-1
United States	Canada	82	-11	Mexico	European Union	24	2
Viet Nam	China	76	11	China	Brazil	19	0
Mexico	China	68	-2	European Union	Russian Federation	6	-1

Source: UNCTAD estimates based on national statistics.

Note: Trailing four quarters (T4Q) deficit positions are calculated as the total over the last four quarters (Q3 2024 to Q2 2025). Deficit increase in the last quarter is measured by the difference between consecutive four-quarter moving sums.

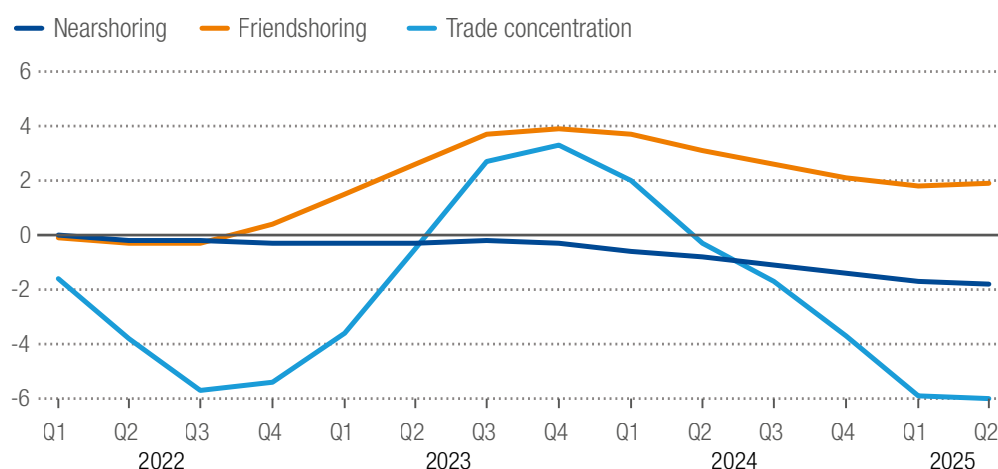
Global trade dynamics and trade dependence

While friendshoring trends remain above historical averages, they have stabilized in recent quarters. Broader patterns to diversify supply chains and reduce reliance on single partners—previously leading to lower trade concentration—stalled in Q2 2025. Similarly, the farshoring trend of the last few quarters has stabilized, suggesting that the phase of relatively stronger trade growth among distant economies is coming to an end.



Nearshoring and trade concentration trends stabilize, while friendshoring remains above trends

Change relative to 2021 average (per cent)



Source: UNCTAD estimates based on national statistics.

Note: Nearshoring is calculated as reverse of trade-weighted average distance in km. Friendshoring is calculated as trade-weighted political proximity as measured by the United Nations voting patterns. Trade concentration is calculated based on the Herfindahl concentration index.

Goeconomic factors continue to play a significant role in shaping key bilateral trade patterns. These dynamics have had a substantial impact on trade between major economies and on their relationships with other partners. However, some of these shifts have been stabilizing. For instance, over the past 12 months, trade interdependence between China and the United States has declined only marginally, while more significant changes have occurred among some of their respective trading partners.



Goeconomic fragmentation reflects into trade interdependencies

Increasing trade dependence		T4Q change	Decreasing trade dependence		T4Q change
Dependent	Depending on		Dependent	Depending on	
Taiwan Province of China	United States	2.7%	United Kingdom	European Union	-3.4%
Malaysia	United States	2.0%	Australia	China	-3.1%
United Kingdom	United States	1.6%	Ukraine	European Union	-2.1%
Korea, Republic of	Taiwan Province of China	1.5%	Brazil	China	-2.0%
Viet Nam	United States	1.4%	Taiwan Province of China	China	-1.7%
Brazil	United States	1.0%	Taiwan Province of China	European Union	-1.4%
Brazil	European Union	0.7%	Russian Federation	European Union	-1.3%
Russian Federation	India	0.7%	Canada	United States	-1.2%
Russian Federation	China	0.6%	United States	Canada	-1.1%
India	United States	0.6%	United States	China	-0.6%

Source: UNCTAD estimates based on national statistics.

Note: The trade dependence of an economy on another is calculated as their bilateral trade over the total trade of the dependent economy. Trailing four quarters (T4Q) change is calculated as a four-quarter average (Q3 2024 to Q2 2025) of this ratio compared to the previous four quarters (Q3 2023 to Q2 2024). Data for Russian Federation include estimates.

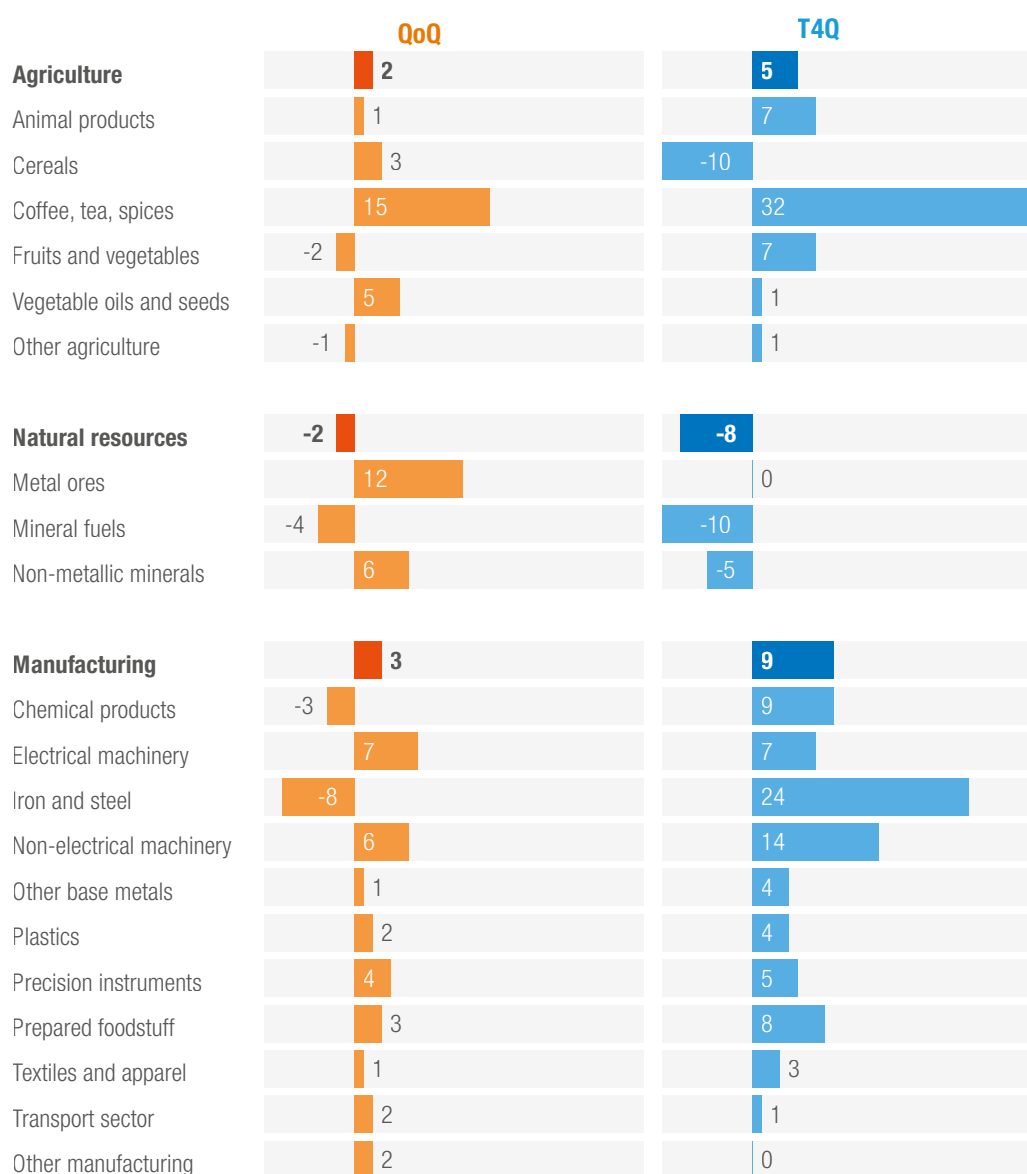
Global trade trends at the sectoral level

Growth in the value of trade varied significantly across sectors in Q2 2025. Manufacturing recorded strong gains, particularly in both electrical and non-electrical machinery, while global trade in iron and steel products declined sharply. Agricultural trade also rose markedly, led by higher coffee prices. By contrast, trade in natural resource products fell quarter-over-quarter, driven mainly by lower fossil fuel prices. Over the past 12 months, manufacturing trade expanded by about 9 per cent, with iron and steel products showing substantial growth during the period despite a drop in Q2 2025.



Manufacturing drives trade growth; natural resources lags

Growth (per cent)



Source: UNCTAD estimates based on national statistics of Australia, Brazil, China, India, Japan, South Africa, Türkiye, the United States and the European Union.

Note: Trailing four quarters (T4Q) growth measures the change in a variable over the last four quarters (Q3 2024 to Q2 2025) compared with the previous four quarters (Q3 2023 to Q2 2024). Quarterly growth (QoQ) is the quarter-over-quarter growth rate between Q1 2025 and Q2 2025. Data are seasonally adjusted.

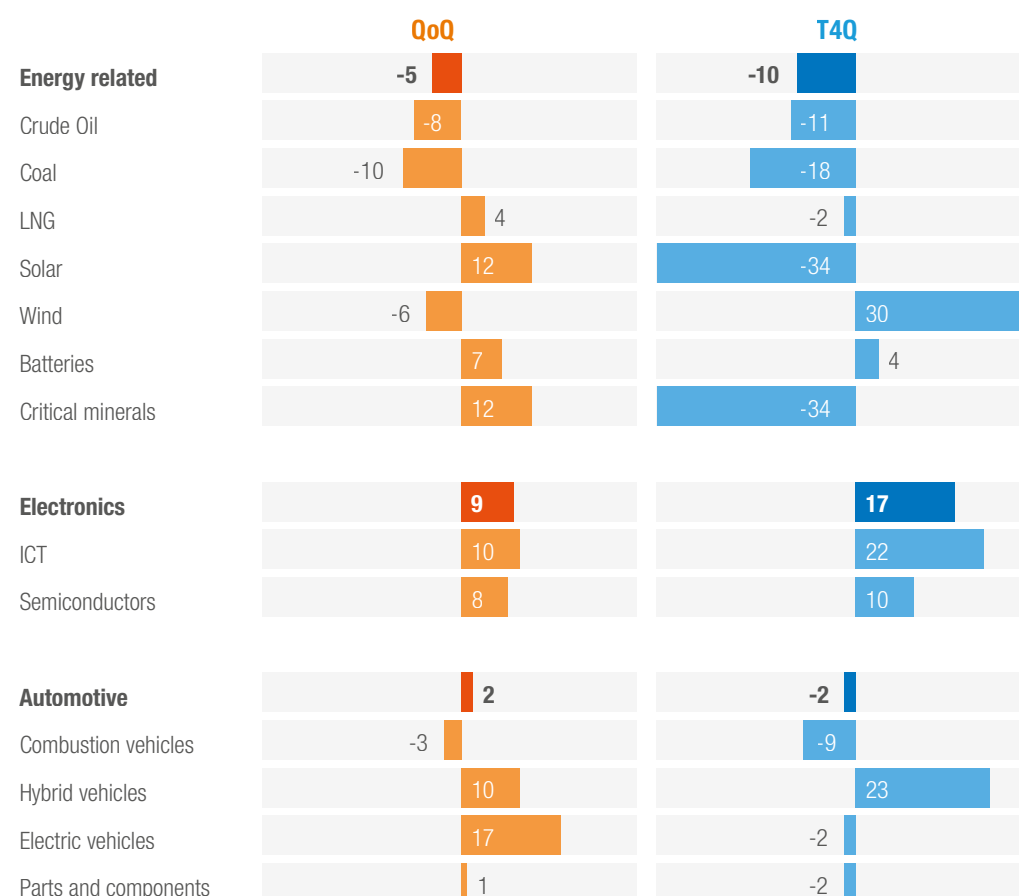
Global trade trends for selected industries

Over the past four quarters, trade patterns across the energy, electronics, and automotive industries shifted notably. The value of fossil fuel trade declined sharply due to falling prices, while renewable-related products showed mixed performance: wind- and battery-related goods expanded, whereas solar-related products and critical minerals fell significantly, also reflecting a significant decline in the price of solar cells. Overall, the value of trade in renewable energy products remained volatile throughout the period, influenced not only by price dynamics but also by shifting policies and incentives. Electronics trade outperformed manufacturing averages, driven in part by rising demand from AI systems, posting strong year-on-year growth and sustaining momentum into Q2 2025, though semiconductor trade remained relatively below the average in the sector amid ongoing restrictions. In the automotive sector, growth was led by hybrid vehicles, with electric vehicles gaining momentum in Q2 2025.



Trade declines in the brown economy while rising in the green economy and AI sectors

Growth (per cent)



Source: UNCTAD estimates based on national statistics of Australia, Brazil, China, India, Japan, South Africa, Türkiye, the United States and the European Union.

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

