Euromonitor International

Trends in Global Trade Amid Rising Economic Fragmentation

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INTRODUCTION

Why read this report?
Key findings
Global trade declined in 2023 amid slower economic growth and rising geopolitical tensions
China-US trade value declines as economic diversification efforts intensity
Rising geopolitical tensions is the largest risk to the global trade over the medium term

GLOBAL TRADE CONCENTRATION

Market supply of the most critical electronic components remains dominated by China
Electronic components: China dominates global trade, but diversification efforts accelerate
Batteries: China continues to strengthen its position in the global market
Mobile phones: China remains the key supplier, but other countries are catching up
Computers: China maintains the lead, but trade is becoming more diversified
Automotive: Trade remains diversified, future competition from China anticipated
Aerospace: Market supply remains dominated by developed economies

EVOLVING NEW TRADE ROUTES

High reliance on China sparks production and supply diversification efforts
USA: Enhanced trade with Mexico and ASEAN to reduce economic reliance on China
China: Diversified trade structure and strengthened position in ASEAN countries
Japan: Diversification sets to accelerate as dependence on China grows
Germany: The risk of a growing trade imbalance with China
India: Potential to emerge as a trade hub, but currently highly reliant on Chinese supply

REIMAGINING SUPPLY CHAINS AND TRADE RELATIONSHIPS

Trade diversification is under way, but more homework needs to be done
New trade hubs in Asia and Europe emerge as supply chains become more diversified
Case study: Apple expands production in Vietnam amid diversification efforts
New trade hubs boost exports to the USA, EU, but remain reliant on China for components
More investments in new manufacturing hubs are needed to fully replace China
Case study: Hutchison Ports to boost trade capacity in Mexico
Case study: Ionway investment strengthens Poland's role in Europe's battery supply chain

CONCLUSION

Global trade diversification: Opportunities for growth
Evolution of global trade flows
Questions we are asking

APPENDIX

What this briefing covers

About Euromonitor International

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