STEVEN A. ALTMAN AND CAROLINE R. BASTIAN

DHL TRADE ATLAS 2025

MAPPING THE SHIFTING LANDSCAPE OF GLOBAL TRADE

Key Highlights

In partnership with

NYU STERN

ABOUT THE DHL TRADE ATLAS

The DHL Trade Atlas is a special report that features a wealth of data-based insights and analysis on global trade growth trends and prospects. The countries covered by the report comprise more than 99% of world trade, GDP, and population.

With maps, charts, and other data visualizations to bring the facts to life, the report serves as a unique resource for pinpointing promising trade opportunities, and a convenient reference for a broad variety of audiences.

A collection of 193 one-page country profiles provides concise summaries of individual countries' trade patterns.

On the following pages, this Key Highlights brochure presents a brief overview of the full report that can be downloaded at **dhl.com/tradeatlas**.

ABOUT THIS BROCHURE

DEAR READER,

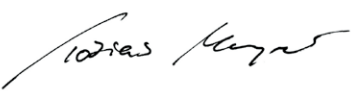
How will trade patterns evolve in the coming years? What impact will tariff conflicts have? And which countries and regions will lead in trade growth?

As geopolitical tensions dominate the headlines, the latest edition of the DHL Trade Atlas arrives at a pivotal time. It delivers a comprehensive analysis of trade trends for nearly 200 countries and territories around the world – and provides an up-to-date, accessible guide for business and policy leaders, educators, students, media, and the interested public.

This brochure offers a concise overview of key highlights of the DHL Trade Atlas 2025. Many findings are highly encouraging. Opportunities to grow trade remain substantial in both advanced and emerging economies. Countries continue negotiating trade agreements, and companies continue looking for the best options to source and sell around the world.

The DHL Trade Atlas 2025 and this Key Highlights brochure incorporate data and forecast updates through January 2025. When this publication was finalized in February 2025, substantial uncertainty remained about trade policy changes following Donald Trump's inauguration for a second term as U.S. President, especially given the fluid nature and the non-conventional approach of U.S. negotiations with key trade partners.

For the full report, with many more analyses and visualizations as well as source citations and additional resources, we invite you to visit **dhl.com/tradeatlas**.
The website features new interactive content – available free – which allows you to customize many of the analyses presented in the report and to dive deeper into the data to examine trade patterns and trends for specific categories of goods, and in specific countries and regions.



Tobias Meyer
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TEN KEY TAKEAWAYS

1. **Faster forecast growth, greater uncertainty:** Global trade is forecast to grow at a modestly faster pace over the next five years than during the preceding decade. However, record high uncertainty about future trade policies clouds the outlook.

2. **Trump tariff impact:** Even if all tariff increases proposed by the Trump administration are implemented and countries retaliate in turn, global trade is forecast to continue growing – but at a much slower pace.

3. **Made-in-China content finding new routes to U.S.:** The share of U.S. imports coming directly from China continues to fall, but U.S. reliance on made-in-China content has not declined substantially. U.S. imports from other countries contain more inputs from China, and U.S. direct imports from China may be underreported.

4. **Global geopolitical shifts limited:** Geopolitically driven shifts in global trade patterns remain limited and appear to have stalled in 2024. While trade between blocs of close allies declined relative to trade within these blocs in 2022 and 2023, there were no further declines over the first nine months of 2024.

5. **Recent growth leaders:** Three countries ranked among the top 30 worldwide on both the speed (growth rate) and the scale (absolute amount) of their goods trade volume growth over the past five years: the United Arab Emirates, Viet Nam, and Ireland.

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Forecast future growth leaders: During the next five years, India, Viet Nam, Indonesia, and the Philippines are forecast to rank among the top 30 for both speed and scale of trade growth. India also stands out as the country with the third largest absolute amount of forecast trade growth (6% of additional global trade), behind only China (12%) and the United States (10%).

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Standout regions: South Asia, Sub-Saharan Africa, and Southeast Asia are forecast to achieve much faster trade volume growth than all other regions from 2024 to 2029. However, slower-growing Europe is forecast to generate a larger share (30%) of the world's total trade growth. High income economies are forecast to generate 58% of trade growth, while low- and middle-income economies generate 42%.

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Long-distance trade going strong: Contrary to predictions that recent disruptions would lead to more regionalized trade patterns, trade took place over the longest average distance on record during the first nine months of 2024 (5,000 km). The share taking place inside major geographic regions declined to a new low (51%).

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Trade leaders by sector: Most trade is in manufactured goods, but price increases have boosted the value of trade in mineral fuels. From 2017 to 2022, the categories with the largest increases in the value of goods traded were mineral fuels, electrical machinery and equipment, industrial machinery, and pharmaceuticals.

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Large headroom for trade growth: Even after decades of increases in the integration of the world economy via trade, only 21% of the value of all goods and services produced around the world ultimately ends up in a different country from where it was produced. There is still very large potential for future trade growth.

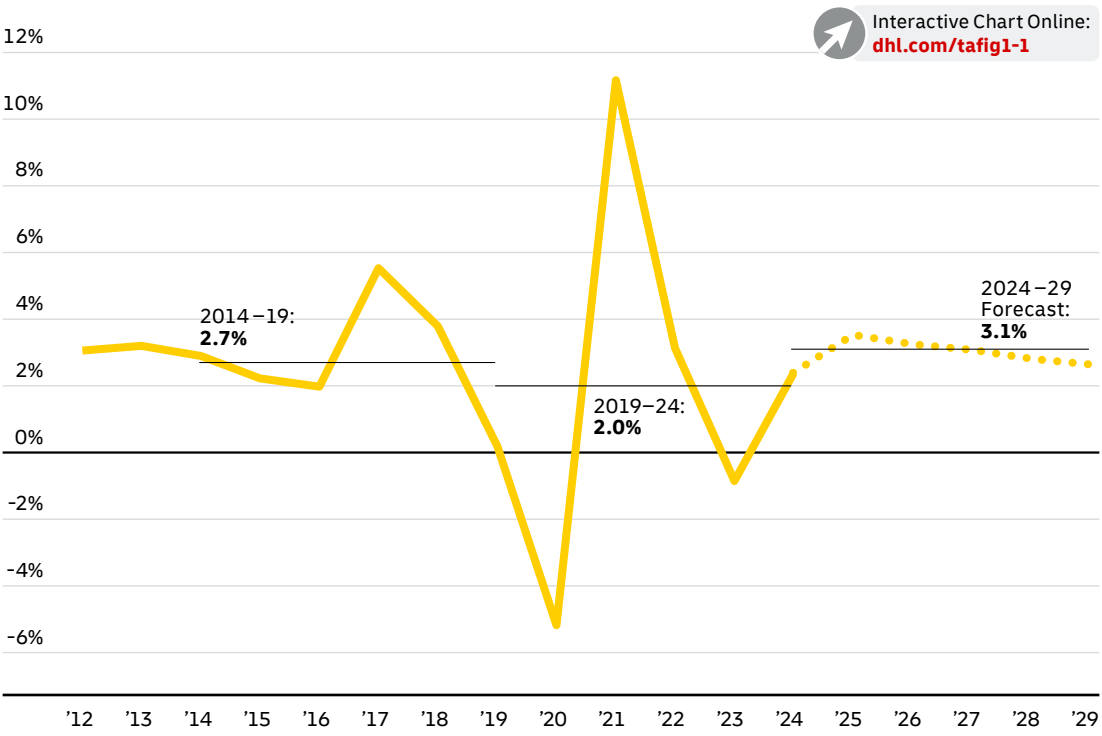
GLOBAL TRADE OUTLOOK – FASTER GROWTH, GREATER UNCERTAINTY

Trade growth continues to show remarkable resilience in the face of geopolitical tensions and trade policy uncertainty.

The figure below presents a baseline forecast for the growth of global merchandise (goods) trade, based on the latest updates as of mid-January 2025 from four sources: the Economist Intelligence Unit, the International Monetary Fund, Oxford Economics, and S&P Global Market Intelligence.

Despite the threat of substantial tariff increases by the U.S. (which led to some post-election forecast downgrades), this baseline forecast predicts that global trade volumes will grow at a compound annual rate of 3.1% from 2024 to 2029. This rate roughly aligns with GDP growth and represents modestly faster trade growth compared to the previous decade.

WORLD GOODS TRADE VOLUME GROWTH RATE, 2012 – 2029 (COMPOSITE BASELINE FORECAST)

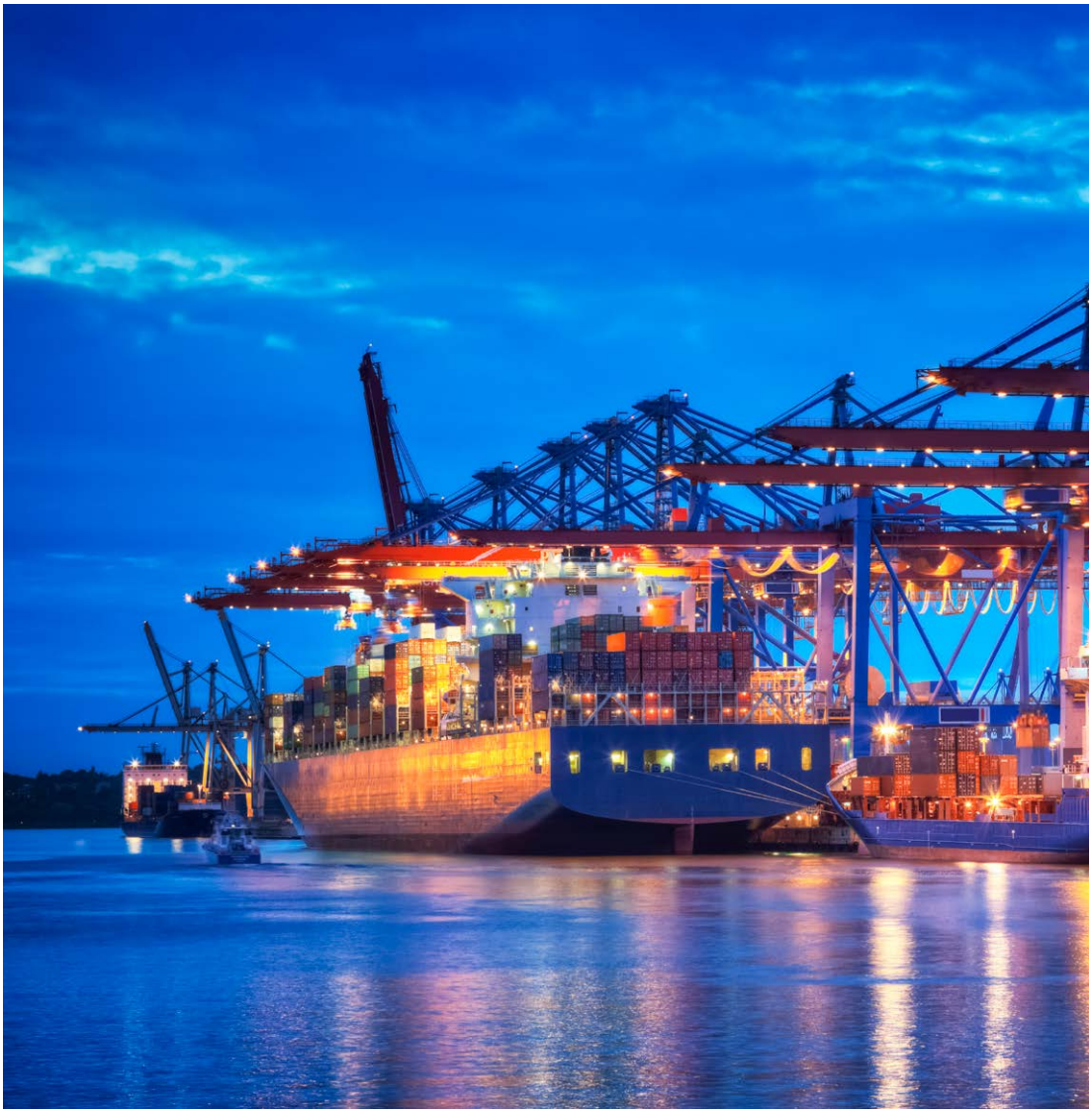


TRADE GROWTH MEASURES: VOLUME VS. VALUE

The figure shows trade growth in volume terms, which simply means that we hold price levels constant to show actual changes in the amount of goods traded (trade volume does not refer to the size or weight of the goods traded).

We prefer to use trade volume statistics because fluctuations in the prices of traded goods (especially commodities) can often cause large swings in trade value even when no significant changes have occurred in the amount of goods traded.

Data Sources: Historical data through 2024 based on IMF World Economic Outlook, October 2024. Forecast period (2025 – 2029) based on Economist Intelligence Unit, IMF World Economic Outlook, Oxford Economics, and S&P Global Market Intelligence.
Note: Growth over selected periods shown as compound annual growth rate (CAGR).



The level of trade policy uncertainty is unusually high at the moment, which clouds the outlook for trade growth. The baseline forecasts do not assume that all the tariff increases proposed by U.S. President Trump during his election campaign will be enacted. If all proposed tariff increases are implemented and other countries retaliate, global trade is still expected to grow over the next five years – but at a much slower pace.

The figure on the left also highlights the resilience of global trade through successive shocks. Despite substantial trade disruptions caused by the U.S.–China trade war, the Covid-19 pandemic, and the wars in Ukraine and Gaza, none of these has led to a sustained decline in global trade volumes.

A key factor underpinning this resilience was the limited extent of recent increases in trade barriers. New trade policy restrictions did outpace liberalizing policy changes globally over the past decade. Trade sanctions surged following Russia's full-scale invasion of Ukraine, and new restrictions on U.S.–China trade continue to proliferate. Nonetheless, most markets around the world maintain historically high levels of openness.

Trade has become much more important to the world economy over the last seven decades, and current forecasts imply no substantial reversal of this trend.

LEADERS IN TRADE GROWTH – COUNTRIES

Which countries are forecast to lead in trade growth from 2024 to 2029? To provide a comprehensive picture, we examine two dimensions of trade growth: speed and scale.

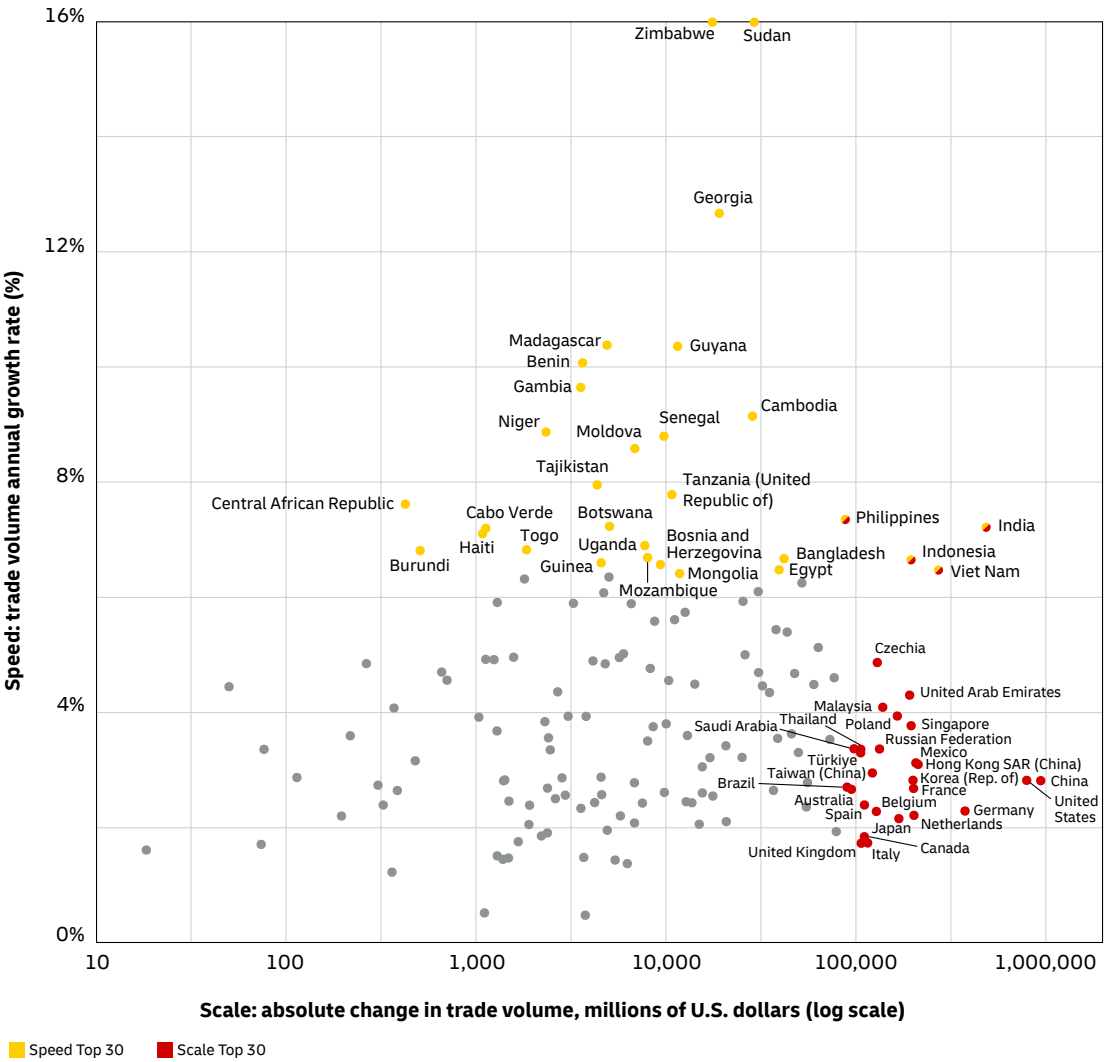
- The speed dimension captures how fast a country's trade volume is growing.
- The scale dimension tracks a country's absolute increase in trade volume.

The figure below shows that, between 2024 and 2029, four countries are forecast to rank among the top 30 for both speed and scale of trade growth: India, Viet Nam, Indonesia, and the Philippines.

India also stands out as the country with the third largest absolute amount of forecast trade growth (6% of additional global trade), behind only China (12%) and the United States (10%).

Overall, the analysis indicates that there are promising trade growth opportunities across all major world regions. The countries forecast to deliver the most absolute trade growth are spread across Asia, Europe, and North America, while the countries with the fastest forecast trade growth also include several in Africa and Latin America.

FORECAST TRADE GROWTH SPEED AND SCALE, 2024 – 2029



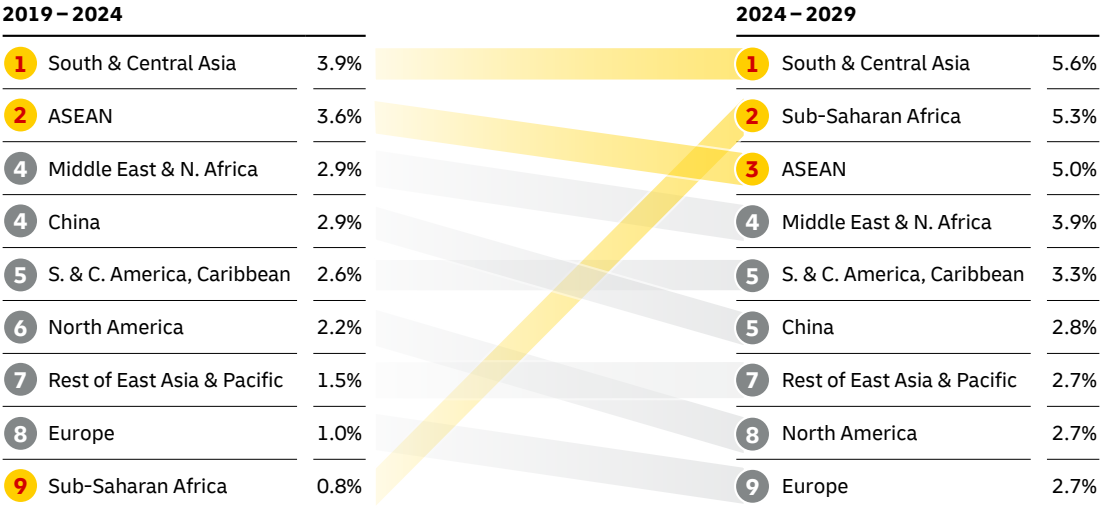
Data Sources: Economist Intelligence Unit, IMF Direction of Trade Statistics, IMF World Economic Outlook, Oxford Economics, and S&P Global Market Intelligence. Note: Countries with negative growth are omitted from this figure.

LEADERS IN TRADE GROWTH – REGIONS

At the level of major world regions, the fastest trade volume growth from 2024 to 2029 is forecast for South & Central Asia, Sub-Saharan Africa, and the ASEAN countries – with compound annual growth rates between 5% and 6% (see figure below). All other regions are forecast to grow at 2–4% rates.

However, the largest growth opportunities (not shown below) are in wealthier but slower-growing regions. High income economies are forecast to generate 58% of the world's total trade growth (with Europe alone generating 30%), while all low- and middle-income economies combined generate 42%.

TRADE VOLUME GROWTH RATE BY REGION, NEXT FIVE YEARS (COMPOSITE FORECAST) VS. LAST FIVE YEARS



Data Sources: Economist Intelligence Unit, IMF World Economic Outlook, Oxford Economics, and S&P Global Market Intelligence.

The South & Central Asia region encompasses: Afghanistan, Armenia, Azerbaijan, Bangladesh, Bhutan, Georgia, India, Iran (Islamic Republic of), Kazakhstan, Kyrgyzstan, Maldives, Nepal, Pakistan, Sri Lanka, Tajikistan, Türkiye, Turkmenistan, Uzbekistan.

The Sub-Saharan Africa region comprises: Angola, Benin, Botswana, Burkina Faso, Burundi, Cabo Verde, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Equatorial Guinea, Eritrea, Eswatini, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, São Tomé and Príncipe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, South Sudan, Sudan, Tanzania (United Republic of), Togo, Uganda, Zambia, Zimbabwe.

The ASEAN (Association of Southeast Asian Nations) member states are:
Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand, Viet Nam.

HOW TRADE CONTRIBUTES TO RISING PROSPERITY

How does trade boost prosperity both for individual countries and for the world as a whole? There are several economic benefits of trade, for example:

- Trade boosts economic progress by enabling producers to specialize in what they can do best – and to do it on a larger scale.
- International trade opens the door to a greater variety of products and services. Many of them would simply be unavailable without trade.
- Trade increases competition, pressing sellers to raise their quality or lower their prices – and inducing firms to accelerate improvements in productivity.
- All types of international exchange have the potential to accelerate innovation.

MADE-IN-CHINA CONTENT FINDING NEW ROUTES TO U.S.

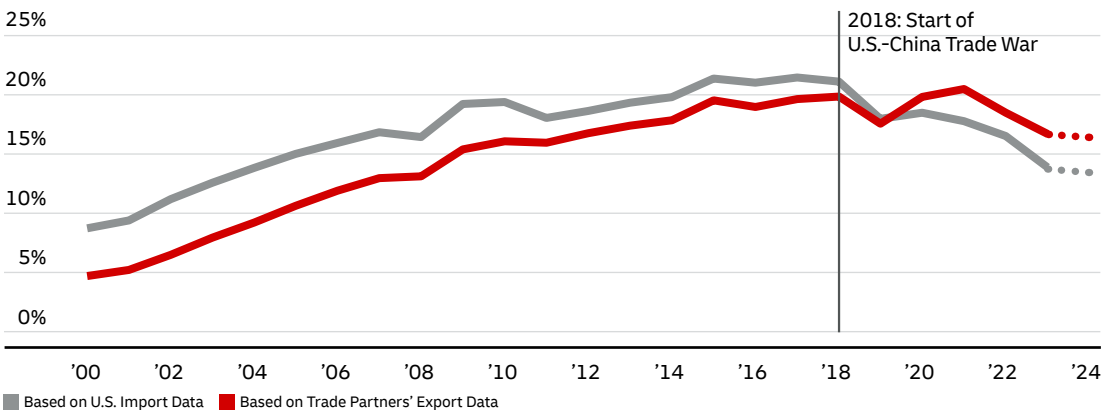
Due to the ongoing U.S.–China trade war, the share of U.S. imports coming directly from China continues to decline. However, two analyses challenge the conclusion that the U.S. is meaningfully "decoupling" from China.

Firstly, U.S. imports from China appear to be underreported since the U.S. imposed steep tariffs in 2018. Importers may have understated the value to reduce tariff costs. Therefore, export data reported by U.S. trade partners (which are not used to compute U.S. tariff charges) could be more accurate. Export data indicates a far smaller decline in the share of U.S. imports coming from China – only about 3.7 percentage points since 2018, rather than 7.9 (see first figure below).

Secondly, we should consider not only direct imports from China but also Chinese inputs in goods imported from other countries. A comprehensive view, tracking China's estimated share of all foreign content consumed in the U.S. (including both direct and indirect imports), shows no meaningful reduction in reliance on Chinese-origin content (see second figure at the bottom). The latest value (from 2023) is roughly the same as the pre-pandemic level (after a spike during the pandemic).

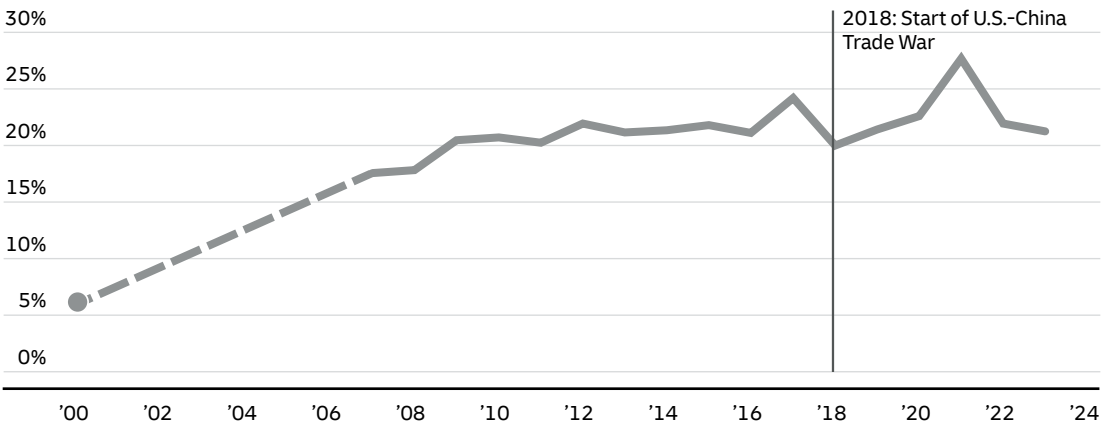
Overall, it appears that U.S. reliance on goods from China has not substantially decreased.

ALTERNATIVE DATA ON CHINA SHARE OF UNITED STATES GOODS IMPORTS, 2000 – 2024 (JAN – SEPT)



Data Source: IMF Direction of Trade Statistics

CHINA SHARE OF ALL FOREIGN VALUE ADDED CONSUMED IN UNITED STATES, 2000 – 2023



Data Source: Asian Development Bank Multiregional Input Output Tables. Note: Includes all foreign value absorbed in the U.S. economy for consumption, gross fixed capital formation, and changes in inventory and valuables.

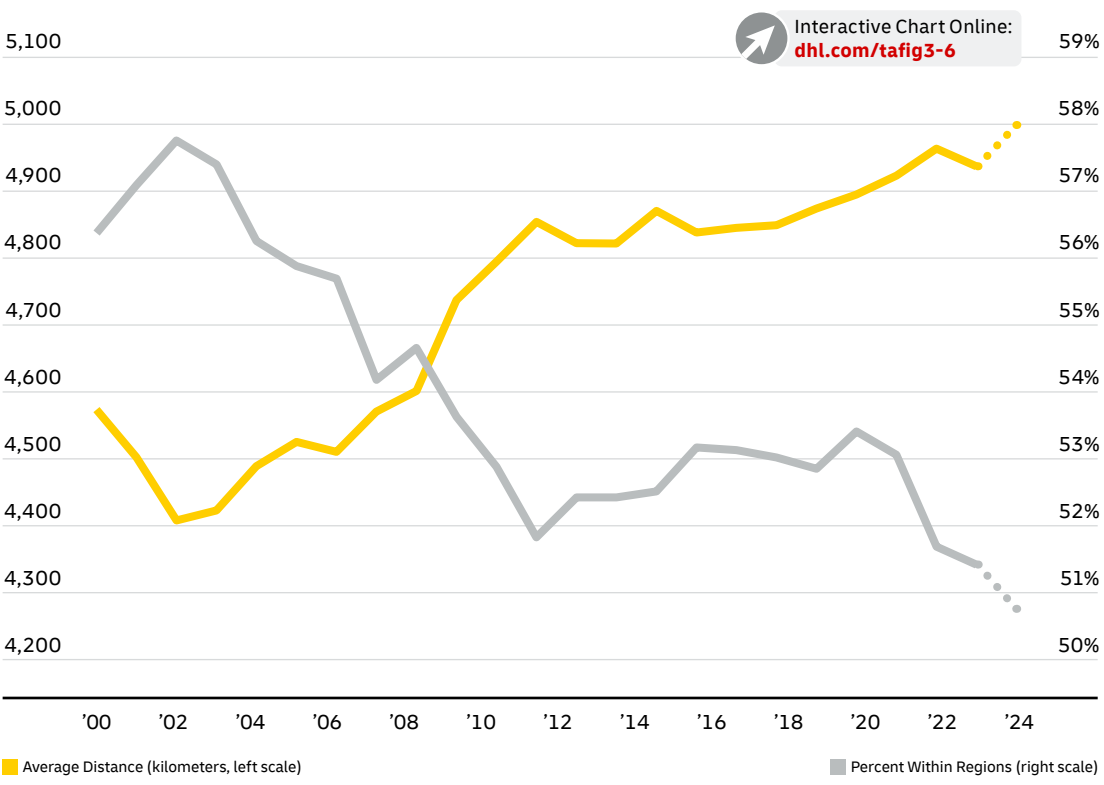
NEW RECORD IN LONG-DISTANCE TRADE

Despite widespread interest in nearshoring and producing goods closer to customers, trade has not become more regionalized. Instead, actual trade flows show the opposite trend (see figure below).

In the first nine months of 2024, the average distance traversed for all traded goods reached a record of 5,000 kilometers, while the share of trade within major regions fell to a new low of 51%.

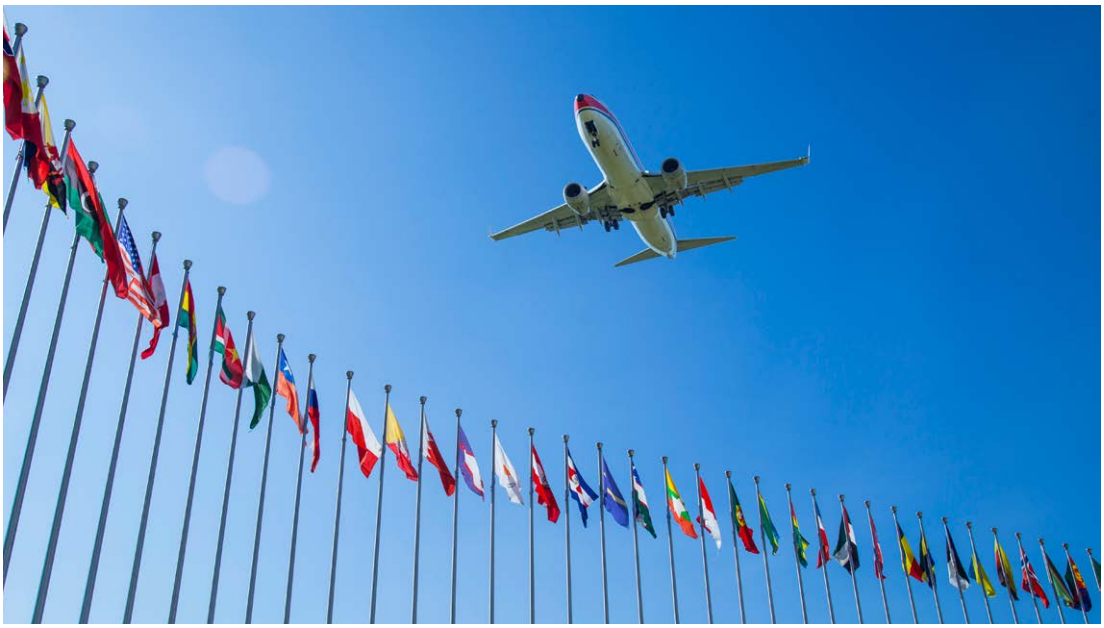
The development over the past two decades can be attributed to the fact that Europe and North America have increasingly traded with Asia, as "Factory Asia" became central to global production networks. This shift increased the global average distance that goods traveled and reduced the share of trade within regions.

WORLD GOODS TRADE AVERAGE DISTANCE AND REGIONALIZATION, 2000 – 2024 (JAN – SEPT)



Data Sources: IMF Direction of Trade Statistics, CEPII Gravity Database. Note: 2024 value is based on data from the first nine months of the year.

WHY GLOBAL TRADE CAN SURVIVE TRUMP 2.0



The re-election of President Donald Trump in the United States has raised the question of a potential global retreat from trade. But this scenario does not seem likely. Consider the following reasons:

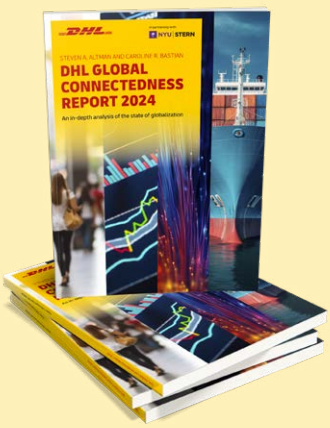
The U.S. is not leading a global movement away from trade.
President Trump promised during his campaign to raise tariffs – to varying degrees – on all U.S. trade partners. If those promises become policy, they imply a push by the U.S. to become more self-sufficient and to participate less in international trade. But other countries are not lining up to follow the U.S. on a march away from international trade. On the contrary, most other countries continue to pursue trade growth as a key economic development opportunity. The risk of a U.S. pullback from trade might actually push other countries to redouble efforts to secure their access to other international markets.

The U.S. does not trade enough to reverse global trade on its own.
The U.S. share of global goods imports currently stands at 13% (and the U.S. share of global goods exports is 9%). That means that U.S. trade policies can create upheaval that affects the rest of the world – but their effects are probably not large enough to take down the global trading system. If the U.S. substantially reduces its imports, all trade involving the U.S. would not simply disappear. Some – but not all – would be replaced by more trade among other countries. As discussed on p. 4 , full implementation of President Trump's proposed tariff increases would be expected to slow global trade growth substantially, but not to cause a sustained decline in global trade volumes.

The U.S. is likely to negotiate away or delay its most costly threats.
Post-inauguration bargaining between President Trump and leaders from Mexico and Canada already demonstrated that President Trump is using tariffs to create bargaining opportunities with U.S. trade partners. Many of these negotiations will likely result in agreements that stall or shrink at least some proposed U.S. tariff increases – although they could still cause substantial disruptions. A major reason why many U.S. tariff threats could be bargained down or delayed is that sharp tariff increases would be expected to cause a spike in U.S. inflation. At minimum, this suggests that President Trump will shape the timing and other details of his trade agenda to minimize the effects of tariffs on U.S. consumer prices.

DHL TRADE ATLAS, DHL GLOBAL CONNECTEDNESS REPORT & DHL GLOBAL CONNECTEDNESS TRACKER

The DHL Trade Atlas complements the established DHL Global Connectedness Report series, which has been published regularly since 2011.



- The DHL Trade Atlas provides a special focus on global trade in goods, powered by the latest available trade data, with maps, graphs, and other data visualizations to bring the data to life.
- The DHL Global Connectedness Report analyzes the broader phenomenon of globalization – based on trade in goods and services, as well as worldwide flows of capital, people, and information.
- The DHL Global Connectedness Tracker is an easy-to-use online tool that allows customized deep-dives into the state of globalization – and offers convenient download options for charts and data.

All three products provide a wealth of reliable insight, support a fact-based debate, and help separate fact from fiction about globalization.

Download the DHL Trade Atlas at dhl.com/tradeatlas

Download the DHL Global Connectedness Report and access the DHL Global Connectedness Tracker at dhl.com/globalconnectedness

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THE DHL INITIATIVE ON GLOBALIZATION

The DHL Initiative on Globalization at NYU Stern's Center for the Future of Management aims to develop and maintain the academic world's most comprehensive collection of data on the globalization of trade, capital, information, and people flows, and to be a leading center of excellence for data-driven globalization research. Drawing upon this unique research base, the Initiative strives to provide business leaders, policymakers, and educators timely and useful insights into the state and trajectory of globalization, how globalization affects companies and countries, and best practices for connecting across borders. Find out more at: **stern.nyu.edu/globalization.**

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