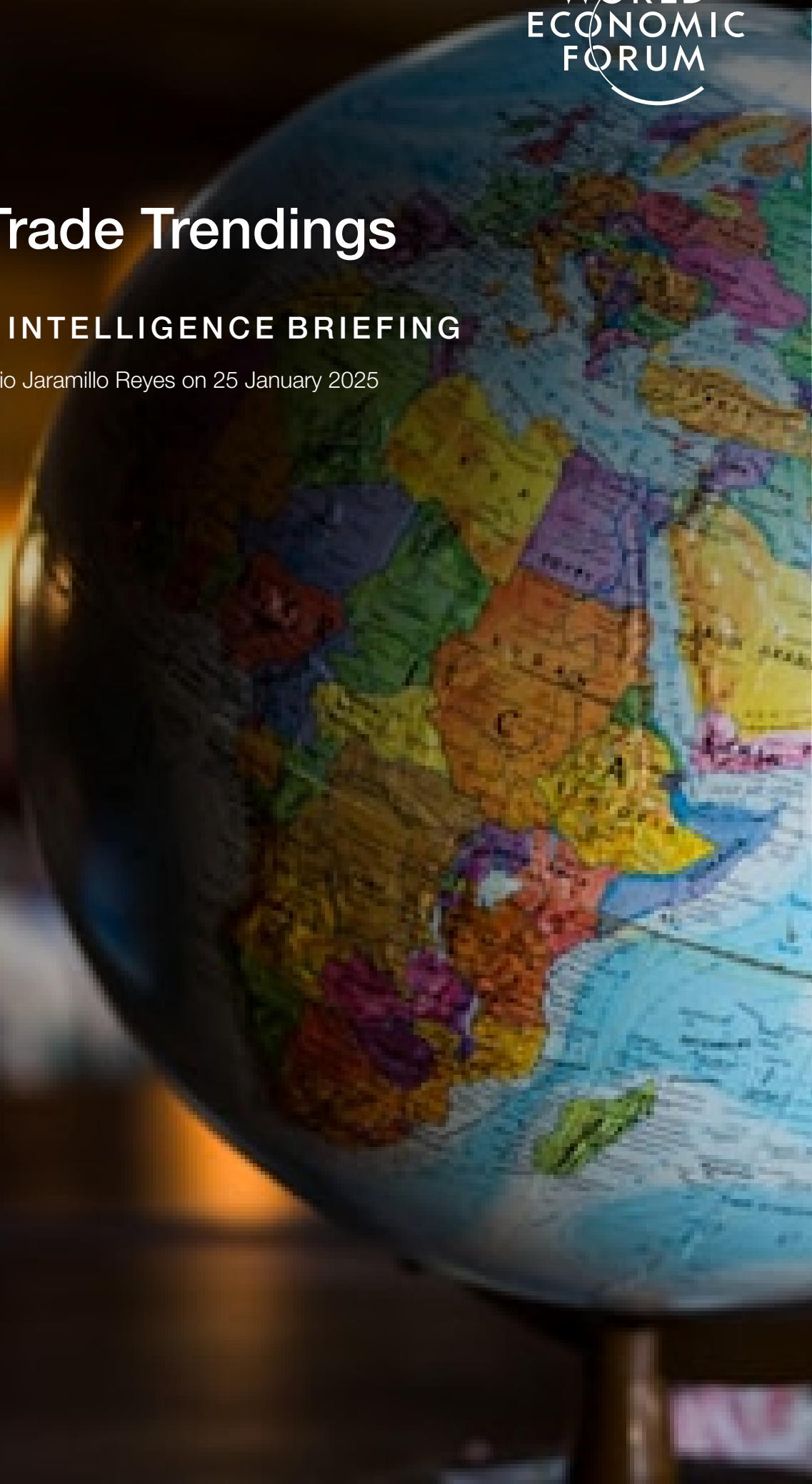


Global Trade Trendings

STRATEGIC INTELLIGENCE BRIEFING

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Executive summary



Explore the interactive version
online

The map shows among more than 23 reliable sources, the trending topic on the Global Trade at the 2025 WEF Forum.

The key issues shaping and influencing Global Trade Trendings are as follows:

A Stronger Human Rights System

The multilateral system is both under threat and still badly needed

A Complex Trade and Geopolitical Landscape

War, trade tensions, and supply chain disruptions have all weighed on CLOs

Global Value Chains

Companies spread operations around the world in ways that create serious policy challenges

China's Role in Global Trade

Trade between the US and China has been redirected through third countries, but historic commercial ties endure

A New Foreign Investment Landscape

After the global financial crisis, M&A provided an attractive means for emerging-market multinationals to enter foreign markets

Cross-Border Trade and Cooperation

Increasing the extent to which information can be shared across borders will help limit further economic fragmentation

Trade Facilitation

Easing the burdens on trade is particularly important during a global health crisis

An Absence of Global Trade Rules

Updates to the system are necessary to avoid descending into trade chaos

International Investment Dynamics

The pandemic decimated a large portion of global foreign direct investment flows

Digital Trade

Unfettered data flows and e-commerce are vital for the health of the global digital economy

A Difficult External Environment

Trade tensions with the US are likely to linger, necessitating greater reliance on domestic consumption and innovation

Below is an excerpt from the transformation map for Global Trade Trendings, with key issues shown at the centre and related topics around the perimeter. You can find the full map later in this briefing.



In the following sections, we give a comprehensive summary of the latest **Insights and Trends** shaping the topic, a look at potential **Forecasts and Scenarios** based on current and emerging trends, and an overview of the **Strategic Context**.

1

Insights and trends

A synthesis of the most recent expert analysis.

1.1 Current perspectives



The Diplomat

With Trump Back in the White House, the Age of Free Trade Could Be Coming to an End

22 January 2025

The age of free trade may be coming to an end with Trump back in the White House. The US has benefited from the system of free trade for the past 75 years, but China's unfair practices and ambitions to surpass the US economically and militarily have undermined the reciprocity expected in free trade. Trump's vision for international trade is highly transactional and protectionist, with countries fighting for market share and resources. This shift towards unfettered mercantilism could have significant consequences for business leaders and consumers, as security, strategic sectors, and industrial policy become more important considerations.



The Conversation

With Trump back in the White House, the age of free trade could be coming to an end

21 January 2025

The age of free trade may be coming to an end with the re-election of Donald Trump. Free trade implies an obligation for the wealthier nation to receive political support and for the poorer nation to buy high-tech exports and debt. China, despite joining the World Trade Organization, did not play fairly, subsidizing and protecting its industries, manipulating its currency, and forcing technological transfer. Trump's election marked a transition to a new order, characterized by protectionism and a focus on maximizing exports while minimizing imports. This shift could have important consequences for business leaders, prioritizing security, strategic sectors, and industrial policy over concepts like comparative advantage and flexible

manufacturing locations.



International Telecommunication Union

Digital Infrastructure Investment: Where will the billions come from?

17 January 2025

The Digital Infrastructure Investment Initiative (DIII), led by the International Telecommunication Union (ITU) and various financial institutions, aims to mobilize the necessary investment to expand digital infrastructure globally. Currently, around 2.6 billion people lack access to the internet due to insufficient infrastructure. Building the necessary infrastructure by 2030 could cost hundreds of billions of dollars. The DIII brings together organizations from the private sector, civil society, academia, and governments to develop solutions and innovative financing mechanisms. The initiative aims to accelerate progress towards the UN Sustainable Development Goals and promote digital connectivity and economic development worldwide.



World Economic Forum

8 things we learned on trade this week in Davos

24 January 2025

Trade discussions and trends were prominent at the World Economic Forum Annual Meeting in Davos. Key takeaways from the event include the return of tariffs and the potential impact on global trade, debates on economic fragmentation and diversification of supply chains, the formation of new alliances, the need for businesses to be prepared for trade uncertainties, the increasing importance of TradeTech in simplifying trade processes and addressing challenges, and the transformative potential of artificial intelligence and blockchain in trade.



Project Syndicate The Trade Shifts Redefining Economic Development

22 January 2025

The global trade landscape is experiencing significant shifts due to three major factors - technological advancements, resurgent protectionism, and geopolitical tensions. Developing countries are finding it increasingly difficult to replicate past export-driven growth. To foster sustainable development in this changing environment, pragmatic and forward-looking solutions are necessary. There is a need to adapt to new technologies, prevent trade flow distortions caused by activist trade and industrial policies, and avoid further fragmentation of the global economy along geopolitical lines.



International Telecommunication Union Digital infrastructure investment: USD 1.6 trillion to close the gap

17 January 2025

Closing the global digital infrastructure investment gap, estimated to be at least USD 1.6 trillion, is crucial for achieving meaningful digital connectivity. The International Telecommunication Union (ITU) and development finance institutions are collaborating to address the challenges and mobilize investments on a massive scale. The Digital Infrastructure Investment Initiative aims to understand the financing gap, identify challenges, and explore innovative financing mechanisms. Innovative financing, digital infrastructure investment platforms, and technical forums can help overcome obstacles. The initiative aims to connect the estimated 2.6 billion people not meaningfully connected and will be co-led by multiple development banks and organizations.



World Economic Forum How can we overcome barriers and leverage technology to shape the future of global services?

22 January 2025

Services now dominate the global economy, accounting for two-thirds of global output. However, trade policies still focus on goods, and barriers to trade in services remain high. Overcoming these barriers requires sector-specific agreements and cross-border collaboration. Services such as financial services, information communication and technology (ICT), and transport are crucial for trade. A new opportunity to improve services trade has emerged through the World Trade Organization's Services Domestic Regulation disciplines. Cooperation between the private and public sectors, sector-specific approaches, and regulatory exchanges can help shape the future of global services. The financial services sector

enables production and trade, while ICT services play a significant role in enabling service exports through ICT networks.



YiCai Global The Road to Global Cooperation Runs Through Regions

20 January 2025

Regional initiatives for economic integration, climate action, and technology development have shown progress and can serve as models for advancing global goals despite geopolitical challenges. Examples include the African Continental Free Trade Area, which aims to integrate economies and boost investment and job creation in Africa, the European Clean Industrial Deal, which aligns climate and industrial policies to promote cleaner production and renewable energy, and the efforts of the Association of Southeast Asian Nations to promote digital trade and commerce. These regional approaches are mission-specific and tailored to address specific issues, and their success can inspire cooperation in other regions.



World Economic Forum Unlocking green growth: Sustainability as a key driver of corporate innovation

21 January 2025

Sustainability is driving corporate innovation and growth as businesses integrate sustainable practices into their operations. This shift is driven by consumer demand for environmentally conscious products, with businesses incorporating sustainability into their strategies being more likely to achieve innovation breakthroughs. China is making significant strides in its green transition through investment in clean energy and sustainable infrastructure. Corporate procurement plays a pivotal role in sustainability transformation, as supply chains account for a majority of a company's emissions. Embedding sustainability into core operations and future-proofing supply chains are essential for long-term growth and value creation.



International Telecommunication Union Digital infrastructure investment: Industry players

13 January 2025

The International Telecommunication Union (ITU) is working with development finance institutions and the G20 Presidency to mobilize funding for critical digital infrastructure. The Digital Infrastructure Investment Initiative brings together multinational companies and industry players to bridge digital divides. Key players, such as SBA Communications, FTTH Council Europe, Microsoft, Macquarie, e&, MTN, and Kacific, offer their perspectives on investing in telecom towers, promoting sustainable fiber, advancing high-speed

internet access, providing crucial capital investment, expanding network access and digital services, and transforming rural connectivity. The goal is to bring meaningful connectivity to all by 2030.



World Economic Forum

Why global cooperation is key to navigating stormy economic waters

20 January 2025

Global cooperation is essential in navigating challenging economic times. Poverty, desperation, and inequality affect all countries and respecting borders. Collaboration at regional and global levels

is crucial for the stability and prosperity of nations. Developing economies benefit higher-income countries by creating expanded markets. Cooperation leads to economic integration, stability, and reduced migration. Nations must come together to repair the leaks in the global economic ship. Ignoring the challenges faced by emerging market and development economies (EMDEs) is not an option. Global governance must adjust to tackle challenges and global institutions like the World Trade Organization and the International Monetary Fund must adapt. Nations must take responsibility for their own growth, improve competitiveness, and strengthen governance. This requires new partnerships and forums for trust-building.

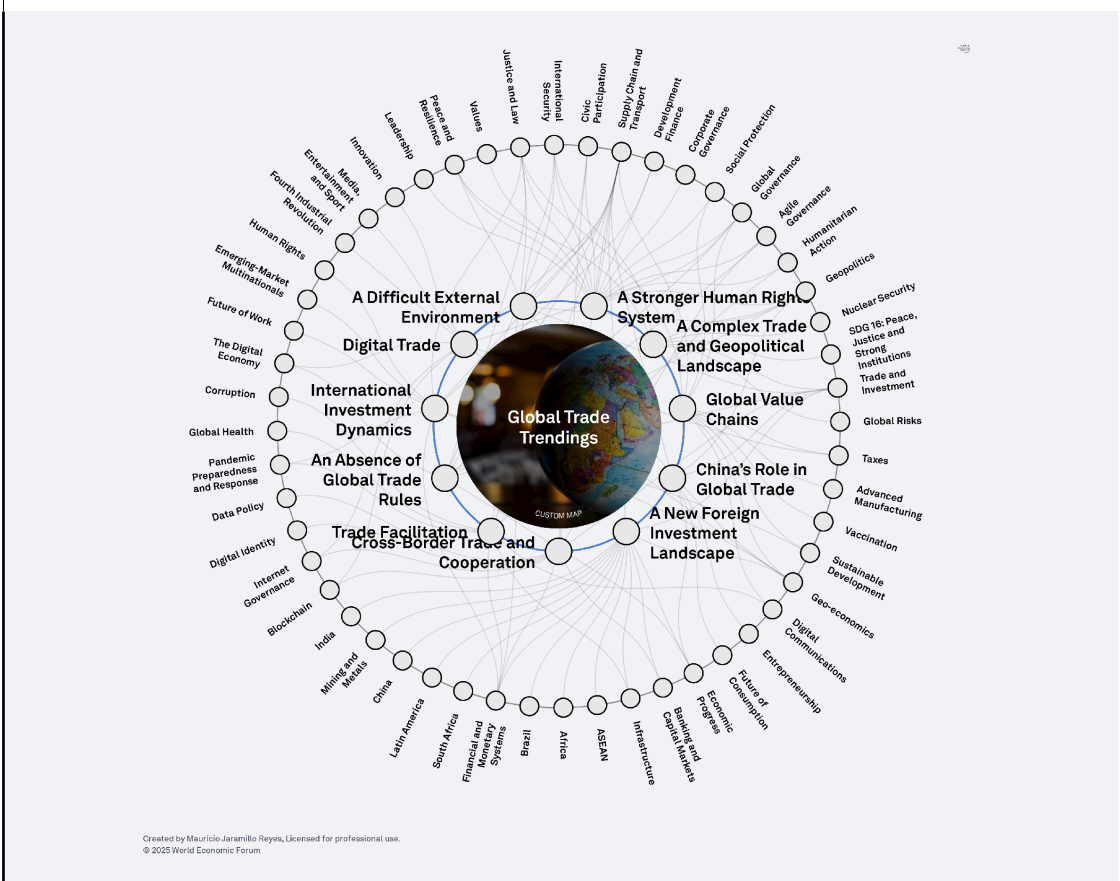
2

Strategic context

The key issues shaping Global Trade Trendings.

The following key issues represent the most strategic trends shaping the topic of Global Trade Trendings. These key issues are also influenced by the other topics depicted on the outer ring of the transformation map.

FIGURE 1 Transformation map for Global Trade Trendings



2.1 A Stronger Human Rights System

The multilateral system is both under threat and still badly needed

The Universal Declaration of Human Rights, adopted by the United Nations in 1948 following the horrors of World War II, was the first international affirmation of the inherent dignity and equal rights of all people. The Declaration spells out the basic civil, political, economic, social, and cultural rights that everyone is entitled to - and should respect and protect. It was followed by nations adopting legally-binding "Covenants" - on Civil and Political Rights, and on Economic, Social, and Cultural Rights - that together with the Declaration form the International Bill of Rights. Nine core international human rights instruments spell out in detail states' obligations with respect to rights and freedoms, like a convention on eliminating all forms of racial

discrimination, a convention to eliminate discrimination against women, and a convention against torture. There are also protections of children's rights, migrants' rights, and rights of people with disabilities - as well as rights relating to education and standards of health. By ratifying these (and other legal instruments), states accept obligations to respect, protect, and fulfil the rights enshrined.

The UN has established mechanisms to monitor states' compliance with their human rights-related treaty obligations. These Treaty Bodies can raise awareness of violations through country visits and investigations, monitoring reports, dialogues and recommendations, and by taking up individual complaints. But, because they have no independent enforcement provisions, this system has been less-than-able to hold states accountable for gross and systematic abuses. More broadly, multilateral efforts to uphold internationally-agreed-upon standards and norms have faced mounting challenges in recent years - driven by growing discontent with globalization and structural inequalities firmly embedded within economies. This restlessness has created openings for a new generation of authoritarian and protectionist governments, which aim to undermine rights, freedoms, and democratic norms (a dynamic that has only been exacerbated by the COVID-19 pandemic around the world). Initiatives to strengthen the international human rights architecture are therefore critical, as systemic, existential challenges continue to mount for humanity - whether in the form of a pandemic, the climate crisis, or due to profound technological change - requiring renewed international solidarity and unprecedented, collective sacrifice.

Related topics: [Leadership](#), [Peace and Resilience](#), [Values](#), [Justice and Law](#), [International Security](#), [Civic Participation](#), [Supply Chain and Transport](#), [Development Finance](#), [Corporate Governance](#), [Social Protection](#), [Global Governance](#), [Agile Governance](#), [Humanitarian Action](#), [Geopolitics](#)

2.2 A Complex Trade and Geopolitical Landscape

War, trade tensions, and supply chain disruptions have all weighed on CLOs

The evolving nature of an increasingly fractious geopolitical landscape, coupled with more pronounced global polarization, have increased the complexity of doing business internationally. Fostering healthy business growth in this context requires deftly navigating more frequent regulatory shifts, and more often operating in markets with divergent regulatory regimes. Trade tensions, war, mounting security challenges, sanctions regimes, and supply chain disruptions have all placed significant strain on Chief Legal Officers everywhere, as they seek to secure a brighter future for their organizations. As a result, CLOs have been compelled to implement more effective risk assessment and mitigation strategies, to more vigilantly uphold good governance principles and more aggressively pursue knowledge upskilling, while seeking to build more mutually beneficial partnerships.

Related topics: [Nuclear Security](#), [International Security](#), [SDG 16: Peace, Justice and Strong Institutions](#), [Trade and Investment](#), [Global Risks](#), [Peace and Resilience](#), [Geopolitics](#)

2.3 Global Value Chains

Companies spread operations around the world in ways that create serious policy challenges

The declining costs of communication and transportation have encouraged companies to progressively expand the assembly and delivery of goods and services around the world. The World Trade Organization and the Organisation for Economic Co-operation and Development have played important roles in facilitating these global value chains - which pose policy challenges to these same institutions in relation to sustainability, tax structures, and labour markets. They also raise thorny issues when economies turn to protectionism, and in the wake of weighty decisions like the Brexit vote. The complexity of medical supply chains in particular has raised serious concerns amid the COVID-19 crisis, as countries in need have sought goods in times of perceived shortage and amid occasional bidding wars. In the early days of COVID-19, trade was disrupted by export bans, the seizure of goods, and other hiccups in ways that effectively violated commitments under both the WTO and regional structures including the European Union's single market. The ownership of intellectual property (like vaccines) has also come under heightened scrutiny, in a world where different stages of medical research and related data often cross national borders.

Some have suggested that trade negotiations should no longer be pegged to a particular geographic area and should instead focus on trade along a specific supply chain - and even address a single industry, such as clean energy or textiles. Global value chains can help facilitate the integration of developing countries into global markets, by enabling them to specialize in services and semi-finished goods rather than entire

products. They also provide a means to spread knowledge and standards, and can propagate more sustainable practices (a report published by the United Nations Global Compact in 2015 called supply chains one of the most important levers for business to create positive impact in the world). However, there is a risk that companies will simply opt to route supply chains through areas where sustainability standards are the lowest; it remains unclear whether the self-regulation of sustainability standards is sufficient to achieve the United Nations' Sustainable Development Goals. There are also concerns about financial dimensions - value chains have been used to manipulate corporate tax burdens in less-than-equitable ways by reporting profits only in low-tax geographical areas, for example.

Related topics: [Taxes](#), [Global Governance](#), [Justice and Law](#), [Social Protection](#), [Advanced Manufacturing](#), [Vaccination](#), [Sustainable Development](#), [Geo-economics](#), [Digital Communications](#), [Supply Chain and Transport](#)

2.4 China's Role in Global Trade

Trade between the US and China has been redirected through third countries, but historic commercial ties endure

We can see that US-China trade has been redirected through Viet Nam and Mexico, and that more Western investment has flowed to India at the expense of China - but the US and China are still deeply embedded in other ways. It was with the support of the US, after prolonged and difficult negotiations, that China finally acceded to the World Trade Organization in 2001, the last step in flinging its trading doors wide open. As the world welcomed 1.3 billion Chinese consumers at that moment and their trillions of dollars of savings into the global economic system, few countries anticipated what would happen as a result of China's access to their domestic markets. In less than ten years, China would become the largest exporter in the world, as Chinese manufacturers churned out a wide range of consumer goods at prices more affordable than ever before. By 2020, China had become the largest trading partner to more than 120 countries.

Related topics: [Entrepreneurship](#), [Supply Chain and Transport](#), [Future of Consumption](#), [Economic Progress](#), [Trade and Investment](#), [Geopolitics](#)

2.5 A New Foreign Investment Landscape

After the global financial crisis, M&A provided an attractive means for emerging-market multinationals to enter foreign markets

Emerging-market multinational corporations have become major players in global foreign direct investment. The financial crisis in 2008 was a turning point in this regard, as FDI flows from the E20 - a group defined by Cornell University's Emerging Markets Institute as the 20 top emerging economies - surged from about 7% of the global total in 2007 to as much as 30% by the late 2010s. Two small waves had occurred in the mid-1970s and mid-to-late 1980s, mostly from Latin America, and another surfaced in the mid-1990s. This new wave is led by Asia; its outward foreign direct investment has far outpaced that of other emerging regions since the early 2000s, and it has firmly established homegrown multinationals on the global stage. China has led the charge - after not even appearing among the top 15 global FDI investors as of 2000, it started consistently placing among the top three a decade later. In 2020, in the midst of COVID-19, it became the largest global investor for the first time ever, with more than \$133 billion in outward FDI flows. offshore direct investment flows.

While emerging-market multinationals have entered overseas markets through both greenfield investment and M&A, the former was traditionally preferred. However, after the global financial crisis M&A became more appealing as a number of financially-distressed firms in advanced economies were put up for sale. Outbound deal totals for emerging-market firms increased from roughly \$75 billion in 2005 to \$250 billion at their peak in 2016 and 2017 - with targets located primarily in Europe and the US. Chinese firms stood apart as the driving force behind this M&A surge, becoming the second-most-prolific global acquirers during those years (behind US firms). Some of their deals included ChemChina's \$43 billion purchase of Swiss pesticide and seed firm Syngenta, Geely's purchase of Swedish carmaker Volvo, Haier's purchase of GE Appliances, Lenovo's purchase of Motorola Mobility, and Fosun's acquisition of Club Med - quite unthinkable prior to the financial crisis. However, since 2019 the environment for outbound M&A has become less favourable, especially in advanced economies. In addition, investment flows suggest a shift in strategy among emerging-market multinationals away from heavy industry and natural resource-based investment, and

towards more services and consumer goods.

Related topics: [Supply Chain and Transport](#), [Economic Progress](#), [Banking and Capital Markets](#), [Infrastructure](#), [ASEAN](#), [Africa](#), [Brazil](#), [Trade and Investment](#), [Financial and Monetary Systems](#), [Geo-economics](#), [South Africa](#), [Latin America](#), [China](#), [Mining and Metals](#), [India](#)

2.6 Cross-Border Trade and Cooperation

Increasing the extent to which information can be shared across borders will help limit further economic fragmentation

Technological innovation and digitization have had profound impacts on international trade. Digital trade in services is among the most dynamic sectors in the global economy, as evidenced by the growth of digital financial payments and cross-border data flows. Still, barriers persist that prevent governments from achieving their national digital-economy goals. These include outdated rules and regulations, new forms of protectionism, and a lack of international collaboration on digital governance. Governments should work together across sectors to explore ways to close the trade finance gap and promote greater interoperability of cross-border data flows. Creating appropriate digital trade rules alongside a healthy ecosystem can enable fair and sustainable growth opportunities - and should be a priority for governments.

Sufficiently investing in digital infrastructure remains one of the central prerequisites for enabling seamless data transmission. And breaking through data and digital-identity silos is key for enabling consistent data flows capable of powering a digital economy. Through greater alignment on data collection and data-sharing processes, governments can significantly increase the extent to which information can be shared across borders. In turn, this will help prevent further economic fragmentation and enable broader access to global markets.

Priorities for collaboration:

- Develop next-generation trade agreements for the digital age.
- Adopt C4IR technologies (TradeTech) to facilitate domestic resilience, global trade, and supply chains.
- Identify and address broader issues arising from digital trade.

Related topics: [Banking and Capital Markets](#), [Financial and Monetary Systems](#), [Trade and Investment](#), [Blockchain](#), [Internet Governance](#), [Supply Chain and Transport](#), [Digital Identity](#), [Civic Participation](#), [Data Policy](#), [Agile Governance](#)

2.7 Trade Facilitation

Easing the burdens on trade is particularly important during a global health crisis

According to a report published by the World Trade Organization, trade costs - everything incurred while getting goods from producers to consumers - may increase due to the COVID-19 pandemic. In particular, transport and travel costs (which account for as much as 31% of all trade costs in manufacturing) have been seriously impacted by travel restrictions and border closures, according to the report, and will increase substantially as long as such restrictions remain in place. Government efficiency is always a key factor in a world where goods are likely to cross multiple borders several times just during their assembly. The WTO's Trade Facilitation Agreement (TFA), which focuses on streamlining, harmonizing, and modernizing customs procedures, has had a major impact on reducing trade costs. It entered into force in 2017 and contains a range of obligations to provide more transparency on rules and a streamlining of clearance procedures. It also includes provisions requiring WTO members to accept e-payments and electronic documents. Paperless customs, in combination with a "single window" system that collects trade documentation in one place, can reduce inefficiency and delays.

The agreement provides for greater cooperation between customs and other authorities - and a means for developing countries to modernize and harmonize their procedures. A TFA Facility was established to help developing and least-developed-countries benefit from the agreement, through technical assistance and training and project preparation and implementation grants. The World Bank has supported the effort by providing financing to developing countries, collecting data, and developing indicators and analytic tools relevant to trade facilitation. Meanwhile the United Nations Conference on Trade and Development has

developed and disseminated a system for customs data and management, the Organisation for Economic Co-operation and Development (OECD) has developed trade facilitation indicators, and the Global Alliance for Trade Facilitation (GATF), a public-private partnership co-led by the World Economic Forum, has supported implementation. While roughly two-thirds of members have committed to implementing the agreement, the WTO estimates that full implementation could increase global trade by up to \$1 trillion per year, and the OECD estimates trade costs could be reduced by as much as 17.5%. Developing countries could benefit the most.

Related topics: [Justice and Law](#), [Supply Chain and Transport](#), [Pandemic Preparedness and Response](#), [Infrastructure](#), [Global Health](#), [Corruption](#), [Digital Communications](#), [Humanitarian Action](#), [Financial and Monetary Systems](#)

2.8 An Absence of Global Trade Rules

Updates to the system are necessary to avoid descending into trade chaos

The World Trade Organization and the global trading system as a whole are in crisis. Currently, they are not adequate to meet the needs of the modern global economy - yet, they are all we have. Without functioning organizations, structures, and rules, global trade would be effectively conducted according to the rule of the jungle. The WTO's 13th Ministerial Conference, which will host trade ministers and officials from all member countries, is scheduled for February 2024 in Abu Dhabi. How can we strengthen and reform the global trade system, and adapt it to a changed world? Some have suggested creating a new type of appellate body at the WTO to adjudicate disputes, new rules that are more in line with digital realities, and new decision-making procedures. Ultimately, the system is in urgent need of common solutions for climate-related challenges, a means to check the use of protectionist subsidies, and way to get the world's biggest economy back to the table.

Related topics: [International Security](#), [The Digital Economy](#), [Geopolitics](#), [Supply Chain and Transport](#), [Justice and Law](#), [Agile Governance](#), [Trade and Investment](#), [Economic Progress](#), [Global Governance](#)

2.9 International Investment Dynamics

The pandemic decimated a large portion of global foreign direct investment flows

Global foreign direct investment flows declined by 50% during the first half of 2020 compared with the second half of 2019 as a result of COVID-19, according to the Organisation for Economic Co-operation and Development - reaching the lowest half-year level since 2013. Inflows to the OECD area specifically fell by 74%, driven by lower flows to the US and disinvestments from Switzerland, the Netherlands, and the United Kingdom. Debates about international investment have played out at the United Nations Commission on International Trade Law, which has focused on reforming the system in which investors may sue countries, and at the World Trade Organization, which has focused on investment facilitation. Since late 2017, a working group has been entrusted to work on the possible reform of "Investor-state dispute settlement," and it has agreed to consider the establishment of an advisory centre, a code of conduct for adjudicators, and the regulation of third-party funding. It has also been expected to consider reforms specifically focused on treaty interpretation, though it is not yet clear how they would be implemented.

Multilateral discussions about investment facilitation have gained traction. WTO members have sought out a multilateral framework on investment facilitation for development, or MFIFD, for example. Within individual member states, investment debates have focused on national responses to the pandemic. Several governments have implemented measures that limit foreign investment directed at hostile takeovers and aimed at profiting from COVID-19-related economic weakness. Countries including Spain, Germany, Australia, India, and Canada have focused related efforts on strategic sectors like finance and insurance, or on types of foreign investors (like state-owned enterprises). Meanwhile countries like China, Myanmar, Serbia, and Sri Lanka have implemented measures aimed at reducing the administrative burden for foreign investors, the faster delivery of much-needed goods during the pandemic, and the facilitation of remittances. Internationally, is not yet clear which instruments will be used to reform legal accountability related to foreign investment and the facilitation of investment - though much work needs to be done to not only help the global system recover, but to help put it on a path to a more sustainable and equitable future.

Related topics: [Financial and Monetary Systems](#), [Sustainable Development](#), [Geo-economics](#), [Future of Work](#), [Development Finance](#), [Emerging-Market Multinationals](#), [Supply Chain and Transport](#), [Pandemic Preparedness and Response](#), [Human Rights](#), [Justice and Law](#)

2.10 Digital Trade

Unfettered data flows and e-commerce are vital for the health of the global digital economy

Some have called data the “new oil,” because so much modern economic activity relies on it. The analogy is not perfect, however; the Organisation for Economic Co-operation and Development has noted that unlike oil, data is not scarce and it can be distributed at virtually no cost. Cross-border data flows have grown dramatically, now that more than half of the world is believed to be online compared with just 20% only about a decade ago. The advent of the Internet of Things and increasingly-sophisticated artificial intelligence has boosted data demand, though some governments view the free flow of data across borders as a threat to sovereignty and their citizens’ right to privacy. This has led to the erection of barriers, or “data localization.” China and Russia in particular have sought to regulate content and to suppress any deemed to pose a security threat. Meanwhile the European Union has implemented the General Data Protection Regulation to give people more agency over the use of their personal data - which places a burden on foreign companies hoping to engage online with EU residents.

In a bid to avoid the negative impacts of restricting data flows, an increasing number of countries have included provisions on the free flow of data in trade deals - and prohibitions on data localization. Examples include 2018’s Comprehensive and Progressive Agreement for Trans-Pacific Partnership, the updated Singapore-Australia free trade agreement, and the United States-Mexico-Canada Agreement. These deals have also addressed other means to enable digital trade such as a permanent moratorium on custom duties on electronic transmissions, electronic contracts, electronic payments, and paperless trading. The EU has taken a relatively cautious approach to regulating digital trade, reflected in negotiated deals with Australia, New Zealand, and Tunisia. After many years of negotiation, the Regional Comprehensive Economic Partnership was signed by Asia-Pacific nations in November 2020 - it includes a chapter on electronic commerce that might be a good indication of the kind of related agreement we can expect at the World Trade Organization (should there be one). The RCEP’s signatories include the 10 member states of the Association of Southeast Asian Nations (ASEAN) as well as Australia, China, Japan, New Zealand and South Korea.

Related topics: [Fourth Industrial Revolution](#), [Supply Chain and Transport](#), [Media, Entertainment and Sport](#), [Internet Governance](#), [Blockchain](#), [Taxes](#), [Innovation](#), [Global Governance](#), [Geo-economics](#), [The Digital Economy](#)

2.11 A Difficult External Environment

Trade tensions with the US are likely to linger, necessitating greater reliance on domestic consumption and innovation

The fragmentation of global trade and financial flows will make it harder for China to maintain access to global markets for its products, and to secure foreign investment. The US-China relationship in particular is likely to remain beset by frictions; clashing industrial policies as both countries bet on the same industries to boost manufacturing, in tandem with weak consumption demand in China and a looming US presidential election, have generated a perfect storm of trade friction. The external environment is therefore likely to remain unfavourable - and China will have to rely more on domestic consumption and innovation to power its growth.

Related topics: [Supply Chain and Transport](#), [Civic Participation](#), [International Security](#), [Trade and Investment](#), [Geo-economics](#), [Geopolitics](#), [Financial and Monetary Systems](#), [Peace and Resilience](#)

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About Strategic Intelligence

Our approach

In today's world, it can be difficult to keep up with the latest trends or to make sense of the countless transformations taking place. How can you decipher the potential impact of rapidly unfolding changes when you're flooded with information - some of it misleading or unreliable? How do you continuously adapt your vision and strategy within a fast-evolving global context? We need new tools to help us make better strategic decisions in an increasingly complex and uncertain environment.

This live briefing on Global Trade Trendings, harnesses the World Economic Forum's [Strategic Intelligence](#) platform to bring you the very latest knowledge, data and context from our 300+ high quality knowledge sources. Its aim is to help you understand the global forces at play in relation to Global Trade Trendings and make more informed decisions in the future.

Each day, our Strategic Intelligence platform aggregates, distills and synthesizes thousands of articles from around the world. We blend the best of human curation with the power of machine learning to surface high-quality content on over [two hundred global issues](#) to our one million users globally. Our hand-picked network of [content partners](#) from around the world means that we automatically exclude much of the noisy clickbait, fake news, and poor quality content that plague the Internet at large. We work with hundreds of think tanks, universities, research institutions and independent publishers in all major regions of the world to provide a truly global perspective and we are confident that our data are well positioned when it comes to the intrinsic biases inherent to open text analysis on uncensored content from the Internet. For further context on our approach, you may be interested to read [Strategic trend forecasting: anticipating the future with artificial intelligence](#) and [These Are The 3 Ways Knowledge Can Provide Strategic Advantage](#).

↓ A leading expert presenting a transformation map at our Davos Annual Meeting



Overview of methodology

Our [Transformation Maps](#) are dynamic knowledge visualisations. They help users to explore and make sense of the complex and interlinked forces that are transforming economies, industries and global issues. The maps present insights written by experts along with machine-curated content. Together, this allows users to visualise and understand more than 250 topics and the connections and inter-dependencies between them, helping in turn to support more informed decision-making by leaders.

The maps harness the Forum network's collective intelligence as well as the knowledge and insights generated through our activities, communities and events. And because the Transformation Maps are interlinked, they provide a single place for users to understand each topic from multiple perspectives. Each of the maps has a feed with the latest research and analysis drawn from leading research institutions and media outlets around the world.

At the centre of each map is the topic itself. This is surrounded by its "key issues", the forces which are driving transformation in relation to the topic. Surrounding the key issues are the related topics which are also affected by them. By surfacing these connections, the map facilitates exploration of the topic and the landscape within which it sits.

The framework extends beyond mapping current trends by incorporating forecasts and scenarios to project potential future states of the system. Forecasts are based on observable patterns, while scenarios explore broader possibilities, including low-probability but high-impact events. These elements contextualize key issues and related topics within potential future trajectories, enhancing strategic thinking and decision-making.

Harnessing collective intelligence from the Forum network and leading research institutions, the maps synthesize diverse insights into a cohesive view. By integrating these insights with the latest research and analysis, the framework provides a comprehensive understanding of how transformations unfold and interrelate, empowering users to navigate the evolving landscape effectively.

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