

Recent Developments in G20

Merchandise Trade

Research Report

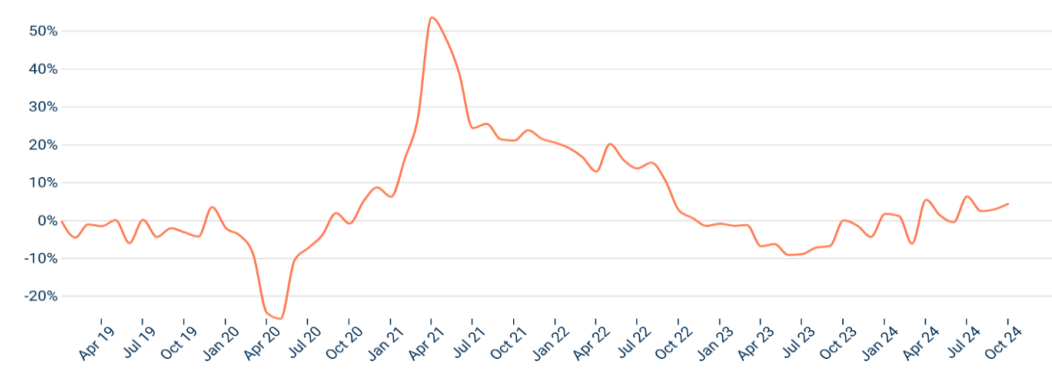
Thematic Area: Trade, Investment, and Resilient Supply Chains

Introduction

Total global merchandise exports and imports in 2023 amounted to USD 23.81 trillion and USD 24.25 trillion respectively. Trade decelerated in 2023 from its value in 2022 with exports falling by 4.3% and imports falling by 5.4%¹. The year 2024, however, began positively with exports in January 2024 expanding by 1.8% over the previous year. Though exports contracted in March 2024 by -6.1% and in June 2024 by -0.4%, the growth rate remained positive till October 2024 (latest available data). Growth in exports peaked in July 2024 with a growth rate of 6.4%².

Figure A: Monthly Trend in Global Exports (Year-on-Year Change)

Year-on-Year



¹ https://stats.wto.org/dashboard/merchandise_en.html

² <https://tradebriefs.intracen.org/2024/12/trade-trends>

Source: [ITC Trade Map](#) and national sources (2024); Accessed on 16 January 2025³

However, global growth is expected to remain subdued, especially from a medium to long term period perspective for the G20 economies, according to IMF's G20 Report on Strong, Sustainable, Balanced, and Inclusive Growth. The report highlights muted growth in total factor productivity, large public debt, disproportionate greenhouse gas emissions as some of the factors contributing to the region's weak growth prospects in the medium term⁴.

The World Bank's Global Economic Prospects, January 2025, expects the global economy to stabilize at 2.7% in 2025-26 driven by trade policy uncertainty in North America, geopolitical headwinds, and climate induced disasters⁵.

The year 2024 witnessed escalation of geopolitical conflicts, extreme weather events, and extensive advancements in technology contributing to modern forms of warfare and economic progression. In line with this perspective, the World Economic Forum's (WEF) Global Risks Report 2025 highlights state-based armed conflict as the most pressing global risk. This was followed by extreme weather events, geoeconomic confrontation, misinformation and disinformation, and societal polarization, among other prevailing risks⁶.

Despite uncertain and risky global economic prospects, global exports have shown a positive trend, defying the impact of 91 new restrictive measures introduced by G20 economies from mid-October 2023 to mid-October 2024⁷. The growth prospects for 2025 appear optimistic when measured from the lens of the historical and near-perfect correlation between the nominal GDP and the total trade in goods and services (Figure B).

³ <https://tradebriefs.intracen.org/2024/12/trade-trends>

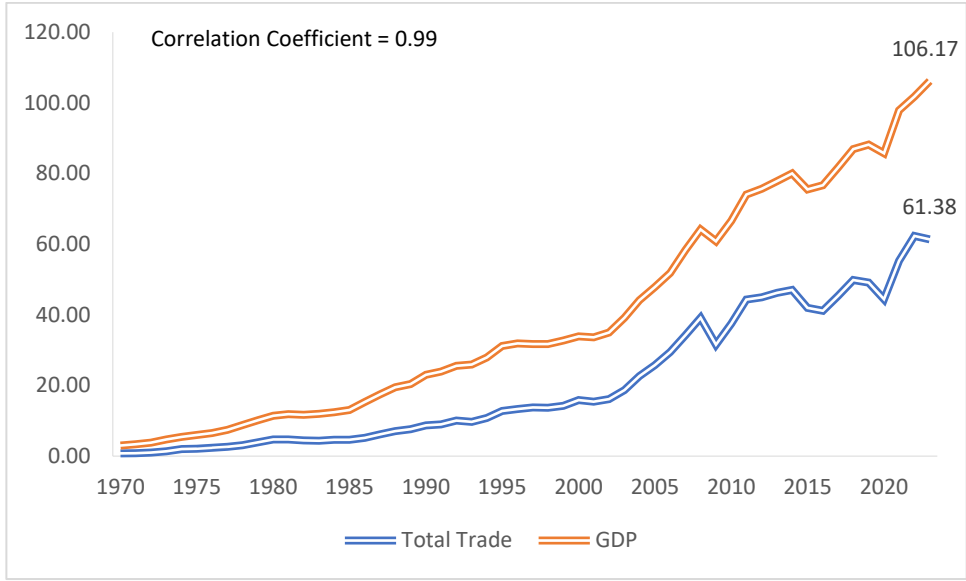
⁴ <https://www.imf.org/-/media/Files/Research/imf-and-g20/2024/g20-report-2024-on-strong-sustainable-balanced-and-inclusive-growth.ashx>

⁵ <https://openknowledge.worldbank.org/server/api/core/bitstreams/e463cf9f-a07e-4848-bf7b-316515429b5d/content>

⁶ https://reports.weforum.org/docs/WEF_Global_Risks_Report_2025.pdf

⁷ https://www.wto.org/english/news_e/news24_e/trdev_13nov24_e.htm

Figure B: Annual Trend in Nominal GDP & Total Trade in Goods and Services (USD trillion)



Source: World Bank Open Data⁸⁹¹⁰

High correlation between the two parameters suggests that positive developments in trade will eventually have significant and progressive implications on GDP. This implies that the positive growth in exports of Least Developing Countries (LDCs) in Quarter 3 (2024) which registered a remarkable year-on-year increase of 11% in July, 4.8% in August, and 19% in September, will have positive growth implications for these countries¹¹. Continuation of this trend will assist LDCs in achieving the 7% annual growth target, enabling the group’s GDP to cross the USD 2.25 trillion milestone by 2031¹².

⁸ <https://data.worldbank.org/indicator/NE.EXP.GNFS.CD>

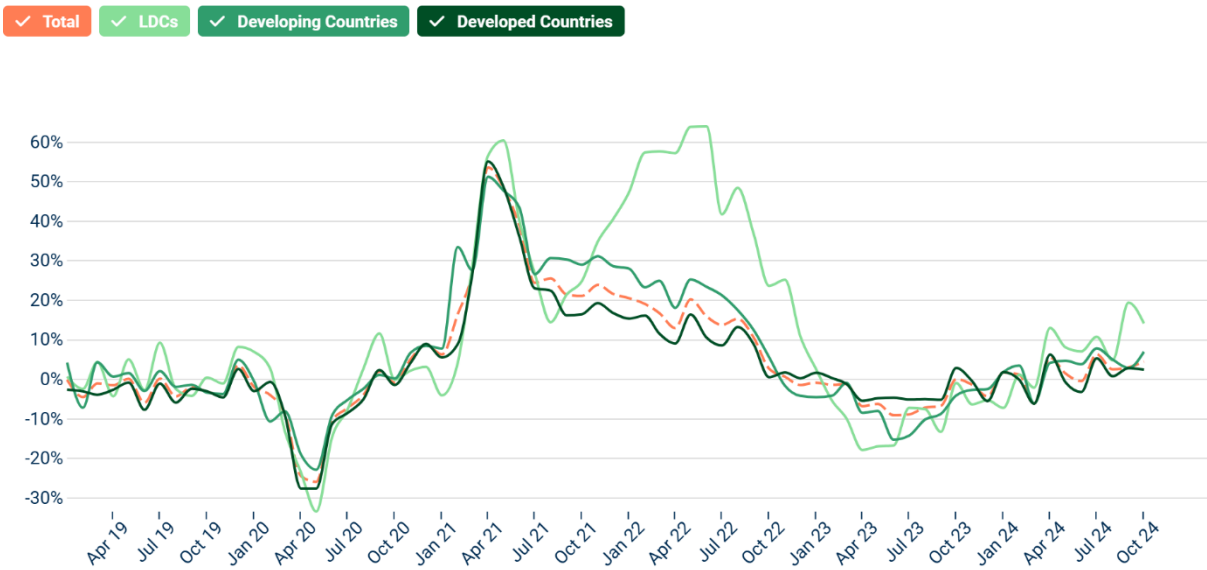
⁹ <https://data.worldbank.org/indicator/NE.IMP.GNFS.CD>

¹⁰ <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>

¹¹ <https://tradebriefs.intracen.org/2024/12/trade-trends>

¹² <https://thecommonwealth.org/news/blog-can-ldcs-reach-7-annual-gdp-growth-2031>

Figure C: Monthly Trend in Global Exports based on Development Levels (Year-on-Year Change)



Source: [ITC Trade Map](#) and national sources (2024)¹³; Accessed on 19 January 2025

Developments in G20 Merchandise Trade

International merchandise trade in the G20 group for October 2024 stood at USD 3.27 trillion with exports amounting to USD 1.62 trillion and imports amounting to USD 1.65 trillion, as per the data sourced from Organisation for Economic Co-operation and Development (OECD)¹⁴. Trade increased by 4.03% as compared to its value in September 2024 with 4.30% increase in imports and 3.75% increase in exports.

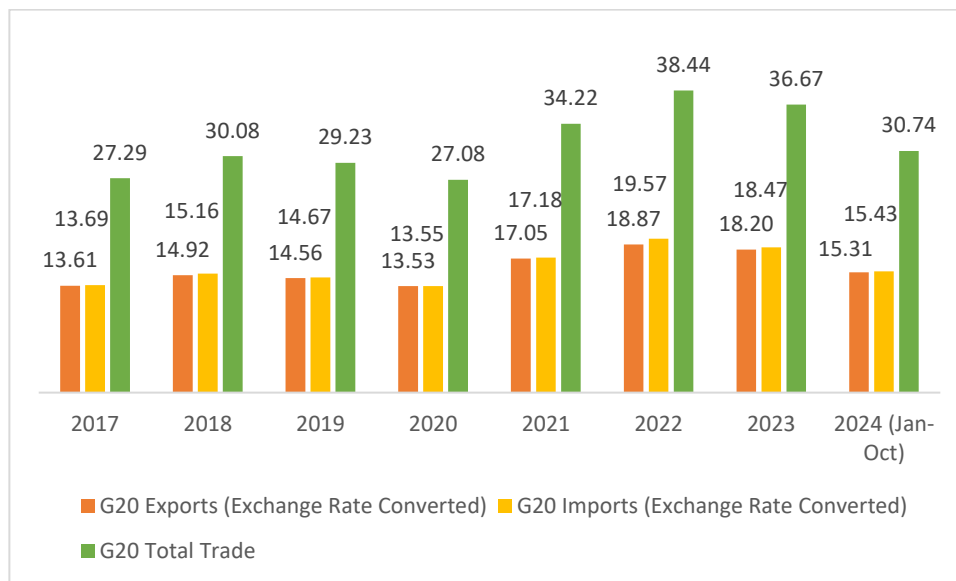
When compared with its value in October 2023, international trade rose by 4.82% with imports rising by 4.14% and exports expanding by a remarkable 5.15%. On a cumulative basis from January to October 2024, total trade in G20 economies amounted to USD 30.74 trillion with exports of USD 15.31 trillion and imports of USD 15.43 trillion. Cumulative trade increased by 0.50% over the corresponding period in 2023.

The trend in annual exports, imports, and total trade for the G20 economies from 2017 to 2024 (January to October) is shown in Figure D.

¹³ <https://tradebriefs.intracen.org/2024/12/trade-trends>

¹⁴ [https://data-explorer.oecd.org/vis?lc=en&pg=0&fc=Topic&bp=true&snb=4&df\[ds\]=dsDisseminateFinalDMZ&df\[id\]=DSD_IMTS%40DF_IMTS&df\[ag\]=OECD.SDD.TPS&df\[vs\]=1.0&pd=2017-01%2C2024-12&dq=ARG%2BEU27_2020%2BUS%2BGBR%2BKOR%2BZAF%2BRUS%2BMEX%2BJPN%2BITA%2BIDN%2BIND%2BD%2BEU%2BFRA%2BCHN%2BCAN%2BBRA%2BAUS%2BSAU%2BG20..M%2BX..M.USD_EXC.N.N&to\[TIME_PERIOD\]=false&vw=tb](https://data-explorer.oecd.org/vis?lc=en&pg=0&fc=Topic&bp=true&snb=4&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_IMTS%40DF_IMTS&df[ag]=OECD.SDD.TPS&df[vs]=1.0&pd=2017-01%2C2024-12&dq=ARG%2BEU27_2020%2BUS%2BGBR%2BKOR%2BZAF%2BRUS%2BMEX%2BJPN%2BITA%2BIDN%2BIND%2BD%2BEU%2BFRA%2BCHN%2BCAN%2BBRA%2BAUS%2BSAU%2BG20..M%2BX..M.USD_EXC.N.N&to[TIME_PERIOD]=false&vw=tb)

Figure D: Annual Trend in G20 Exports, Imports, and Total Trade (USD trillion)



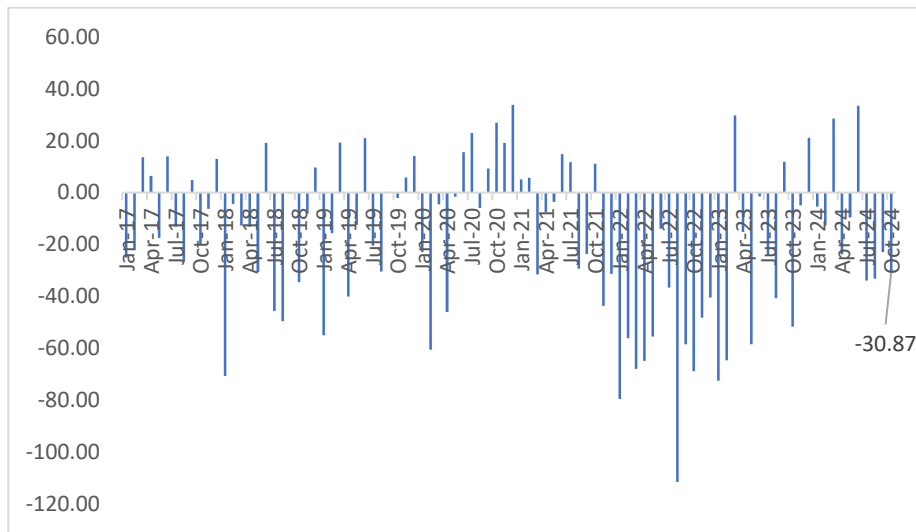
Source: OECD Data Explorer¹⁵, Data for African Union is not included

Trade balance, on the other hand, improved from USD -51.72 billion in October 2023 to USD -30.87 billion in October 2024. However, on a monthly basis trade worsened from USD -23 billion in September 2024 to USD -30.87 billion in October 2024¹⁶. Figure E plots the monthly trend in trade balance for G20 countries. The figure shows that the trade balance has largely remained negative (deficit) in 2024 except for March (USD 28.50 billion) and June (USD 33.47 billion).

¹⁵ [https://data-explorer.oecd.org/vis?lc=en&pg=0&fc=Topic&bp=true&snb=4&df\[ds\]=dsDisseminateFinalDMZ&df\[id\]=DSD_IMTS%40DF_IMTS&df\[ag\]=OECD.SDD.TPS&df\[vs\]=1.0&pd=2017%2C2024&dq=G20..M%2BX..A.USD_EXC.N.N&to\[TIME_PERIOD\]=false&vw=tb](https://data-explorer.oecd.org/vis?lc=en&pg=0&fc=Topic&bp=true&snb=4&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_IMTS%40DF_IMTS&df[ag]=OECD.SDD.TPS&df[vs]=1.0&pd=2017%2C2024&dq=G20..M%2BX..A.USD_EXC.N.N&to[TIME_PERIOD]=false&vw=tb)

¹⁶ [https://data-explorer.oecd.org/vis?lc=en&pg=0&fc=Topic&bp=true&snb=4&df\[ds\]=dsDisseminateFinalDMZ&df\[id\]=DSD_IMTS%40DF_IMTS&df\[ag\]=OECD.SDD.TPS&df\[vs\]=1.0&pd=2017-01%2C2024-12&dq=G20..TB..M.USD_EXC.N.N&to\[TIME_PERIOD\]=false&vw=tb](https://data-explorer.oecd.org/vis?lc=en&pg=0&fc=Topic&bp=true&snb=4&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_IMTS%40DF_IMTS&df[ag]=OECD.SDD.TPS&df[vs]=1.0&pd=2017-01%2C2024-12&dq=G20..TB..M.USD_EXC.N.N&to[TIME_PERIOD]=false&vw=tb)

Figure E: Monthly Trend in G20 Trade Balance (USD billion)



Source: OECD Data Explorer¹⁷, Data for African Union is not included

At the country level, growth in imports in the month of October 2024 remained positive for all G20 economies except for China, Saudi Arabia, and South Africa where imports registered negative growth of 2.27%, 3.83%, and 2.37% respectively. Growth in exports, on the other hand, was the highest for Argentina (30.27%) with notable increase in exports of India (17.20%), South Africa (13.98%), China (12.46%), Mexico (11.21%), and Indonesia (10.28%) Country-wise exports and imports for G20 economies are highlighted in the following table.

Table A: Exports, Imports, and Total Trade of G20 Member States, October 2024* (USD billion)

| S.N o. | Countries | Exports | | | Imports | | | Total Trade |
|-----------|---|---------|--------|----------|---------|--------|----------|-------------|
| | | Oct-23 | Oct-24 | % Change | Oct-23 | Oct-24 | % Change | Oct-24 |
| 1 | European Union (27 countries from 01/02/2020) | 611.08 | 646.64 | 5.82 | 594.17 | 629.79 | 5.99 | 1276.43 |

¹⁷ [https://data-explorer.oecd.org/vis?lc=en&pg=0&fc=Topic&bp=true&snb=4&df\[ds\]=dsDisseminateFinalDMZ&df\[id\]=DSD_IMTS%40DF_IMTS&df\[ag\]=OECD.SDD.TPS&df\[vs\]=1.0&pd=2017-01%2C2024-12&dq=G20..TB..M.USD_EXC.N.N&to\[TIME_PERIOD\]=false&vw=tb](https://data-explorer.oecd.org/vis?lc=en&pg=0&fc=Topic&bp=true&snb=4&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_IMTS%40DF_IMTS&df[ag]=OECD.SDD.TPS&df[vs]=1.0&pd=2017-01%2C2024-12&dq=G20..TB..M.USD_EXC.N.N&to[TIME_PERIOD]=false&vw=tb)

| | | | | | | | | |
|-----|---------------------------------------|-------------|--------------|--------|-------------|-------------|-------|-------------|
| 2 | China (People's Republic of) | 274.83 | 309.06 | 12.46 | 218.30 | 213.34 | -2.27 | 522.4 |
| 3 | United States | 177.65 | 177.61 | -0.02 | 276.45 | 288.84 | 4.48 | 466.45 |
| 4 | Germany | 139.43 | 144.48 | 3.62 | 119.41 | 128.49 | 7.60 | 272.97 |
| 5 | Japan | 61.15 | 63.03 | 3.07 | 65.85 | 66.17 | 0.48 | 129.20 |
| 6 | France | 55.58 | 57.96 | 4.28 | 66.63 | 67.20 | 0.86 | 125.16 |
| 7 | Italy | 59.70 | 62.57 | 4.80 | 54.96 | 57.04 | 3.79 | 119.61 |
| 8 | Mexico | 51.86 | 57.67 | 11.21 | 52.23 | 57.30 | 9.72 | 114.97 |
| 9 | Korea | 54.99 | 57.51 | 4.58 | 53.44 | 54.33 | 1.66 | 111.84 |
| 10 | United Kingdom | 39.32 | 39.23 | -0.22 | 62.64 | 66.36 | 5.94 | 105.59 |
| 11 | India | 33.43 | 39.19 | 17.22 | 63.86 | 66.18 | 3.63 | 105.37 |
| 12 | Canada | 49.56 | 49.66 | 0.19 | 47.42 | 47.75 | 0.69 | 97.41 |
| 13 | Russia | 34.33 | 36.56 | 6.5 | 23.40 | 27.47 | 17.40 | 64.03 |
| 14 | Brazil | 29.68 | 29.3 | -1.29 | 20.50 | 25.11 | 22.48 | 54.41 |
| 15 | Australia | 29.33 | 27.97 | -4.64 | 24.17 | 25.47 | 5.36 | 53.44 |
| 16 | Türkiye | 22.80 | 23.48 | 2.98 | 29.41 | 29.41 | 0.00 | 52.89 |
| 17 | Indonesia | 22.14 | 24.42 | 10.28 | 18.67 | 21.94 | 17.50 | 46.36 |
| 18 | Saudi Arabia | 27.72 | 24.74 | -10.75 | 19.96 | 19.2 | -3.83 | 43.94 |
| 19 | South Africa | 8.93 | 10.18 | 13.98 | 9.61 | 9.38 | -2.37 | 19.56 |
| 20 | Argentina | 5.40 | 7.03 | 30.27 | 5.84 | 6.13 | 4.99 | 13.16 |
| G20 | | 1534.2 1 | 1,623.2 9 | 5.81 | 1585.9 3 | 1654.1 6 | 4.30 | 3277.4 5 |

Source: OECD Data Explorer¹⁸

¹⁸ [https://data-explorer.oecd.org/vis?lc=en&pg=0&fc=Topic&bp=true&snb=4&df\[ds\]=dsDisseminateFinalDMZ&df\[id\]=DSD_I](https://data-explorer.oecd.org/vis?lc=en&pg=0&fc=Topic&bp=true&snb=4&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_I)

Note: Data for October 2024 is shown, as per the latest G20 data for all countries except African Union; Countries are arranged in descending order based on their total trade in October 2024

The European Union, China, United States, Germany, and Japan were the top 5 economies with the highest total trade in October 2024. The G7 economies and EU (27) economies together accounted for almost 80% of total trade in the G20 region. From a product perspective, the G7 economies and European Union (27) largely traded in commodities such as electrical machinery and equipment, machinery and mechanical appliances, mineral fuels & oils, and vehicles other than railway or tramway rolling stock as per the latest data available in September 2024. Table B and C lists the top 5 exports and imports for G7 economies and the European Union for September 2024.

Table B: Top 5 Imports for G7 Economies & European Union (EU (27)) in September 2024 (USD billion)

| HS Code | EU (27) | Imported Value | HS Code | G7 Economies | Imported Value |
|---------|--|----------------|---------|--|----------------|
| 85 | Electrical Machinery and Equipment | 72.58 | 85 | Electrical machinery and equipment | 96.22 |
| 84 | Machinery and mechanical appliances | 66.86 | 84 | Machinery and mechanical appliances | 94.64 |
| 27 | Mineral fuels & oils | 59.53 | 87 | Vehicles other than railway or tramway rolling stock | 74.16 |
| 87 | Vehicles other than railway or tramway rolling stock | 57.72 | 27 | Mineral fuels & oils | 63.75 |
| 30 | Pharmaceutical products | 36.05 | 30 | Pharmaceutical products | 37.70 |

| | | | |
|--------------------|-------|--------------------|-------|
| % of Total Imports | 49.42 | % of Total Imports | 51.35 |
|--------------------|-------|--------------------|-------|

Source: International Trade Centre (ITC) Trade Map

Table C: Top 5 Exports for G7 Economies & European Union (EU 27) in September 2024 (USD billion)

| HS Code | EU (27) | Exported Value | HS Code | G7 Economies | Exported Value |
|--------------------|--|----------------|--------------------|--|----------------|
| 84 | Machinery and Mechanical Appliances | 80.41 | 84 | Machinery And Mechanical Appliances | 81.49 |
| 87 | Vehicles Other Than Railway or Tramway Rolling Stock | 71.28 | 87 | Vehicles other than Railway or Tramway Rolling Stock | 68.62 |
| 85 | Electrical Machinery and Equipment | 63.55 | 85 | Electrical Machinery and Equipment | 54.99 |
| 30 | Pharmaceutical Products | 52.80 | 27 | Mineral Fuels & Oils | 45.94 |
| 27 | Mineral Fuels & Oils | 31.09 | 30 | Pharmaceutical Products | 29.46 |
| % of Total Exports | | 48.56 | % of Total Exports | | 48.74 |

Source: International Trade Centre (ITC) Trade Map

Conclusion

Projected outlook for trade hinges on the tariff policy adopted by the United States after the new Government takes over in January 2025. Dependence of US on trade protectionism can potentially lead to fall in exports of USD 466 billion for the developing countries if the country adopts a combined scenario of 10% tariff on all imports, 100% tariff on BRICS, and 25% tariff on Canada and Mexico¹⁹.

Adoption of trade restrictive practices by the United States and the eventual retaliation from its trading partners will lead to multiplier effects not just for the targeted economy but also for the entire value chain impacting businesses of

¹⁹ <https://tradebriefs.intracen.org/2024/12/spotlight>

multiple industries across the world²⁰. The World Economic Forum's Chief Economists Outlook (January 2025) highlights that 71% of respondents expect a trade war of retaliatory trade restrictions which can potentially disrupt the global trade dynamics²¹.

However, despite the disruptions in 2024, growth in global trade has largely remained robust due to enhanced trade relationships. With the end of conflict in the Middle East, risks in the global trade outlook remain balanced and further growth hinges on the adoption of trade policies that will shape the global economic environment.

²⁰ <https://unctad.org/system/files/official-document/ditcinf2024d3.pdf>

²¹ https://reports.weforum.org/docs/WEF_Chief_Economists_Outlook_January_2025.pdf