

A contribution to
An analysis of medium to long-term impacts on the Australian Oceans

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1.1 Global Trade

The international merchandise trade in products and services reached a six-year peak in 2017 after the global trade collapse (2008-09) and a slowed growth from 2010. After this period, there has been a positive trend in the growth of world merchandise trade (volume) reaching 4.7% in 2017 (from 1.8% in 2016). This growth was driven primarily associated with a strong growth in GDP which rose to 3% by a rising in East Asia exports(WTO 2018). Also, developing countries contributed to the trade recovery in 2017, with higher import and export rates than during 2010-2015(WTO 2018). It is expected that this positive trend in the merchandise trade continue in the coming years(WTO 2018). Based on existing economic projections in early 2018, the outlook for global trade is broadly positive in the foreseeable future(UNCTAD 2018). For example, it is anticipated that global trade management market (trade of information, money and goods in the global supply chain) to grow with a CAGR (Compound Annual Growth Rate) of 10.2% from 2018 to 2025(WTO 2018). A similar trend is expected for the share of global services exports, where is projected a 19.4 % of growth at 2030 in the total exports (Figure 1;(WTO 2019)). This trend is mainly explained by falling costs in the service trade by digital technologies(WTO 2019). The economic forecast of global trade in manufacturing products is difficult as there are both financial volatility and policy uncertainty involved in this sector.

Drivers

- Increasing complexities in managing global trade, including digital technologies
- Increasing investment in global logistics infrastructures

Restrains

- Organizations resistant to change legacy systems or adopt new technologies
- Government regulations and compliances

Interaction with other sectors

- Economic growth drivers (i.e. global GDP) and energy production (oil, gas, minerals).

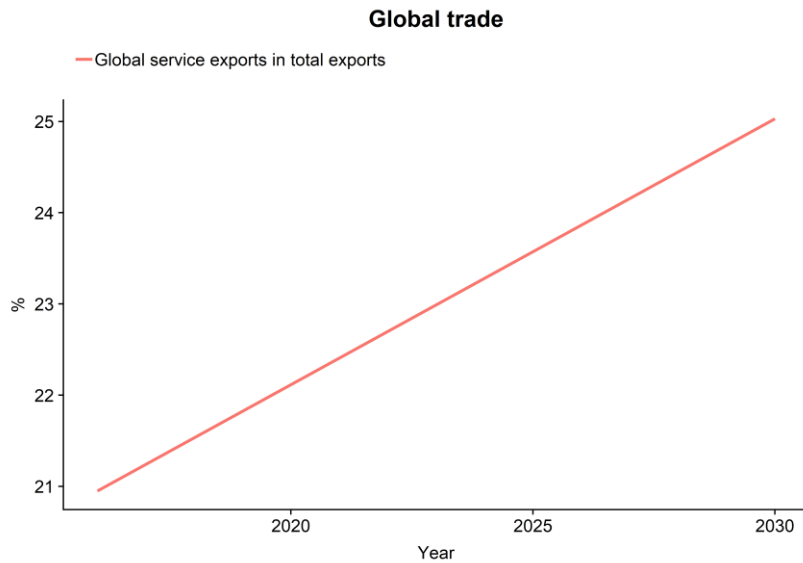


Figure 1. Projected global trends in exports by 2030 according to the Global Trade Model (WTO, 2019)

References

- UNCTAD (2018). United Nations Conference on Trade and Development: Key statistics and trends in international trade, United Nations.
- WTO (2018). World Trade Report: The future of World trade: how digital technologies are transforming global commerce, World Trade Organization.
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