

Imports: New Opportunities and Partnerships in a Changing Trade Landscape

The global trade environment is evolving at an unprecedented pace as emerging markets rise, traditional powerhouses adapt, and new trading relationships reshape the economic landscape.

Highlights:

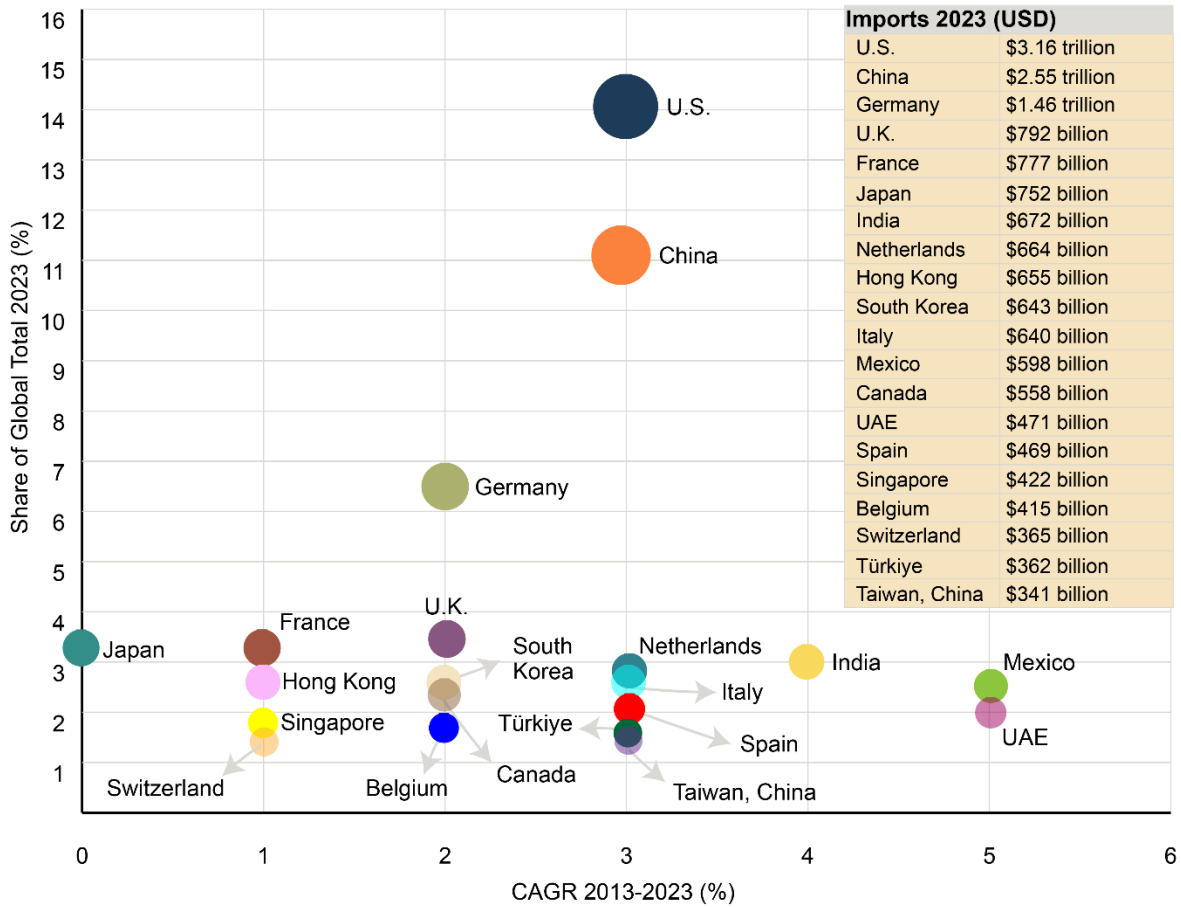
- The world imported \$22 trillion of goods in 2023, a 7% decline year-on-year. The top 20 importers dominated with a 74% market share, showcasing the continued concentration of global trade in a few major economies.
- Machinery, Electronics & Metals accounted for 37% of global imports, followed by Minerals, Fuels & Chemicals at 24% and Transport Vehicles at 9%, collectively representing 70% of total imports.
- Vietnam achieved a 10% CAGR in imports from 2013 to 2023, climbing 12 places in the global import rankings, while the Philippines rose 10 places. India moved up four places to become the seventh-largest importer.
- South Africa saw the steepest drop in import rankings, falling seven places, while Russia and Brazil each dropped five places due to geopolitical tensions and weak industrial performance.
- The "China +1" strategy and regional agreements like RCEP and USMCA have driven diversification, benefiting emerging economies like Vietnam and India while reducing over-reliance on traditional powerhouses like China.

The world imported around \$22 trillion worth of goods in 2023, a 7% decline from 2022, reflecting a moderate 2% compound annual growth rate (CAGR) over the last decade (2013-2023). The top 20 importers continue to dominate, accounting for 74% of total imports. This concentration underscores the challenges developing markets face in competing with established economic powerhouses.

In 2023, the U.S., China and Germany maintained their positions as the top three importers, contributing 32% of global imports. Their dominance stems from large industrial bases, robust technological sectors and high consumption-driven economies.

However, emerging economies are rapidly gaining ground. Vietnam, for example, has climbed an impressive 12 places in the last decade, driven by a 10% CAGR in imports from 2013 to 2023. Its success is driven by export-focused industries such as electronics and textiles as well as strategic shifts like the "China +1" strategy, which encourages firms to diversify supply chains away from China. Other rising players include the Philippines, India, Mexico, the UAE, Nigeria and Poland.

Top 20 Global Importers by Market Share 2023 (%) and Import Growth Rate 2013-2023 (%)



Source: UN Comtrade; Various; ANDAMAN PARTNERS Analysis. Note: Russia 2022 and 2023 data from Central Bank of Russia; Saudi Arabia 2023 data from General Authority for Statistics, Saudi Arabia; Vietnam 2023 data from General Statistics Office of Vietnam.

Upshot:

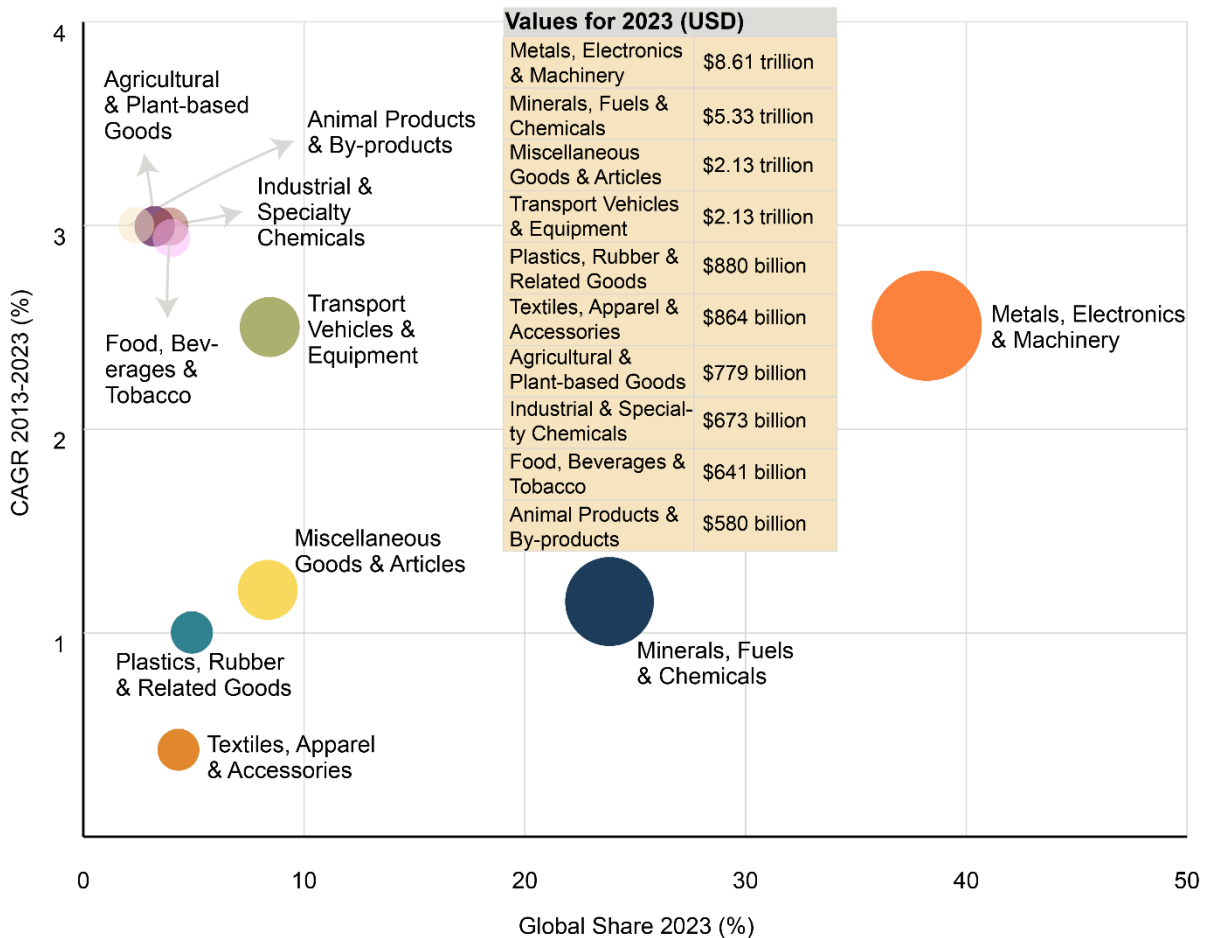
- **Rising stars Vietnam and the Philippines:** Vietnam and the Philippines climbed 12 and 10 ranks, respectively, between 2013 and 2023, becoming important players in global trade. Vietnam’s rise is tied to its role as a manufacturing hub, while the Philippines has seen growth in consumer goods and agricultural exports.
- **Strategic moves by Poland, India and the UAE:** Poland and the UAE rose five places each, and India advanced four places to become the seventh-largest importer in 2023. Strategic trade networks, industrial growth and high consumer and capital goods demand fuel their success.
- **Strong growth in Mexico and Nigeria:** Mexico strengthened its trade ties with the U.S., particularly in transport equipment, while Nigeria climbed seven places, driven by modernization and infrastructure investment.
- **Challenges for South Africa, Russia and Brazil:** South Africa’s seven-place decline highlights economic challenges, while geopolitical tensions pushed Russia down five places. Brazil’s sluggish industrial performance also contributed to its five-place drop.

Import sectors

Global imports in 2023 were dominated by three key sectors: Metals, Electronics & Machinery (38%), Minerals, Fuels & Chemicals (24%), and Transport Vehicles & Equipment (9%). The top three sectors accounted for \$16.1 trillion or 70% of global imports, reflecting robust demand for infrastructure development, technology and consumer goods.

Consumer goods and intermediate products also saw rapid growth, particularly in emerging economies across Asia and Africa, driven by rising per capita income and demand for integrated supply chains.

Global Imports by Sector: CAGR 2013-2023 and Global Share 2023 (%)



Source: UN Comtrade; ANDAMAN PARTNERS Analysis. Size of bubble represents USD values for 2023.

Upshot:

- **Dominance of Metals, Machinery & Electronics:** This sector accounted for 38% of global imports in 2023, highlighting its critical role in industrial economies.
- **Growth in Transport Vehicles:** The transport sector reached \$2.1 trillion in 2023, with a 2.6% CAGR over the last decade, driven by demand for automobiles and heavy machinery.
- **Shifts in Energy:** Minerals, Fuels & Chemicals, while still a significant sector, grew at a slower CAGR of 1.2%.
- **Industrial & Specialty Chemicals:** This sector grew at a robust CAGR of 3.4%, driven by applications in manufacturing and high-tech industries.

- **Moderate Growth in Textiles & Plastics:** Textiles and apparel saw slow but steady growth, while plastics grew by 1%, reflecting lower demand for packaging and industrial plastics.

New opportunities and partnerships in a changing trade landscape

Regional trade patterns highlight interconnectedness and diversification. The U.S. relies heavily on machinery and electronics imports from Mexico, while Germany and Poland dominate the EU's industrial trade. In Asia, China's import demand for agricultural goods and metals supports its manufacturing and consumer-driven economy. The UAE has emerged as an essential hub for mineral and fuel imports, leveraging its importance as a geographic and logistical hub.

The "China +1" strategy has spurred companies to diversify their sourcing, benefiting emerging markets such as Vietnam, India and other Southeast Asian nations. Regional partnerships like the Regional Comprehensive Economic Partnership (RCEP) in Asia and the U.S.-Mexico-Canada Agreement (USMCA) in North America are reshaping trade flows and reducing supply chain vulnerabilities.

The global trade environment is in flux, with new players emerging and traditional powerhouses adapting to evolving economic realities. Key sectors like machinery, electronics and transport equipment will continue to dominate imports, driven by industrial and consumer demand. At the same time, the rise of emerging markets and regional partnerships presents opportunities for businesses to adapt to a more diverse and interconnected global trade network.

Investing in resilience, emerging markets and strategic partnerships will be crucial for companies to thrive in this dynamic landscape.

Appendix



Top 20 Global Importers, 2012-2023

Rank	Country	2012	Country	2013	Country	2022	Rank	Country	2023	% Share 2022	% Share 2023	CAGR 2013 - 2023	YoY Growth 2022 - 2023
1	U.S.	2,335	U.S.	2,327	U.S.	3,373	1	U.S.	3,168	13.8%	14.0%	3%	-7%
2	China	1,818	China	1,950	China	2,716	2	China	2,557	11.1%	11.3%	3%	-6%
3	Germany	1,161	Germany	1,187	Germany	1,589	3	Germany	1,469	6.5%	6.5%	2%	-6%
4	Japan	886	Japan	833	Japan	899	4	U.K.	792	3.4%	3.5%	2%	-8%
5	U.K.	689	France	671	U.K.	822	5	France	777	3.4%	3.4%	1%	-4%
6	France	667	U.K.	657	France	819	6	Japan	752	3.7%	3.3%	-1%	-5%
7	HK SAR	553	HK SAR	621	India	733	7	India	672	3.0%	3.0%	4%	-16%
8	South Korea	520	South Korea	516	South Korea	731	8	Netherlands	664	2.9%	2.9%	3%	-8%
9	Netherlands	501	Netherlands	513	Netherlands	711	9	HK SAR	655	2.7%	2.9%	1%	-7%
10	Italy	489	Italy	479	Italy	695	10	South Korea	643	3.0%	2.8%	2%	-2%
11	India	489	India	466	HK SAR	668	11	Italy	640	2.9%	2.8%	3%	-12%
12	Canada	462	Canada	462	Mexico	605	12	Mexico	598	2.5%	2.6%	5%	-8%
13	Singapore	386	Singapore	388	Canada	572	13	Canada	558	2.3%	2.5%	2%	-1%
14	Mexico	371	Mexico	381	Spain	499	14	UAE	471	1.7%	2.1%	5%	-2%
15	Spain	332	Spain	335	Singapore	475	15	Spain	469	2.0%	2.1%	3%	12%
16	Belgium	318	Belgium	328	Belgium	464	16	Singapore	422	2.0%	1.9%	1%	-6%
17	Russia	316	Switzerland	321	UAE	420	17	Belgium	415	1.9%	1.8%	2%	-11%
18	Switzerland	295	Russia	315	Türkiye	364	18	Switzerland	365	1.5%	1.6%	1%	-11%
19	UAE	261	UAE	295	Viet Nam	359	19	Türkiye	362	1.5%	1.6%	3%	3%
20	Australia	250	Türkiye	261	Poland	359	20	Taiwan, China	341	1.8%	1.6%	3%	0%
	Top 20	13,159	Top 20	13,307	Top 20	17,872		Top 20	16,809	73.6%	74.3%	2%	-18%
	ROW	4,902	ROW	5,185	ROW	6,502		ROW	5,823	26.4%	25.7%	1%	-0%
	Total	18,061	Total	18,492	Total	24,374		Total	22,632	100%	100%	2%	-7%

Source: UN Comtrade; Various; Andaman Partners Analysis. Note: Russia 2022 and 2023 data from Central Bank of Russia; Saudi Arabia 2023 data from General Authority for Statistics, Saudi Arabia; Vietnam 2023 data from General Statistics Office of Vietnam.

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