ANDAMAN PARTNERS
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Changing International Trade Patterns and Export Opportunities to New Global Markets

The global trade environment is evolving at an unprecedented pace as developing and emerging markets rise, traditional powerhouses adapt and new trading relationships reshape the economic landscape. Astute export managers must identify and manage a host of new opportunities.

Highlights:

- The world imported goods worth USD 22 trillion in 2023, a 7% decline year-on-year. The top 20 importers dominated with a share of 74%, 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 ten places in the global import rankings, while the Philippines rose 12 places. India moved up four places to seventh.
- South Africa saw the steepest drop in import rankings, falling seven places to 40th. Russia and Brazil dropped five places to 23rd and 27th, respectively.
- 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 China.

The world imported goods worth around USD 22 trillion in 2023, a 7% decline from 2022, reflecting a moderate 2% compound annual growth rate (CAGR) from 2013 to 2023. In 2024, global merchandise trade is expected to reach USD 22.5 trillion, an increase of 2% year-on-year but still below the 2022 peak of around USD 23 trillion.

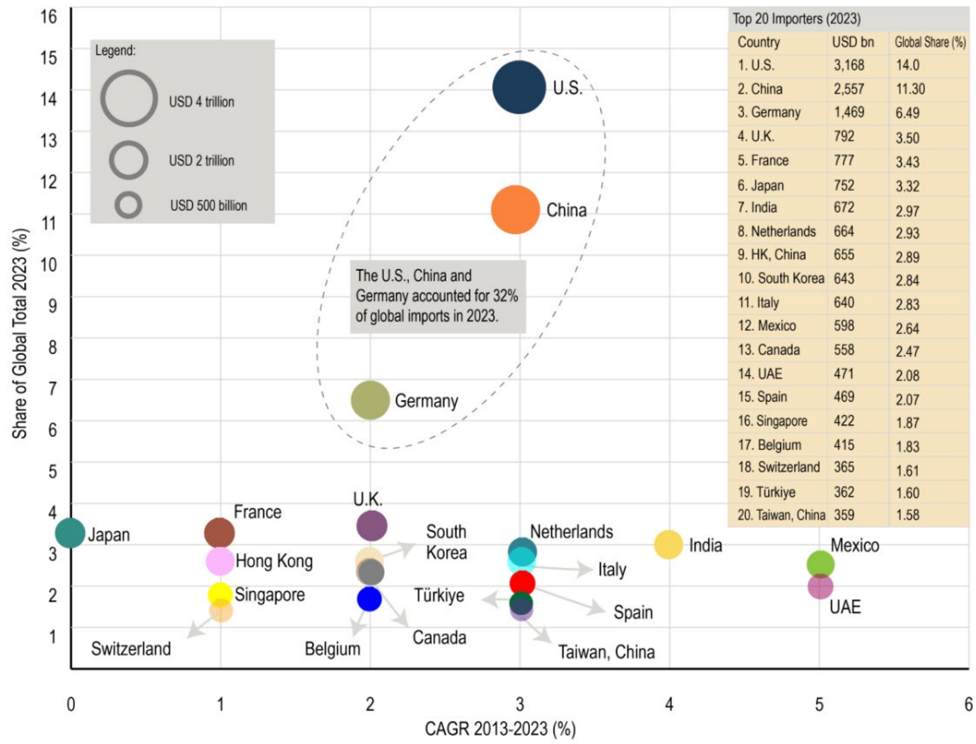
The top 20 importing countries continue to dominate, accounting for 74% of total imports. This concentration underscores the challenges developing markets face in competing with established economies.

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 ten places to 22nd 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 and strategic shifts like the “China +1” strategy, encouraging 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.

Vietnam climbed 10 places (from 32nd to 22nd) and the Philippines rose 12 places (from 47th to 35th) in global import rankings 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.

Poland and the UAE both rose five places to 21st and 14th, respectively. India advanced four places to become the seventh-largest importer in 2023, supported by strategic trade networks, industrial growth and high consumer and capital goods demand.

Mexico strengthened its trade ties with the U.S., particularly in transport equipment, while Nigeria climbed seven places, driven by modernization and infrastructure investment.

South Africa's seven-place decline to 40th highlights economic challenges, while geopolitical tensions pushed Russia down five places to 23d. Brazil's sluggish industrial performance contributed to its five-place drop to 27th.

Top 20 Global Importers (2003, 2013, 2023)

Rank 2003	Country	Rank 2013	Country	Rank 2023	Country	Imports 2023 USD bn	Share of Global Imports 2023	CAGR 2013-2023
1	U.S.	1	U.S.	1	U.S.	3,168	14.0%	3%
2	Germany	2	China	2	China	2,557	11.3%	3%
3	U.K.	3	Germany	3	Germany	1,469	6.5%	2%
4	China	4	Japan	4	U.K.	792	3.5%	2%
5	Japan	5	France	5	France	777	3.4%	1%
6	France	6	U.K.	6	Japan	752	3.3%	-1%
7	Italy	7	HK, China	7	India	672	3.0%	4%
8	Canada	8	South Korea	8	Netherlands	664	2.9%	3%
9	Belgium	9	Netherlands	9	HK, China	655	2.9%	1%
10	Netherlands	10	Italy	10	South Korea	643	2.8%	2%
11	HK, China	11	India	11	Italy	640	2.8%	3%
12	Spain	12	Canada	12	Mexico	598	2.6%	5%
13	South Korea	13	Singapore	13	Canada	558	2.5%	2%
14	Mexico	14	Mexico	14	UAE	471	2.1%	5%
15	Singapore	15	Spain	15	Spain	469	2.1%	3%
16	Switzerland	16	Belgium	16	Singapore	422	1.9%	1%
17	Taiwan, China	17	Switzerland	17	Belgium	415	1.8%	2%
18	Austria	18	Russian Fed.	18	Switzerland	365	1.6%	1%
19	Australia	19	UAE	19	Türkiye	362	1.6%	3%
20	Sweden	20	Türkiye	20	Taiwan, China	341	1.6%	3%
					Top 20 Total	**16,809**	**74.3%**	**2%**
					Rest of World	**5,823**	**25.7%**	**1%**
					World	**22,632**	**100%**	**2%**

Source: UN Comtrade, Various, ANDAMAN PARTNERS Analysis

The imports to GDP ratio illustrates an economy's dependence on foreign goods and services. Comparing the imports to GDP ratio in 2003 and 2023 of the 20 largest importing countries, Hong Kong (China) and Singapore have consistently had the highest ratios, although the former increased its ratio from 145% to 172% while the latter's ratio fell back from 140% to 84%.

Imports to GDP Ratio, % (2003 & 2023)

	Top 20 Importers 2023	Imports to GDP ratio % 2003	Imports to GDP ratio % 2023
1	U.S.	11	11
2	China	25	14
3	Germany	24	32
4	U.K.	21	23
5	France	20	25
6	Japan	8	18
7	India	12	19
8	Netherlands	40	58
9	HK, China	145	172
10	South Korea	25	35
11	Italy	18	28
12	Mexico	22	33
13	Canada	27	26
14	UAE	42	92
15	Spain	23	29
16	Singapore	140	84
17	Belgium	74	66
18	Switzerland	31	41
19	Türkiye	22	32
20	Taiwan, China	40	47

Source: UN Comtrade, IMF World Economic Outlook (October 2024), ANDAMAN PARTNERS Analysis

Other countries with high imports to GDP ratios in 2023 were the UAE (92%), Belgium (66%), the Netherlands (58%), Taiwan, China (47%) and Switzerland (41%).

Countries with the lowest exports to GDP ratio were the U.S. (11%, unchanged from 2003), China (14%), Japan (18%) and India (19%).

China's imports to GDP ratio decreased from 25% in 2003 to 14% in 2023. Canada, Singapore and Belgium were other countries with decreasing ratios over this period.

Aside from Hong Kong (China), countries with notable increases in the imports to GDP ratio over this period were the Netherlands, South Korea, Italy, Mexico, the UAE, Switzerland and Türkiye.

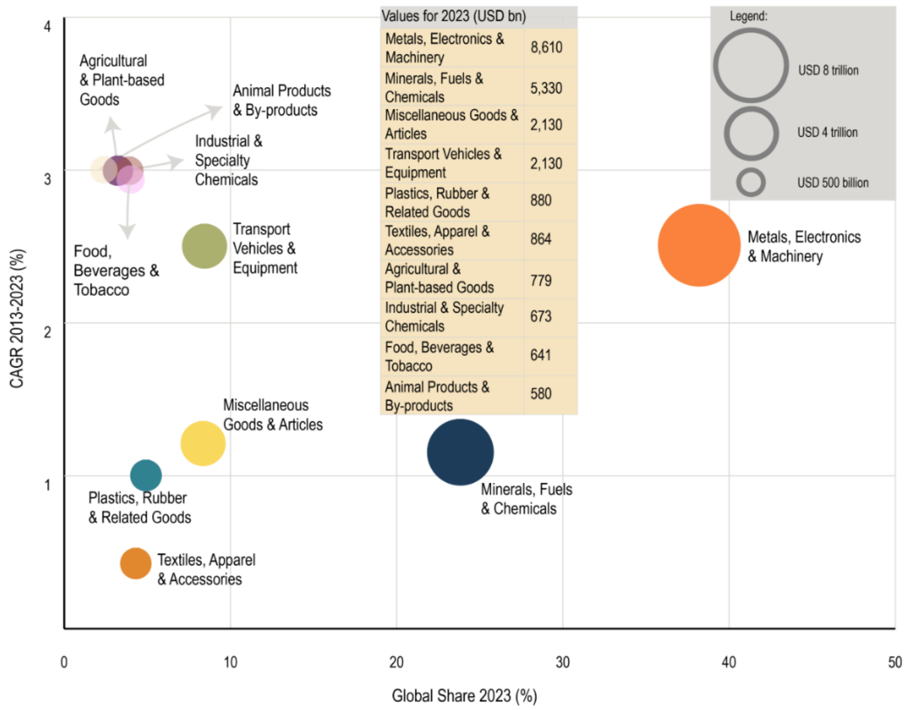
Import sectors

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 USD 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.

Metals, Machinery & Electronics accounted for 38% of global imports in 2023, highlighting its critical role in industrial economies.

Transport Vehicles & Equipment reached USD 2.1 trillion in 2023, with a 2.6% CAGR over the last decade, driven by demand for automobiles and heavy machinery.

Minerals, Fuels & Chemicals, while still a significant sector, grew at a slower CAGR of 1.2%.

Industrial & Specialty Chemicals grew at a robust CAGR of 3.4%, driven by applications in manufacturing and high-tech industries.

Textiles, Apparel & Accessories saw slow but steady growth, while Plastics, Rubber & Related Goods 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 and production bases, 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 leaders 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. The following are some of the current priorities for international export managers:

- **Leverage data, analytics and strategic intelligence for success:** Invest to ensure high-quality internal organizational and external market data for better decision support.

- **Anticipate general changes and trends in global markets as early as possible**, such as the decline in traditional markets and the emergence of demand growth in new markets. Act early and diversify export portfolios to adapt to changing conditions.

- **Develop team skills and human capital to flourish in a changing world** with increased risk, uncertainty, ambiguity and more open international supply chains. Adapt hiring and professional development to align with the new realities in global markets where multiple languages, cultures, time zones and variables are pervasive.

- **Develop organizational capabilities across the company** that support international business better, e.g., global risk management, international logistics management, a collaborative mindset, partnerships and flexible business models.

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