

## Dynamic New Supply Markets Create Opportunities to Frame High-Value Alternative Global Procurement Strategies

*Global exports are concentrated in a few major economies, led by China, the U.S. and Germany, but several larger developing countries and even smaller emerging economies have made great strides in their export performance in recent years. This creates opportunities for astute global supply chain managers to optimize value via effective global procurement in a dynamic global trade setting.*

### Highlights:

- ◆ Global merchandise trade dropped in 2020 but rebounded in 2021 and 2022 before receding in 2023, partly due to geopolitical factors.
- ◆ China, the U.S., Germany, the Netherlands and Japan dominate global exports, accounting for almost 40% of the global total.
- ◆ Among the major economies, several emerging markets have steadily climbed the export rankings in recent years, notably Mexico, the UAE and India. Vietnam, Poland, Türkiye, Brazil and Malaysia recorded the fastest export growth rates.
- ◆ Outside the top 30 global exporters, smaller emerging economies in Eastern Europe, Africa and Asia reported double-digit export growth.
- ◆ Metals, Tools & Machinery dominates global exports, accounting for almost 40% of the total. However, an array of other categories also presents an opportunity for value by tapping alternative supply markets.

Global merchandise trade volumes dropped in 2020 due to the COVID-19 pandemic, as widespread cross-border restrictions and logistical disruptions contributed to a decline in global demand. In 2021, the value of global trade rebounded due to recovering global demand and rising commodity prices. According to UN Comtrade data, exports increased by USD 4.5 trillion in 2021 to reach about USD 22 trillion and increased further to a record high of around USD 23 trillion in 2022.

In 2023, global trade dropped by about USD 1 trillion (-4.3%) to USD 22 trillion, mainly due to lower demand in developed economies, underperforming East Asian economies, and decreasing commodity prices. Global merchandise trade is expected to reach USD 22.5 trillion in 2024, an increase of 2% year-on-year but still below the 2022 peak.

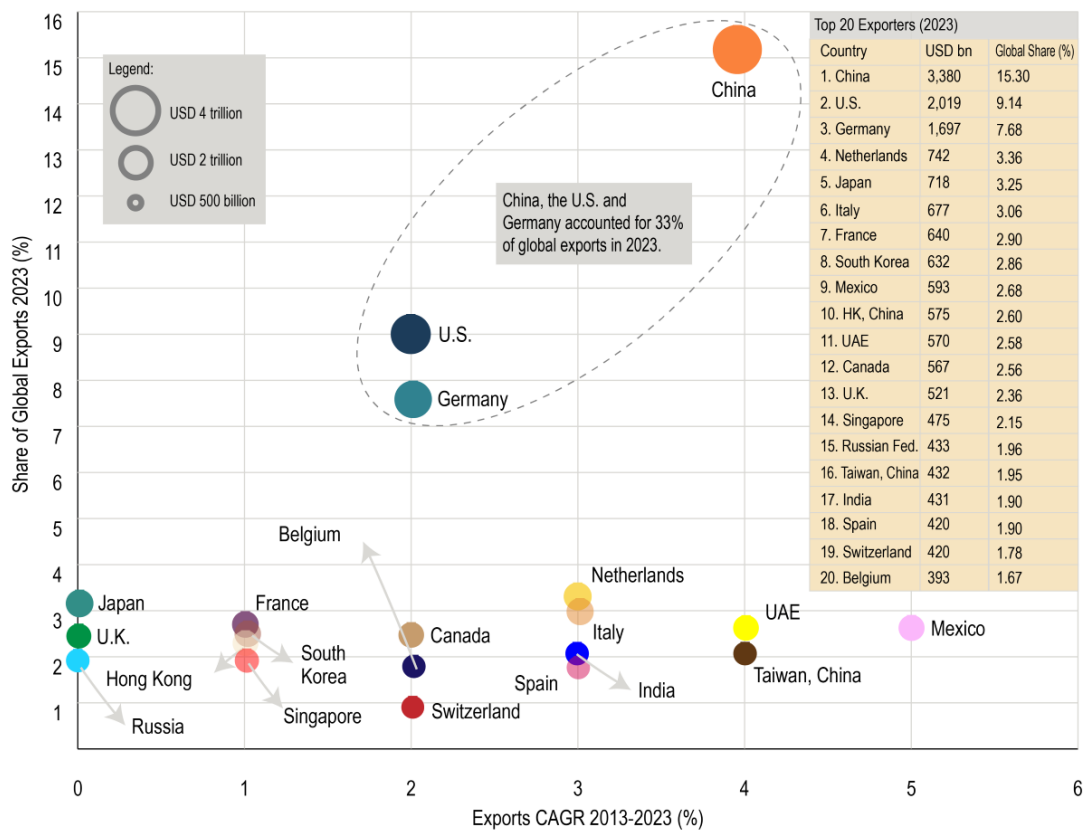
Political factors played a role in shaping global trade patterns in 2022. There was a noticeable rise in the political proximity of trade since the latter part of the year, indicating a shift in bilateral trade preferences towards countries with similar geopolitical stances (e.g., “friend-shoring”).

At the same time, there was an overall decrease in the diversification of trade partnerships and a concentration of trade within significant trade relationships. Global trade was also severely affected by the war in Ukraine, sanctions imposed on the Russian Federation and friction in the U.S.-China trade relationship.

Moderating global inflation and improving economic growth forecasts suggest a reversal of the downward macroeconomic trends in 2024 that have characterized most of 2023. The positive trends are underpinned by positive trade dynamics for the U.S. and developing countries, particularly the strong export performance of the largest Asian developing economies.

Additionally, rising demand for products related to energy transition and artificial intelligence should contribute to trade growth through 2024. However, global trade remains vulnerable to several downside risks, including geopolitical tensions, rising shipping costs, and increases in subsidies and trade-restrictive measures.

Top 20 Global Exporters by Market Share (2023) and Export Growth Rate (2013-2023)



Source: UN Comtrade; ANDAMAN PARTNERS Analysis. The size of the bubble represents the total export value in 2023 USD.

### Export rankings and trade relationships

China, the U.S. and Germany have remained the world’s three largest exporters for nearly two decades, and China became the world’s largest exporter in 2009, surpassing Germany.

According to UN Comtrade data, in 2023, China’s exports amounted to USD 3.38 trillion, accounting for 15% of global exports totaling USD 22.09 trillion. U.S. exports were USD 2 trillion, 9% of the global total, and Germany’s were USD 1.69 trillion, or 8%. Rounding out the top five exporters were the Netherlands with USD 742 billion and Japan with USD 718 billion. These five countries accounted for 39% of global exports in 2023.

**Top 20 Global Exporters (2003, 2013, 2023)**

Rank 2003	Country	Rank 2013	Country	Rank 2023	Country	Exports 2023 USD bn	Share of Global Exports 2023	CAGR 2013-2023
1	Germany	1	China	1	China	3,380	15.3%	4%
2	U.S.	2	U.S.	2	U.S.	2,019	9.1%	2%
3	Japan	3	Germany	3	Germany	1,697	7.7%	2%
4	China	4	Japan	4	Netherlands	742	3.4%	3%
5	France	5	Netherlands	5	Japan	718	3.2%	0%
6	U.K.	6	France	6	Italy	677	3.1%	3%
7	Italy	7	South Korea	7	France	640	2.9%	1%
8	Canada	8	U.K.	8	South Korea	632	2.9%	1%
9	Netherlands	9	HK, China	9	Mexico	593	2.7%	5%
10	Belgium	10	Russian Fed.	10	HK, China	575	2.6%	1%
11	HK, China	11	Italy	11	UAE	570	2.6%	4%
12	South Korea	12	Canada	12	Canada	567	2.6%	2%
13	Mexico	13	Singapore	13	U.K.	521	2.4%	-1%
14	Singapore	14	Mexico	14	Singapore	475	2.1%	1%
15	Spain	15	Saudi Arabia	15	Russian Fed.	433	2.0%	-2%
16	Russian Fed.	16	UAE	16	Taiwan, China	432	2.0%	4%
17	Switzerland	17	Switzerland	17	India	431	2.0%	3%
18	Malaysia	18	India	18	Spain	420	1.9%	3%
19	Sweden	19	Belgium	19	Switzerland	420	1.9%	2%
20	Ireland	20	Spain	20	Belgium	393	1.8%	2%
<b>Top 20 Total</b>						<b>16,335</b>	<b>73.9%</b>	<b>2%</b>
<b>Rest of World</b>						<b>6,107</b>	<b>26.1%</b>	<b>1%</b>
<b>World</b>						<b>22,094</b>	<b>100%</b>	<b>2%</b>

Source: UN Comtrade, Various, ANDAMAN PARTNERS Analysis

Rounding out the top ten are Italy (USD 677 billion), France (USD 640 billion), South Korea (USD 632 billion), Mexico (USD 593 billion) and Hong Kong (USD 575 billion). Several emerging markets have steadily climbed the export rankings in recent years, notably the UAE (reaching 11th place in 2023) and India (17th).

In terms of a regional breakdown, in 2023, the G7 accounted for 36% of global exports, followed by the EU (30%), BRICS (17%) and the Rest of the World with 12%.

From 2013 to 2023, the Netherlands, Italy, Mexico, the UAE, Taiwan (China), India and Spain increased their rankings among the top 20 exporters list. India entered the top 20 in 2013 and moved up one spot to 17th in 2023, while the most prominent climbers were the UAE (16th to 11th) and Mexico (14th to 9th). Japan, France, South Korea, the U.K., Singapore, Switzerland and Belgium dropped a few places over this period, while Saudi Arabia fell out of the top 20.

From 2013 to 2023, the top 20 exporters recorded a compound annual growth rate of 2%, and Rest of World, 1%. Among the top 20, Mexico (5%), China (4%), the UAE (4%), Taiwan, China (4%), India (3%), the Netherlands (3%) and Spain (3%) exceeded this growth rate.

Several emerging markets ranked in the top 30 global exporters recorded higher growth rates over this period, led by Vietnam (10%), Poland (6%), Türkiye (5%), Brazil (4%) and Malaysia (4%).

Of China's total 2023 exports of USD 3.38 trillion, most went to the U.S. (USD 501 billion), Hong Kong (USD 275 billion) and Japan (USD 175 billion). From 2013 to 2023, Chinese exports to Russia and India increased rapidly: USD 48 billion to USD 118 billion for India and USD 50 billion to USD 111 billion for Russia. This made India and Russia China's sixth and seventh-largest export destinations, respectively.

In 2023, China was the leading export destination for Brazilian exports, while the U.S. was the leading destination for exports from Mexico, India, Vietnam and Thailand. Most of the UAE's exports went to Saudi Arabia, most of Malaysia's exports went to Singapore, and most of Poland and Türkiye's exports went to Germany.

The exports to GDP ratio illustrates how much an economy depends on international trade and exports. Comparing the exports to GDP ratio in 2003 and 2023 of the 20 largest exporting countries, Hong Kong (China) and Singapore have consistently had the highest ratios, although the former increased its ratio from 142% to 151% while the latter's ratio fell back from 164% to 95%.

**Exports to GDP Ratio, % (2003 & 2023)**

Top 20 Exporters 2023		Exports to GDP ratio % 2003	Exports to GDP ratio % 2023
1	China	26	19
2	U.S.	6	7
3	Germany	30	37
4	Netherlands	45	64
5	Japan	10	17
6	Italy	19	29
7	France	20	21
8	South Korea	27	34
9	Mexico	22	33
10	HK, China	142	151
11	UAE	54	111
12	Canada	30	26
13	U.K.	15	15
14	Singapore	164	95
15	Russian Fed.	29	22
16	Taiwan, China	47	57
17	India	10	12
18	Spain	18	26
19	Switzerland	32	47
20	Belgium	80	62

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

Other countries with high exports to GDP ratios in 2023 were the UAE (111%), the Netherlands (64%), Belgium (62%), Taiwan, China (57%), Switzerland (47%), South Korea (34%) and Mexico (33%).

Countries with the lowest imports to GDP ratio were the U.S. (7%), the U.K. (15%) and India (12%).

China's ratio decreased from 26% in 2003 to 19% in 2023. Canada, Singapore, the Russian Federation and Belgium were other countries with decreasing ratios over this period.

The country with the most significant increase over this period was the UAE, whose exports to GDP ratio more than doubled from 54% to 111%.

Outside the top 30 global exporters, several smaller emerging economies reported the fastest-growing exports from 2013 to 2023. These included Guyana (23%), driven mainly by oil exports, as well as:

- Eastern European economies whose exports all grew by around 8%, notably Armenia (mainly gems and precious metals, electrical machinery and equipment, and ores, slag and ash), Serbia (electrical machinery and other equipment), Georgia (copper ore and cars), North Macedonia (chemical goods and electrical machinery) and Slovenia (pharmaceuticals).
- Economies in Asia, notably Cambodia (grew by 14%), driven by exports of garments, footwear and agricultural products; and Kyrgyzstan (6%), mainly precious metals and stones.
- Economies in Africa, notably Cabo Verde (15%, mainly processed fish), Uganda (10%, gold), Sao Tome and Principe (9%, cocoa beans and palm oil), Central African Republic (9%, gold and diamonds), Lesotho (9%, garments and diamonds), Mozambique (7%, coal briquettes and raw aluminium), Madagascar (7%, raw nickel

and vanilla), Senegal (7%, gold and phosphoric acid), Morocco (7%, chemical fertilizers, vehicles, and electrical machinery), Burkina Faso (6%, gold), Zimbabwe (6%, gold and tobacco) and Benin (6%, raw cotton and gold).

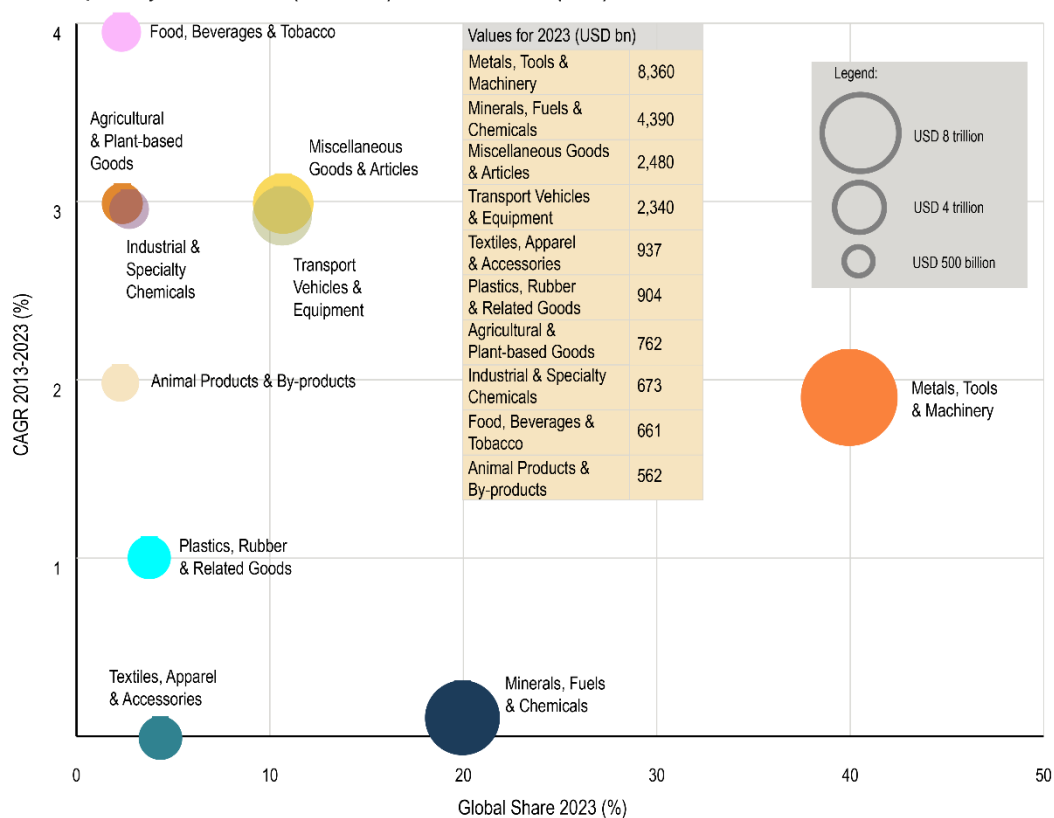
### Export sectors

Metals, Tools & Machinery dominates global exports, amounting to USD 8.3 trillion in 2023, or 38% of the global total, up from 36% in 2013. Minerals, Fuels & Chemicals accounted for 20% of the global total in 2023, followed by Miscellaneous Goods & Articles and Transport Vehicles & Equipment, each accounting for 11%.

The shares of Miscellaneous Goods & Articles and Transport Vehicles & Equipment remained relatively constant from 2013 to 2023, but the share of Minerals, Fuels & Chemicals declined from 24% to 20%.

Several smaller export categories increased in value from 2013 to 2023, notably Agricultural & Plant-based Goods; Food, Beverages & Tobacco; Industrial & Specialty Chemicals; and Miscellaneous Goods & Articles.

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



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

Metals, Tools & Machinery is China’s largest export category, and the same applies to several emerging market exporters, including Mexico, Vietnam, Poland, Malaysia, Thailand and Türkiye. The leading category for the UAE, India and Brazil is Minerals, Fuels & Chemicals.

Metals, Tools & Machinery is likewise very prominent in U.S., German and Japanese exports, but the leading sector for Germany and Japan is Transport Vehicles & Equipment.

**Emerging Market Exporters (2013-2023)**

Country and Global Export Ranking (2023)	China 1	Mexico 9	UAE 11	India 17	Vietnam* 22	Poland 23	Brazil 24	Malaysia 26	Thailand 27	Türkiye 29
Exports 2023 (USD bn)	3,380	593	570	431	356	354	340	312	285	255
Export Share 2023 (%)	15%	3%	3%	2%	2%	2%	2%	1%	1%	1%
2013 – 2023 CAGR (%)	4%	5%	4%	3%	10%	6%	4%	3%	2%	5%
Top 5 Export Destinations and Export Value (USD bn 2023)	U.S. (\$666)	U.S. (\$728)	China (\$87)	China (\$138)	China (\$175)	Germany (\$169)	China (\$160)	China (\$99)	China (\$105)	Russia (\$57)
	Japan (\$318)	China (\$123)	India (\$55)	U.S. (\$118)	U.S. (\$124)	China (\$45)	U.S. (\$78)	Singapore (\$80)	U.S. (\$68)	Germany (\$50)
	South Korea (\$311)	Canada (\$31)	U.S. (\$40)	UAE (\$71)	South Korea (\$86)	Czechia (\$34)	Argentina (\$29)	U.S. (\$55)	Japan (\$56)	China (\$48)
	HK SAR (\$288)	Germany (\$30)	Saudi Arabia (\$37)	Russia (\$71)	Japan (\$48)	Italy (\$33)	Germany (\$19)	Japan (\$34)	Malaysia (\$25)	U.S. (\$31)
	Russia (\$240)	Japan (\$24)	Türkiye (\$36)	Saudi Arabia (\$45)	Thailand (\$21)	France (\$33)	Netherlands (\$15)	Thailand (\$25)	UAE (\$19)	Italy (\$27)
Top 5 Export Sectors	Metals, Tools & Machinery	Metals, Tools & Machinery	Minerals, Fuels & Chemicals	Minerals, Fuels & Chemicals	Metals, Tools & Machinery	Metals, Tools & Machinery	Minerals, Fuels & Chemicals	Metals, Tools & Machinery	Metals, Tools & Machinery	Metals, Tools & Machinery
	Miscellaneous Goods & Articles	Transport Vehicles & Equipment	Metals, Tools & Machinery	Metals, Tools & Machinery	Textiles, Apparel & Accessories	Transport Vehicles & Equipment	Agricultural & Plant-based Goods	Minerals, Fuels & Chemicals	Transport Vehicles & Equipment	Transport Vehicles & Equipment
	Textiles, Apparel & Accessories	Miscellaneous Goods & Articles	Miscellaneous Goods & Articles	Textiles, Apparel & Accessories	Miscellaneous Goods & Articles	Miscellaneous Goods & Article	Metals, Tools & Machinery	Miscellaneous Goods & Articles	Plastics, Rubber & Related Goods	Textiles, Apparel & Accessories
	Transport Vehicles & Equipment	Minerals, Fuels & Chemicals	Transport Vehicles & Equipment	Agricultural & Plant-based Goods	Agricultural & Plant-based Goods	Food, Beverages & Tobacco	Animal Products & By-products	Animal Products & By-products	Agricultural & Plant-based Goods	Minerals, Fuels & Chemicals
	Minerals, Fuels & Chemicals	Agricultural & Plant-based Goods	Food, Beverages & Tobacco	Transport Vehicles & Equipment	Plastics, Rubber & Related Goods	Plastics, Rubber & Related Goods	Food, Beverages & Tobacco	Plastics, Rubber & Related Goods	Minerals, Fuels & Chemicals	Miscellaneous Goods & Articles

Top 30 Global Importers

Source: UN Comtrade; Andaman Partners Analysis. \* Note: Data for Vietnam is for 2022.

**Action list for global supply chain managers**

Amid a dynamic global trade picture and shifting trade patterns, supply chain managers must take careful note of the following key actions to remain competitive:

- **Build resilient and agile supply chains:** Given the real possibility of global disruptions in 2025, companies must build supply chains that will be resilient and able to adapt quickly. Supply chain managers must diversify supplier bases and review options like dual sourcing and nearshoring.
- **Seek out new trade opportunities in developing markets:** Some of the best trade opportunities are in developing countries and emerging markets, and strategic intelligence is essential to identifying and utilizing such opportunities.
- **Anticipate geopolitical risks:** Geopolitical tension will likely be a crucial factor affecting trade and supply chains for years to come, so it is imperative to plan ahead and implement alternative supply chain options.
- **Put the rights teams and capabilities in place:** Develop capabilities for teams to manage long and open international supply chains, paying careful attention to risk management.



## ANDAMAN PARTNERS

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- **Digitalize supply chains:** Implement technology to use data in digital formats to enable technologies like artificial intelligence, blockchain, and cloud-based solutions, identify inefficiencies and reduce costs.

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