

## **RECENT TRENDS IN WORLD TRADE**

International trade is the lifeblood of the world economy, providing the goods and services that are traded across borders to bring wealth and prosperity to nations. International trade flows along hugely complex supply chains between nations that source raw materials, to manufacturing countries that make and process them, and then on to consumer nations, which put the final products to use. The purpose of this work is to examine recent trends in world trade.

Over time, the nature of trade and the products carried will be markedly transformed, and that can have huge implications for national economies. This is most strikingly seen in the economic rise of China. Once an impoverished nation, it is the world's second-largest economy and the largest outbound trader of goods, accounting for almost 15 % of all exports, according to United Nations data. Emerging markets more broadly have also been steadily growing, as the chart above shows.

With unfinished goods, components and services now accounting for 70 % of all trade, emerging markets such as the BRIICS countries — comprising Brazil, Russia, India, Indonesia, China and South Africa — are the largest beneficiaries of this development, their share of total global trade rocketing in recent years.

Trade in services is also vital to a country's economic health. The international exchange of ideas, expertise and assistance — from architecture and law to logistics and telecommunications — account for half of all global exports and two-thirds of global GDP [1].

For that reason, they are vulnerable to political manipulation to protect particular domestic industries or to put pressure on other nations. The threat of non-tariff barriers, which include quotas on imports and subsidies to make local producers more competitive than foreign imports, and tariffs can change patterns of trade.

Protectionist measures like these often have unintended consequences and create geopolitical friction. To guard against that, and to maximize the benefits of exchanges with favourable partners, multilateral trade agreements have flourished since World War II.

The creation of groupings like the World Trade Organization, which grew out of the General Agreement on Tariffs and Trade, helped in the creation of the globalized trade structures we see today. They have also helped prevent trade rows between nations from escalating into global trade wars.

Climate change is also expected to have a huge impact on world trade. This has been highlighted in the past two years when the COVID-19 pandemic radically reshaped the entire global trading network. Virus-mitigation lockdowns, labour shortages, slumping demand for some goods and rising demand for others all helped to tear up the trade map.

Summing up, we came to the following conclusion. The recent trends in world trade include:

- 1) globalization;
- 2) political manipulation;
- 3) climate change;
- 4) the creation of groupings.

#### **References**

1. *Knobel, A.* Trends in the development of world trade in recent decades and current challenges for its development / A. Knobel, N. Pyzhikov, T. Aliev // *J. of the New Econ. Assoc.* — Vol. 45 (1). — P. 174–182.