

# **TRADE FLOW RECONFIGURATIONS AT TIMES OF INTERNATIONAL VOLATILITY: GLOBAL VERSUS REGIONAL SOURCING**

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2023 ITC Roundtable “Inland transport connectivity and the 2030 Sustainable Development Agenda”

Geneva, February 24, 2023

# Times of international volatility



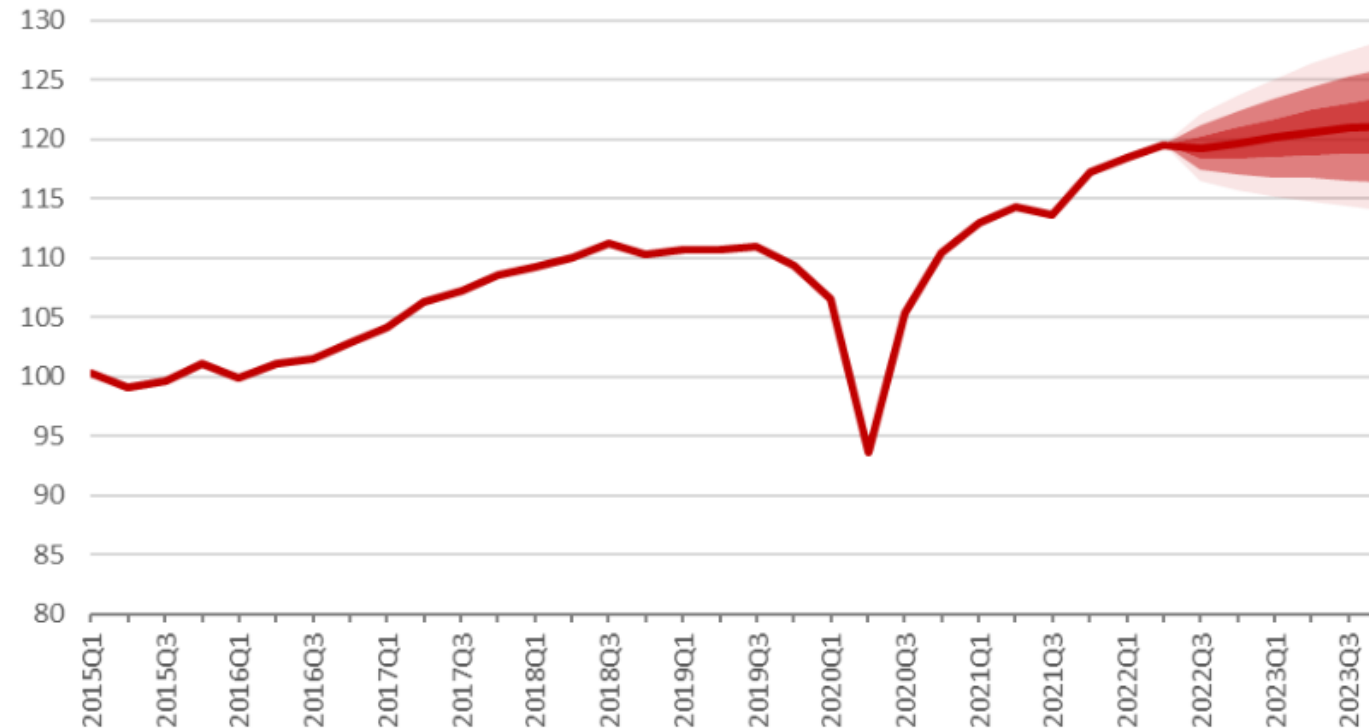
1. The US-China trade conflict and its spillovers
2. Covid-19
3. The war in Ukraine

# Trade Flow Reconfigurations

➤ Trade has been remarkably resilient throughout these polycrises.

Chart 1: Volume of world merchandise trade, 2015Q1-2023Q4

Seasonally-adjusted volume index, 2015=100

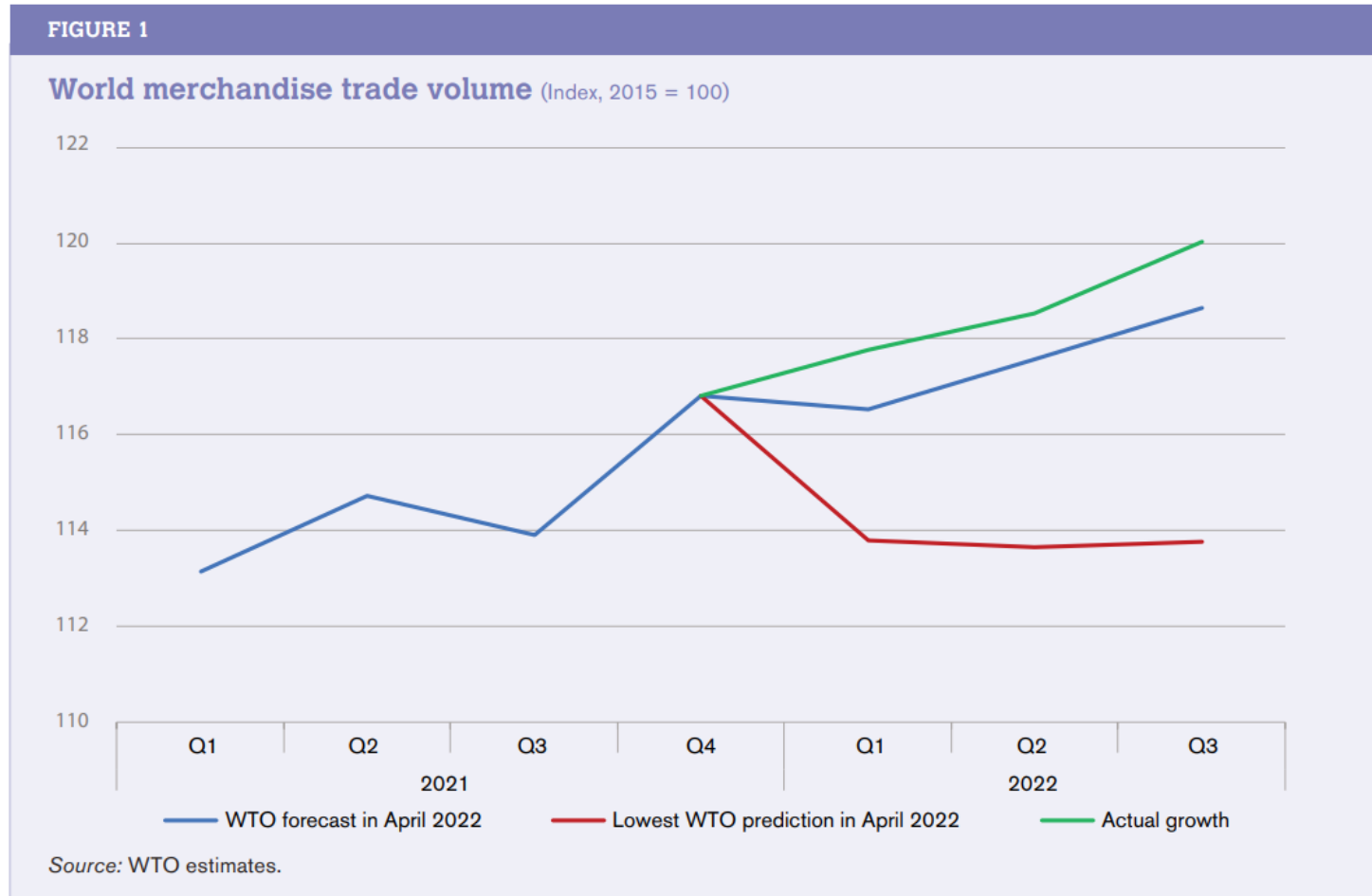


Note: Each shaded region represents a  $\pm 0.5$  standard error band around the central forecast.

Source: WTO and UNCTAD, WTO Secretariat estimates.

# Trade Flow Reconfigurations – Ukraine

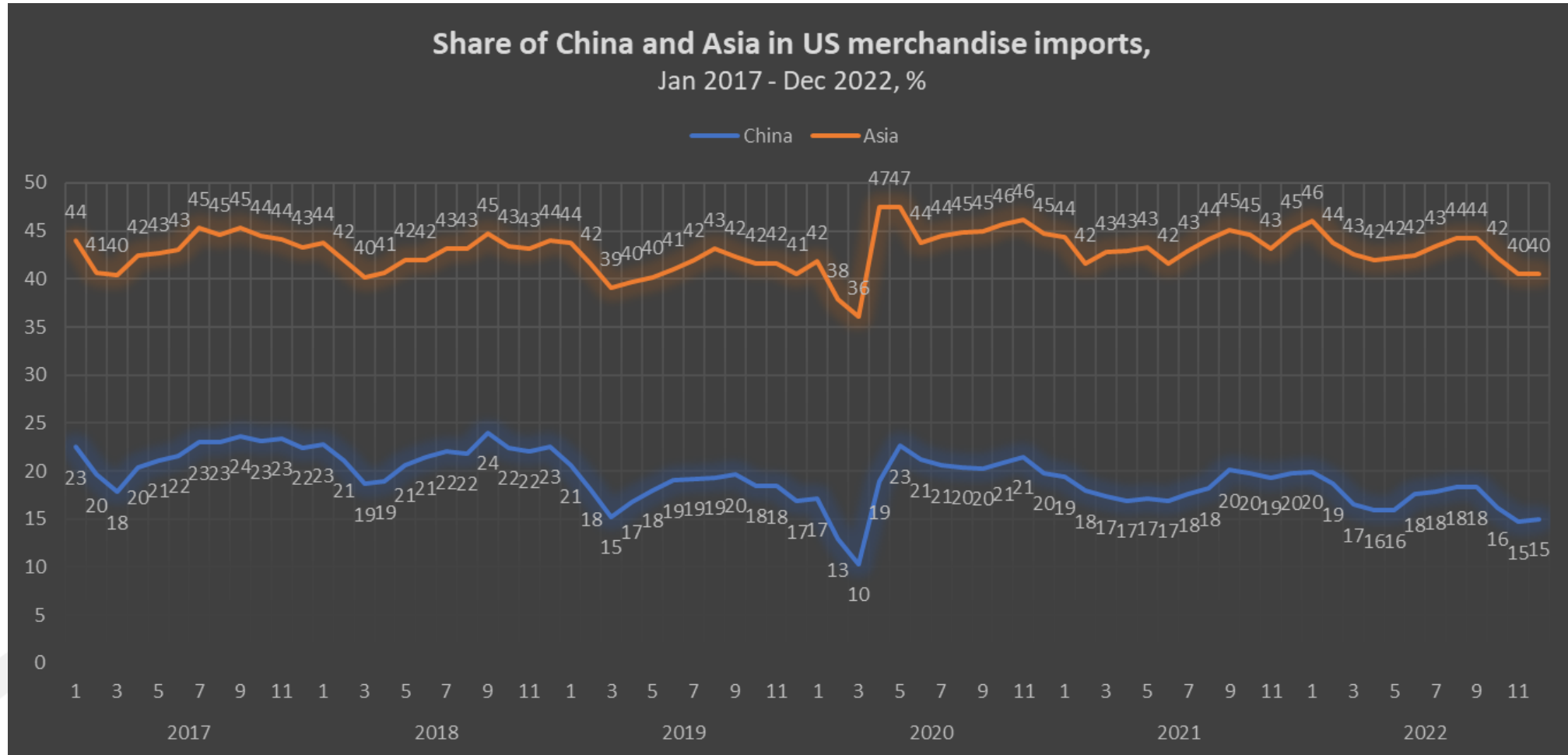
➤ In fact, trade has outperformed expectations.



# Trade Flow Reconfigurations – Trade Conflict



➤ No signs of decoupling yet.



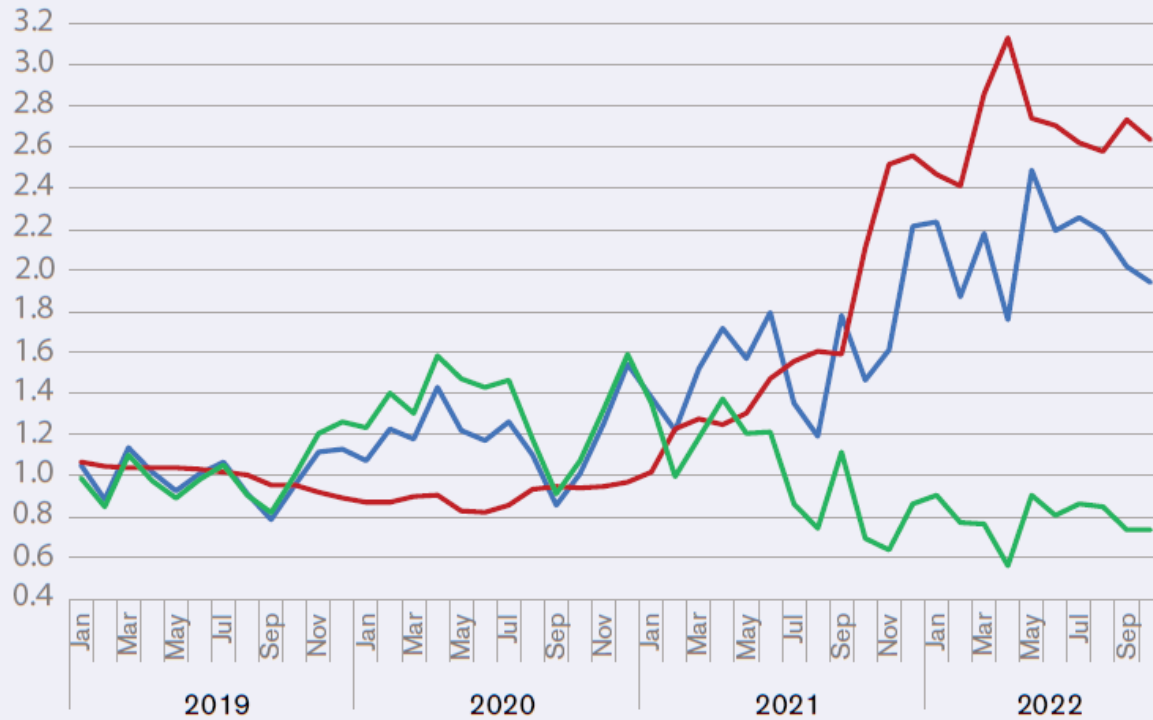
Source: WTO estimates

# Trade Flow Reconfigurations - Ukraine

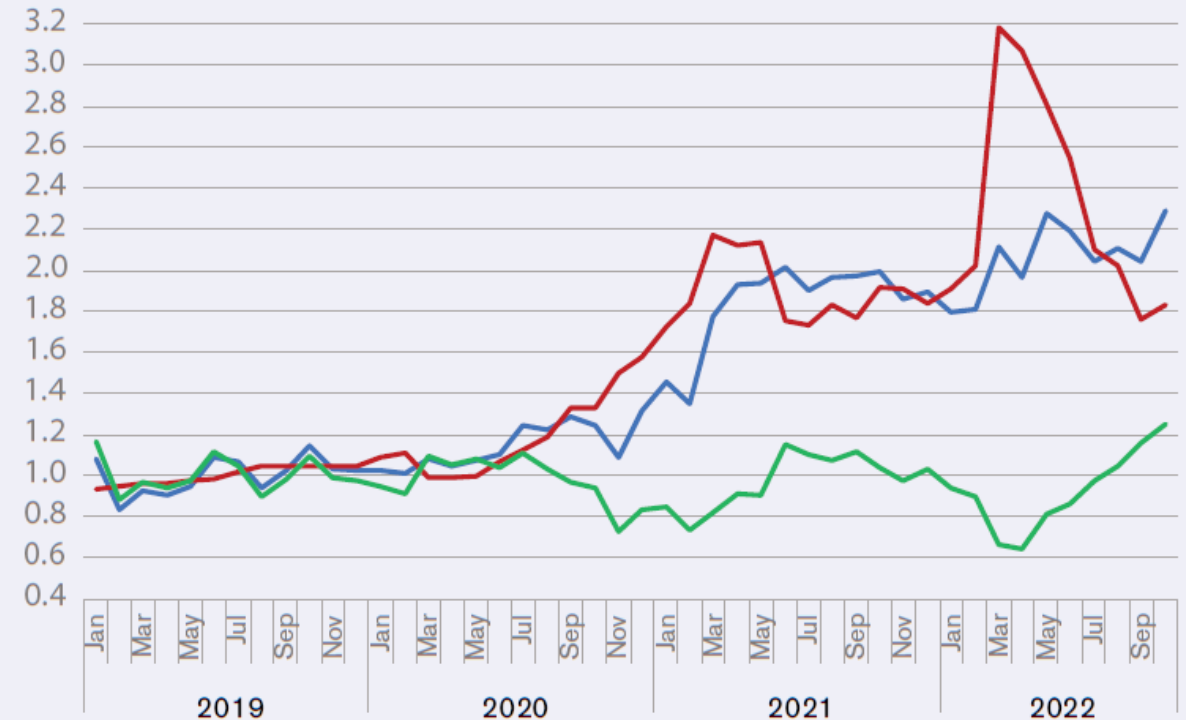


➤ An important aspect of this has been the flexibility of the system

### Sunflower oil

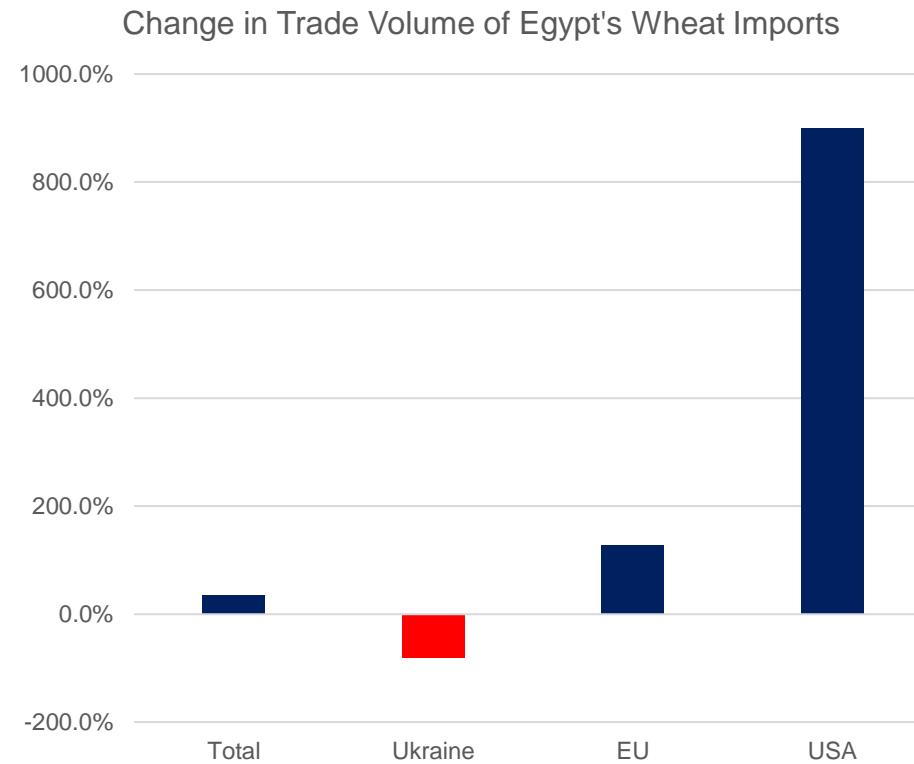
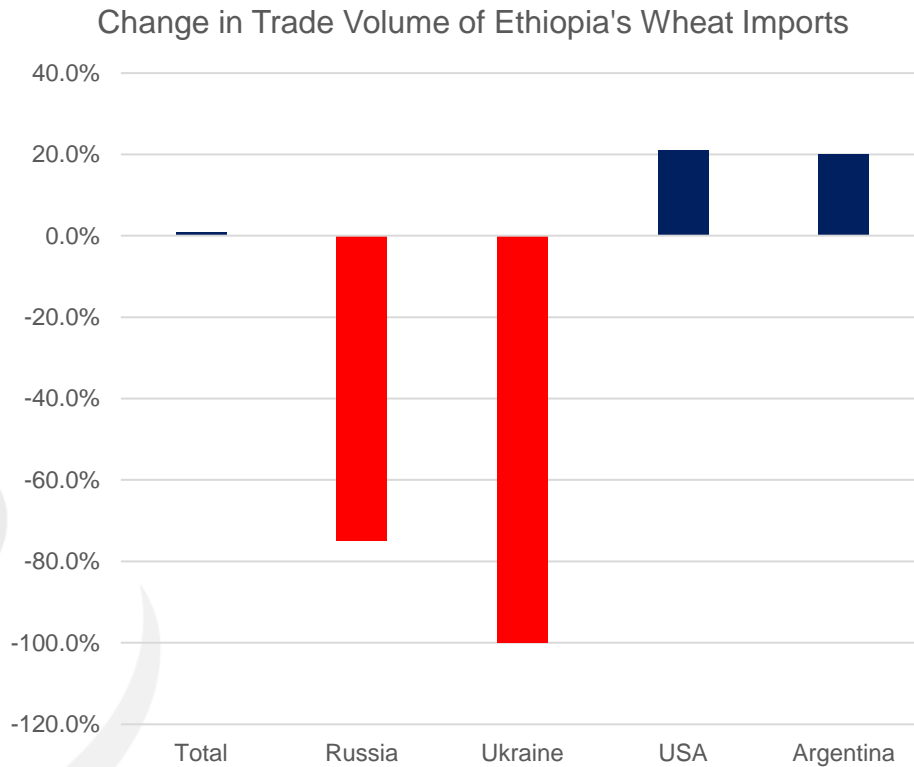


### Rapeseed oil



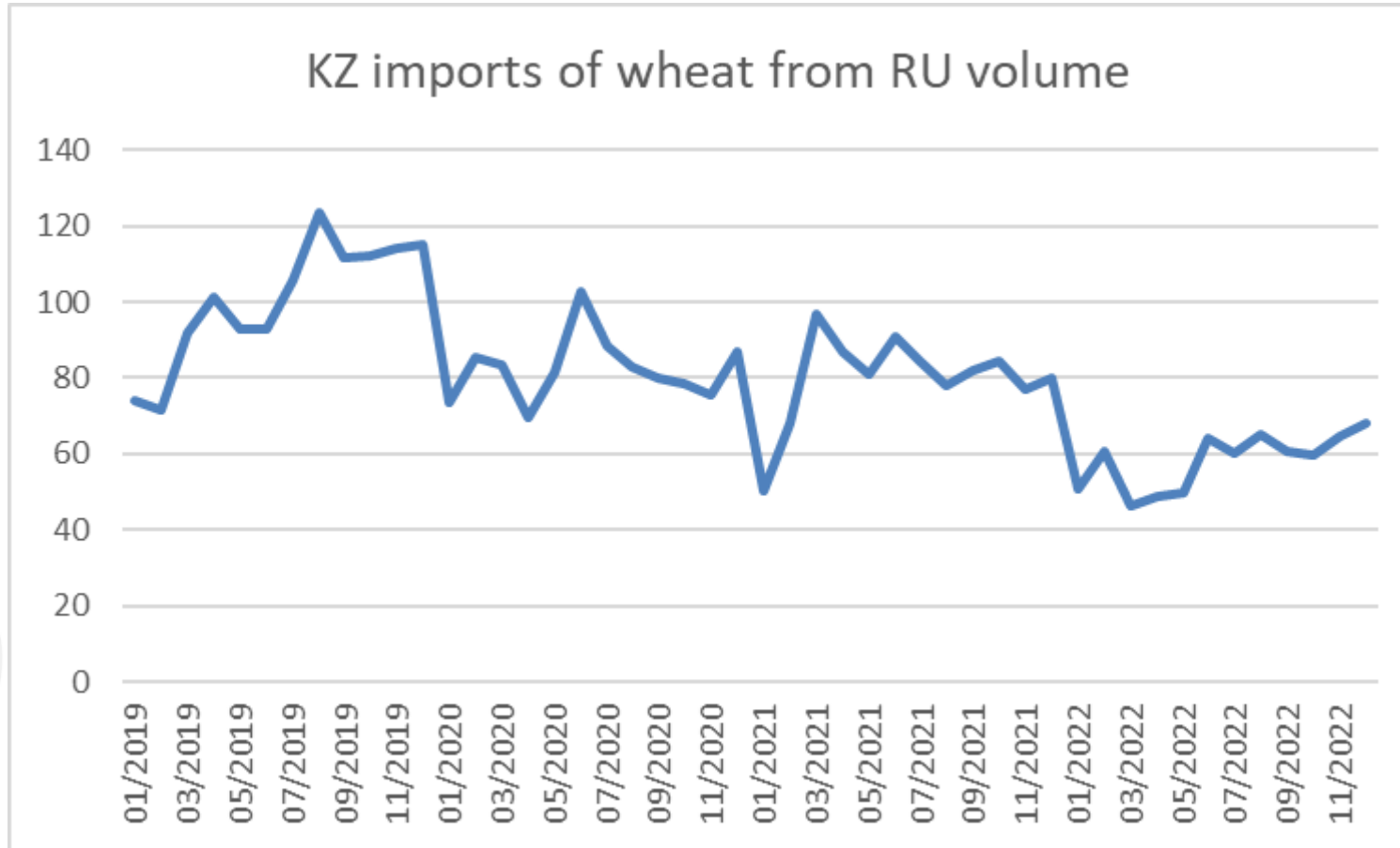
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# Key Takeaways



- The global trading system is remarkably resilient by allowing countries to flexibly adapt their sourcing patterns.
- This flexibility requires a truly multilateral approach as the examples of Egypt and Ethiopia show.
- A widespread push to reconsolidate trade would come at a high cost for all economies in terms of income and resilience.