WTO - Internal

Geopolitics and globalization

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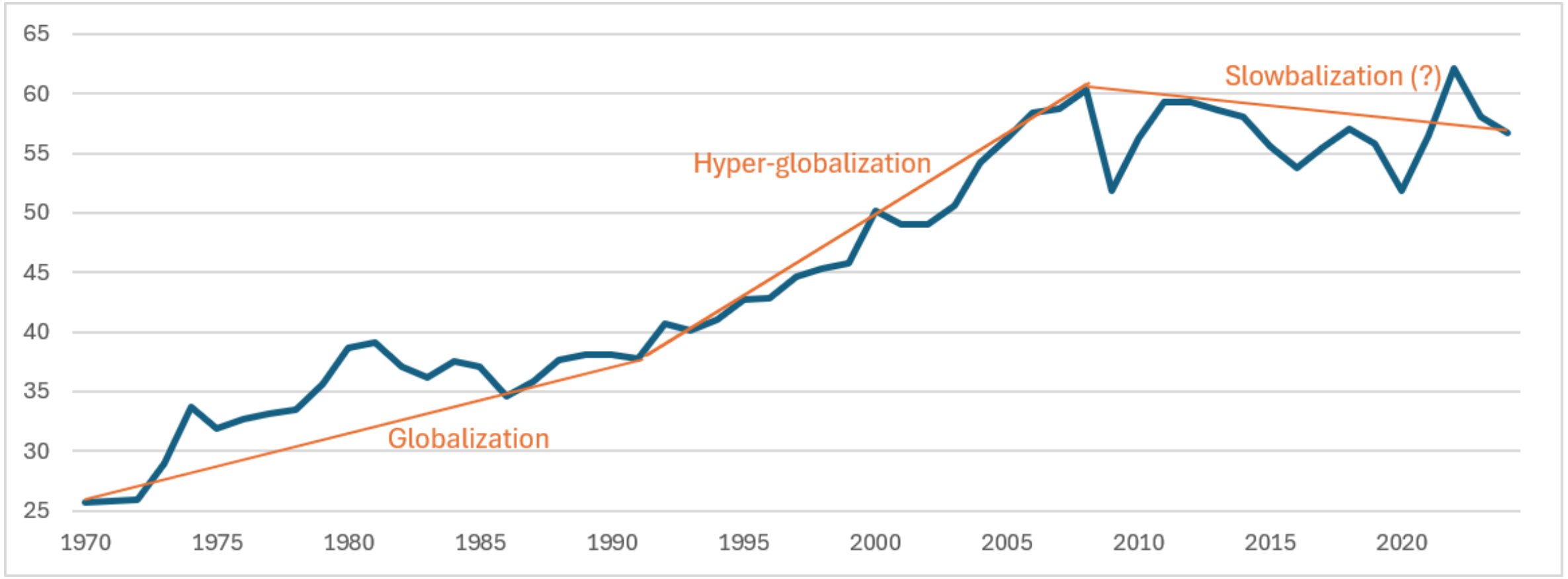
Geopolitica e finanza: le lezioni della storia, le sfide dell'oggi
Milano, Università Cattolica - 22 Ottobre 2026

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A long trend in Globalization

Is globalization slowing down?

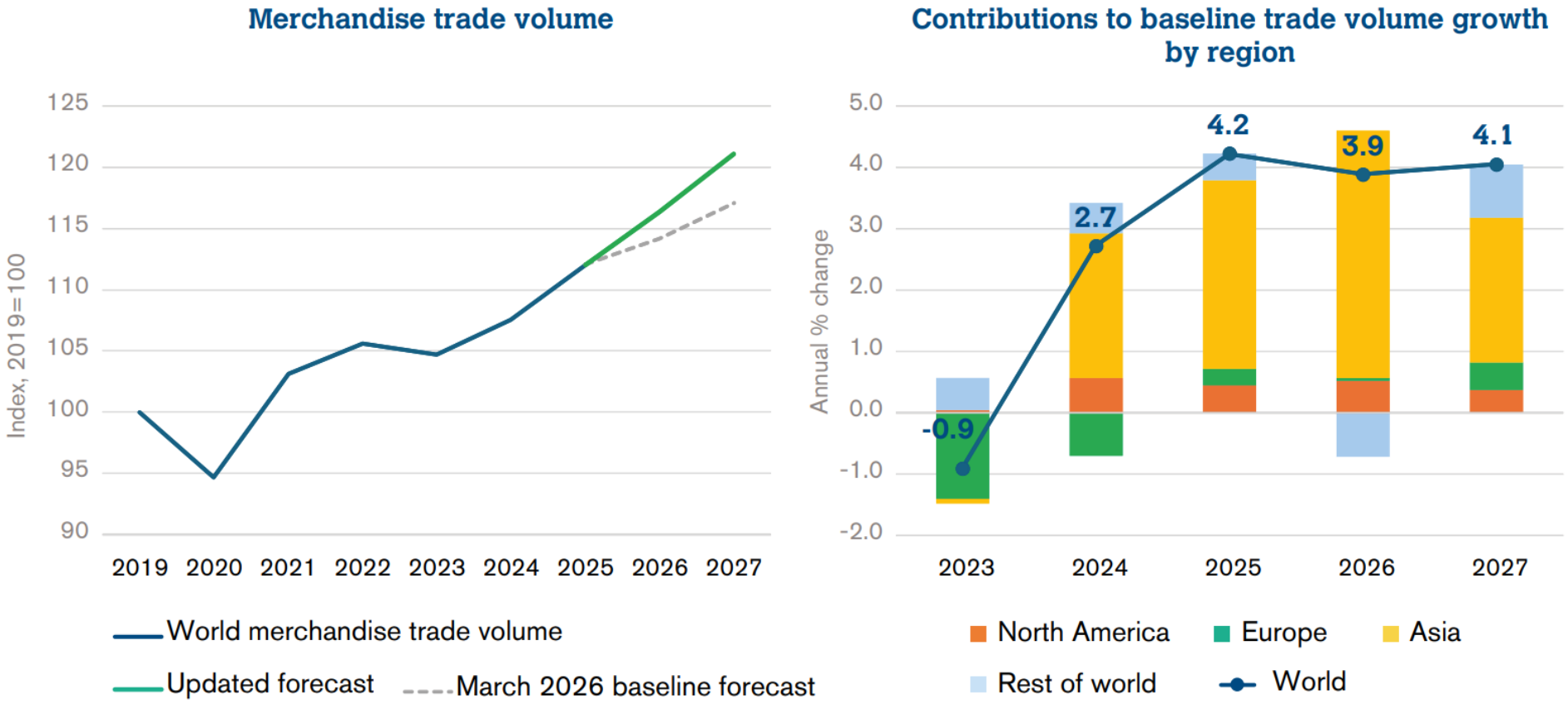
Trade to GDP ratio



Source: Own calculations, based on World Bank data.

World trade is holding up

2026 merchandise trade volume growth revised up to 3.9% (from 1.9% in March)



Note: Trade refers to average of exports and imports. Figures for 2026 and 2027 are projections.

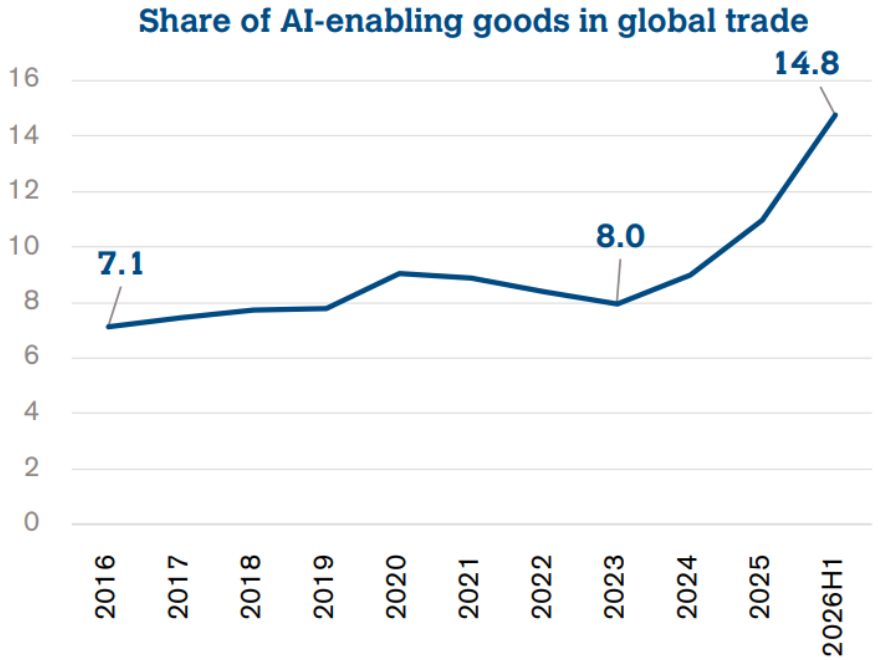
Source: WTO, Global Trade Outlook and Statistics, October 2026, Chart 1.

AI trade (and investments) drive the headline

AI-enabling goods are 14.8% of world trade and 47% of growth in H1 2026

Year-on-year % change in US$ values and percentage share





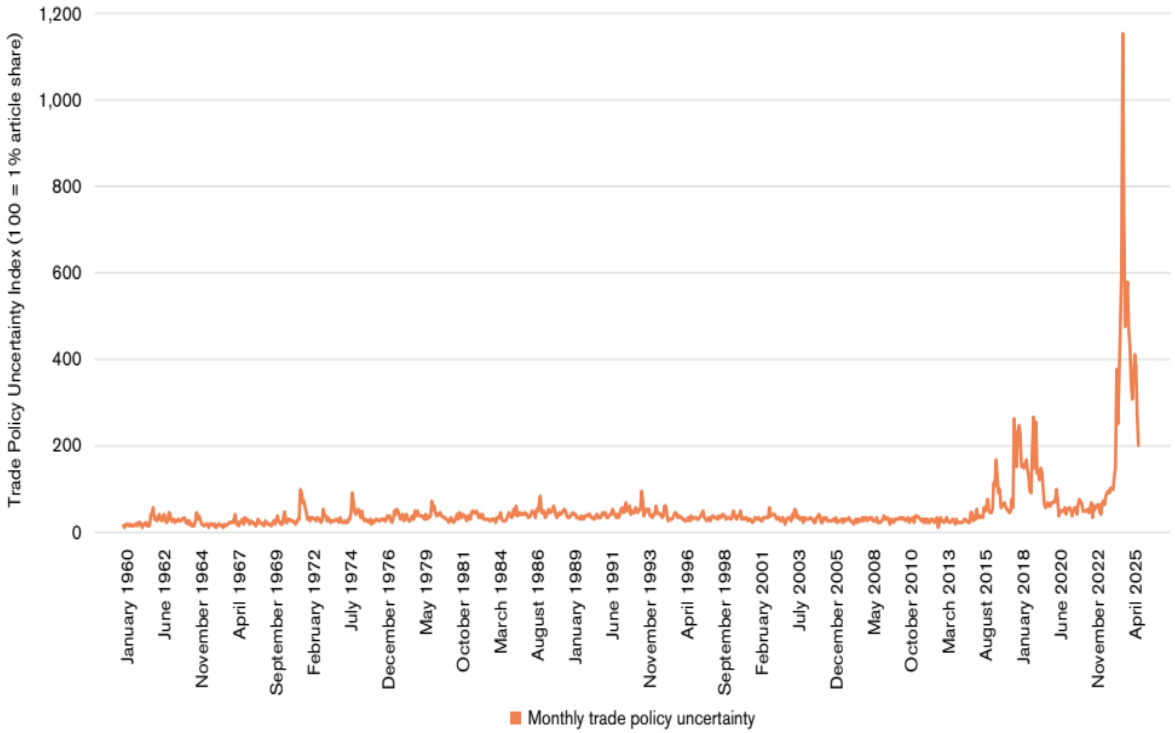
Note: Trade is an average of imports and exports. Estimates for AI-enabling goods trade are based on available reporters in the Trade Data Monitor. Data for Viet Nam and the Russian Federation are mirrored.

Source: WTO, Global Trade Outlook and Statistics, October 2026, Chart 22.

Policy uncertainty at record levels

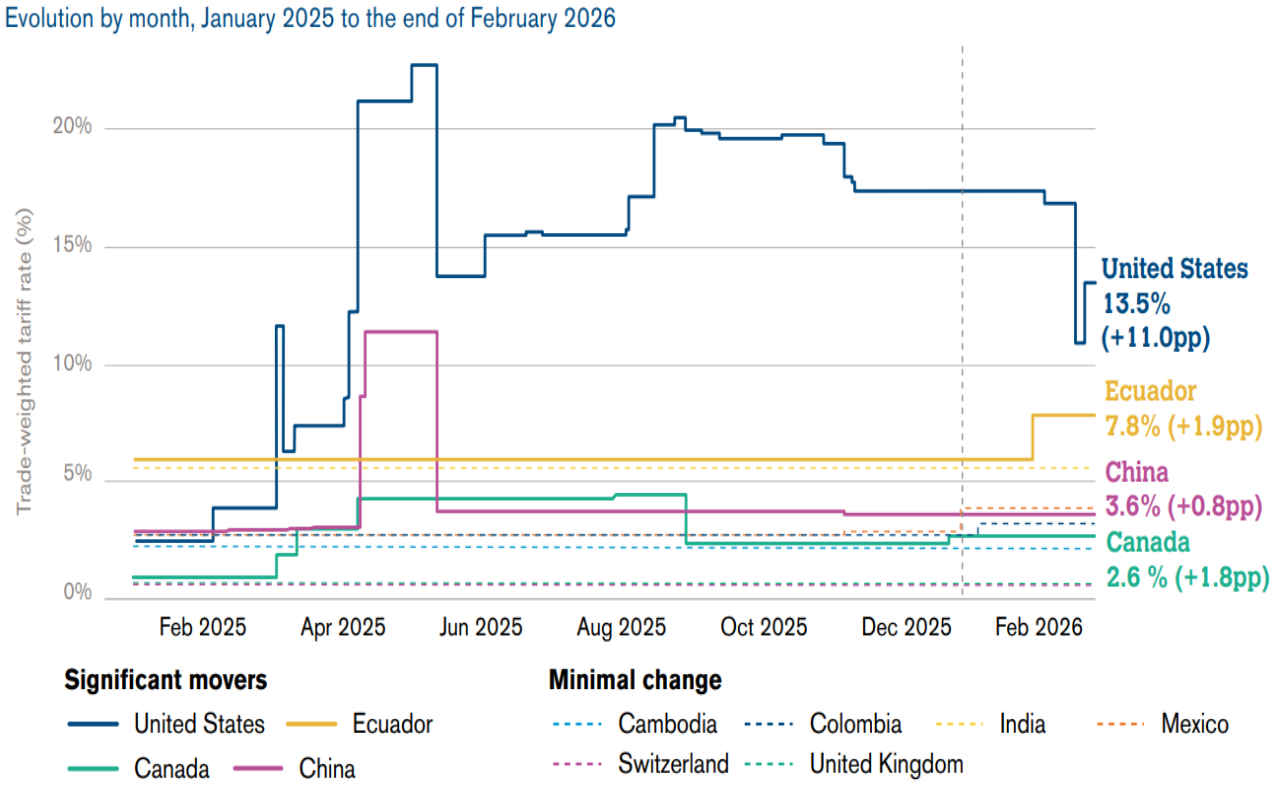
The uncertainty index hit an all-time high; tariff actions affect about 11% of world trade

Trade Policy Uncertainty Index



Source: WTO Secretariat calculations based on Trade Policy Uncertainty Index (https://www.policyuncertainty.com/).
Note: The Trade Policy Uncertainty Index tracks trade policy uncertainty back as far as 1900 using archives from a number of major newspapers in several economies. It measures the frequency of articles discussing trade policy uncertainty as a share of total news articles with the index normalized so that a 1 per cent article share equals 100. Displayed coverage is monthly, beginning in January 1960 and running through May 2026.

Trade-weighted tariffs, selected economies



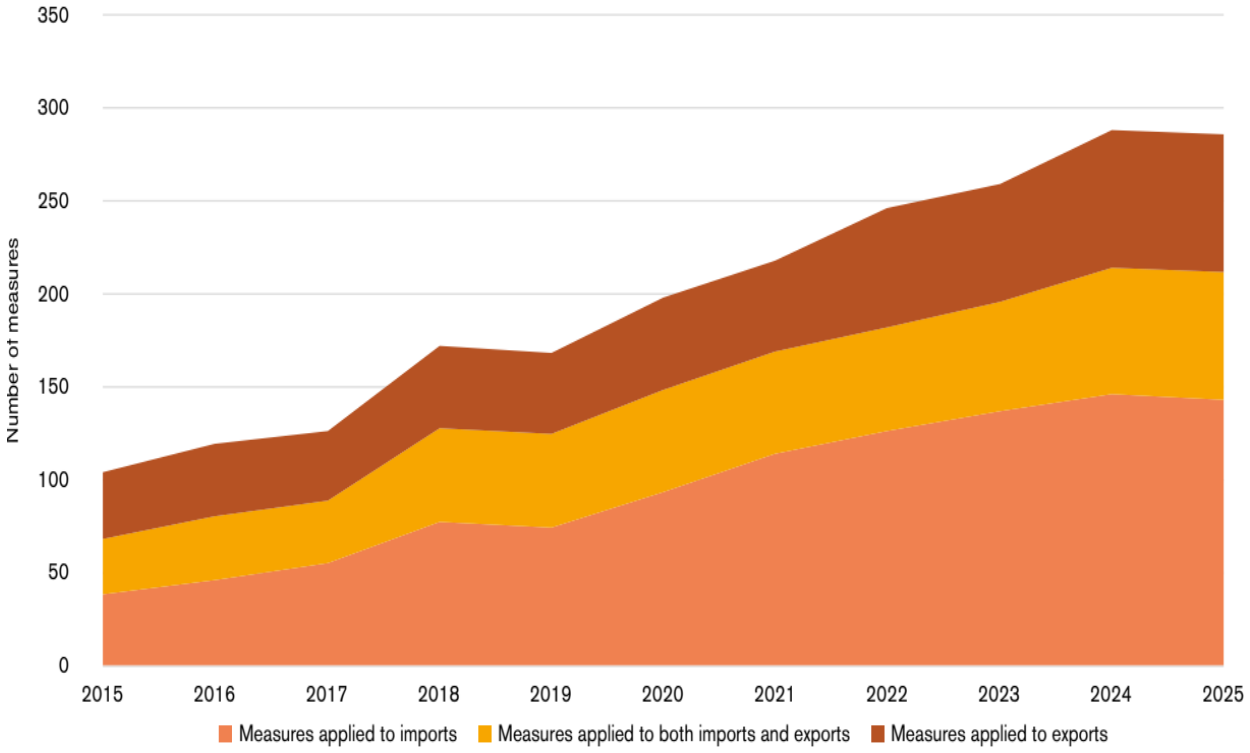
Source: WTO-IMF Tariff Tracker (https://ttd.wto.org/en/reports/tariff-actions), end-February 2026. Step chart reflects policy change dates. For a more detailed explanation on the data and methodology, see Brotto *et al.* (2026).

Sources: WTO, World Trade Report 2026, Figure A.1; WTO, Global Trade Outlook and Statistics, March 2026, Chart 20.

National security considerations have expanded in trade

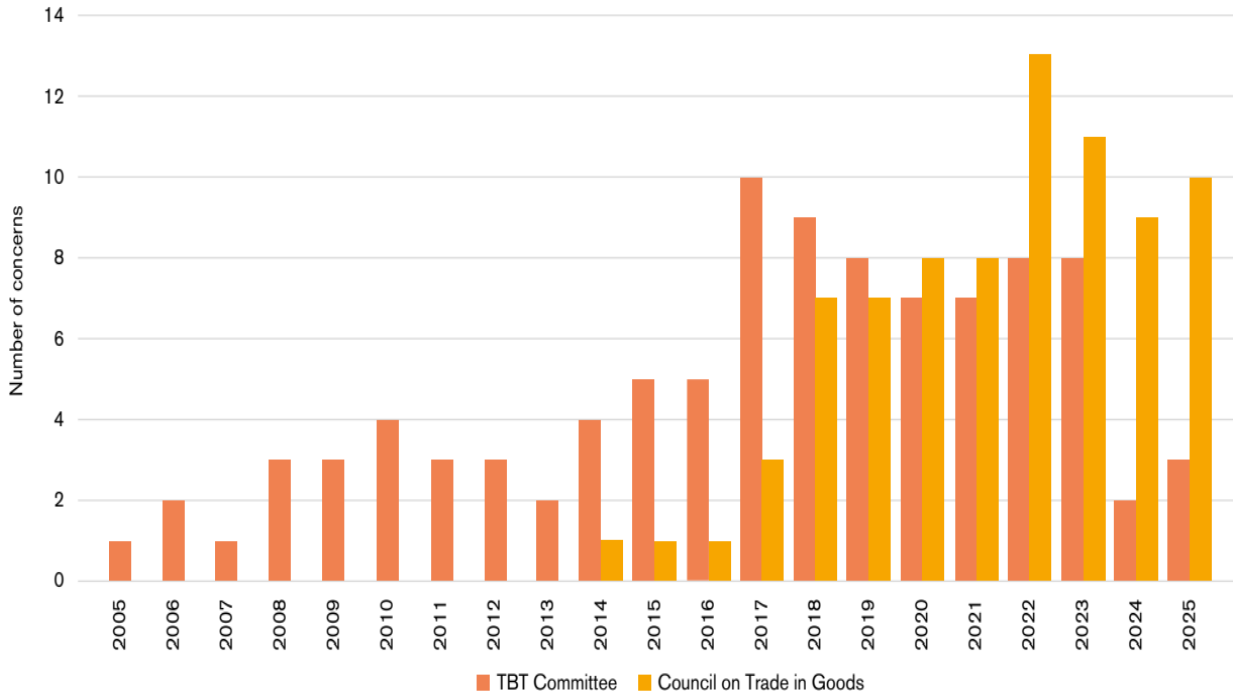
Security-related measures almost tripled over the decade, and security concerns are rising

Quantitative restrictions notified under the national security exception



Source: WTO Secretariat calculations based on WTO Quantitative Restrictions Notification Data Portal (https://qr.wto.org/en/notifications).
Note: This figure reports the number of quantitative restrictions in force notified to the WTO under GATT Article XXI.

Trade concerns raised on measures taken to protect national security

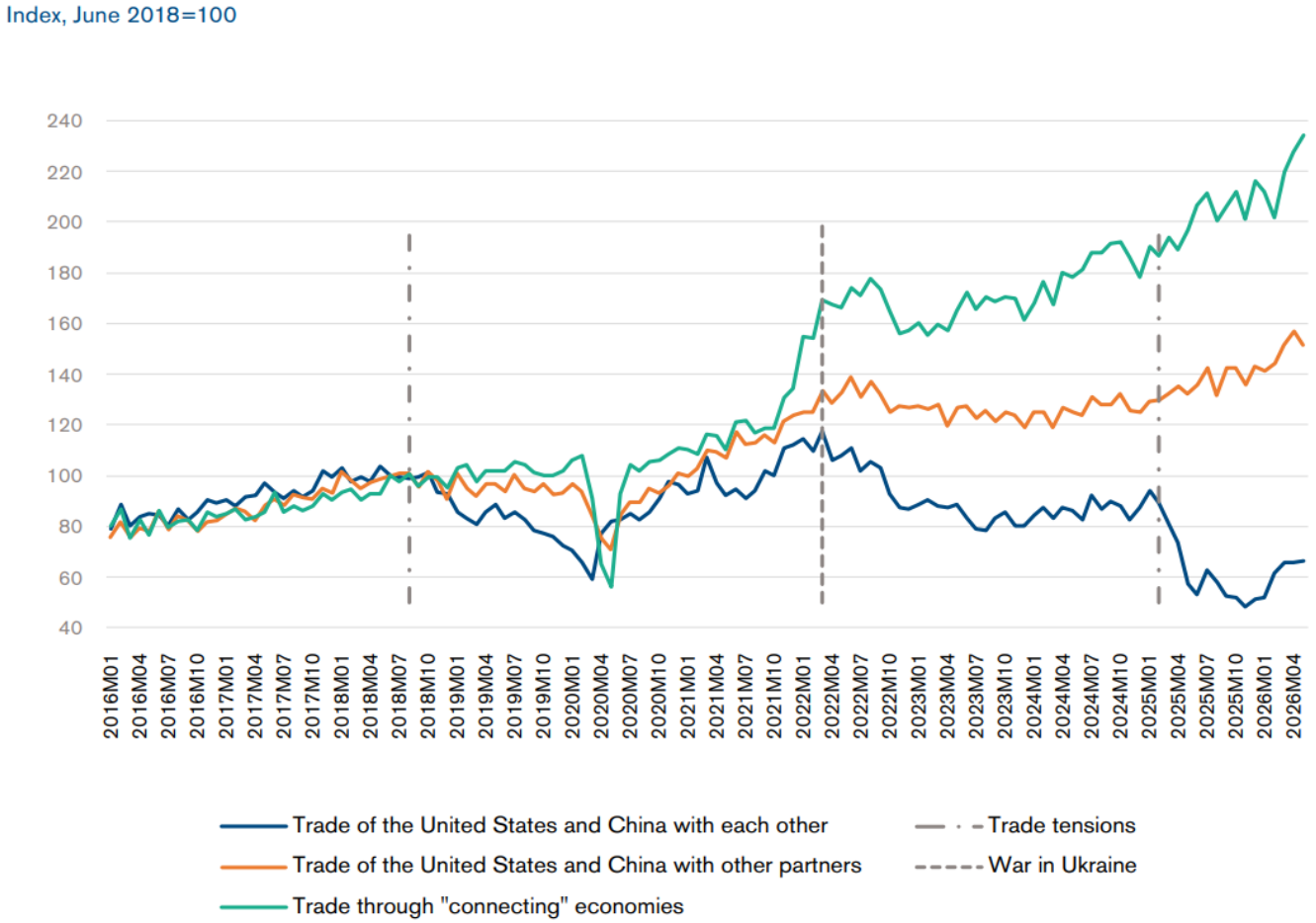


Source: WTO Secretariat calculations based on WTO Trade Concerns Data Portal and analysis from Santana and Dobhal (2024) updated to the most recent years.
Note: The figure shows the number of concerns raised in the TBT Committee on measures motivated by national security requirements and the number of concerns raised in the Council on Trade in Goods on measures related to national security or geopolitical issues.

Source: WTO, World Trade Report 2026, Figures C.13 and C.14.

US-China decoupling

Direct US-China trade keeps shrinking while trade through “connecting” economies grows



–29%

US imports from China, in 2025

13.8% → 9.3%

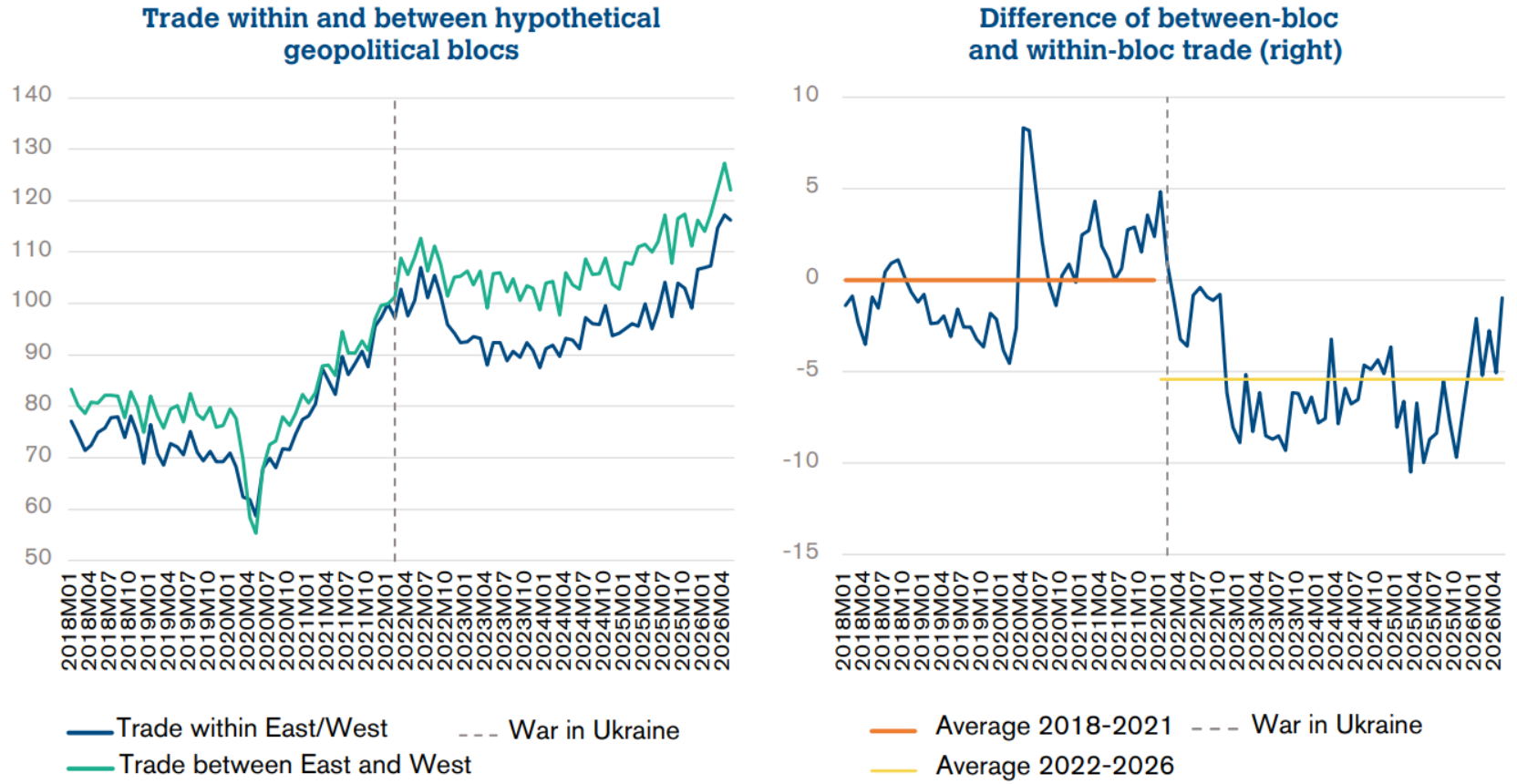
China’s share of US imports was over 20% before 2018. It is now at the same level as prior to China’s accession to the WTO.

Note: Seasonally adjusted series. The Russian Federation, Belarus, and Ukraine are excluded. Series indexed at 100 in June 2018.

Source: WTO, Global Trade Outlook and Statistics, October 2026, Chart 16.

Fragmentation along geopolitical lines

Between-bloc trade lags within-bloc trade since 2022, but the gap is no longer widening

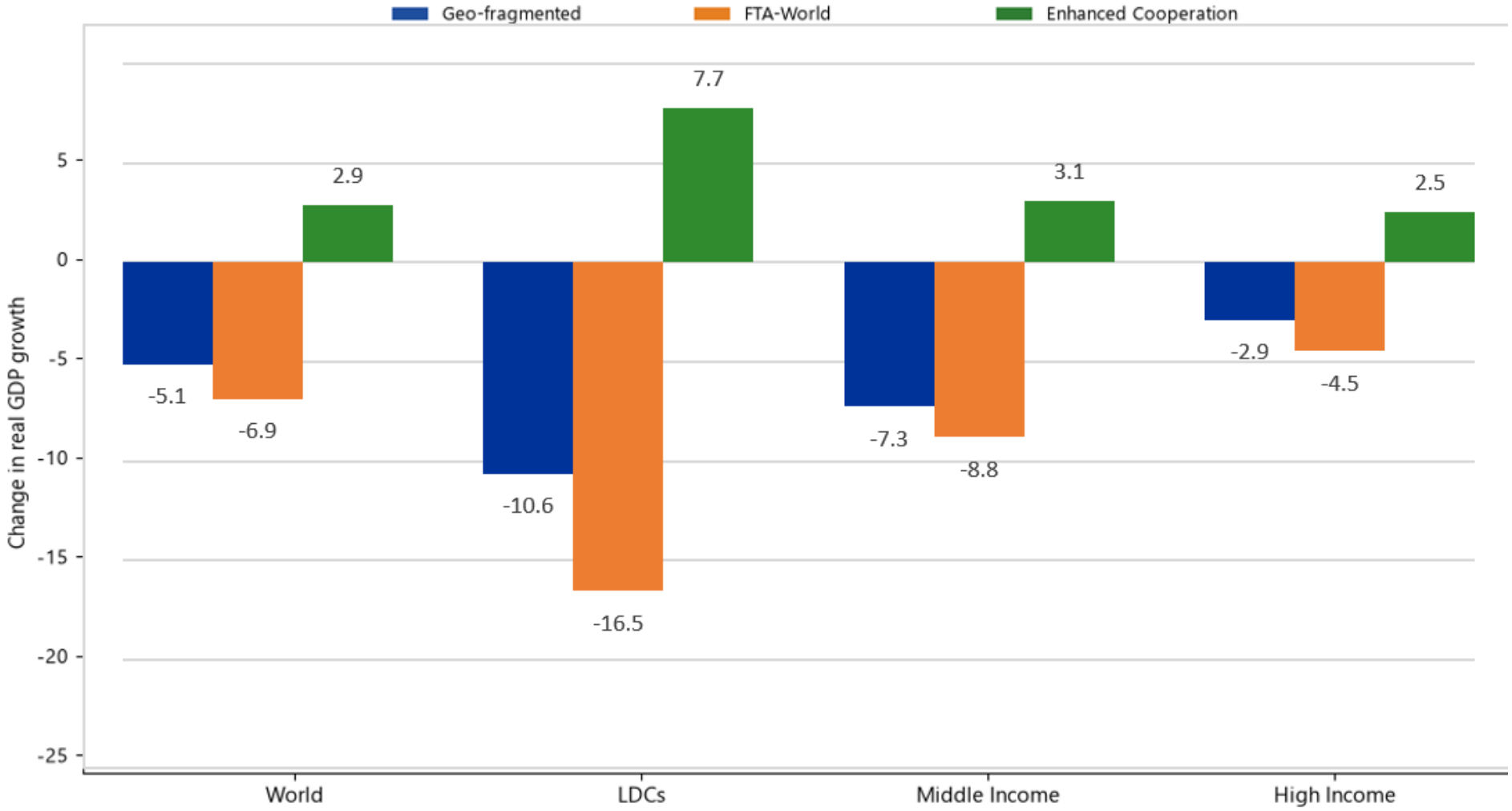


Notes: Seasonally adjusted series. The Russian Federation, Belarus and Ukraine are excluded. Left-hand series indexed at 100 in January 2022. Right-hand series indexed at 0 in January 2022.

Source: WTO, Global Trade Outlook and Statistics, October 2026, Chart 15 (based on Blanga-Gubbay and Rubínová, 2024).

Fragmentation is costly, especially for LDCs

WTO simulations show that eroding cooperation could cut global GDP by 5-7% by 2050



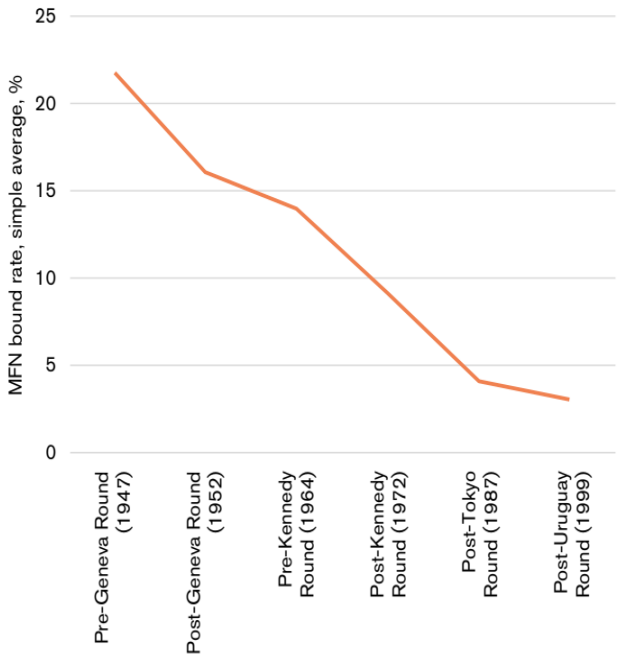
Source: WTO, World Trade Report 2026, Figure B.19.

What has the GATT/WTO delivered?

WTO members have cut tariffs sharply and exported more

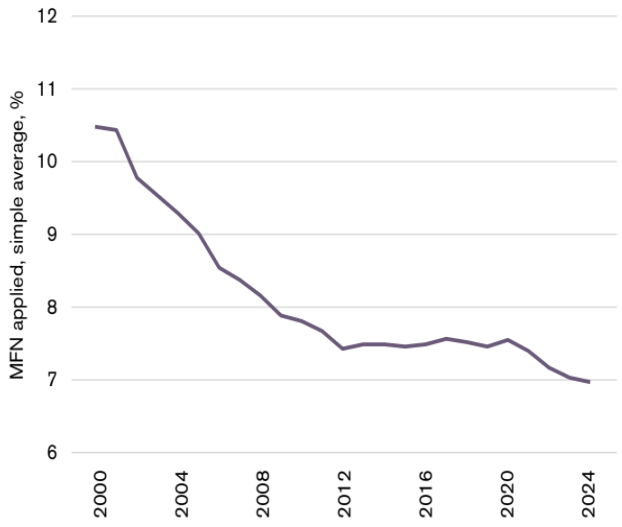
Average tariffs: GATT rounds and WTO accessions

B.1a: GATT rounds and reduced tariffs



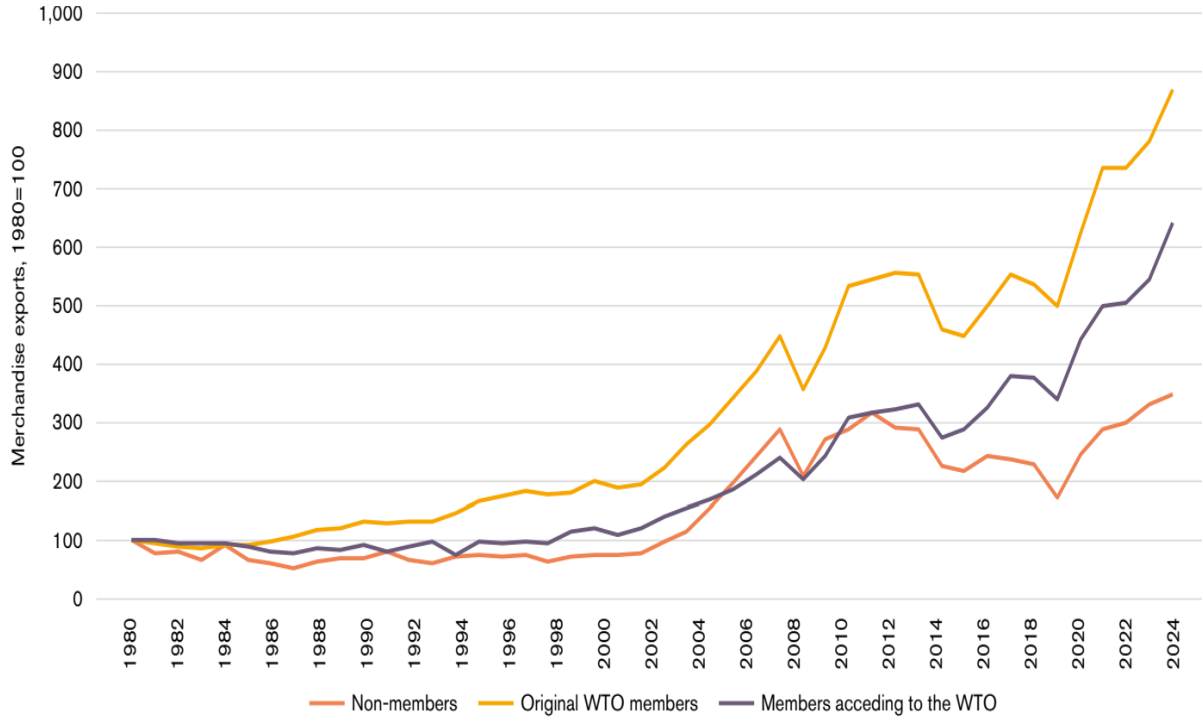
Source: Bown and Irwin (2017) based on WTO (2007).
Note: Trade-weighted average for the European Community or European Union, Japan, United Kingdom and United States.

B.1b: WTO accessions and reduced tariffs



Source: WTO Secretariat calculations.
Note: Average across 22 WTO members that acceded under Article XII of the Marrakesh Agreement with sufficient data coverage. Missing years filled with data from closest year.

Merchandise exports, 1980 = 100

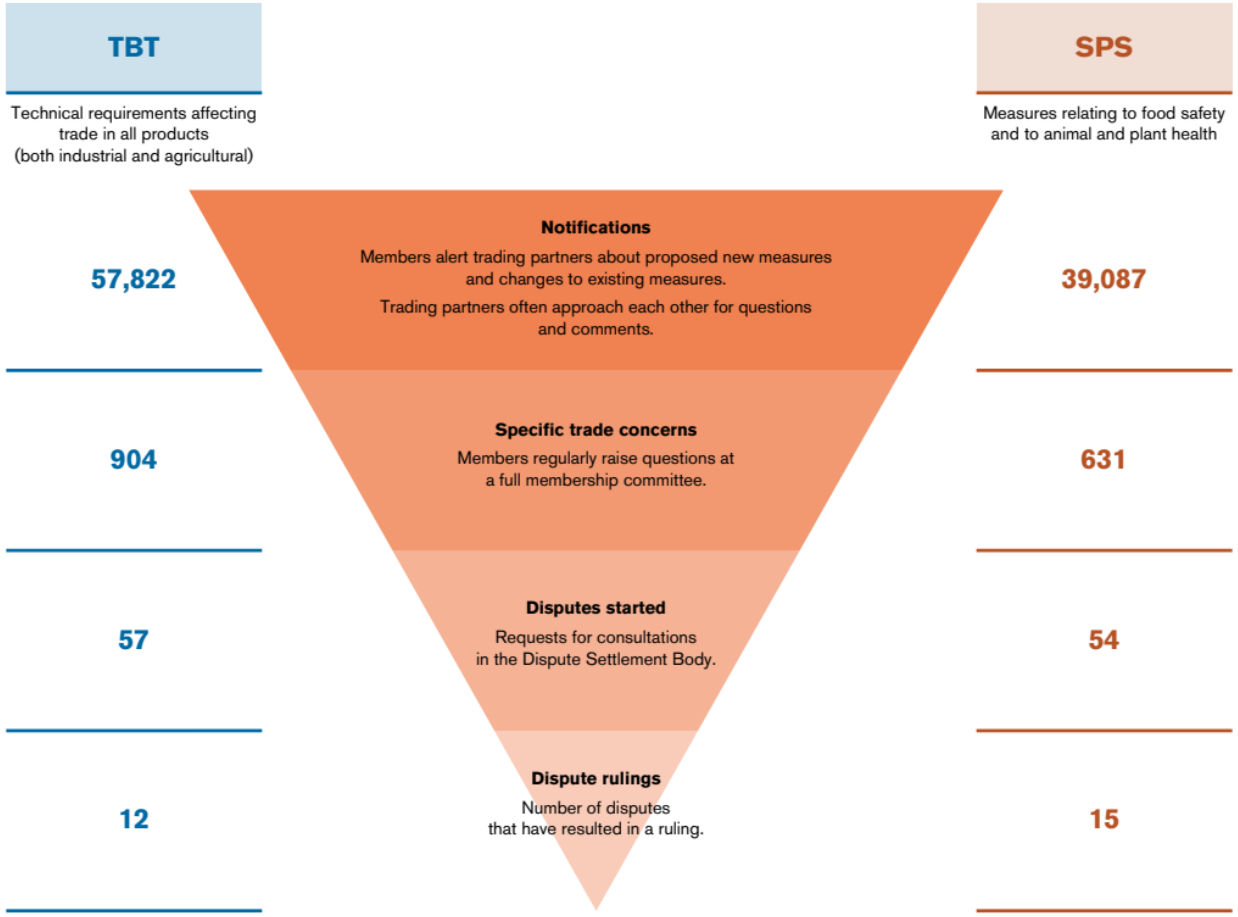


Source: WTO Secretariat calculations, based on data available at stats.wto.org (Series: Merchandise export value fixed-base indices – annual (2015=100)).
Note: Data for 148 economies for which sufficient observations available: eight non-members, 117 original WTO members, 23 members that acceded to the WTO from 1995. Data re-indexed to 1980.

Source: WTO, World Trade Report 2026, Figures B.1 and B.2.

Transparency helps address concerns before they escalate

WTO bodies provide a channel through which trade concerns are clarified, de-escalated, and resolved



Source: WTO Secretariat.
Note: Data are from 1995 to 31 March 2026. All types of notifications are included. The same measure may be associated with more than one notification.

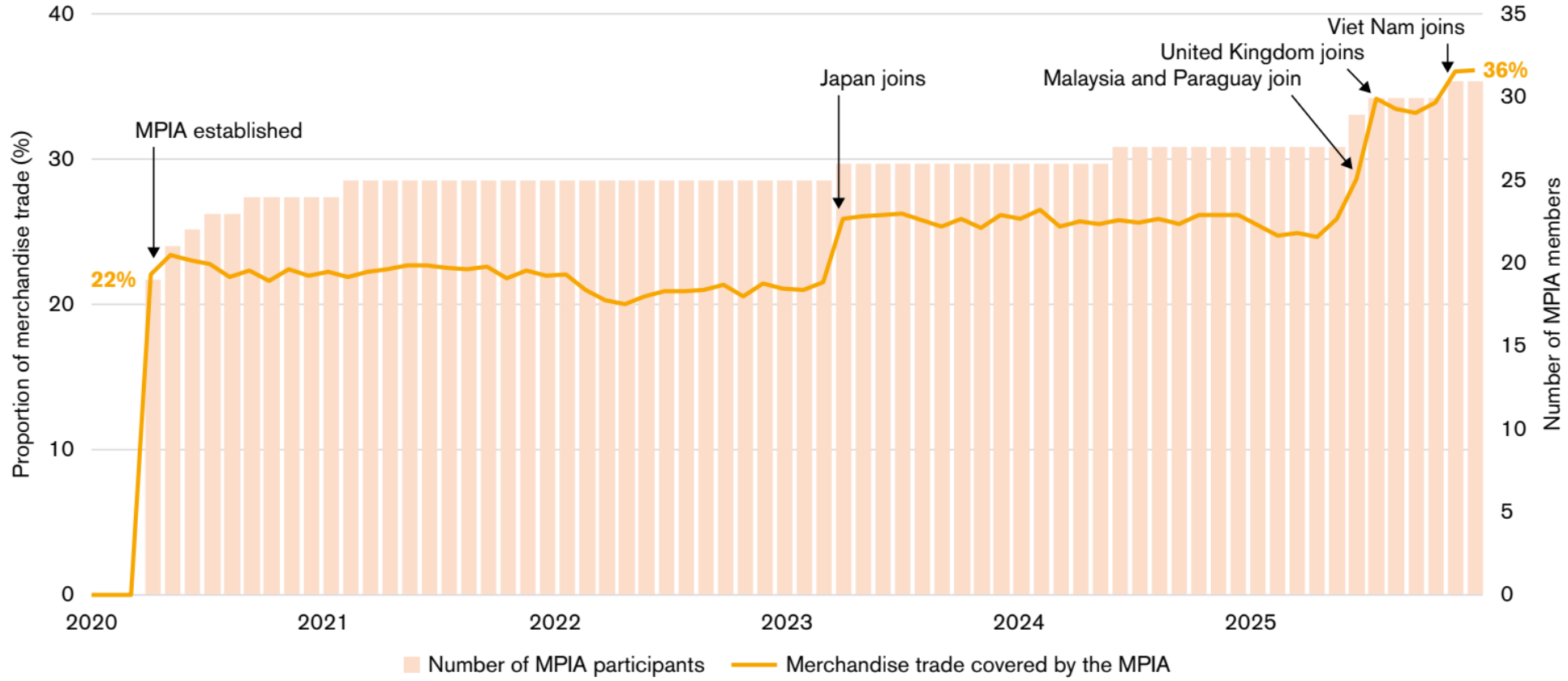
Only **6%** of more than 900 concerns raised in the TBT Committee have resulted in consultations in dispute settlement proceedings,

And only **1%** have resulted in a final dispute ruling

Source: WTO, World Trade Report 2026, Figure B.17.

Settling disputes remains an important part of the picture

Members have pursued a variety of creative approaches to navigate the Appellate Body's inactive status



Source: WTO Secretariat calculations.
Note: Bilateral trade among MPIA members as a share of total merchandise trade among WTO members, based on imports data from the Trade Data Monitor (January 2026). EU and its members are counted as one.

Source: WTO, World Trade Report 2026, Figure B.18.

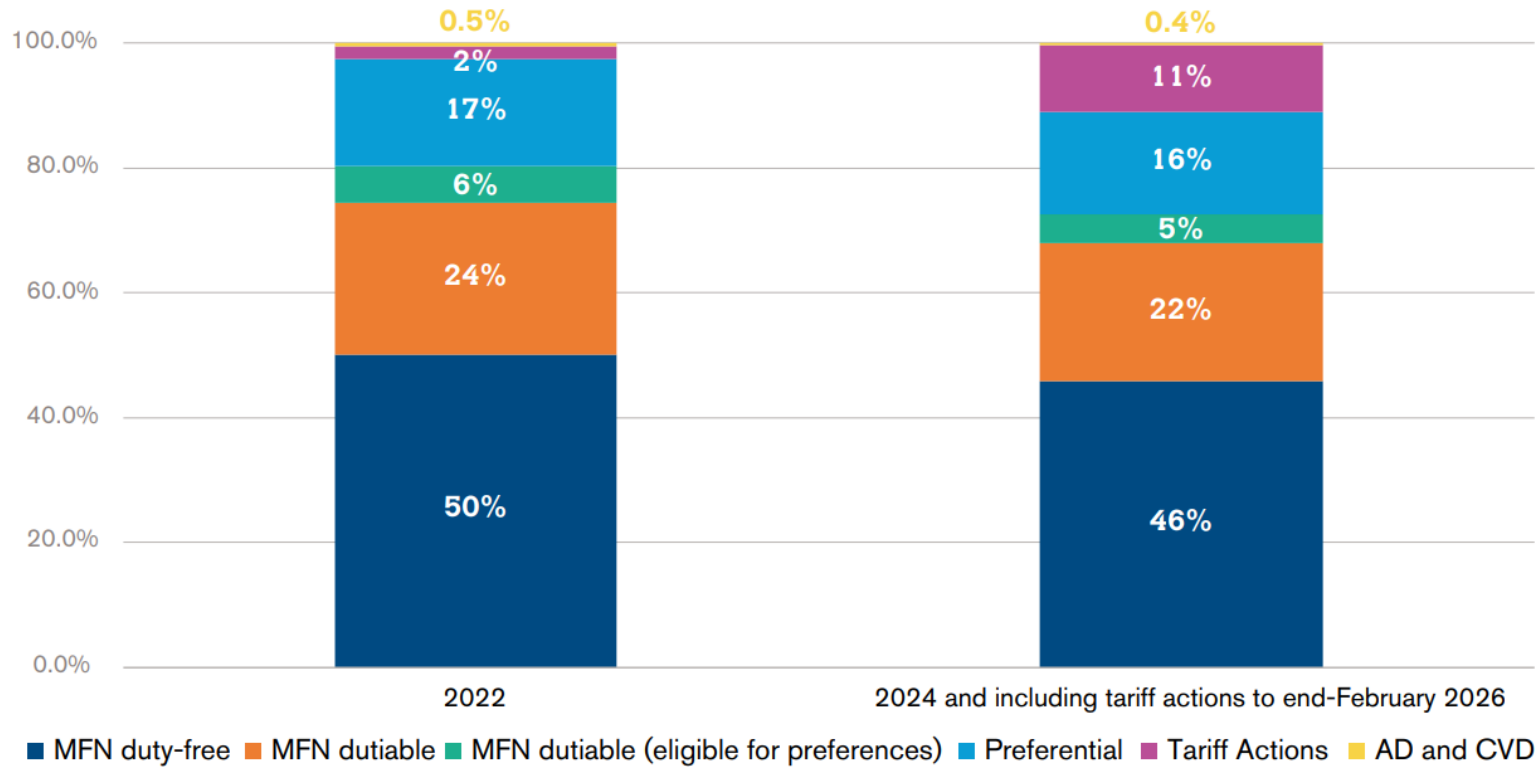
Most trade still happens on MFN terms

72%

of world merchandise trade takes place on WTO MFN terms (down from around 80% in 2022)

An additional **16%** happens under preferential arrangements notified to the WTO and governed by its rules (GATT Article XXIV, Enabling Clause).

Percentage shares, 2022 and 2024 (including tariff actions until end-February 2026)*



Source: WTO Integrated Database, WTO Analytical Database, WTO-IMF Tariff Tracker. For a detailed explanation of methodology, see Gonciarz and Verbeet (2025).

* Data for 2024 refers to MFN and preferential tariffs for 2024, and tariff actions until end-February 2026, based on total annual import values of 2024, excluding EU intra trade. Percentages have been rounded and hence may not add up to 100%.

Source: WTO, Global Trade Outlook and Statistics, March 2026, Chart 21.

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Thank you!

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