

WTO 2026 Trade Growth Forecast to Almost Half from Project 4.6%, Outlook Now 1.9%; High Energy Prices Could Reduce Growth Further to 1.4%

World trade is set to slow in 2026 following stronger than expected growth in 2025 on the back of surging trade in AI-enabling products. WTO economists warn that the ongoing conflict in the Middle East could further reduce trade growth if energy prices remain elevated, noting that it would also put pressure on food supplies and services trade due to travel and transport disruptions. Prospects could still improve if the conflict ends quickly and the boom in AI spending continues.

Baseline Forecasts

- **Merchandise trade growth:** Slows to **1.9% in 2026** (from 4.6% in 2025).
- **Services trade growth:** Moderates to **4.8% in 2026**, then rebounds to **5.1% in 2027**.
- **Combined goods & services trade:** Growth of **2.7% in 2026** vs. **4.7% in 2025**.
- **Global GDP:** Slight moderation to **2.8% in 2026–2027** (from 2.9% in 2025).

Downside Risks – Middle East Conflict

- **High energy price scenario:**
 - GDP shaved by **0.3 percentage points** in 2026.
 - Merchandise trade growth cut to **1.4%** (vs. 1.9% baseline).
 - Services trade growth slows to **4.1%**.
- **Supply chain disruptions:**
 - **Strait of Hormuz blockade** hits fertilizer flows ($\frac{1}{3}$ of global exports).
 - Import dependency: India (40% urea), Thailand (70%), Brazil (35%).
 - Gulf states face food security risks: 75% rice import dependency; >90% for corn, soybeans, vegetable oil.

Upside Potential – AI Trade Boom

- **AI-enabling goods** surged **21.9% YoY in 2025**, reaching **US\$ 4.18 trillion**.
- Accounted for **42% of global trade growth** despite being only $\frac{1}{6}$ of total trade.
- If AI spending remains strong:
 - Merchandise trade growth could rise by **+0.5 percentage points** → **2.4% in 2026** and **2.7% in 2027**.

- *Mixed scenario possible: high energy prices + AI boom → trade growth tracks closer to baseline.*

Regional Outlook (2026, baseline)

- **Fastest import growth:** Asia (3.3%), Africa (3.2%), South America (2.5%).
- **Weakest import growth:** Middle East (1.0%), North America (0.3%), CIS (-2.0%).
- **Export growth leaders:** Asia (3.5%), South America (3.5%).
- **Lagging exports:** Middle East (0.6%), Europe (0.5%).
- **Least-developed countries:** Imports +4.5%, exports +2.9%.

WTO DG Ngozi Okonjo-Iweala

- Highlighted resilience from **high-tech trade, digitally delivered services, and supply chain adaptations**.
- Warned that **sustained energy price increases** could spill over into food security and consumer costs.
- Urged members to **maintain predictable trade policies and strengthen supply chain resilience**.

[<Global Trade Outlook and Statistics>](#)

[ABS News Service/20.03.2026]

The latest "Global Trade Outlook and Statistics" released on 19 March provides a baseline growth scenario excluding energy price shocks, forecasting that global merchandise trade growth would slow to 1.9% in 2026 from 4.6% in 2025 as trade is expected to normalize following a surge in AI-related products and the frontloading of imports to avoid new tariffs. World merchandise trade volume is then projected to grow by 2.6% in 2027. Commercial services trade growth will ease to 4.8% in 2026 after this year's 5.3% rise, then accelerate again to 5.1% in 2027. Together, goods and services trade will grow 2.7% in 2026 compared with 4.7% in 2025. Global GDP growth is projected to moderate slightly from 2.9% in 2025 to 2.8% in both 2026 and 2027.

However, a scenario where both crude oil and liquefied natural gas (LNG) prices remain elevated throughout 2026 would shave 0.3 percentage points off the GDP forecast for 2026; this would in turn slash 0.5 percentage points off the trade forecast for this year and up to 1.0 percentage point for regions dependent on energy imports. This would mean merchandise trade volumes would grow by just 1.4% in the high energy price scenario. Services trade would also grow at a slower rate of 4.1% in 2026.

WTO Director-General Ngozi Okonjo-Iweala said: "The outlook reflects the resilience of global trade, buoyed by trade in high technology products and digitally delivered services, adaptations in supply chains and the avoidance of tit-for-tat retaliation on tariffs. However, this baseline forecast is under pressure from the conflict in the Middle East. Sustained increases in energy prices could increase risks for global trade, with potential spillovers for food security and cost pressures on consumers and businesses. Nevertheless, WTO members can help cushion the impact and ease the economic burden on people worldwide by maintaining predictable trade policies and strengthening supply chain resilience."

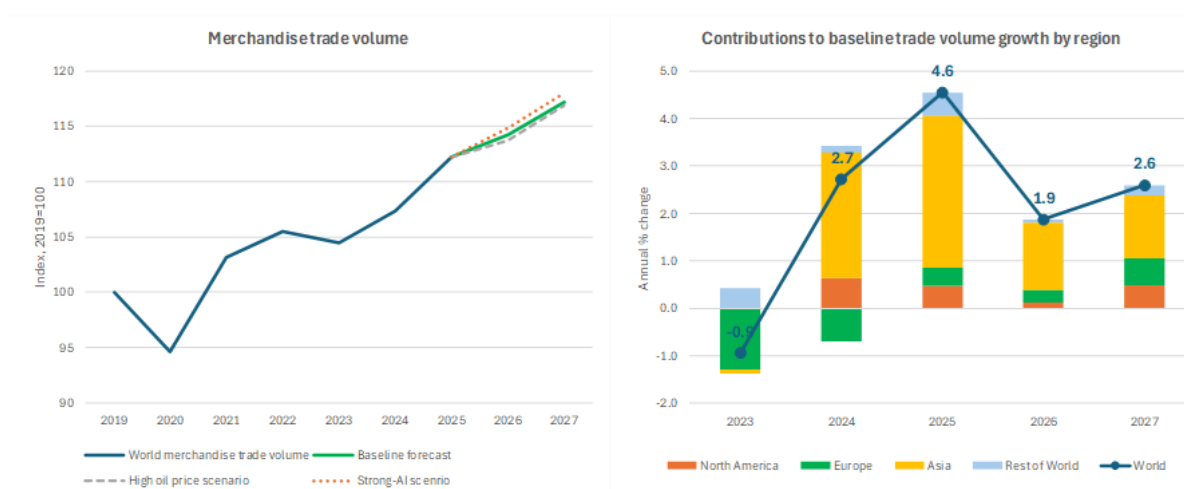
Beyond fuels, the Strait of Hormuz blockade has disrupted fertilizer supplies critical to global agriculture, with around one-third of the world's fertilizer exports normally passing through the waterway. Major agriculture producers like India, Thailand and Brazil depend on the Gulf for 40%, 70% and 35% of their urea imports respectively. Gulf states face a food security challenge as well, with import dependency averaging 75% for rice and exceeding 90% for corn, soybeans and vegetable oil - commodities that would face higher costs through alternative routes.

WTO economists note there is also some upside potential if the conflict is short-lived and if AI-related spending remains strong throughout 2026 and into 2027, in which case merchandise trade growth could be boosted by 0.5 percentage points leading to growth as high as 2.4% this year and 2.7% next year.

It is also possible that the upside and downside risks could both materialize, with energy prices remaining high and AI-enabling goods trade continuing to surge. In this case, merchandise trade growth in 2026 might track closer to the baseline scenario.

Chart 1: World merchandise trade volume growth, 2019-2027

Index, 2019=100 and annual % change



Note: Trade refers to average of exports and imports. Figures for 2026 and 2027 are projections.
Sources: WTO for historical trade statistics. WTO Secretariat estimates for trade forecasts.

Trade growth in 2025

In 2025, the volume of world merchandise trade was up 4.6% based on data available as of 10 March, which are subject to revision. Trade growth last year was above the 2.4% increase predicted in the October 2025 release of the Global Trade Outlook and Statistics but close to the baseline projection underlying it. The overall negative impact of tariffs in 2025 was less than predicted because of the suspension of new US tariffs until August, the limited amount of retaliation from other economies, and numerous tariff exemptions.

Furthermore, a surge in demand for AI-enabling goods offset the negative impact on global trade of higher tariffs and uncertainty. In value terms, trade in AI-enabling goods increased by 21.9% year-on-year, rising to US\$ 4.18 trillion in 2025 from US\$ 3.43 trillion in the previous year. These products accounted for 42% of total global trade growth in 2025, despite representing only one-sixth of global trade. Notably, key AI-enabling goods such as chips, semiconductors and data transmission equipment are exempt from most new tariffs.

For 2026, recent tariff developments have largely represented adjustments in approach rather than fundamental shifts in policy. In a special analytical chapter, WTO economists estimate that the share of world trade conducted on a most-favoured-nation (MFN) basis stood at 72% by the end of February 2026 after fluctuating throughout 2025 in the wake of unprecedented policy shifts. The analysis confirms that MFN tariffs remain the dominant framework governing international trade across most sectors of the global economy.

Regional merchandise trade projections

Under the baseline scenario, Asia is expected to register the fastest merchandise import growth in 2026 (3.3%), followed by Africa (3.2%), South America (2.5%), Europe (1.3%) and the Middle East (1.0%). North America's merchandise imports would remain flat (0.3%) in this scenario while those of the Commonwealth of Independent States (CIS) [\(1\)](#) region would contract (-2.0%). On the merchandise export side, Asia would again have the fastest growth of any region (3.5%) as would South America (3.5%), followed by North America (1.4%), the CIS (1.3%) and Africa (1.2%). On the other hand, merchandise exports of the Middle East would slow sharply (0.6%) while Europe's would continue to stagnate (0.5%).

Least-developed countries will see 4.5% merchandise import growth and 2.9% merchandise export growth in 2026 under the baseline scenario.

Under the high energy price scenario, net fuel-importing regions such as Asia and Europe would face the biggest cuts in merchandise import growth between the high energy price and baseline scenarios; economies that are net fuel exporters that are still able to export would broadly enjoy more income and therefore more import growth.

Table 1: Merchandise trade volume and GDP growth, 2022-2027

Annual % change

	Historical data				Baseline forecast		High energy price scenario	
	2022	2023	2024	2025	2026	2027	2026	2027
World Trade ^a	2.3	-0.9	2.7	4.6	1.9	2.6	1.4	2.8
Exports								
North America	4.0	3.5	2.2	3.1	1.4	2.7	1.1	2.4
South America ^b	3.1	2.4	5.9	3.2	3.5	2.5	3.5	2.3
Europe	2.2	-2.9	-1.9	-0.5	0.5	1.9	-0.6	2.6
CIS ^c	-2.2	-4.0	4.7	3.0	1.3	-0.5	2.4	-0.2
Africa	-2.4	5.8	-2.0	10.3	1.2	2.2	1.0	2.0
Middle East	3.8	7.6	4.6	12.9	0.6	2.6	-0.1	2.4
Asia	0.4	0.2	8.3	9.5	3.5	3.2	3.3	3.5
Imports								
North America	5.7	-2.0	4.6	3.1	0.3	3.2	0.2	3.2
South America ^b	3.7	-3.9	5.9	10.4	2.5	3.4	2.7	3.6
Europe	4.5	-4.9	-2.0	2.1	1.3	1.9	0.3	2.3
CIS ^c	-6.0	18.1	5.1	2.7	-2.0	0.1	1.4	-3.2
Africa	6.2	2.8	1.5	8.7	3.2	3.7	4.2	3.2
Middle East	11.3	8.6	12.1	10.4	1.0	3.0	2.0	2.7
Asia	-0.8	-0.7	4.8	6.0	3.3	3.1	2.6	3.2
GDP at market exchange rates								
World	3.4	2.9	2.9	2.9	2.8	2.8	2.5	2.8
North America	2.7	2.9	2.7	2.0	2.3	2.0	2.5	2.1
South America ^b	4.3	2.0	2.5	3.0	2.4	2.9	2.4	2.7
Europe	3.7	0.7	1.2	1.7	1.6	1.8	0.4	1.8
CIS ^c	-0.1	4.4	4.6	2.1	1.8	1.9	1.9	1.5
Africa	4.1	3.2	3.3	4.2	4.3	4.4	4.5	4.2
Middle East	7.5	2.2	2.1	2.3	3.3	3.6	2.9	3.4
Asia	3.4	4.5	4.0	4.3	3.9	3.7	3.1	4.2
Memo items:								
World Trade excl. intra-EU	2.2	-0.2	4.0	5.5	2.0	2.6	1.7	2.5
Exports of Europe excl. intra-EU	0.2	-1.8	-1.6	-1.1	0.0	2.0	-1.1	2.1
Imports of Europe excl. intra-EU	7.1	-5.8	-0.8	3.6	1.7	1.9	0.7	1.6
Exports of least developed countries	-1.9	6.5	5.0	11.7	2.9	2.8	2.2	2.6
Imports of least developed countries	0.1	-0.4	3.1	9.4	4.5	5.6	5.4	4.1
GDP of least developed countries	5.0	3.8	3.5	3.3	3.8	4.7	4.3	4.5

a Average of exports and imports.

b Refers to South and Central America and the Caribbean.

c Refers to Commonwealth of Independent States (CIS), including certain associate and former member states.

Note: Figures for exports of Africa, Middle East, CIS and least developed countries in 2025 are low quality estimates due to insufficient data and should be interpreted with caution.

Sources: WTO-UNCTAD for historical trade statistics. WTO estimates for trade forecasts. Consensus estimates based on data from the Organisation for Economic Co-operation and Development (OECD), World Bank, International Monetary Fund (IMF), United Nations (UN), national statistics and WTO calculations for GDP.

Commercial services trade

Following a 5.3% rise in 2025, the volume of global services trade is projected to grow by 4.8% in 2026 and by 5.1% in 2027, according to the baseline forecast. However, in the adjusted scenario with revised GDP assumptions that take into account the impact of the conflict in the Middle East, services trade would expand somewhat less (4.1%) in 2026 and recover in 2027 to 5.2%. This corresponds to a loss of 0.7 percentage points for 2026.

The Middle East conflict threatens critical global transport corridors, with traffic through the Strait of Hormuz collapsing from 138 commercial vessels per day to almost zero. The region accounts for 7.4% of global transport services exports and serves as a key hub connecting Europe, Asia and Africa, but disruptions have cancelled over 40,000 flights and increased transport and insurance costs. While a short-lived conflict would likely result in temporary disruptions with a quick recovery, a protracted crisis could trigger structurally higher fuel and transport costs, reduced transshipment activity and shifts in global travel and trade patterns toward alternative routes.

Table 2: Commercial services trade volume growth, 2022-2027^a

Annual % change

	Historical data			Baseline forecast		Adjusted forecast	
	2023	2024	2025	2026	2027	2026	2027
World exports	7.5	7.8	5.3	4.8	5.1	4.1	5.2
By region							
North America	5.6	7.2	4.2	2.4	2.5	1.3	1.5
South America ^b	7.6	6.8	4.0	3.4	3.8	3.1	4.1
Europe	4.4	4.9	4.5	5.5	5.1	4.9	4.8
CIS ^c	5.2	8.2	0.4	2.7	1.2	1.0	1.0
Africa	16.5	8.5	5.9	3.7	3.4	1.7	2.8
Middle East	18.1	0.3	1.7	6.5	5.6	-9.2	26.2
Asia	12.6	15.4	8.3	4.9	6.4	5.8	7.2
By sector							
Transport	-4.2	7.3	0.5	2.6	2.8	1.0	2.7
Travel	27.2	11.7	5.2	3.9	5.5	2.0	5.3
Other commercial services	6.0	7.0	6.6	5.7	5.5	5.6	5.8
of which: Digitally delivered services	6.4	6.3	5.7	5.6	5.5	6.3	6.3

^a Figures for 2026 and 2027 are projections. Trade refers to exports.

^b Refers to South and Central America and the Caribbean.

^c Refers to Commonwealth of Independent States (CIS), including certain associate and former member states.

Sources: WTO Secretariat estimates.

Footnotes

1. Refers to Commonwealth of Independent States (CIS), including certain associate and former member states