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UN trade & development | UNCTAD

Global trade update



Policy insights

Accelerating climate action requires trade cooperation



HIGHLIGHTS

1. **The world is on track to exceed the Paris Agreement's 1.5°C goal,** threatening economies and development, especially the most vulnerable. Climate action must accelerate.

2. **Affordable access to climate technologies is central to building resilience, cutting emissions, and supporting just transitions in developing countries.** Trade, including through trade agreements, can facilitate access by lowering costs and removing barriers.

3. **Recent trade agreements increasingly include climate-related provisions**, but so far only 7 per cent of these provisions address tariff and non-tariff barriers.

4. **Market access is key, but not enough.** Coherent and coordinated policies at all levels matter. Trade cooperation must also address constraints beyond the border.

5. **Emerging good practices and initiatives supporting deeper trade cooperation and technical assistance for policymakers on trade and climate** could be replicated, strengthened, and scaled to accelerate climate action and implementation globally.

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Climate change is disrupting supply chains and increasing economic losses, while collective responses remain off track

Climate indicators continued to deteriorate in 2025. From 2015 to 2025, the world experienced the 11 warmest years on record, and the global average temperature in 2025 was about 1.4°C above the pre-industrial average (Figure 1).[1] These record-high temperatures show the world is on track to overshoot the Paris Agreement's goal of "holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels."[2]

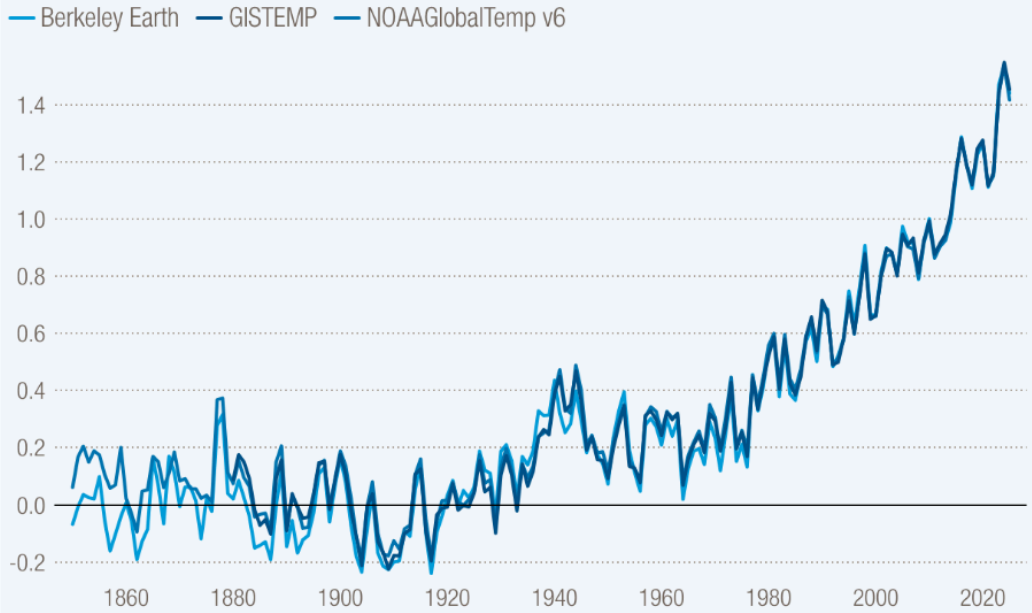
1 WMO (2025), State of the Global Climate 2025.

2 The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris, France, on 12 December 2015. It entered into force on 4 November 2016. Its overarching goal is to hold "the increase in the global average temperature to well below 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels."

Figure 1

Global warming has accelerated, with recent temperatures exceeding 1.4°C above the 1850–1900 pre-industrial average

Difference of global mean temperature from 1850–1900 average in °C, by multiple data sources



Source: UNCTAD selected based on WMO (2025) State of the Global Climate 2025.

Note: Data are from the datasets indicated in the legend. Berkeley Earth: Rohde, R. A.; Hausfather, Z. The Berkeley Earth Land/Ocean Temperature Record. Earth System Science Data 2020, 12 (4), 3469–3479. See: https://doi.org/10.5194/essd-12-3469-2020. GISTEMP v4: GISTEMP Team. GISS Surface Temperature Analysis (GISTEMP), version 4. NASA Goddard Institute for Space Studies, 2022. See: https://data.giss.nasa.gov/gistemp/. Lenssen, N.; Schmidt, G.; Hansen, J. et al. Improvements in the GISTEMP Uncertainty Model. Journal of Geophysical Research: Atmospheres 2019, 124 (12), 6307–6326. See: https://doi.org/10.1029/2018JD029522. NOAAGlobalTemp v6: Huang, B.; Yin, X.; Menne, M. J. et al. NOAA Global Surface Temperature Dataset (NOAAGlobalTemp), Version 6.0.0. NOAA National Centers for Environmental Information, 2025. See: https://doi.org/10.25921/rzxg-p717.

The associated disruptions and economic costs are also rising. Estimates, under high warming scenarios,[3] project losses equivalent to 10-40 per cent of global gross domestic product (GDP) with the heaviest burden falling on poorer, low-latitude countries (see Table 1).

Yet, the global response to climate change remains off track. The first Global Stocktake found that despite overall progress, the collective actions of Parties to the Paris Agreement are not on track to meet its goals, first because of lack of ambition in NDCs,[4] and implementation shortfalls. Gaps in finance, technology, and capacity building, which are key enablers of climate action, hold back progress.[5] Accelerating implementation will require mobilizing all available policy tools, including trade policy and trade cooperation.

3 Neal et al. (2025), Reconsidering the macroeconomic damage of severe warming.

4 UNFCCC (2023), Technical dialogue of the first global stocktake. Synthesis report by the co-facilitators on the technical dialogue. FCCC/SB/2023/9.

5 Report of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement on its fifth session, held in the United Arab Emirates from 30 November to 13 December 2023. Addendum. Part two: Action taken by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fifth session | UNFCCC

Table 1
Economic losses from climate change
Selected estimates

Topic	Impact estimates
Global GDP damages attributable to specific CO_2 emissions since 1990	One tonne of CO_2 emitted in 1990 caused $180 in discounted global damage by 2020 and will cause an additional $1,840 through 2100; emissions from large-emitting economies have caused more than $20 trillion in damages through 2020.[6]
GDP losses at +3°C, including rainfall, variability and extremes	10 per cent of global GDP; up to 17 per cent in poorer, low-latitude countries. [7]
World GDP damage in 2100 under high emissions, considering global weather effects	About 40 per cent of world GDP considering global weather impact of climate change in countries' economies, against about 11 per cent in models considering only country-level impact of climate change[8]

6 Burke et al. (2026), Quantifying climate loss and damage consistent with a social cost of carbon. *Nature* 651, 959–966.

7 See: Waidelich et al. (2024), Climate damage projections beyond annual temperature. *Nat. Clim. Chang.* 14, 592–599.

8 Neal et al. (2025), Reconsidering the macroeconomic damage of severe warming. *Environ. Res. Lett.* 20 044029.



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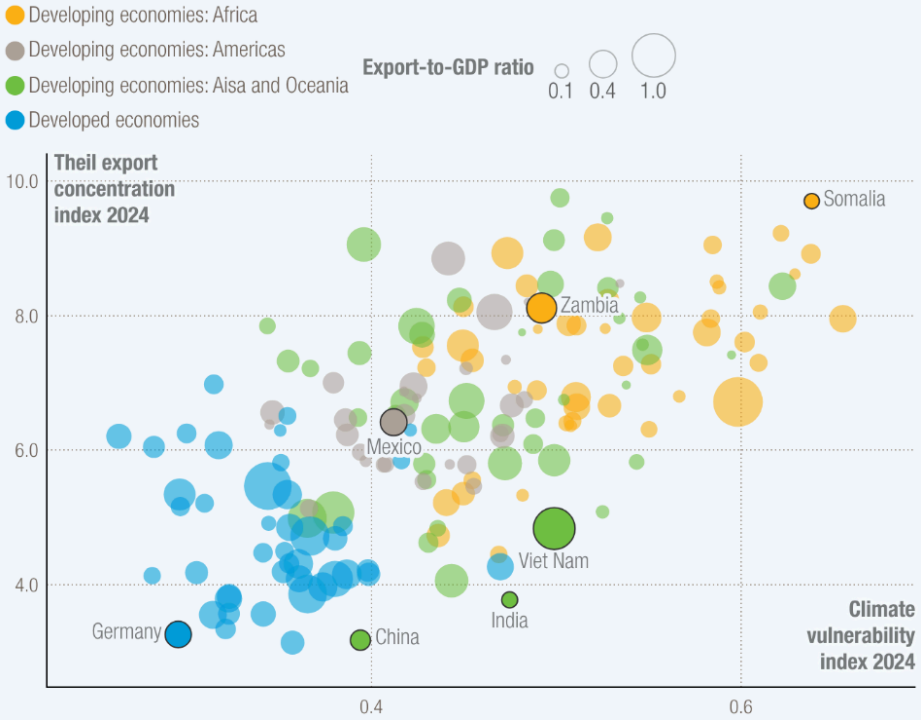
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Climate-vulnerable economies also face higher exposure to external economic shocks

Many economies that are highly vulnerable to climate change also depend on a narrow range of exports, leaving them especially exposed to external shocks (Figure 2). In contrast, developed economies tend to have more diversified export structures and lower dependence on climate-sensitive sectors. High export concentration magnifies the effects of climate, economic and geopolitical shocks through international price cycles, supply chains disruptions and fluctuations in export earnings.[9] These shocks can widen trade deficits, put pressure on exchange rates, constrain access to essential imports such as food and energy, and erode the fiscal space necessary to invest in climate adaptation, mitigation and the just transitions while servicing the national debt.

9 UNCTAD (2026), Supporting Diversification for Sustainable and Resilient Development. Trade and Development Commission, Sixteenth session, TD/B/C.I/63.

Figure 2
Climate-vulnerable economies also face more exposure to external economic shocks



Source: UNCTAD based on the Theil index for exports (2024 data) and merchandise export value (2025 data) from UNCTADstat; Climate vulnerability index (2024 data) from Notre Dame Global Adaptation Initiative Country Index (ND-GAIN). 2026. University of Notre Dame; GDP (2025 data) from the World Bank (2026).

Note: The overall Theil index for exports measures concentration in both the basket of exported products (excluding services) and in the set of export markets of a country or a group of countries, with higher scores indicating greater concentration. The climate vulnerability index measures a country's exposure and sensitivity to the adverse effects of climate change, as well as its capacity to adapt, across six sectors: food, water, health, ecosystem services, human habitat and infrastructure, with higher scores indicating greater vulnerability. The figure includes only countries for which data are available.

In this context, trade can be a powerful tool for strengthening climate resilience. Expanding countries' participation in a wider range of products, services, and markets can reduce vulnerability to climate-related disruptions and create new sources of income and employment. Diversifying production and exports towards low-carbon and climate-resilient sectors can help countries manage climate risks while capturing opportunities arising from the global transition to a sustainable economy.

Achieving such diversification will require more than domestic policy reforms. International cooperation is needed to maintain open and predictable markets, facilitate investment, strengthen productive capacities and support the integration of developing countries into emerging green value chains. UNCTAD's recent technical assistance work, for example, has identified several climate-strategic trade sectors with significant potential for developing economies, including renewable energy, sustainable agriculture and fisheries, seaweed production, sustainable tourism, water management, energy systems and transport infrastructure. These sectors can simultaneously contribute to export diversification, job creation and climate adaptation.

At the same time, greater access to technology, investment and related services can enable developing countries to build competitive industries in climate-relevant sectors, creating new trade opportunities while strengthening their capacity to adapt to a changing climate.

Harnessing trade as an engine of diversification, technology diffusion and investment will be critical to ensure that climate-vulnerable economies are not only able to withstand climate shocks, but also to benefit from the economic opportunities created by the global transition to net-zero and climate-resilient development.



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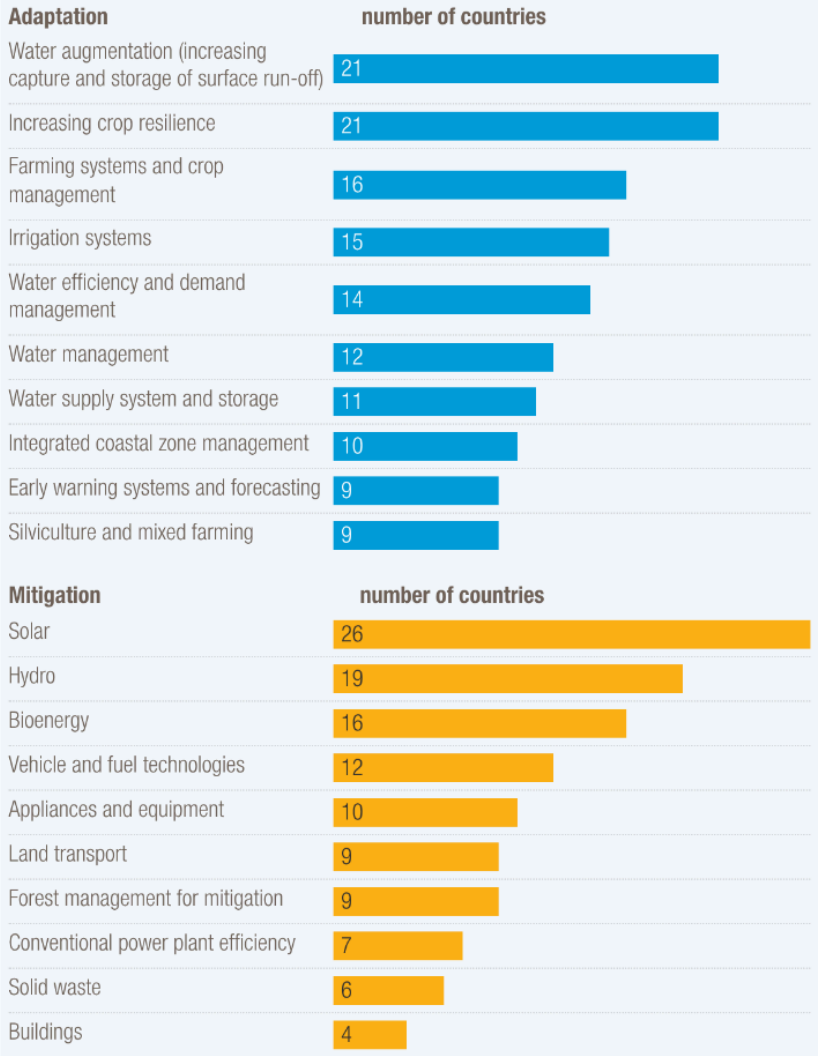
Developing countries have identified key technologies for their climate action: resilient food, water, energy, and transport systems

Achieving climate goals depends heavily on countries' ability to access, deploy, and adapt affordable climate technologies. Since 2015, 41 developing economies have identified or updated their priority climate technology needs through technology needs assessments (TNAs).[10] Their priorities highlight the urgent adaptation and mitigation challenges they face (Figure 3).

10 TNAs are long-standing and evolving processes under the UNFCCC, which follow a comprehensive, country-driven, participatory and action-oriented approach, and result in the identification and prioritization of technologies needed for climate change adaptation and mitigation in different sectors of developing countries. See: Technology Needs Assessment.

On adaptation, more than half of the 41 TNAs reviewed identified water augmentation and climate-resilient agricultural technologies as priority needs, reflecting the growing pressure on food production and water security from climate change. On mitigation, solar, hydropower, and bioenergy technologies rank among the most frequently identified priorities, alongside low-carbon transport solutions. Together, these findings underscore that both climate resilience and emissions reduction depend on access to a broad range of technologies, equipment, services, and know-how.

Figure 3
Developing countries identified technology priorities in agriculture, water, energy, and transportation
Top 10 adaptation and mitigation technologies identified in developing countries' technology needs assessments



Source: UNCTAD 2026 calculation based on UNEP Copenhagen Climate Centre TNA Dataset (countries that completed TNA in or after 2015).

Trade plays a critical role in determining whether these technologies can reach the countries that need them most. Many climate technologies, their components, and the services required for their installation, operation and maintenance are produced through complex international value chains that span multiple countries. As a result, trade policies and regulations directly influence the cost, availability and speed of deployment of climate solutions.

Climate ambition will be achieved through trade policies that facilitate the cross-border flow of climate technologies, services, investment and knowledge. Making trade rules more supportive of technology diffusion can therefore help accelerate both adaptation and mitigation, particularly in the climate-vulnerable developing economies that need these solutions most.



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Trade is already driving international diffusion of climate technologies

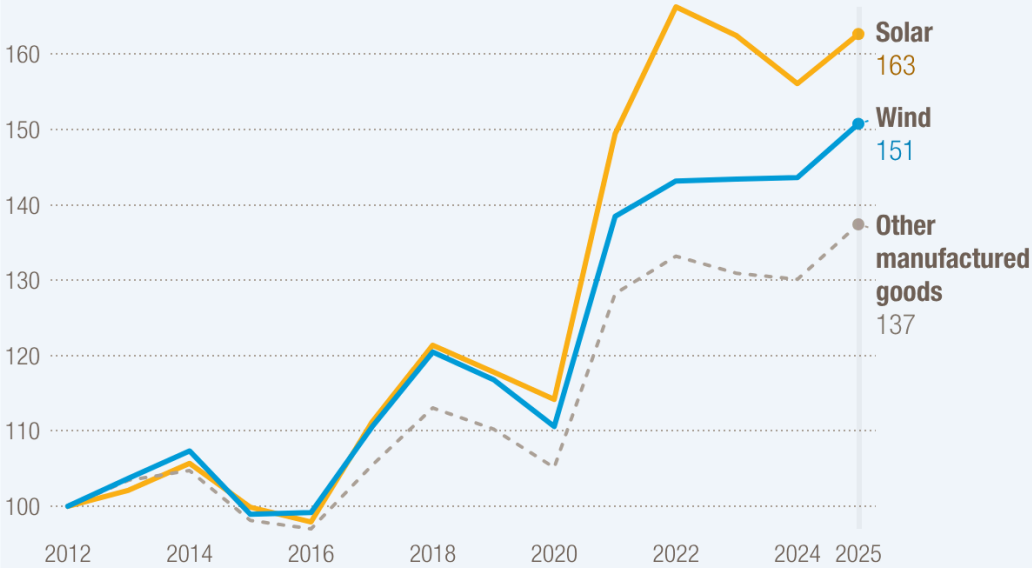
Global exports of goods associated with solar and wind energy value chains, from primary inputs to final products, exceeded $1.8 trillion in 2025[11], growing faster than exports of other manufactured goods (Figure 4). For other climate mitigation technologies identified in TNAs, such as batteries and electric cars, their trade rose by 29 per cent and 11 per cent, respectively, in the first half of 2026.[12] Also, among the most prioritized climate adaptation technologies, wastewater treatment generated more than $273 billion in exports of associated products in 2024, with developing countries accounting for 34.7 per cent of world imports.[13]

11 Based on October 2026 data.

12 UNCTAD (2026), Trade and development report: The geoeconomics of development.

13 UNCTAD (2026), UNCTADstat, Industrial wastewater treatment: Trade of associated products - Annual (analytical).

Figure 4
Global trade in solar and wind energy goods keeps growing faster than in other manufactured goods
Index of global trade (exports and imports). For each category, year 2012 = 100



Source: UNCTAD calculation based on HS 6-digit level data from Comtrade database, accessed 29 October 2026.

Note: The calculation used HS codes that are associated with solar or wind energy value chains or both, as identified in UNCTAD (2024), Powering trade: Fine-tuning trade policy for solar and wind energy value chains. Many products used in solar and wind energy technologies can be used for several other purposes. Depicted trade flows correspond to total global trade flows of these goods, as their final use cannot be tracked with bilateral trade data. Other manufactured goods are approximated by products classified under HS Chapters 32–97 and are not associated with the solar or wind value chain.

However, tariffs can raise the cost of accessing these technologies and constrain opportunities for industrial upgrading, especially for developing countries.[14] Lower tariffs, combined with expanding domestic production, can reduce the deployment costs of solar photovoltaic (PV) modules and battery cells.[15]

Non-tariff measures, including technical regulations, product standards, and conformity assessment procedures, play an important role in protecting health and the environment. However, they can also increase the cost and delay the deployment of climate technologies when they are not developed transparently, notified in a timely manner, designed to avoid unnecessary discrimination, or accompanied by support that enables developing countries to comply with them.[16] This places trade cooperation frameworks at the centre of the climate challenge: their effectiveness will facilitate the timely diffusion of climate technologies while preserving legitimate public policy objectives. However, evidence suggests that current frameworks are not yet delivering this outcome at the scale required for adaptation and mitigation goals.

[14] Some developed economies have also recently adopted more defensive postures on trade by raising tariffs and imposing import restrictions, with the purpose of shielding domestic industries from foreign competition and what they consider unfair practices. IEA (2026), Energy Technology Perspectives 2026.

[15] Helveston, John Paul, Gang He, and Michael R. Davidson (2022), Quantifying the Cost Savings of Global Solar Photovoltaic Supply Chains. *Nature* 612, no. 7938: 83–87.

[16] UNCTAD (2026), Global Trade Update (May 2026): Invisible barriers – the costs of non-tariff measures.

The rapid expansion of trade in climate-relevant technologies demonstrates that international trade can support climate action but is becoming one of its principal delivery mechanisms, shaping countries' capacity to adapt to climate impacts, diversify their economies and pursue low-carbon development pathways.



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Climate-related trade cooperation has increased in recent trade agreements

Trade agreements are among the principal frameworks for international trade cooperation. Climate-related provisions have expanded markedly since the Paris Agreement, appearing in more than half of the trade agreements signed between 2016 and 2021, compared with just 18 per cent of agreements concluded between 1990 and 2015. This rapid increase signals a growing effort to align trade governance with climate objectives, although important questions remain regarding the effectiveness of these provisions in supporting technology diffusion and climate resilience in developing countries.[17] Of the 18 agreements signed between 2023 and 2025, UNCTAD identified 179 climate-related provisions across 8 regional trade agreements referencing the Paris Agreement.[18] [19] This reflects genuine and growing political recognition that trade must support climate action.

Table 2 highlights examples of provisions on technology transfer and capacity building covering sustainable cooling, renewable energy, clean transport, climate-resilient food systems, and blue-carbon ecosystems. Encouragingly, these provisions are generally aligned

17 UNCTAD calculation based on the TREND database updated in 2022, by Morin, JF, A. Dür & L. Lechner (2018), "Mapping the trade and environment nexus: Insights from a new dataset", Global Environmental Politics, vol. 18, No 1. Even though the dataset examined environmental provisions broadly, it also identified provisions that can be related to climate change, using the following categories: Promote renewable production of energy; Promote energy efficiency; Reduction of GHG emissions; Climate change adaptation; Cooperation on climate change; Harmonization of legislations related to climate change; Other norms on climate change.

18 The sample considered trade agreements signed between the conclusion year of the Paris Agreement First Global Stocktake, GST (2023) and 2025.

19 There are 18 regional trade agreements signed in 2023-2025 and included in the WTO Regional Trade

with developing countries' priorities for resilient food, energy, and transport systems. Yet most of these provisions remain cooperative rather than enforceable in nature. Framed as best-endeavour commitments, they create aspirations for cooperation but rarely establish specific, binding obligations or accountability mechanisms. Consequently, their effectiveness depends largely on political will, institutional capacity and the availability of financial and technical support.

Table 2
Recent trade agreements referring to climate-related technology transfer and capacity building

Agreement (Year of signature)	Citation	Provision summary	Sector
Australia–United Arab Emirates (2024)	Article 18.8(3)(e)	Cooperation on emerging technologies for sustainable cooling, refrigeration and other industrial applications.	Manufacturing
	Article 18.12(5)	Collaboration and capacity building through existing initiatives to protect and restore blue-carbon ecosystems.	Ocean
Canada–Ukraine (2023)	Article 13.14(3)	Information exchanges and practices on technologies reducing, controlling and preventing air pollutants that may also contribute to climate change.	Cross-sector
	Article 13.23(3)(c)-(d)	Joint activities, including the promotion, use and scale-up of goods and services relating to clean energy, renewable energy, energy efficiency and sustainable transport. Promotes research and development collaboration involving researchers, academic institutions, businesses, women, Indigenous researchers and relevant enterprises. Promotes development and deployment of clean technologies through inclusive research and business collaboration.	Energy and transportation
European Union–Chile (2023)	Article 7.4(4)	Allows climate-related food-system cooperation to include research and innovation and exchange of information, expertise and experience.	Agriculture
European Union–Kenya (2023)	Article 83.2(g)	Cooperation in early-warning systems, supporting climate-change adaptation and mitigation.	Agriculture

Source: UNCTAD summary based on WTO Regional Trade Agreement (RTA) database.

Agreement database. Out of the 18, the 8 agreements refer to the Paris Agreement are the New Zealand–United Arab Emirates Comprehensive Economic Partnership Agreement (CEPA) (2025); the Australia–United Arab Emirates Comprehensive Economic Partnership Agreement (CEPA) (2024); the Trade and Economic Partnership Agreement between the EFTA States and India (2024); the modernized Free Trade Agreement between Canada and Ukraine (2023); the Free Trade Agreement between the EFTA States and the Republic of Moldova (2023); the Interim Agreement on Trade between the European Union and the Republic of Chile (2023); the Economic Partnership Agreement between the European Union and the Republic of Kenya, Member of the East African Community (2023); and the Free Trade Agreement between the European Union and New Zealand (2023). These agreements entered into force between 2023 and August 2026. The analysis did not include some climate-relevant trade agreements, trade deals, or memoranda of cooperation not notified to the WTO. These include, among others, the Agreement on Climate Change, Trade and Sustainability (ACCTS) signed in 2024 by Costa Rica, Iceland, New Zealand, and Switzerland.

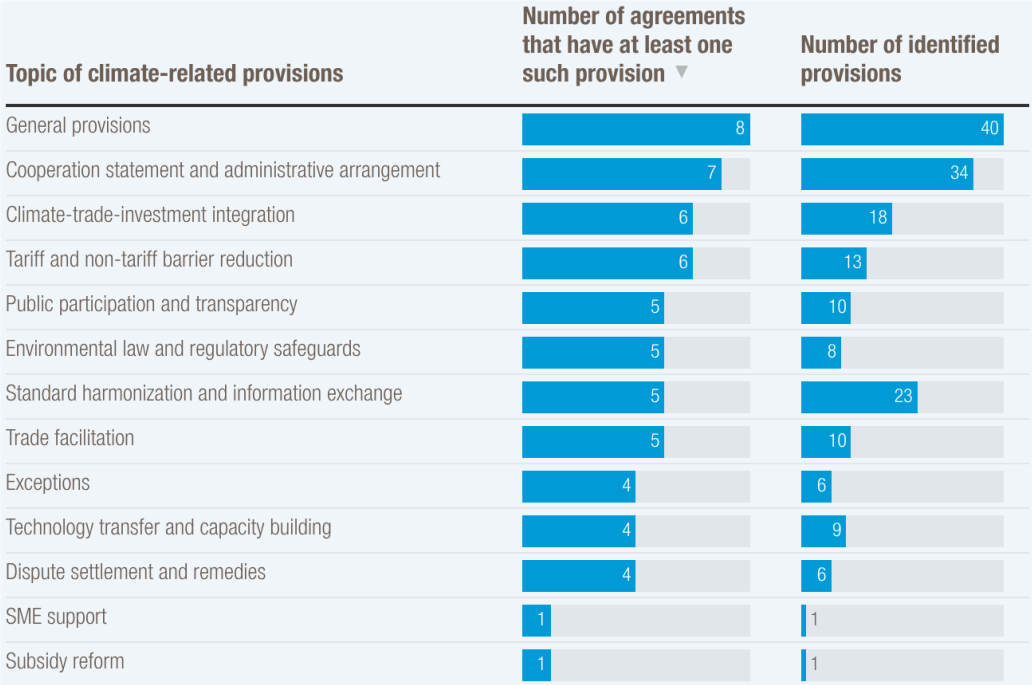


Climate-related provisions vary in their scope. Implementation remains limited

Including climate-related provisions does not necessarily guarantee concrete action. Climate-related provisions can vary considerably in their scope, enforceable obligations, and implementation mechanisms. Of the climate-related provisions identified, 22 per cent are general statements of climate intent and 18 per cent call for cooperation, while only 7 per cent refer to tariff and non-tariff barrier reduction (Figure 5).

Some trade agreements include specific provisions in annexes to facilitate climate-relevant actions. For example, Annex 19 to the European Union–New Zealand agreement (2023) lists environmental goods and services, especially those relevant to renewable energy and climate mitigation, including geothermal, hydropower, wind and solar energy and energy efficiency. Trade in these goods is subject to each Party's tariff-elimination schedule under Article 2.5 of the agreement.

Figure 5
Recent trade agreements address a broad range of climate-related topics



Source: UNCTAD analysis based on regional trade agreement text from WTO Regional Trade Agreement database.

Note: Climate-related provisions were identified through keyword searches for "climate," followed by an examination of the full article containing the relevant term. Articles were disaggregated into separate provisions based on their substantive content. The resulting number of provisions is descriptive and indicates the frequency and thematic coverage of climate-related provisions.

Furthermore, the European Union–Kenya Economic Partnership Agreement (2023) illustrates how trade agreements can address implementation of climate commitments. Annex V of the agreement requires each Party to effectively implement the UNFCCC and the Paris Agreement, and refrain from conduct that materially defeats the Paris Agreement's objective and purpose. A violation may permit the other Party to take appropriate measures under the Agreement.[20] Although these measures are not exhaustively specified, they must be consistent with international law and minimally disruptive to the trade agreement, with suspension used only as a last resort.

Despite the growing integration of climate considerations into trade agreements, implementation has lagged far behind the scale of action required to meet climate goals. The gap between commitment and delivery remains substantial. According to the 2025 United Nations Global Survey on Digital and Sustainable Trade Facilitation, of the 174 participating countries, only 7 reported fully implementing trade facilitation for green and climate-smart goods.[21] Another 12 reported partial implementation, 14 were at the planning stage, and 57 had not implemented these measures, while the rest reported "do not know".[22]

20 Appropriate measures as described in the European Union–Kenya EPA agreement Article 6 [...shall be taken in accordance with the procedure set out in Article 96 of the Cotonou Agreement or the corresponding provisions of its successor agreement, as provided by Article 136.3 of this Agreement].

21 By full implementation, the survey considers whether the country adopted an official definition or list of green or climate-smart goods, established procedures to expedite their clearance by customs or other relevant agencies and conducted those procedures electronically.

22 United Nations (2025), UN Global Survey on Digital and Sustainable Trade Facilitation.

These findings suggest that the challenge is no longer only the inclusion of climate-related provisions in trade agreements, but their effective implementation. Closing the gap between commitments and delivery will require trade cooperation that supports tangible climate action, particularly through greater access to and deployment of climate-relevant technologies and the development of climate-strategic sectors and low-carbon diversification.

Moving forward, trade cooperation must expand access to, and support deployment of affordable climate technologies identified in TNAs, Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) to speed up implementation and reduce the costs of achieving the Paris Agreement goals. A stronger trade cooperation agenda focused on technology access and deployment, and climate ambition will allow to address implementation capacity, particularly in the developing countries most vulnerable to climate change.



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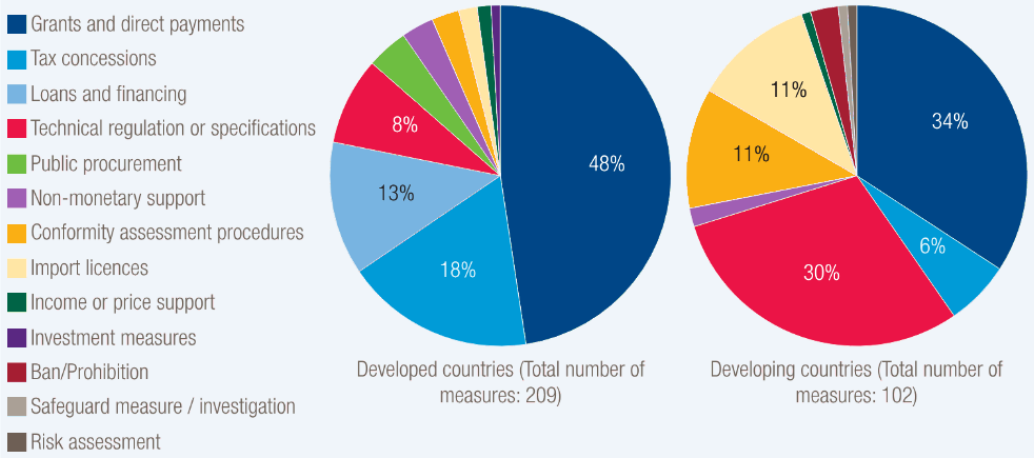


Market access alone is not enough. Coherent and coordinated policies matter

Reducing tariffs and improving market access for climate-relevant goods and services is necessary but insufficient. The scale and urgency of climate implementation require deeper cooperation that goes beyond the border.

Countries currently use different policy mixes to promote environment-related goods and services, reflecting differences such as fiscal space and institutional capacity. As shown in Figure 6, monetary measures, including grants and direct payments, tax concessions, and loans, are most common in developed countries. In developing countries, technical regulations are the second most recorded measure type alongside grants, and conformity assessment and import license requirements. This means stakeholders in developing countries tend to receive less financial support to implement NDCs.

Figure 6
Countries deploy diverse policy mixes to promote environmental goods and services
Share of measures by harmonized measure type and level of development of the imposing economy, 2020–2024



Source: UNCTAD 2026 calculation based on WTO Environmental Database (EDB).

Note: Measures are identified based on the WTO EDB harmonized objective "Environmental goods and services promotion." Since a measure may be assigned multiple objectives and/or measure types, it can appear in more than one category. Therefore, category totals may not sum to the number of unique measures.

The trade effects of these measures depend critically on how they are designed, notified, implemented and their compliance verified. Divergent technical and due diligence requirements, carbon accounting methodologies, traceability rules, and audit standards can make market access contingent on exporters' ability to prove compliance, especially when not notified on time for countries to discuss and adapt. This burden often falls disproportionately on smaller and less-resourced exporters, especially in developing countries. These producers have fewer resources to adopt new practices, are often less able to share documentation and certification costs with importers, and face the risk that importers shift toward already-certified suppliers.[23] Developing countries' producers also tend to have limited access to adequately equipped testing laboratories and accredited verifiers. Without effective cooperation, these measures risk raising compliance costs, fragmenting markets, and increasing uncertainty, precisely when coherence and scale are most needed.

Deeper trade integration and cooperation are therefore required, including on regulatory compatibility, addressing barriers to access to services and investment, interoperable standards and certification schemes, and other behind-the-border measures that reduce uncertainty and support cross-border production networks.[24] Such cooperation should also account for different levels of development and implementation capacity, and be designed to prevent arbitrary or unjustifiable discrimination, as called for by Article 3.5 of the UNFCCC.[25]

Recent trade agreements do address the regulatory dimension of trade cooperation, including provisions promoting cooperation on the possible convergence or harmonization of

23 UNCTAD (2025), The future of sustainable trade.
24 UNCTAD (2026), Trade and development report: The geoeconomics of development.
25 United Nations Framework Convention on Climate Change | UNFCCC

certification schemes for renewable fuels (European Union–Chile 2023, Art. 8.15(2)); cooperating to combat illegal trade in ozone-depleting substances and hydrofluorocarbons (Australia–United Arab Emirates 2024, Art. 18.8(3)(d)); and supporting small and medium enterprises (European Union–New Zealand 2023, Art. 19.11(5)(c)). These provisions exemplify the type of deep trade cooperation that can support faster climate implementation.

However, cooperation should be viewed as a starting point rather than an end in itself. To accelerate adaptation and mitigation outcomes, cooperative commitments must translate into concrete actions, including the alignment of regulations, mutual recognition of standards, technical assistance, capacity-building, and greater access to climate technologies and related services. The effectiveness of trade cooperation will ultimately be measured not by the number of provisions included in agreements, but by their contribution to the timely deployment of climate solutions on the ground.



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Trade cooperation opens the way to sustainable diversification for climate and economic resilience

Trade cooperation can expand access to climate technology and its associated goods and services, improve institutions and skills, reduce fragmentation, and promote interoperability of compliance measures. With these efforts, developing countries can move towards broader participation in sustainable, resilient, low-carbon value chains while contributing to their national climate plan and development priorities.

Trade opportunities in environmentally preferable sectors with climate co-benefits such as biodiversity-based, ocean, and circular economy are already substantial. Developing economies exported more than $1.3 trillion in biodiversity-based goods (2024), more than $1.2 trillion in ocean goods and services (2025), and an estimated $204 billion in non-plastic substitutes (2024) (Figure 7).[26] Diversifying into these sectors can broaden production and export bases, especially for developing countries, strengthen resilience to external shocks and climate, and support a just transition to low-carbon economies. These efforts will yield

[26] See: Data Insights | UNCTAD Data Hub.

the expected results if diversification increases domestic value addition, creates jobs, and is pursued in an environmentally sustainable and inclusive manner. UNCTAD's guide[27] and e-learning course[28] set out specific steps to advance all these objectives.

Figure 7
Exports from developing economies

GREEN ECONOMY
$1.3
trillion
Biodiversity-based goods exported in 2024

BLUE ECONOMY
$1.2
trillion
Ocean goods and services exported in 2025

CIRCULAR ECONOMY
$204
billion
Non-plastic substitutes exported in 2024 (estimate)

Source: UNCTADstat 2026.

Note: The figure illustrates the scale of sustainable trade opportunities. The categories presented are not mutually exclusive and may overlap.

Furthermore, UNCTAD identified significant opportunities to expand South-South trade, strengthen value addition, and enhance food security in the fisheries, aquaculture, and agricultural sectors by using the flexible framework of the Global System of Trade Preferences (GSTP).[29] The GSTP would enable participating countries to reduce unnecessary barriers, strengthen regulatory and sectoral cooperation to increase participation in higher-value segments of regional and global value chains, facilitate access to affordable technologies and promote investment.

In the face of the growing climate emergency, enhanced cooperation is needed to harness trade as a critical enabler that turns these emerging sustainable trade opportunities into resilience.

27 UNCTAD (2025), Trade policies to advance national climate plans.
28 See: Harnessing Trade to Advance NDCs 2 | UNCTAD e-learning Portal.
29 UNCTAD (2025), The potential of the GSTP: The case of agricultural trade. UNCTAD (2024), South-South trade in the marine fisheries and aquaculture sectors.


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Way forward: harnessing trade for climate action

Keeping the 1.5°C goal within reach requires urgent and coordinated action. Trade cooperation should be scaled up through concrete and enforceable climate-related provisions and implementation support tailored to countries' climate plans, development levels and capacities.

Countries' trade and environment ministries can identify the trade sectors where they have a comparative advantage in low-carbon and sustainable production. Trade policies can then be harnessed to diversify exports to those sectors, create jobs, and increase resilience.

Countries should use the full potential of trade policies and trade agreements to advance their NDCs and NAPs, including by supporting access and deployment of affordable climate technologies for mitigation and adaptation. Closer cooperation between trade and environment policymakers, at the national, regional and multilateral levels, can help improve policy coherence and just transitions.

Trade agreements need to move toward deeper cooperation, enabling developing countries to participate in the production and trade of climate-relevant sectors. Trade agreements should go beyond best-endeavour language and a narrow focus on market access by enhancing regulatory transparency and coordination, improving the interoperability or mutual recognition of standards and certifications, and supporting targeted skills development.

Align trade, investment and productive-capacity policies. Strategic investment must follow trade policy work, connecting trade cooperation to the productive capacity, infrastructure and skills that developing countries need to deploy climate-relevant technologies and participate in sustainable, resilient, low-carbon value chains.

Build the evidence base and close the knowledge gap. Developing countries need robust evidence to identify relevant goods and services, assess comparative advantages and opportunities for domestic value addition, and design trade and investment measures. UNCTAD's statistics provide evidence and the Guide on *Trade policies to advance national climate plans* and its eLearning course offer a step-by-step approach to design trade initiatives for the implementation of climate plans.



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Through this publication,
UNCTAD provides valuable insights
into current and emerging trade policy
issues and their impact
on economic development in a fast
changing global trade context.

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Division on International Trade and Commodities