

World goods trade rose 3.6% in Q1 to beat the US levy of tariffs: WTO

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The volume of world trade in goods increased 3.6 per cent quarter-on-quarter and 5.3 per cent year-on-year in the first quarter of 2025 — much higher than earlier forecasts — in anticipation of higher tariffs in the US, per WTO's latest projections on Tuesday.

However, this expansion is likely to slow down later in the year as fully stocked inventories and higher tariffs may weigh on import demand, according to WTO economists.

"The new tariffs announced by the US on April 2 at the start of the second quarter were widely anticipated, allowing importers to move purchases forward to

avoid paying higher duties at a later date," according to a WTO statement.

Trade volume growth in the first quarter was above projections issued in the WTO's *Global Trade Outlook* and statistics report released on April 16. In the report, the WTO Secretariat had made a baseline forecast of 2.7 per cent for 2025, which assumed a continuation of policies in place at the start of the year.

US LEADS IN IMPORTS

North America recorded the strongest quarter-on-quarter import growth of any region at 13.4 per cent, followed by Africa at 5.1 per cent, South and Central America and the Caribbean at 3.6 per cent, West Asia at 3 per cent, Europe at 1.3 per cent, and Asia at 1.1 per cent.

On the export side, West Asia recorded the strongest quarter-on-quarter growth at 6.3 per cent, followed by Asia at 5.6 per cent, South America at 3.2 per cent, Africa at 2.5 per cent, Europe at 1.9 per cent and North America at 1.8 per cent. The CIS region posted a decline in both exports and imports.

Despite a robust first quarter performance, monthly merchandise trade statistics in value terms available for many countries into the second quarter of 2025 show evidence of import demand starting to slow after the first quarter surge, the statement noted.

For example, the US' imports were up 25 per cent in the first quarter, but only 1 per cent in the first two months of the second quarter.

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