

# Global trade may rebound in '24, but risks remain: Report

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The international trade is expected to rebound in 2024, reversing the last year's downturn, amid lingering geopolitical uncertainties, the United Nations Conference on Trade and Development (Unctad) said.

In its Global Trade Update report, the UN's trade and development body warned that the logistical challenges such as shipping disruptions in the Red Sea, Black Sea and Panama Canal cast shadows over the optimistic outlook, and can raise costs and disrupt supply chains.

"Projections for 2024 are more optimistic. Overall, moderating global inflation and improving economic growth forecasts suggest a reversal of the downward trends. Additionally, rising demand for environmental goods should boost trade in 2024. However, it's important to note that the global trade outlook for 2024 remains subject to significant uncertainties,"

the report said.

In 2023, global trade saw a 3 per cent contraction, equaling roughly \$1 trillion, compared to the record high of \$32 trillion a year ago. Trade in goods dipped by 5 per cent compared to 2022. The services sector grew by 8 per cent year on year (Y-o-Y) in 2023.

Quarter-on-quarter figures indicate a return to growth in some major economies, including China and India. "Overall, the comparison of annual and quarterly growth suggests significant improvement in trends for several economies. However, the overall statistics for 2023 remain negative," the report said.

In India, merchandise exports grew by 5 per cent in the last quarter of 2023 as compared to the same period a year ago. However, on an annual basis, the export growth saw a 6 per cent contraction. In the case of services, exports remained flat in the last quarter of 2023 as compared to the same period a year ago. On an annual basis, services exports from India grew by 14 per cent in 2023.

**UNCTAD warned that logistical challenges such as shipping disruptions in the Red Sea, Black Sea and Panama Canal can raise costs and disrupt supply chains**