

# Global trade witnesses uptick in early 2025 anticipating US reciprocal tariffs

**DIM OUTLOOK.** A slowdown of new export orders suggests growth momentum may not be sustainable

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Global trade in goods witnessed a “strong uptick” in early 2025 with importers front-loading purchases ahead of the anticipated higher tariffs by the US, according to the latest reading of the WTO goods trade barometer released on Thursday. However, a slowing down of new export orders suggests that the growth momentum may not be sustainable, according to a WTO statement.

“The latest WTO goods trade barometer rose to 103.5 — up from 102.8 in March, while the forward-looking new export orders index fell to 97.9, pointing to weaker trade growth later in the year,” it noted.

## REAL-TIME INFO

The goods trade barometer provides real-time information on the trajectory of mer-

chandise trade relative to recent trends. Barometer values greater than 100 are associated with above-trend trade volumes, while barometer values less than 100 suggest that goods trade has either fallen below trend or will do so in the near future.

“World merchandise trade volume growth moderated in the fourth quarter of 2024 but it is likely to rebound in the first quarter of 2025 based on the goods barometer and preliminary trade data,” the statement said.

The WTO Secretariat’s global trade outlook, published on April 16 2025, projected stable trade growth of 2.7 per cent for 2025 under a low-tariff scenario reflecting policy conditions at the start of the year, and a contraction of 0.2 per cent under actual policies in place as of mid-April. “Subsequent developments, including US-China and US-UK trade agreements as well as higher tariffs on steel and aluminium,



**PARLEYS ON.** India was hit with a 26 per cent reciprocal tariff and is right now engaged in negotiations with the US to reach an interim trade pact by July 9 REUTERS

have nudged the forecast up and down slightly leaving the overall outlook basically flat at 0.1 per cent. However, trade contraction is possible, for example, if US reciprocal tariffs are reinstated, or if trade policy uncertainty spreads globally,” the state-

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(except a baseline tariff of 10 per cent that was imposed on all targeted countries).

On July 9, the tariff pause will end and there are apprehensions that Trump may reinstate the reciprocal tariffs if he doesn’t reach trade deals with the affected countries.

India was struck with a 26 per cent reciprocal tariff, and is right now engaged in negotiations with the US to reach an interim trade pact by July 9. It hopes to reach a more comprehensive bilateral trade agreement by a mutually agreed timeline of Fall 2025 (September-October), which it hopes would benefit both countries.

## 90-DAY PAUSE

US President Donald Trump announced reciprocal tariffs on a large number of countries on April 2, based on trade deficits, which he paused for a 90-day period