Future of Trade

New opportunities in high-growth corridors

standard chartered

Foreword

Globalisation is not dead, contrary to recent claims. Nowhere is this more evident than in global trade, where high-growth trade corridors in Asia, Africa and the Middle East are set to outpace the global average by up to four percentage points.

These regions will propel global trade from USD21 trillion to USD32.6 trillion by 2030.

Intra-regional trade – particularly within ASEAN and East Asia – will be significant over the next decade, and high-growth routes will emerge between ASEAN and South Asia, and South Asia and Africa. Of the larger, longer-established players, China will remain a major contributor for both exports and imports, and Europe and the US will continue to be the largest destinations for Asian exports.

Are businesses prepared to capture the opportunities offered by these shifts?

Almost half the global business leaders we spoke to are struggling with the impact of rising geopolitical tensions, tariffs, inflation, and energy prices.

To overcome these challenges, multinationals will need to become more 'multi' national than ever and build greater resilience and expand into these fast-growing nodes of global trade.

This rebalancing of supply chains is already picking up speed, with businesses racing to connect to new centres of sourcing, manufacturing, and distribution. Our clients can take advantage of our network and tech-enabled banking solutions to finance their trade, sustainability and long-term expansion plans in these future centres of manufacturing and trade.

One advantage of emerging technologies in cross-border commerce is that they can make global trade more inclusive and sustainable, to the benefit of smaller businesses.

Digital supply chain finance (SCF) is one area that could be transformational, since it helps SMEs access finance in developing markets, thereby enabling them to participate in global supply chains. Our research estimates that in the 13 markets studied, the adoption of digital SCF platforms could help companies diversify their suppliers and drive exports up by USD791 billion.

These platforms, which capture and process billions of data points, can also help large anchor companies to track ESG compliance across their entire supply chain.

Our partnerships with Mainland China's largest supply chain finance provider, Linklogis, and fintech working capital platform Taulia are already helping our clients and their suppliers achieve this extra level of granularity. Linklogis for example, allows us to provide financing down to the eleventh tier of client supply chains.

In terms of real-world execution, much will still depend upon partnerships between governments, businesses and multilaterals, with policy incentives for businesses to enhance their ESG compliance and interoperability between markets to drive up the adoption of new technologies.

For instance, almost 86 per cent of business leaders agree that digital SCF solutions can improve access and efficiency in global trade – only 18 per cent currently use them mostly because of challenges such as interoperability and resource constraints. Incentives through finance and policy can be game-changing and help bridge the trade finance gap which currently stands at a massive USD2 trillion.

The next decade of global trade is set to be exciting, with a more diverse spectrum of critical participants driving flows; collaboration and technology may help to address the shortcomings of the current model to make it more inclusive and more sustainable.

We hope this research adds to and helps businesses identify opportunities for future growth.

Simon Cooper
CEO, Corporate, Commercial & Institutional Banking
CEO, Europe & Americas

Contents

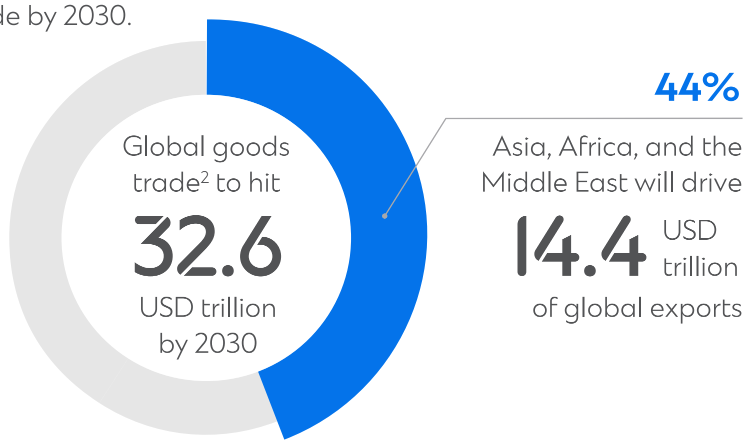
Executive summary

Corridors to watch[1]

High-growth export corridors in ASEAN, South Asia, Africa and the Middle East will outpace the average annual global trade growth rate of 5 per cent by 2030.

Corridor	2021-2030 average annual growth	2030 corridor size
Intra-ASEAN	8.7%	0.8 USD trillion
South Asia — ASEAN	8.6%	0.3 USD trillion
South Asia — Africa	8.2%	0.2 USD trillion
South Asia — The Middle East	7.0%	0.5 USD trillion
East Asia — ASEAN	6.3%	2.1 USD trillion
Intra-East Asia	3.4%	2.2 USD trillion

Global trade will be anchored in Asia, Africa and the Middle East, with the combined exports from these regions accounting for 44% of global trade by 2030.



Top 5 challenges disrupting global supply chains

Global business leaders continue to be concerned about supply chain resilience, sharing their top most concerns[3]

- **Rising geopolitical conflicts and tensions** — 54%
- **High and volatile energy and commodity prices** — 52%
- **Poor infrastructure quality** — 46%
- **High inflation** — 45%
- **Sanctions, tariffs, export bans** — 44%

Geopolitical challenges · Infrastructure and technological challenges · Economic challenges

Markets in Asia, Africa, and the Middle East are the most vulnerable to the disruptions due to issues ranging from infrastructure gaps to varying levels of institutional maturity.

Businesses in these regions must focus on building more resillient supply chains to continue to take advantage of growth opportunities and drive the next decade of global trade.

1. The 2030 corridor size and the 2021-2030 average annual growth are based on the sum of bilateral exports
2. All trade figures used in this report are for trade of goods only and do not include trade in services
3. Percentage indicates the share of respondents that selected a disruption as one of the top five disruptions most disruptive to their internationalisation strategy
4. For detailed methodology, please see the Appendix

Digital supply chain finance solutions can be game changers

10.5 USD trillion — 2030 baseline forecast export volume for the 13 markets

791 USD billion

11.3 USD trillion — 2030 combined export potential for the 13 markets with digital SCF solutions uplift

Digital supply chain finance (SCF) solutions will **reshape the future of trade**. By 2030, digital SCF solutions could increase exports in 13 key markets by **USD791 billion**[4], representing a **7.5 per cent increase** from our baseline forecast.

Greater adoption of these solutions across supply chains could greatly improve supply chain resilience, and ESG compliance to make global trade more sustainable, inclusive and transparent.

SCF solutions provide wide-ranging benefits

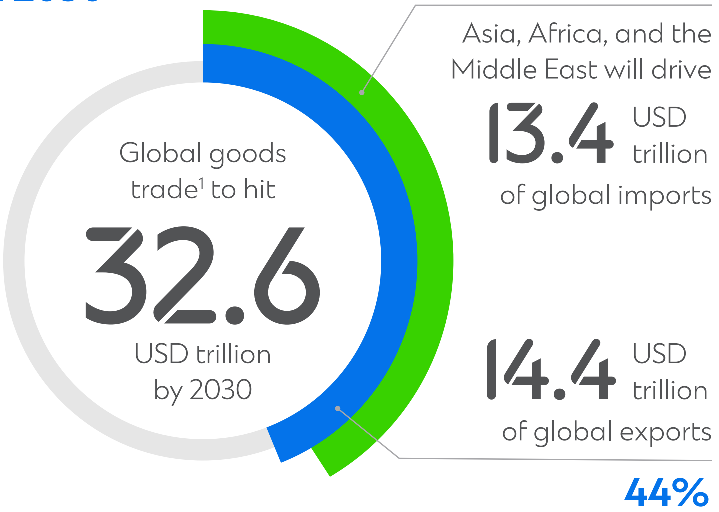
- Drive greater financial inclusion for SMEs located in developing markets
- Reduce the concentration risk in supply chains
- Enable end-to-end tracking of ESG commitments
- Broaden access to working capital financing
- Digitalise flow of capital and information, and reduce the risk of fraud and cost of monitoring

Global trade in 2030 will be more connected and resilient

Trade centres are shifting: Asia, Africa and the Middle East will anchor global trade in 2030

The outlook for trade in Asia, Africa and the Middle East is dynamic, with average annual growth expected to outpace the global average, and that of Europe and the Americas, within this decade.

With approximately three quarters of the world's population and some of the world's largest and most rapidly-developing economies, Asia, Africa, and the Middle East are set to anchor a more connected and resilient model of global trade.



By 2030, trade in the region will be...

More connected

Agreements such as the RCEP and AfCFTA[2] are expected to **strengthen intra-regional trade and increase cooperation** within Asia, Africa, and the Middle East.

As a result, trade within participating markets is expected to grow at a higher rate than the overall trade growth in Asia, Africa, and the Middle East, at **5.8 for intra-regional exports** and **5.6 per cent for imports** from 2021-2030.

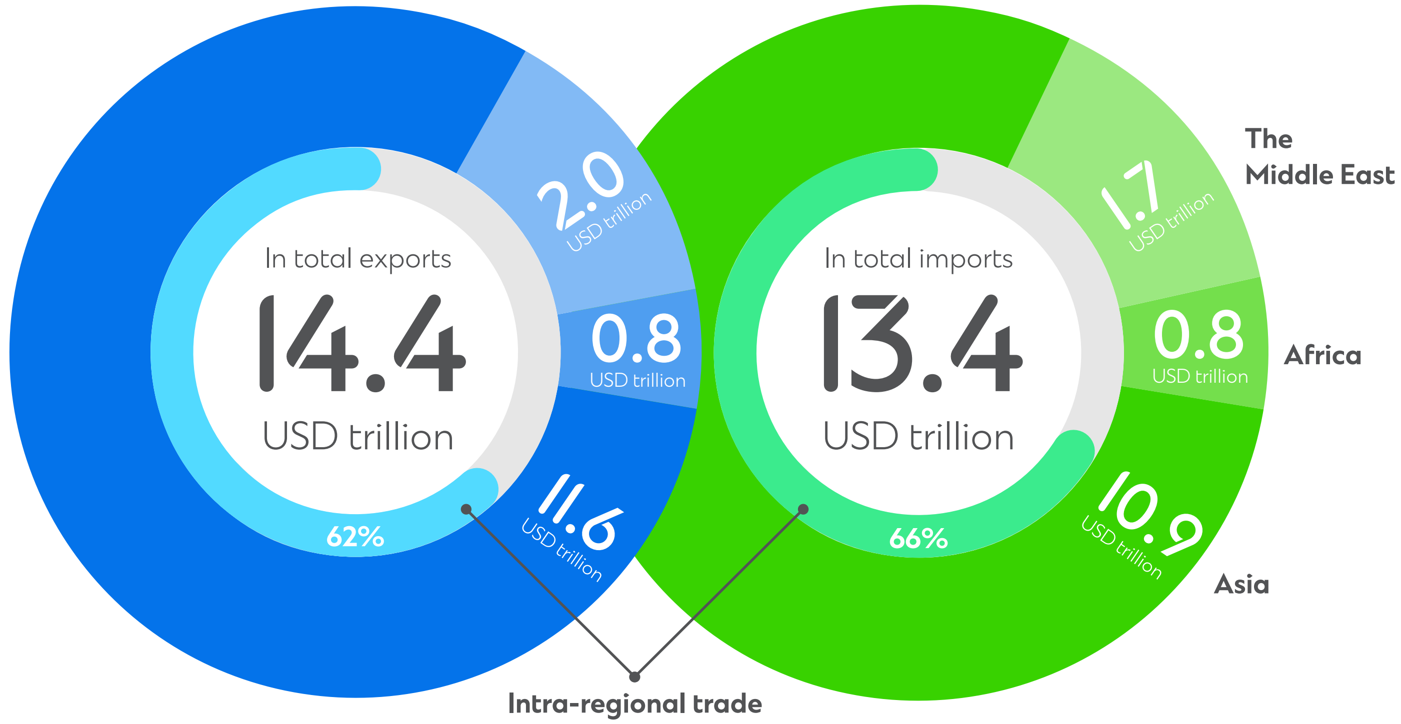
More resilient

Supply chains will be reshaped to bring the source of production closer to the destination of consumption, allowing businesses to react more effectively to market changes.

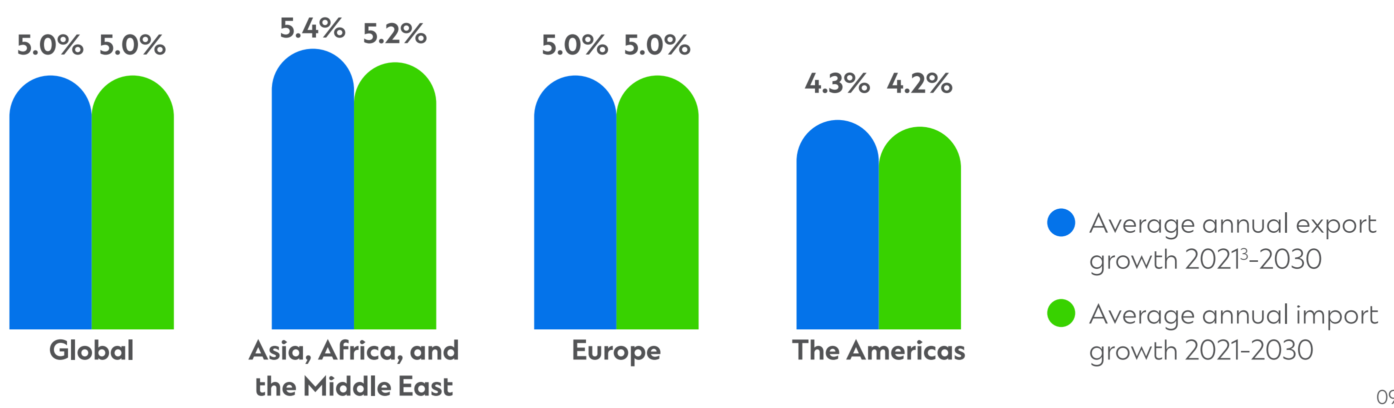
These supply chains will be **less prone to the impact of disruptions** and will also be easier to track and monitor adherence to ESG criteria, enabling a more sustainable model of global trade.

1. On a global level, total exports equal to total imports. Trade figures are for trade of goods only, and do not include trade in services
2. The Regional Comprehensive Economic Partnership (RCEP) and the African Continental Free Trade Area (AfCFTA)
3. 2021 is used as the base year for all trade growth forecast calculations, as the 2022 trade data are mostly estimates at the time of this report.

Asia, Africa, and the Middle East will anchor global trade by 2030, with Asia in the lead



These regions will outpace global trade growth, and that of Europe and the Americas



Policy will be pivotal

The favourable fundamentals in Asia, Africa and the Middle East need the right policies to enable growth outcomes. These regions are at once competitive manufacturing hubs for exports and, with rising incomes, valuable consumer markets of the future.

Policies that support the development of infrastructure, trade cooperation and key industries will be pivotal in the regions' growth story.

Global business leaders identify the following key drivers for trade growth in these regions[1]

54% **Growing middle class wealth** to fuel consumption and drive growth

49% **Increasing technical sophistication** in manufacturing to increase competitiveness

43% **Accelerating digitalisation** to drive productivity and facilitate trade

Businesses view structural policy changes as pivotal to future trade growth[1]

Infrastructure quality improvement to facilitate trade flows 56%

Deeper trade integration through the removal of tariff and non-tariff barriers 53%

Supportive industrial policy to grow the manufacturing outputs and exports 50%

Robust rule-of-law that enables contract enforcement, dispute management and foreign investor recourse 44%

Integrated financial markets to facilitating crossborder exchanges and flow of capital 43%

1. Percentage indicates the share of respondents that selected 'high impact' when asked to assess the 'impact an enabler has in driving trade growth across Asia, Africa, and the Middle East until 2030'

"The future of trade looks exciting. The centres of growth are shifting, and with that the production-consumption map is being redrawn. Goods, services and capital are moving across many more corridors, powering growth and dynamism more evenly across the globe.

But against an uncertain geopolitical and economic backdrop, the pace and durability of this growth and the associated trade flows will depend on the stability, predictability and transparency of the broader policy environment.

This is particularly true in newer areas of trade policy with less well-established rules, including for example in the adoption of ESG and technology-related trade practices. Both domestically and internationally, where interoperable standards are critical, clear and concise rules are needed.

By working together, policy makers and business can help shape a strong and supportive regulatory framework that facilitates sustainable growth and investment, and encourages responsible innovation."

Farisa Zarin
Global Head, Regulatory & Public Affairs

The rise of regional trade

Export corridors between Asia, Africa and the Middle East to strengthen

Markets in South Asia and ASEAN to emerge as opportunity export hubs

South Asia → Driven by rapid industrialisation, opportunity export corridors from South Asia are expected to emerge with **the Middle East and ASEAN.**

ASEAN → ASEAN is expected to form opportunity export corridors with **South Asia; the intra-ASEAN** export corridor is also expected to experience high growth.

Export relations remain resilient among regions in Asia, Africa, and Europe

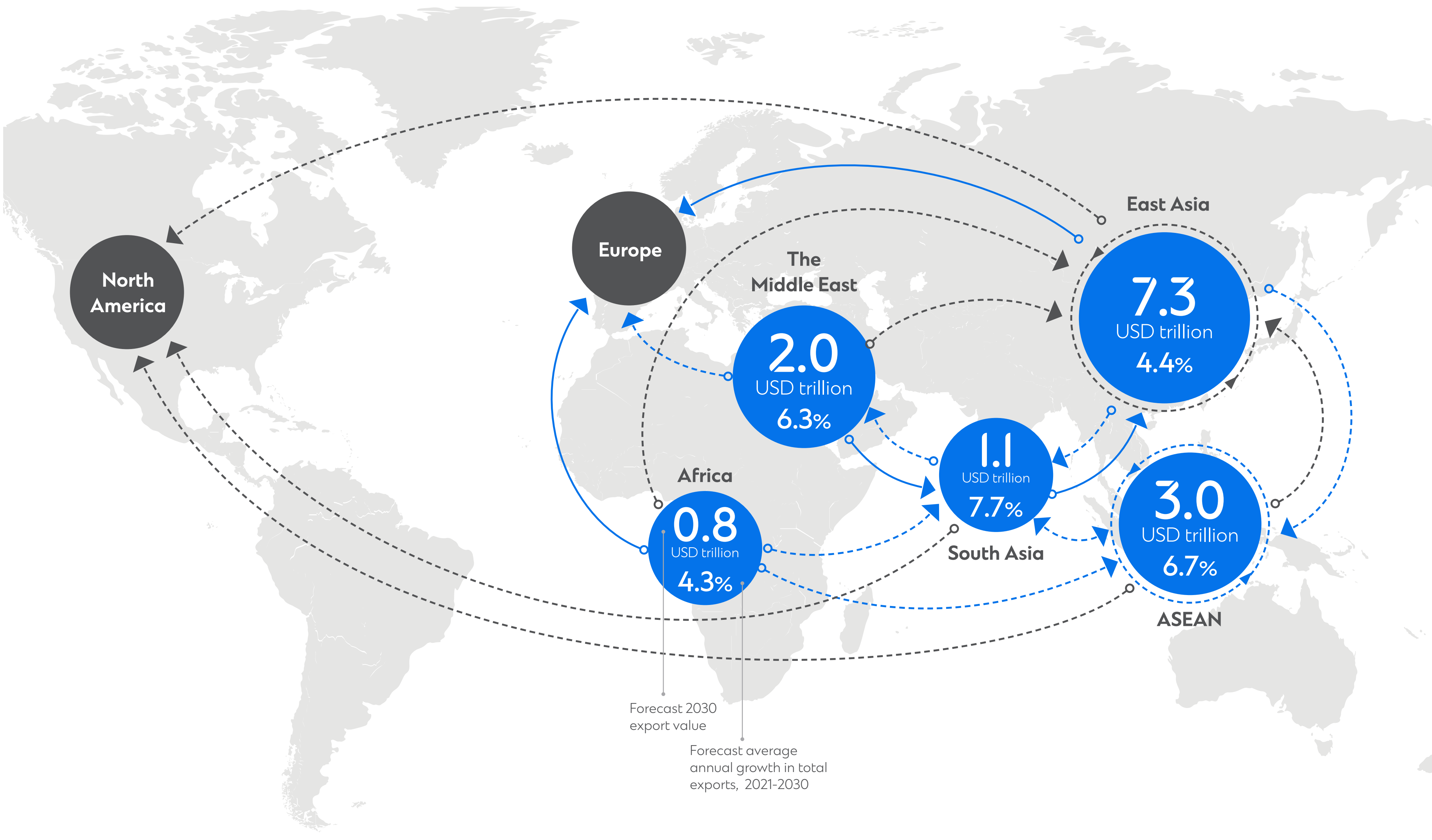
Export corridors from **East Asia t o Europe, Africa to Europe, South Asia to East Asia** , and **the Middle East to South Asia** are expected to remain substantial and grow at a stable rate between 2021 and 2030.

North America is expected to become a mature export destination for Asia

North America → **North America** is expected to become a mature destination by 2030.

For East Asia, South Asia and ASEAN, their exports to North America are expected to grow at a slower rate through 2030. These corridors are however still forecast to remain substantial in size.

Projected to reach USD7.3 trillion by 2030, East Asian exports continue to dominate; Exports from South Asia and ASEAN are expected to experience the most rapid growth through 2030



Legend

- **Resilient corridors**, characterised by medium to high export value in 2030, and moderate growth from 2021 to 2030
- **Opportunity corridors**, characterised by high growth from 2021 to 2030
- **Mature corridors**, characterised by high export value in 2030, however slow growth from 2021 to 2030
- Intra-regional corridors
- Regions outside of Asia, Africa, and the Middle East

* Corridors are non-exhaustive, and does not include trade with Central Asia, which is expected to reach USD0.2 trillion in exports by 2030.

The rise of regional trade

New import corridors to emerge across regions

Imports to ASEAN, the Middle East, and South Asia to grow rapidly

ASEAN – Driven by increasing consumption, opportunity import corridors are expected to form **among ASEAN markets**, as well a s between **ASEAN and South Asia.**

The Middle East – As one of the most affluent regions, the Middle East is expected to continue to import from other regions, with **South Asia** emerging as an opportunity import source.

South Asia – Population growth and industrialisation in South Asia is expected to drive the region's import growth, with opportunities emerging from **Africa and ASEAN.**

Imports to East Asia are expected to remain substantial and resilient

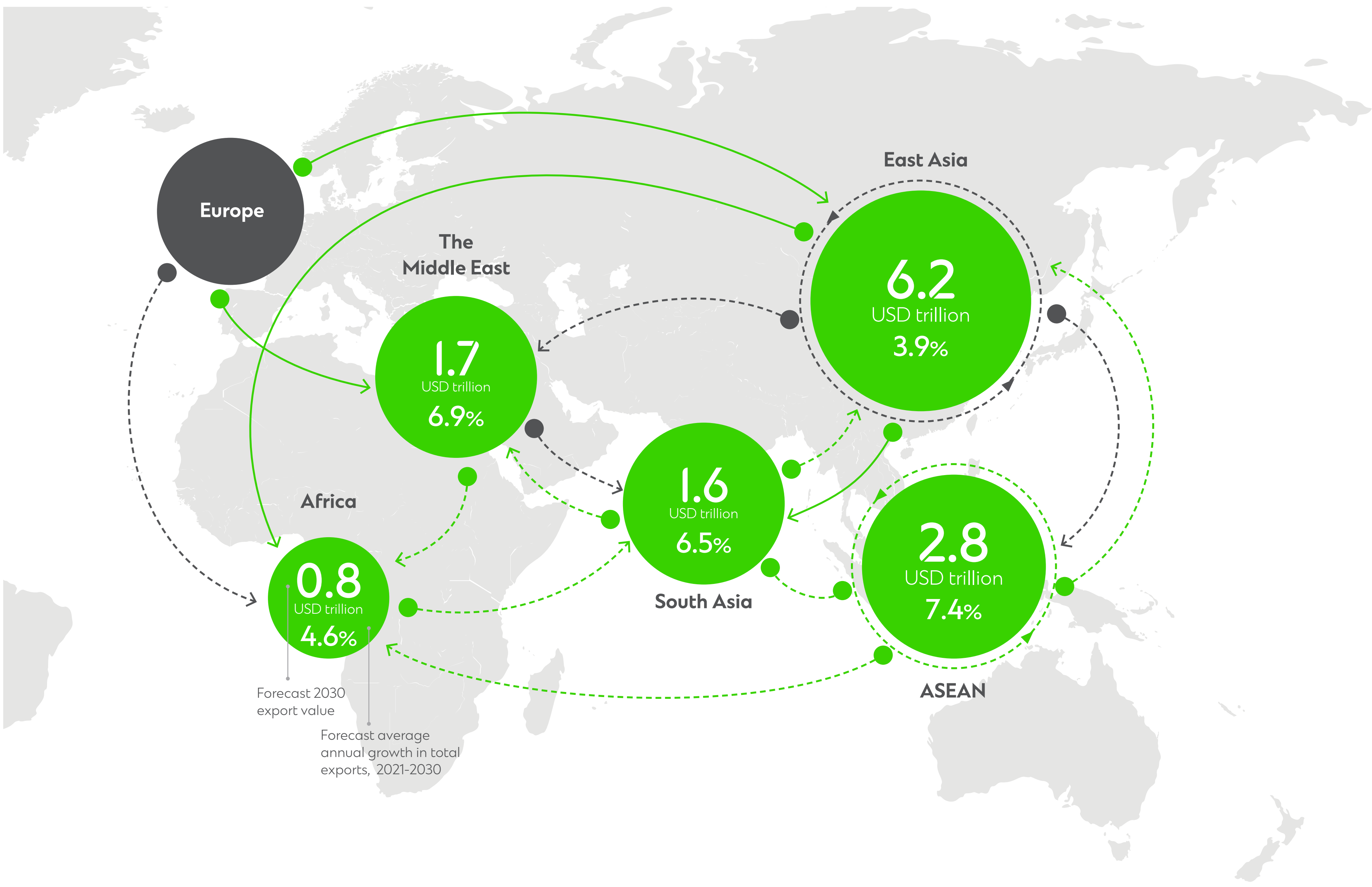
East Asia – As one of the largest consumer markets in the world, East Asia's demand for various imported goods are expected to continue to drive trade through the end of this decade. Especially, imports from **Europe into East Asia** are expected to remain resilient.

Established import corridors are expected to enter their mature stage

By 2030, several established import corridors are expected to mature; they would however remain significant, nonetheless.

The Africa-Europe, the Middle East-East Asia, ASEAN-East Asia, Intra-East Asia, and South Asia the Middle East import corridors are expected to mature through the coming years.

As consumption rises, imports to ASEAN, the Middle East, and South Asia are expected to experience rapid growth through the end of this decade; Imports to East Asia remain resilient



Legend

- **Resilient corridors**, characterised by medium to high export value in 2030, and moderate growth from 2021 to 2030
- **Opportunity corridors**, characterised by high growth from 2021 to 2030
- **Mature corridors**, characterised by high export value in 2030, however slow growth from 2021 to 2030
- Intra-regional corridors
- Regions outside of Asia, Africa, and the Middle East

* Corridors are non-exhaustive, and does not include trade with Central Asia, which is expected to reach USD0.2 trillion in exports by 2030.

East Asia

East Asian trade to move away from the west, and shift southward and outward

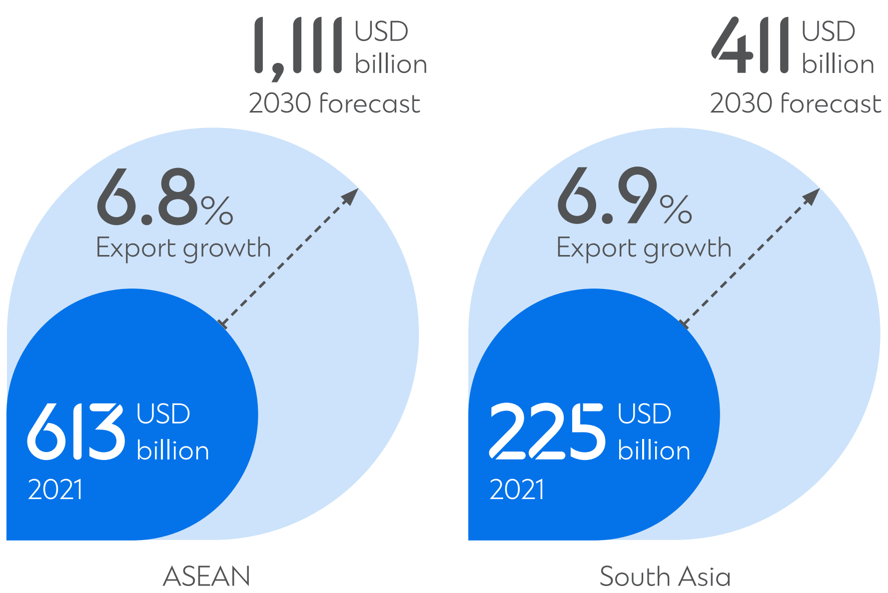
Total exports (2030):
7.3 USD trillion

Export growth (2021-2030):
4.4%

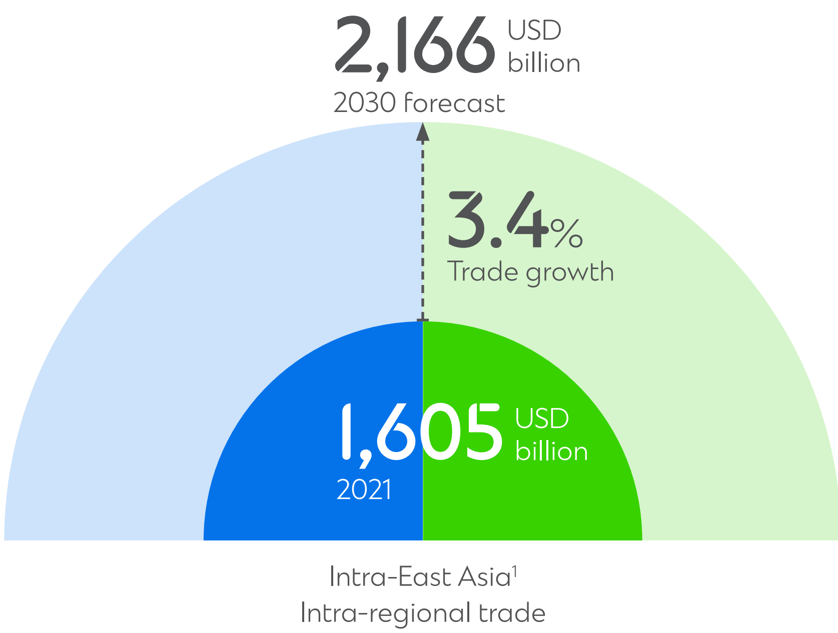
Total imports (2030):
6.2 USD trillion

Import growth (2021-2030):
3.9%

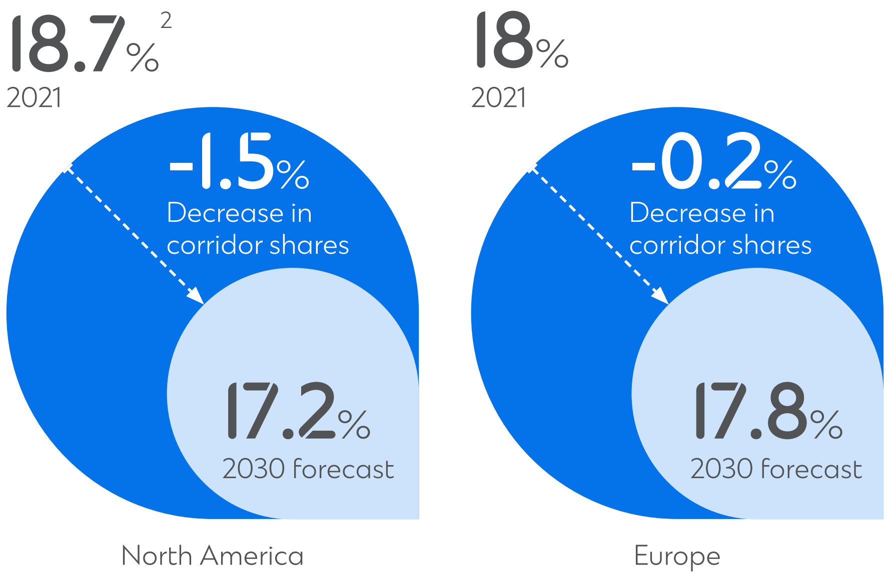
Trade with ASEAN and South Asia to drive East Asian exports from 2021 to 2030, with ASEAN as the fastest growing export destination



Intra-East-Asian trade to grow at a relatively slower rate, while trade with other regions in Asia will accelerate



Europe expected to replace North America as East Asia's second largest export destination



1. For intra-regional trade figures, exports equals to imports.
2. Corridor share of total exports from East Asia

ASEAN

Intra-ASEAN and ASEAN-to-East Asia trade to drive the region's trade growth

Total exports (2030):
3.0 USD trillion

Export growth (2021-2030):
6.7%

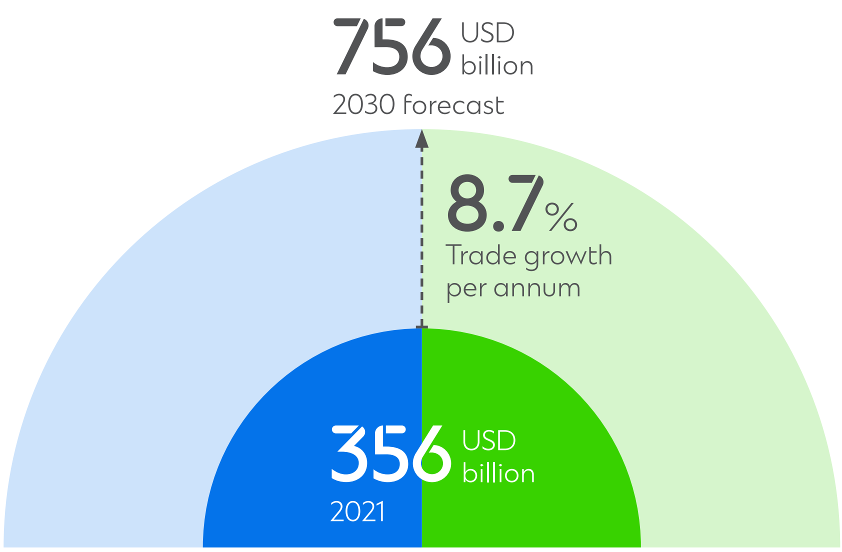
Total imports (2030):
2.8 USD trillion

Import growth (2021-2030):
7.4%

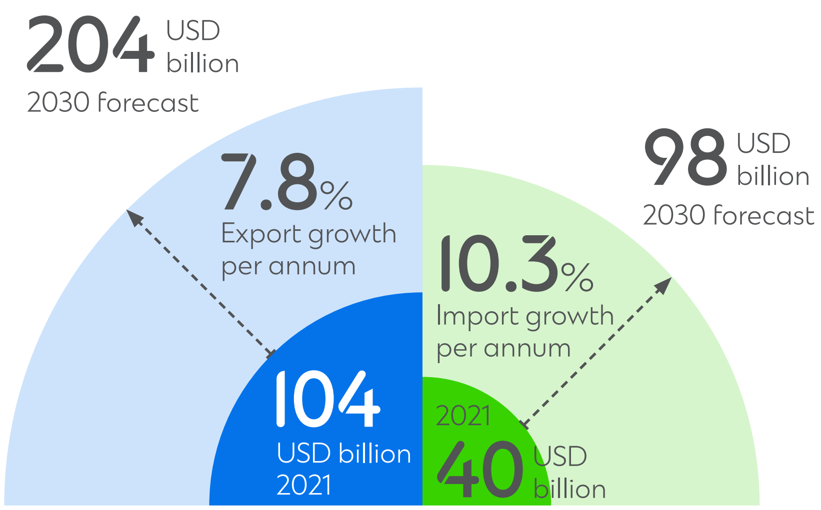
The biggest opportunity corridors will be intra-ASEAN, with trade flows between them to more than double between 2021-2030

Trade with South Asia is an emerging opportunity, with both exports and imports set to double

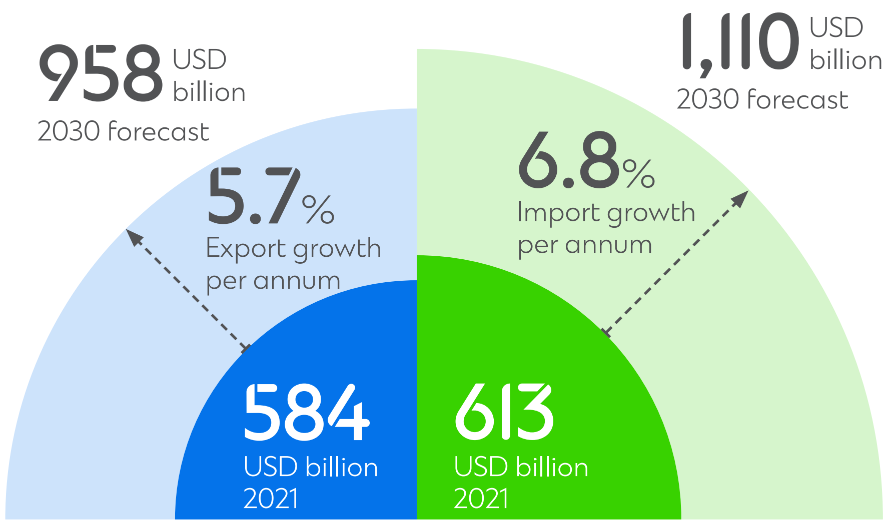
Trade with East Asia to mature, with both exports and imports to grow moderately between 2021-2030



Intra-ASEAN[1]
Intra-regional trade



South Asia



East Asia

1. For intra-regional trade figures, exports equals to imports.

The Middle East

East Asia to remain the region's largest export partner, while Europe is set to be the fastest growing destination

Total exports (2030):

2.0 USD trillion

Export growth (2021-2030):

6.3%

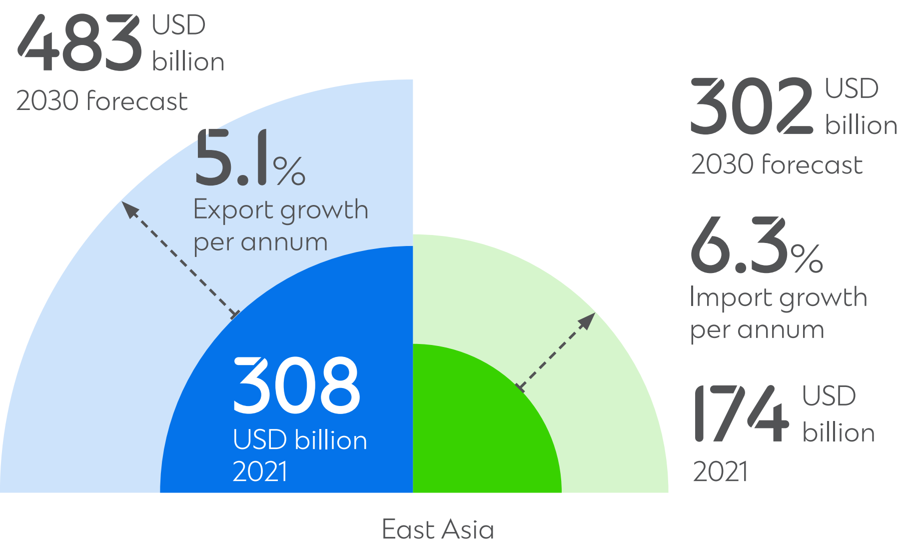
Total imports (2030):

1.7 USD trillion

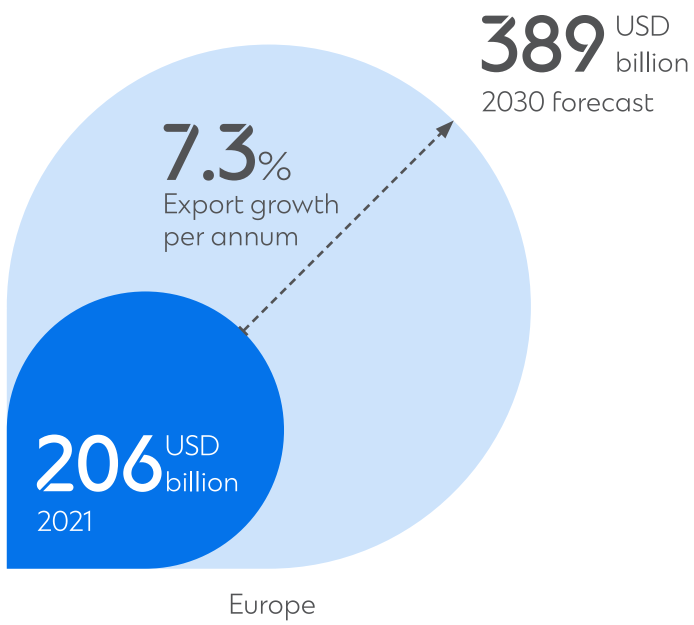
Import growth (2021-2030):

6.9%

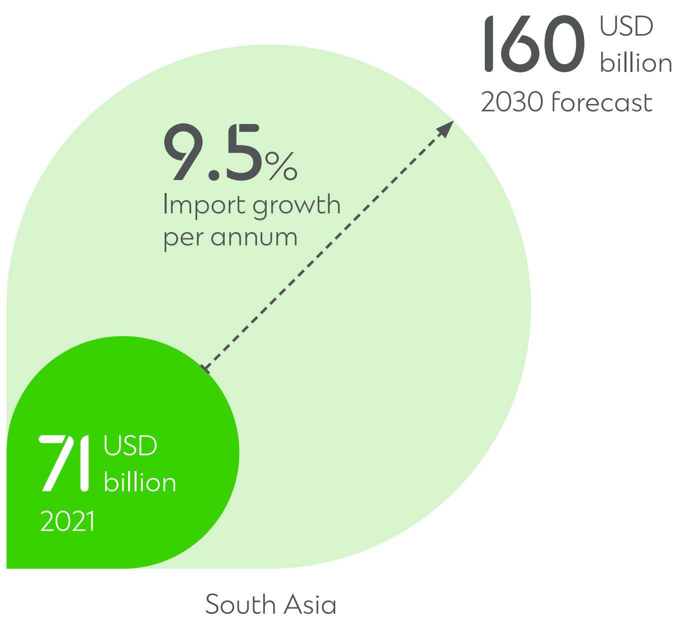
East Asia to remain the largest export destination despite slowing growth, while imports are set to grow at a moderate rate



Exports to Europe expected to experience the highest growth, driven by demand for fossil fuels as Europe diversifies its energy imports



South Asia to be important source of imports, driven by demand from key sectors including textile and apparel, metal and minerals, and machinery



South Asia

South Asia to be the fastest-growing export region, driven by strong trade ties with neighbouring regions

Total exports (2030):

1.1 USD trillion

Export growth (2021-2030):

7.7%

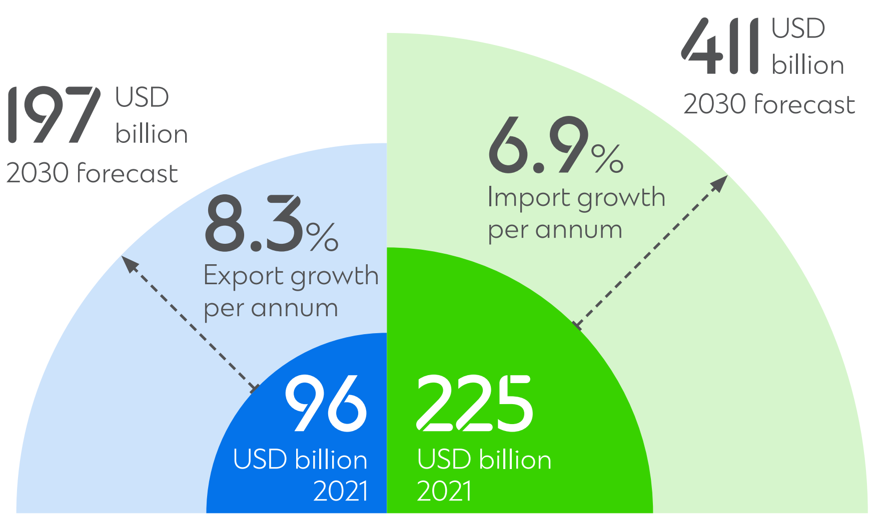
Total imports (2030):

1.6 USD trillion

Import growth (2021-2030):

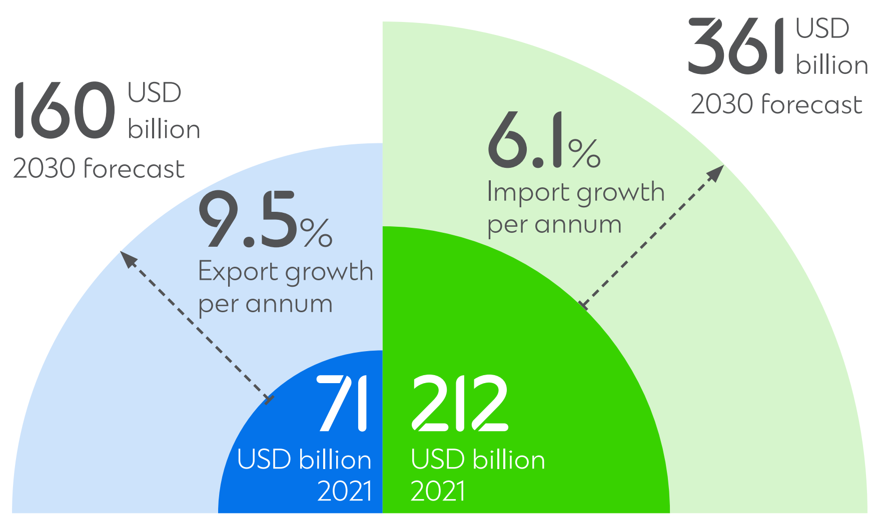
6.5%

East Asia to account for 18 per cent of total South Asian exports by 2030, while remaining South Asia's largest source of imports



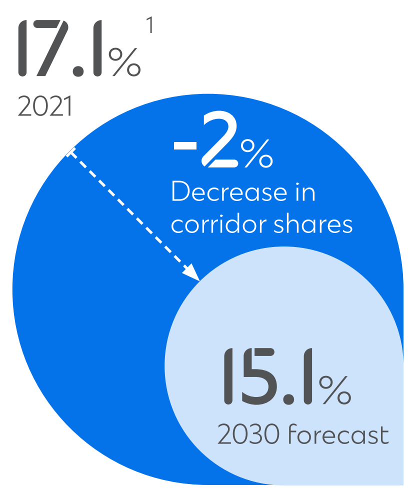
East Asia

Exports to the Middle East to grow, while South Asia's share of imports from the region will reduce as it diversifies its energy sourcing

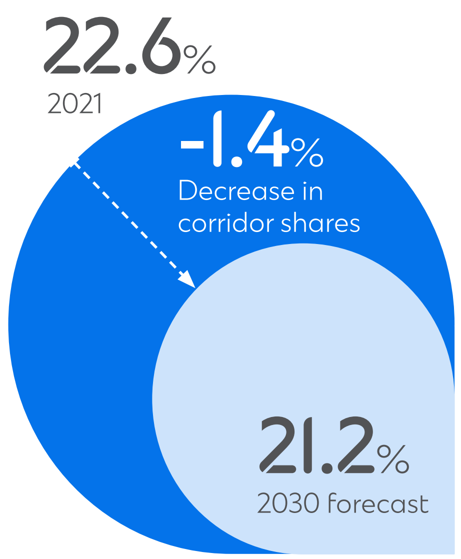


The Middle East

North America and Europe to become less significant export destinations, with below average growth projections



North America



Europe

1. Corridor share of total exports from South Asia

Africa

South Asia and the Middle East to drive future growth

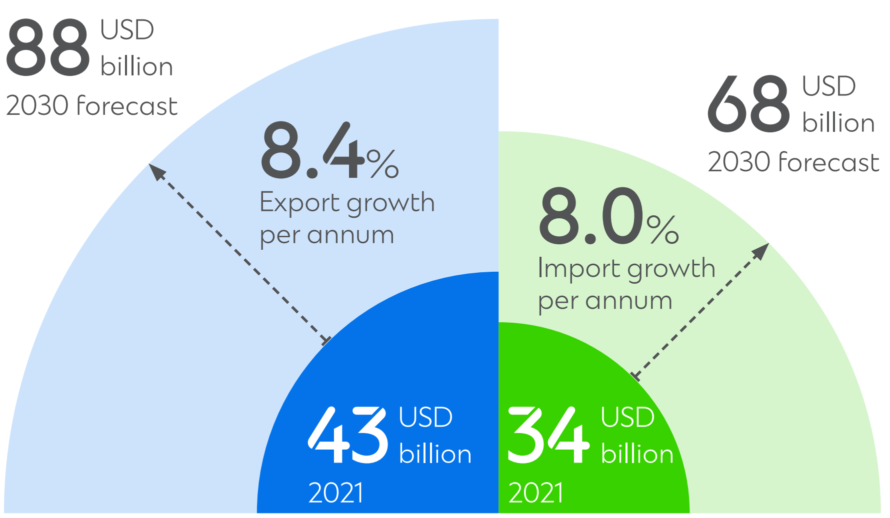
Total exports (2030):
758 USD billion

Export growth (2021-2030):
4.3%

Total imports (2030):
842 USD billion

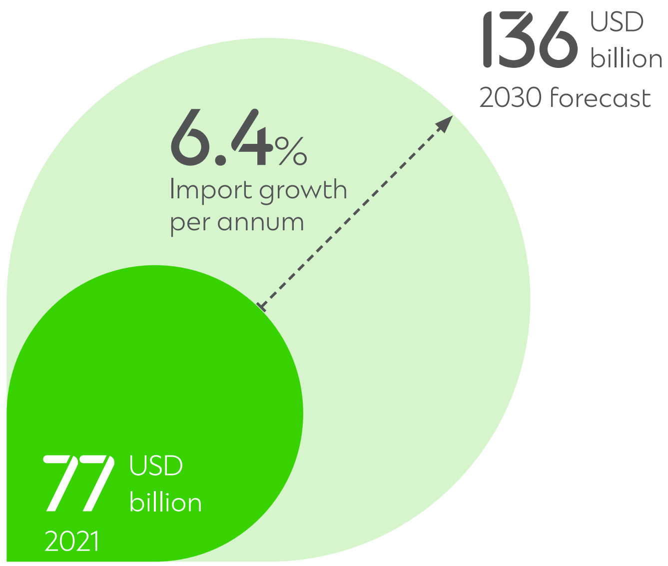
Import growth (2021-2030):
4.6%

Trade ties with South Asia to experience rapid growth, with both exports and imports to almost double by 2030



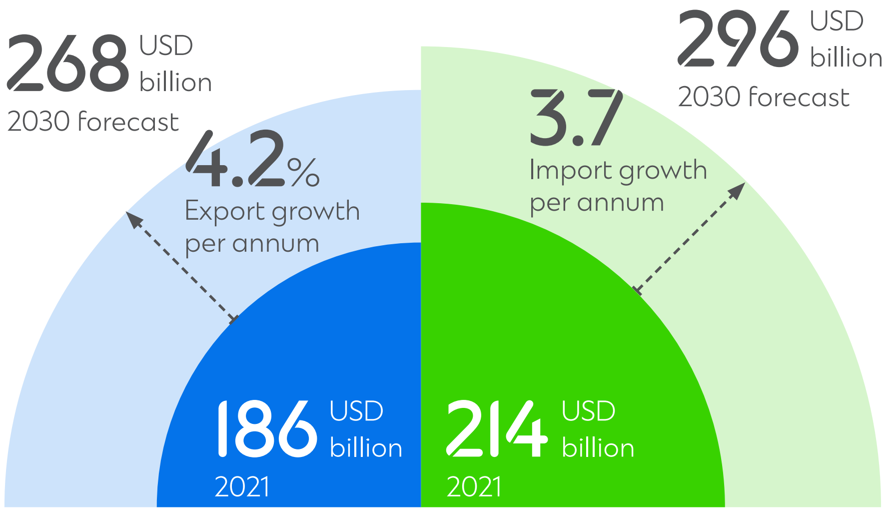
South Asia

Imports from the Middle East to grow, as the region becomes an important source of energy imports



The Middle East

Exports and imports with Europe to remain substantial, but will grow at a slower rate relative to other corridors



Europe

North America

Trade opportunities to grow with ASEAN and the Middle East, while trade with East Asia to mature in the coming years

Total exports (2030):
3.3 USD trillion

Export growth (2021-2030):
4.5%

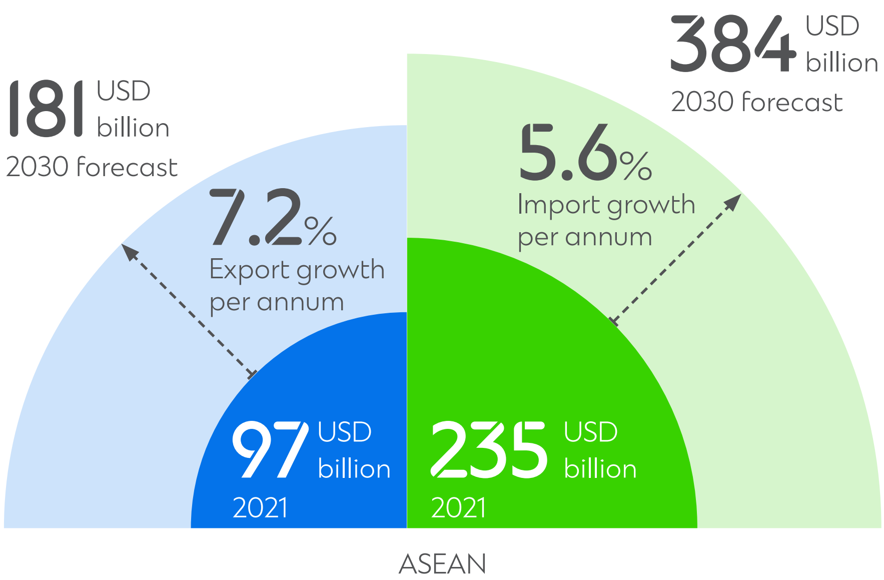
Total imports (2030):
4.9 USD trillion

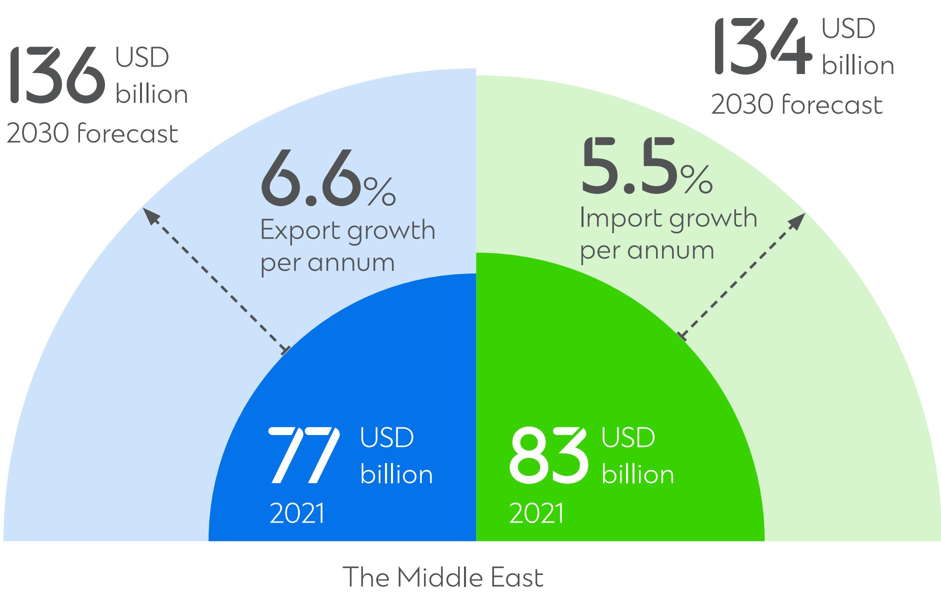
Import growth (2021-2030):
4.3%

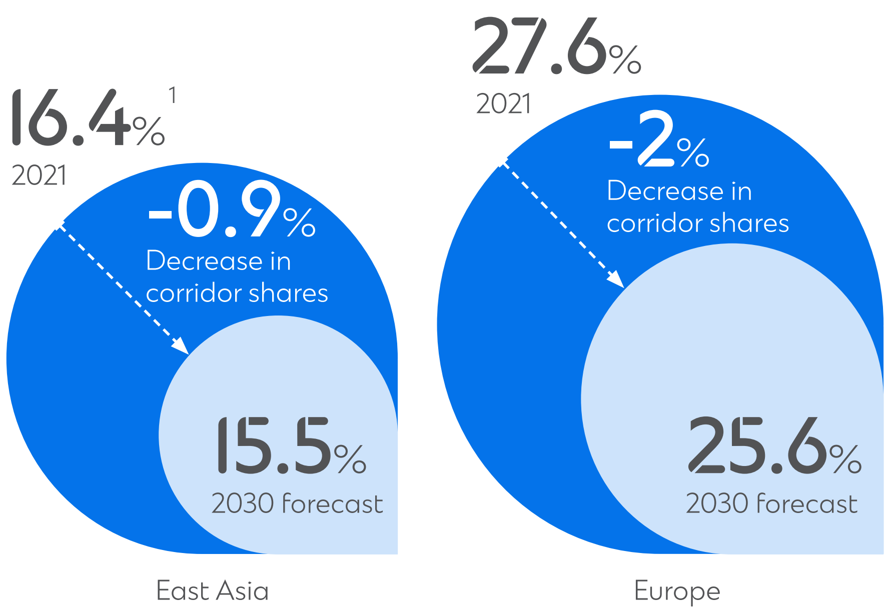
Opportunities emerge in trade with ASEAN – both exports to, and import from ASEAN are expected to experience rapid growth through 2030

North American trade with the Middle East is expected to grow at a fast pace over the coming years

East Asia is expected to remain the largest source of imports for North America; the trade corridors are however expected to shrink in shares







1. Corridor share of total exports from North America

Europe

Through 2030, trade with the Middle East, ASEAN and South Asia to experience rapid growth

Total exports (2030):
12.2 USD trillion

Export growth (2021-2030):
5.0%

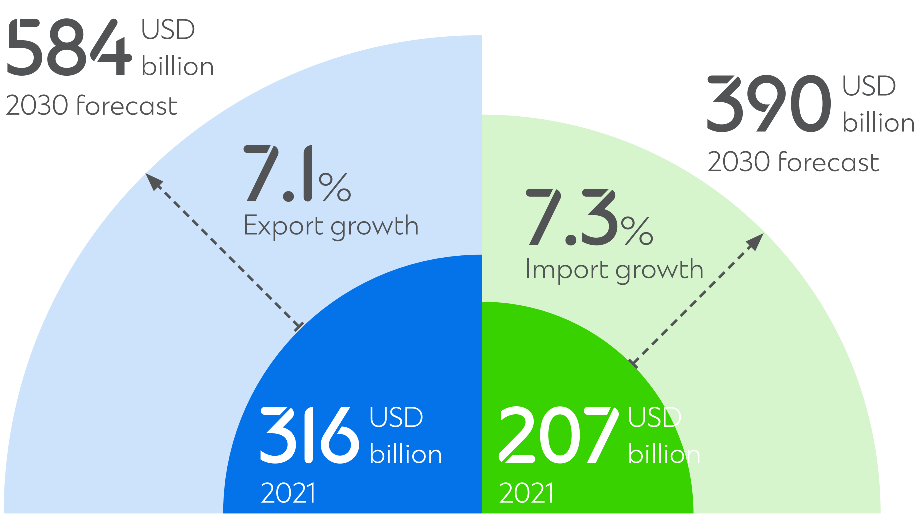
Total imports (2030):
11.6 USD trillion

Import growth (2021-2030):
5.0%

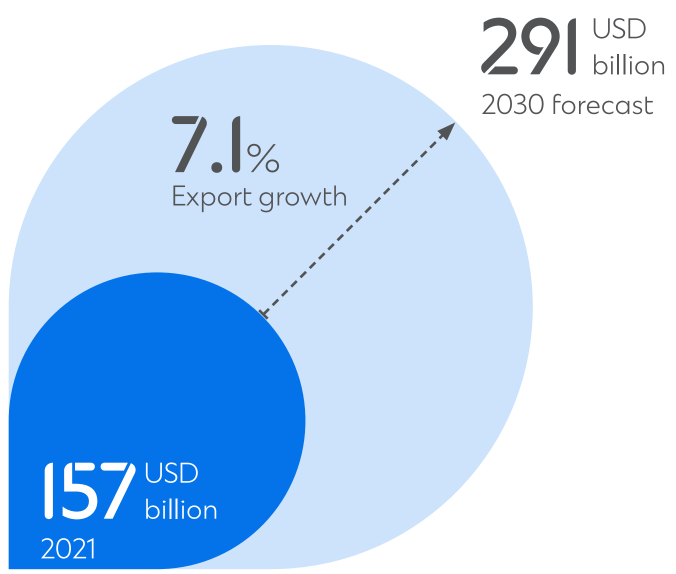
The trade outlook with the Middle East is expected to be optimistic – exports and imports are forcast to almost double by 2030

The Europe-to-ASEAN export corridor is expected to be one of the fastest-growing export corridors in the coming years

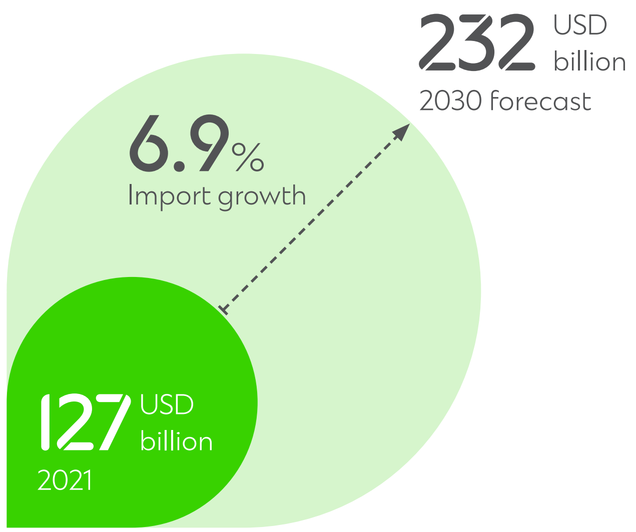
Trade relations with South Asia are expected to strengthen – the region is expected to emerge as a fast-growing import source for Europe



The Middle East



ASEAN



South Asia

Navigating interdependent disruptions

The outlook for global trade is positive, but businesses must build more resilient and sustainable supply chains for success

The convergence of multiple challenges has created a new paradigm of trade. The COVID-19 pandemic has highlighted the vulnerabilities and potential risks of just-in-time global supply chains. Meanwhile, the ongoing Russia-Ukraine conflict has exposed the risks of relying on one trading partner for vital resources.

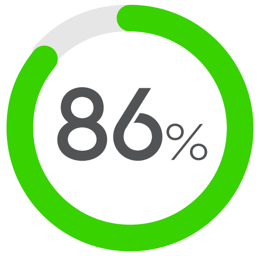
As the world moves away from just-in-time supply chains, we asked global business leaders to identify the most pressing challenges they face across five key categories:

- **Economic**
- **Geopolitical**
- **Social**
- **Infrastructure and technology**
- **Environmental**

To overcome these challenges and remain competitive, businesses need more more agile, resilient and sustainable supply chains.

Businesses will thus be required to rethink their footprint – from sourcing to manufacturing to sales – to better align with the current geopolitical reality, while also considering the cost-competitiveness of locations, the flexibility and resilience of their supply chains, and the degree of compliance to ESG standards.

Emerging supply chain technologies and digital platforms can help businesses achieve these goals.



of business leaders plan to **adjust or reconfigure** their growth path and strategy to navigate current and future challenges.

"

Global trade continues to offer opportunities for economic growth and employment, despite ongoing challenges. And as centres shift in response to disruptions, we are excited to be in the markets where trade will be anchored in the next decade.

Whether it is facilitating flows between South Asia and Africa, ASEAN and the Middle East, or intra-regionally between the ASEAN markets, we can provide our clients access to some of the highest-growth corridors in the world and meet their trade finance needs.

Along with identifying growth opportunities, we provide businesses with the insights and expert advice they need to counter the most pressing challenges they face. From rebalancing manufacturing footprints to rethinking their sourcing, achieving greater automation and ESG compliance, we can help them build more resilient and sustainable supply chains.

Our partnerships with supply chain finance platforms are helping us provide financing to suppliers deep into global supply chains, so smaller businesses can benefit from a more inclusive model of global trade. These platforms also provide the ability to track adherence to ESG criteria, helping businesses achieve end-to-end sustainable supply chains.

With our expertise and insights, we are excited to power businesses looking to capture growth opportunities in Asia, Africa and the Middle east.

Michael Spiegel
Global Head, Transaction Banking

"

Global businesses face interdependent challenges

Rising geopolitical tensions, high energy and commodity prices, poor infrastructure quality and shifting consumer preferences are some of the top-of-mind issues for global business leaders. Together, these interdependent challenges are also increasing climate risks.[1]

Economic

Impact: Recession, high inflation and energy prices tend to cause societal disturbances and could lead to unrest and changes in a market's political power structure. During periods of economic downturn and high interest rates, necessary infrastructure upgrades are often delayed, negatively impacting trade. Clean energy projects could also become harder to finance, leading to increased climate risks.

- High and volatile energy / commodity prices: 52%
- High inflation: 45%
- Volatile currency exchange rates: 41%
- Recessionary concerns / dampened consumer sentiment: 40%
- Monetary policy tightening / high interest rates: 15%

Geopolitical

Impact: Geopolitical challenges, such as international conflicts and resulting sanctions, disrupt trade and negatively impact societies and economies.

The resulting deterioration in international cooperation on global issues, such as climate change, threatens to derail the net zero transition, exposing businesses engaged in cross-border trade to more radical climate risks in the future.

During periods of geopolitical conflict, businesses are also more exposed to cyber attacks.

- Rising geopolitical conflicts / tensions: 54%
- Sanctions / tariffs / export bans: 44%

Social

Impact: Public health crises such as the Covid-19 pandemic, cause economic and political disruptions across the globe. Inequality, unrest and structural labour market tightening are additional social challenges that exacerbate instability in societies and economies, creating uncertainty for businesses.

- Public health crises / lockdowns: 43%
- Structural labour market tightening / reorientation: 26%
- Labour unrest: 14%
- Inequalities: 11%

Infrastructure and technological

Impact: Disparities in infrastructure and technology across different economies hinder the ability of businesses to operate and trade internationally.

These challenges also have a negative impact on economic development. Lack of access to technological advances can also deter business growth and cyber security continues to be an ongoing challenge.

- Poor infrastructure quality: 46%
- Disparity in technological and digitalisation adoption across the supply chain: 24%
- Growing cyber risk: 11%

Environmental

Impact: With climate change, 'black swan' weather events are becoming more frequent, straining infrastructure. As environmental challenges become more severe, implications for economies, societies and geopolitics will also be higher. Businesses will need to consider rising climate risks across the operating markets.

- Shifting consumer appetite due to sustainability and fair-trade concerns: 19%
- Implications of climate change: 14%

1. Percentage indicates the share of respondents that selected a disruption as one of the top five disruptions most impactful to their internationalisation strategy

A comprehensive response framework

Businesses are responding to challenges by reconfiguring their trade and internationalisation strategies

Based on evolving business behaviour, we identify five themes that will drive the future of trade:

- **Rebalancing**, where trade continues to shift to Asia, Africa, and the Middle East to leverage the region's favourable fundamentals.
- **Risk diversification**, where businesses hedge against disruptions by accelerating supply chain risk diversification and mitigation.
- **Fair and sustainable trade**, where businesses make supply chains more ESG-compliant.
- **Inclusive participation**, where small and medium-size entreprises (SMEs) and marginalised communities can participate and be included in trade.
- **Digitalisation**, where the increased adoption of emerging technologies across supply chains will make trade faster, and more transparent and secure.

Using these five themes as guiding principles, we introduce a response framework for businesses covering three focus areas and ten key initiatives.

The framework aims to guide businesses as they balance cost competitiveness with the need for more resilient and ESG-compliant supply chains.

Three focus areas to overcome the challenges of today and tomorrow[1]

Initiatives are enabled by SCF solutions, which allow for the tracking of data and capital flows

Rebalance – diversify risks through supply chain reconfiguration

Technology in operation – increase reliability, transparency and resilience

Sustainable trade – enable end-to-end ESG compliant supply chains

1. Percentage indicates the share of respondents that selected either 'already adopted this initiative', 'will adopt this initiative in the short-term (1–2 years)', or 'will adopt this initiative in the mid-term (3–5 years)'

Rebalance: diversify risks through supply chain reconfiguration

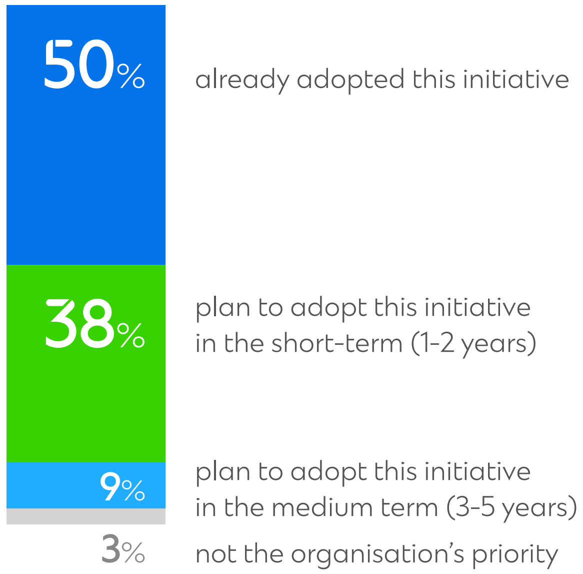
Businesses are realigning their sourcing and manufacturing decisions to a new geopolitical and economic reality

Rethinking sourcing

Faced with new geopolitical and economic challenges, businesses are rethinking where and from whom they source their manufacturing inputs, to better diversify risks and weather disruptions.

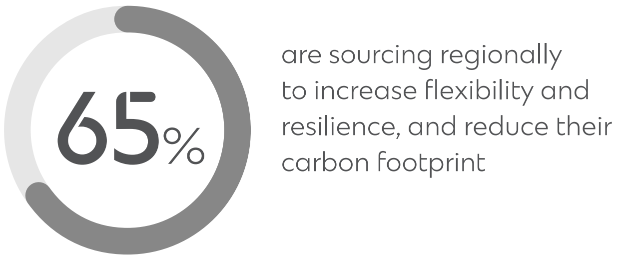
Many businesses are adding more markets to their sourcing pool to reduce risk through diversification. Others are shifting to more localised supply chains by sourcing more regionally.

88 per cent of respondents have already established, or plan to establish new sourcing hubs in 1-2 years



Business leaders cite risk diversification, increased flexibility and resilience as their top motivations for rethinking how they source[1]

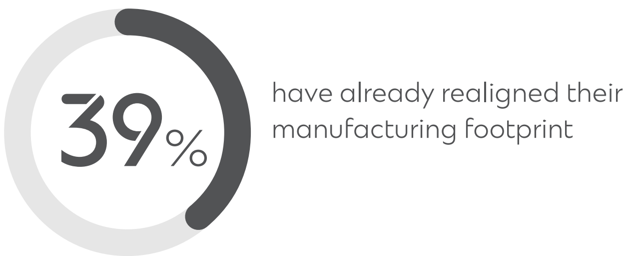
Global business leaders shared the following as their top motivations for re-evaluating their sourcing

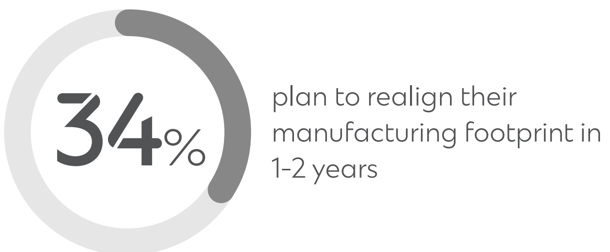


Realigning manufacturing footprints

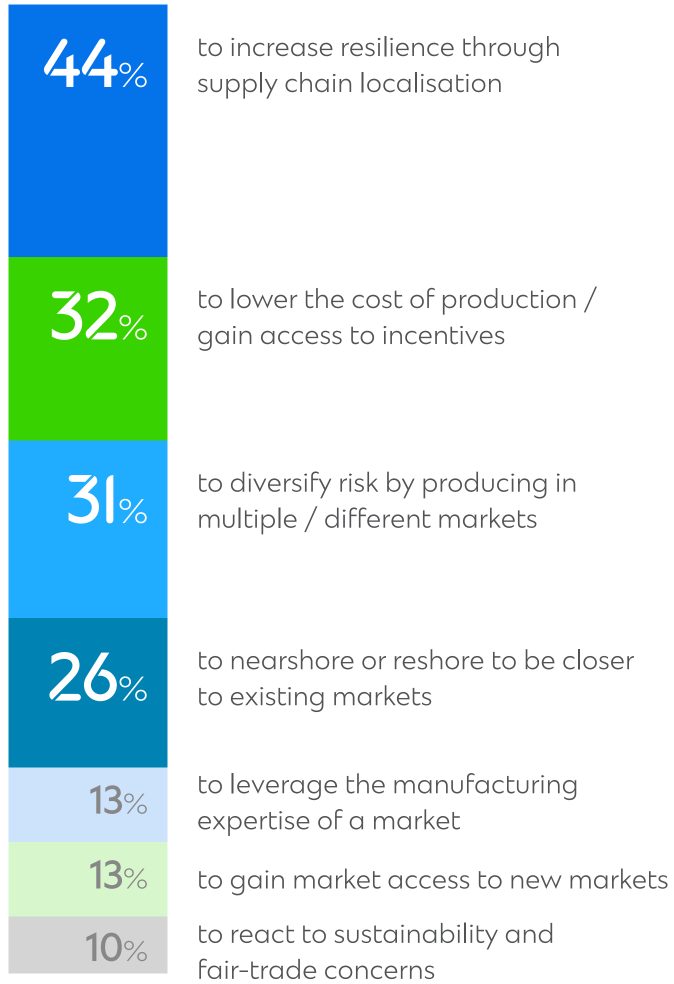
When realigning their manufacturing footprint, businesses often need to balance opposing priorities.

For example, while assessing locations, businesses have to balance geopolitical implications with cost-competitiveness. They also have to decide between achieving economies of scale or building more resilience in their manufacturing footprint. They need to evaluate the cost-savings of a global supply chain, compared to that of a more regional model and a lower carbon footprint.





Business leaders cite increasing resilience and lowering production costs as their top motivations for realigning manufacturing footprints[2]



1. Percentage indicates the share of respondents that selected a given motivation as one of their top two motivations for revaluating their sourcing decisions

2. Percentage indicates the share of respondents that selected a given motivation as one of their top two motivations for reassessing their manufacturing footprint

Digital supply chain finance (SCF) solutions are game changers

Digital SCF solutions have the potential to boost exports by USD791 billion by 2030, across 13 key markets in Asia, Africa, and the Middle East

SCF solutions could help bridge the global trade finance gap

The Asian Development Bank estimated that the global trade finance gap reached USD1.7 trillion in 2020, and increased to USD2 trillion by 2022, due to rising risk aversion and the impact of inflation on lending limits.

SMEs are disproportionally affected by the trade finance gap. Despite only accounting for 23 per cent of trade finance demands in 2020, SMEs received 40 per cent of application rejections. When breaking the figures down by gender, 70 per cent of applications made by women-owned SMEs were wholly or partially rejected.

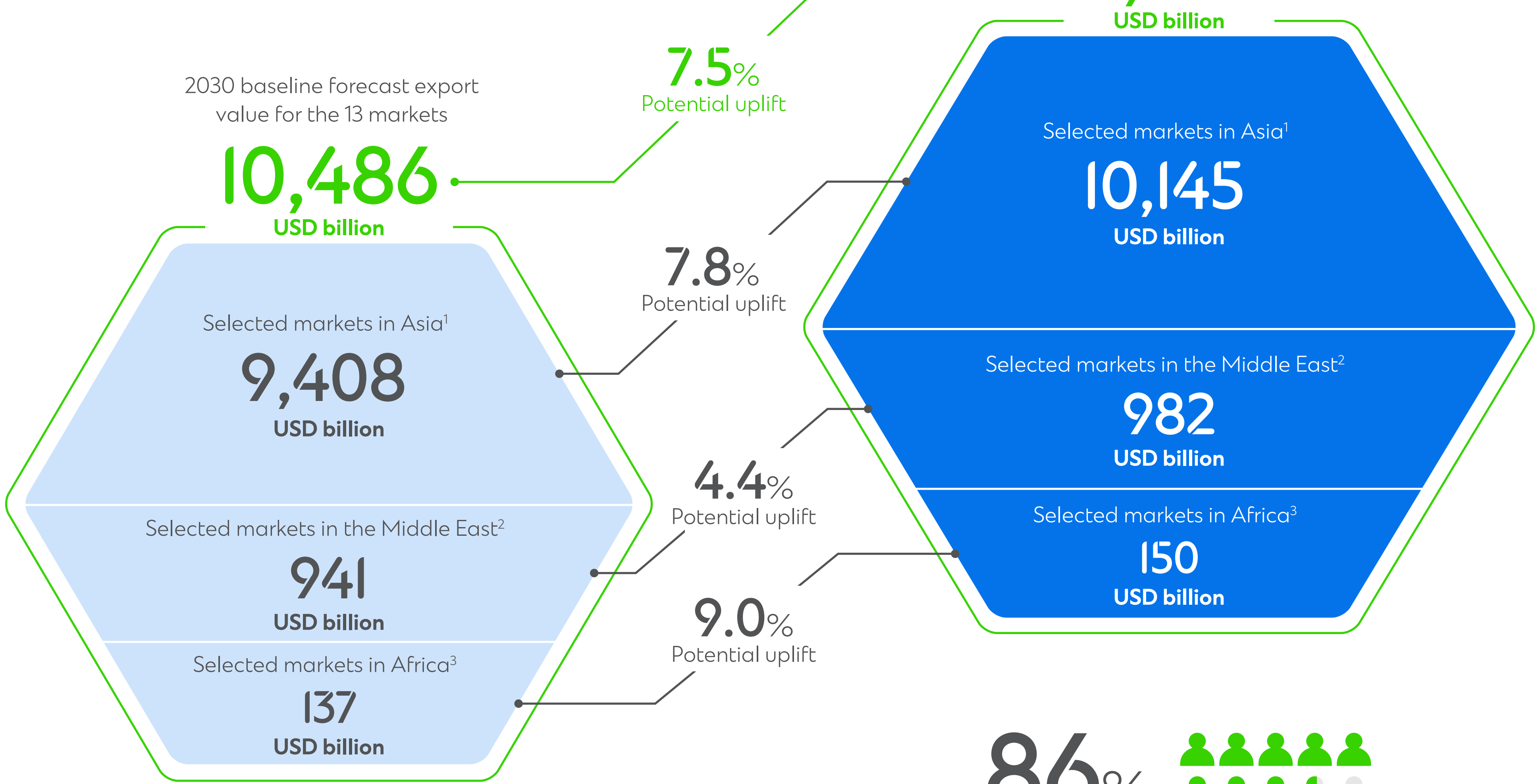
The trade finance gap exacerbates inequalities and increases supply chain fragility. When SMEs are unable to secure the capital they need to weather disruptions or fulfil orders, the global flow of goods is disrupted, negatively impacting trade and economic growth.

Digital SCF solutions can bridge this gap and uplift trade volumes.

Based on our research, we estimated that digital SCF solutions could **unlock USD791 billion of additional exports by 2030 in 13 key markets across Asia, Africa and the Middle East**.

1. Selected markets in Asia (excluding the Middle East) – Mainland China, Hong Kong, South Korea, Singapore, Malaysia, Vietnam, Indonesia, India, Bangladesh – covers 69 per cent of total exports from Asia, excluding the Middle East
2. Selected markets in the Middle East – the UAE and Saudi Arabia – covers 46 per cent of total exports from the region
3. Selected markets in Africa – Nigeria and Kenya – covers 18 per cent of total exports from the continent

791 USD billion of additional export potential in the 13 key markets by 2030 as a result of greater adoption of digital SCF solutions



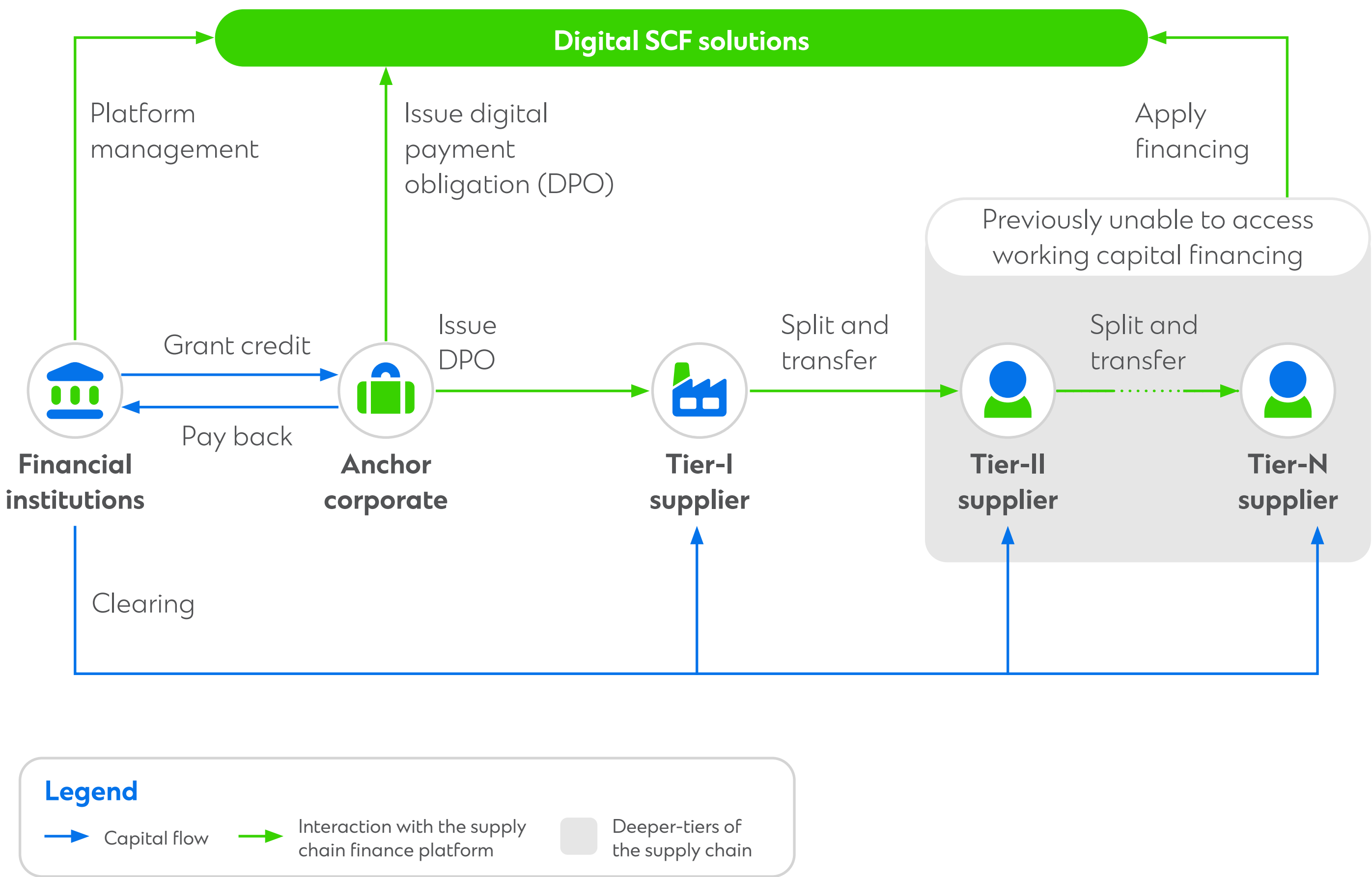
86% of respondents believe that **improved and more efficient access** to supply chain finance could lead to **higher trade volume** overall

Digital SCF solutions improve SMEs' access to trade and working capital, driving up global trade volumes

Digital SCF solutions provide access to trade and working capital financing into deep tiers of supply chains

Traditionally, trade and working capital financing is only available to large anchor corporations and tier-1 suppliers with established credit histories.

SMEs in deep tiers are often locked out of these financing mechanisms due to a combination of factors, ranging from low transaction values and lack of demonstrable creditworthiness, to the inability to provide collateral.



Benefits of digital SCF solutions range from improving trade inclusivity, to enabling end-to-end ESG compliant supply chains

Accelerate towards Asia, Africa, and the Middle East
Markets in Asia, Africa, and the Middle East are home to many SMEs. These regions, therefore, could experience the largest export gain from greater adoption of digital SCF solutions.

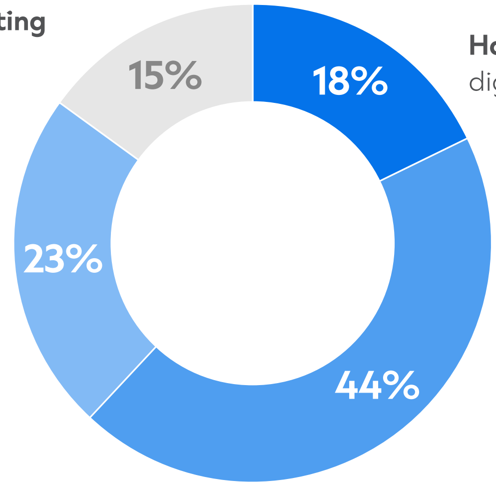
Diversify concentration risk in the supply chain
As more SMEs are onboarded to digital SCF solutions, anchor corporations will be able to diversify their supplier base, thereby reducing the risks of supply chain over-concentration and increase supply chain resilience overall.

Enable tracking of ESG commitments
Anchor corporations can monitor ESG compliance across entire supply chains. Financial institutions can use these platforms to financially incentivise ESG-aligned sourcing and commercial behaviour.

Enable more inclusive trade
Digital SCF solutions enable more inclusive global trade by improving SMEs' access to working capital liquidity. SMEs in developing markets stand to benefit as they are disproportionately impacted by the trade finance gap.

Digitalise flow of capital and information
Digital SCF solutions provide anchor corporations and financial institutions improved visibility into their supply chains by enabling capital and information tracking, reducing the risk of fraud and cost of monitoring.

Business leaders express strong interest in digital SCF solutions, but only 18 per cent currently use them



Technological gap, resource constraints and interoperability challenges are the top three barriers to the adoption of digital SCF solutions[1]

Technology gap
Indicated there is a technological gap with SMEs in developing markets
57%

Resource constraints
Indicated there are limited resources available to onboard and maintain SCF solutions and programmes, despite willingness
55%

Interoperability challenges
Indicated that integration with existing systems could be challenging
55%

Reluctance to disclose information
Indicated suppliers are reluctant to disclose commercial information and reveal their supply chain
54%

Lack of incentives
Indicated that there is a lack of external incentives for implementation
43%

Data security reservations
Indicated that data privacy is a concern
33%

1. Percentage indicates the share of respondents that selected a given barrier as one of the top three barriers for greater digital SCF solutions adoption.

“

Digital trade finance solutions are improving the ability of smaller businesses in developing markets to access finance, unlocking new opportunities for growth and enabling a more inclusive model of global trade.

Larger global businesses also stand to benefit, as these solutions help them track ESG compliance across entire supply chains, diversify their supplier base and have greater visibility on their flows of capital and information.

Our partnerships with platforms such as Taulia, a fintech provider of working capital solutions, and Linklogis, China's leading supply chain financing platform, are already helping our clients achieve these outcomes.

Kai Fehr
Global Head, Trade & Working Capital

”

Legislation, subsidies and technical assistance are needed to incentivise adoption of SCF solutions

Although digital SCF solutions have wide-ranging benefits, they are currently underutilised.

From gaps in available technology to a lack of external incentives, there are multiple barriers to adoption.

SCF solutions can help track the carbon footprint of supply chains. Legislation encouraging businesses to track, and report the direct and indirect emissions in their own organisations and supply chains, could serve to incentivise greater adoption.

Governments could also provide businesses with subsidies and technical assistance as incentives.

Large global businesses can lead the adoption of digital SCF solutions in their own organisations and deep into their supply chains.

Governments and businesses must work together to ensure the benefits of this technology can be more widely realised.

Among the barriers, technology gaps are most often cited as the key inhibitor to wider adoption of digital SCF solutions. Additionally **43 per cent** of respondents also cited that there is a **lack of external incentives** – either carrots or sticks – for businesses to adopt SCF solutions in their organisation.

Currently, tracking the supply chain carbon footprint – an attractive add-on of digital SCF solutions – is not being directly and widely incentivised. Legislations which encourage businesses to track, and report the direct[1] and indirect emissions in their own organisations and supply chains, could be a necessary incentive to promote greater adoption of SCF solutions.

Besides legislation, governments could also directly address other key barriers to adoption of digital SCF solutions, by providing businesses with much-needed subsidies and technical assistance.

Multinational businesses should take up the mantle in leading SCF solutions adoption in the business community, and leverage their position in their supply chains to drive positive changes.

Only through close public-private partnerships, can digital SCF solutions be extensively adopted in markets around the globe, and the technology benefits realised.

1. Direct emissions are emissions from sources that are controlled by the reporting entity. Indirect emissions are emissions that are a consequence of the activities of the reporting entity, but occur at sources controlled by another entity – either up or down the reporting entity's supply chain.

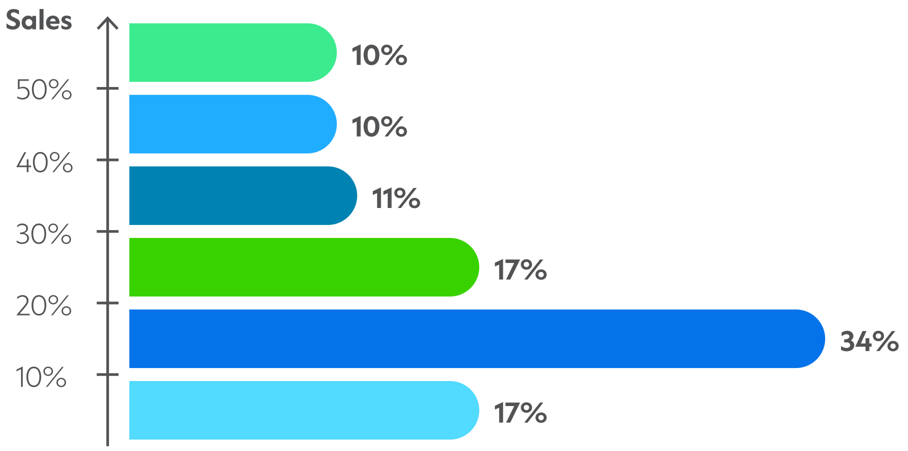
The rise of B2B e-commerce

Half of global business leaders anticipate that at least 20 per cent of their sales will come from B2B e-commerce platforms over the next two to three years

The Covid-19 pandemic accelerated digitalisation in many business functions, driving up the use of B2B e-commerce solutions.

From technical barriers to logistics and payments issues, B2B e-commerce can help address many of the challenges faced by businesses engaged in global trade.

Both multinational corporations and SMEs could leverage B2B e-commerce platforms to reach more buyers in more markets, gain greater price transparency and simplify procurement procedures. This will drive more cross-border purchases and increase global trade volumes significantly in the coming years.



Global business leaders see the following as the biggest advantages of selling via e-commerce platforms:[1]

Streamlining of selling process
Improvement in convenience and efficiency through a streamlined selling process
51%

Reduction in overheads
Increased cost savings by reducing overheads in other traditional sales channels.
48%

Improvement of customer experience
Improved customer experience by reducing purchasing bureaucracy
37%

Pricing flexibility
More flexibility in pricing and thereby increased revenue through agile pricing rule
32%

Improved reliability
Improved customer experience by reducing purchasing bureaucracy
31%

1. Percentage indicates the share of respondents that selected a given value add as one of the top two value-adds of B2B e-commerce.

Technology can help businesses achieve reliability, transparency and resilience

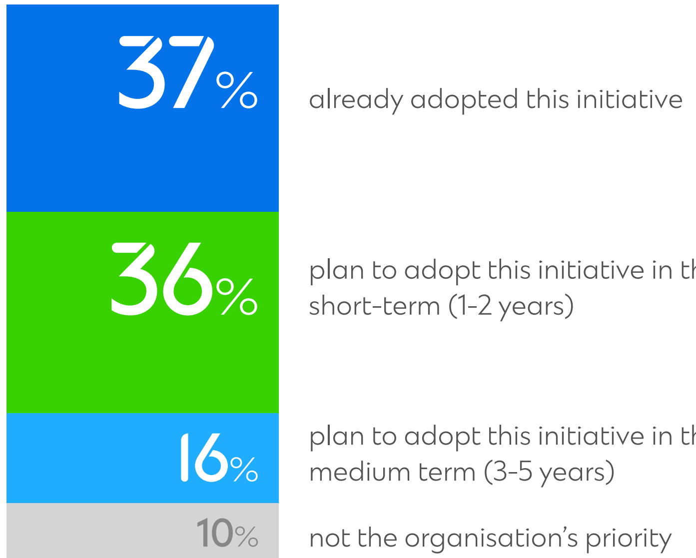
To improve operational resilience, businesses need to utilise automation, digitalisation, and risk management tools in a greater extent

Automated manufacturing operations

Businesses should leverage emerging technologies to increase the predictability and productivity of their manufacturing processes.

Industry 4.0 leverages Internet of Things (IoT) and AI in activities ranging from quality control to predictive maintenance. In the near future, as high-capacity 5G networks mature, IoT could be used to collect bigger and more complex data. Combining this with the rapid advancements in AI analytics, the use cases for automation in manufacturing could greatly expand, leading to productivity gains.

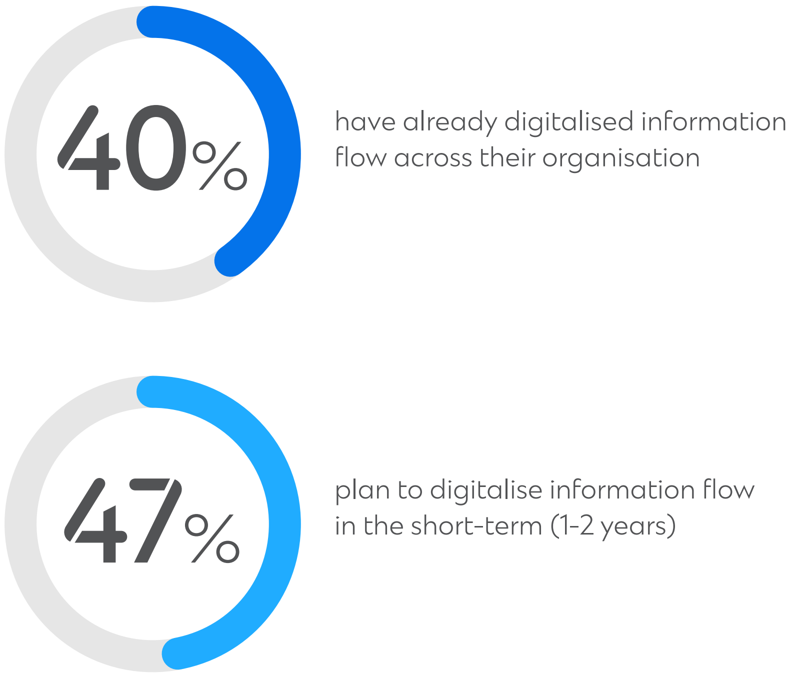
90 per cent of global business leaders have already undertaken, or plan to implement greater automation in manufacturing, either in the short- or medium-term



Digitalised information flow

Digitalising information flow across supply chains can provide multiple benefits, but is challenging at the SME level. Policy-led solutions that balance private and public interests are required.

In Mainland China, for example, the government has increased investment in public digita infrastructure to increase SME digitalisation. It has also encouraged platform providers to equip SMEs with developmental tools and trainings at speed and low-cost.

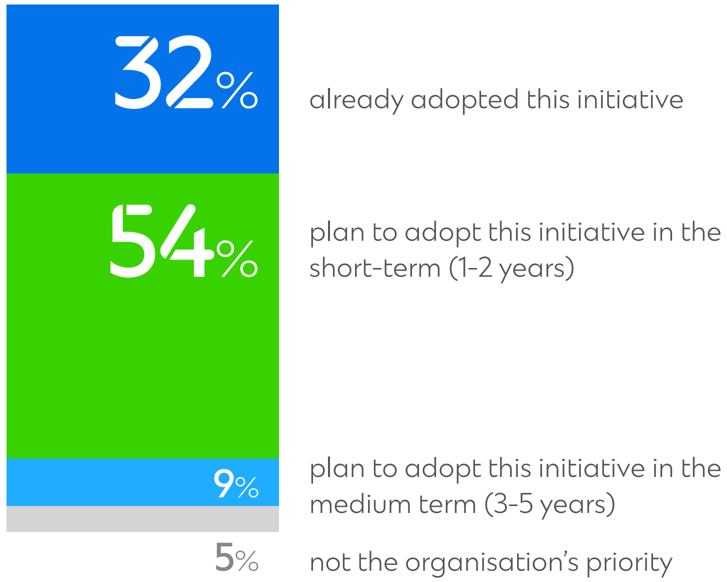


Enhanced risk management

Businesses operating and trading internationally are highly exposed to exchange rate fluctuations, volatile energy prices, geopolitics and disruptive weather events, creating an urgent need to manage their exposure and impact.

This can be achieved through enhanced risk management processes and financial instruments such as currency options and commodity futures. Innovative insurance products such as climate insurance, that limit a firm's financial exposure to climate events such as hurricanes and droughts can also help manage risk.

54 per cent of business leaders will enhance risk management in their organisation in the short-term



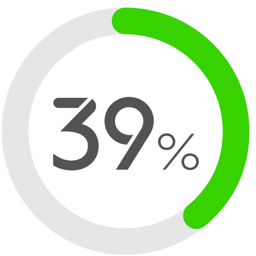
Enabling sustainable and fair trade

By adopting emerging technology such as digital SCF solutions, businesses can improve financial inclusion and enable carbon tracking across supply chains

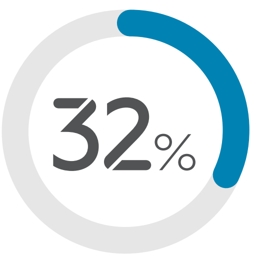
ESG standard setting, monitoring and reporting

By proactively setting, monitoring and reporting on ESG standards, businesses can meet their sustainability goals and expectations of their stakeholders, who have become increasingly interested in ESG compliance.

Large and established businesses can also create impact by leveraging their position to affect meaningful ESG standard adoption across their supply chains.



plan to establish ESG standards and measurable objectives in their organisation in the next 1-2 years



plan to track, monitor and report compliance with ESG standards in the next 1-2 years

ESG-informed supplier prioritisation

By selecting suppliers that prioritise ESG principles, a business can reduce the risk of reputational damage caused by unethical or unsustainable practices in its supply chain, and differentiate itself from other businesses that do not prioritise these issues. This also creates incentives for ESG standard adoption in deeper tiers[1] of the supply chain.

Digitalisation of the supplier's ESG track-record through supply chain platforms would also enable more transparent supplier selection based on various ESG criteria.

36 per cent of business leaders already select suppliers with ESG in mind

36% already adopted this initiative

43% plan to adopt this initiative in the short-term (1-2 years)

13% plan to adopt this initiative in the medium term (3-5 years)

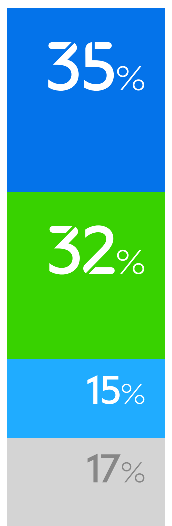
8% not the organisation's priority

Partnerships for success

By partnering with local governments on training programmes, businesses can overcome potential bottlenecks in finding talent, and establish a steady pipeline of skilled labour that is tailored to their needs, in a cost-effective manner.

Such initiatives could also help businesses build a stronger relationship with the community in which they operate, increasing their social and political capital. Training programmes can also broaden job access for disadvantaged communities, reducing inequality.

47 per cent of business leaders plan to partner with governments on skill enhancement in the short to medium term



35% have adopted this initiative

32% plan to adopt this initiative in the short-term (1-2 years)

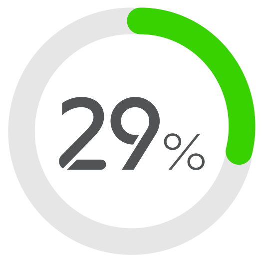
15% plan to adopt this initiative in the medium term (3-5 years)

17% not the organisation's priority

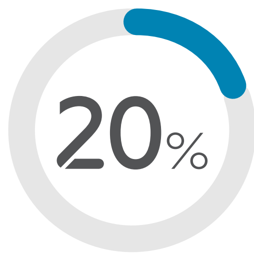
Financial inclusion

By providing SMEs better access to working capital liquidity through trade finance mechanisms or digital solutions like the SCF platforms, SMEs can better maintain and grow their operations, and weather financial distress in times of disruptions.

Ultimately, greater access to financial resources improves the reliability and performance of the SMEs, and leads to a healthier, more resilient supply chain overall.



plan to provide SMEs better access to liquidity in the short-term (1-2 years)



plan to provide SMEs better access to liquidity in the medium term (3-5 years)

1. Deep tier of supply chain refers to the SMEs that are further down the supply chain from the first-tier suppliers. These suppliers are usually not directly contracted by the original equipment manufacturer, and are typically located in lower-cost regions.

Achieving net zero: reducing concentration risks in clean-tech supply chains

Geopolitical tensions in Europe have caused severe disruptions to the energy market, causing high inflation and diminished industrial outputs across the region.

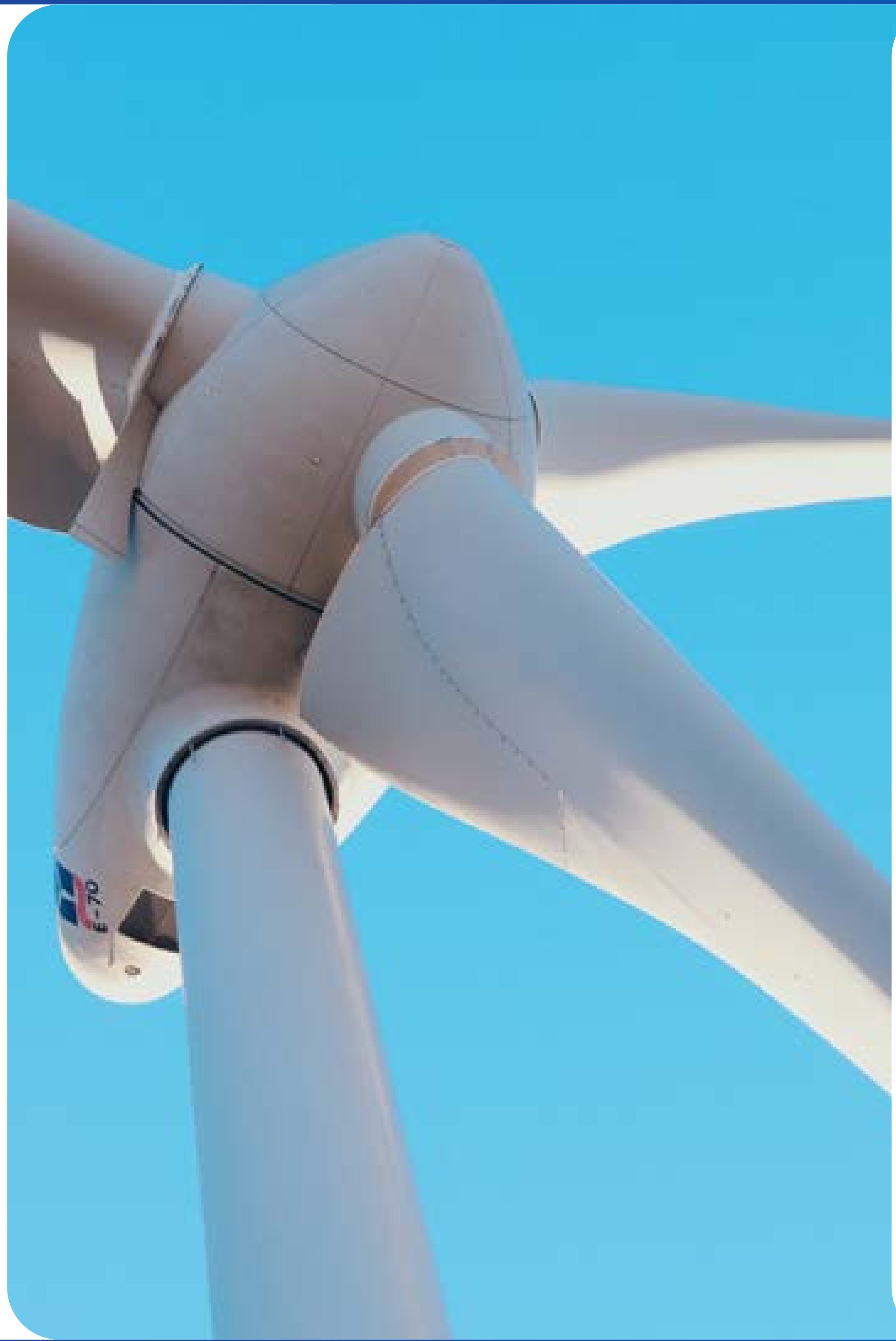
As a result, governments around the globe are making **energy security** – having a robust and diverse energy mix – a policy imperative. According to the International Energy Agency, the energy crisis is likely to accelerate the world's transition to clean energy from fossil fuels.

The rising demand for clean energy requires a massive scaling up of current clean tech including solar photovoltaic (PV) panels, electronic vehicle (EV) batteries and low emission hydrogen fuel, putting immense pressure on these supply chains.

Potential disruptions could derail both energy security efforts and the global net zero transition.

Supply chain concentration is a critical issue in clean tech. Although severity varies, concentration – either by geography or by firm – exists in upstream to downstream activities across the three main clean-tech supply chains, making them vulnerable to significant disruptions.

To achieve net zero by 2050, governments and businesses must secure the clean energy technology supply chains through diversification, and closely monitor risks that could cause disruptions.



From mining to processing and manufacturing, clean-tech supply chains are highly exposed to concentration risks

Upstream

Resource extraction

The mining activities for rare earth minerals used in clean tech are currently highly concentrated, especially in the EV battery supply chains. Currently, 70% of cobalt, a crucial raw material for EV batteries, is mined in Africa and the larger share of the world's lithium comes from China.

Material processing

Processing activities are also highly concentrated across the three supply chains. For lithium, cobalt and rare earth elements, the top three processing markets (insert names) in aggregate account for well over three-quarters of the global processing capacity.

Manufacturing and construction

Manufacturing activities across solar PV and EV batteries are significantly concentrated in Asia. The geographical concentration in EV battery manufacturing, however, is expected to ease with Europe and North America's plans to boost their manufacturing capacity.

Downstream

Solar PV | EV batteries | Hydrogen | High concentration | Medium concentration

“Our clients are constantly evolving their business models to navigate emerging, complex challenges. Our network and expertise allow us to provide them with the access and advice they need to build more resilient businesses. As we look at the next decade of growth opportunities in our network markets, we are continuously improving our capabilities across trade, payments, financing and risk management to ensure we help our clients in their next phase of growth.”

Paul Skelton
Global Head, Client coverage

“The high-growth corridors of the future will be anchored in Asia, Africa and the Middle East. By working with governments, regulators and clearing systems, we can help businesses capture opportunities in these markets. Whether they need financing, access to investment opportunities, or hedging and risk management, we have the breadth of financial markets products and solutions to support them. Our clients can access a unique mix of G10, emerging, and frontier market currencies to facilitate their trading activities in these growth markets.”

Roberto Hoornweg
Global Head, Financial Markets

Achieving net zero: banks can facilitate capital flows to upstream clean-tech firms

Improving access to finance for clean tech EVs – a case study

Like all clean energy technology supply chains, the EV supply chain is often exposed to bottlenecks in the availability of raw materials.

To secure a steady supply of rare earth minerals, subject to high concentration risk, some original equipment manufacturers (OEMs) are investing directly in mining and processing businesses. However, these investments come with risks.

Banks like Standard Chartered can help create **investment partnerships** to get downstream dollars to flow upstream, either through debt or equity instruments. This helps reduce the risk and channel capital to where it can help secure supply chains and make positive impact on the environment.

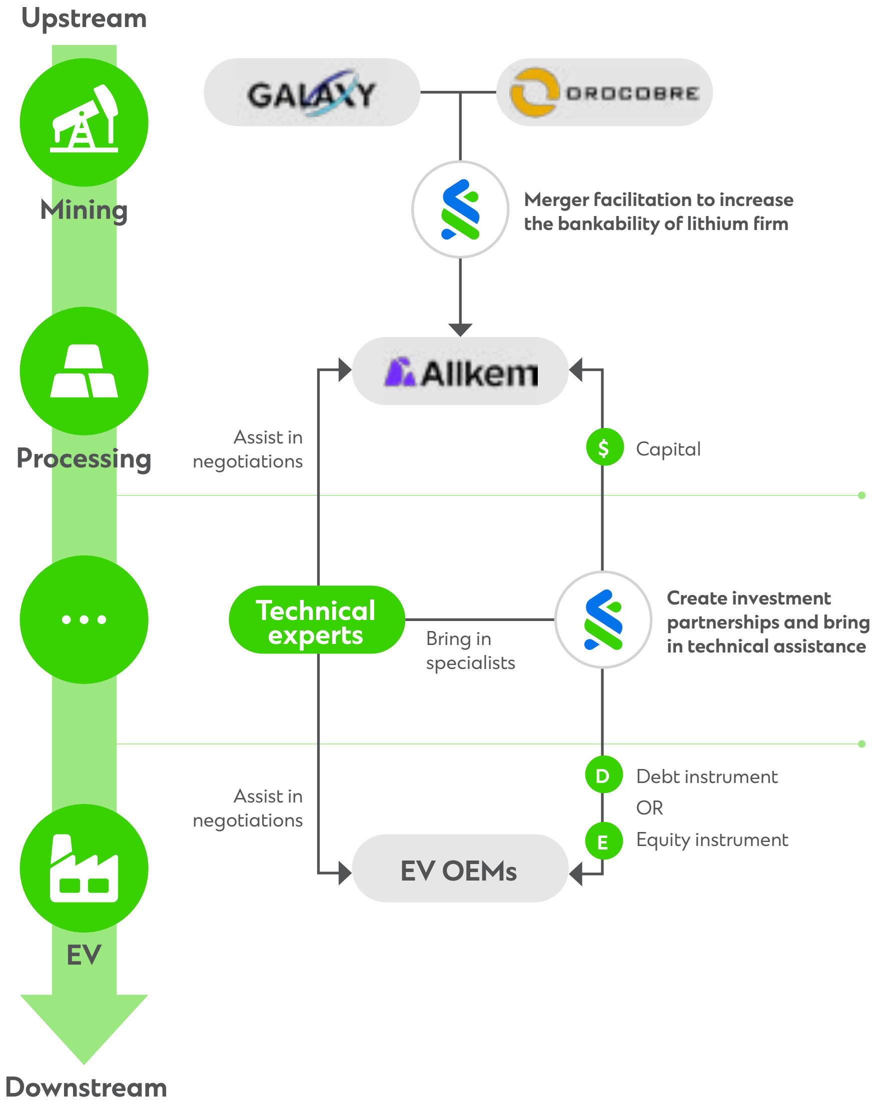
Banks can also help **reduce technology risk** by bringing in groups with specialist expertise to assist mining clients in their conversations with downstream participants and vice versa.

Standard Chartered is helping to create larger, more diversified, more financeable businesses that are better able to service the needs of large OEMs.

Recently, the Bank facilitated a merger between Galaxy and Orocobre merging to form Allkem – a lithium mining and processing company with a global portfolio.

OEMs with the more stable supply of raw materials will be the winners in the race to roll out EVs across the world.

Standard Chartered is helping increase the bankability of upstream firms in the EV supply chain through mergers. This facilitates access to of capital across the entire chain for more resilience



Deep dive into 13 growth markets

We explore the fundamentals that will make 13 markets across Asia, Africa and the Middle East major players in global trade over the next decade.

We reveal the sectors and corridors that will drive export growth, and key policy initiatives that will enable them.

Markets categorisation

The Giants are powerhouse economies that will remain the gravitational centres of global trade. They are characterised by high domestic manufacturing and industrial output, and are expected to account for at least 7.5 per cent of total trade in Asia, Africa, and the Middle East by 2030.

Mainland China, India, South Korea

The Achievers are medium- to high-income economies highly integrated with the global economy, with strong trade growth potential over the coming years. The Achievers are key players in the processing, manufacturing and trading of products ranging from commodities to semiconductors and consumer electronics.

Vietnam, Malaysia, Indonesia, Saudi Arabia

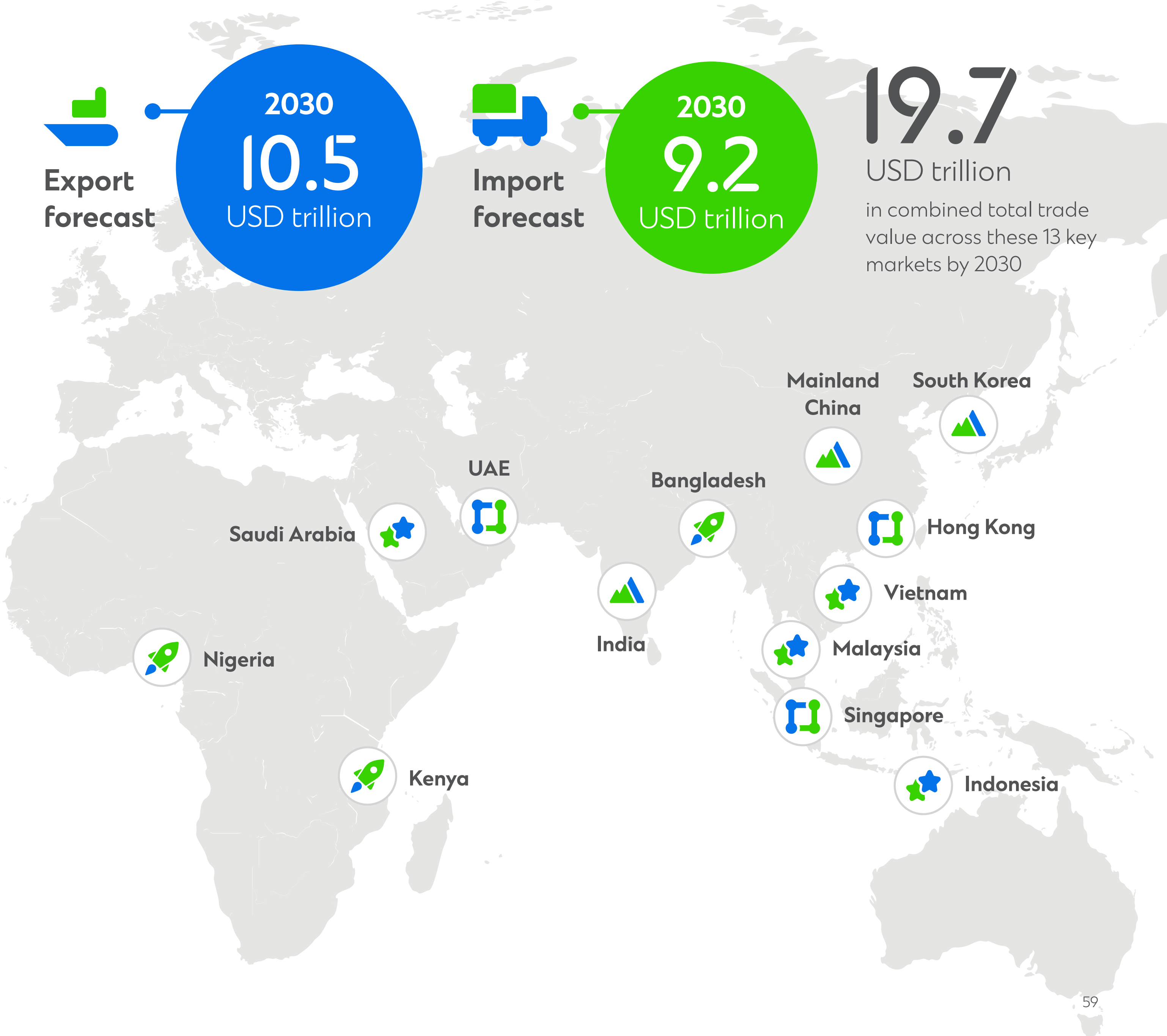
The Hubs are key nodes in the global trade system that serve vital functions in storing, directing and distributing goods for their respective regions and beyond. The Hubs are characterised by geographically strategic locations, quality logistics infrastructure capable of handling high cargo throughputs, and liberalised policies that are conducive to trade.

Hong Kong, Singapore, the UAE

The Accelerators are fast-growing developing economies with dominant export sectors driving economic growth. The Accelerators import energy, intermediate goods, natural resources and machinery to support production and manufacturing activities in their export industries.

Nigeria, Bangladesh, Kenya

By 2030, these 13 markets are expected to account for 73 per cent of exports and 69 per cent of imports in Asia, Africa, and the Middle East



Mainland China

The Giants

Promotes greater trade by leading the way in technological advancements and innovations, and remains competitive in next-generation manufacturing

Export forecast

4,367
USD billion
in exports by 2030

4.7%
Average annual growth rate 2021-2030

Import forecast

3,367
USD billion
in imports by 2030

4.2%
Average annual growth rate 2021-2030

Mainland China by 2030

Trade

Exports as % of GDP: 13% (2030)

Imports as % of GDP: 10% (2030)

Trade diversity[1]

Export diversity: 0.39 (higher diversity than global average)

Import diversity: 0.38 (higher diversity than global average)

Key export sectors

- Machinery and Electricals
- Textile and Apparel
- Chemicals and Pharmaceuticals

Note: The data is for trade of goods only

International trade outlook 2030

As the world's second-largest economy with the highest total trade, the economy and trade relations of Mainland China are deeply integrated with that of the world. The market plays an integral role in many supply chains, enabled by its sophisticated manufacturing capabilities, large and highly-educated labour force, an integrated single market, and the state's massive investment in infrastructure upgrades.

To remain competitive to the end of this decade, and shift its industries to higher value-adding activities, Mainland China has launched the 'Made in China 2025' strategy. The strategy aims to develop 10 key high-tech sectors, chief among which are electric vehicles, advanced robotics, and next-generation information technology. The strategy also aims to promote innovation by fostering greater cooperation between the government, industries and academia.

To further strengthen its competitive edge in trade, Mainland China is also promoting greater integration of hard and soft infrastructure through the Digital Silk Road plan, expanding its growing trade network through smart ports and digital free trade zones.

Key initiatives driving trade

Deepening trade, economic and political ties with the Gulf markets through a last-mile push on Free Trade Agreement (FTA) negotiations

To strengthen trade relations and cooperation with the Gulf markets, Mainland China is in the process of finalising the FTA with the Gulf Cooperative Council[2] in order to obtain preferential trade status for its products. This agreement will encompass a wide range of sectors, from energy and construction materials, to agricultural products such as fruits and spices. Once agreed and ratified, the agreement is expected to give a major boost to trade flows between the two parties and foster deeper political and economic ties.

Making manufacturing and value chains more sustainable using circular economy initiatives and Industry 4.0 technologies

In line with its commitments to carbon neutrality by 2060, and to make its manufacturing and value chains more sustainable, Mainland China is implementing circular economy initiatives. They promote innovation and industrial development in recycling, waste treatment and renewable energy generation.

The market is using Industry 4.0 technologies to support the circular economy processes. The technologies enable real-time tracking of the manufacturing processes for more effective waste management and treatment.

Promoting greater innovation and trade by leading the development of new standards for next-generation technologies

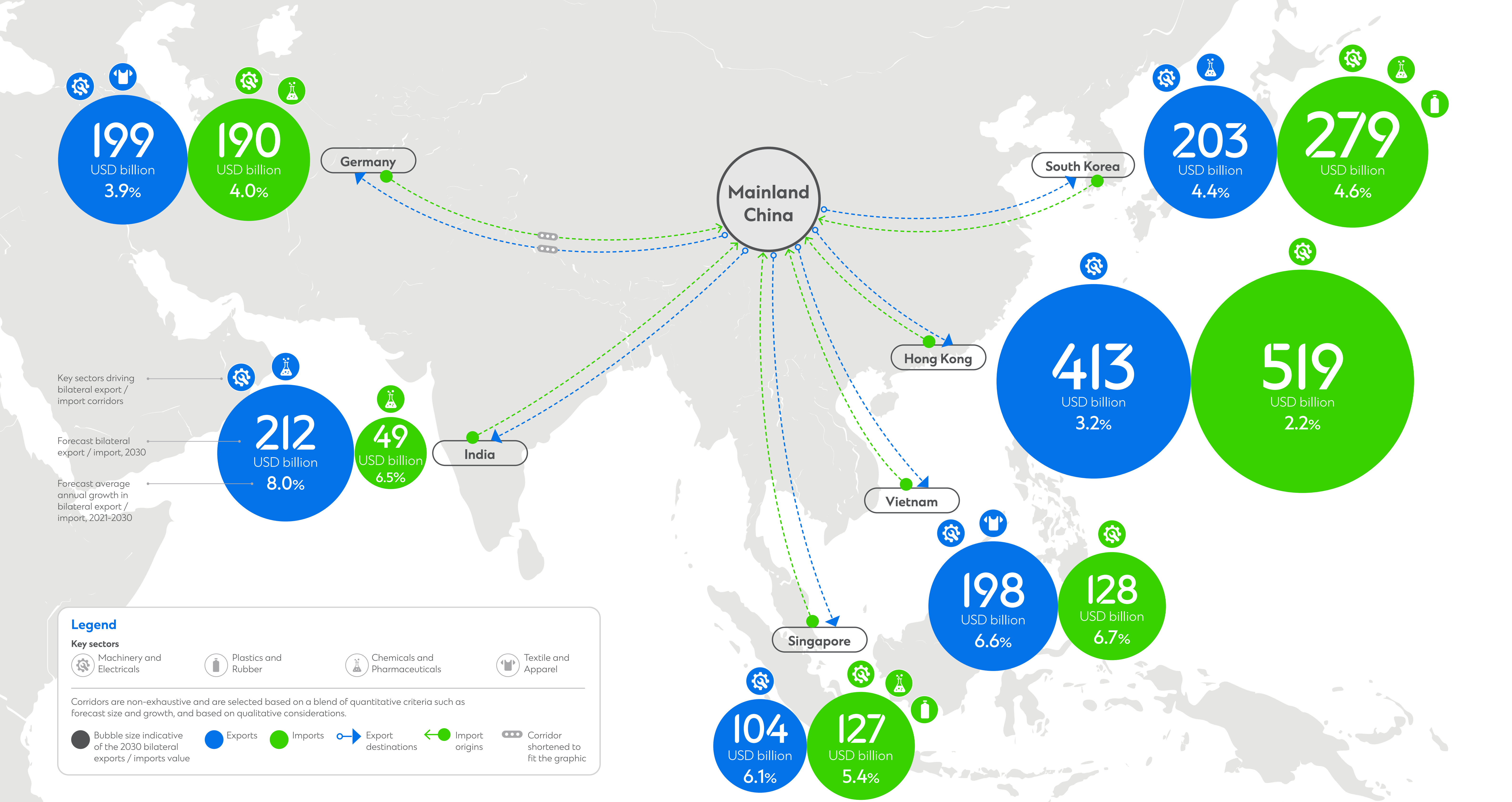
Mainland China adopted the 'Standards 2035' strategy, which aims to lead in the development of standards in emerging technologies such as AI, quantum computing and biotechnology.

This initiative could help increase the competitiveness of Mainland China's domestic businesses and exports. Foreign businesses are also expected to benefit from the market's better economic performance and greater supply chain efficiency.

1. These are based on export and import diversification indices published by UNCTAD. The index takes value between 0 and 1, and measures the divergence between a market's trade pattern and the world trade pattern. A value of 0 indicates the world pattern, which is assumed as the upper limit of trade diversity. For comparison, the report also takes a simple average of the export and import diversification indices of all markets in the world economy (0.68 for exports and 0.41 for imports, referred to as 'global average') and uses it as a baseline.
2. The Gulf Cooperative Council s a regional, intergovernmental, political, and economic union comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE.

Corridor Watch 2030
Mainland China

India is expected to be the fastest-growing export destination, overtaking South Korea, Germany and Vietnam by 2030. Trade with established partners such as South Korea and Hong Kong expected to remain robust



Key export sectors

Mainland China focuses on growing its key exporting sectors through innovation, emphasising self-sufficiency and sustainability

Machinery and Electricals

Driven by large-scale investments to improve self-sufficiency in the semiconductor supply chain

52%

Forecast share of exports in 2030

4.7%

2021-2030 average annual growth

To achieve greater self-sufficiency in semiconductor manufacturing, the government plans to invest USD143 billion in the industry over the next five years through subsidies and tax credits. The plan aims to support domestic chip manufacturers in building, expanding and modernising facilities, from fabrication to assembly and packaging.

Looking ahead, exports from this sector are expected to go to longstanding partners such as Hong Kong, South Korea and Germany. India is expected to emerge as the fifth largest trading destination, outpacing Germany and Vietnam by 2030.

Textile and Apparel

Driven by sustainable and circular economy efforts in the textile and ready-made garment manufacturing

11%

Forecast share of exports in 2030

3.0%

2021-2030 average annual growth

As the world's largest producer and exporter of Textile and Apparel, Mainland China is increasingly cognisant of the sector's impact on the environment. The market aims to meet the rising tide of conscious consumerism by promoting low-carbon textile production and improving the current textile recycling system.

Germany and Japan are expected to remain some of the largest export destinations for this sector, while Vietnam is forecast to experience the highest growth among the top five export destinations.

Chemicals and Pharmaceuticals

Driven by transformation of the sector from a manufacturing base to a strategic R&D hub

6%

Forecast share of exports in 2030

5.1%

2021-2030 average annual growth

The growth of the domestic healthcare industry has enabled Mainland China to transition from a manufacturing base of therapeutic medicines such as antibiotics, vitamins and vaccines, to a strategic R&D hub. Mainland China is looking to promote greater cooperation with overseas research institutions and drug businesses, and attract more foreign direct investment. India is expected to be one of the key destinations of pharmaceutical exports in the coming years.

Organic chemicals are forecast to drive exports in the chemical sector, with India and South Korea expected to remain among the largest export destinations.

Key import sectors

Import growth will continue to stem from extensive domestic manufacturing and the market's economic and demographic fundamentals

Machinery and Electricals

Driven by industrial component demand and domestic electronics consumption

38%

Forecast share of imports in 2030

3.8%

2021-2030 average annual growth

With a large population, rising income, growing urbanisation and industrial demand, Mainland China is one of the largest importers of Machinery and Electricals in the world. This trend is expected to continue over the next decade.

Mainland China will continue to source Machinery and Electricals imports from neighbouring Asian economies. It is forecast that by 2030, Vietnam will emerge as the fourth largest source of import for this sector, outpacing Germany.

Chemicals and Pharmaceuticals

Driven by growing healthcare accessibility and demand for branded medicines

8%

Forecast share of imports in 2030

4.1%

2021-2030 average annual growth

The healthcare reforms in Mainland China continue to be a key driver of imports in the pharmaceutical industry, as the government seeks to increase both the accessibility and affordability of foreign drugs. Robust domestic demand for advanced pharmaceuticals and branded medicines is also expected to promote the growth in imports. Europe is expected to remain the main source of pharmaceutical products through the end of the decade.

Within the chemicals sector, imports are driven by the growing domestic petrochemicals and specialty chemicals industries. South Korea and Singapore are expected to remain some of the largest source markets for chemicals.

Plastics and Rubbers

Driven by extensive local manufacturing of plastic products ranging from consumer goods to automotive parts

4%

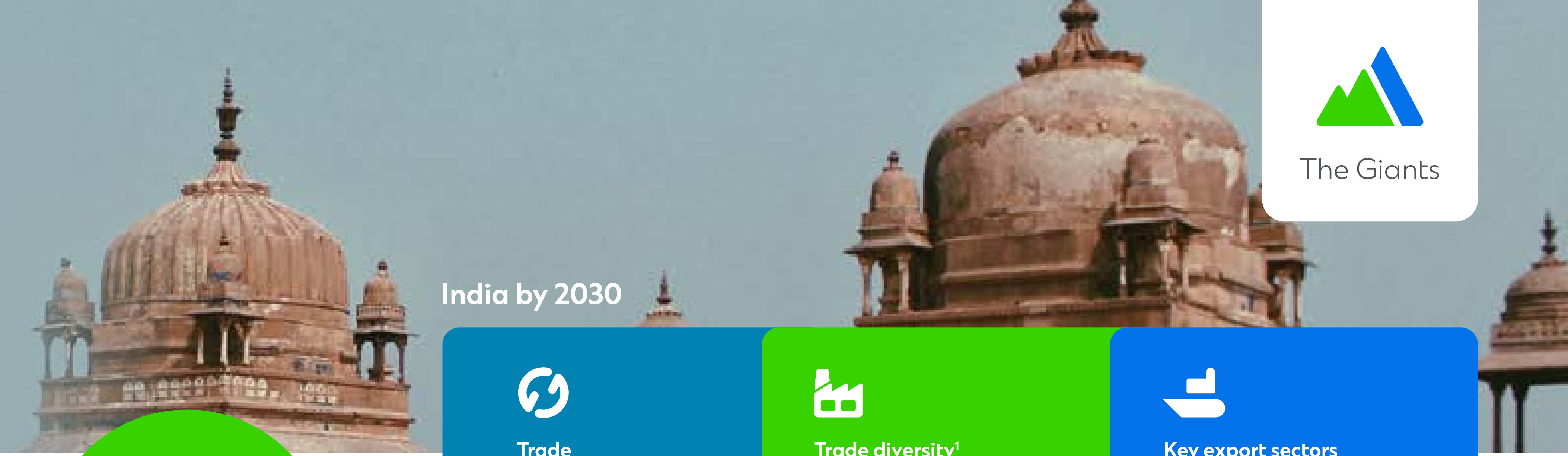
Forecast share of imports in 2030

4.7%

2021-2030 average annual growth

The imports of polyolefins represent the largest share of the total plastics imports in Mainland China, which is driven by the markets extensive domestic manufacturing industries, ranging from consumer goods and packaging, to electronics and hygiene products. South Korea, Singapore and Saudi Arabia are expected to remain the key sources of imports in the coming years.

The imports of synthetic and natural rubbers will continue to be driven by the large domestic tire manufacturing industry in Mainland China, with the ASEAN region expected to continue to provide the necessary inputs.



India

Large demographic dividend, strengthening trade ties and enabling policies position the market to become a manufacturing and exports powerhouse

The Giants

Export forecast

773
USD billion
in exports by 2030

7.5%
Average annual growth rate 2021-2030

Import forecast

1,191
USD billion
in imports by 2030

8.3%
Average annual growth rate 2021-2030

India by 2030

Trade

Exports as % of GDP: 10% (2030)

Imports as % of GDP: 15% (2030)

Trade diversity[1]

Export diversity: 0.45 (higher diversity than global average)

Import diversity: 0.43 (lower diversity than global average)

Key export sectors

- Machinery and Electricals
- Chemicals and Pharmaceuticals
- Textile and Apparel

Note: The data is for trade of goods only

International trade outlook 2030

India is the sixth largest economy and the most populous market in the world. It is set to become the world's fastest growing major economy, driven in part by its large demographic dividend.

The market aims to create jobs and transform from a service sector- driven economy to a manufacturing and exporting powerhouse of the future. To support these ambitions, the Indian government is implementing large scale industrial policies ranging from production-linked incentive schemes[2] to industry-specific subsidies. These policies aim to encourage greater local manufacturing, and attract large investments across 13 key manufacturing sectors, including electronics, automotive, renewable energy, pharmaceuticals and telecommunications.

India is implementing agreements with key trading partners to extend the reach of its exports. Recent FTAs with the UAE and Australia are helping increase India's competitiveness as a manufacturing and export powerhouse.

Key initiatives driving trade

Increasing export competitiveness in the Middle East through the UAE-India Free Trade Agreement (FTA)

India has recently entered into an FTA with the UAE to strengthen bilateral trade relations and leverage the market's position as the transhipment hub of the Middle East and North Africa. This agreement is expected to grow bilateral trade of goods, ranging from oil and gas to minerals and textiles, from USD60 billion in 2022 to USD100 billion over the next five years.

This agreement will also act as a blueprint for India's other proposed FTAs with markets in the region, namely those with Saudi Arabia, Bahrain, Qatar, Kuwait and Oman.

Accelerating investments in green hydrogen to be a leader in emerging technologies and meet net zero pledge

India has pledged to generate 50 per cent of its energy from renewable sources by 2030, and to reach net zero by 2070.

As a part of this broader sustainability objective, India's government is expected to invest USD4.2 billion into the 'National Green Hydrogen Mission', an action plan that establishes a green hydrogen ecosystem, and builds up production capabilities to generate at least 5 million metric tons of green hydrogen per year by 2030.

Liberalising key sectors by allowing 100 per cent foreign holding to increase the market's competitiveness as a foreign direct investment (FDI) destination

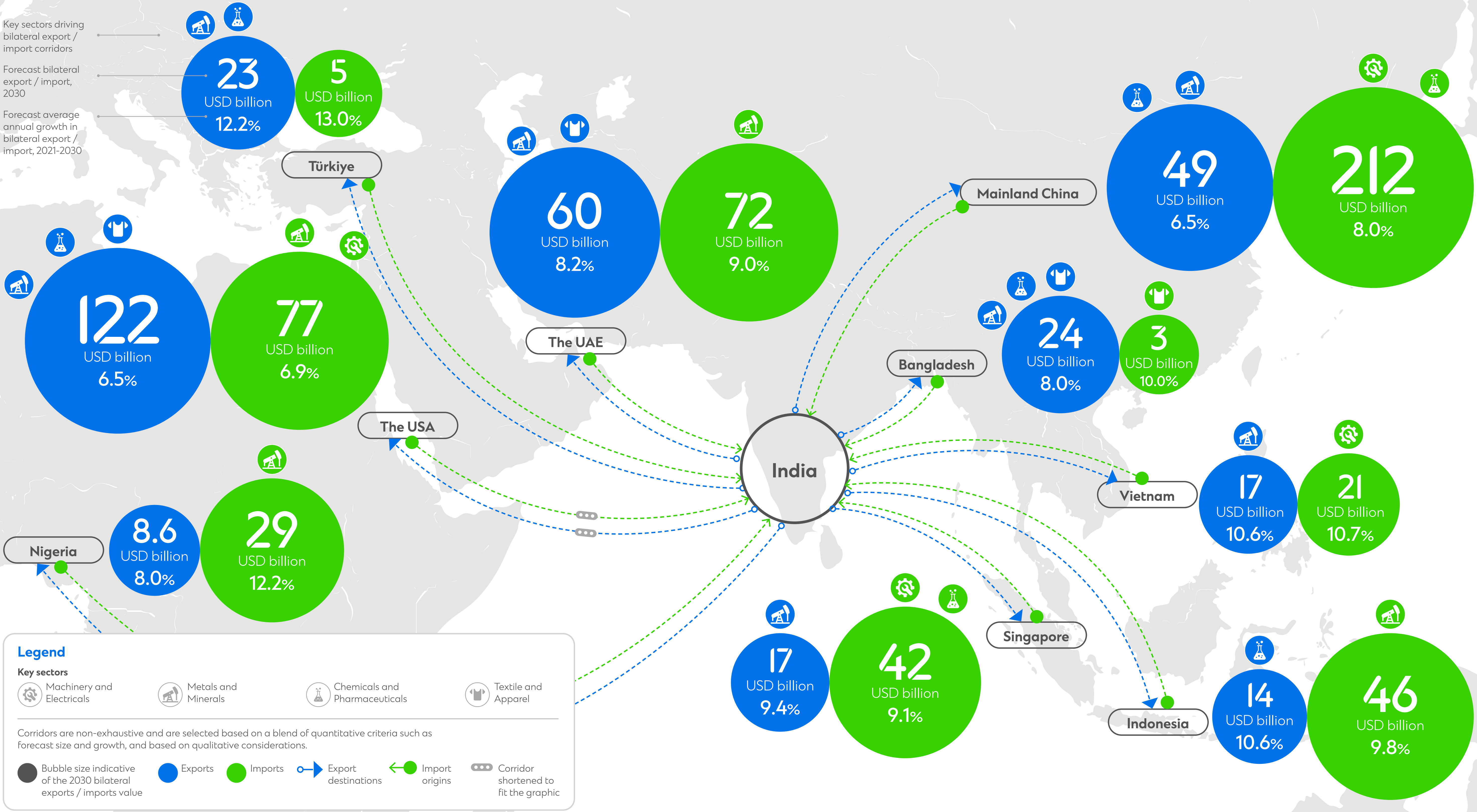
To channel greater capital into its manufacturing sector, the Indian government has recently allowed up to 100 per cent foreign holding under the 'Make in India' initiative, in sectors from metals and mining to telecommunications and agriculture.

This liberalisation initiative in India's key sectors is expected to increase the market's attractiveness as a FDI destination, and draw in the capital required to rapidly transform the key sectors. Capital inflows from Japan, Singapore, the UK and the UAE are expected to increase over the next five years.

1. These are based on export and import diversification indices published by UNCTAD. The index takes value between 0 and 1, and measures the divergence between a market's trade pattern and the world trade pattern. A value of 0 indicates the world pattern, which is assumed as the upper limit of trade diversity. For comparison, the report also takes a simple average of the export and import diversification indices of all markets in the world economy (0.68 for exports and 0.41 for imports, referred to as 'global average') and uses it as a baseline.
2. Production Linked Scheme is an incentive-based scheme aims to make India's domestic manufacturing globally competitive, by encouraging the opening of additional production facilities in the market.

Corridor Watch 2030
India

In the coming years, India is expected to rapidly expand trade flows with partners across Asia, Africa, and the Middle East. Exports to Mainland China and the USA are forecast to grow moderately from 2021 to 2030



Key export sectors

India is expected to grow its exporting sectors by supporting innovation and capacity expansions, as well as building sector ecosystems

Metals and Minerals

Driven by crude oil refinery capacity expansions through substantial government investments

31% Forecast share of exports in 2030

7.1% 2021-2030 average annual growth

With one of the world's largest oil refining capacities, India's petroleum sector is expected to remain a key growth driver through the end of this decade. The government is continuously growing its refining capacity, either through brownfield modernisations or greenfield projects. Metals and non-metallic minerals are also expected to remain significant growth drivers of the sector's exports.

The USA, Mainland China and the UAE will remain the largest export destinations for this sector. India's exports to Türkiye are expected to see high growth from 2021 to 2030.

Chemicals and Pharmaceuticals

Driven by know-how in generics and vaccines, to develop a domestic innovation-led pharmaceuticals industry

19% Forecast share of exports in 2030

8.1% 2021-2030 average annual growth

India is poised to become a future pharmaceuticals R&D and manufacturing powerhouse. The market is already a world leader in the manufacturing of generics and vaccines, and is striving to develop a robust domestic research and innovation-based pharmaceutical industry. India is expected to remain a key FDI destination, as global drugmakers align themselves with the government's willingness to develop this sector's capabilities.

To the end of this decade, the USA and Mainland China are expected to remain the largest export destinations for the sector, with Türkiye projected to be the most rapidly-growing among the top five export destinations from 2021 to 2030.

Textile and Apparel

Driven by the establishment of textile and garment Ecosystems to strengthen the sector's competitiveness

15% Forecast share of exports in 2030

8.5% 2021-2030 average annual growth

India is the world's second largest Textile and Apparel producer, and a key exporter of silk, cotton and jute, as well as textile and ready-made garments. To enhance the sector's competitiveness, the Indian government is looking to invest USD45 billion to establish seven textile and garment ecosystems[1] across the market. These ecosystems are expected to reduce the logistics costs, strengthen the sector's competitiveness, and promote employment opportunities.

By 2030, the UAE is expected to overtake Germany and emerge as the second largest export destination for Textile and Apparel from India, second only to the USA.

1. These ecosystems, the 'Mega Integrated Textile Region and Apparel Park', will encapsulate the entire garment value chain – from yarn-spinning, weaving, dyeing, printing to garment manufacturing.

Key import sectors

India's imports growth is expected to be driven by robust consumer and industrial demand. Mainland China and the UAE stand to benefit

Metals and Minerals

Driven by the demand of crude oil to meet market's growing refining capacities

36% Forecast share of imports in 2030

7.8% 2021-2030 average annual growth

India is the world's third-largest crude oil importer, with demand driven not only by high domestic consumption, but also by its key role in the fossil fuel supply chain as a large refiner. Benefiting from the recent FTA with the UAE, Metals and Minerals imports from this market are expected to witness one of the highest growth through 2030, with the UAE expected to overtake Saudi Arabia, and emerge as the largest source of imports for this sector.

Looking ahead, to meet the rising energy demand in the market and to diversify its energy sourcing, the Indian government is looking to import more crude oil and petroleum products from regions outside of the Middle East.

Machinery and Electricals

Driven by growing urbanisation, as well as enabling economic and demographic fundamentals

31% Forecast share of imports in 2030

8.4% 2021-2030 average annual growth

Rising income, favourable demographic trends, enterprise modernisation and increased urbanisation are the key fundamentals driving demands for Machinery and Electricals in India. These trends are expected to not only fuel the growth of its domestic industry, but also the demand for imports from foreign sources.

Mainland China will remain India's largest source of Machinery and Electricals imports, expected to fulfil approximately 40 per cent of India's total import demand in this sector by 2030.

Chemicals and Pharmaceuticals

Driven by demand for organic chemicals and APIs for domestic pharmaceutical manufacturing needs

12% Forecast share of imports in 2030

7.7% 2021-2030 average annual growth

To support its robust Chemicals and Pharmaceuticals manufacturing industry, India imports high volumes of organic chemicals and active pharmaceutical ingredients, which are expected to continue through the end of the decade.

Mainland China is forecast to remain by far the largest and one of the most rapidly-growing sources of imports for this sector. It is expected to account for approximately half of total import needs by 2030. Among the top five source markets, Singapore is expected to experience the highest growth at 9.6 per cent per year till 2030.

South Korea

The Giants

Spearheads the digital revolution, leading in deployment of cutting-edge technologies in trade and manufacturing

Export forecast

1,001 USD billion in exports by 2030

5.1% Average annual growth rate 2021-2030

Import forecast

853 USD billion in imports by 2030

4.5% Average annual growth rate 2021-2030

South Korea by 2030

Trade

Exports as % of GDP: 35% (2030)

Imports as % of GDP: 30% (2030)

Trade diversity[1]

Export diversity: 0.44 (higher diversity than global average)

Import diversity: 0.27 (higher diversity than global average)

Key export sectors

- Machinery and Electricals
- Chemicals and Pharmaceuticals
- Plastics and Rubbers

Note: The data is for trade of goods only

International trade outlook 2030

South Korea is an advanced industrial economy, with sophisticated capabilities in the manufacturing of electronics and industrial products, ranging from semiconductors to automotives.

To lead the development of a greener and more digitalised economy, the government of South Korea has launched the 'Korean New Deal', the new national strategy that aims to reduce the market's carbon footprint and promote digital innovation.

Through this strategy, the government pledges to build up its green industries to boost exports and job creation, as well as introducing the 'smart factory' concept to remain a competitive hub for high-tech manufacturing.

On the human capital front, the government aims to train one million skilled workers fit for the digital industries by 2026. The training will be focused on advanced technologies such as AI, the metaverse, 5G and 6G, cybersecurity, and big data analytics, to meet the rising demand for specialised knowledge in these areas.

Key initiatives driving trade

Enhancing the manufacturing capabilities for processing chips through government-industry-academia partnerships

South Korea aims to become the leading semiconductor exporter by 2030 by boosting its manufacturing capacity and capability in cutting-edge processing chips.

To achieve this objective, South Korea's semiconductor industry is expected to invest USD450 billion over a period of 10 years, supported by generous government incentives for R&D and facilities expansions. In addition, the government has pledged to train 150,000 skilled engineers in the semiconductor field over the same period.

Facilitating cross-border trade documentation through the adoption of logistics platform technology and bilateral digital agreements

The government of South Korea has adopted the 'uTradeHub', a digital trade and logistics platform that aims to facilitate more seamless cross-border data flow through online transactions of trade documents.

To enhance the network effect of this digital trade initiative, the government of South Korea has entered into multiple agreements with markets such as New Zealand, Chile and, most recently, Singapore. These agreements aim to establish digital trade rules and promote interoperability between the national systems.

Increasing the competitiveness of its eco-friendly vehicles exports by crafting incentive packages and FTAs

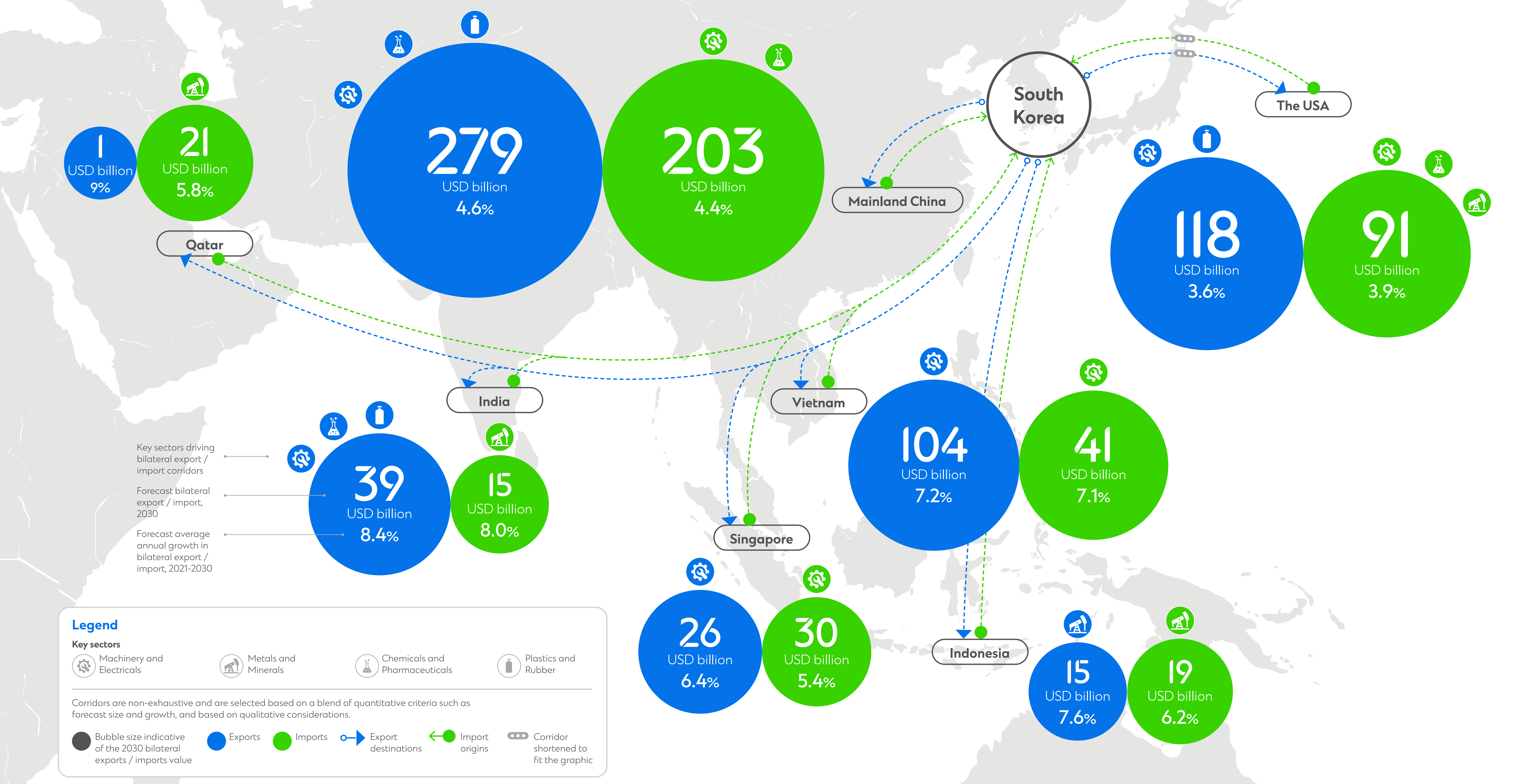
The government of South Korea is offering numerous subsidies to vehicles manufacturers to enhance the market's capabilities in producing eco-friendly vehicles, and to increase the products' attractiveness in international markets.

Additionally, the government of South Korea has recently signed multiple FTAs, such as those with Israel and the Philippines, to further enhance its automotive products' market access overseas.

1. These are based on export and import diversification indices published by UNCTAD. The index takes value between 0 and 1, and measures the divergence between a market's trade pattern and the world trade pattern. A value of 0 indicates the world pattern, which is assumed as the upper limit of trade diversity. For comparison, the report also takes a simple average of the export and import diversification indices of all markets in the world economy (0.68 for exports and 0.41 for imports, referred to as 'global average') and uses it as a baseline.

Corridor Watch 2030
South Korea

Mainland China and the USA are expected to remain South Korea's largest trade partners. Exports to India and Vietnam are forecast to experience the highest growths from 2021 to 2030



Key export sectors

Technological innovations in key export sectors such as semiconductors and pharmaceuticals are expected to drive South Korea's export outlook

Machinery and Electricals

Driven by growing international demand for memory and high-tech processing chips

48%

Forecast share of exports in 2030

▲ 4.9%

2021-2030 average annual growth

South Korea is a world leader in the manufacturing of semiconductors, especially in DRAM and NAND flash memory chips. To drive the sector's growth and maintain its competitiveness in the future, the market aims to develop smarter and AI-focused processing chips to service growing international demand.

Mainland China is expected to remain the largest export destination for South Korea's Machinery and Electricals sector. Exports to Vietnam are expected to experience the highest growth among the top five destinations, and is forecast to overtake the USA as the second-largest destination by 2030.

Chemicals and Pharmaceuticals

Driven by growing exports of biosimilar medicines, and governmental and industrial support for biotechnology research

10%

Forecast share of exports in 2030

▲ 4.8%

2021-2030 average annual growth

In the pharmaceutical sector, South Korea has a strong domestic industry with high R&D expenditure driven by government's and industry's support for biotechnology research. Biosimilar medicines will drive exports through the end of the decade with the USA, Germany and Türkiye expected to remain the key export destinations for this sector.

Exports of chemicals from South Korea will continue to be driven by the demand for chemical feedstock from Mainland China's polyethylene terephthalate (PET) value chain and the fast-growing beauty products industry.

Plastics and Rubbers

Driven by growing export-oriented petrochemical capacity, and the market's proximity to its largest export partner Mainland China

7%

Forecast share of exports in 2030

▲ 5.6%

2021-2030 average annual growth

Enabled by large volumes of export-oriented capacity, South Korea will continue to export plastics in primary form, such as polyacetals, polyolefins and polystyrene. Export growth will be further supported by new petrochemical projects in the market, including the S-Oil's polymer plant, which targets for completion in 2026. South Korea's key export destination for plastics is Mainland China. Exports to India are forecast to experience rapid growth, with the market expected to become the second largest export destination by 2030, overtaking Vietnam.

Rubber exports from South Korea will continue to be dominated by finished goods such as tyres, with the USA forecast to remain the largest export destination.

Key import sectors

The market is expected to continue to import key products and inputs to support its industrial growth and domestic consumption

Machinery and Electricals

Driven by demand from domestic high-tech manufacturing needs

32%

Forecast share of imports in 2030

▲ 5.0%

2021-2030 average annual growth

To support the manufacturing and exports of its Machinery and Electricals sector, South Korea imports various goods, ranging from semiconductors to machinery and broadcasting equipment.

In the future, South Korea is expected to continue to source key manufacturing inputs from long-standing trade partners such as Mainland China, Japan and the USA. Among the top five source markets, Vietnam is expected to experience the most rapid growth from 2021 to 2030.

Metals and Minerals

Driven by downstream petroleum operations and industrial demand

30%

Forecast share of imports in 2030

▲ 3.3%

2021-2030 average annual growth

With large oil refining capacity deeply integrated with petrochemical plants, South Korea will continue to import crude oil from the Middle East and the USA in the coming years.

As for natural gas, South Korea's liquified natural gas (LNG) imports are expected to grow with ongoing investments in LNG receiving terminals and gas storage capacities, in line with the market's aim to transform itself into a regional LNG bunkering hub.

Imports of metal scrap, iron and steel are also forecast to grow through the end of the decade, driven by domestic automotive manufacturing, shipbuilding, and construction. Australia and Mainland China will remain the key sources of metal imports.

Chemicals and Pharmaceuticals

Driven by high per capita healthcare spending and demographic fundamentals

11%

Forecast share of imports in 2030

▲ 4.2%

2021-2030 average annual growth

South Korea's fundamentals will be driving imports in this sector. The market's per-capita spending on healthcare is among the highest in the region, and its aging population will be driving pharmaceutical consumption.

As for organic chemicals, South Korea's imports will be driven by the market's sophisticated speciality chemicals sector, and its ever-growing beauty products industries. The market will continue to import Chemicals and Pharmaceuticals products from Mainland China, the USA and Japan – the market's top three sources. Imports from Singapore are expected to see the most rapid growth, overtaking Germany and emerging as the fourth-largest by 2030.

Hong Kong

Expands trade networks and improves logistics infrastructure to retain its position as a key trade hub connecting Asia

The Hubs

Export forecast

857
USD billion
in exports by 2030

2.7%
Average annual
growth rate 2021-2030

Import forecast

894
USD billion
in imports by 2030

3.2%
Average annual
growth rate 2021-2030

Hong Kong by 2030

Trade

Exports as % of GDP: 164% (2030)

Imports as % of GDP: 171% (2030)

Trade diversity[1]

Export diversity: 0.60 (higher diversity than global average)

Import diversity: 0.56 (lower diversity than global average)

Key export sectors

- Machinery and Electricals
- Gold
- Metals and Minerals

Note: The data is for trade of goods only

International trade outlook 2030

Hong Kong is a prominent international financial centre and a major transhipment hub in East Asia, playing a crucial role in facilitating cross-border trade of intermediate and finished goods between Mainland China and other economies.

As a result, Hong Kong is one of the main gateways for international trade to Mainland China. It benefits from growing trade flows brought by the Belt and Road Initiative, and the robust manufacturing outputs of the Guangdong-Hong Kong-Macao Greater Bay Area.

The government of Hong Kong is continuously looking to expand its trade networks and strengthen trade ties. To achieve that, the government is actively pursuing FTAs with potential trade partners including New Zealand, Chile, Macao, Georgia, Australia, the member states of the European Free Trade Association and ASEAN.

These efforts will enable Hong Kong to continue to play a key role in facilitating global trade in the coming years.

Key initiatives driving trade

Fostering multilateral trade relationships through potential entry into the Regional Comprehensive Economic Partnership (RCEP)

In March 2022, Hong Kong submitted an application to join the RCEP to gain preferential trade and investment status. Inclusion in the partnership is expected to lead to tariff reductions, enhanced market access, removal of non-tariff trade barriers and simplified customs procedures.

Additionally, by joining the RCEP, Hong Kong is expected to enhance trade relationships with participating members such as Japan and South Korea, where the government has yet to formalise free trade deals.

Strengthening economic, trade and investment ties with the Middle East by commencing negotiations on a Free Trade Agreement (FTA)

Hong Kong is in the process of commencing negotiations on a bilateral FTA with the UAE to solidify its trade links with the region, and its position as a leading business and investment hub in Asia.

To build stronger economic, trade and investment ties with the UAE, Hong Kong has set up an economic and trade office in Dubai, their very first office in the Middle East region.

Expanding aviation logistics and trade capacity by building three new runways in the Hong Kong International Airport

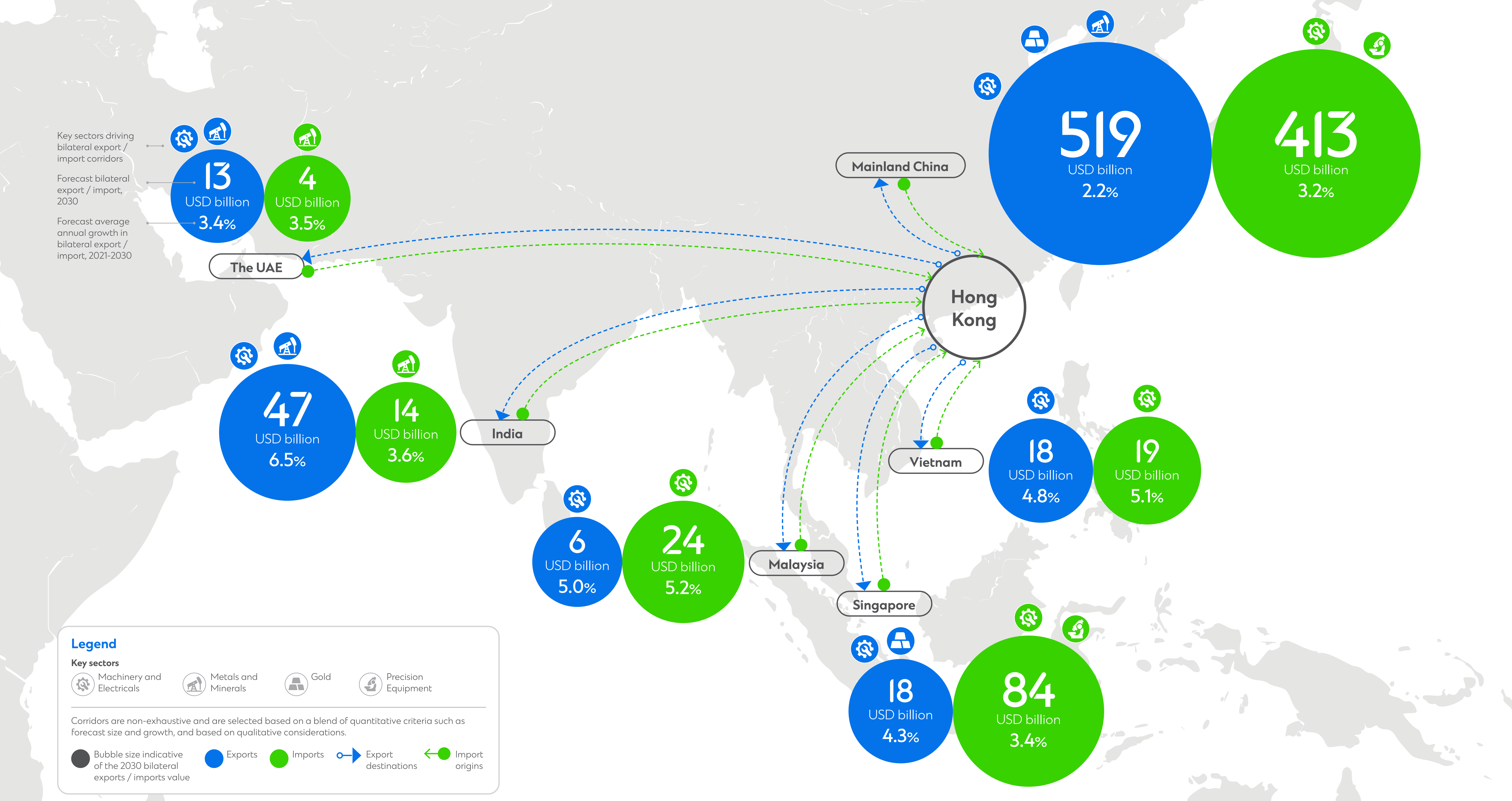
To strengthen Hong Kong's role as an aviation and logistics centre and the international gateway to the Guangdong-Hong Kong-Macau Greater Bay Area, the government is investing USD5.1 billion to upgrade the Hong Kong International Airport, which is expected to be completed by 2030.

The airport will increase its capacity by building three new runways – doubling its cargo handling capabilities from five million to 10 million metric tons annually.

1. These are based on export and import diversification indices published by UNCTAD. The index takes value between 0 and 1, and measures the divergence between a market's trade pattern and the world trade pattern. A value of 0 indicates the world pattern, which is assumed as the upper limit of trade diversity. For comparison, the report also takes a simple average of the export and import diversification indices of all markets in the world economy (0.68 for exports and 0.41 for imports, referred to as 'global average') and uses it as a baseline.

Corridor Watch 2030
Hong Kong

Mainland China continues to dominate Hong Kong's export and import flows. India emerges as Hong Kong fastest-growing export destination



Key export sectors

Hong Kong plays the role of an entrepot between the East and the West, where its biggest trade partner is Mainland China

Machinery and Electricals

Driven by Mainland China's and the wider region's integrated circuits trade

69%

Forecast share of exports in 2030

2.3%

2021-2030 average annual growth

Hong Kong is a key trading hub for electronic parts and components ranging from semiconductors to telecommunications equipment and computer items in Asia-Pacific. As a key gateway to Mainland China, it handles approximately half of Mainland China's integrated circuits trade. Other Asian economies such as Taiwan and South Korea also route about a quarter of their integrated circuits trade through Hong Kong.

In the coming years, Mainland China, India and the USA are expected to remain Hong Kong's biggest export destinations for the sector. India is expected to be the fastest growing among the top five export destinations from 2021 to 2030.

Gold

Driven by active physical gold trade and Hong Kong's role in integrating the onshore and offshore gold markets

9%

Forecast share of exports in 2030

3.1%

2021-2030 average annual growth

Hong Kong is one of the world's most active markets for physical gold trade. Hong Kong hosts the Chinese Gold and Silver Exchange (CGSE), an organisation of gold trading firms that facilitates precious metal trade, and one that plays an important role in integrating the onshore and offshore gold markets.

Looking ahead, Mainland China, Singapore and the UK will remain the largest export destinations for this sector. Furthermore, from 2021 to 2030, Hong Kong's gold exports to Singapore and India are expected to witness high growth.

Metals and Minerals

Driven by the fine jewellery sector and technological innovation in jewellery manufacturing

7%

Forecast share of exports in 2030

5.0%

2021-2030 average annual growth

Within the Metals and Minerals sector, jewellery items such as diamonds, jade and pearls are the largest export products. Hong Kong's jewellery industry is dominated by the fine jewellery sector, which covers a wide range of medium to high value products. Recent technological adoptions such as computer-aided design and manufacturing systems have allowed automated mass production of jewellery items, boosting output and exports.

Through the end of this decade, Mainland China, India and the UAE are expected to be the largest export destinations, while India is forecast to experience the highest growth from 2021 to 2030.

Key import sectors

Hong Kong performs a special role as an intermediary trade hub, which facilitates trade among its import partners in Asia

Machinery and Electricals

Driven by the market's role in the redistribution of electronic products and components

68%

Forecast share of imports in 2030

3.4%

2021-2030 average annual growth

As a gateway for goods manufactured in Mainland China, Hong Kong has established itself as a redistribution hub for electronics products and intermediate components. Hong Kong imports items such as electrical machinery, apparatus and appliances, and electrical parts.

By 2030, Mainland China will remain, by far, the largest source of import, accounting for approximately three quarter of imports for this sector. Following Mainland China, Singapore and South Korea are the largest sources of imports.

Metals and Minerals

Driven by Mainland China's younger generation's demand for high-end jewellery

8%

Forecast share of imports in 2030

2.1%

2021-2030 average annual growth

Hong Kong hosts substantial diamond trade as an important luxury goods market and also the gateway to China, where demand for high-end jewellery is growing. The city imports rough diamonds for further domestic polishing and also imports polished diamonds for trade and consumption. In the future, the demand growth for high-end jewellery is expected to be driven by Mainland China's younger generation of consumers.

India is expected to be the biggest source of diamonds for Hong Kong by 2030, followed by Mainland China, the USA and Belgium.

Precision Equipment

Driven by domestic healthcare needs and the market's role in equipment distribution

4%

Forecast share of imports in 2030

3.2%

2021-2030 average annual growth

As a distribution hub for multinational companies, Hong Kong imports medical devices for domestic healthcare use, and also to redistribute to other markets. In particular, diagnostic imaging devices are the largest product imports, which are expected to experience robust growth in the coming years.

Additionally, healthcare infrastructure developments and increased investment in new technology are expected to further drive Hong Kong's demand for medical equipment. Mainland China is forecast to remain the leading source, followed by the USA and Japan.

Singapore

The Hubs

On the cutting edge of innovation, serving as a crucial link for international trade in Asia-Pacific

Export forecast

864
USD billion
in exports by 2030

6.3%
Average annual growth rate 2021-2030

Import forecast

683
USD billion
in imports by 2030

6.6%
Average annual growth rate 2021-2030

Singapore by 2030

Trade

Exports as % of GDP: 129% (2030)

Imports as % of GDP: 102% (2030)

Trade diversity[1]

Export diversity: 0.48 (higher diversity than global average)

Import diversity: 0.36 (higher diversity than global average)

Key export sectors

- Machinery and Electricals
- Metals and Minerals
- Chemicals and Pharmaceuticals

Note: The data is for trade of goods only

International trade outlook 2030

Due to its strategic location in the heart of Southeast Asia, and with a longstanding history of trade-enabling policies and agreements, Singapore is the region's key gateway to international trade. In the future, Singapore is expected to remain a vibrant and dynamic trade hub.

To continuously enhance its cargo handling throughput, Singapore is investing heavily in the expansion and improvement of its logistics infrastructure. The Tuas mega port – officially opened in September 2022 – is set to become the world's largest container port, once completed in 2040. With this port upgrade, Singapore will be able to handle complex port operations enabled by emerging technologies in automation and digitalisation.

In addition, Singapore aims to establish itself as a sustainability hub, by supporting businesses in their sustainable supply chain efforts. In line with this objective, the Monetary Authority of Singapore has issued a guidance on climate-related disclosures and framework, specifically pertaining to green trade finance.

Key initiatives driving trade

Expanding high-value manufacturing output through industrial policies that support investments in technology and human capital

To expand domestic manufacturing by 50 per cent by 2030, the government has launched the 'Singapore Manufacturing 2030 vision'. This policy aims to maintain Singapore's position at the cutting edge of advanced manufacturing, namely in semiconductors, electronics, and robotics.

To achieve this objective, it aims to continue attracting foreign investment, grow domestic manufacturing capabilities, and strengthen government-academia-industry linkages in key sectors.

Fostering trade and innovation in green sectors by undertaking a first-of-its-kind green economy agreement

In October 2022, Singapore signed the world's first bilateral green economy agreement with Australia under the 'Singapore – Australia Green Economy Agreement'.

The agreement fosters common rules and standards to promote trade and investments in environmental goods and services. It also seeks to develop interoperable policy frameworks to support new green sectors and innovation.

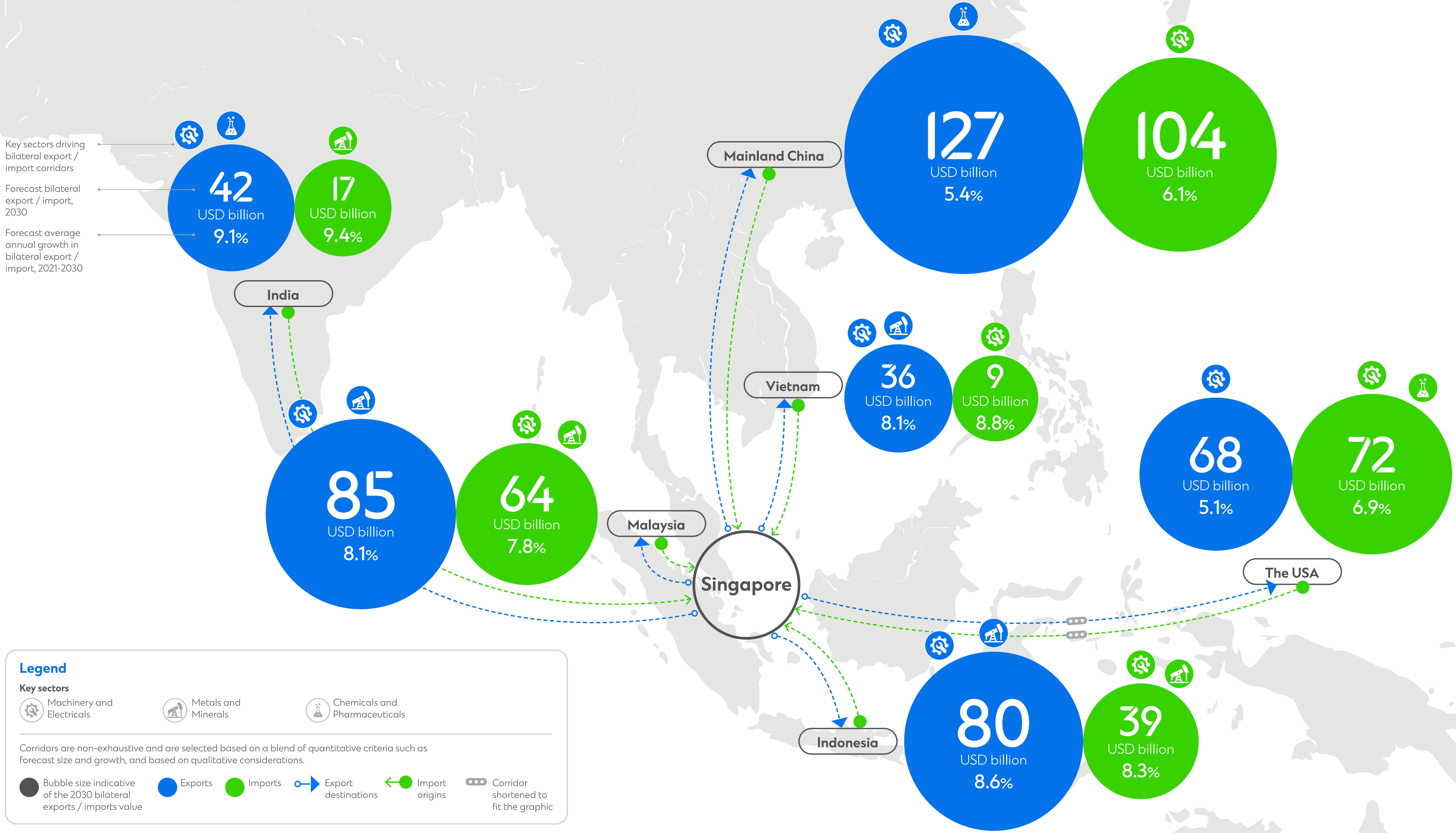
Facilitating paperless trade documentation by adopting digital cargo screening and clearance systems

The Government launched the 'On-the-Fly Clearance' and 'Mobile Cargo Screening' initiatives to enable paperless clearance of conventional maritime cargos, streamlining border bureaucracies and making compliance easier and less costly. These initiatives greatly reduce waiting time, in some cases by up to 60-70 per cent.

1. These are based on export and import diversification indices published by UNCTAD. The index takes value between 0 and 1, and measures the divergence between a market's trade pattern and the world trade pattern. A value of 0 indicates the world pattern, which is assumed as the upper limit of trade diversity. For comparison, the report also takes a simple average of the export and import diversification indices of all markets in the world economy (0.68 for exports and 0.41 for imports, referred to as 'global average') and uses it as a baseline.

Corridor Watch 2030
Singapore

Mainland China to remain Singapore's largest trading partner, while trade with India will experience the fastest growth until 2030



Key export sectors

Singapore is a key trade hub in Asia-Pacific, with its top three export sectors expected to account for 77 per cent of total exports by 2030

Machinery and Electricals

Driven by international demand for high-tech semiconductor chips

49%

Forecast share of exports in 2030

▲ 5.4%

2021-2030 average annual growth

As one of the market's most critical manufactured goods, semiconductors dominate Singapore's Machinery and Electricals exports.

To maintain its competitiveness in semiconductor manufacturing, Singapore has implemented industrial policies such as the 'Singapore Manufacturing 2030 vision' to court more investments.

In the future Mainland China is expected to remain Singapore's biggest export destination for the Machinery and Electricals sector, while India is forecast to experience the highest growth among the top 10 export destinations.

Metals and Minerals

Driven by LNG terminals capacity expansion, and the market's position as a growing LNG trading hub

13%

Forecast share of exports in 2030

▲ 6.8%

2021-2030 average annual growth

To grow exports in Metals and Minerals, Singapore is rapidly expanding its capacity of liquified natural gas (LNG) terminals. Combined with its existing capability and expertise in commodity and energy financial exchanges, Singapore is moving closer to becoming a global LNG trading hub.

Leveraging Singapore's geographical proximity and its position as the regions' gateway for commodity and crude oil trade and storage, Malaysia and Indonesia are expected to remain Singapore's biggest export destinations for crude oil and petroleum products.

Chemicals and Pharmaceuticals

Driven by the market's attractive location for nearshoring of pharmaceutical supply chains, in a push towards resilience

12%

Forecast share of exports in 2030

▲ 6.5%

2021-2030 average annual growth

As the leading pharmaceutical and biomedical sciences destination in Asia, Singapore's pharmaceutical sector is well-positioned to gain from the post-covid global push for supply chain resilience. Therefore, for ASEAN governments seeking to nearshore the production of drugs and active pharmaceutical ingredients (APIs) to ensure uninterrupted supply of medicines, Singapore emerges as a desirable and nearby alternative.

Within the chemicals sector, specialty chemicals are forecast to drive the sector's exports. In terms of trade partners, Mainland China is expected to remain as the key export destination for Singapore's chemicals, while India is expected to experience the highest growth among the top five export destinations.

Key import sectors

Singapore's key import sectors mirror those of exports, driven by domestic manufacturing needs and its regional trade hub status

Machinery and Electricals

Driven by manufacturing demand and the market's role as a distribution hub in the semiconductor supply chain

46%

Forecast share of imports in 2030

▲ 7.1%

2021-2030 average annual growth

To support its semiconductor manufacturing, Singapore imports various intermediate goods and machinery for its production needs.

Leveraging its trade hub status, Singapore also facilitates distribution of semiconductor products and thus plays a crucial role in connecting the semiconductor global supply chain. The market imports integrated circuits from East Asia, and re-exports them to other Southeast Asian markets, such as Malaysia for assembly and testing.

Metals and Minerals

Driven by regional demand for crude oil and petroleum products

22%

Forecast share of imports in 2030

▲ 5.5%

2021-2030 average annual growth

As the region's gateway for crude oil and petroleum products, Singapore imports these products primarily for re-exporting purposes to neighbouring markets such as Malaysia and Indonesia.

In the future, the growth of imports in the sector will be driven by Southeast Asia's growing demand for petroleum products, owing to its increasing population, growing middle class, and rising urbanisation. As a result, Singapore's key source markets of crude oil and petroleum products imports, such as Malaysia, India and the UAE stand to significantly benefit.

Chemicals and Pharmaceuticals

Driven by feedstocks required for pharmaceuticals and specialty chemicals manufacturing

7%

Forecast share of imports in 2030

▲ 6.1%

2021-2030 average annual growth

From imports perspective, feedstocks required for manufacturing of pharmaceuticals and speciality chemicals will continue to drive imports of organic chemicals. The USA is expected to remain a key source of imports for these products.

In addition, Singapore imports essential oils and perfume preparations from the EU markets such as France and Germany, with the purpose of being re-exported to other neighbouring markets.

The Hubs

United Arab Emirates

Solidifying its position as a regional trade hub through further trade integration, while driving diversification through policies supporting innovation and sustainability

Export forecast

523
USD billion
in exports by 2030

5.5%
Average annual growth rate 2021-2030

Import forecast

404
USD billion
in imports by 2030

5.7%
Average annual growth rate 2021-2030

The UAE by 2030

Trade

Exports as % of GDP: 78% (2030)

Imports as % of GDP: 60% (2030)

Trade diversity[1]

Export diversity: 0.54 (higher diversity than global average)

Import diversity: 0.36 (higher diversity than global average)

Key export sectors

- Metals and Minerals
- Plastics and Rubbers

Note: The data is for trade of goods only

International trade outlook 2030

The UAE is strategically located in the centre of Asia, Africa and Europe, and has long been a gateway connecting these regions. The government's long-standing open trade regime, commitment to high-quality infrastructure and business-friendly policies have shaped this market into the leading hub for trade, finance and commerce in the Middle East.

The UAE aims to deepen trade and investment ties with fast-growing economies in Asia, Africa, and the Middle East, and to attract USD150 billion of inward foreign investment into its domestic non-oil industries and diversify its export profile. The government of Dubai has also launched the 'World Logistics Passport' – the world's first international freight loyalty programme that connects local manufacturers, freight forwarders and traders, to create an interconnected trading and logistics network.

These pushes for deeper trade integration are expected to further solidify the UAE's position as the Middle East's gateway to the world.

Key initiatives driving trade

Diversifying exports into non-oil sectors by relaxing foreign ownership rules and offering attractive incentives

Looking to diversify away from oil and grow its exports from other non-oil sectors, the UAE approved 100 per cent foreign ownership in 13 key sectors including manufacturing, agriculture, and renewable energy.

The government is also offering numerous financial incentives including low-interest financing and longer repayment periods to businesses establishing manufacturing bases in the market.

Strengthening international trade and investment relations with fast-growing economies in Asia and Africa

As a part of the UAE's strategy to double the size of its economy by 2030, the market plans to negotiate more than 26 new Comprehensive Economic Partnership Agreements over the next seven to eight years. The UAE has already signed agreements with India, Indonesia, Israel, and is currently in negotiations with Pakistan, Türkiye, Georgia and Cambodia. These initiatives are expected to reduce tariffs, promote free movement of goods and facilitate greater capital flows.

Promoting sustainable manufacturing practices and adopting circular economy initiatives

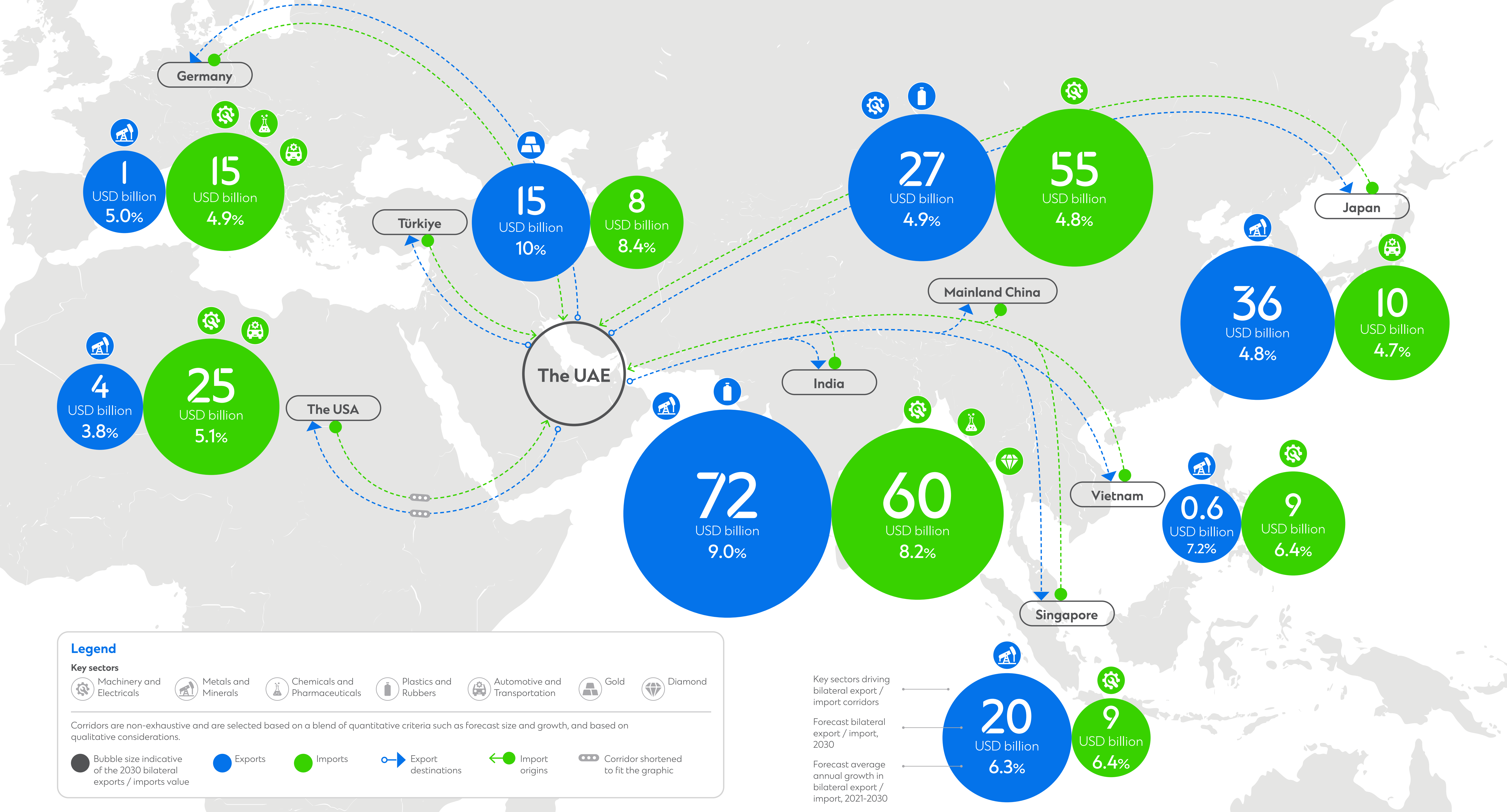
With a vision to become the first market in the Middle East to reach net zero and achieve carbon neutrality by 2050, the UAE plans to invest USD163 billion to develop new renewable energy projects, and has dedicated large parcels of land for solar power generation.

Complimenting its greater renewable energy generation, the market is also implementing circular economy practices that focused on recycling, reusing and wastewater treatments. These initiatives will make the UAE's manufacturing and exports more sustainable, and therefore more competitive.

1. These are based on export and import diversification indices published by UNCTAD. The index takes value between 0 and 1, and measures the divergence between a market's trade pattern and the world trade pattern. A value of 0 indicates the world pattern, which is assumed as the upper limit of trade diversity. For comparison, the report also takes a simple average of the export and import diversification indices of all markets in the world economy (0.68 for exports and 0.41 for imports, referred to as 'global average') and uses it as a baseline.

Corridor Watch 2030
The UAE

India is expected to become the UAE's largest trading partner for both exports and imports, at a high growth rate till 2030



Legend

Key sectors

Machinery and Electricals | Metals and Minerals | Chemicals and Pharmaceuticals | Plastics and Rubbers | Automotive and Transportation | Gold | Diamond

Corridors are non-exhaustive and are selected based on a blend of quantitative criteria such as forecast size and growth, and based on qualitative considerations.

Bubble size indicative of the 2030 bilateral exports / imports value | Exports | Imports | Export destinations | Import origins | Corridor shortened to fit the graphic

Key export sectors

Large-scale capacity expansions in key industries and continuous commitment to trade facilitation are expected to drive the UAE's export growth

Metals and Minerals

Driven by continuous expansion in the upstream and downstream refining capacities

73%

Forecast share of exports in 2030

6.3%

2021-2030 average annual growth

The UAE plans to expand upstream and downstream capacities through different projects, including the Abu Dhabi National Oil Company (ADNOC) Refining, ENOC, Brooge Energy and Ecomar. These expansions are expected to drive growth of crude oil, gas and petroleum product exports in the coming years.

The exports from this sector are expected to continue to focus on its core Asian markets. By 2030, India, Japan, Mainland China and Singapore will remain this sector's largest export destinations, with exports to India forecast to experience the highest growth from 2021 to 2030.

Plastics and Rubbers

Driven by the addition of new petrochemical capacities, including polyolefins and polyvinylchloride

3%

Forecast share of exports in 2030

5.4%

2021-2030 average annual growth

The UAE is a key exporter of Plastics and Rubbers, mainly polyolefins. One of the projects that is expected to boost exports in the coming years is the Borouge 4 polyolefin manufacturing complex. Once completed, the facility will become the largest single-site polyolefins complex in the world. Additionally, the UAE has established a joint venture with India's Reliance Industries, to build a world-scale petrochemicals factory at the Ta'ziz industrial complex in Ruwais, which will include manufacturing of polyvinylchloride.

Mainland China and India are expected to remain the key export destinations for this sector, with India expected to have the highest growth from 2021 to 2030.

Trade hub for key commodities, consumer electronics and chemicals

With high quality infrastructure and minimal tariff and non-tariff barriers, the UAE plays a vital role in connecting Asia, Africa, the Middle East and Europe through trade. The market is the Middle Eastern regional trade gateway and a transhipment hub for commodities trade, especially in gold, diamonds, crude oil and petroleum products. It also serves as a trade hub for electronics and chemicals.

Dubai in particular has established itself as the most important logistics hubs in the Middle East due to its strategic geographical location, and its continuous commitment to infrastructure quality. Dubai's marine ports and airports are equipped with terminals capable of handling large troughput of products.

Key import sectors

Imports to the UAE to be driven by industrial and infrastructure demands, as well as robust domestic consumption

Machinery and Electricals

Driven by growing industrial demand and the market's role in the transhipment of consumer electronics in the Middle East

35%

Forecast share of imports in 2030

5.9%

2021-2030 average annual growth

The UAE seeks to transform itself into a global industrial and manufacturing hub across key sectors, ranging from aerospace to pharmaceutical and medical equipment. Imports of Machinery and Electricals are driven by different infrastructure projects and demands from the manufacturing sector. Furthermore, the UAE plays a key role in orienting trade of consumer electronics from East Asia to the wider Middle Eastern region.

Mainland China is set to be the biggest source of imports for the Machinery and Electricals sector to the UAE, followed by the USA and India.

Chemicals and Pharmaceuticals

Driven by a rising chronic illness burden and consumer preference for qualified branded medicines

7%

Forecast share of imports in 2030

5.9%

2021-2030 average annual growth

Chemicals and Pharmaceuticals are dominated by imports of pharmaceutical products, as the UAE imports a large quantity of internationally qualified branded medicines. Pharmaceutical imports will be further driven by the UAE's demand for therapeutics of non-communicable diseases, such as obesity, diabetes and cardiovascular disease in the coming years.

India and the EU markets are expected to be dominant sources of pharmaceutical imports, with India expected to see the highest growth at above 9 per cent from 2021 to 2030.

Automotive and Transportation

Driven by growing domestic consumption and easily-accessible vehicle financing

6%

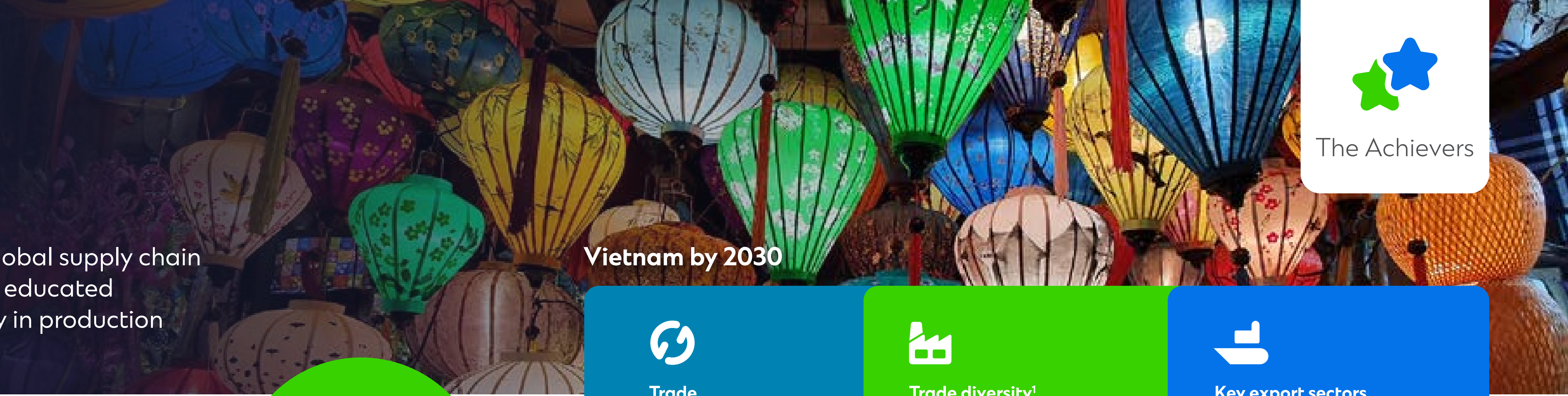
Forecast share of imports in 2030

5.5%

2021-2030 average annual growth

The UAE is one of the largest automotive markets in the Gulf region, and practically imports all cars for domestic use. Over the coming years, automotive imports are expected to be driven by the UAE's strong economic growth, robust household spending and relatively easy access to vehicle financing.

Japan, the USA and Germany will remain the top three sources of the UAE's automotive imports. Furthermore, imports from Germany are expected to see the highest growth, at 7 per cent from 2021 to 2030.



The Achievers

Vietnam

Poised to be a major beneficiary of global supply chain rebalancing enabled by its large and educated workforce, and focus on sustainability in production

Export forecast

618
USD billion
in exports by 2030

7.0%
Average annual
growth rate 2021-2030

Import forecast

578
USD billion
in imports by 2030

6.9%
Average annual
growth rate 2021-2030

Vietnam by 2030

Trade

Exports as % of GDP: 78% (2030)

Imports as % of GDP: 73% (2030)

Trade diversity[1]

Export diversity: 0.54 (higher diversity than global average)

Import diversity: 0.39 (higher diversity than global average)

Key export sectors

- Machinery and Electricals
- Textile and Apparel
- Metals and Minerals

Note: The data is for trade of goods only

International trade outlook 2030

Vietnam is set to become a key high-tech manufacturing hub in ASEAN. In addition to its large and educated workforce and competitive manufacturing costs, Vietnam also benefits from its wide-reaching web of FTAs across North America, Asia and Europe. These fundamentals, conducive to manufacturing and trade are expected to continuously drive Vietnam's economic development and competitiveness. Vietnam continues to attract major global businesses in recent years to set up their manufacturing bases in the market.

To further integrate itself into the international trade system, Vietnam is also improving the quality of the market's logistics infrastructure. A key example is through the development of the 'Vietnam SuperPort' in Hanoi. With an estimated price tag of USD6 billion and expected completion by 2025, the SuperPort is one of the largest logistics infrastructure project ever undertaken in Vietnam. The port will serve as the basis for greater logistics connection in the north-eastern region of Vietnam.

Key initiatives driving trade

Attracting global high-tech firms by offering tax benefits and financial support for footprint expansion

Vietnam is developing its capabilities in high-tech manufacturing, and is looking to attract more businesses to invest in the market. To achieve this objective, the government is offering several tax incentives and tax holidays.

These benefits are primarily being offered for large-scale investment projects, with capital investment above USD264 million.

Aiming to become a high-tech manufacturing destination through vocational training for a stronger workforce

To further support its transition towards an economic model that is export-oriented and rooted in high-tech manufacturing, Vietnam has launched a strategy to enhance its vocational training from 2021 to 2030. The strategy aims to increase the share of certified labour to 30 per cent of the workforce by 2025, and 35 to 40 per cent by 2030 to meet the rising skill demand of modern industrial production.

This initiative will make Vietnam's already large and educated workforce even more competitive.

Making products more attractive to developed markets by using sustainable energy for manufacturing

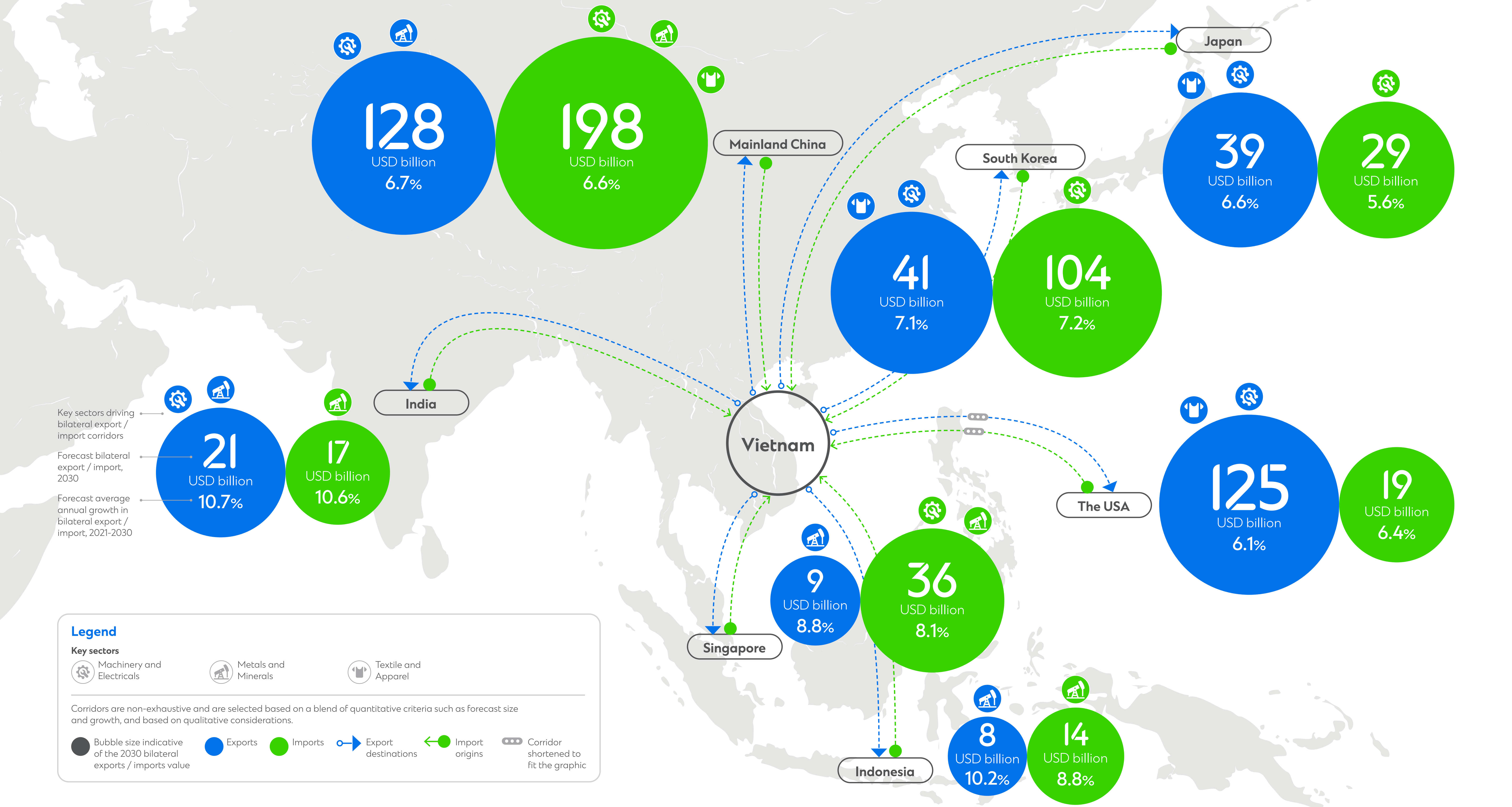
To increase renewable energy consumption in domestic manufacturing, Vietnam's Ministry of Industry and Trade and the US Agency for International Development are establishing a 'Direct Power Purchase Agreement' mechanism, that will cover both consumers and distributors of renewable energy.

This initiative aims to make 'made-in-Vietnam' products more sustainable, thus more competitive in global markets, and is expected to play a role in helping the market achieve its net zero commitments by 2050.

1. These are based on export and import diversification indices published by UNCTAD. The index takes value between 0 and 1, and measures the divergence between a market's trade pattern and the world trade pattern. A value of 0 indicates the world pattern, which is assumed as the upper limit of trade diversity. For comparison, the report also takes a simple average of the export and import diversification indices of all markets in the world economy (0.68 for exports and 0.41 for imports, referred to as 'global average') and uses it as a baseline.

Corridor Watch 2030
Vietnam

Mainland China, South Korea and the USA are expected to be Vietnam's key trade partners in the coming years. Trade with India, Singapore and Indonesia is forecast to experience robust growth from 2021 to 2030



Key export sectors

Growing demand for electronics, investments and sustainability initiatives will drive Vietnam's key exports

Machinery and Electricals

Driven by Vietnam's emergence as a major manufacturing and assembly destination of electrical and electronic products

50%

Forecast share of exports in 2030

6.6%

2021-2030 average annual growth

Vietnam is becoming a major manufacturing and assembly base for businesses in the Machinery and Electricals sector looking to diversify their supply chains. As a result, the market is expected to emerge as an important exporter of machineries and electronics, and is expected to play an increasingly important role in the global Machinery and Electricals supply chains.

Mainland China is expected to remain the largest export destination for this sector by 2030, followed by the USA and South Korea. Exports to India are forecast to experience rapid growth from 2021 to 2030.

Textile and Apparel

Driven by sustainable manufacturing initiatives in ready-made garments

22%

Forecast share of exports in 2030

7.3%

2021-2030 average annual growth

Vietnam is a prominent exporter of ready-made garments. The Vietnam Textile and Apparel Association is looking to make exports from this sector more sustainable, by launching a 'Green Plan' for the sector in 2023. This plan aims to reduce the energy consumption by 15 per cent, and the water consumption by 20 per cent. The plan also pushes for greater use of sustainable materials, and seeks to promote greener manufacturing and consumption patterns.

By 2030 the USA, Japan and South Korea are expected to remain the largest export destinations for Vietnam's Textile and Apparel sector.

Metals and Minerals

Driven by the growing international demand for clean energy technologies and rare earths

7%

Forecast share of exports in 2030

7.9%

2021-2030 average annual growth

Vietnam is estimated to have the world's second-largest exploitable rare earths resources, after Mainland China. Rare earths are critical raw materials for electric vehicles and wind turbines, which are key to the clean energy transition. The market is well-positioned to play a key role in the fast expanding global rare earths supply chain, as other markets look to widen their supply base. Additionally, as the market moves into into higher-end metal production, Vietnam's iron, steel and nickel exports will continue to dominate export growth in coming years.

By the end of the decade, Mainland China and India are expected to be some of the largest export destinations, while India is forecast to experience the highest growth.

Key import sectors

Mirroring the key export sectors, Vietnam's imports will be driven by the need for components and energy in its key manufacturing sectors

Machinery and Electricals

Driven by rising demand for components and machinery in manufacturing

47%

Forecast share of imports in 2030

7.0%

2021-2030 average annual growth

To support the market's ambition to become a manufacturing hub for consumer electronics in Southeast Asia, Vietnam imports key electronics components, such as integrated circuits, micro assemblies and electrical apparatus as inputs and tools, to produce finished electronics goods for exports.

Mainland China, South Korea and Singapore are expected to remain the top three import sources for Vietnam by 2030. Among the top ten import sources for Machinery and Electricals, the Netherlands and Malaysia are forecast to experience the most rapid growth from 2021 to 2030.

Metals and Minerals

Driven by rapidly industrialising economy and growing energy needs

14%

Forecast share of imports in 2030

6.3%

2021-2030 average annual growth

Vietnam's booming industries including construction, automobiles and home appliances, are expected to drive the imports for steel and iron over the next decade. This growing demand is expected to drive imports from partners such as Mainland China, India and Indonesia.

Vietnam's growing economy and industries are also driving the market's demand for energy, especially for refined petroleum. Looking forward, Southeast Asian markets such as Singapore and Malaysia are expected to remain the largest source markets of refined petroleum.

Textile and Apparel

Driven by demand for intermediate goods used in the production of ready-made garments

7%

Forecast share of imports in 2030

5.5%

2021-2030 average annual growth

As an exporter of ready-made garments, Vietnam imports various intermediate goods ranging from fabrics and textile yarns, to cotton, Velcro and buttons, that are used in the manufacturing of ready-made garments.

By 2030, Mainland China is expected to remain the largest source of imports for this sector, forecast to fulfil approximately 60 per cent of Vietnam's total import demand for this sector by 2030.

The Achievers

Malaysia

Combining its industrial expertise and trade relationships with rapid adoption of technology and a strong sustainability agenda, Malaysia is set to become significantly more competitive

Export forecast

425 USD billion in exports by 2030

6.8% Average annual growth rate 2021-2030

Import forecast

372 USD billion in imports by 2030

7.5% Average annual growth rate 2021-2030

Malaysia by 2030

Trade

Exports as % of GDP: 52% (2030)

Imports as % of GDP: 45% (2030)

Trade diversity[1]

Export diversity: 0.46 (higher diversity than global average)

Import diversity: 0.33 (higher diversity than global average)

Key export sectors

- Machinery and Electricals
- Metals and Minerals
- Agriculture and Food

Note: The data is for trade of goods only

International trade outlook 2030

With strong trade ties spanning across major markets in Asia, Europe and North America, Malaysia is an export-oriented manufacturing hub with key expertise in electronics, petroleum refining, liquified natural gas (LNG) and palm oil.

Malaysia is investing heavily in the quality of its logistics infrastructure to enhance its trade capabilities and grow its economy. The expansion of the Kuala Lumpur International Airport (KLIA), the KLIA Aeropolis, is envisaged to become an aero-logistics hub, attractive to operators in e-commerce logistics and aerospace. The East Coast Rail Link, once completed, is expected to serve as one of the market's key arteries connecting Malaysia's west and east coast, providing railway access to Port Klang, the market's largest freight hub.

In March 2022, Malaysia ratified the Regional Comprehensive Economic Partnership[2] (RCEP) agreement. In terms of export gains, Malaysia is expected be the largest beneficiary of the RCEP among the ASEAN member states, benefiting from the eventual elimination of around 90 per cent of tariffs among members.

Key initiatives driving trade

Establishing a more inclusive trade ecosystem by promoting greater SME participation in cross-border trade

SMEs constitute a large majority of businesses in Malaysia and will remain crucial to the the economy. To enhance productivity and promote trade inclusivity, the government pledged to raise SMEs contribution to total exports to 25 per cent (nearly double 2020 levels) in the 12th Malaysia Plan for 2021-2025. To achieve this goal, the government aims to digitalise 90 per cent of SMEs by promoting greater adoption of cross-border e-commerce platforms.

Adopting sustainable and fair trade practices in the palm oil sector and promoting greater innovation in agritech

Malaysia is in the process of making its palm oil industry more sustainable in order to protect and restore forests, and improve agricultural practices and oil palm yields. This initiative pushes for all oil palm growers in Malaysia to adopt ethical standards and be certified as sustainable producers by 2025.

Additionally, Malaysia is also investing in sustainable agritech, which will enable local and small hold farmers to take up smart farming tools to increase efficiency and agricultural yield.

Increasing trade efficiency and fostering greater trade and investments through the 'Framework of Cooperation on Digital Economy' with Singapore

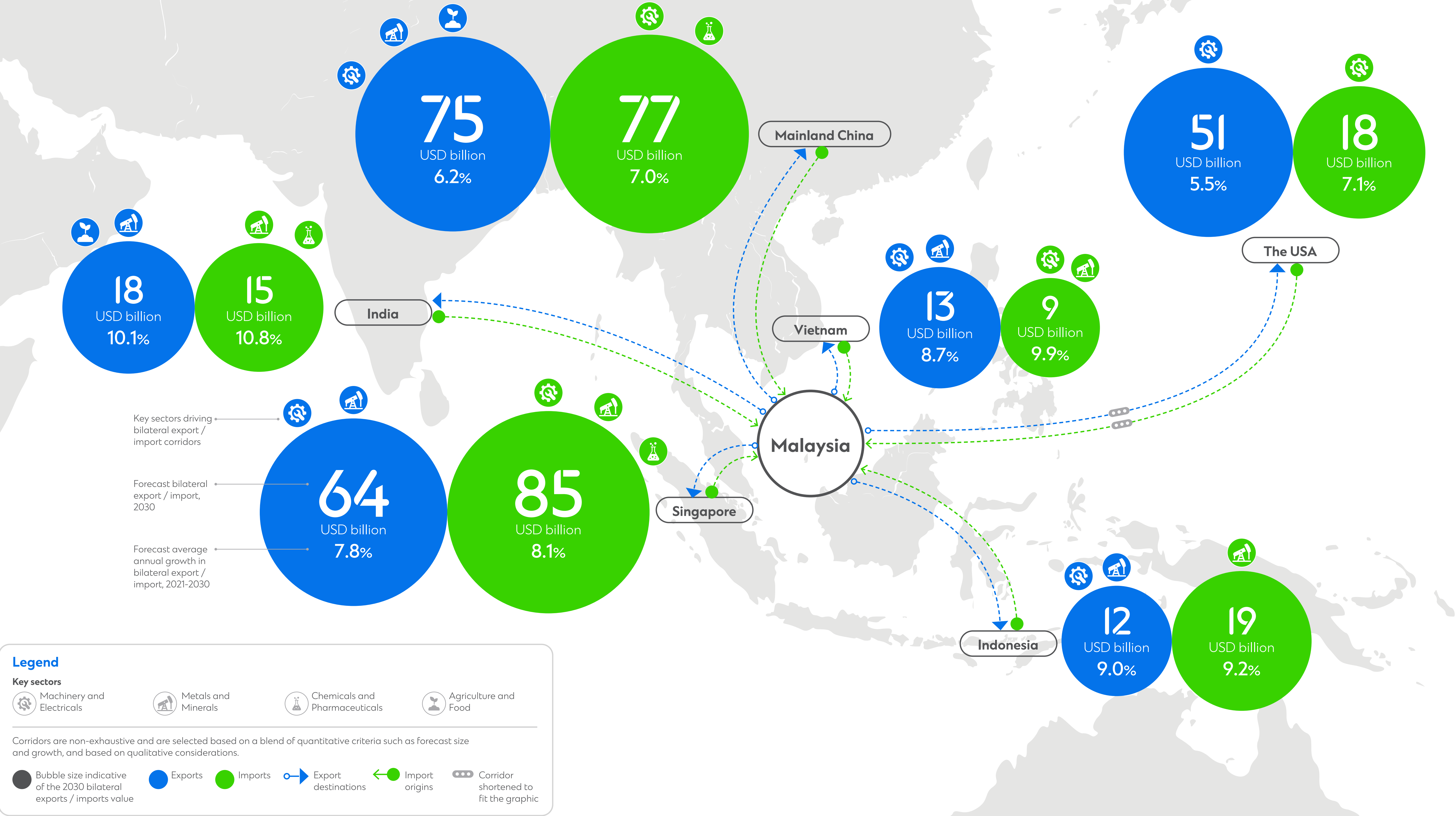
In line with Malaysia's continuous efforts to digitalise its economy, the market has partnered with Singapore in the Framework of Cooperation on Digital Economy.

With the objective of benefiting businesses, workers and communities in both markets, the framework is expected to further increase cooperation between Malaysia and Singapore in areas including trade facilitation, digital identities, standards, investment promotion and digitalisation of micro, small and medium enterprises.

1. These are based on export and import diversification indices published by UNCTAD. The index takes value between 0 and 1, and measures the divergence between a market's trade pattern and the world trade pattern. A value of 0 indicates the world pattern, which is assumed as the upper limit of trade diversity. For comparison, the report also takes a simple average of the export and import diversification indices of all markets in the world economy (0.68 for exports and 0.41 for imports, referred to as 'global average') and uses it as a baseline.
2. Free trade agreement covering 15 markets: Singapore, Brunei, Cambodia, Laos, Thailand, Vietnam, Malaysia, Indonesia, Philippines, Myanmar, Australia, New Zealand, Mainland China, Japan and South Korea

Corridor Watch 2030
Malaysia

Mainland China and Singapore are expected to continue to dominate Malaysia's trade. India, Vietnam, and Indonesia are emerging as high opportunity trade partners



Key export sectors

Strengthening of key exporting sectors and continuous investments will be key in maintaining Malaysia's global competitiveness

Machinery and Electricals

Driven by growing demand for semiconductors and new trade agreements strengthening the semiconductor supply chain

53%

Forecast share of exports in 2030

▲ 6.8%

2021-2030 average annual growth

As a key node in the global semiconductor supply chain, Malaysia has deep expertise in the semiconductor back-end manufacturing processes, notably in assembly and testing. This sector is expected to continue to be a key driver for the economy, as demand for semiconductors and integrated circuits rapidly increases in Asia and across the globe.

The USA and Mainland China are expected to remain the key export destinations. In addition, Malaysia recently signed the US-Malaysia Memorandum of Cooperation to strengthen its semiconductor supply chain and grow the two markets' bilateral trade relations.

Metals and Minerals

Driven by expanding LNG production capacities, to capture growing demand in Southeast Asia and South Asia

19%

Forecast share of exports in 2030

▲ 5.9%

2021-2030 average annual growth

As the third largest LNG exporter globally, Malaysia is continuously expanding its LNG production capacity, and is well-positioned to capture growing demand for LNG in the Southeast Asian and South Asian markets.

On the petroleum-refining front, with the recent refining capacity additions – RAPID[1] and Vitol[2], Malaysia's petroleum product exports are set to continue growing through the end of the decade. Exports growth will be driven by gasoline and diesel, as the RAPID refinery is designed to maximise gasoline and diesel production. Mainland China, and Singapore will remain Malaysia's largest export destinations for petroleum products.

1. RAPID refers to 'Refinery and Petrochemical Integrated Development', a refining project of the Malaysian oil and gas company, Petronas;
2. Vitol is a Switzerland-based energy and commodity trading firm that has refining operations in Malaysia

Agriculture and Food

Driven by technological innovation in agriculture and expansion into halal food processing

6%

Forecast share of exports in 2030

▲ 9.2%

2021-2030 average annual growth

Malaysia is the world's second-largest palm oil producer and exporter, second only to Indonesia. Exports from this sector are destined for markets such as India, the EU and Mainland China. To meet the growing demand for agriculture exports, Malaysia aims to boost its agricultural productivity, and is expected to invest in smart agriculture technologies such as AI, IoT and Cloud, as outlined in its 'Shared Prosperity Vision 2030'.

Additionally, Malaysia is emerging as a leading halal food processing centre, opening up new markets for this sector's exports.

Key import sectors

Malaysia imports various products to support value-added manufacturing activities in its key industries, and to meet domestic demand

Machinery and Electricals

Driven by semiconductor back-end processing and domestic push for IT sector modernisation

41%

Forecast share of imports in 2030

▲ 7.4%

2021-2030 average annual growth

Given its role in the semiconductor supply chain, Malaysia imports semiconductor wafers for further back-end processes in assembly, testing, and packaging.

The growth of the industry will continue to drive the imports of semiconductor wafers, especially from key source markets such as Singapore, Mainland China and the USA.

In terms of domestic consumption, Malaysia's push to modernise its IT sector and increase broadband penetration are expected to further drive Machinery and Electricals imports.

Metals and Minerals

Driven by expansion of domestic crude oil refining industry and growing demand for transportation fuels

25%

Forecast share of imports in 2030

▲ 7.2%

2021-2030 average annual growth

To support its domestic petroleum refineries, Malaysia is expected to grow its crude oil imports from the Middle East region (Saudi Arabia and the UAE), as well as from markets in Latin America and Asia-Pacific.

Due to its geographical proximity and established position as the region's fuel trading and storage hub, Singapore will remain Malaysia's biggest partner for imports of petroleum products. In addition, India is expected to emerge as another major source of petroleum product imports for Malaysia by 2030.

Chemicals and Pharmaceuticals

Driven by local pharmaceutical and speciality chemicals manufacturing

7%

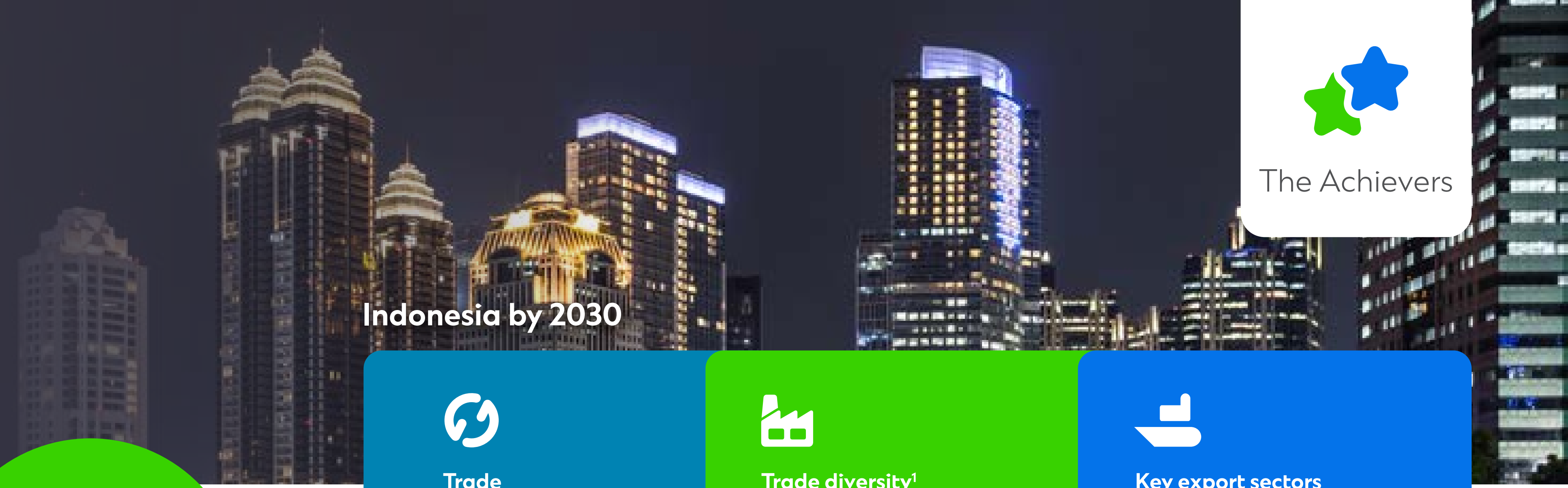
Forecast share of imports in 2030

▲ 7.8%

2021-2030 average annual growth

For its domestic pharma-manufacturing, Malaysia is a net importer of active pharmaceutical ingredients (APIs) and pharmaceutical intermediates; the market also imports large quantities of finished pharmaceuticals. Malaysia is expected to continue to import APIs form its key trading partners, including Singapore, Mainland China and India.

In terms of organic chemicals, imports will continue to grow, driven by the growing manufacturing demand in Malaysia's pharmaceutical and speciality chemicals sectors. Singapore is expected to remain the largest importer of organic chemicals, and India to emerge as the second largest source of imports destination, outpacing Mainland China by 2030.



The Achievers

Indonesia

Focuses on developing its downstream industries and manufacturing, while adopting sustainable practices in agricultural and improving inclusion in international trade

Export forecast

427 USD billion in exports by 2030

7.0% Average annual growth rate 2021-2030

Import forecast

365 USD billion in imports by 2030

7.6% Average annual growth rate 2021-2030

Indonesia by 2030

Trade

Exports as % of GDP: 15% (2030)

Imports as % of GDP: 13% (2030)

Trade diversity[1]

Export diversity: 0.59 (higher diversity than global average)

Import diversity: 0.33 (higher diversity than global average)

Key export sectors

- Metals and Minerals
- Agriculture and Food
- Textile and Apparel

Note: The data is for trade of goods only

International trade outlook 2030

Indonesia is Southeast Asia's largest economy. Its vast commodity reserves currently dominate its exports. To leverage this abundance of natural resources, the market is now focusing on developing its downstream commodity processing industries, and growing its manufacturing sectors.

To establish itself as an emerging manufacturing destination in ASEAN and better distribute the emerging manufacturing capabilities across the market, Indonesia is prioritising the development of special economic zones (SEZ) outside of Java – its economic centre. The market is seeking to attract over USD50 billion in foreign direct investments for SEZ-oriented manufacturing over the next decade. This policy will help Indonesia lift up its less economically developed islands, diversify its industrial networks, and provide businesses with more cost-competitive manufacturing destinations.

Key initiatives driving trade

Growing the domestic EV batteries ecosystem by leveraging the market's abundant natural resources and supportive industrial policies

With one of the world's largest nickel ore reserves, Indonesia is leveraging its natural capital to become one of the top three EV battery producers globally by 2027. Capitalising on the growing demand for EV batteries globally, the market is focusing on developing its downstream EV industries – from raw material processing to manufacturing and exporting of EV batteries.

This strategy has prompted the signing of more than a dozen deals for battery and EV production in the market.

Protecting Indonesian forests through sustainable and fair palm oil farming and trading practices

To protect the pristine forests on islands such as Borneo, Indonesia is working to make its palm oil production more sustainable.

Through the introduction of the new 'Indonesian Sustainable Palm Oil' scheme, the market aims to incentivise both small hold farmers and land owners to adopt sustainable farming practices that do not involve deforestation, labour rights violations, or land conflicts.

Increasing Micro-SMEs' participation in the international trade system by providing education on essential digital skills

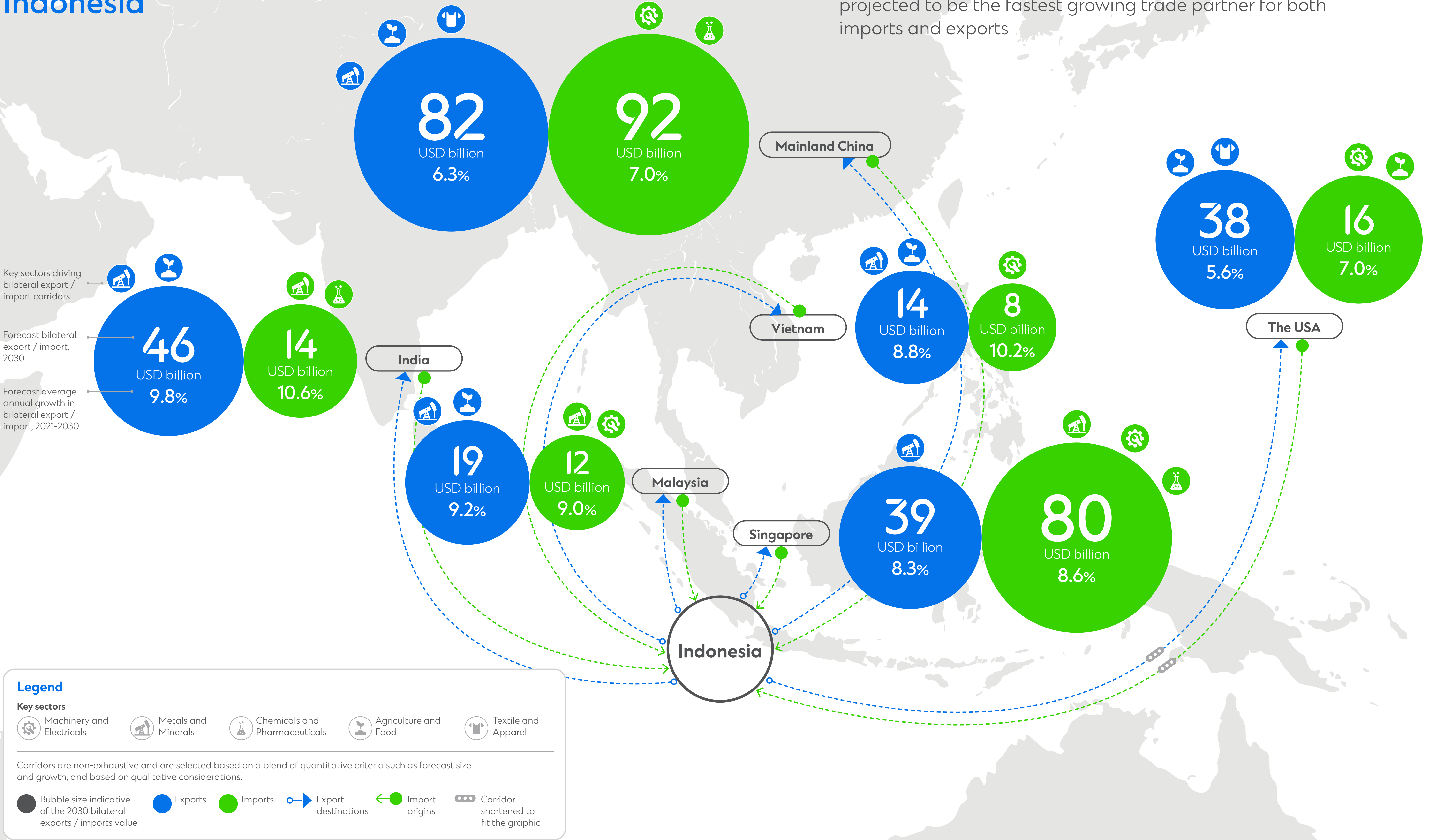
By 2024, Indonesia aims to bring online 30 million Micro-SMEs – from 19 million in 2022 – to improve their access to the international trade system.

To support this objective, Indonesia's Ministry of Communication and Information has launched the Digital Entrepreneurship Academy and the Digital Talent Scholarship, educating Micro-SMEs on digital entrepreneurship skills, in areas such as online business strategy and the importance of cybersecurity.

1. These are based on export and import diversification indices published by UNCTAD. The index takes value between 0 and 1, and measures the divergence between a market's trade pattern and the world trade pattern. A value of 0 indicates the world pattern, which is assumed as the upper limit of trade diversity. For comparison, the report also takes a simple average of the export and import diversification indices of all markets in the world economy (0.68 for exports and 0.41 for imports, referred to as 'global average') and uses it as a baseline.

Corridor Watch 2030
Indonesia

Neighbouring Asian economies are expected to be the key drivers of Indonesia's trade in the coming years, with India projected to be the fastest growing trade partner for both imports and exports



Key export sectors

Indonesia aims to increase exports by becoming more technologically advanced and sustainable in the coming years

Metals and Minerals

Driven by the shift towards higher value-add downstream processing activities

35%

Forecast share of exports in 2030

▲ 6.8%

2021-2030 average annual growth

In line with its strategic framework to move towards higher value-add downstream processing activities in its mining sector, Indonesia is expected to grow its exports of refined metals, ranging from steel, nickel and ferro-nickel products in the coming years.

Mainland China and India are expected to remain the two largest destinations for Indonesia's Metals and Minerals exports, while South Korea is forecast to overtake Japan and emerge as the third largest by 2030.

Agriculture and Food

Driven by greater adoption of sustainable and innovative approach to agriculture

21%

Forecast share of exports in 2030

▲ 7.7%

2021-2030 average annual growth

Indonesia is one of the world's largest producers and exporters of agricultural products globally, supplying important agricultural commodities such as palm oil, natural rubber, cocoa, coffee, rice, and spices. In the coming years, India is expected to experience the strongest growth, emerging as the largest export destination, outpacing Mainland China by 2030.

Indonesia aims to invest in 'sustainable agriculture' and 'Agriculture 4.0', and adopt technologies that will help enhance agricultural productivity and quality to meet the growing export demand.

Textile and Apparel

Driven by new trade agreements that strengthen export competitiveness in the sector

10%

Forecast share of exports in 2030

▲ 6.4%

2021-2030 average annual growth

Indonesia has an export-oriented Textile and Apparel sector, with more than 70 per cent of the sector's total output geared towards foreign markets. Indonesia is currently in negotiations for regional and bilateral economic agreements with Australia, Chile, Argentina, and the European Union, which are likely to open up new trade opportunities for this sector in the future.

To the end of this decade, the USA, Mainland China and Japan are expected to remain the largest destinations for Indonesia's Textile and Apparel exports. India will experience the highest growth from 2021 to 2030.

Key import sectors

Indonesia's rising information technology spending, as well as energy and healthcare needs to drive imports growth

Machinery and Electricals

Driven by accelerated spending on information and communications technology

34%

Forecast share of imports in 2030

▲ 7.8%

2021-2030 average annual growth

In line with its Digital Roadmap 2021-2024 and Industry 4.0 plan, Indonesia is looking to accelerate Information and Communications Technology (ICT) spending. As a result, Machinery and Electricals imports are expected to grow, driven by demand from four key areas – cloud, mobile, social media and big data analytics.

This growth in ICT spending is expected to continuously drive imports from Mainland China, Singapore, Japan, South Korea and Malaysia.

Metals and Minerals

Driven by expanding refinery capacity and growing domestic demand for petroleum products

23%

Forecast share of imports in 2030

▲ 7.2%

2021-2030 average annual growth

Indonesia is a net importer of crude oil and transportation fuels, driven by growing domestic demand for power generation and transportation. The market's crude oil and petroleum products imports are set to grow further, as anticipated demand remains robust. In addition, crude oil imports are expected to climb further with the planned commissioning of the Tuban refinery in 2026.

Saudi Arabia, Australia and Nigeria are forecast to remain the largest import sources of crude oil by 2030. For petroleum products, imports from Singapore are expected to be the largest and most rapidly growing.

Chemicals and Pharmaceuticals

Driven by chemicals required in various manufacturing processes, and domestic demand for pharmaceuticals

10%

Forecast share of imports in 2030

▲ 8.0%

2021-2030 average annual growth

Indonesia is expected to remain a net importer of organic chemicals and chemical products over the next decade, driven by growing demand within its textile, petrochemical and agricultural sectors. Mainland China, Singapore and India are forecast to remain the key sources of imports.

Indonesia's pharmaceutical sector imports active pharmaceutical ingredients to meet its local pharmaceutical manufacturing requirements. Imports of pharmaceutical products presently account for the majority of all Indonesia's healthcare needs, and will continue to dominate owing to rising healthcare demand in the market. Trading partners including Mainland China, Singapore and India are likely to benefit from the rising demand.

Saudi Arabia

The Achievers

Positioned to play a bigger role in international trade through increased trade linkages, infrastructure expansion and diversification into renewables

Export forecast

418
USD billion
in exports by 2030

4.8%
Average annual
growth rate 2021-2030

Import forecast

239
USD billion
in imports by 2030

7.0%
Average annual
growth rate 2021-2030

Saudi Arabia by 2030

Trade

Exports as % of GDP:
31% (2030)

Imports as % of GDP:
18% (2030)

Trade diversity[1]

Export diversity:
0.76 (lower diversity than global average)

Import diversity:
0.31 (higher diversity than global average)

Key export sectors

- Metals and Minerals
- Plastics and Rubbers
- Chemicals and Pharmaceuticals

Note: The data is for trade of goods only

International trade outlook 2030

Saudi Arabia aspires to become the next global logistics hub, with a more sustainable and innovative economy.

Leveraging its location in the middle of Asia, Africa and Europe, Saudi Arabia is enhancing its shipping networks to connect to more markets across these regions. The market is also working towards more trade liberalisation by negotiating more trade agreements.

On the sustainability front, Saudi Arabia is rapidly scaling up its renewable energy capacities, as well as carbon-free industrial and logistics activities through mega-infrastructure projects such as NEOM. To become more innovation-driven, Saudi Arabia, through the 'Saudi Vision 2030', provides a roadmap for the development of new economic sectors, in order to diversify its economy away from oil, and transition to one that is digital and knowledge based.

With various initiatives across the logistics, sustainability and innovation fronts, Saudi Arabia is poised to lead the Middle East into a new era of trade and economic prosperity.

Key initiatives driving trade

Aiming to become a global trade hub by strengthening trade connectivity and introducing new logistics zones and shipping networks

Saudi Arabia envisions itself to become the next global logistics hub. In October 2022, the market announced plans to build 59 new logistic zones and is also aiming to improve its liner shipping[2] connectivity by introducing new routes between Asia and Europe. To further support this vision, the Saudi government is providing education and training programmes to help its population develop relevant skills.

Building a sustainable domestic clean energy industry through large scale investments in clean hydrogen

In January 2023, Saudi Arabia pledged to invest USD266 billion into achieving carbon neutrality by 2060 and becoming the world's leading exporter of clean hydrogen. Clean hydrogen has the potential to be a key industrial sector for Saudi Arabia, as clean hydrogen production leverages the market's natural advantages – plenty of sunlight and vast areas of flat land – suitable for mass-scale deployment of solar power generation, which is crucial for the hydrogen electrolysis process.

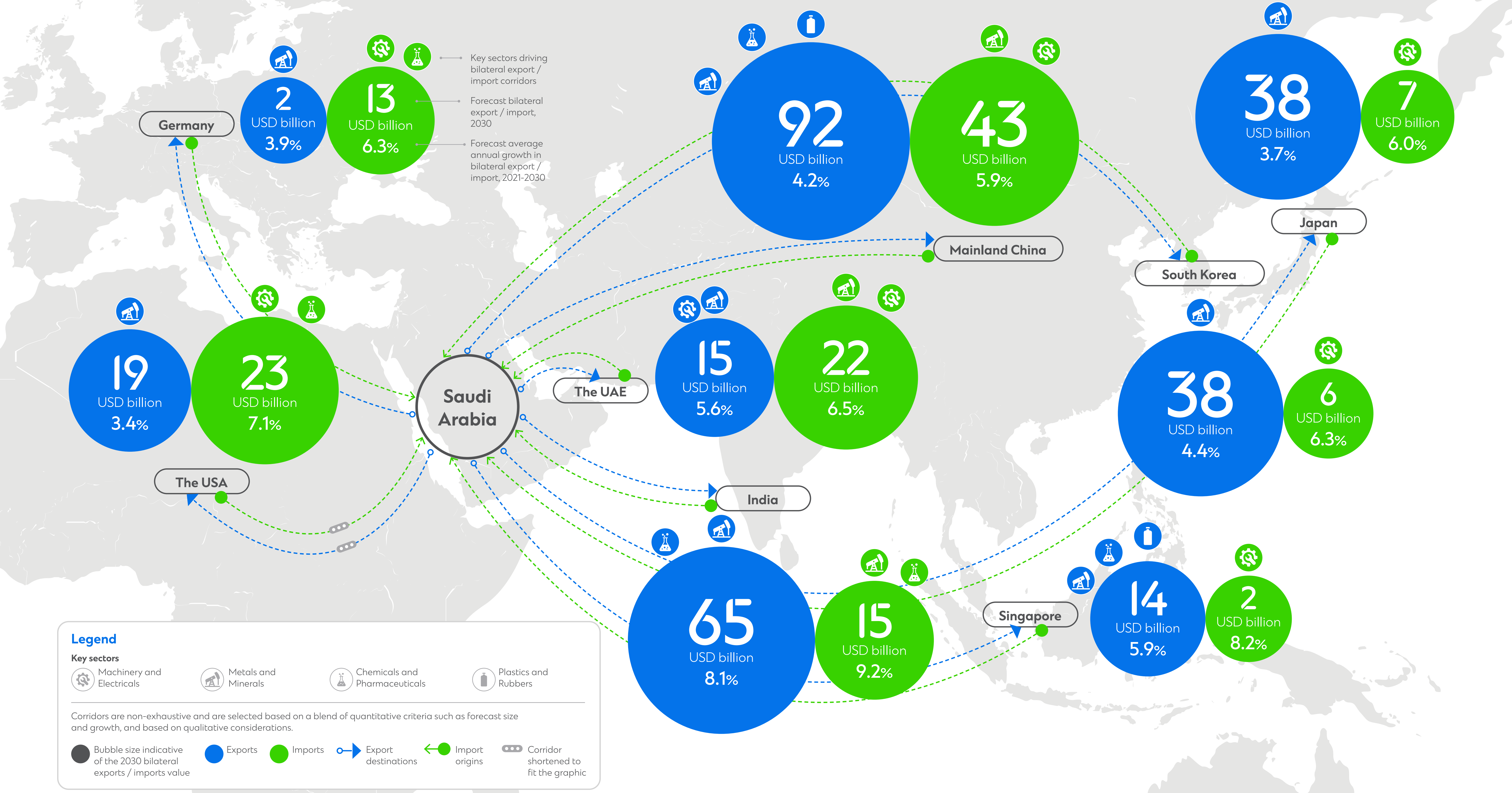
Diversifying economy and trade by building the futuristic smart city NEOM

As a part of the 'Saudi Vision 2030' plan, the market is building a USD500 billion megacity called NEOM, that will serve as the base to diversify into non-oil sectors and attract foreign investments. NEOM will be powered by renewable energy sources and will feature advanced technology and infrastructure. In particular, the Oxagon – world's first and largest fully automated port and integrated logistics hub – is expected to have an annual handling capacity of 9 million containers, and will serve as Saudi Arabia's gateway to trade and commerce.

1. These are based on export and import diversification indices published by UNCTAD. The index takes value between 0 and 1, and measures the divergence between a market's trade pattern and the world trade pattern. A value of 0 indicates the world pattern, which is assumed as the upper limit of trade diversity. For comparison, the report also takes a simple average of the export and import diversification indices of all markets in the world economy (0.68 for exports and 0.41 for imports, referred to as 'global average') and uses it as a baseline.
2. Liner shipping is the process of transporting goods and cargo from one destination to another by large ocean ships that move through regular routes on fixed schedules.

Corridor Watch 2030
Saudi Arabia

By 2030, Mainland China is expected to remain Saudi Arabia's largest trading partner. Trade with India is expected to experience the most rapid growth from 2021 to 2030



Key export sectors

Saudi Arabia is boosting trade through new projects in key sectors that will lead to increased industrial production

Metals and Minerals

Driven by oil and gas upstream and downstream capacity expansions

78%

Forecast share of exports in 2030

4.9%

2021-2030 average annual growth

Saudi Arabia's oil and gas industry is one of the largest in the world. In order to grow its crude exports, Saudi Aramco, the world's largest oil producer, will continue to expand its upstream production through different projects. Petroleum exports will continue to grow through ongoing capacity expansions and efficiency increases at existing refineries.

By 2030, Mainland China is expected to remain the largest export destination for Metals and Minerals exports from Saudi Arabia, followed by India and Japan. Its exports to India are expected to see the highest growth from 2021 to 2030.

Plastics and Rubbers

Driven by expansion of export-oriented polyolefins manufacturing, and the government's support to produce higher value plastics

9%

Forecast share of exports in 2030

6.1%

2021-2030 average annual growth

Saudi Arabia is one of the largest producers of polyolefins in the Middle East. Among the upcoming polyolefins projects, Alujain Corporation's project in Yanbu, and the Amiral Petrochemical Complex are expected to be completed by 2026 and 2027, respectively. In addition, to boost exports of higher value plastics, the government of Saudi Arabia is keen to encourage export-orientated plastic conversion projects through strategic investment plans for the industry.

Mainland China, Singapore and Türkiye are expected to remain the key export destinations for this sector, with Türkiye is forecast to have the highest growth from 2021 to 2030.

Chemicals and Pharmaceuticals

Driven by industrial policies that boost production of basic, intermediate and specialty chemicals

9%

Forecast share of exports in 2030

4.4%

2021-2030 average annual growth

With the aim of diversifying Saudi Arabia's economy, the 'Vision 2030' plan sees opportunities in the Chemicals and Pharmaceuticals sector. More specifically, the chemicals sector is expected to double in size by 2030 as an outcome of industrial programmes that are expected to generate significant growth in the basic, intermediate and specialty chemicals.

Through the end of the decade, Mainland China, India and the UAE are expected to be the largest export destinations, while India is forecast to experience the highest growth.

Key import sectors

Saudi Arabia imports industrial machinery and construction materials to support the 'Vision 2030' infrastructure projects

Machinery and Electricals

Driven by large-scale infrastructure projects and growing industrial demand

27%

Forecast share of imports in 2030

7.3%

2021-2030 average annual growth

Saudi Arabia's Machinery and Electricals imports – particularly industrial machinery and equipment – are driven by large-scale infrastructure projects across the market. A key example is NEOM, one of the most ambitious construction projects ever undertaken globally.

Mainland China, the UAE and the USA are expected to remain this sector's key sources of imports, with the USA expected to see the highest growth from 2021 to 2030.

Metals and Minerals

Driven by the market's ambition to become a logistics hub, and the planned constructions of various infrastructure projects

13%

Forecast share of imports in 2030

6.4%

2021-2030 average annual growth

Saudi Arabia imports iron and steel, metal structures, metal parts and metal containers for storage or transport. Demand in this sector is driven growing infrastructure construction, and also the market's ambition to become the next logistics hub of the region.

Looking ahead, Mainland China, the UAE and India are the top sources of imports for the Metals and Minerals sector, with imports from India expected to experience the highest growth from 2021 to 2030.

Chemicals and Pharmaceuticals

Driven by high domestic consumption and consumer preference for branded drugs

10%

Forecast share of imports in 2030

6.9%

2021-2030 average annual growth

Pharmaceutical imports to Saudi Arabia, specifically of patented and branded generic drugs, are driven by domestic consumption. Rising wages, increasing private sector drug consumption, and rising chronic illness will support the growing demand for pharmaceuticals in Saudi Arabia in the coming years. Additionally, demand for patented drugs is driven by the population's wealth, and preference for sophisticated and branded medicines.

Germany, India and the USA will remain this sector's key sources of imports. Furthermore, India is expected to see the highest growth from 2021 to 2030.

Nigeria

The Accelerators

Continues to diversify its economy and develop infrastructure to strengthen domestic manufacturing and international trade

Export forecast

127
USD billion in exports by 2030

9.5%
Average annual growth rate 2021-2030

Import forecast

88
USD billion in imports by 2030

4.8%
Average annual growth rate 2021-2030

Nigeria by 2030

Trade

Exports as % of GDP: 20% (2030)

Imports as % of GDP: 14% (2030)

Trade diversity[1]

Export diversity: 0.86 (lower diversity than global average)

Import diversity: 0.47 (lower diversity than global average)

Key export sectors

Metals and Minerals
- Crude oil and Petroleum products
- Liquified Natural Gas

Agriculture and Food

Note: The data is for trade of goods only

International trade outlook 2030

Nigeria's future is more connected than ever. The market entered into the 'African Continental Free Trade Agreement' – the world's largest free trade area, which aims to create a single market for goods across Africa. Inclusion in this free trade area helps to facilitate trade in sectors ranging from fishery and textiles to automotives and electricals. Following this agreement, Nigerian exports to African markets outside of West Africa are expected to increase significantly, and reach markets such as Botswana, Egypt and Kenya.

The government is focused on building quality logistics infrastructure to enhance trade capabilities. The government launched the 'National Integrated Infrastructure Master Plan' – a private-sector driven multi-trillion-dollar development plan – to enhance the market's infrastructure over the next two decades. One of the projects includes the USD1 billion Lekki Deep Sea Port, the first in Nigeria. It has the capacity to handle 1.2 million containers annually. Infrastructure upgrades such as this will position the market as a logistics hub in West Africa.

Key initiatives driving trade

Diversifying exports and industries away from the oil and gas sector through supportive government incentives

Nigeria is looking to diversify exports and expand its non-oil sectors, ranging from agriculture and tourism to technology. To attract foreign investment and support the diversification efforts, the Nigerian government is offering numerous financial incentives to manufacturers, such as low-interest rate loans, longer repayment periods and tax holidays.

Increasing trade inclusivity by offering SMEs financing support and enhancing their e-commerce participation

SMEs are the backbone of the Nigerian Economy and crucial to the market's strategy to enhance productivity and promote trade inclusivity. The government's plan is to increase SME contribution to the market's GDP from 49 per cent in 2022 to 70 per cent by 2025.

To achieve this target, Nigeria is offering SMEs affordable credit terms, and helping them become more visible in the global marketplace through greater adoption of cross-border e-commerce platforms.

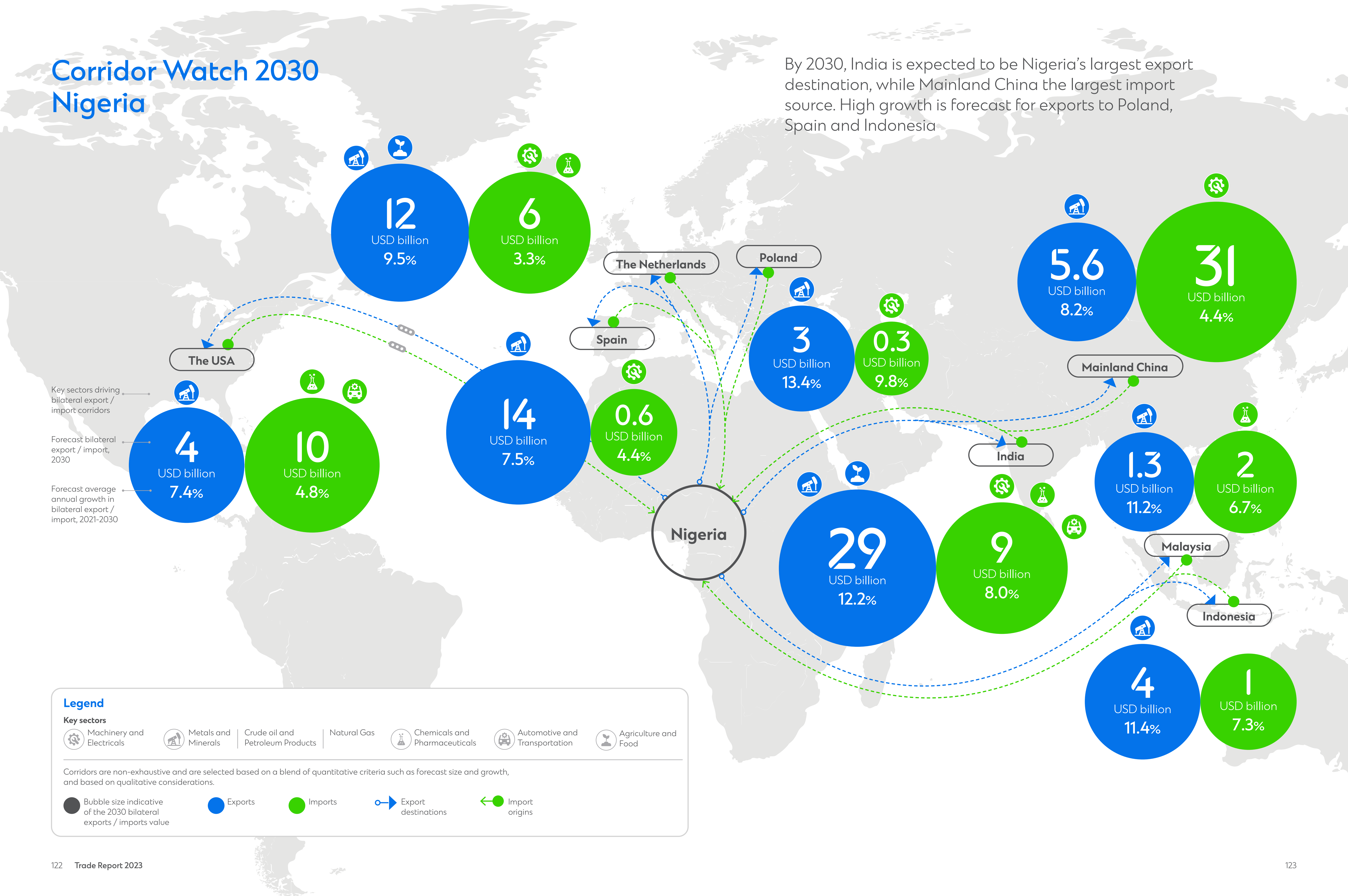
Growing the market's natural gas global market share via implementation of onshore and offshore gas pipeline projects

Nigeria plans to export more natural gas to Europe, as the region looks to diversify its energy imports. Nigeria plans to build two new gas pipelines – onshore via Niger and Algeria spanning 4,000 km across the Sahara Desert with an estimated cost of USD13 billion, and offshore via the West African coast stretching 5,660 km with an estimated cost of USD20 – 25 billion. These new gas pipelines will enable Nigeria to export natural gas to far-reaching destinations and strengthen its position as a natural gas exporter.

1. These are based on export and import diversification indices published by UNCTAD. The index takes value between 0 and 1, and measures the divergence between a market's trade pattern and the world trade pattern. A value of 0 indicates the world pattern, which is assumed as the upper limit of trade diversity. For comparison, the report also takes a simple average of the export and import diversification indices of all markets in the world economy (0.68 for exports and 0.41 for imports, referred to as 'global average') and uses it as a baseline.

Corridor Watch 2030
Nigeria

By 2030, India is expected to be Nigeria's largest export destination, while Mainland China the largest import source. High growth is forecast for exports to Poland, Spain and Indonesia



Key export sectors

Nigeria is expected to grow exports from its key sectors, by supporting capacity expansions and entering new markets

Metals and Minerals – Crude oil and petroleum products

Driven by refinery capacity expansions, and the goal of becoming Africa's biggest refining hub by 2025

82%

Forecast share of exports in 2030

9.6%

2021-2030 average annual growth

Nigeria is one of Africa's top crude oil producers. The market has expanded its refinery capacity through greenfield expansions such as the Dangote refinery in Lekki and brownfield rehabilitation of state-owned refineries. With these additional capacities coming online, Nigeria is well-positioned to become the biggest crude refining hub in Africa by 2025.

India, Spain and the Netherlands are expected to remain Nigeria's largest export destinations for crude oil and petroleum products in the coming years.

Metals and Minerals – Natural gas

Driven by new natural gas pipeline projects that aim to expand exports to Europe

12%

Forecast share of exports in 2030

9.3%

2021-2030 average annual growth

The Majority of Nigerian gas is exported as LNG; as Africa's largest natural gas exporter, Nigeria is continuously expanding its production capacity. Looking forward, India, Spain and Mainland China are expected to remain the largest destinations for Nigeria's LNG exports.

In addition, Nigeria is well-positioned to increase its share of natural gas exports to Europe, as the latter is looking to diversify its natural gas suppliers, with the two gas pipeline projects currently under implementation.

Agriculture and Food

Driven by expansion of palm oil production through attractive government incentives

4%

Forecast share of exports in 2030

10.1%

2021-2030 average annual growth

A stronger agricultural sector is strategically vital to Nigeria's economic growth plan. As a part of the strategy to boost agricultural output and trade, the government plans to significantly increase palm oil production in the coming years. To achieve this growth, the Nigerian government plans to invest USD500 million in the coming years into the sector through favourable financing terms for oil palms cultivations, and tax holidays for palm oil processing.

Over the next decade, the Netherlands, Türkiye and India will remain Nigeria's largest export destinations in the Agriculture and Food sector.

Key import sectors

Nigerian imports be driven by the domestic demand for a wide variety of goods where Mainland China, the USA and India stand to benefit

Machinery and Electricals

Driven by growing urbanisation and disposable income in the market

34%

Forecast share of imports in 2030

5.2%

2021-2030 average annual growth

Nigeria imports electronic devices such as mobiles, audio-visual devices and computer hardware for domestic consumption. As the market rapidly urbanises, demand for internet-connected devices is expected to continue rising. Additionally, increasing disposable income in the market's population will further boost imports in this sector.

Looking forward, Mainland China, the USA and India are estimated to remain its largest import sources; the Netherlands is expected to rapidly emerge as the fourth-largest import source, outpacing Germany by 2030.

Chemicals and Pharmaceuticals

Driven by rising health awareness among consumers and growing demand for quality medicines

13%

Forecast share of imports in 2030

5.7%

2021-2030 average annual growth

Nigeria currently imports approximately 70 per cent of the medicines and vaccines consumed in the market. It is expected to continue to import pharmaceutical products to meet the growing demand for quality medicines, as consumer health awareness rises.

Looking ahead, Nigeria will continue to import pharmaceutical products from India and the Netherlands, with the latter expected to experience the highest growth from 2021 to 2030 among the top ten import sources.

Automotive and Transportation

Driven by growing demand for lower cost used vehicles

9%

Forecast share of imports in 2030

5.0%

2021-2030 average annual growth

Nigeria is an importer of vehicles, specifically affordable used vehicles. As a result, the growth of used vehicle imports is expected to outperform that of new vehicles in the coming years. Furthermore, growing adoption of online marketplaces for used vehicles are expected to better connect bulk importers with consumers, facilitating greater trade.

Mainland China, the USA and India are expected to remain Nigeria's largest import sources in the Automotive and Transportation sector.

Bangladesh

Building an economy with diverse industries and exports, while promoting greater sustainability and human capital development

The Accelerators

Export forecast

76 USD billion in exports by 2030

6.9% Average annual growth rate 2021-2030

Import forecast

119 USD billion in imports by 2030

5.4% Average annual growth rate 2021-2030

Bangladesh by 2030

Trade

Exports as % of GDP: 9% (2030)

Imports as % of GDP: 15% (2030)

Trade diversity[1]

Export diversity: 0.87 (lower diversity than global average)

Import diversity: 0.54 (lower diversity than global average)

Key export sectors

- Textile and Apparel
  - Ready-made Garments
  - Textiles Yarns, Fibres and Fabrics
- Agriculture and Food

Note: The data is for trade of goods only

International trade outlook 2030

As the world's second largest garment exporter after Mainland China, Bangladesh is a major textile and apparel manufacturing and export hub.

The market has recently adopted 'Vision 2041', a national strategic road map to develop a more diverse economy and promote the development of human capital. The plan identifies potential key growth industries of the future and focuses on implementing more educational, vocational and technological training programmes to upskill Bangladesh's workforce and create more high-value jobs.

The Bangladeshi government is also focusing on making its economy more sustainable. As a part of this focus, the market is establishing green economic zones to promote cleaner supply chains, and to harness clean energy technologies in its manufacturing processes to reduce carbon emissions. As a result, Bangladesh is a leader in green garment production. The market has the highest number of certified green factories in the world, per the 'Leadership in Energy and Environmental Design' certification devised by the United States Green Building Council.

Key initiatives driving trade

Diversifying industries and exports by attracting large investments in new growth sectors

Bangladesh aims to expand and diversify its industries and exports by establishing more than 100 special economic zones by 2030. These zones aim to attract foreign and domestic businesses through subsidies, and are expected to generate 10 million jobs and increase exports by up to USD40 billion annually in the next 15 years.

This diversification effort will encourage economic development and increase productivity and competitiveness in a wide range of industries, including automotive, food processing, and chemical and pharmaceuticals.

Driving factory modernisation to increase productivity and efficiency, as well as create better employment opportunities

Bangladesh is pushing for greater automation in its factories to maintain its competitiveness in the global garment industry. This initiative is expected to yield productivity gains in textile production, and help businesses become more efficient and cost-effective.

To support the automation initiative, the government is investing in nationwide education and training programmes to upskill the workforce, and create new and better-paying employment opportunities related to machine supervision, maintenance and repair work.

Promoting sustainable and circular economy initiatives in textile and apparel production

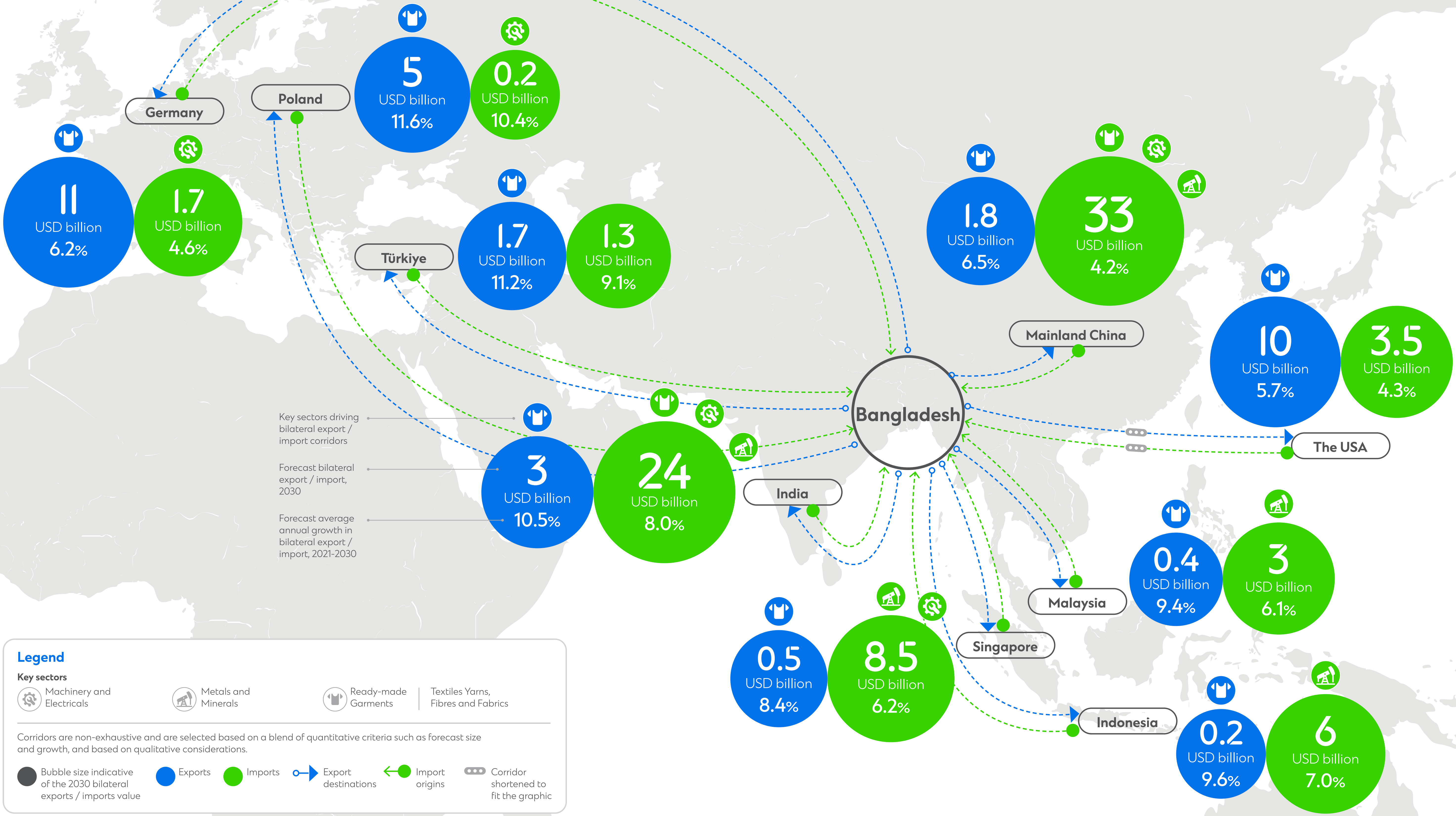
Bangladesh aims to become a leader in sustainable manufacturing of textile and apparel. In October 2022, the 'Circular Economy in Bangladesh's Apparel Industry' initiative was launched to promote sustainable production.

The initiative aims to encourage factories to adopt clean energy technologies such as solar photovoltaic systems, as well as increase fabric recycling to reduce land expansion for cotton cultivation and alleviate deforestation.

1. These are based on export and import diversification indices published by UNCTAD. The index takes value between 0 and 1, and measures the divergence between a market's trade pattern and the world trade pattern. A value of 0 indicates the world pattern, which is assumed as the upper limit of trade diversity. For comparison, the report also takes a simple average of the export and import diversification indices of all markets in the world economy (0.68 for exports and 0.41 for imports, referred to as 'global average') and uses it as a baseline.

Corridor Watch 2030
Bangladesh

In the coming years, exports to Poland, Türkiye and India, as well as imports from Malaysia and India, are expected to experience rapid growth. Trade with Germany, Mainland China and the USA is expected to grow moderately



Key export sectors

Bangladesh's Textile and Apparel exports are expected to double to USD62 billion by 2030. Aquaculture exports to be an emerging area

Textile and Apparel – Ready-made Garments

Driven by technology adoption in manufacturing to improve productivity, quality and efficiency

85%
Forecast share of exports in 2030

▲ 6.7%
2021-2030 average annual growth

Bangladesh's ready-made garments industry is one of the largest in the world. To continue the sector's growth, the market is looking to encourage businesses to adopt new production methods, and leverage advanced technologies such as automation and 3D printing to improve productivity, quality and efficiency.

Germany and the USA are expected to remain the largest export destinations for this sector. Within the top 10 exports destinations, Poland is expected to be the most rapidly growing from 2021 to 2030.

Textile and Apparel – Textiles Yarns, Fibres and Fabrics

Driven by capability enhancements in higher value-add textile manufacturing

6%
Forecast share of exports in 2030

▲ 7.9%
2021-2030 average annual growth

Bangladesh's textiles industry is looking to advance its manufacturing processes and move towards more complex and higher value-add production. To fulfil this strategy, Bangladesh is focusing on expanding production capabilities in newer segments such as technical textiles and home textiles.

Additionally, demand for jute – a biodegradable and recyclable yarn – continues to grow internationally, positively driving export growth.

Looking forward, Türkiye, the USA and India will remain the key export destinations for Bangladesh's textiles industry, with Türkiye and India to experience the highest growth from 2021 to 2030.

Agriculture and Food

Driven by technological adoption to increase the sector's yield and competitiveness

3%
Forecast share of exports in 2030

▲ 8.2%
2021-2030 average annual growth

Agriculture and Food is the second largest sector employing Bangladesh's workforce. The government plans to increase the export orientation of its marine fishing and shrimp farming industries due to their higher-value products. To achieve this goal, Bangladesh is promoting the use of new technologies in fisheries and shrimp farming, to increase the sectors' yields and make it more environmentally friendly.

In 2030, India, Mainland China and the UK will remain the largest export destinations for this sector, with Agriculture and Food exports to India expected to see the highest growth from 2021 to 2030.

Key import sectors

Bangladesh continues to import key machinery and manufacturing material inputs to build up its domestic manufacturing and infrastructure

Machinery and Electricals

Driven by industrial production needs in the Textile and Apparel sector

21%
Forecast share of imports in 2030

▲ 5.4%
2021-2030 average annual growth

Bangladesh imports Machinery and Electricals primarily for industrial use in the Textile and Apparel sector. Given the market's ambitious plan in increasing the technological sophistication and automation in manufacturing, demand for Machinery and Electricals are expected to remain robust through the end of this decade.

Mainland China, India and Singapore are expected to benefit from Bangladesh's industrial growth, and will remain the top three sources of imports for this sector. Among them, imports from India will experience the most rapid growth, forecast to approximately double from 2021 to 2030.

Textile and Apparel

Driven by demand for textiles in the manufacturing of ready-made garments

20%
Forecast share of imports in 2030

▲ 4.9%
2021-2030 average annual growth

Bangladesh will continue to import raw materials such as yarn, knitted and woven fabrics, to be used in the production of ready-made garments. Raw cotton imports are also expected to grow in tandem, as the market looks to increase its domestic production capability in various textiles.

Mainland China and India are expected to remain the key sources of imports, and will continue to fuel Bangladesh's growing Textile and Apparel industry.

Metals and Minerals

Driven by rapid industrialisation and increasing private consumption

20%
Forecast share of imports in 2030

▲ 5.3%
2021-2030 average annual growth

Bangladesh's imports of petroleum products and liquified natural gas are expected to be driven by the market's rising industrialisation and private consumption. Bangladesh's steel and iron imports are also expected to grow further by the end of the decade to serve the market's infrastructure development plans.

Mainland China, India, Singapore and Malaysia are expected to benefit from Bangladesh's industrial boom, with imports from India forecast to experience the highest growth in 2021-2030.

The Accelerators

Kenya

Leading East African trade integration through infrastructure developments, with an emphasis on enhancing manufacturing, SME digital skills and sustainability

Export forecast

10
USD billion in exports by 2030

9.0%
Average annual growth rate 2021-2030

Import forecast

38
USD billion in imports by 2030

5.5%
Average annual growth rate 2021-2030

Kenya by 2030

Trade

Exports as % of GDP: 5% (2030)

Imports as % of GDP: 21% (2030)

Trade diversity[1]

Export diversity: 0.68 (lower diversity than global average)

Import diversity: 0.44 (lower diversity than global average)

Key export sectors

- Agriculture and Food
- Metals and Minerals
- Textile and Apparel

Note: The data is for trade of goods only

International trade outlook 2030

Kenya is the regional economic, commercial, financial and logistics centre of East Africa. The market was one of the first markets to ratify the 'African Continental Free Trade Agreement' in 2018. Additionally, Kenya's 'Manufacturing 20by30' initiative plans to double the manufacturing sectors' contribution to GDP by 2030, and create a million jobs in the process.

To further strengthen its position as a regional logistics centre, Kenya is developing the necessary infrastructure to facilitate trade. The Lapsset Corridor Project – East Africa's largest infrastructure plan and the flagship project in Kenya's 'Vision 2030' – aims to develop international highways, crude oil pipelines and railway lines. These infrastructure upgrades will bring together Kenya, Ethiopia and South Sudan, and will play a crucial role in facilitating the movement of goods within the region.

Key initiatives driving trade

Planning to build smart technology hub to stimulate innovation, manufacturing, trade and digitalisation

The government launched the 'Kenya National Digital Masterplan 2022 to 2032' to enhance the market's digital infrastructure, and drive innovation to facilitate trade.

In line with this masterplan, Kenya plans to invest USD14.5 billion to develop the 'Konza Technopolis', a smart technology hub in the market with innovation parks and manufacturing facilities, to serve as the base for manufacturing and exports.

Growing SMEs' digital literacy and international competitiveness through vocational education and training programmes

To improve SME digital literacy and international competitiveness, the Kenyan government has launched multiple vocational programmes under the 'Digital Learning and Skills' initiative.

These programmes aim to enhance SMEs' digital entrepreneurial skills, and assist them with the adoption of digital platforms to expand trade.

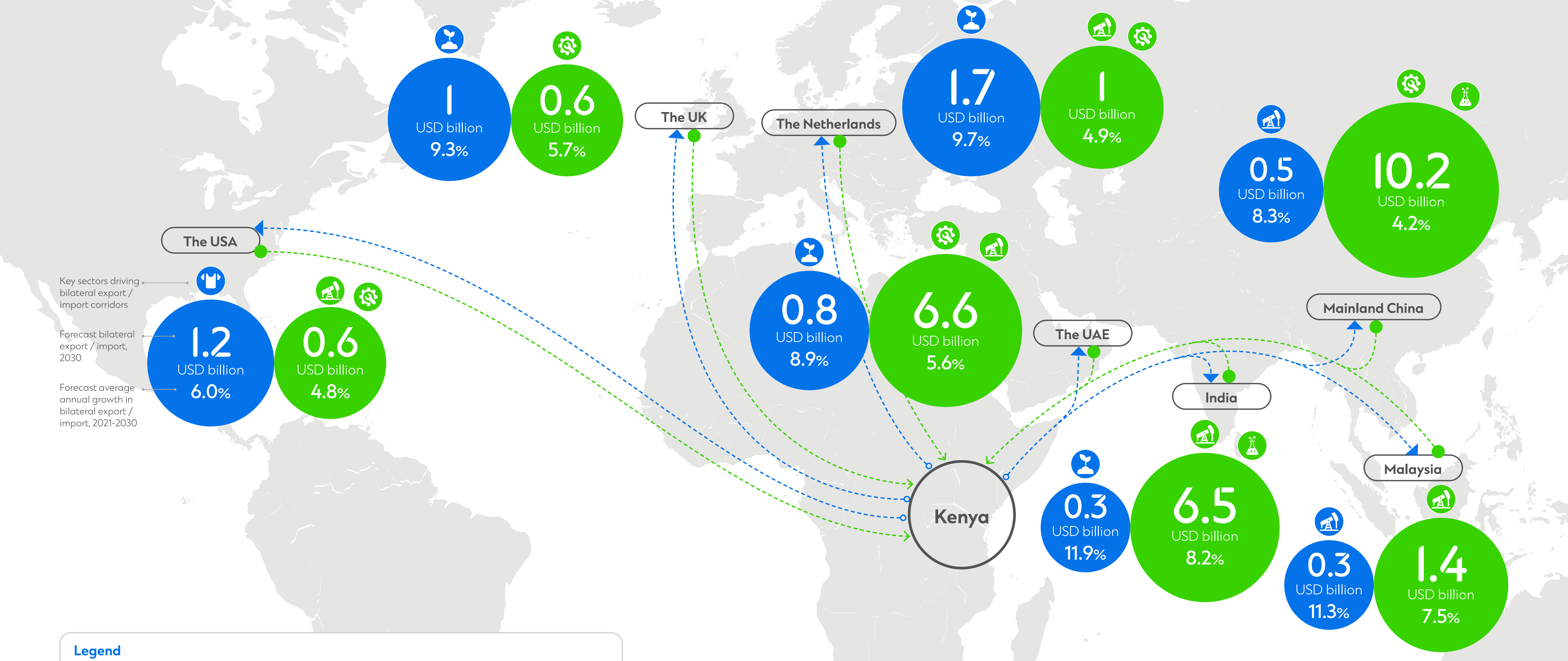
Improving agricultural yield and adapting to climate change using sustainable and adaptive farming practices

Agriculture is the backbone of Kenya's economy and central to its development strategy. The government recently launched the '2022-2026 Climate Smart Agriculture Multi Stakeholder Platform' strategic plan, which aims to increase food production and equip farmers with climate adaptation tools and practices. This includes introducing drought and heat tolerant crops, and leveraging modern agricultural machinery and biological pesticides for green farming.

1. These are based on export and import diversification indices published by UNCTAD. The index takes value between 0 and 1, and measures the divergence between a market's trade pattern and the world trade pattern. A value of 0 indicates the world pattern, which is assumed as the upper limit of trade diversity. For comparison, the report also takes a simple average of the export and import diversification indices of all markets in the world economy (0.68 for exports and 0.41 for imports, referred to as 'global average') and uses it as a baseline.

Corridor Watch 2030
Kenya

In the coming decade, Kenya's exports are forecast to experience robust growth, with export corridors showing close to double-digit growth year on year. The market is expected to continue to import more goods from the UAE, Mainland China and India



Legend

Key sectors

Agriculture and Food | Textile and Apparel | Machinery and Electricals | Metals and Minerals | Chemicals and Pharmaceuticals

Corridors are non-exhaustive and are selected based on a blend of quantitative criteria such as forecast size and growth, and based on qualitative considerations.

Bubble size indicative of the 2030 bilateral exports / imports value | Exports | Imports | Export destinations | Import origins

Key export sectors

Kenya is expected to grow its exporting sectors by setting up new facilities and expanding existing infrastructure

Agriculture and Food

Driven by factory upgrades and farming subsidies aimed at growing exports of value-added tea[1] products

72%

Forecast share of exports in 2030

9.4%

2021-2030 average annual growth

Kenya is the one of the largest producers and exporters of tea in the world. The market aims to expand its value-added tea[1] exports from five per cent of total tea exports in 2022, to 50 per cent in the next five years. To achieve this target, Kenya plans to enhance its existing factories and set up new processing and packaging facilities. The market's Ministry of Agriculture is also providing fertilizer subsidies to farmers to enhance output in the tea farming industry.

Looking ahead, Egypt, the UK and the UAE will remain Kenya's largest export destinations for tea products.

1. Value-added tea refers to processed tea products such as iced tea, flavoured tea and green tea.

Metals and Minerals

Driven by government regulations on the metal scrap industry that seek to enhance fair trade practices

11%

Forecast share of exports in 2030

8.9%

2021-2030 average annual growth

Kenya is a major exporter of metal scrap of stainless steel, iron, copper, aluminium and brass, which is widely used in the construction, hardware, and automotive and transportation sectors. Under the Scrap Metal Act, the Kenyan government is focusing on regulating the metal scrap industry by requiring dealers, millers and smelters to register for a licence. This regulation will enhance fair trade practices in the metal scrap value chain and grow trade.

Mainland China and Malaysia will remain Kenya's largest export destinations for metal scrap.

Textile and Apparel

Driven by new bilateral trade agreements and government investments to revamp garment manufacturing facilities

11%

Forecast share of exports in 2030

5.7%

2021-2030 average annual growth

Kenya aims to become a regional Textile and Apparel manufacturing hub. To support this objective, the Kenyan government plans to invest USD1.6 million in enhancing its garment factories. Agreements such as the Africa Continental Free Trade Area and the upcoming EU-Kenya economic partnership will further broaden the market access for Kenya's Textile and Apparel exports.

The USA is expected to remain, by far the largest export destination of Kenya's apparel, which will account for more than 90 per cent of ready-made garment exports annually by 2030.

Key import sectors

Kenya imports are expected to be driven by robust economic activities, infrastructure construction, and positive policy changes

Metals and Minerals

Driven by robust domestic economic activities and growing demand for vehicles

35%

Forecast share of imports in 2030

5.7%

2021-2030 average annual growth

Owing to its sizeable population and robust economic activities, Kenya is the third largest consumer of petroleum products in Sub-Saharan Africa. The market imports petroleum products for domestic consumption, predominantly from India and markets in the Middle East.

In the coming years, demand for petroleum products is expected to continue growing, driven by projected strong economic growth, increasing vehicle ownership and rising household disposable income.

Machinery and Electricals

Driven by construction of new manufacturing and logistics infrastructure

18%

Forecast share of imports in 2030

5.4%

2021-2030 average annual growth

Kenya imports machinery and industrial transportation equipment for the construction sector. Owing to large infrastructure projects planned in the pipeline – Konza Technopolis and LAPSSET Corridor Programme connecting Kenya, Ethiopia and South Sudan – demand for Machinery and Electricals imports is expected to continue growing significantly in the coming years.

Mainland China is expected to remain Kenya's largest import source of Machinery and Electricals, while India is forecast to emerge as the second largest import source for the sector, outpacing the UAE by 2030.

Chemicals and Pharmaceuticals

Driven by the introduction of universal healthcare coverage by 2030

10%

Forecast share of imports in 2030

6.2%

2021-2030 average annual growth

Kenya imports pharmaceutical products – especially affordable generics – predominantly from South Asia.

As a part of its universal health coverage plan to provide medical insurance coverage for every Kenyan by 2030, broadened coverage is expected to drive imports of more generic and patented medicines in the coming years.

India is expected to remain Kenya's largest source of imports for pharmaceutical products, while Mainland China is expected to emerge as the second largest source by 2030.

Appendix

I. Report and survey methodology

This report was conducted using qualitative and quantitative analysis from both internal and external sources.

The potential export uplift of digital SCF solutions is estimated using a forecasting model, with a detailed methodology provided in appendix II.

Combining historical trade data and trade projections until 2030 with other qualitative factors, this report also identifies key trade corridors and sectors that are expected to drive the future of trade in the 13 key markets and their respective regions, which are primarily classified based on the 'United Nations Statistics Division (UNSTAT)' geography classification data.

All growth figures, unless otherwise specified, are expressed as average annual growth. All historical and forecast export, import and GDP data were obtained from Oxford Economics on February 13th, 2023.

A survey of 105 C-level and senior leaders from corporations globally was conducted to understand the key drivers of trade growth in Asia, Africa and the Middle East, the disruptions their businesses face in conducting trade, the initiatives they are implementing to overcome the disruptions, and how digital supply chain finance solutions could transform trade in the coming years.

II. Digital supply chain finance solutions' impact on exports is estimated via a three-phase approach

1. Estimate the potential impact of digital SCF solutions on markets' export performance

a. Panel regression on markets' key trade characteristics and their relationship to export performance

- Dataset assembled for 70 markets across regions, and high income, emerging and developing economies. Indicators included encompass factors related to 1) the business environment (ease of trading across-borders, accessing credit, enforcing contracts etc), 2) trade policy and economic structure (average tariff rate on goods imports, financial depth, stock of inward FDI), and 3) physical and social infrastructure (logistics and shipping performance, human capital index). Dependent variable in this regression is the ratio of non-fuel goods exports to GDP.

b. Preferred specification

- Final model finds that export/GDP ratio is explained best by market's average tariff rate on imported goods, inward stock of FDI relative to GDP, shipping connectivity score, ease of getting credit, and ease of doing trade across-borders.

c. Simulation of potential gains to export performance from increased use of digital supply chain finance solutions

- Literature indicates that digital supply chain finance solutions can be expected to enable easier trade across-borders (through automation of administration and forms) and allow credit-constrained firms better access to working capital credit, and bridge the gap between cost of production and receipt of payment.
- Our simulation hypothesises potential improvements in ease of getting credit and ease of doing trade arises from increased use of digital SCF solutions. These potential improvements are assumed to materialise gradually to 2030, with the greatest potential improvements taking place in markets with the lowest starting scores. Markets where these metrics are already close to global best practices have minimal potential improvements.
- Improved scores on these metrics (versus a "no-improvement" baseline) feeds through to the higher dependent variable (non-fuels exports as % of GDP) in our panel regression final equation.

2. Estimate the net trade responses to improved export performance, and overall "trade openness"

a. Economic theory strongly suggests greater export performance (non-fuel exports as % GDP) is typically accompanied by an increasing import share relative to GDP. This is also borne out by historical experience of markets undergoing rapid increases in export share

- Greater exports of manufactured goods require additional inputs, often imported. Moreover, additional exports require factor inputs (capital and labour) to be devoted to producing these goods which are diverted from producing goods for domestic consumption. This creates additional demand for (and revenues to pay for) additional income.
- Markets such as Vietnam, Mexico and Slovakia which have become regional manufacturing hubs are all examples of this dynamic. In each case, the increases in non-fuel exports/GDP have been matched over time by corresponding increases in non-fuel imports/GDP, leading to an increase in overall "trade openness" equivalent to broadly twice the increase of exports/GDP alone.

3. Estimate the growth-enhancing impacts of greater trade openness, and new total imports and exports arising from digital SCF solutions

a. Using IMF estimates of the elasticity of GDP growth response to trade openness

- The IMF finds an elasticity of 1-1.6 between greater trade openness and growth in real GDP per capita. We apply this elasticity to the new overall trade openness share derived in phases 1 and 2, and calculate the new trajectory for GDP arising from greater trade openness.
- The new exports and imports of non-fuel goods ratios calculated in phases 1 and 2 are then multiplied by the new GDP estimates derived in phase 3.

Disclaimer:
Unlocking the full digital SCF solutions potential across the 13 markets will depend on several factors – including stable economic conditions, a willingness and ability to support adoption of the technology, and a continued consensus in favour of open trade in non-fuel goods.

1. **Stable macro-economic conditions:** There is evidence that the recent COVID-19 accelerated the adoption of technology in many key respects, but this is atypical when compared to other periods of great economic uncertainty. In historical periods of economic uncertainty concern about business prospects has often deterred firms from undertaking investment projects. Our projections assume that background macroeconomic prospects are relatively stable from 2023 onwards, and do not present major new barriers to firms' confidence in their ability to invest and plan longer-term.
2. **Facilitating the technology:** Vested interests, a lack of government capacity to support adoption, or a lack of interest on the part of business to adopt the technology, could all prevent the potential gains from supply chain finance solutions being realised. Our simulation assumes business and governments work together to facilitate the technology being adopted.
3. **Renewed barriers to world trade:** The immediate pre-pandemic period was characterised by increased protectionism and barriers to free trade in goods. Our simulation assumes that economies are not prevented from exploiting their comparative advantages in tradeable goods by new tariff or non-trade barriers in export markets.

III. Sector classification

For this report, detailed products and sectors are grouped for data analysis and better readability. Sectors and products are classified based on the 'United Nations Conference on Trade and Development' (UNCTAD) STAT using Standard International Trade Classification (SITC).

Report sector Classification	SITC Product Classification
Agriculture and Food	**Food and live animals:** Food and live animals, Live Animals, Dairy Product, Bird Eggs, Fish, crustaceans, molluscs, Vegetables and Fruit, Coffee, Tea, Cocoa, Spices, Animal Feed Stuff, Animal, Veg. Fats, Oils, n.e.s. **Crude materials, inedible, except fuels:** Oil Seed, Oleaginous Fruit, Crude Animal, Veg Material **Animal and vegetable oils, fats and waxes:** Animal Oils and Fats, Fixed Vegetable Fats and Oils, Animal and vegetable oils, fats and waxes
Automotive and Transportation	**Machinery and transport equipment:** Road Vehicles, Parts, Tractors, Motor Vehicles, Motor Vehicles for Transport of Persons, n.e.s. and Motorcycles etc., Passenger Motor Vehicles ex. Bus, Goods,, Special Transport Vehicles, Road Motor Vehicles n.e.s., Cycles, Motorcycles, Trailers, Semi Trailers etc. less Motor Vehicles for transport of persons and motorcycles etc., Aircraft, Associated Equipment
Chemicals and Pharmaceuticals	**Chemicals and related products, n.e.s:** Organic Chemicals, Inorganic Chemicals, Dyes, Colouring Materials, Medicinal, Pharma Products, Essential Oils, Perfume etc., Fertilizer Except Group 272, Chemicals and related products, n.e.s., Chemical Materials n.e.s.
Gold	**Commodities and transactions not classified elsewhere in the SITC:** Gold
Machinery and Electricals	**Machinery and transport equipment:** Machinery and transport equipment, Power Generating Machines, Special industrial Machinery, Metal Working Machinery, General Industrial Machinery n.e.s., Office Machines, ADP machines, Telecommunication Sound Equip etc., Elec machinery apparatus, Parts, n.e.s., Domestic Electric and Non-Electric Equipment, Other Transport Equipment

Report sector Classification	SITC Product Classification
Metals and Minerals	**Crude materials, inedible, except fuels:** Crude Fertilizer, Mineral, Metalliferous Ore, Scrap **Mineral fuels, lubricants and related materials:** Mineral fuels, lubricants and related materials, Coal, Coke, Briquettes, Petroluem, Petroleum Product, Gas, Natural, Manufactured, Electric Current **Manufactured goods classified chiefly by material:** Non-Metal Mineral Manufactures, Iron and Steel, Non-Ferrous Metals, Metals Manufactures, n.e.s.
Plastics and Rubbers	**Crude materials, inedible, except fuels:** Crude Rubber **Chemicals and related products, n.e.s:** Plastics in Primary Form, Plastics, Non-Primary Form **Manufactured goods classified chiefly by material:** Rubber Manufactures, n.e.s.
Precision Equipment Manufacturing	**Miscellaneous manufactured articles:** Scientific Equipment n.e.s., Photographic Apparatus n.e.s., Clocks
Textile and Apparel	**Crude materials, inedible, except fuels:** Hides, Skins, Fur skins, Raw, Textile Fibres **Manufactured goods classified chiefly by material:** Leather, Leather Goods, Textile Yarn, Fabric, etc. **Miscellaneous manufactured articles:** Travel Goods Handbags etc., Clothing and Accessories, Footwear **Textiles:** Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery, Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable, Knitted or crocheted fabrics, Articles of apparel and clothing accessories, knitted or crocheted, Articles of apparel and clothing accessories, not knitted or crocheted, Other made-up textile articles; sets; worn clothing and worn textile articles; rags **Footwear / Headgear:** Footwear, gaiters and the like; parts of such articles, Headgear and parts thereof, Umbrellas, sun umbrellas, walking sticks, seat-sticks, whips, riding-crops and parts thereof, Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles

Key sources

- Asian Development bank (ADB), reports, 2022
- Fitch Solutions, reports, 2023
- Government websites and various news sources
- International Energy Agency (IEA), reports, 2022
- International Monetary Fund (IMF), reports, 2022-2023
- Oxford Economics
- PwC
- Standard Chartered
- S&P Capital IQ, reports, 2023
- The Observatory of Economic Complexity - World, market profiles
- United Nations Conference on Trade and Development Statistics (UNCTAD-STAT), database, 2023

Disclaimer

This material has been prepared by PricewaterhouseCoopers Consulting (Singapore) Pte Ltd. ("PwC") at the request of Standard Chartered PLC and its affiliates ("SC Group") in accordance with the agreement between PwC and SC Group. Other than to SC Group, PwC will not assume any duty of care to any third party for any consequence of acting or refraining to act, in reliance on the information contained in this report or for any decision based on it. PwC accepts no responsibility or liability for any use of this report by any third party, including any partial reproduction or extraction of this content.

It is not independent research material. This material has been produced for information and discussion purposes only and does not constitute advice or an invitation or recommendation to enter into any transaction or to subscribe for or purchase any products or services and should therefore not be relied upon as such. It is not directed at Retail Clients in the European Economic Area as defined by Directive 2004/39/EC, neither has it been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. The information herein may not be applicable or suitable to the specific investment objectives, financial situation or particular needs of recipients and should not be used in substitution for the exercise of independent judgment.

Some of the information appearing herein may have been obtained from public sources and while PwC and SC Group believe such information to be reliable, it has not been independently verified by PwC or SC Group. Information contained herein is subject to change without notice. Neither PwC nor SC Group is under any obligation to update or revise the information contained herein. Any opinions or views of PwC or SC Group or any other third parties expressed in this material are those of the parties identified. PwC and SC Group do not provide financial, accounting, legal, regulatory or tax advice. This material does not provide any investment or tax advice. Please note that (i) any discussion of U.S. tax matters contained in this material (including any attachments) cannot be used by you for the purpose of avoiding tax penalties; (ii) this communication was written to support the promotion or marketing of the matters addressed herein; and (iii) you should seek advice based on your particular circumstances from an independent tax advisor.

While all reasonable care has been taken in preparing this material, PwC, SC Group and each of their affiliates make no representation or warranty as to its accuracy or completeness, and no responsibility or liability is accepted for any errors of fact, omission or for any opinion expressed herein. You are advised to exercise your own independent judgment (with the advice of your professional advisers as necessary) with respect to the risks and consequences of any matter contained herein. PwC, SC Group and each of their affiliates expressly disclaim any liability and responsibility for any damage or losses (including, without limitation, any indirect or consequential losses or damages) you may suffer from your use of or reliance on this material or as a result of any information being incorrect or omitted from this material.

Any financial projections or models included in this material are based on numerous assumptions regarding the present and future business strategy of the entities to which such projections or models relate and the environment in which such entities may operate in the future. These future events are not a guarantee of future performance and are subject to certain risks, uncertainties and assumptions.

SC Group or its affiliates may not have the necessary licenses to provide services or offer products in all markets or such provision of services or offering of products may be subject to the regulatory requirements of each jurisdiction. This material is not for distribution to any person to which, or any jurisdiction in which, its distribution would be prohibited.

The SC Group may be involved in transactions and services with clients or other persons who are, or may be, involved in the transactions that are referred to in this material or who may have conflicting interests with you or any other person. The SC Group's ability to enter into any transaction (or to provide any person with any services) will be subject to, among other things, internal approvals and conflicts clearance.

The distribution of this material in certain jurisdictions may be restricted by law and therefore persons who receive this document or any Information should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of any such jurisdiction. No liability to any person is accepted by SC Group or PwC in relation to the distribution of this document or the Information in such jurisdictions. The distribution of this material in any other market locations may require suitable disclosures to be made by the SC Group. Should you receive this material in such other market location, please contact the relevant SC Group member.

standard
chartered