

Tech Beats Tariffs: Global Trade Growth Accelerates and Globalization Sets New Record

- The AI boom has become a powerful driver of global trade – outweighing tariffs and geopolitical shocks, according to the latest DHL Globalization Tracker
- The trade outlook has improved, with growth through 2029 now forecast to outpace the previous decade
- East Asia & Pacific led trade growth during the first five months of 2026, followed by Europe and Sub-Saharan Africa
- U.S.–China ties declined significantly, but U.S. allies are not following the same path
- Globalization has reached a record level of 25.8%

Bonn/New York, October 7, 2026: The global race to build infrastructure for artificial intelligence is giving world trade strong momentum at a time of higher tariffs and geopolitical conflicts. This is one of the key findings of the latest edition of the DHL Globalization Tracker, released today by DHL and New York University's Stern School of Business. Based on more than 30 million data points, the report analyzes international flows of trade, capital, information, and people. It offers the most comprehensive view of globalization available. This edition marks the report's first publication under its new name. It was previously known as the "DHL Global Connectedness Tracker".

AI buildout boosts global trade

The report shows that global goods trade grew faster in the first half of 2026 than in any half-year in the past 15 years, apart from the exceptional Covid rebound. A major driver was strong demand for goods used to build AI infrastructure, such as semiconductors and data-transmission equipment. Trade in AI-enabling goods drove 42% of goods trade growth in 2025, and this share rose to 76% during the first quarter of 2026, according to WTO and OECD analysis.

"The biggest story in global trade right now is AI – not tariffs," said John Pearson, CEO of DHL Express. "Every AI query ultimately depends on logistics. Chips, networking equipment and the many other goods behind this technology must be in the right place at the right time. DHL connects the businesses and markets behind these complex supply chains. Whenever innovation creates new trade flows, our global network helps keep them moving."

Global effects of Iran war and tariffs remain limited

At the same time, the Iran war and the closure of the Strait of Hormuz disrupted important trade routes. But the effects remained concentrated. Economies dependent on the Strait were hit particularly hard. For example, the value of trade fell 37% in Saudi Arabia and 7% in the United Arab Emirates in the first five months of 2026 compared with the same period in 2025.

Trade policy created a separate headwind. U.S. tariffs reached their highest levels in decades, but their global impact was limited. One reason is that the U.S. accounted for only 13% of world imports in recent years, with roughly half of those imports exempt from the tariff increases as of August 2026. Another is that most countries refrained from broad retaliation. Many instead increased efforts to secure access to alternative markets through new trade agreements.

Trade outlook upgraded despite recent shocks

Looking ahead, global goods trade is projected to expand by an average of 3.4% per year through 2029. That would be substantially faster than the 2.7% rate recorded over the previous decade.

“The surprise is not only that global trade kept growing through new tariffs and the Iran war,” said Prof. Steven A. Altman, Director of the DHL Initiative on Globalization at NYU Stern’s Center for the Future of Management. “The outlook is now stronger than it was before either shock. This reminds us to look beyond the most visible disruptions and recognize the deeper reasons why trade remains so resilient. The AI trade boom highlights the demand for goods and services that can only be provided efficiently when specialized producers work together across countries. It also shows how companies continually adapt to keep trade moving through disruptions and policy shifts.”

East Asia and the Pacific records strongest trade growth

Among all regions, East Asia and the Pacific recorded the strongest trade growth. The value of its trade rose 24% in the first five months of 2026 compared with the same period in 2025. Europe followed with 12% and Sub-Saharan Africa with 11%.

East Asia and the Pacific not only recorded the strongest growth, but also saw a larger share of its trade stay within the region. This share increased from 57% in 2025 to 60% in the first five months of 2026. Strong Asian supply chains serving the AI boom contributed to this increase.

Sharp U.S.–China decoupling, but no global split

One of the most significant changes in international flows is the weakening of U.S.–China ties. Yet the global impact remains surprisingly small. For example, trade between the U.S. and China accounted for 3.5% of world trade at its peak in 2015, before falling to only 1.6% during the first five months of 2026. The U.S.–China share of international business investment is even smaller – less than 1%. Meanwhile, close U.S. allies have largely maintained their relationships with China. These findings challenge the idea that U.S.–China decoupling is dividing the world economy into rival blocs.

A closer look also shows that direct trade figures understate U.S. reliance on China. Goods imported into the U.S. from other countries contain growing amounts of Chinese materials and components. When these indirect imports are also taken into account, U.S. reliance on China has declined only slightly through 2024, the latest year for which data are available.

Globalization reaches a new record

Beyond trade and investment patterns, the report tracks the broader development of globalization based on international flows of trade, capital, information and people. It uses a scale from 0% (no cross-border flows) to 100% (borders and distance have no impact). In 2025, globalization reached a record level of 25.8%, supported in part by AI-related trade and investment.

All four flow categories contributed to the new record, reaching higher levels of internationalization. Information flows remain the most globalized, followed by capital and trade flows. People flows remain the least globalized.

The DHL Globalization Tracker

The DHL Globalization Tracker is a concise report and interactive website that provides regular updates

on globalization and global trade. It complements the renowned DHL Globalization Report, published regularly since 2011. Drawn from over 25 public, private, and academic sources, the Tracker analyzes more than 30 million data points on international flows of trade, capital, information, and people. It includes interactive online charts that make it easy for users to explore trends by region, geopolitical alignment, and for individual countries. It also supports easy data and chart downloads for offline use.

The DHL Globalization Tracker is commissioned by DHL and authored by Prof. Steven A. Altman and Caroline R. Bastian of New York University Stern School of Business. It is available, together with further resources, at dhl.com/globalization.

Note: The DHL Globalization Tracker and DHL Globalization Report were formerly known as the “DHL Global Connectedness Tracker” and “DHL Global Connectedness Report”. Their new names more directly reflect the focus of the research. The scope and underlying approach remain unchanged, ensuring continuity with previous editions.