

Macro Roundup Article

Headline: [Trade Hyperglobalization is Dead. Long Live...?](#)

Article Link: <https://www.piie.com/sites/default/files/2023-11/wp23-11.pdf>

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Tweet: The decline in trade as a percent of global GDP in the aftermath of the global financial crisis has largely been driven by China, as China's imports from the world have lagged both China's GDP growth and the growth in global trade.
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Summary: Hyperglobalization refers to the exceptional period between 1992 and 2008 during which global exports grew at close to 10% a year in nominal terms while GDP increased by only 6% a year. As a result, the share of exports in national economies grew from less than 20% to more than 30% in a little bit more than 15 years. The hyper in hyperglobalization does not come from the level of trade relative to GDP, which remains high, or from levels compared with the theoretical potential of trade, which are low. Rather it comes from the change in the level of trade, which was positive before the Global Financial Crisis (GFC) and stagnant or slightly negative thereafter. After the GFC, a puzzling wedge emerged. China's trade-to-GDP ratio plummeted by more than 30pp, from 71% to a trough of about 35%. But its global export market share continued to rise at the same heady pace, reaching nearly 15% of total exports and 22% of manufactured exports by 2022.

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Primary Topic: Financial Markets

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