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Brace for a slowdown: 3 calls for global trade

We re expecting global trade to slow significantly in 2026, and Trump s tariff tango with the rest of the world could go in numerous directions

Global trade is set to fall significantly next year

ING's base call: Global trade to slow

Due to AI-related trade and all the frontloading we saw ahead of the introduction of US tariffs, global trade has held up relatively well this year despite the highest tariff rates since the 1930s. Even though a collapse of global trade was avoided, US tariffs are here to stay. If anything, there is the risk of an escalation, rather than a de-escalation, of ongoing trade tensions. Not only is the US administration using tariffs as an important tool for all kinds of policy goals, but the US government also needs the revenues to partly fund the budget.

Another reason for trade uncertainty is that the current trade truce between the US and China will expire next year, potentially bringing new turbulence in the second half of 2026. Also, there is a significant risk that US trading partners will not be able or willing to deliver on their investment commitments under the trade agreements, which in turn could trigger renewed tariff action by the US government. Even though the US administration recently dialled back on some food import tariffs, we expect global trade to slow down significantly, from around 2.5% in 2025 to some 0.5% in 2026.

Our risky call: Accidental tariff acceleration

Despite Trump's assertion that,*'tariff is the most beautiful word in the English dictionary',* the effective tariff rate in the US had turned out to be much lower than everyone feared after the President's 'Liberation Day' announcements. In the end, they've been an important element of the administration's very transactional policy agenda. This suggests that the US government has no interest in completely melting down global trade, but rather in reshaping it. In this regard, the US Supreme Court's ruling on some US tariffs could trigger an unintended acceleration of said tariffs.

If the court rules against the tariffs, the US government may revert to more sectoral tariffs. These could do more harm not just to exporters but also to US consumers, triggering a much more adverse impact on the global economy.

Our bold case: The world can't live without the US

Attempts by US trading partners to build new trade alliances all fail. In Europe, almost-finalised trade agreements like Mercosur don't receive approval from some member states. The few new trade agreements that Europe manages to close all fall short of offsetting losses in exports to the US, as no other trading partner has the same purchasing power as the Americans. To make matters worse, while doubts about the rule of law in the US prevented many European companies from relocating, these concerns fade away, and Europe sees massive corporate emigration.

Consequently, and feeling the pressure to deliver on his election promises to bring back manufacturing jobs to the US, President Trump actually increases tariffs for European exporters ahead of the US mid-term elections. On top of this, the first review of the USMCA deal next year could also bring renewed tensions with Canada and Mexico.

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