

**Ralph Ossa**  
Universität Zürich

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# Global trade in crisis – what's next?

Ralph Ossa



# Overview

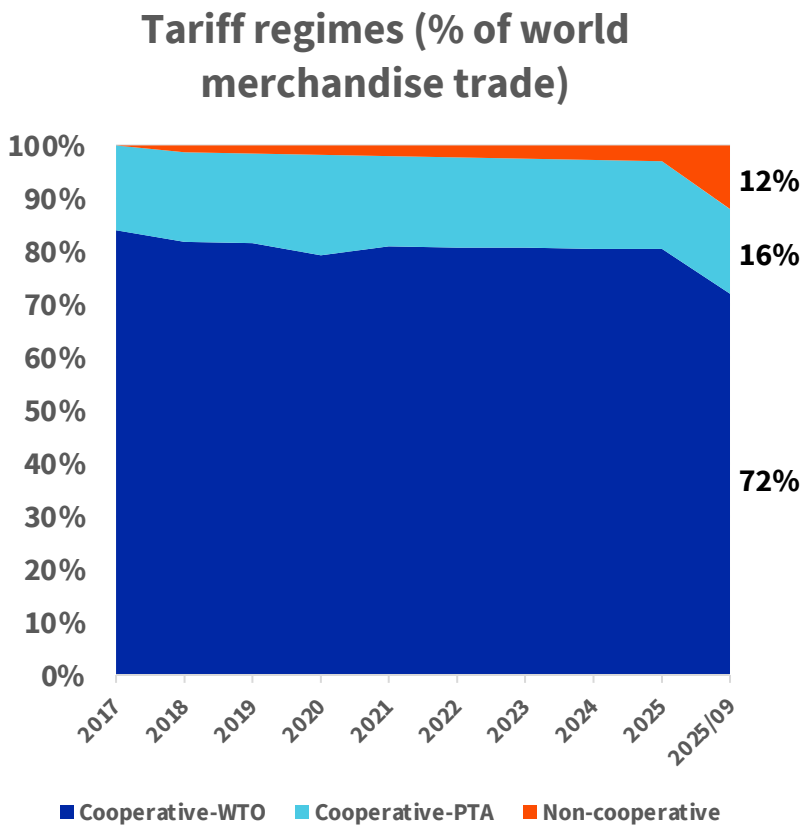
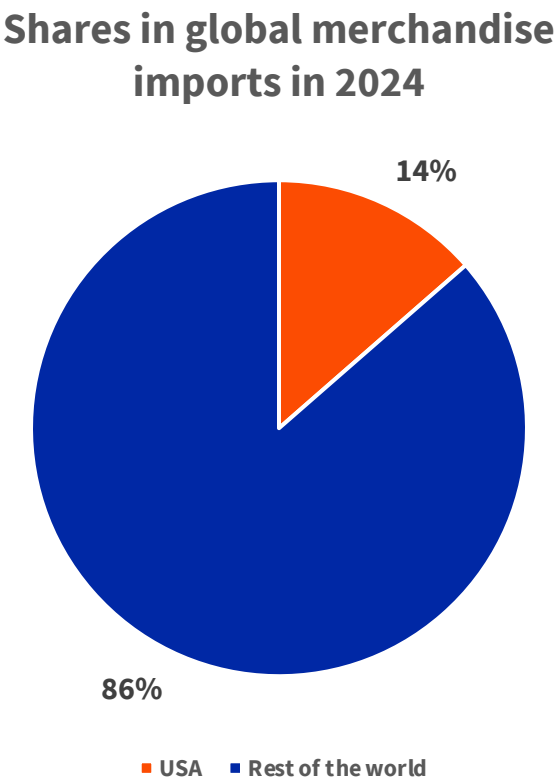
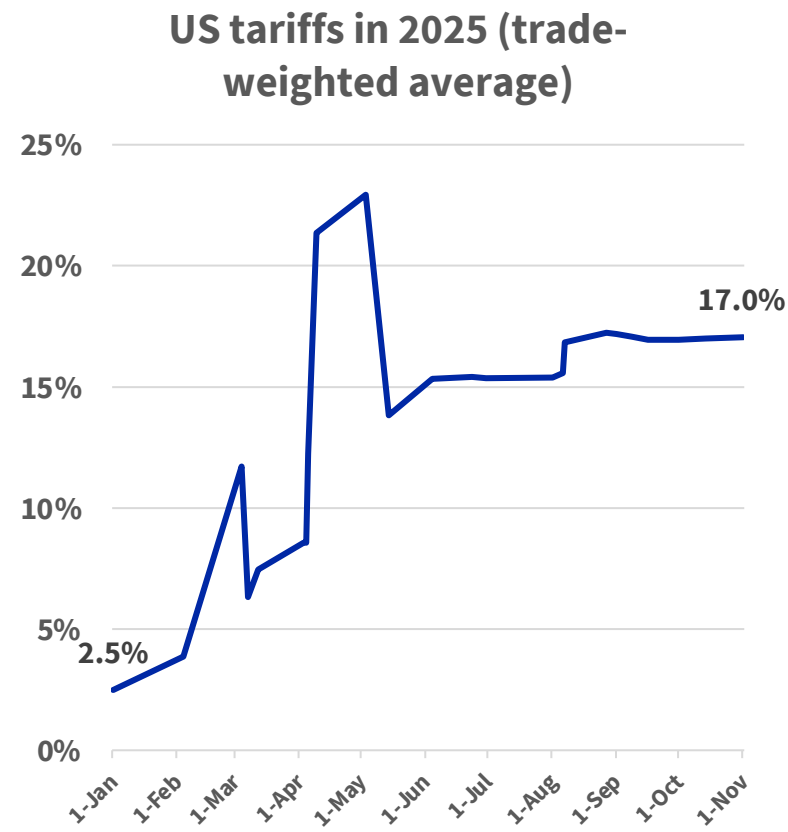
- Situation
- Implication
- Response

# US tariffs rise sharply – a major problem with limited reach

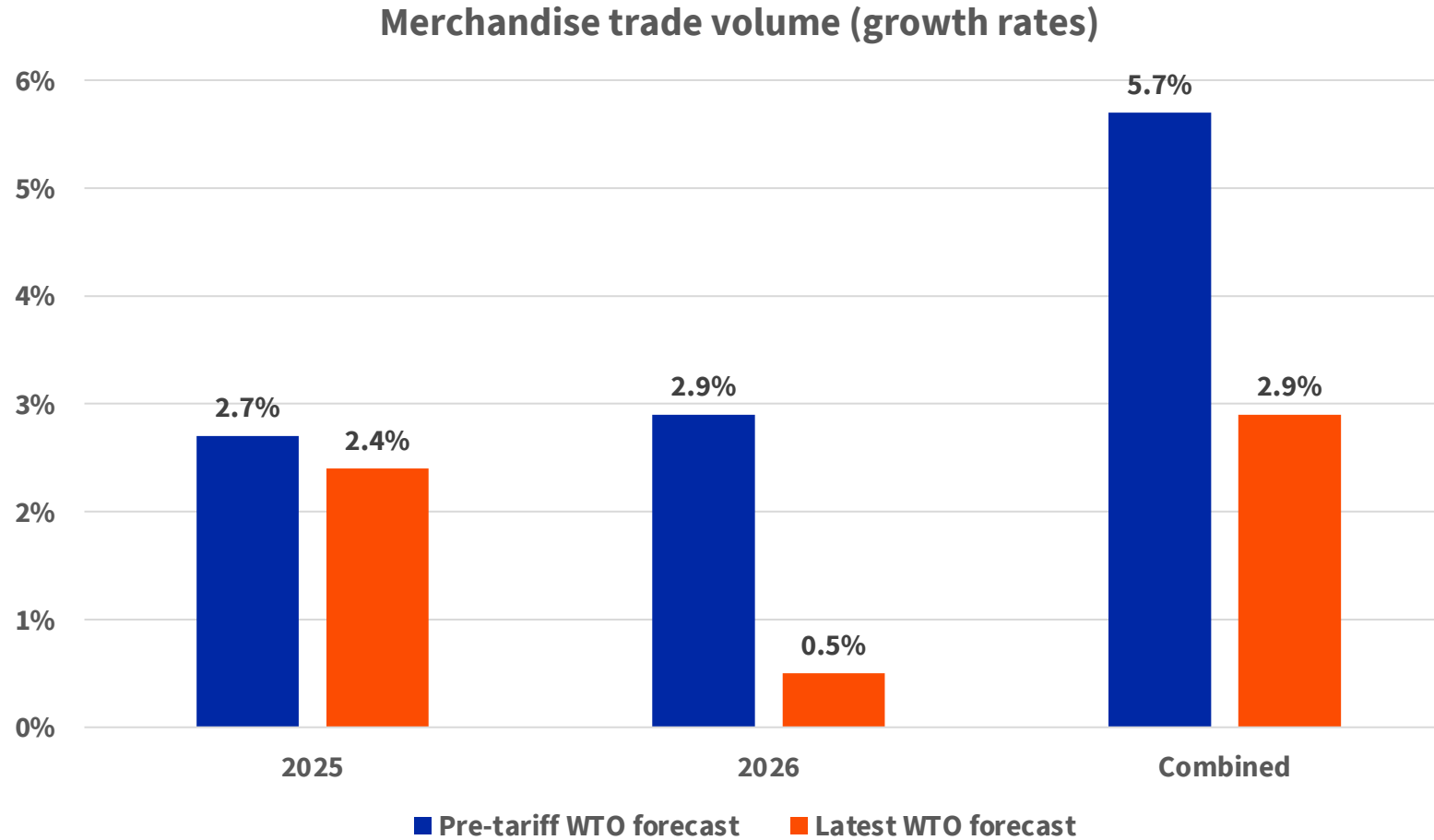
The average US tariff rate has risen sharply since the beginning of 2025.

However, the importance of the US for world trade is often overestimated.

Most of global trade is still rules-based and not power-based.



# Trade outlook deteriorates – tariffs cut global growth by half





# The main risk is proliferation – cooperation with other partners is key

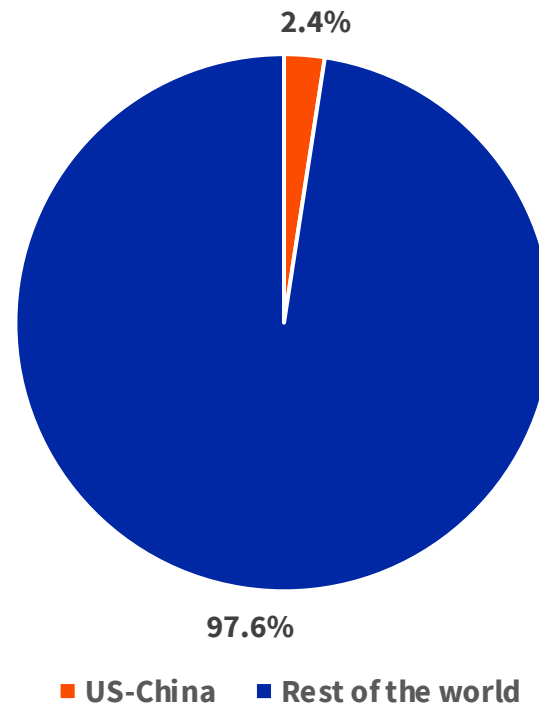
Recent deals feature discriminatory concessions that risk undermining multilateral trade rules.

Trade diversion effects are limited, bidirectional, and best managed through cooperation.

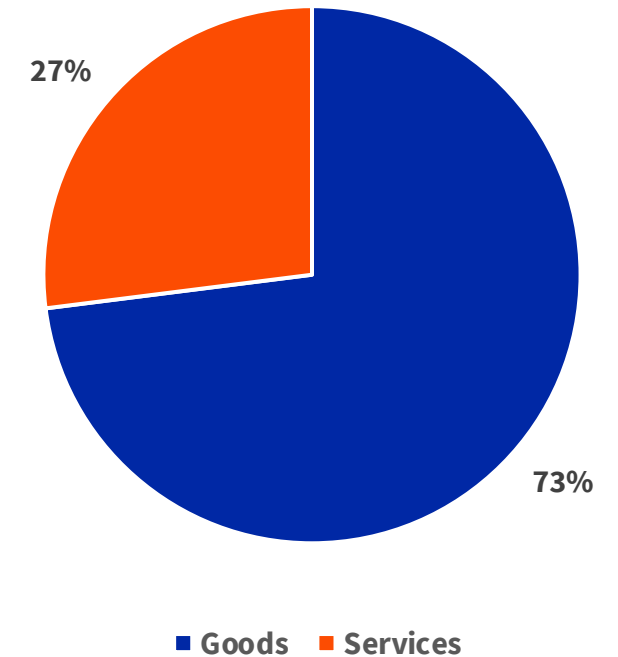
Services trade has so far been spared, offering partners leverage but carrying high escalation risks.



Share in world merchandise trade



Share in world trade



# Key takeaways

- **Situation:** US tariffs rise sharply – a major problem with limited reach.
- **Implication:** Trade outlook deteriorates – tariffs cut global growth by half.
- **Response:** The main risk is proliferation – cooperation with other partners is key.

## The main risk is proliferation – cooperation with other partners is key

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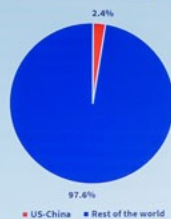
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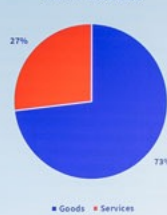


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