

Emerging World Trade Order: Challenges and Opportunities

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Abstract

The dynamics of the global trade system have made a significant change in the geopolitical era, influenced by geopolitical changes, technological advances and changed business alliances. This empirical study examines the emerging world trade order by analyzing trade streams, customs structures and non-tariff measures in major economies. The study identifies important challenges such as increasing protectionism, resolution in supply chain, digital business barriers and climate raising. At the same time, opportunities are seen in regional trade agreements, expansion of e-commerce, markets for renewable energy and south-south cooperation. Conclusions show that developed economies integrate business blocks for strategic benefits, utilizing digitization and diverse participation to achieve competition. The study suggests that countries that use customized business strategies such as digital business infrastructure, investment in green technologies and inclusive guidelines are better distributed to benefit from the business scenario. This study contributes to discourse on international trade by offering political recommendations that balance the nature conservation praising with the need for permanent and inclusive globalization.

Keywords: World Trade Order, Protectionism, Regional Trade Agreements, Digital Trade, Global Supply Chains.

Introduction

The scenario with global trade undergoes intensive changes at the beginning of the 21st century, which is the size of geopolitical changes, technological innovations, environmental requirements and the criteria that develop governance. Traditional multilateral structures, such as the World Trade Organization (WTO) dominated are challenged by increasing protectionism, fragmentation in regional trade agreements (RTA) and trade war. At the same time, new opportunities are emerging digital trade, from stability-driven markets, alternative supply chain configuration-which provides both promise and complexity for nations, especially to develop and growing economies. A large driver for the change has been a spread of regional trade agreements (RTA). Recently, according to a work assignment from the World Trade Organization, the proportion of global business imports associated with RTA partners increased from 37% to 52% in 2010 in 2022, while actually increased from preferred treatment under RTA, imports increased only marginally, from 17% to 23% in the same period. This difference underlines the challenges of realizing the full benefits of RTAs, including rules and men's costs, overlapping agreements and administrative burden.

Together with the changing architecture of trade participation, the global openness and customs regime are central to debating economic development. Economic evidence from G20 countries establishes a strong positive correlation between trade openness (measured by trading-to-GDP

conditions) and economic growth, while high tariff rates are negatively associated with development, especially when standing for interval effects. This outlines games for politics: Tightening trade barriers or reversal of openness can lead to the risk of slow growth, especially for business -dependent economies. Emerging economies face a double set of challenges in this new order. First, protectionism grows in many major economies, increased tariff rates, trade restrictions and non-tariffs such as strict national safety rules or location requirements have been manifested in the requirements. This pressure complicates access to foreign markets and threatens the installed supply chain. Second, the supply chain has disturbed COVID-19 epidemic, geopolitical conflict and events such as energy or logistics have been intensely revealed the weaknesses of the global trading network. These disorders have closer flexibility, diversification and more important strategic priorities. In addition, digital trade and e-commerce change how goods and services are traded, increasing new regulatory and infrastructural challenges, including data flow, cyber security and digital taxation of digital taxation. Literature on recent challenges in the Trade Act emphasizes how the traditional legal structure is increased to meet these new issues.

At the same time, these changes create opportunities. Regional integration continues in depth in many geographies, the capacity for scale economies, shared infrastructure investment and coordination of politics coordination. For example, research on regional economic integration in Africa suggests that institutional quality, human capital, foreign direct investment (FDI) and infrastructure improve a country's situation in the regional trading network. Digitization provides low transaction costs for micro, small and medium -sized companies (MSME), more efficient logic and extensive market access. Green trade environment opens up new markets in durable goods, renewable technologies, carbon-friendly input, which is inspired by the transfer of consumer preferences and regulatory pressure in many developed economies. In addition, for the WTO or for the countries signing RTA, there are empirical benefits in the relationship between business and GDP and investment flow, especially when either takes up domestic reforms.

However, the ability to capture these opportunities depends seriously on many factors: domestic institutional capacity, infrastructure (both physical and digital), the law of the law, the regulator coherence and the ability to adapt to changed criteria (environment, labor, digital). Weak countries are left in these domains or the net deficit suffers from trade liberalization or regional integration.

Challenges of International Trade in the New Era

In the new era, international trade faces a series of outstanding challenges, which not only affects the global economic scenario, but also defines the rules and contours of international trade [Takeda H. 2014].

- **Trade Protectionism and Anti-Globalization**

In the current global economic scenario, the emergence of business protection and anti-globalization affects emotions international trade [Kuznetsov A. V. 2019] to a large extent the dynamics. Research from the HU (Hogeschool Utrecht) examines the balance between globalization and protectionism; it reveals how the country can adopt protective -saving measures such as business barriers and high tariffs to strengthen their economic condition at the expense of international trade. Garcia-Peers presents a longitudinal study that reflects a trend towards a more hierarchical business network, especially beyond connections, of connections, and emphasizes difficulties in maintaining business conditions. This trend reflects a step towards one-sided policy and lack of commitment to multilateral trade agreements and international cooperation, which reflects the anti-globalization spirit.

- **Global Supply Chain Restructuring**

The reorganization of the global supply chains, quite affected by Covid-19 and other factors, highlights the need for their fragility and flexibility [NIU Y et al. 2023]. The epidemics-inspired disorder has inspired companies to secure their supply chain strategies and emphasize the need for more reliable and optimized models. This involves diversity in the supplier's network, improves local production skills and integrates advanced logistics techniques to reduce future disruption. The research chain in the region emphasizes the importance of different strategies to increase flexibility. This is emphasized the important role of accurate prognosis in logistics operations to effectively handle risks. It advocates the collaborative mechanisms to improve epidemic response, while the localized production and supply chain emphasizes strengthening the flexibility.

- **The Rise of the Digital Economy**

Fuel from climbing digital economy, technological progress and development of business models significantly change the traditional trading pattern and catalyzes global economic growth. The spread of digital technologies emphasizes new commercial activities such as e-commerce and digital marketing, which promotes the expansion of digital trade across national borders. However, digital fragmentation, characterized by inequality in digital abilities between developed and developing countries are facing challenges. This difference increases economic inequalities and prevents the integration of low-developed sectors into the global digital economy, affecting their global competition. It is important to address digital fragmentation for the sustainable development of the digital economy, which requires digital infrastructure, skills development and international cooperation to promote inclusive growth. Research emphasizes the unique properties of digital goods trading, while Massimo Riccaboni is in violation of the network structures of digital and traditional trades, highlights the low role of geographical distance in digital transactions.

Opportunities for International Trade in the New Era

In the new era, there is considerable potential for international trade opportunities, mainly oblique technological innovation, changing trade mode, regional economic integration, green trade and sustainable growth. These opportunities not only provide new ways and opportunities for companies to expand the market, but also inject new vitality and inspiration in the development and development of the global economy.

- **Technological Innovation and Trade Pattern Change**

Digitization in international trade and integration of artificial intelligence marks a transformation time, operates innovation and should form the dynamics of the business. The spread of digital technologies facilitates the expansion of e-commerce and digital trade and crosses traditional geographical boundaries. Artificial intelligence has revolutionized the business which demonstrates AI's ability to predict financial tendency and demonstrates its efficiency in increasing business decisions. This progress not only strengthens trade processes but also strengthens businesses to innovate and more accurately understand market trends and understand tailor-making strategies for competitive advantage. As technology develops, it improves the future of digital and intelligent business, promises a more effective, transparent and inclusive global business system.

- **Regional Economic Integration**

In the context of international trade in the new era, regional economic integration has become an important engine to promote development [Obasju Bo, OlyvolaWK, Okodua H, et al. 2021]. Regional trade agreements and economic integration play an important role in international trade, effectively reduces trade barriers, facilitates trade liberalization and promotes global economic harmony. These agreements expand the trade scale, increase trade efficiency and promote a stable, transparent investment climate, increasing the investor's confidence and economic growth. They also strengthen economic conditions which enable resources, technology and market sharing for regional development. Despite global trade stress, studies confirm the positive effect of such deals on business dynamics and prosperity in the Member States.

- **Green Trade and Sustainable Development**

In the context of international trade in the new era, green trade and sustainable development has become an important tendency to promote development [Clenn F et al. 2023]. The growing environment is a rapid prioritization of authorities and companies, green trade and sustainable development, which improves the development of international trade through environmentally friendly technologies and industries. Global policies encourage changes to green areas such as clean energy and low-carbon technologies to reduce climate change and pollution.

Review of Literature

Acharya and Parajuli (2025) provide a practical empirical evaluation of the effectiveness of regional trade agreements (RTA) in the design of global trading current. The study shows whether preferential trade - imports of actually achieving customs preferences - the rapid growth of RTA coverage around the world has increased. By drawing on extensive WTO data between 2010 and 2022, the authors revealed a contradiction: While the ownership of global trade imports covered by RTA rose from

37% to 52%, the ratio of imported imports from preferably tariff treatment increased from 17% to 23%. This deviation suggests that the practical effect of the RTA has been forced by factors such as overlapping agreements in several customs lines, complex rules of origin and low preference margin. The authors claim that despite the spread of RTA, their contribution to trade liberalization is limited compared to broad multilateral or one-sided customs cuts. From a policy perspective, the paper highlights two important implications: First, RTA's company indicates the need to simplify administrative processes, reduce compliance costs and the need for harmonious rules of origin; Second, it outlines the continuous importance of multilateral trade structure under the WTO, especially to address systemic issues such as digital trade, stability and disposition.

Sowrov (2024) makes an important empirical contribution to the debate on how business policy forms long-term financial performance. By using panel data from G20 countries between 2000 and 2022, the paper business examines the relationship between openness, customs and economic development. Planning of economic techniques including regression of fixed effects and stored variable analysis, study trade openness (measured through trading-to-GDP conditions) and shows a strong positive relationship between economic growths, while customs growth is negatively linked to growth results. Interestingly, the interval effect of tariff rates indicates that preservation goals cannot immediately interrupt growth, but have significant negative effects over time, especially depending on global trade in economies. Conclusions emphasize an important political implication: While openness promotes integration, innovation, productivity gains and the nature conservation beaches risk reducing long-term competition. For emerging economies in the G20, the study highlights the importance of balanced short-term domestic industry protection with long-term benefits from openness and integration into global markets. The study contributes to business and development literature by confirming classical economic arguments in the context of contemporary challenges such as increasing protectionism, disruption of the supply chain and the post-arrangement of trade. The study provides strong evidence that decision makers should prioritize policies that increase openness, provide diversity in export curves and strengthen competition by opposed excessive dependence on tariff rates.

Jialin Lin (2024) provides a comprehensive analysis of the global trading environment developed in the form of rapid technological changes, transfers geo-political alignment and stability changes. Paper has been highlighted how globalization is defined by the increase in digital trade, reorganization of global supply chains and increasing significance of environmental and social management standards (ESG). The most important challenges identified must increase business protection, intensify geopolitical competition among major economies, and new domains such as e-commerce, cross-border data flow and legal and regulatory intervals to address green trade. In addition, the supply chain weaknesses exposed to the COVID-19 epidemic and geopolitical conflicts have been shown to accelerate the trends against diversification, regionalization and flexibility. At the same time, it emphasizes important opportunities that arise from the digital economy, especially to integrate small and medium-sized companies (SME) into global trade and enable the expansion of renewable energy technology and environmentally permanent products. This study also emphasizes the role of multilateral cooperation and regional integration to promote inclusive growth, while warning that failure to improve existing institutions, such as the World Trade organization can increase the fragmentation.

Choramo, Abfita, Gandika and Rocha (2024) provide an innovative study of the developed position of Africa within the global and regional trading system. The study uses a double function complex network analysis to identify business relationships and panel region analysis to assess determinants for integration over the past two decades. Their findings suggest that although intra-African trade remains relatively lower than other areas, there has been frequent progress toward intensive integration, especially with the establishment of the African continental free trade area (AFCFTA). The study identifies important drivers for economic integration including institutional quality, infrastructure development, human capital and foreign direct investment (FDI). Countries with strong control systems and better transport and digital connection are more central to African trade networks, which are inconsistent from regional trade opportunities. Conversely, structural challenges such as high trade costs, limited diversification of export and uneven distribution of integration benefits hinder the progress. The study also shows that Africa's trade connections are heavy oriented to partners in additional food, and outline the challenge of strengthening intra-regional value chains. By combining quantitative network measures with financial analysis, the author offers a multidimensional understanding of the integration process in Africa. He argues that successful implementation of AFCFTA not only requires customs

liberalization but also grants in infrastructure, institutional reforms and regional collaborative mechanisms. This work makes a significant contribution to the discourse on the emerging world trade order.

Clara Venhardt (2020) examines the complex role of emerging powers that appear in the design of inequalities within the global trade regime, dispute choices and re-introducing. The thesis seriously analyzes how countries such as China, India, Brazil and South Africa become a member of the World Trade Organization (WTO) and other multilateral trading institutions, especially in the context of debates about "Status of the Country". The study argues that although these new forces often stay as representatives of the global south, advocates special and differences, their growing effects and transfer of economic profiles to tension in the system. The study reveals two mutual mobility. First, the competition for the situation in the developing country not only reflects physical economic changes, but also shows political negotiations, as developed countries quickly challenge the validity of allegations of new powers for trade. Secondly, continuously explained to the broad and vague classification of "development" vs. "develops" the risk that reproduces structural inequalities as the needs of the least developed countries (LDC) are often observed by the strategic interests of more powerful emerging economies. The study concluded that without meaningful improvement, the WTO risk risks strengthening existing differences in power instead of pursuing equity in the trading system.

Chemutai and Escith (2017) investigate the developmental effect of becoming a member of the World Trade Organization (WTO), focusing on how reception obligations affect the consequences of business and development. By using a large dataset, one of the two and adequate members, the authors appointed financial techniques to compare trade, foreign direct investments (FDI) flow and GDP development and increased before and after the WTO. Their findings suggest that trade usually has a positive effect on transparency and investment flow, especially for infection and development economies, but the benefit limit depends on the depth of obligations made during the negotiations. The study stated that country to mar ambitious obligations such as more and more customs cuts, extensive service liberalization and strong rule-based obligations-trading-to-trade-to-GDP conditions and for experiencing maximum profits in the FDI stream. However, these benefits are not automated: they require domestic institutional capacity, improvement in regulatory structure and the ability to implement WTO-compatible trade policy. The thesis also warns that the cost of adjustment, such as exposure to competition and loss of policy rooms, can withstand short-term challenges for low -finished economies. From a political point of view, writers claim that the WTO commercial is not only a legal formality, but a development strategy that can catalyze structural reforms and integrate countries deeper into the global economy. The study contributes to a broader debate on globalization that provides empirical evidence that advertising-when complementary can increase long-term economic growth along with domestic reforms.

Tran Wan Hoa (2016) provides empirical evaluation of the regional trade agreements (RTA) and the development of economic collaborative structure, trade results and welfare results. Use of the economic model in a selection of regional groups, especially in the Asia Pacific, evaluates ASEAN and APEC evaluation both direct and discharge of RTA on participating and non-participating countries. Conclusions suggest that RTAs usually stimulate trade flow and GDP growth among economies by reducing obstacles, promoting policy harmony and investment links. However, the study also notes that the benefits are not even distributed. Large and more diverse economies occupy maximum profits, while small or less developed members can meet adjustment costs, the dependence on important partners and the risk of business. It is important that Tran has emphasized that the RTA not only promotes intra-regional trade, but can also affect further regional partners through increased efficiency and integration into global supply chains positively. From a political perspective, research is in favor of the need to complement RTA with domestic capacity building, including infrastructure, management and improvement in technological upgrading to maximize the research benefit. It also emphasizes that RTA should not be regarded as an alternative to multilateralism, but should be regarded as pursuing stones against wider global trade liberalization. By combining economic evidence with political insights, the study contributes significantly to understanding how regionalism interacts with globalization gives a good perspective on RTA's role in the design of the new world trade order.

Research Gap

While existing studies provide valuable insights into the role of regional trade agreements (RTA), WTO membership, and global trade dynamics, several gaps remain. Most empirical research,

such as **Acharya and Parajuli (2025)** and **Tran Van Hoa (2016)**, focuses on trade flows, tariff preferences, and GDP outcomes, but limited attention is given to the combined effects of digitalization, green trade, and supply chain resilience on the effectiveness of RTAs. Similarly, studies on emerging economies (e.g., **Choramo et al., 2024**; **Clara Venhardt, 2020**) emphasize institutional quality and geopolitical positioning but often overlook the interplay between domestic policy reforms, technological adoption, and regional integration in shaping trade outcomes.

Objective of Study

- To study the global trade integration and economic openness for the emerging economies through enhanced market access and participation in global demand.

Research Methodology

The study analyzed trends, challenges and opportunities in the emerging world trade order. A descriptive approach is used to examine the evolution of trade flows, tariff structures, non-tariff barriers and the role of regional trade agreements (RTAs) in shaping global trade patterns. The study relies on secondary data from credible sources such as: World Trade Organization (WTO) databases, World Bank data on GDP, trade openness and FDI and Published research articles, policy reports and working papers on RTAs and global trade trends. The analysis covers the period 2005–2023, capturing recent trends in global trade, including digitalization, green trade and post-COVID-19 supply chain disruptions.

Impact on World Trade and Global Economy

Over the past 40 years, almost all rapidly developed economies in the previous two centuries have used integration into the global trading system to increase continuous growth over the last two centuries. Although these economies did not open in the same way, turned at the same speed or adopted the same policy, the normal thread through all their experiences is a change towards more external, business task-economic growth strategies. In other words, openness and development are handed over. A more open and integrated world economy has enabled some development economies to capture with more advanced economies in many important ways. A global demand benefits from. Many low and medium or more economies are unable to generate high growth by relying on domestic demand. Access to global markets for their exports increased.

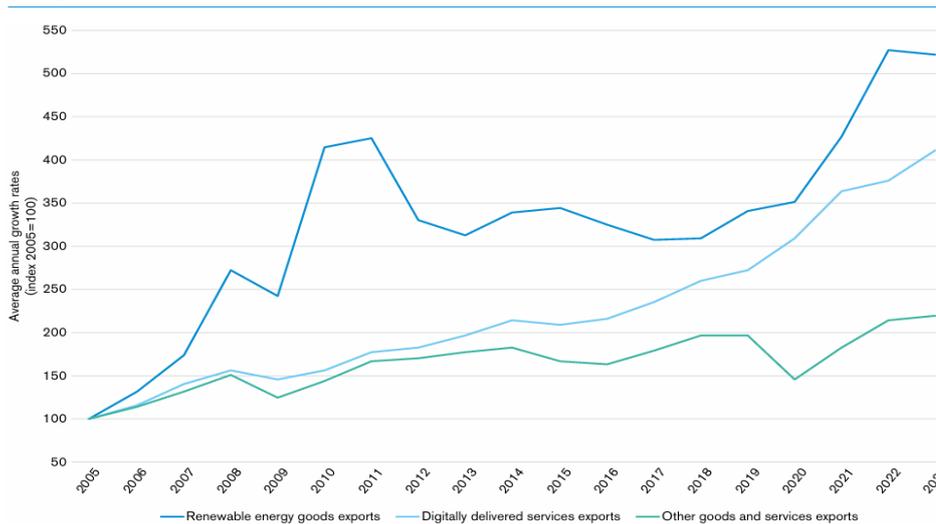


Figure 1: Export growth of environmental and digital trade significantly higher than other goods and services, 2005-23

Source: Author’s calculations based on UNCTAD and WTO data and Trade Data Monitor (TDM) data for 2023.

A positive development is an extension of global demand. Development economies are no longer dependent on access to advanced economy markets to conduct trade -leading development. They can also see quickly to export quickly expanded emerging markets. These emerging economies create

tremendous new demand for food, energy, minerals and production inputs - which in turn draws other development economies into their grinding streams. And as these development economies start their economic boost, they also become new trade development engines.

Another positive development is that technological progress improves global connection and reduces trade costs. New investment in transport infrastructure expands global trade routes and makes them more efficient, even the far -reaching or fixed supplier's help increase foreign markets. Trade corridors between Asia and North America and between Asia and Europe are now crossing the transatlantic trade corridor between North America and Europe, while trade corridors between Africa and Asia or Latin America and Africa grow in significance. The spread of digital networks changes the way to connect to-internet, low-price telecommunications and new digital platforms to add the global economy to more basic ways. Some development economies and groups in economies, including women owned by women, are often excluded from the Global Services markets - because the service's activities usually require geographical proximity - rapid service exporters, because new digital distributed services, such as online distribution, telemedicine and online business services can be sent on the Internet. This new service trade can provide the benefits of development economies that do not trade the goods: It may be less capital -intensive, and may be less limited by distance and infrastructure requirements (WTO, 2019). In fact, some development economies complete the phase of industrialization and jumps from agriculture to the export of services (Nayyar, Cruz and Zhu, 2021).

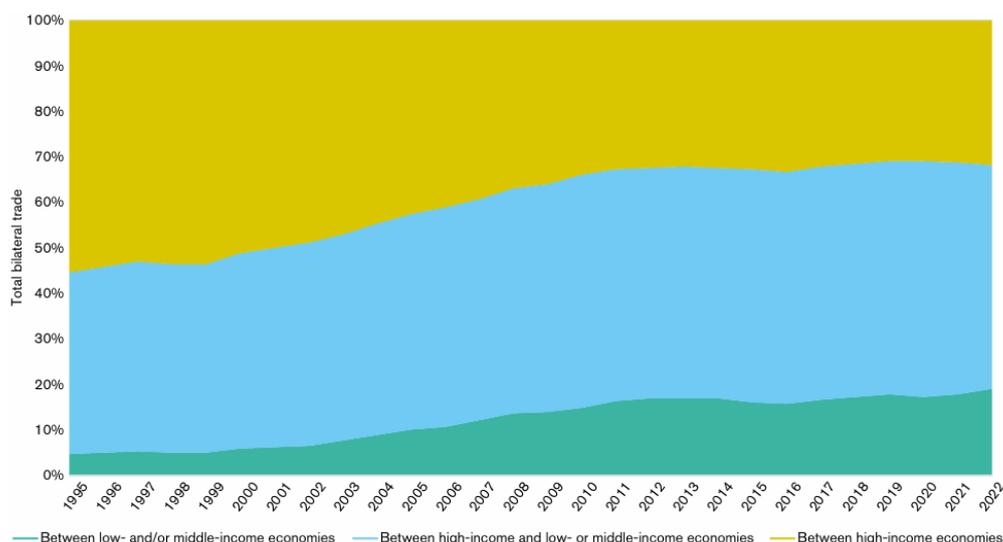


Figure 2: Increasing trade between low- or middle-income economies

Source: based on WTO data on merchandise bilateral trade.

Conclusion

One of the most important positive changes is that development economies can now see other development economies for inspiration and models how to present business -leading development strategies. In such a way that "early globalizer", such as Japan, the Republic of Korea and Singapore helped explode a brand for other Asian economies in the 1980s and 1990s, provides today's "New Globalizer", for its part, strong examples for the next generation of development economies who want to benefit from rapid growth. However, the ability to utilize the business for widespread global development rests fundamentally on the world economy that is still open. There is a reason for concern here. Trade openness and integration have slowed the last year and a half after a series of shock to the global economy-the global financial crisis, the COVID-19 epidemic and the emergence of war economic and geopolitical tension in the COVID-19 epidemic and the Ukraine and the Middle East. If the economy of today's open world begins to refute as a result of increasing protectionism, economic nationalism and restrictive trade blocks, it will damage the opportunities for growth in all economies, but will be poor and economically marginalized (WTO, 2023).

Suggestions

To strengthen the global trading system in the midst of new challenges, decision makers and stakeholders must use a multidimensional approach. First, when managing increasing protectionism, countries must ensure that business liberalization is in accordance with national economic priorities, promotes both competition and flexibility. Investments in digital infrastructure and convenience of cross-border can help economies to use opportunities provided by Digital Trade Revolution. Strengthening regional trade agreements such as RCEP and AFCFTA can provide diversity in business partners and reduce the dependence on traditional markets, which can reduce the risk associated with geopolitical stress. In addition, integration of trade policy and integration of climate flu practice can ensure long-term competition ahead of the development of environmental rules such as carbon-boundary adjustment mechanisms. Political decision makers should also focus on increasing strategic diversification in technologies such as AI and blockchain to improve openness and efficiency. Finally, customs structures, non-tariff barriers and continuous monitoring of global trade flow, combined with date-driven political interventions, will allow countries to continuously respond to emerging trade dynamics, ensuring that challenges will become permanent opportunities for development.

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