# Global trade and economics face transformative shifts amid rising protectionism and changing consumer and financial behaviours



Global trade is entering a transformative phase marked by a move away from decades of liberalisation towards a landscape shaped by protectionism, industrial policy, and geopolitical frictions. This shift, driven by supply chain disruptions, national security considerations, and increased focus on domestic manufacturing, challenges traditional views that open trade inherently leads to efficiency and growth.

Institutions such as the World Trade Organization (WTO) are witnessing diminished influence as major economies like the United States, the European Union, and China recalibrate their economic strategies to emphasise sovereignty and strategic industry support. The recalibration poses significant questions about the architecture of the future global economy and the distribution of benefits and losses among nations.

Shweta Singh, Assistant Professor at Warwick Business School, highlights the relevance of this development for educational settings. The evolution offers fertile ground for examining the tension between trade theory and political realities, assessing policy responses to the backlash against globalisation, and exploring implications for business strategies and international collaboration.

In a related development, a leading technology company has announced plans to relocate the assembly of all iPhones destined for the US market from China to India by the end of 2026. This decision, accelerated by renewed US tariffs on Chinese imports under former President Donald Trump, exemplifies the intricate challenges of diversifying supply chains away from China. Despite increasing manufacturing capacity in India, the company remains reliant on Chinese suppliers for crucial components such as chips and displays.

Enrique Dans, Professor at IE Business School, emphasises the complexity of replicating China's mature industrial ecosystem, which integrates extensive supplier networks, a skilled workforce, and logistical efficiencies honed over decades. Tariffs alone, he argues, are insufficient to recreate such advantages; instead, they can raise costs. The shift underscores how global supply chains demand more than labour cost considerations, entailing the establishment of competitive manufacturing environments over time.

In the arena of sports and marketing, the 2024 Summer Olympics in Paris showcased prominent product placements in areas traditionally free from advertising. Noteworthy placements included Samsung smartphones during medal ceremonies and Louis Vuitton trunks during opening ceremonies. These measures aimed to alleviate rising event costs potentially borne by local taxpayers. Anna Dubiel, Senior Lecturer at King’s Business School, notes that this commercialisation trend raises questions about balancing brand visibility for sponsors with preserving the sporting event’s traditional character, a debate expected to continue as the 2028 Los Angeles Olympics plans to pursue expanded commercial income via venue naming rights.

Meanwhile, a pattern in consumer behaviour emerges with the proliferation of self-storage units, notably among younger generations who, despite a preference for digital goods and leased items, increasingly rent physical storage. This trend, linked to urban living and smaller home sizes, may also reflect economic pressures causing individuals to delay decluttering possessions. Ian Roberts, Lecturer at Bangor Business School, frames this as an example of behavioural economics at work, illustrating how emotional attachments and irrational financial decisions influence personal finances and economic indicators.

The financial sector itself continues to grapple with complex regulatory challenges. Financial regulation, notably via Basel accords developed since 1988 and embodied in dense legislative acts like the US Dodd-Frank Act, faces criticism for its complexity and fragmented oversight. Bank of England economist Andy Haldane likens the task to a watchdog trying to catch multiple evasive drones, capturing the difficulties of regulating modern financial systems. Krishnan Ranganathan, guest faculty at Indian business schools, points out that fragmentation among regulatory bodies and slow, inconsistent implementation of reforms impede effective banking supervision, raising pertinent questions about avoiding future crises akin to those involving Silicon Valley Bank and Credit Suisse.

Amid evolving trade arrangements post-Brexit, negotiations between the UK and the EU remain ongoing but face resistance from Brussels regarding the UK’s requests for enhanced access to the EU single market. These negotiations encompass multiple issues including illegal migration, certification of goods, youth mobility, energy security, and cross-border movement. Moshe Cohen, Senior Lecturer at Boston University’s Questrom School of Business, highlights the complexities inherent in multilateral, multi-issue negotiations, where diverse stakeholders and political dynamics shape outcomes.

On the financial markets front, investors exhibited a notable preference for short-term US government debt in early 2025, with close to $22 billion flowing into short-dated Treasury securities. This movement reflects heightened market volatility, concern over economic policies under President Trump, and anticipation of potential Federal Reserve interest rate adjustments. Gregory Stoller, Master Lecturer at Boston University’s Questrom School of Business, interprets this as a “flight to safety,” with investors prioritising liquidity and stability amid uncertainty, despite recognition that long-term bonds could yield higher returns in economic downturns.

Collectively, these developments portray an international economic environment in flux—with global trade reconfiguring, supply chains shifting, sport events increasingly commercialised, consumer behaviours evolving, financial regulation challenged, and financial markets adapting to geopolitical and policy uncertainties. These themes present rich opportunities for academic discussion, policy analysis, and strategic business decision-making across disciplines.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.worldbank.org/en/news/feature/2023/08/29/protectionism-is-failing-to-achieve-its-goals-and-threatens-the-future-of-critical-industries> - This URL supports the claim that global trade is shifting away from liberalization towards protectionism. It highlights how protectionism is failing to achieve its intended goals and poses threats to critical industries.
2. <https://unctad.org/publication/key-statistics-and-trends-trade-policy-2023> - This source provides statistics on trade policies and trends, supporting discussions around shifting trade dynamics and the role of protectionism.
3. <https://www.imf.org/en/Publications/fandd/issues/2023/06/growing-threats-to-global-trade-goldberg-reed> - This URL supports the notion that protectionism is on the rise, highlighting its potential to make the world less resilient and more conflict-prone.
4. <https://www.nuveen.com/global/insights/alternatives/the-megatrend-series/megatrend-the-rise-of-protectionism?type=us> - This source discusses the rise of protectionism as a megatrend, impacting global trade strategies and supply chains.
5. <https://www.scirp.org/journal/paperinformation?paperid=137732> - This URL explores the impact of rising trade protectionism on global business, including increased trade frictions and the need for supply chain adjustments.
6. <https://www.economist.com/finance-and-economics/2023/02/22/the-great-deglobalisation> - This article explores the concept of deglobalization and how it relates to shifting global trade dynamics, including the influence of protectionism and geopolitical tensions.
7. <https://news.google.com/rss/articles/CBMicEFVX3lxTE5JcHRIb0M1YV94Q2hqTmlfWEZOSGVPVkVnUGdEQ1dWSmlnejVWQVJvamREb3Q2TGxCaVVwRkhBbDJZcU85emdrXzJCNXM2R0dxeEVyNjdmTFFIMDJuaWhkVEJNbWFzOU5ON1R4YVdfeVU?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data