

Getting Ready for a Patchwork World Order

Over the past year, global trade has been buffeted by tariffs—primarily set in motion by the US—as well as shifts in industrial policy and rising geopolitical tension. It feels natural to ask if the system we’ve grown to know over decades has finally broken down.

The answer our latest research provides is more nuanced—and more useful, I think, for decision makers. Global trade isn’t collapsing. It’s reorganizing.

In [a new article](#), the [BCG Center for Geopolitics](#) explores four plausible scenarios for how trade could evolve over the next decade, with momentum building behind a multi-nodal trade patchwork. In this scenario, global trade in goods continues to grow—about 2.5% annually through 2034. That projection is slower than the 2.9% we projected last year, but it’s not the breakdown many feared. And we expect trade will expand from roughly \$23 trillion today to nearly \$30 trillion a decade from now.

Shifting Clusters of Trade

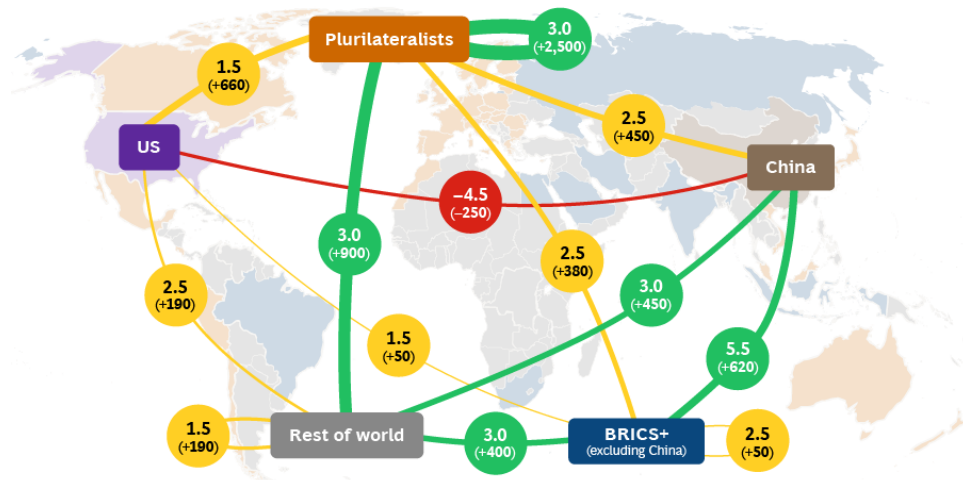
That resilience may come as a surprise, given record tariffs and heightened economic nationalism. The fact is, we’ve seen a lot more constraint than tit-for-tat retaliation, despite sharp policy shifts. And while the multilateral system is weakening, most countries continue to operate within it, even as they hedge their bets.

Our work shows that what’s changing dramatically is not the

volume of trade but its geography and governance. In a patchwork world, trade increasingly clusters around four main nodes.

The US is one and China is the second, each continuing to set its own rules. Alongside them are two informal groupings. One is what the article’s authors call “Plurilateralist” economies, a diverse group of countries adhering to deep trade agreements. This group represents five continents and includes advanced economies such as the EU, Canada, and Japan; middle income economies such as Mexico and Peru; and developing economies like Vietnam. And the other is a growing BRICS+ group (excluding China), where trade is seen as a growth engine but sovereignty and policy flexibility take precedence over deep integration into trade blocs.

How Trade Flows Could Look in 2034 in a Patchwork Scenario



Line color represents total global trade CAGR (%) from 2024 to 2034, and line width and number in parentheses represent total change in trade flows 2034 vs. 2024

● <0% ● 0-2.5% ● >2.5%

Source details available on bcg.com

The Plurilateralist economies play an underappreciated role: they help stabilize the system. As the US and China diverge, trade among these countries and with the Global South will likely grow faster than average, cushioning the impact of fragmentation.

The shifts among the major players are telling. US goods trade will continue to grow, but slowly—around 1.5% annually—as tariffs now

cover more than 60% of imports and policy favors domestic production. That doesn't automatically imply weaker US growth, but it does mean a smaller share of global trade over time. China's trade will grow faster than the US by deepening ties with BRICS+ economies and the broader Global South as it secures energy, food, industrial inputs, and new export markets.

Building the Right Muscle

For business leaders, the takeaway is not where to place a single bet—but how to build the capacity to navigate multiple futures.

In a patchwork trade world, geopolitical muscle becomes table stakes. Companies that embed geopolitical insight into strategy, capital allocation, and supply chain design are not just better at managing risk; they're better at spotting where growth will emerge as trade lanes adjust.

That capability enables three things. First, smarter scenario planning, so leaders can act early rather than react late. Second, more resilient supply chains, tailored to different rulebooks across the US, China, and the other major nodes. And third, sharper cost productivity, as higher tariffs and nontariff barriers put pressure on margins and pricing choices.

So trade is not about to “normalize.” The best path ahead is to understand and accept the complexity as a new baseline—and build the skills, systems, and judgment to turn that complexity into advantage.

Until next time,

A handwritten signature in black ink that reads "Rich". The signature is written in a cursive, slightly slanted style.

Rich Lesser
Global Chair

Further Insights



Trade in Transition: How to Prepare for a Patchwork World Order

As multilateralism dissolves, a new order seems to be emerging in which goods trade under different sets of rules.

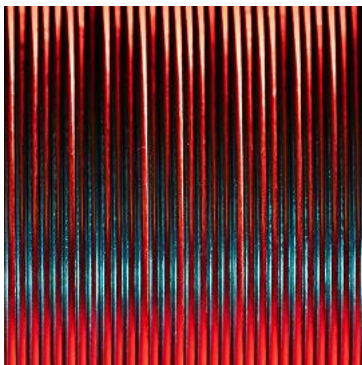
PREPARE FOR THE NEW TRADE ORDER



BCG-WEF-IMD Project: Building Corporate Geopolitical Muscle

In an era of growing uncertainty, fragmentation, and strategic rivalry, global businesses can no longer treat geopolitics as background noise.

TURN GEOPOLITICS INTO ADVANTAGE



The Geopolitical Forces Shaping Business in 2026

The paradigms that CEOs, boards, and policymakers have relied on are giving way to new multipolarities, alliances, and sources of competition and disruption.

WHAT CEOS NEED TO KNOW