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CEI GLOBAL REPORT

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WORLD

Trade in services accelerates in Argentina and slows down globally

According to a WTO report, the year-on-year growth of global services trade in the first quarter of 2025 reached 5%, approximately half of the increase recorded in the first three months of 2023 and 2024. The causes of this slowdown identified by the multinational organisation include the appreciation of the US dollar against the euro and other currencies, as well as global economic uncertainty.

The regions that most suffered the negative impact of this global scenario on trade in services were Europe and North America, whose flows increased by only 3% year-on-year in the first quarter of 2025, compared to 8% and 11% in the first period of 2023 and 2024, respectively. Instead, Asia sustained a 9% growth.

The overall slowdown in trade in services is mainly accounted for by variations in the "Other Commercial Services" sector, which covers a wide range of services, mainly digital, ranging from financial to professional.

Exports of financial services were particularly affected by exchange rate fluctuations, so they grew by only 3% year-on-year in the first three months of 2025. Exports of this type of services increased by 2% year-on-year in the EU and the United States, while those of Switzerland fell by 3%. The United Kingdom, on the other hand, recorded a 10% year-on-year growth, driven by a 13% growth in exports to the United States.

Contrary to the global trend of slowdown in total trade in services, in the Argentine case there is a 12% year-on-year increase in exports in the first quarter of 2025. This rise was mainly driven by the sectors "Other business services", which grew by 26% (USD 324 million), "Telecommunications, IT and information services" which rose by 25% (USD 136 million) and "Transport", with a year-on-year increase of 21% (USD 112 million).

OPEC forecasts expansion of global oil demand by 2050

In the latest edition of its World Oil Outlook, the Organization of the Petroleum Exporting Countries (OPEC) forecasts that the world will need more energy in the coming decades, and that global energy demand will expand by 23% until 2050.

As for oil, global demand is expected to continue to grow solidly and reach almost 123 million barrels per day in 2050, representing an 18% increase over demand in 2024. The report also predicts a 28.5% rise in global gas demand. Argentina's role as one of the few non-OPEC countries that will experience a rise in its production of liquid fuels, mainly crude oil and liquefied natural gas, also stands out.

In its analysis of the global energy outlook towards 2050, OPEC also highlights that despite the advance of renewable energies, crude oil will remain the dominant energy source (about 30% of total demand by 2050) and, together with gas, it will retain more than half of the energy market, while coal will decline slightly. At the same time, the vehicle fleet is forecast to increase from 1.7 to 2.9 billion units, with a preponderance of internal combustion engines.

Finally, the publication underlines the need for all energy sectors to address the future requirements of the industry, and highlights the importance of ensuring the necessary investments, providing the enabling environment for them. On the other hand, it highlights the importance of supplying with modern energy services to billions of people who still lack them.

AI pressure on power supply

An article recently published on the IMF's blog gives an account of an aspect of artificial intelligence (AI) that is not usually given a preponderant place in the multiple articles that analyse its impact on the economy: the growing need for electricity demanded by the data centres used to support it.

According to the information published by the IMF, the electricity used by these centres in 2023 was almost the same amount as that consumed by Germany or France, and in 2030 it could reach the level of electricity consumption of India (the third country with the highest demand). By then, these types of centres could use 50% more energy than all electric vehicles on the road.

This increase in demand could, according to the agency, have consequences on the global energy market, the magnitude of which will depend on the responsiveness of supply. It could result in a slight increase in price if supply grows sufficiently or, if that expansion of available energy does not occur, greater price increases are expected to take place, thus affecting companies and consumers negatively.

The article acknowledges the ability of AI to improve productivity and increase the pace of global economic growth. Nevertheless, it warns governments and companies that they should not only promote actions that maximise their potential but also work to minimise their costs. Specifically, the authors propose to apply energy policies that improve the supply of electricity and serve to mitigate price rises.

EUROPE

EU and Japan launch partnership to boost competitiveness

The European Union (EU) and Japan announced the launch of the Competitiveness Alliance with the aim of boosting cooperation on trade, economic security and innovation between the parties. Together, they bring together more than 650 million inhabitants and more than a fifth of the world's GDP.

The Competitiveness Alliance will rest on three pillars. The first, to increase bilateral trade through full implementation of the Economic Partnership Agreement on issues such as government procurement, sanitary and phytosanitary standards, simplify rules for businesses, and promote investment. The second, to strengthen common economic security, especially by strengthening raw material supply chains, intensifying the circular economy, and increasing cooperation in cybersecurity and critical infrastructure protection; and the third, to work together on innovation and green and digital transition.

In connection with trade negotiations, European Commission (EC) President Ursula von der Leyden said the parties will work together to "counteract economic coercion and address unfair trade practices" and that together they can "lead significant WTO reform, so that global trade standards reflect today's challenges and tomorrow's risks".

According to EU data, bilateral trade in goods between the bloc and Japan reached 130.7 billion euros in 2024.

EU strengthens competitiveness of its chemical industry

The European Commission presented an Action Plan for the Chemicals Industry that seeks to strengthen competitiveness and modernise the sector. The project addresses key issues such as high energy costs, unfair global competition and the promotion of investments in innovation and sustainability.

As part of the Plan, the Critical Chemical Alliance was created to address the risk of closure of sector facilities, identify sites requiring assistance, tackle supply chain dependency and distortions, implement antitrust measures to ensure fair competition, expand monitoring of chemical imports, and stimulate innovation and regional growth. It also includes an Action Plan for Affordable Energy to reduce high energy and raw material costs and encourage the use of clean sources.

In conjunction with the Plan, an industry simplification omnibus package was adopted to reduce compliance costs and the administrative burden of the industry. The EU chemical industry is the fourth most important manufacturing sector, with 29,000 companies supporting 1.2 million direct jobs and 19 million jobs in supply chains.

Presentation of the European Multiannual Financial Framework

The European Commission submitted its proposal of a Multiannual Financial Framework (MFF) for the 2028-2034 period. The budget is almost 2 trillion euros, about 1.26% of the average gross national income for that period. For its financing, the EC projects its own resources for around 20% of the budgeted annual expenditure. The balance will be covered with contributions from national budgets.

According to the EC, this Framework was redesigned to have a more efficient, more flexible and more effective tool to continue to support the EU's core policies and face new challenges, reflecting geopolitical and economic changes.

It shows that one of the funded programmes is the AgoraEU that will promote common values such as democracy, equality, the rule of law and support to the European cultural diversity. It will also help build the European Defence Union. As the president of the EC said, a "budget that supports peace and prosperity and promotes our values is the best tool we can have in these uncertain times".

This Framework aims at carrying out a strategy focused on the Common Agricultural Policy, fishing policy, social policy, regional development policy and immigration and border security policy. To reduce regional disparities, a minimum contribution will be set forth for the least developed regions. In addition, 15% of the budget is intended for the agricultural sector and fishing, 16% for social and regional objectives, and 2% for migration and border issues.

Among the own resources it is projected that, out of the total to be collected, 26% comes from a tax on waste electrical and electronic equipment waste, 19% from the excise tax on tobacco, 16% from the sale of CO_2 emission rights and 2% from the Carbon Border Adjustment Mechanism.

SOUTH AND CENTRAL AMERICA

Argentina reduces tariffs on capital goods

The Argentine Government announced the reduction of import tariffs on 29 capital goods, with the aim of boosting the national industry and encouraging productive investment through cost reduction and improved competitiveness. Through Decree 513/2025, a customs duty of 12.6% was established for this set of machineries and tools, equating it to the Mercosur common external tariff. Until now, they were taxed between 20% and 35%.

Among the goods reached by this measure are key industrial machinery for sectors such as metallurgy, oil and food, including laser cutting equipment, presses, bakery ovens, centrifugal pumps and lithium-ion electric accumulators. The latter are relevant for energy storage at times of high demand.

In 2024, almost 3,000 companies imported these goods, while between January and March 2025, nearly 2,000 did so. This policy aims to stimulate the incorporation of technology and facilitate access to goods necessary to increase the productive capacity of companies. The measure is based on the powers provided for by the Customs Code and the current Mercosur agreements and is part of a broader opening strategy, which includes reducing tariffs on more than a thousand products. Industrial inputs such as agrochemicals, fabrics and tyres stand out, but also consumer goods such as appliances and clothing. Capital goods imports in 2024 amounted to close to USD 10 billion.

Chilean market opening for Argentine lemons

Argentina achieved a new market opening for its agri-food exports, this time to Chile. Through Resolution No. 5040, published on 2 July, the Chilean Agricultural Livestock Service (SAG, for its acronym in Spanish) established the phytosanitary requirements that enable the imports of fresh lemons from our country.

As reported by the National Service of Agri-Food Health and Quality (SENASA)), shipments must comply with risk mitigation measures to prevent the introduction of *Phytophthora palmivora* and *Guignardia citricarpa* pests. This involves specific controls and procedures at source, as part of an integrated phytosanitary approach. Chile's recognition of these protocols marks a new milestone for the global integration of Argentine citrus.

During the first half of 2025, Argentina had already exported 142,000 tonnes of lemon to countries such as the United States, the Russian Federation, the Netherlands, and Greece. The incorporation of Chile as a destination reinforces the trade diversification of the sector and opens new opportunities for the regional economies of north-western Argentina, the main producing area.

Uruguay deepens its trade relationship with Peru

Uruguay and Peru announced the signing of the Terms of Reference to advance in a bilateral deepening of Economic Complementation Agreement (ACE, for its acronym in Spanish) No. 58, originally signed between Peru and Mercosur in 2019. This new stage aims to modernise and refine the existing regulatory framework, in such a way as to allow greater use of trade opportunities between the two countries.

One of the main objectives of this negotiation is to enable market access for goods that do not currently have specific agreed origin requirements, which has limited their bilateral exchange. At the same time, it seeks to strengthen economic relations by incorporating key disciplines such as investment, trade in services and trade facilitation, in line with the trends of new-generation trade agreements.

The negotiating process includes a first round in Montevideo in September 2025, intended to hold meetings every two months in alternate venues.

In trade terms, relationships between the two countries show an increasing dynamism: in 2024, bilateral trade had reached USD 159 million, representing a 16.8% growth over the previous year. The deepening of ACE No. 58 comes up as an opportunity to enhance this trade flow, diversify exports and promote new reciprocal investments.

NORTH AMERICA

US modifies additional tariffs effective as of 7 August

On 31 July, one day before the expiration of the suspension of the implementation of tariffs greater than 10% (see CEI Global Report, May 2025), President Donald Trump signed an Executive Order that modifies the so-called "reciprocal" tariffs" established on April 2 for some of its trading partners (see CEI Global Report, April 2025).

According to what was published, since the tariff increases were communicated on 2 April, the United States has managed to reach trade and security agreements with some countries, while in other cases, a satisfactory agreement could not be achieved or negotiations were not directly initiated.

Within that framework, the measure establishes the imposition of additional *ad valorem* tariffs (between 15% and 41%) on imports from 69 trading partners as of 7 August, subject to all applicable exceptions established in the 2 April Executive Order. All those countries not included in that group, like Argentina, will continue to pay an additional 10% tariff rate.

Of the affected countries, 40 will face additional custom duties of 15%. These include a group of 11 trading partners that were originally subject to the 10% base tariff (Afghanistan, Bolivia, Costa Rica, Ecuador, Ghana, Iceland, New Zealand, Papua New Guinea, Trinidad and Tobago, Türkiye and Uganda). Particularly, the cases of Japan and South Korea stand out since they agreed with the US to reduce the additional tariffs announced in July in exchange for greater market access for US goods and investors.

Other countries that announced trade agreements with the US –although not all the details of what was agreed upon are known– are Indonesia, the Philippines, Malaysia, Cambodia, Thailand and Pakistan, which will be subject to an additional tariff of 19%; Vietnam, which will face a surcharge of 20%, and the EU, which must pay a minimum tariff of 15%, except for those products where the most favoured nation tariff (MFN) exceeds this value. In this case, the burden will be equal to the MFN. Thus, taking into account the treaty signed in June with United Kingdom, the US has agreements with a total of 11 trading partners.

Among the countries that were subject to the highest additional rates, it is worth mentioning Serbia (35%), Switzerland (39%), Myanmar and Laos (40% each) and Syria (41%).

India and Brazil are two special cases. The former must pay an additional reciprocal tariff of 25%, to which, as of 27 August, a surtax of 25% will be added for maintaining trade ties with Russia. On the other hand, although Brazil was subject to the 10% base tariff, it will face additional tariffs of 40% (although with exceptions for certain products), due to "policies, practices, and actions of the Government of Brazil that constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States".

Regarding imports from USMCA partners, the US announced that Canadian products that do not comply with the rules of origin of the trade treaty will be subject to an additional 35% tariff, due to Canada's inability to contain the flow of fentanyl and other illicit drugs across the northern border. On the other hand, in the case of Mexico, a 90-day truce was agreed upon so that those Mexican products that do not originate from the USMCA will continue to pay an additional tariff of 25% related to fentanyl trafficking, instead of the 30% announced in July. Originating products will continue to be subject to the preferential tariff arising from the trade agreement.

Finally, on 12 August, the temporary tariff agreement agreed with China was extended for 90 days from which the Asian country was subject to an additional reciprocal tariff of 10% (plus 20% associated with the national emergency for fentanyl) and the US to a tariff surcharge of 10% (see CEI Global Report, June 2025).

Tariff exemptions for low-value shipments in the US suspended

On 30 July, President Donald Trump signed an Executive Order that suspends the tariff exemption under the *de minimis* criterion for low-value shipments, which allowed products for up to USD 800 to enter without paying import tariffs or complex customs procedures.

According to what has been published, the measure is necessary to address threats such as the flow of illicit drugs and large trade deficits. The suspension applies to the imports of goods from any trading partner and aims at preventing tariff evasion and deceptive shipping practices.

Thus, as of 29 August, imported products sent by means other than the international shipment network, with a value equal to or less than USD 800, and that would otherwise qualify for the *de minimis* exemption, will be subject to all applicable tariffs and must be treated like any other import.

For those shipments made through the international postal network, tariffs will be applied to the packages according to one of the following methodologies: i) an *ad valorem* tariff equivalent to the reciprocal tariff rate applicable to the country of origin of the product, on the value of each package; ii) specific tariff –between USD 80 and USD 200 per item–, depending on the import tariff applicable to the country where the product comes from. The latter alternative will only be available for six months; then all shipments will pay the corresponding *ad valorem* tariff.

The *de minimis* regime is a very relevant factor in the growth of global e-commerce. By exempting lower-value shipments from tariffs and allowing expeditious dispatches, it facilitated the growth of digital platforms and businesses that operate without physical infrastructure in the country of destination and use postal operators and air cargo networks to supply directly to the consumer. With the new scheme, all packages that arrive in the US –regardless of their value or country of origin– must have a formal customs declaration and pay all the corresponding tariffs.

According to data from Customs and Border Protection (CBP), in 2024 in the US, an average of 3.8 million packages was received per day under this regime, which is equivalent to 1.36 billion packages in the year (for a value close to USD 64.6 billion).

US: 50% tariffs on semi-finished copper products

As of 1 August, an additional 50% tariff on the imports of semi-finished copper products and intensive copper derivative products came into force. Copper minerals and concentrates, refined copper and copper scrap were excluded from the tariff.

The investigation into imports of this metal was initiated by the Department of Commerce in March of this year (added to other products such as semiconductors, critical minerals, forest products and pharmaceuticals), under Section 232 of the Trade Expansion Act of 1962.

The measure was based on national security reasons, as copper is widely used in the manufacturing industry and defence systems. According to the White House, the United States became excessively dependent on imports of this metal, having been a world leader in production (approximately 45% of the refined copper consumed in the US is of imported origin).

It should be noted that the additional 50% tariff will be applied to the copper content of the products covered, while the non-copper content will be subject to the other tariffs applicable to each country (including the reciprocal tariffs mentioned in the first article of this section). Besides, duties on copper products will not accrue to those on automobiles and auto parts (see CEI Global Report – April 2025). If a product is subject to both tariffs, only the one corresponding to cars will be applied.

According to data from the US International Trade Commission (USITC), the main sources of imports of semi-finished copper products (taking into account the list of products subject to the 50% tariff) are

China, Mexico and Canada, which accounted for approximately half of US purchases in 2024. Instead, copper ore, refined copper, and scrap are imported, mainly from Chile, followed by Canada, Peru, Mexico, and the Democratic Republic of the Congo (these five countries accounted for 98% of US purchases in 2024).

In early July, the Ministry of Commerce launched two new investigations to determine the effects on national security of imports of unmanned aerial systems (drones) and their parts and components, as well as imports of polysilicon and its derivatives.

ASIA AND OCEANIA

Australia lifts US bovine meat import restrictions

The Australian Ministry of Agriculture announced the lifting of the prohibitions on the imports of American beef, in the framework of negotiations with Washington on various aspects of the bilateral relationship. The measure also includes cattle raised in Canada or Mexico, but slaughtered in the United States. The lifting of the restrictions reverses a measure adopted in 2019 for phytosanitary reasons.

The Australian Prime Minister, Anthony Albanese, ruled out that the decision to allow the access of American beef has been influenced by political issues, and linked it directly to the health context, within the framework of a review process of bio security measures that started at least a decade ago.

According to a report from the Australian red meat service provider MLA, about 99% of the beef consumed in said country is of national origin, so the measure would have a minimal impact on the local market. However, since 70% of local production is destined for exports, the lifting of the ban on importing American beef would be related to the need to take care of the US market for Australian meat. The exports of Australian beef to the United States have grown by 24% in the last year.

India signs free trade agreement with the UK

India and the United Kingdom signed the Comprehensive Economic and Trade Agreement (CETA), a bilateral free trade agreement that marks a milestone in their trade relationships, providing duty-free access to 99% of India’s tariff lines to the United Kingdom, representing almost all of the products actually exported by the Asian country.

India committed to opening 89.5% of its tariff lines, although only 24.5% of UK exports will have immediate duty-free access to the Indian market due to protection in sensitive sectors such as dairy, cereals, millet, legumes, certain essential oils, apples, certain vegetables, gold, jewellery, and lab-grown diamonds.

The CETA also addresses services –key to the Indian economy– with commitments related to the financial, educational, technology and finance sectors. Likewise, mobility of professionals and intra-company transfers will be simplified.

The Asian Development Bank forecasts a slowdown in growth in Asia

According to the latest Outlook of the Asian Development Bank (ADB), the growth forecast of developing countries in Asia was revised downward: 4.7% in 2025 and 4.6% in 2026, compared to 4.9% and 4.7% projected last April. Southeast Asian countries will suffer more, with growth expectations around 4.2% in 2025. The tariff imposition by the US, disruptions in supply chains, high energy prices and global economic risks are among the main causes of the drop in expectations of economic performance.

"Asia and the Pacific has weathered an increasingly challenging external environment this year. But the economic outlook has weakened amid intensifying risks and global uncertainty", stated Albert Park, Chief Economist of the ADB. "Economies in the region should continue strengthening their fundamentals and promoting open trade and regional integration to support investment, employment, and growth", Park concluded.

AFRICA

Three African countries ratify WTO Agreement on Fisheries Subsidies

Ghana, the Democratic Republic of the Congo and Zambia deposited their instruments of approval of the Fisheries Subsidies Agreement, undersigned at the WTO Ministerial Conference in June 2022. The Agreement has gathered 106 ratifications, including that of Argentina, deposited on 22 July, and is close to achieving 111 formal approvals required for its entry into force.

In the case of Ghana, it had already actively participated in the Ministerial Conference that resulted in the Agreement, in the interest of the global preservation of the oceans. Meanwhile, the Congolese Minister of Foreign Trade, Julien Paluku Kahongya, expressed his optimism regarding the entry into force of the agreement, since –together with other WTO agreements– it could bring profits of USD 14 billion to the African continent. Finally, when presenting its instrument of ratification, the delegation of Zambia recalled the importance of the Agreement for the maintenance of marine fish stocks and the promotion of fair trade, in particular for those engaged in small-scale fishing.

Summit between Donald Trump and five African Presidents

US President Donald Trump hosted at the White House for his peers from five African countries (Gabon, Guinea Bissau, Liberia, Mauritania and Senegal) with the aim of promoting private sector investment and deeper economic partnerships between the parties.

Specifically, the issue of the continent's under-exploited critical minerals, such as Gabonese manganese and uranium, which arouse deep interest in the United States (see CEI Global Report, July 2025), was addressed. This is also related to the announcement by the United States International Development Finance Corporation (DFC) of financing of a potassium mine development project in Gabon.

In turn, the Senegalese delegation brought up its public debt crisis, which amounts to 111.4% of its GDP. Dakar is pushing for the release of an IMF grant of USD 1.8 billion, suspended due to irregularities in the handling of statistics during the previous Administration.

Likewise, the leaders of Guinea-Bissau and Liberia stressed the importance of the meeting in pursuit of the possible receipt of economic aid and the promotion of trade with the United States.

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