JANUARY 2026

CEI GLOBAL REPORT

CEI Centre for International Economy

WORLD

WTO highlights importance of global value chains

Strong increase in silver prices

International trade: 2025 could be a record year

EUROPE

The European Union greenlights agreement with Mercosur

EU countries discuss possible implementation of "Buy European" policy

The CBAM becomes fully operational

SOUTH AND CENTRAL AMERICA

Fish farming: Argentina's first export of dorado and surubí meat

Argentina extends decree that eliminates steel and aluminium withholdings

Costa Rica signs an FTA with Israel

NORTH AMERICA

US imposes trade sanctions on Nicaragua

Semiconductors: US would apply tariffs to China by mid-2027

US postpones tariff increases on wood furniture imports

US-UK agreement on pharmaceuticals

ASIA AND OCEANIA

Balance of the year positive for the Indian economy

China vs. India: WTO dispute over solar panels and technology products

China imposes import restrictions on beef

AFRICA

Egypt strengthens its port development

African countries meet in Marrakech to outline their position before the WTO

AGOA: incipient legislative advances for its renewal

WORLD

WTO highlights importance of global value chains

In a report published by the World Trade Organization (WTO) jointly with other organisations, it is stated that since the beginning of the current decade, the globalisation process has entered a new stage. This period would not imply a deepening of the global value chains (GVCs) strengthening process, but neither could it be described as a phase of trade ties disintegration.

For the WTO, since 2020 integration has not been disappearing, but it has been reconfiguring, and it is doing so in a multidimensional way. This process includes geographical, technological reorganisation (mainly through digitalisation and automation) and new formats of specific trade agreements (such as the 185 agreements that had been signed by the end of 2024 on digital trade and critical minerals), among other aspects. All this responds to the objective of attending to the new economic, political and social priorities of governments and companies.

To support this argument, the text points out that the participation of GVCs in total trade reached its peak in 2022 (48%) and then underwent a slight decline. The latest data for 2024 puts that percentage at 46.3%.

The information included in the report covers up to the end of 2024, so the uncertainty generated by the tariff increases of 2025 is not included in the analysis; however, the WTO points out that even in the course of that year, according to the data available to the organisation until December, the growth of international trade continued to show signs of strength.

In that regard, WTO Director-General Ngozi Okonjo-Iweala noted: “This new report has reaffirmed something we at the WTO have been saying: globalisation is far from over, and global value chains remain indispensable”.

Strong increase in silver prices

The international price of silver is at an all-time high. In 2025, the metal prices appreciated by nearly 150%, with a 25% increase in December alone. At the beginning of that year, the ounce of silver was valued at approximately USD 30, while at the end of December it exceeded USD 70 (with a peak of USD 84).

The demand for this precious metal is associated, like that of gold (whose price soared by about 60% in 2025), with the search for a “safe haven” by investors who choose them to protect themselves from possible losses of purchasing power of other assets; besides, the metal is used as an industrial input, whether in the manufacture of solar panels, electric vehicles or data centres necessary for the development of artificial intelligence.

The explanation for this increase in value is likely determined by a growing demand facing a supply that does not expand at the same rate. The production of the metal and the existing global reserves are decreasing, and on top of this is the potential impact caused by the US decision to declare silver as a critical mineral.

International trade: 2025 could be a record year

According to UN Trade and Development (UNCTAD) projections, global trade in goods and services surpassed USD 35 billion in 2025 for the first time in history, representing a 7% increase (USD 2.2 billion) compared to 2024. Trade in goods is estimated to have accounted for two thirds of that increase, while the remaining third corresponds to the exchange of services (which had a year-on-year increase of nearly 9%).

In relation to trade in goods, if the last four quarters actually surveyed are taken into account (up to the third quarter of 2025), the manufacturing industry was the main growth-boosting sector (the exchange of these products increased by 10%). Trade in agricultural products, on the other hand, expanded by 6% in the same period. As for the automotive industry, there was a drop of 4% due to the lower exchange of combustion and electric cars, however, trade in hybrid cars increased by 22%.

Regarding the projections for 2026, the UN forecasts that trade growth could be weaker than in 2025. The agency envisions a scenario that includes a lower global growth rate, an increase in debt and business costs, and the continuation of the current high levels of uncertainty.

EUROPE

The European Union greenlights agreement with Mercosur

The European Council, representing the EU Member States, adopted by qualified majority two Decisions authorising the European Commission to sign the EU-Mercosur Partnership Agreement (EMPA) and the Interim Trade Agreement (ITA) between Mercosur and the EU, the negotiations of which were formally concluded in December 2024. The signing will take place on 17 January in Asunción, Paraguay, the country that holds the *Pro Tempore* Presidency of Mercosur during this semester.

Once signed by the parties, the trade agreement must be ratified by the national congresses of the Mercosur countries and by the European Parliament to enter into force, which may be bilateral. In turn, the Partnership Agreement will additionally require ratification by the national parliaments of the EU Member States.

EU countries discuss possible implementation of “Buy European” policy

The debate continues within the EU on the “Buy European” regulation, by which preferences are granted to the purchase of European goods, initially proposed by France and accompanied by large countries such as Germany. This rule aims to favour the flagship companies of the industrial and technological sectors, but does target all sectors across the board. Rather it is aimed at those industries with strategic vulnerabilities such as the automotive, chemical, pharmaceutical and steel sectors.

The measure is being questioned by smaller countries dependent on foreign trade, such as the Czech Republic, Slovakia, Ireland, Portugal; the Scandinavian countries and the Baltic countries, arguing that the increase in protectionism can affect competition both via prices and quality. For these countries, economic prosperity is likely linked to market access, for that reason they promote free trade agreements.

The CBAM becomes fully operational

The Carbon Border Adjustment Mechanism (CBAM) became fully operational on 1 January 2026 upon completion of its transition phase (which ran from October 2023 to December 2025). The transition was intended as a learning period for importers, producers and authorities to collect and process information, and to refine the methodology for calculating emissions.

As of this year, the EU applies a charge for the carbon emitted during the production of the goods that enter the EU in order to encourage the reduction of emissions in the countries that export to the bloc. The products included in the measure are cement, aluminium, fertilisers, iron and steel, hydrogen and electricity. It also covers emissions made during the production of the goods derived from the aforementioned raw materials. It will apply to goods with imports exceeding 50 tonnes per year and with no minimum threshold for imports of hydrogen and electricity.

During this transition, several adjustments were made to the CBAM: the operation of the mechanism was simplified; the legal loopholes that allowed carbon leakage to occur elsewhere to avoid payment for emissions were reduced; the control of emissions was improved; the rules for the import of electricity were simplified; and a temporary decarbonisation fund was put into operation in order to use it for the purchase of emission permits.

SOUTH AND CENTRAL AMERICA

Fish farming: Argentina’s first export of dorado and surubí meat

For the first time in its history, Argentina exported products made from farmed dorado and surubí fish. In December, 9 tonnes of fish meat of these two species were shipped from the province of Misiones to Brazil.

In June 2025, the first air shipment of pacú meat left Chaco bound for Los Angeles, United States, (see CEI Global Report, July 2025), and now dorado and surubí meat are added as exports, produced under a comprehensive fish farming system.

This export takes place in the last days of a very productive year for Argentina in terms of opening and reopening markets. In 2025, 86 new openings were achieved, including beef, poultry, and pork to the Philippines; nuts to China; lemons to Chile; and pork to Paraguay.

In addition, 76 markets were able to be reopened, mainly those that had been affected by the avian influenza outbreak that took place in August. The main markets recovered include Brazil, the Philippines, the United Kingdom, South Africa, and Uruguay.

Argentina extends decree that eliminates steel and aluminium withholdings

Before the end of 2025, the Argentine government extended for a three-month-period the elimination of export duties for products from the steel and aluminium chains destined for markets that impose import tariffs of 45% or more on said goods.

The postponement is justified by the strategic nature of the sectors involved and by their contribution to exports, employment and value added. The objective is to preserve the competitiveness of local producers, affected by an international context of tariff increases, so that the continuity of foreign sales can be guaranteed.

Costa Rica signs an FTA with Israel

On 8 December, Costa Rica and Israel signed a Free Trade Agreement (FTA) in the city of Jerusalem. The negotiation process had begun in March 2023 with the signing of a Memorandum of Understanding

(MoU), it continued with the reaffirmation of the commitment in October 2024 and concluded with the closure of technical discussions in November 2025.

In terms of goods, it should be noted that import tariffs on more than 90% of tariff lines will be removed immediately and that around 95% of products traded bilaterally will receive some kind of benefit under the agreement.

The commitment also regulates bilateral trade in services, including the provision of remote services, the promotion of digital trade, the recognition of electronic signatures, and equal rights for suppliers from both countries.

After the signing of the agreement –by the Minister of Foreign Trade, Manuel Tovar, for Costa Rica, and the Minister of Economy and Industry, Nir Barkat, for Israel–, both countries began their formal ratification processes, which for Costa Rica implies the referral of the document to the Legislative Assembly, so that once completed, the instrument can enter into force.

NORTH AMERICA

US imposes trade sanctions on Nicaragua

The Office of the United States Trade Representative (USTR) announced that it will impose new tariffs on imports from Nicaragua as a result of an investigation initiated in December 2024 under Section 301 of the Trade Act of 1974.

According to the USTR, the investigation found that Nicaragua's labour, human rights, and rule of law acts, policies, and practices are unreasonable and have created a high-risk environment for US companies that invest and conduct business in the country, and therefore pose a burden or restriction on trade.

The additional tariff will be set at 0% as of 1 January 2026 and will increase to 10% on 1 January 2027 and 15% on 1 January 2028 and will be cumulative with other import duties and taxes, including the current reciprocal tariff of 18%. Products that comply with the rules of origin of the Free Trade Agreement between the United States, Central America and the Dominican Republic (CAFTA-DR) will be excluded.

It should be noted that the United States is the main destination for Nicaraguan exports, accounting for nearly 50% of the total.

Semiconductors: US would apply tariffs to China by mid-2027

In late December, the USTR determined that China's actions, policies and practices aimed at dominating the semiconductor industry justify the adoption of trade response measures, under Section 301 of the Trade Act of 1974.

However, the import tariffs will not be applied for another 18 months. The measure establishes an initial duty of 0%, with an increase planned for 23 June 2027. The tariff to be implemented will be announced at least 30 days in advance. The tariffs would be added to those already in place, including the 50% levy on certain Chinese semiconductors derived from a previous investigation into the forced technology transfer.

The decision affects a range of semiconductor products and components, including silicon materials and wafers, discrete semiconductor devices, integrated circuits, and related parts.

The investigation concluded that China has used non-market-based and state-directed policies to achieve dominance across the semiconductor value chain. These include industrial planning, state financial support, market access restrictions, forced technology transfer and regulatory discrimination. The USTR determined that these practices harm US businesses and workers, reduce competition, and contribute to economic security risks across supply chain dependencies.

US postpones tariff increases on wood furniture imports

The US government announced a one-year deferral of the planned tariff increases on imported upholstered wooden furniture, kitchen cabinets, and vanities, which were scheduled to take effect in January 2026. The duties on upholstered wooden furniture will remain at 25% until 1 January 2027, instead of increasing to 30% in 2026. Similarly, the tariff rate applicable to kitchen cabinets and vanities will stand at 25% until the beginning of 2027, instead of rising to 50% in 2026.

The current 10% *ad valorem* tariff on softwood and lumber remains unchanged.

As reported, the decision is due to productive negotiations being conducted with trading partners to address issues related to trade reciprocity and national security with regard to imports of these products.

It should be recalled that in September 2025, the imposition of additional tariffs on imports of timber, lumber and their derivative products had been established to address national security concerns, as a result of an investigation carried out by the Department of Commerce under Section 232 of the Trade Expansion Act of 1962 (see CEI Global Report, October 2025).

US-UK agreement on pharmaceuticals

The United States and the United Kingdom announced that they had reached an agreement in principle on the prices of pharmaceutical products.

As reported by the USTR, the United States will exempt pharmaceuticals, pharmaceutical ingredients, and medical technology originating in the United Kingdom from Section 232 tariffs –it should be recalled that the investigation began in September 2025– and will refrain from including pricing practices for United Kingdom pharmaceuticals in any future investigations under Section 301. In addition, it will work to ensure that UK citizens have access to the latest pharmaceutical advances.

In turn, the United Kingdom will reduce the refunds that pharmaceutical companies pay to the British National Health Service (NHS). Under the current system, pharmaceutical companies reimburse the NHS for a portion of the proceeds from the sale of brand-name medicines. The British government has pledged to reduce that reimbursement to a maximum of 15% in 2026, from the current level close to 23%. The UK will also increase the net price paid for newly launched treatments by 25%. In this way, the Trump administration seeks to make US pharmaceutical companies face more stable and predictable conditions in the British market.

ASIA AND OCEANIA

Balance of the year positive for the Indian economy

The government of India published a press report in which it summarises the country’s economic performance during 2025 based on the results recorded throughout the year by the main macroeconomic variables.

The data presented show a booming economy, which displays positive results. The values corresponding to the evolution of GDP over the last three quarters are a good example since the economy grew 7.4%, 7.8% and 8.2%, respectively. With these figures, India claims to have reached a nominal GDP that places it as the fourth largest economy in the world (after overtaking Japan), with the expectation of taking third place from Germany within three years.

At the same time, there were falls in unemployment and inflation. Thanks to the increased demand generated by economic growth, in November 2025 the unemployment rate decreased to 4.8%, compared to 5.4% in October, while annual inflation went from 4.26% in January 2025 to 0.25% in October and 0.71% in November.

The picture is completed by some data such as the reduction of the current account deficit to 1.3% of GDP –thanks to the increase in exports of services and remittances–, the growth of foreign direct investment, and international reserves amounting to USD 686.2 billion –equivalent to more than 11 months of imports–.

China vs. India: WTO dispute over solar panels and technology products

China requested consultations with India at the World Trade Organization on tariffs applied by the Indian government to information and communications technology products and on subsidies granted to producers of solar cells and modules.

The Chinese authorities affirm that the measures in question are incompatible with WTO provisions, such as the General Agreement on Tariffs and Trade (GATT), the Agreement on Subsidies and Countervailing Measures and the Agreement on Trade-Related Investment Measures; violate multiple obligations of WTO members, such as the principle of national treatment, and constitute subsidies to promote import substitution, prohibited by international trade rules.

Following the presentation in Geneva, both parties have 60 days to establish a dialogue and seek a satisfactory solution. If, after that period, they fail to resolve the dispute, China may request the WTO to establish a panel to decide on the matter.

This presentation adds to another recent one, from October 2025, in which China accused India of having launched certain government programmes to promote the production of batteries and electric cars (goods regarding which China is the world's leading producer) that are deemed discriminatory against its producers (see CEI Global Report, November 2025).

China imposes import restrictions on beef

The Chinese government resolved to apply safeguard measures on imported beef until 2028. The measure was taken after an investigation requested by associations of producers in that country, which began in December 2024, and aims to protect local producers from foreign competition.

From the first day of the year, specific tariff-rate quotas are determined by country, within which the current tariff will be applied, while those imports that exceed the established quantities will have to pay an additional tariff of 55%.

Among the main beef exporters to the Chinese market, the tariff-rate quotas granted by the Beijing government are the following: Brazil, 1.1 million tonnes; Argentina, 511,000 tonnes; Uruguay, 324,000 tonnes; New Zealand, 206,000 tonnes; Australia, 205,000 tonnes, and the United States, 164,000 tonnes.

In 2024, China imported 1.34 million tonnes of beef from Brazil, 594,000 tonnes from Argentina, 243,000 tonnes from Uruguay, 216,000 tonnes from Australia, 150,000 tonnes from New Zealand, and 138,000 tonnes from the United States.

AFRICA

Egypt strengthens its port development

The Suez Canal Authority (Egypt) announced the signing, in December 2025, of a Memorandum of Understanding (MoU) with the Namibian Ports Authority. The memorandum aims to establish cooperation mechanisms in port development, while seeking to strengthen the strategic link between the two countries.

According to the Suez Canal official website, the MoU aims to exchange experiences and promote bilateral cooperation in various areas, such as construction, trade and training in shipping matters.

According to the President of the Suez Canal Authority, Osama Rabiee, this MoU constitutes an important step in the expansion strategy promoted by the entity, which seeks to connect with new markets and expand its presence in the African continent. In turn, the Namibian Port Authority highlighted the strategic value of the agreement, with a view to improving the country's port infrastructure by leveraging regional capabilities.

This initiative is part of a broader policy boosted by the Egyptian government, which seeks to strengthen port development in the country, as well as positioning the Suez Canal as a global player in international maritime traffic, in a context of restored security conditions in the Red Sea recorded during 2025 (see CEI Global Report, March 2025).

In this line also, the Egyptian government officially opened in November 2025 a series of maritime port terminals located in the Suez Canal Economic Zone at East Port Said.

African countries meet in Marrakech to outline their position before the WTO

On the sidelines of the second edition of the AfCFTA Business Forum (Marrakesh, 11 and 12 December 2025), ministers and senior authorities from African countries participated in a preparatory retreat for the 14th WTO Ministerial Conference, which will take place from 26 to 29 March this year in the city of Yaoundé (Republic of Cameroon).

The retreat was chaired by the Kingdom of Morocco in its capacity as host country and moderated by the Republic of Mozambique in its role as coordinator of the African Group of the WTO. The discussions aimed to consolidate the African position on the key issues to be addressed at the Ministerial Meeting in March.

According to the Moroccan government's official website, all participating delegations expressed the commitment of their respective countries in favour of the success of the Yaoundé Conference. Thus, with the presence of more than 30 African delegations, the work was based on a consolidated document that the African Group recently presented at the WTO.

The agenda of work in Marrakesh also included consensus on other issues such as the importance of preserving the application of special and differential treatment for developing and least developed countries; the position of the African Group regarding WTO reform, and the convergence of the participants regarding the prioritisation of certain issues of the multilateral economic agenda such as agriculture, food security, fisheries subsidies, trade in services and e-commerce.

AGOA: incipient legislative advances for its renewal

During December 2025, the United States Congress began to give legislative consideration –through the House of Representatives' Ways and Means Committee– on a bill proposing a three-year extension of the African Growth and Opportunity Act (AGOA) in terms similar to those that governed the law until its expiry, on 30 September 2025 (see CEI Global Report, November 2025).

Although the path started in the US legislature is in its early stages (it must pass through the House of Representatives and the Senate), this initiative presented by Republican lawmaker Jason Smith and approved by the Committee he chairs, put the issue back on the agenda of the specialised press and the sectors and countries interested in its renewal.

However, doubts remain regarding the fate of this bill as it moves through the institutional journey for its approval and enactment. Among the main issues to be addressed, the press has asked about the chances of South Africa to remain among the beneficiary countries of a new edition of the AGOA. In this regard, it should be borne in mind that in October 2025 Republican Senator John N. Kennedy had already submitted a bill to reformulate the AGOA, which proposes reviewing the trade relationship with South Africa and questions its inclusion among the countries benefitting from the law.

The African Growth and Opportunity Act, signed into law in 2000 and renewed for ten years in 2015, offers eligible sub-Saharan African countries tariff benefits for access to the US market for more than 1,800 products. To meet AGOA eligibility, among other conditions set forth in US legislation, African countries must establish or move toward establishing a market economy, removing barriers to US trade and investment, and implementing policies to reduce poverty, combat corruption, and protect human rights (see CEI Global Report, August 2024).

CEI GLOBAL REPORT

Closing date: 10 January 2026

Ministry of Foreign Affairs, International Trade and Worship
Argentine Republic