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GLOBAL TRADE PATTERNS IN THE 21ST CENTURY: TRENDS, CHALLENGES, AND STRUCTURAL SHIFTS – THE CASE OF ARMENIA

This study analyzes structural changes in global trade between 2018 and 2024, especially focusing on Armenia's export performance. The researchers employed a comparative methodology and combined cross-sectional and longitudinal analyses of trade flows, export compositions, and partner dynamics, analyzing data from ArmStat and TradeMap.

The study revealed that, while global trade grew by an average of 5.0% annually, Armenia saw a significant rise in its exports, increasing from \$2.4 billion in 2018 to \$13.1 billion in 2024. This means Armenia's exports grew at an impressive average rate of around 31.8% annually.

This growth was driven primarily by re-exports - especially of unwrought or semi-manufactured gold (HS 7108) - which alone accounted for USD 5.6 billion or 42.8% of

total exports in 2024. The data indicate a high concentration of Armenia's exports in both product composition and destination markets: in 2024, 86.1% of Armenia's exports were directed to just four countries. These findings underscore the urgency of structural diversification and domestic value addition to enhance long-term trade resilience.

Keywords: *global trade, Armenia's export structure, re-exports, trade diversification, comparative analysis, structural trade shifts*

JEL: F10, F13

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INTRODUCTION. International trade has always remained an integral factor in relation to how the global economy is developed. International trade brings about shifts in all sectors in a related manner and is a catalyst in making new technological innovations spread across regions. The growing tensions between large economies, as well as those resulting from the COVID-19 pandemic and regional disputes like the war in Ukraine and those in Syria and Gaza, have all continued to stress this factor.

In this context, it is evident that a growing realization concerning the need to refocus national strategies regarding trade has emerged in relation to all of this. For a small, open economy like Armenia, it is important to examine these developments and their effects. The structure and orientation of Armenian exports are a relevant area to draw attention to in this context.

The study relies on official statistical information and aspires to provide a comprehensive appraisal of the fundamental forces that impact global trade from 2018 to 2024. In this broader context, Armenia's performance and strategy are considered in relation to changes that are taking place in the global economy.

This study aims to analyze global trade trends between 2018 and 2024, focusing on the leading export product categories, and to assess Armenia's export structure to determine the country's level of integration into the global trade system.

LITERATURE REVIEW. In recent years, there has been an increase in the volume of academic and research papers on the practical and theoretical foundations of international trade, covering geopolitical analysis as well as classical models. Research projects provoke the dynamism and versatility of the nature of world trade, despite the different scales and scopes of these works.

A number of contributions revisit the development of trade theory itself. Tri-Dung Lam provides a historical overview of development economics from the 18th to 20th centuries, emphasizing the success of export-led growth strategies in East and Southeast Asia. These successes are in sharp contrast with the struggles faced by many African and Latin American countries that pursued import substitution, a difference that reflects broader historical patterns in how development strategies have played out. Jacob Viner's foundational work offers a detailed account of how modern trade theory evolved, starting with early

critiques of English mercantilism and moving through the debates that shaped classical and neoclassical economic thinking (T. Lam, 2015). At the same time, Robert Feenstra's updated graduate-level textbook integrates classical trade models with contemporary theory and empirical analysis, covering topics such as monopolistic competition, trade policy instruments, multinational firms, and the organization of the firm (Robert C. Feenstra, 2015).

One of the works that similarly has a theoretical focus is Wei-Bin Zhang's work, which proposes a unified economic model based on combining various theories of economic growth and general equilibrium into a single structure, as well as neoclassical growth and general equilibrium theories, into a single framework. The author has developed his conceptual approach based on early research aimed at finding an answer to the functioning of international trade, with an emphasis on the role of capital accumulation, knowledge development, pricing mechanisms, and economic interdependence in competitive markets (Zhang, Wei-Bin, 2000). In turn, the author of the critical approach is Zehui Chen, who argues in his work that traditional models are limited in covering key features of the modern trading environment, such as protectionist policies, concentration of market power, and the growing influence of multinational corporations. To address these shortcomings, Chen suggests applying a balanced policy approach to trade openness that supports sustainable development, taking into account regional conditions (Zhang, Wei-Bin, 2022).

Beyond theoretical discussions, a growing body of empirical work has documented how global trade continues to evolve. In a projection extending to 2050, Bekkers, Corong, Métivier, and Orlov use a recursive dynamic computable general equilibrium (CGE) model to explore future trade patterns. Their analysis indicates that falling trade costs are likely to push global trade growth ahead of GDP growth, with an expected trade-to-GDP ratio of around 1.1 (Bekkers, Eddy, et al. 2024).

The worldwide percentage of manufacturing trade is expected to decline from 64% in 2020 to 52% by 2050, while the share of services trade is expected to rise from 24% to 38%. Furthermore, it is anticipated that the share of global commerce attributable to developing and least-developed nations will increase dramatically, with developing nations overtaking developed economies by 2035. The aforementioned shifts will probably occur in tandem with a decrease in trade between developed and developing countries, as well as an increase in trade between developing and developed countries.

A related study carried out by Nobuo Yazawa examines trade links between five major exporters between 1992 and 2020 using a network-based approach: China, the United States, Japan, South Korea, and India. With China gradually surpassing the US in most product categories and the US holding its position in consumer goods and raw materials, the study, which uses time-series trade data, network visualization, and 80-dimensional clustering techniques, demonstrates a dramatic shift in the importance of global trade. The findings also reveal that trade

networks have grown more reciprocal over time, and that major global events, such as the September 11 attacks, have had lasting effects on how trade relationships are structured. Based on these observations, Yazawa suggests several policy directions: encouraging more balanced trade to support economic stability, adapting national strategies to respond to shifts in global commercial centers, and building greater resilience into trade systems to better absorb external shocks (Yarazawa, Nobuo, 2023).

Another important line of research explores the environmental implications of trade patterns. Working with colleagues, Luciana Porfirio examines how climate change might alter agricultural trade flows by integrating global crop models with Earth system projections. The analysis shows that under high-emissions scenarios, trade is likely to become more concentrated, with power increasingly held by a small number of dominant regions. By contrast, efforts to mitigate carbon emissions appear to support a more decentralized trade network, bringing a wider range of countries into both importing and exporting roles. This more distributed structure is considered less vulnerable to climate and institutional shocks and is thus recommended as a more stable and food-secure system (Porfirio, Luciana L., et al, 2018).

Further extending the analysis of structural shifts, Raphael Kaplinsky and Masuma Farooki argue that the economic rise of China and India and the stagnation of traditional northern economies will shift global consumption patterns toward low-income southern markets. This transition is expected to reduce the relevance of product standards (which historically served as pathways for capability growth) and to lower the degree of value added in commodity-exporting economies (Kaplinsky et al, 2010).

The technological transformation associated with the Fourth Industrial Revolution is the focus of Jan Rymarczyk's study. The research finds that advances in logistics, regulatory frameworks, and digital technologies will fundamentally alter the composition and structure of international trade. Service-based trade is projected to expand, while goods requiring complex transactions are set to become more important. Developed nations are likely to initially gain the greatest benefits, owing to their resources and technological edge. As barriers to trade diminish and the need for extensive physical infrastructure lessens, small and medium-sized businesses (SMEs) operating in developing regions are poised to gain greater entry into international markets.

The study suggests that early adopters of 4IR technologies will enjoy substantial competitive advantages, in line with a "winner takes it all" dynamic (Rymarczyk, 2021).

Empirical analysis specific to Armenia provides important context for understanding the country's export structure and integration into global trade. Hayk Mardanyan and Karlen Khachatryan examine Armenia's economic dependence on a narrow set of foreign partners and sectors, identifying vulnerabilities in trade diversification, agricultural trade, imported machinery and

textiles, and infrastructure control, and argue that trade diversification is essential to strengthen economic resilience (Mardanyan & Khachatryan, 2025). Complementing this perspective, Grigor Hayrapetyan analyzes Armenia's foreign trade within the Eurasian Economic Union (EAEU) framework, highlighting that Armenia's export and import structures reflect both regional integration effects and a significant role of commodity exports with added value to EAEU partners (Hayrapetyan, 2023). Research on Armenia's broader foreign trade dynamics underscores a high degree of openness and sustained negative trade balance dominated by raw materials, with strong trade flows to Russia and China, demonstrating the depth of Armenia's global trade linkages and structural characteristics (Hayrapetyan, 2022).

RESEARCH METHODOLOGY. As part of the methodological approach of the study, a comparative analysis method was selected, since the approach allows us to identify the presence of important structural values and relationships in the structure of world trade between countries, types of products, and time periods. With proper systematization of trade data, the approach makes it possible to identify both points of contact and differences within the framework of the development of international trade and its structuring, in the era of geopolitical changes and global emergencies in the field of healthcare.

Comparative analysis includes both quantitative (export volume, growth rate, etc.) and qualitative approaches that affect trade results.

This methodological approach is based on two levels: longitudinal and cross-sectional. While the longitudinal study monitors changes over time inside particular countries, the cross-sectional analysis examines trade data across nations throughout the same time period. When taken as a whole, these viewpoints offer a deeper, more complex picture of the historical and spatial trends in international trade. Additionally, this method allows to identify emerging patterns and anomalies that may not be evident through single-case studies, enhancing the reliability and robustness of the conclusions. The use of official statistical sources further ensures that the data analyzed are consistent, accurate, and comparable across countries and time periods.

Data Sources: Official Statistical Databases

The study depends on its datasets provided by the Statistical Committee of the Republic of Armenia and a platform known as TradeMap, run by the International Trade Centre. Insights from ArmStat are comprehensive in that it offers information regarding Armenia's foreign trade determined according to country and goods. The main advantage of TradeMap is that it enables comparative analysis by situating Armenia's foreign trade performance within the context of global trade patterns.

The analysis centers on product categories that have had the largest quantities of exports classified on the basis of the Harmonized System codes, both

on the 2-digit and 4-digit level. The analysis will also encompass Armenia's trading partners that have contributed to a large share of worldwide exports in those specific categories.

The indicators were all calculated on an annual basis to ensure that there is uniformity in terms of periods. The exception is in relation to oil prices. In this field, more specialized indicators had to be developed because of its volatility.

ANALYSIS. The study will run from 2018 to 2024. The reason for this is that this period covers a number of significant global and regional occurrences that have had a long-lasting impact on global trade dynamics.

- The global economic downturn and subsequent recovery in response to the COVID-19 pandemic (2020-2021);
- The effect of the war between Russia and Ukraine (from 2022) on the structure of regional trade patterns;
- The domestic policies of Armenia were focused on diversification of foreign trade and export-led growth;
- The changes in Armenia's trade patterns in relation to the Eurasian Economic Union (EAEU) and European Union (EU) markets.

The period between 2018 and 2024 can be a critical point in a state of flux and adjustment for both global trade and the level of involvement of Armenia. Therefore, this period offers a good platform to execute an evaluation regarding the changes within global trade and how the status of Armenia has developed.

In the period of January-December 2024, global exports amounted to USD 23.9 trillion, which marks a modest year-on-year increase of 0.9%. If we look at the broader 2018–2024 period, the average annual growth rate of global exports stood at 5.0%, indicating a recovery trajectory tempered by intermittent shocks and structural realignments in the global trading system.

These dynamics of global export volumes and growth rates over the 2018–2024 period are summarized in Figure 1.

Between 2018 and 2024, the leading export categories at the 2-digit level of the Harmonized System (HS) classification were as follows:

1. **HS 85 – Electrical machinery and equipment, sound recorders and reproducers, and parts thereof**, with total global exports reaching USD 23.7 trillion;
2. **HS 27 – Mineral fuels, oils and products of their distillation, bituminous substances, and waxes**, amounting to USD 20.0 trillion in global exports;
3. **HS 84 – Nuclear reactors, boilers, machinery and mechanical appliances, and parts thereof**, with cumulative exports of USD 17.5 trillion.

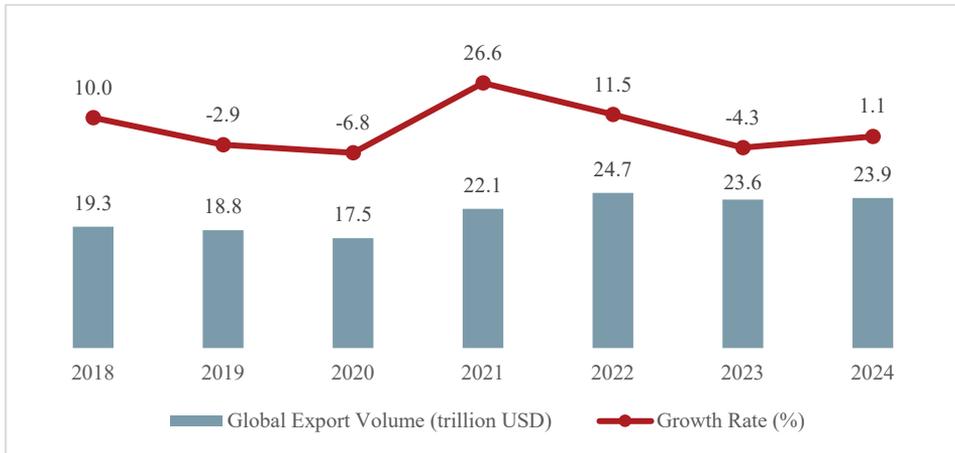


Figure 1. Global Export Volumes and Annual Growth Rates, 2018–2024 (USD Trillions, %)

In 2019, global exports contracted by 2.9%, with much of this decline traced to steep drops in HS 27 products. Most notably, shipments of mineral fuels and petroleum goods fell by 9.8%, representing a loss of around USD 260 billion—a figure that highlights just how sensitive this sector is to fluctuations in global energy demand and price swings. The trade conflict that broke out between the United States and China in 2018 also played a major role, especially for the energy market, where products like crude oil were particularly hard hit.

As tariffs and other trade barriers escalated between the world’s two largest economies, the consequences rippled well beyond their bilateral trade. The resulting uncertainty unsettled global markets, eroded confidence among both investors and buyers, and slowed the overall pace of trade growth.

In this climate of instability, both the volume and value of energy exports declined, dealing a disproportionate blow to resource-dependent economies whose fiscal health is tightly linked to stable and predictable energy revenues (Christieni, M., 2022).

The 2020 contraction in international trade was primarily due to a sudden fall in exports of mineral fuels and their products. This category – crude oil, refined petroleum, bituminous substances, and waxes – saw a reduction in export volumes of about USD 727.0 billion over the course of the period. Crude oil alone made up a USD 246.1 billion drop, largely because of the sharp decline in global oil prices during the time of pandemic-induced collapse and excess supply environments in energy markets. One of the principal oil benchmarks in the world, Brent crude, was USD 64.3 per barrel in 2019. In 2020, the average price dropped to USD 41.96 a barrel, mirroring the decrease in global demand due to the COVID-19 pandemic. On 21 April 2020, Brent crude oil reached USD 9.12 per barrel, representing the lowest price point during the pandemic, illustrating extreme market volatility. The shockingly low level of price signaled the sheer

magnitude of global economic shock and its enormous supply and demand imbalance in energy markets.

The dynamics of global oil price volatility during this period are illustrated in Figure 2.

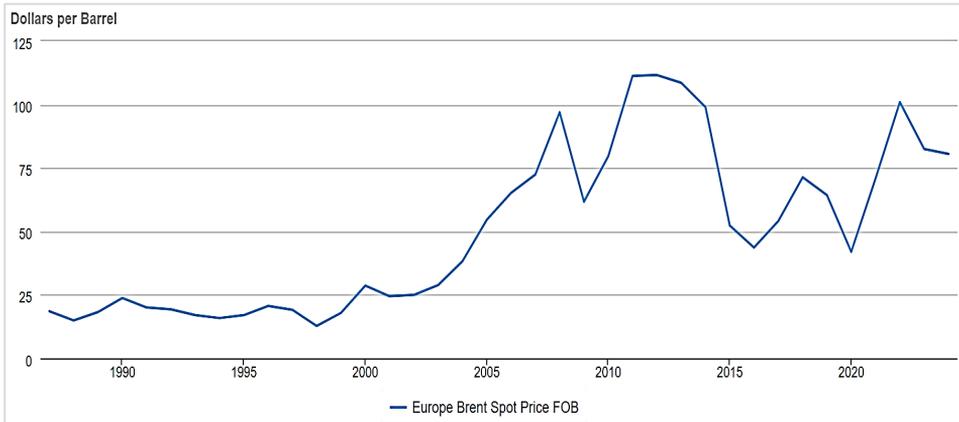


Figure 2. Brent Crude Oil Prices, 2018–2024 (USD per Barrel) ¹

Global trade experienced a sharp contraction in 2020, followed by a recovery in 2021 and continued growth in 2022. Export volumes increased to USD 22.1 trillion in 2021 and reached USD 24.7 trillion by 2022. This recovery was driven by the gradual normalization of global supply chains, renewed demand in key sectors, and the fiscal and monetary support measures introduced by major economies in response to the COVID-19 shock. These contraction and recovery dynamics of global exports during the pandemic period are illustrated in Figure 3.

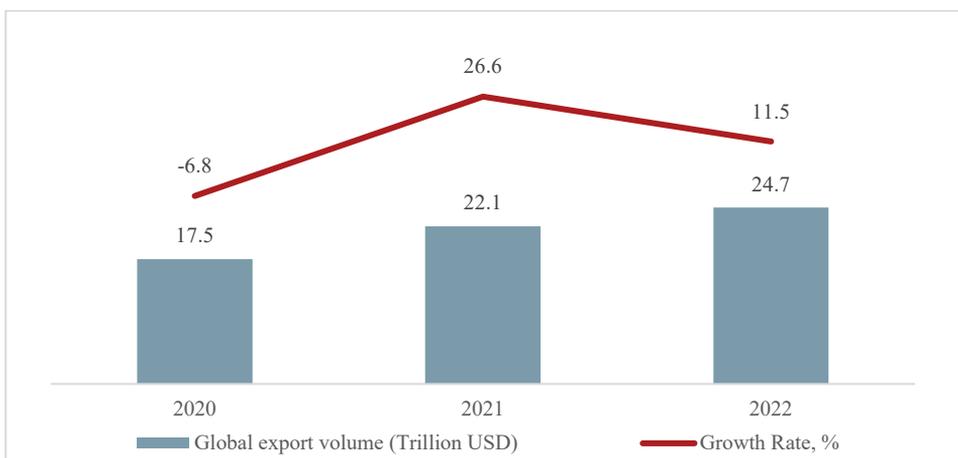


Figure 3. Global Export Growth and Contractions during the COVID-19 Pandemic, 2020–2022 (%)

¹ U.S. Energy Information Administration, 2025, <https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=RBRTE&f=A>

By 2023, global export volumes fell again, driven by falling flows of mineral fuels and petroleum products as defined in HS Code 27. This slump highlighted the sector's ongoing vulnerability to external shocks and a more general reshaping of global energy markets.

While overall export growth picked up again in 2024, petroleum exports fell further. Several factors contributed to this decline, including increased geopolitical instability, Western sanctions on major producers, the sudden pivot toward cleaner energy, and a gradual easing in global oil demand. Taken together, these developments speak to a bigger change in international trade structure, with conventional energy commodities taking a declining percentage of global exports. In 2024, the composition of global exports remained highly concentrated. Five key product groups at the 2-digit level of the Harmonized System (HS) accounted for slightly more than half—51.1%—of total world exports. This concentration demonstrates both the persistent importance of historic sectors of the industrial order and the strategic role that high-value, tech-intensive goods continue to play in shaping international trade.

The leading export categories were as follows:

1. Electrical machinery, equipment, and sound recording devices and components (HS 85)
2. Mineral fuels, petroleum, and related products (HS 27)
3. Nuclear reactors, boilers, and mechanical equipment (HS 84)
4. Vehicles other than railway or tramway rolling stock, and their parts (HS 87)
5. Precious metals and stones (HS 71)

The relative shares of these leading product categories are illustrated in Figure 4.

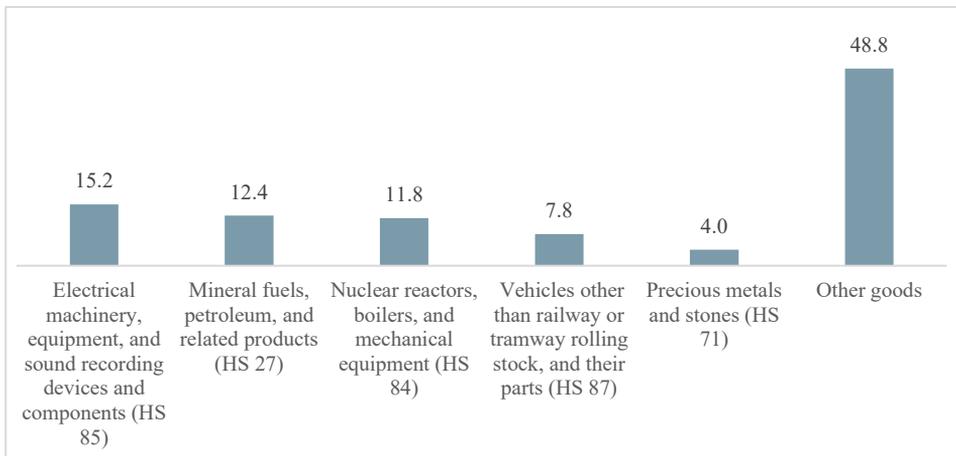


Figure 4. *Share of Leading Product Categories in Global Exports, 2024 (%)*

From 2018 to 2024, global export activity remained concentrated among three major economies. China led the way as the world's largest exporter, with cumulative exports reaching USD 21.5 trillion over the seven years. In 2024

alone, China exported USD 3.6 trillion worth of goods, reflecting its ongoing dominance in manufacturing, electronics, and machinery. The United States came in second, with cumulative exports of around USD 12.6 trillion between 2018 and 2024. In 2024, U.S. exports totaled USD 2.1 trillion, driven primarily by advanced technology, aerospace products, and energy goods. Germany held its place as Europe's top exporter, recording total exports of USD 11.1 trillion during the period. German exports reached USD 1.7 trillion in 2024, supported largely by industrial equipment. These figures underscore the lasting structural strength of advanced industrial economies in global trade and their ability to withstand economic disruptions.

The distribution of global exports across major product categories over the 2018–2024 period is illustrated in Figure 5, providing a visual representation of the shares held by different sectors.

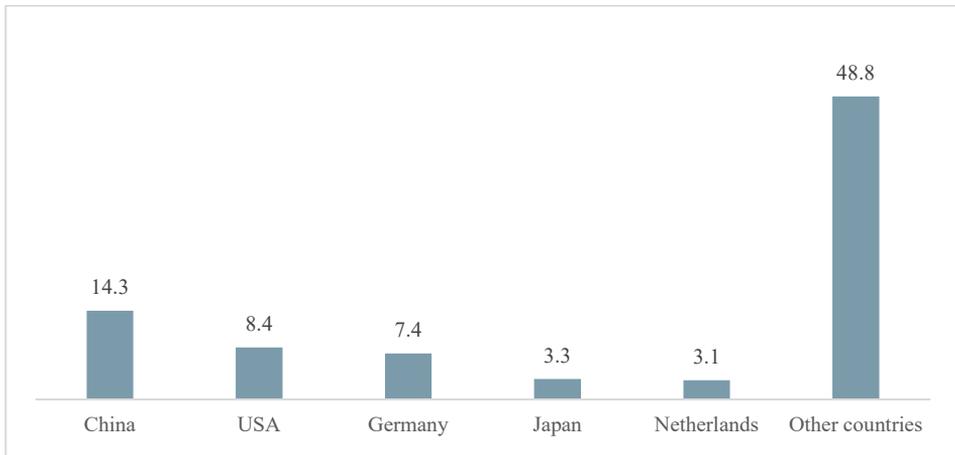


Figure 5. Distribution of Global Exports by Product Categories, 2018–2024 (%)

Armenia's foreign trade turnover grew at an average annual rate of 27.6% between 2015 and 2024, signaling increasing integration in both regional and global markets, as well as a notable increase in import and export activity. This strong upward momentum underscores the success of Armenia's efforts in trade liberalization, economic diversification, and expanding market access over the last decade (see Figure 1)². The evolution of Armenia's foreign trade turnover during this period is illustrated in Figure 6, highlighting the annual growth trends and overall expansion in trade volumes.

² Statistical Committee of the Republic of Armenia – <https://www.armstat.am/en/?nid=12&id=10001>

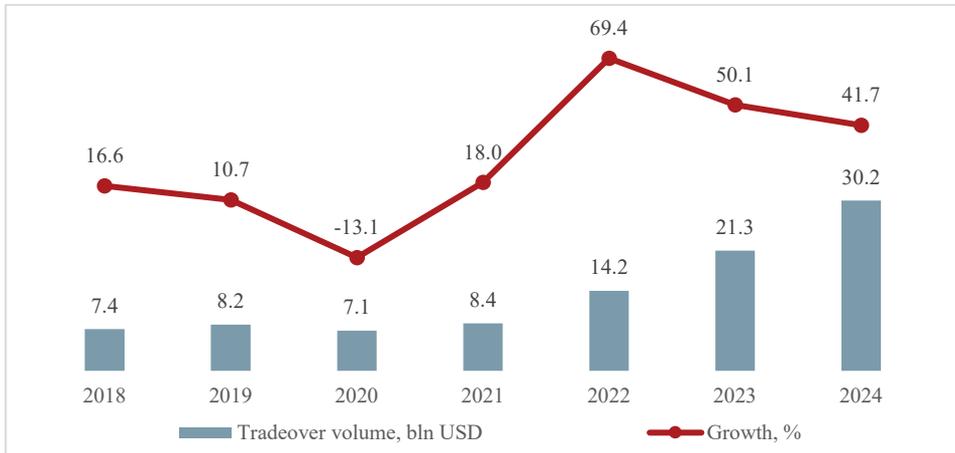


Figure 6. Armenia's Foreign Trade Turnover, 2015–2024 (USD billion)

In the post-COVID period, Armenia's foreign trade turnover accelerated significantly, driven by notable increases in both exports and imports. However, the trade balance remained negative, amounting to – USD 4.0 billion in 2024.

Table 1

Armenia's Exports, Imports, Trade Turnover, and Trade Balance, 2018–2024 (USD Millions)³

VOLUME, BILLION US DOLLARS							
	2018	2019	2020	2021	2022	2023	2024
Exports, billion USD	2.4	2.6	2.5	3.0	5.4	8.6	13.1
Imports, billion USD	5.0	5.5	4.6	5.4	8.8	12.8	17.1
Trade turnover, billion USD	7.4	8.2	7.1	8.4	14.2	21.3	30.2
Balance (exports-imports)	-2.6	-2.9	-2.0	-2.3	-3.4	-4.2	-4.0
GROWTH COMPARED TO PREVIOUS YEAR, %							
	2018	2019	2020	2021	2022	2023	2024
Export growth, %	7.8	9.7	-4.2	18.9	79.7	57.8	53.1
Import growth, %	21.4	11.1	-17.4	17.5	63.7	45.4	33.7
Trade turnover growth, %	16.6	10.7	-13.1	18.0	69.4	50.1	41.7

Between 2021 and 2023, export growth outpaced the growth of imports; however, in absolute terms, the volume of imports continued to exceed that of exports.

In 2024, re-exports accounted for USD 8.9 billion, which made up 68.7% of Armenia's total export value. The share of re-exports has risen steadily since 2021, with most of the growth coming from goods classified as HS 7108 "Gold, unwrought or semi-manufactured, or in powder form." That year, gold re-exports alone totaled USD 5.6 billion, representing 62.8% of all re-export activity.

³ Here and hereinafter, the source is the Statistical Committee of the Republic of Armenia: <https://www.armstat.am/en/?nid=160>, unless otherwise specified.

Figure 7 illustrates Armenia’s re-export volumes and their share of total exports from 2021 to 2024, highlighting the prevailing dominance of gold in the country’s export structure.

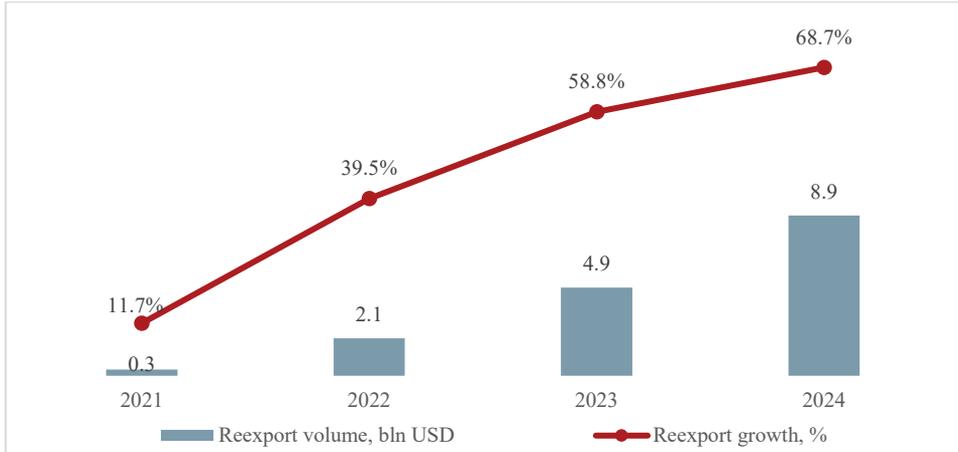


Figure 7. Armenia’s Re-export Volumes and Share of Total Exports, 2021–2024 (USD Billions, %)

Armenia's exports grew significantly between 2018 and 2023, with an average annual growth of 31.8 percent. During this period, re-exports continued to contribute largely to Armenia's volume of exports.

Figure 8 illustrates Armenia’s total exports and their annual percentage changes from 2018 to 2024, providing a clear view of the growth dynamics and the contribution of re-exports to overall export performance.

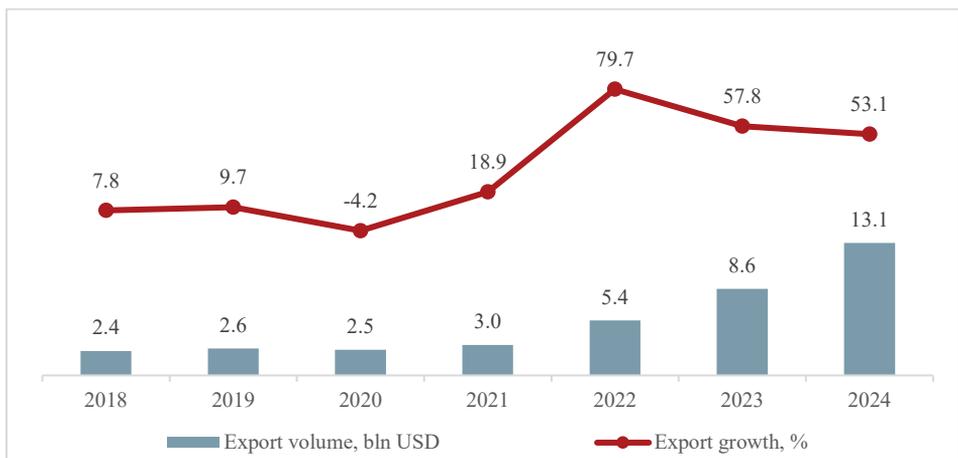


Figure 8. Armenia’s Total Exports and Annual Percentage Change, 2018–2024 (USD Billions, %)

In 2024, Armenia's share in global exports grew to 0.05 percent. The figure grew by 0.01 points from the previous year and is 0.04 points higher than in 2018. Although it is still a small share, this is indicative of Armenia's gradual integration into global trade patterns.

Figure 9 illustrates Armenia’s share in global exports by year from 2018 to 2024, providing a clear view of its gradual increase and integration into global trade.

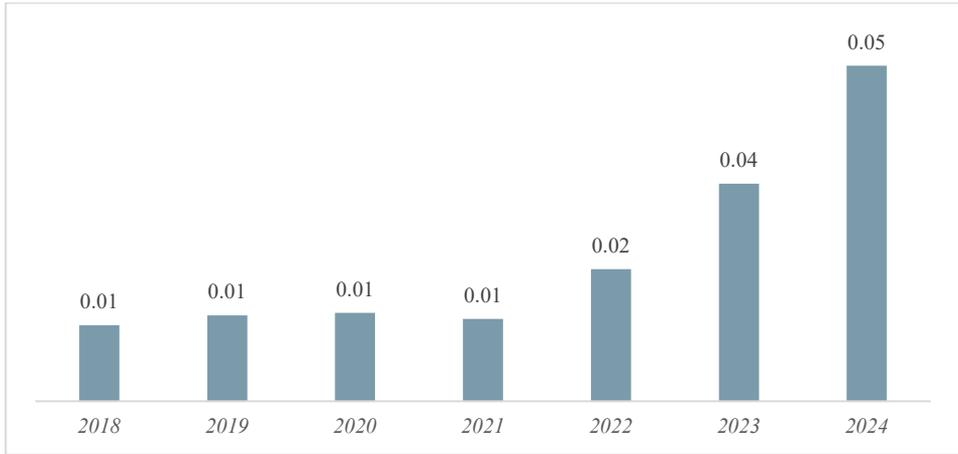


Figure 9. Armenia’s Share in Global Exports by Year, 2018–2024 (%)

Between 2018 and 2024, Armenia’s key export products at the 2-digit level of the Harmonized System classification accounted for a combined 51.6% of total exports. The main product groups were:

- HS 71 – Natural or cultured pearls, precious or semi-precious stones, and precious metals**, with an export value of USD 13.4 billion;
- HS 26 – Ores, slag, and ash**, totaling USD 5.0 billion;
- HS 85 – Electrical machinery, equipment, and sound recording devices and parts**, with total exports of USD 2.7 billion.

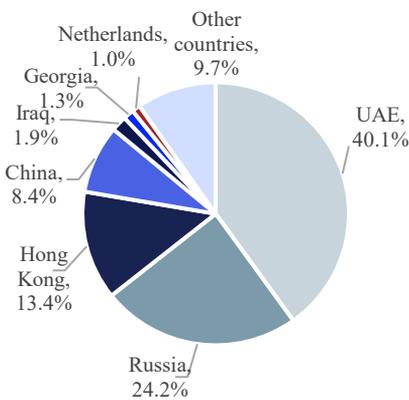


Figure 10. Armenia’s Exports by Partner Country in 2024, Share of Total Exports (%)

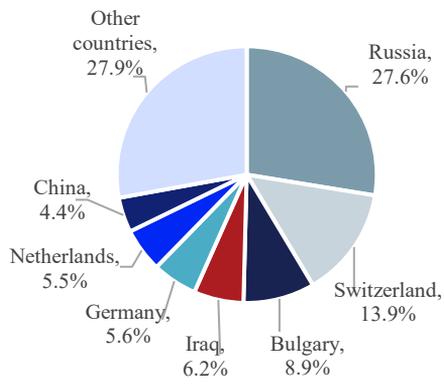


Figure 11. Armenia’s Exports by Partner Country in 2018, Share of Total Exports (%)

In January–December 2024, the following products were the top export items from Armenia (growth rates shown relative to the same period in 2023):

- **Unwrought or semi-manufactured gold, including in powder form** – USD 5,605.3 million (3.1 times higher);
- **Jewelry** – USD 899.4 million (up by 80.3%);
- **Telephone and telegraph apparatus, modems, and parts** – USD 672.5 million (up by 25.6%);
- **Copper ores and concentrates** – USD 558.3 million (up by 15.6%);
- **Unwrought or semi-manufactured silver, including in powder form** – USD 552.7 million (12.8 times higher).

Together, these five categories accounted for 63.3% of Armenia’s total exports in 2024. Notably, unwrought or semi-manufactured gold alone represented 42.8% of total exports, underscoring its prevailing dominance in the country’s export structure.

Figure 12 illustrates Armenia’s top 10 export products by value in January–December 2024, providing a clear visual representation of both the composition and growth of key export commodities.

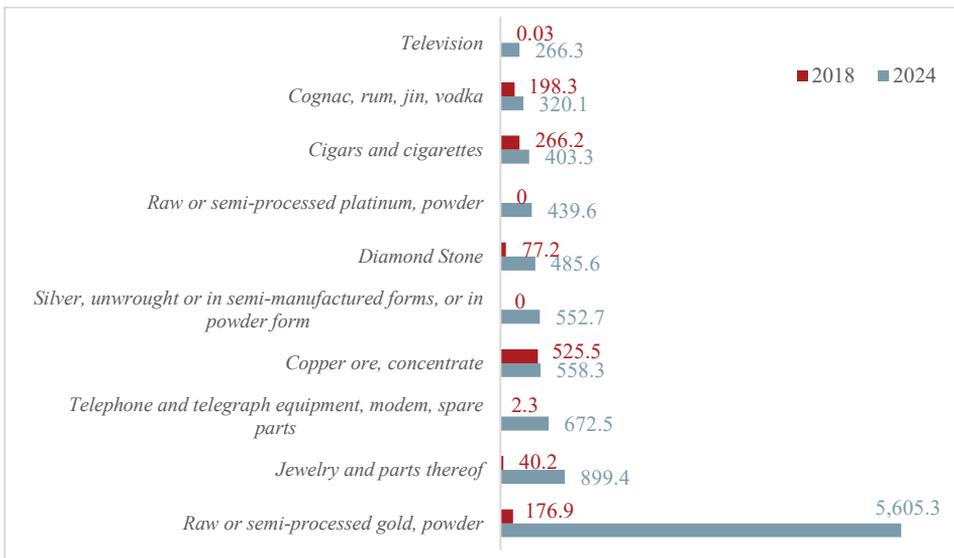


Figure 12. Armenia’s Top 10 Export Products by Value, January–December 2024 (USD Millions)

Armenia's export performance, while reflecting some common global tendencies, was also characterized by some particularities. Over the 2018–2024 period, Armenia's exports increased dramatically—from USD 2.4 billion in 2018 to USD 13.1 billion in 2024—corresponding to a compound annual growth rate of about 31.8%. That was far above the world average and reflects the deepening integration of Armenia into regional and international markets.

Much of this growth, though, was re-export-driven, driven in particular by gold (HS 7108), which covered more than 42% of all exports in 2024 alone. As for what Armenia exports, the country follows global trends in high-value products like electrical apparatus (HS 85) and precious stones (HS 71).

To better illustrate the structure of Armenia's exports in 2024, it is necessary to distinguish between goods of domestic origin and re-exported products. This distinction is particularly important given the dominant role of re-exports in recent export growth. The following figure presents the ten largest export product categories in 2024, disaggregated by exports of Armenian origin and re-exports, allowing for a clearer assessment of the underlying structure and sources of export expansion.

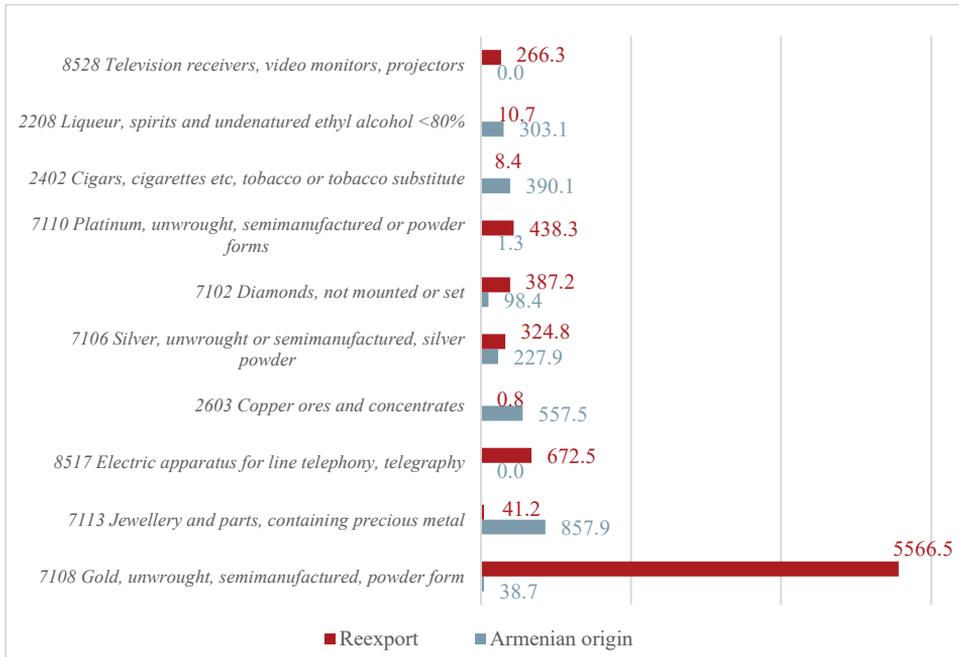


Figure 13. *Export Volume by Type for the Top 10 Exported Products of Armenia, 2024 (USD billion)*

However, whereas the overall world trend is towards greater diversification—increasing shares of service and technologically advanced items—Armenia's base of exports has been comparatively limited. In addition, Armenia depends almost entirely on a few partners. The UAE, Russia, Hong Kong, and China alone together accounted for over 86% of its exports in 2024, a level of concentration that is to be viewed against the increasingly diverged geography of global trade. Although Armenia has grown its volumes of trade and experienced high demand for valuable commodities, its export structure failed to follow the global trend in greening and digitization. Therefore, although Armenia is becoming more active within the world trading system, the current composition of its exports may restrict its ability to keep pace with long-term global trends in demand.

DISCUSSION. The Armenian export industry has grown significantly thanks to favorable export demand and a vibrant trade policy.

However, the dynamics of this growth are highly sensitive. The overdependence of this growth on re-exports, especially that of gold, raises

concerns about the sustainability of export growth. In addition to a lack of value addition and sectoral growth in Armenia, this country is still highly sensitive to changes in export prices and trading regimes.

However, there is a huge scope for export diversification in this country. The sectors that have huge growth potential in this country are agro-product processing, information and digital services, and a few sectors in manufacturing in which this country has a competitive edge in relation to its human resources and its strategic location between Eurasia and Europe. Apart from this, development in digital trade infrastructure and more development support to small and medium-scale exporting businesses can provide new avenues for trade activity in this country.

The domestic export of Armenia itself is still a minor factor in global trading, with a mere 0.05% share in 2024. Nonetheless, its robust export growth shows its growing involvement in value chains for specialized sectors like re-exports of gold and electronics. Armenia's success has come with a growing geographic concentration of trade. Just four trading partners were responsible for more than 86% of Armenia's exports in 2024.

Such a localized perspective creates greater political risk and demand variability for Armenia. However, Armenia's strategic position as a gateway between Eurasia and the Middle East also provides Armenia with opportunities to function as a transit and logistics gateway between intercontinental regions. As a result of regional initiatives for integration and reducing reliance on a few strategic markets, this can promote Armenia's sustainability.

In a policy context, Armenia is left to walk a tight rope in its trading relations—remaining under the umbrella of the Eurasian Economic Union and Russia as partners, while striving to simultaneously promote its trading ties with the EU and Asia. Adopting this strategic position has its challenges and opportunities. In this context, Armenia can find itself less exposed to regional fluctuations while asserting itself as a more proactive actor in the dynamics of global trading patterns.

CONCLUSIONS. The above analysis highlighted the trend in global trade between 2018 and 2024. Against this backdrop of changes in the global trading order and amidst a modest growth in global trade that has been interrupted by extreme instances like the COVID-19 pandemic and resultant globalization tensions, there has been a steep increase in export numbers for Armenia.

However, Armenia's export structure did not resemble that of the rest of the world. As many economies transitioned toward more service and technology-oriented trade flows, Armenia continued to export re-exports of precious metals and focused this trade on a very few partners.

Armenia's deeper integration into the global trading system faces several structural obstacles:

1. Overemphasis on re-exports mainly consisting of unwrought gold, which raises doubts about the sustainability and stability of export growth.
2. Strong geographical concentration of trade, making the country more vulnerable to geopolitical and market-related risks.
3. Low domestic value added and a narrow sectoral base that limits opportunities for sustained competitiveness.
4. Susceptibility to changes in world market prices and other shocks that can significantly impact trading performance.

Prospective Directions

In order to promote more sustainable and inclusive trade development, Armenia needs a strategy that targets structural transformation. The key sectors for this are:

1. Increasing the production and export of locally manufactured high-value-added goods to diversify away from reliance on re-exports.
2. Using digital technological advances to promote trade in services relating to information and communication technology.
3. Enhancing infrastructure in transportation, logistics, and trade facilitation to upgrade Armenia's role as a regional transit and distribution hub.
4. Facilitating a more diversified export structure through an emphasis on capacity development in areas such as agro-processing, green technology, and knowledge-based sectors.

Based on information and comparisons offered in this paper, the following policies are proposed that will improve Armenia's trading and integration into the global economy:

- Dependence on re-exports can be reduced by investing in upstream processing and value chains in areas like mining and metals.
- Armenia needs to diversify its export markets through entering into new trade agreements and strengthening its presence in existing ones, to regions like South Asia, MENA, and Central Europe, where Armenia has less presence.
- Improving trading infrastructure through technology-driven digital platform integration and simplified customs procedures to conform to global standards.
- Support small and medium-sized enterprises in their efforts to reach export markets through targeted assistance in the form of technical support and market intelligence.
- Integrate trade strategies and policies with worldwide trends on sustainability and digitalization to better position Armenia to take an active role in a more sustainable and technology-driven global production network.

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