

White Paper on International Economy and Trade 2025 Contents

Part I	Escalating Uncertainty at a Critical Juncture of the International Economic Order (IEO)	1
Chapter 1	A vulnerable global economy and the tariff shock.....	1
Section 1	Global economy in 2024 reliant on U.S. growth.....	1
Section 2	China's economic downturn and underconsumption structure	5
Section 3	Worsening global economic outlook due to the tariff shock	10
Chapter 2	Heightening uncertainty	12
Section 1	Protectionism and trade conflicts.....	12
Section 2	Risks of overcapacity and overdependence.....	19
Section 3	Geopolitical risks and economic security perceptions.....	21
Section 4	Shifting power balances involving Global South countries	24
Section 5	Diverse responses to digitalization and green transitions	26
Column 1	GPR Index for major countries and regions	28
Chapter 3	Economic impacts of uncertainty	30
Section 1	Structural increase of uncertainty	30
Section 2	Economic effects of uncertainty	38
Chapter 4	Impact of geopolitical distance on world trade	42
Section 1	Geopolitical distance.....	42
Section 2	Impact on world trade.....	47
Part II	Inclusiveness, Economies of Scale and Asymmetric Dependence, and Service Value Added	52
Chapter 1	Structural changes facing the international economic order.....	52
Section 1	Widening inequality and social divisions.....	52
Section 2	Digitalization transforming cross-border transactions of services.....	64
Section 3	Green transition and trade	96
Section 4	Supply chain resilience and critical minerals.....	113
Section 5	Industrial policy and the international economic order.....	126
Chapter 2	The impact of China's industrial development on trade and investment	142
Section 1	China's industrial fundamentals	142
Section 2	China's industrial development mechanisms	160
Section 3	Case studies of specific industries	166
Section 4	The impact of industrial development on trade and investment.....	179
Section 5	Trade and investment relations of the ROK, ASEAN and India.....	201
Chapter 3	The transformation of Japan's trade and investment structure	229
Section 1	International balance of payments structure	230
Section 2	Trade in Goods.....	250

Section 3	Cross-border transactions of goods and services	268
Section 4	Global strategies of manufacturing and content industries	296
Section 5	Co-creation with Global South countries	335