



DHL Global Connectedness Index – 2019 Update

Six Key Take-Aways

1. The world's level of connectedness declined in 2018, reversing part of the gains that had propelled it to a record high in 2017. The DHL Global Connectedness Index was pulled down by capital flows, even as flows of trade, information, and people intensified.
2. In spite of escalating trade tensions, trade remained resilient during 2018. However, this strength has not extended into 2019: The proportion of global output traded internationally declined during the first half of the year.
3. China's reliance on exports to the US was falling sharply even before the US-China trade war started. The country's faster growth, however, has meant that US imports from China had stabilized rather than shrinking relative to the size of the US economy.
4. The average distance across which countries trade has held steady since 2012. Data on global flows through 2018 do not indicate a robust shift from globalization to regionalization.
5. Digital technologies are transforming information flows. However, after nearly two decades in which growth of cross-border communications far outpaced domestic communications, both seem to be expanding at more similar rates now.
6. While the world is more connected than at almost any previous point in history, international flows are far smaller than most people presume. Most business still takes place within rather than across national borders.