



Ten Key Take-aways

- 1 **Global connectedness started to deepen again in 2013 after its recovery stalled in 2012.** Nonetheless, trade growth is sluggish, capital flows have yet to recover to pre-crisis levels, and the overall depth of global connectedness remains quite limited - lower than many people think - implying trillions of dollars in potential gains from boosting it.
- 2 **Advanced economies have not kept up with the big shift of economic activity to emerging economies.** This leads to declining breadth of global connectedness. Counteracting this trend would require more companies in advanced economies to boost their capacity to tap into faraway growth.
- 3 **Emerging economies are reshaping global connectedness and are now involved in the majority of international interactions.** The 10 countries where global connectedness increased the most from 2011 to 2013 are all emerging economies. However, in terms of their integration into international capital, information, and people flows, emerging economies still lag far behind.
- 4 **A decades-long trend toward trade regionalization has gone into reverse.** In fact, every type of trade, capital, information, and people flow measured on the DHL Global Connectedness Index stretched out over greater distances in 2013 than in 2005.
- 5 **Europe is the world's most globally connected region,** with 9 of the 10 most connected countries. European countries average the highest scores with regard to trade and people flows, and North America is the leading region on capital and information flows.
- 6 **Southeast Asian economies stand out for their high depth scores relative to what one would expect given structural characteristics** such as their size and level of economic development. The top 5 outperformers were Malaysia, Vietnam, Cambodia, Hong Kong SAR (China), and Singapore.



- 7 **The largest average increases in global connectedness from 2011 to 2013 were observed in countries in South and Central America and the Caribbean.** Eight of the countries with the largest increases were in that region or in Sub-Saharan Africa. Middle East and North Africa was the only region to suffer a large drop in its connectedness.
- 8 **The directionality of flows provides important guidance to policymakers in both the public and the private spheres.** Its relevance is enhanced by the fact that imbalances in the majority of international flows have grown over time.
- 9 **Looking ahead, the biggest threats to globalization may come from policy fumbles or protectionist interventions rather than macroeconomic fundamentals.** Even after the IMF's latest downward revision, the world economy is still projected to grow faster from 2014 to 2019 than over any of the past three decades.
- 10 **Which globalization index you use matters.** The DHL Global Connectedness Index is the only one of the established indexes that registers a big post-crisis drop-off in the overall level of globalization.