



# Fast Facts: Commonwealth Trade and Investment

## Overview

Trade is a powerful tool for building inclusive, sustainable and resilient economies and societies across the 56 Commonwealth member countries. Trade and investment are also indispensable for advancing the Sustainable Development Goals (SDGs), particularly in areas such as poverty reduction, food security, gender equality, decent work and economic growth.

A strong and resilient Commonwealth advantage - reflected in lower trade costs for Commonwealth countries when they trade with each other - continues to drive growth in trade and investment among Commonwealth members. Through harnessing this advantage, Commonwealth leaders have announced an ambitious long-term vision to grow intra-Commonwealth trade to US\$2 trillion by 2030.

## Highlights

### The Commonwealth's global trade

- The total value of the Commonwealth's worldwide exports of goods and services reached **\$4.8 trillion** in 2022, accounting for **15%** of global trade.
- The Commonwealth services trade has grown rapidly, particularly trade in digitally deliverable services. In 2022, these services accounted for **65%** of the Commonwealth's total services exports, valued at **\$921 billion**.

### The Commonwealth advantage

- Bilateral trade costs between Commonwealth countries are **21% lower**, on average, compared to costs when trading with non-member countries.
- Commonwealth countries trade **20% more** with each other, on average, than with non-members.
- These advantages arise due to the Commonwealth's historical ties, common language, familiar legal systems, similar administrative practices and large and dynamic diasporas, which help to lower communication costs, enable greater flows of information and reduce the cost of doing business.
- These factors also contribute to a significant Commonwealth advantage in investment. The value of announced greenfield foreign direct investment (FDI) flows between Commonwealth countries was 3.5 times greater, on average, compared to other country pairs from 2003 to 2022.

### Intra-Commonwealth trade

- The value of intra-Commonwealth trade in goods and services reached a record high of **\$854 billion** in 2022.
- Developing countries contributed **72%** of intra-Commonwealth exports in 2022, up from 66% in 2015.
- In 2022, intra-Commonwealth exports of goods and services accounted for **18%** of members countries' global exports. For

Commonwealth developing countries collectively, this share is around **25%**.

- Commonwealth small states and LDCs depend the most on intra-Commonwealth trade. On average, **26%** of small states' goods and services trade is with other Commonwealth members, and this share is **24%** for LDCs.
- The value of intra-Commonwealth exports is expected to surpass **\$1 trillion** by 2026.

#### *Intra-Commonwealth food trade*

- More than two-thirds of the Commonwealth membership (40 of 56 countries) are net importers of essential food products, making trade and investment critical for food security.
- Intra-Commonwealth food trade, valued at **\$53 billion** in 2022 - or **24%** of member countries' total food imports - plays a vital role in ensuring food security, particularly for the Commonwealth's developing nations and small island states. For developing Commonwealth countries, this reliance rises to **34%**, and for Pacific small island developing states it reaches **82%**.
- Food trade between Commonwealth members is **22% higher** compared to non-members. This increases to **33%** when Commonwealth countries are part of the same trade agreement.

#### **Global investment in the Commonwealth**

- Commonwealth countries collectively held **\$10.4 trillion** in FDI stock in 2023, representing **21%** of global FDI inward stock.

- The Commonwealth attracted nearly one-fifth (**19%**) of all global FDI flows in 2023, worth **\$254 billion**; and FDI flows to the Commonwealth have grown faster than the worldwide average since 2015.
- Global greenfield investments - a subset of overall FDI - announced in Commonwealth countries were collectively valued at **\$355 billion** in 2023.
- These greenfield investments are estimated to have created more than **2.1 million jobs** since 2021, including nearly 1.4 million in developing member countries.
- The distribution of inward FDI stocks and flows to the Commonwealth is highly uneven and heavily concentrated in a small number of Commonwealth members.

#### **Intra-Commonwealth investment**

- Intra-Commonwealth FDI stock has doubled since 2015 and was valued at **\$1.7 trillion** in 2022.
- FDI flows between Commonwealth countries reached **\$172 billion** in 2022. These flows have more than quadrupled in value since 2015.
- Greenfield investments announced between Commonwealth countries were worth **\$77 billion** in 2023.

**For more information, visit:**

<https://thecommonwealth.org/our-work/trade-and-economy>