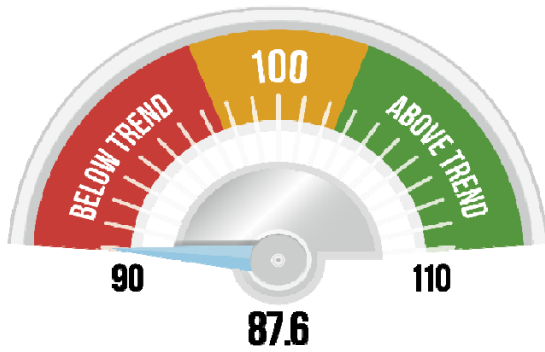


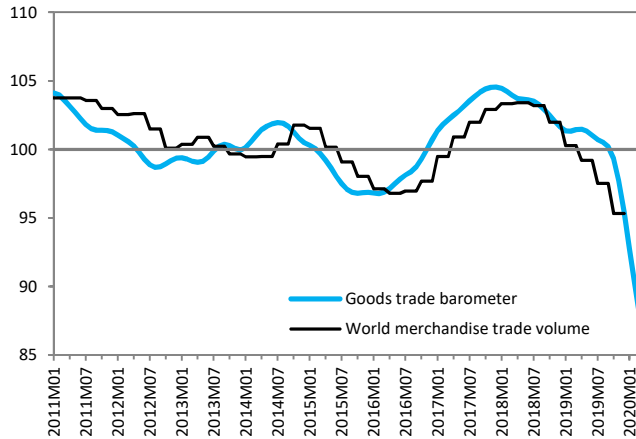
WTO goods barometer flashes red as COVID-19 disrupts world trade

Goods trade barometer

Index value, Mar 2020

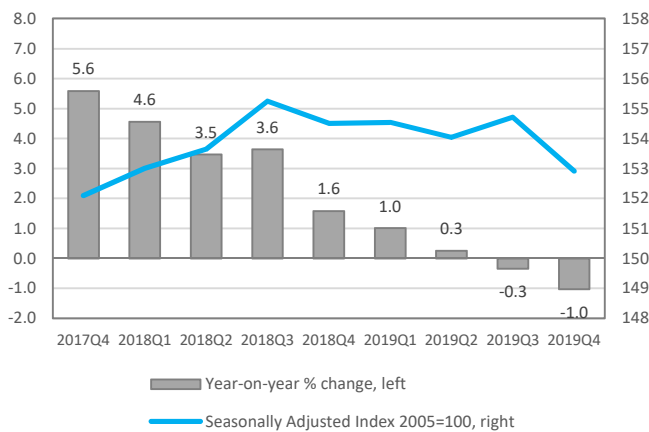


Index history, trend = 100



The WTO's Goods Trade Barometer provides real-time information on the trajectory of world trade relative to recent trends. The current reading of 87.6 is down sharply from the 95.5 recorded in February 2020, suggesting a steep decline in global goods trade. The barometer captures the initial phases of the COVID-19 outbreak and shows no sign of the trade slump bottoming out yet. It is consistent with the WTO's trade forecast issued in April, which projected a decline in world merchandise trade of between 13% and 32% in 2020.

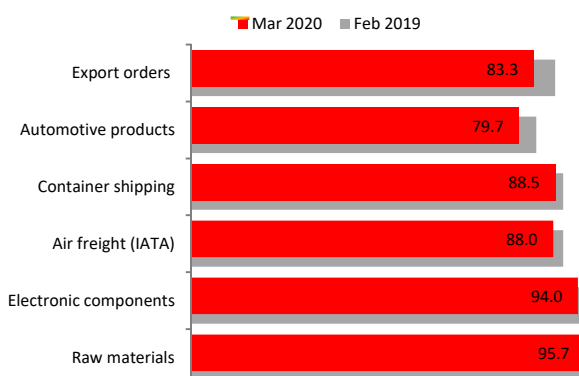
World merchandise trade volume



World trade was already slowing in 2019 before the COVID-19 outbreak. WTO trade statistics show that the volume of world merchandise trade shrank by 0.1% in 2019, marking the first annual decline since 2009, during the global financial crisis. Trade was relatively weak in the final quarter of 2019, but this is unlikely to have been influenced by COVID-19, which was first detected very late in the year. The seasonally-adjusted volume of world merchandise trade in Q4 was down 1.0% year-on-year and 1.2% compared to the previous quarter. Growth was held back by persistent trade tensions and by slowing economic activity in major economies.

Drivers of goods trade

Component index values, trend = 100



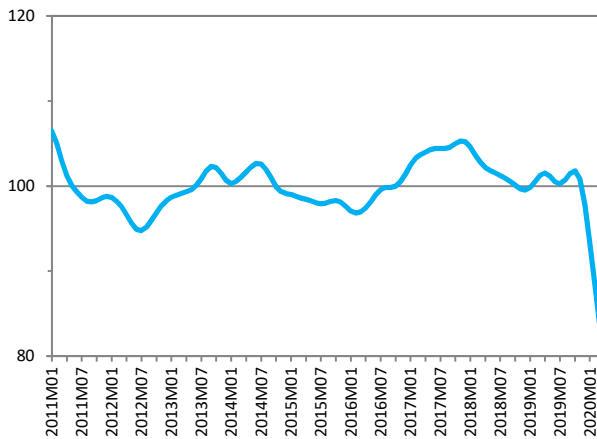
All of the barometer's component indices are currently well below trend. The automotive products index (79.7) was weakest of all due to collapsing car sales in major economies. The sharp decline export orders (83.3) suggests that weak trade growth will persist in the short-run. Weak demand for traded goods is also reflected by drops in indices for container shipping (88.5) and air freight (88.0). Only the indices for electronic components (94.0) and agricultural raw materials (95.7) show signs of stability, although they remain below trend.

Component indices

Export orders

(Index, trend = 100)

83.3

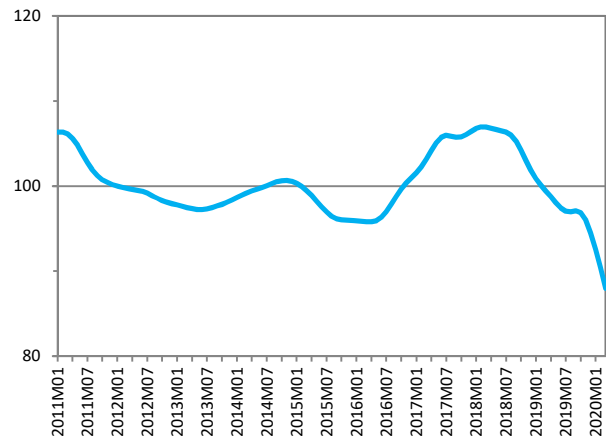


Source: IHS Markit.

International air freight (IATA)

(Index, trend = 100)

88.0

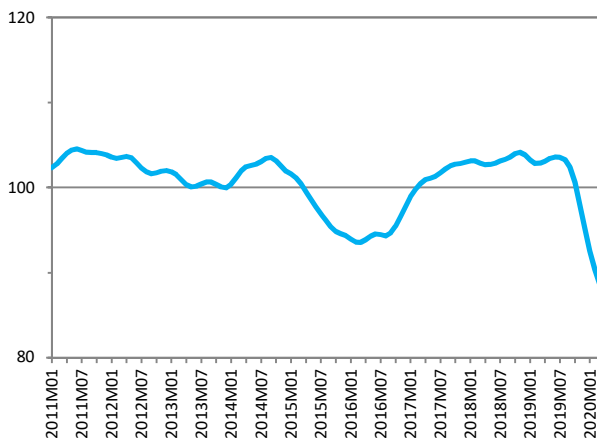


Source: IATA.

Container port throughput

(Index, trend = 100)

88.5

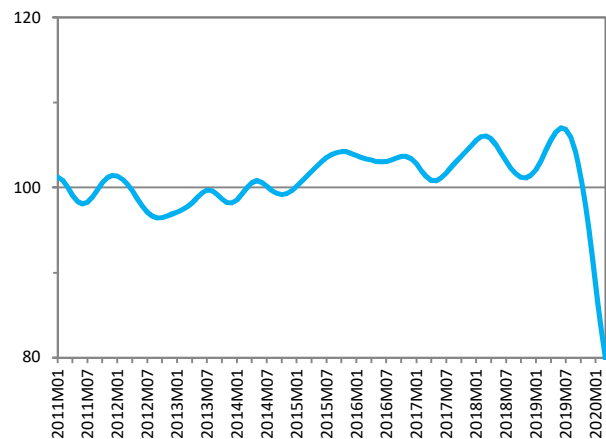


Source: ISL.

Automobile production and sales

(Index, trend = 100)

79.7

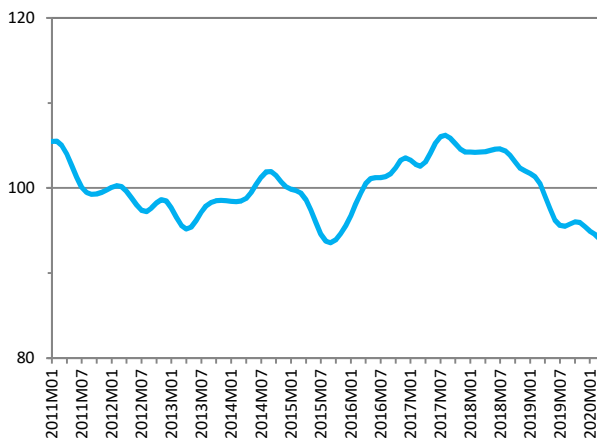


Source: Federal Reserve Bank of St. Louis, ACEA, JAMA, National Bureau of Statistics China.

Electronic components

(Index, trend = 100)

94.0

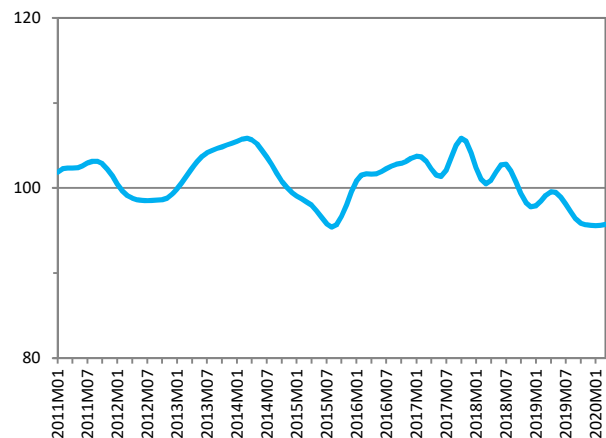


Source: TDM.

Agricultural raw materials

(Index, trend = 100)

95.7



Source: TDM.



Data on international air freight courtesy of the International Air Transport Association (IATA). Air freight has proved to be a very timely indicator of overall world trade and an early signal of turning points in recessions. Further information and analysis available here:

Background: [http://www.iata.org/publications/economic-briefings/Air freight and world trade.pdf](http://www.iata.org/publications/economic-briefings/Air_freight_and_world_trade.pdf)

IATA Quarterly Analysis: <http://www.iata.org/cargochartbook/monthly-analysis>

Other sources: WTO Secretariat for quarterly merchandise trade volume, TDM Trade Data Monitor database for electronic components and agricultural raw materials, Institute for Shipping Economics and Logistics for container throughput. Export orders from IHS-Markit Global PMI.

Details on the methodology of the trade outlook indicator are available on the WTO website at the following address:

https://www.wto.org/english/news_e/news19_e/methodology_wtoi_15aug19_e.pdf

Short-term WTO trade statistics (quarterly and monthly) can be obtained here:

https://www.wto.org/english/res_e/statis_e/short_term_stats_e.htm

The WTO issues a separate semi-annual trade forecasts projecting trade growth over two years. The latest release is available for download here:

https://www.wto.org/english/news_e/pres20_e/pr855_e.htm