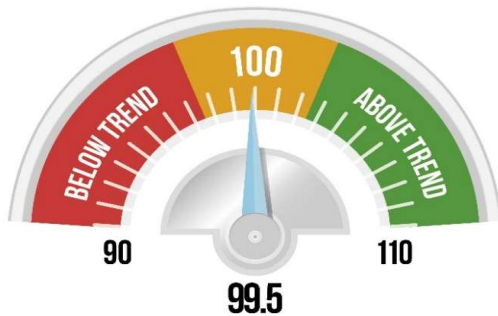


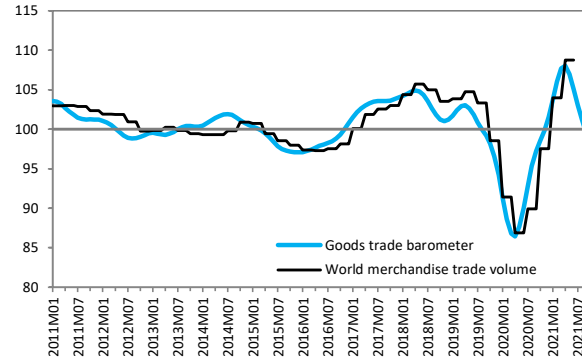
## Goods Barometer points to slowing trade growth due to disruptions in critical sectors

### Goods trade barometer

Index value, September 2021 = 99.5

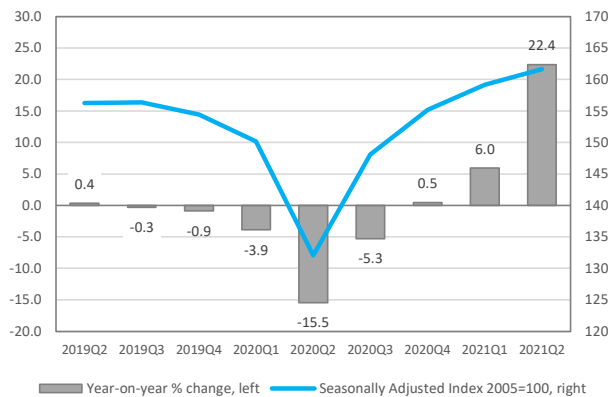


Index history, trend = 100



The Goods Trade Barometer is a composite leading indicator for world trade, providing real-time information on the trajectory of merchandise trade relative to recent trends. The latest reading of 99.5 is close to the baseline value of 100 indicating growth in line with recent trends, but it also represents a sharp drop from the previous reading of 110.4 last August, suggesting a reduction in the pace of quarterly trade expansion. The decline in the barometer reflects some combination of tapering import demand and disrupted production and supply of widely traded goods such as automobiles and semiconductors.

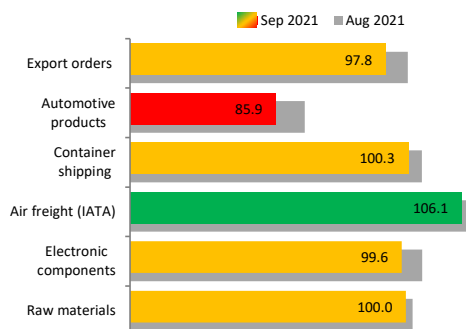
### World merchandise trade volume



As expected, merchandise trade recorded a strong year-on-year increase in Q2, up 22.4% due to the recovery of demand for imported goods and the depth of the trade slump in 2020 during the first wave of the pandemic. The current barometer reading suggests that merchandise trade volume growth should slow in the second half of the year. This indication is consistent with the WTO's most recent trade forecast of 4 October, which foresaw global merchandise trade volume growth of 10.8% in 2021 followed by a 4.7% rise in 2022. The forecast also showed quarterly trade growth slowing in the second half of 2021. A cooling of import demand could ease port congestion but is unlikely to eliminate it as long as container throughput remains near record levels.

### Drivers of goods trade

Component index values, trend = 100

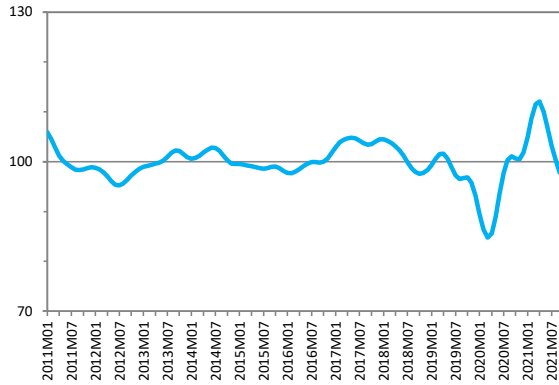


All of the barometer's component indices were declining in the latest period, reflecting a broad loss of momentum in global goods trade. The steepest decline was seen in the automotive products index (85.9), which dropped below trend as a shortage of semiconductors hampered vehicle production. This shortage was also reflected in the electronic components index (99.6), which fell from above trend to on trend. Indices for export orders (97.8), container shipping (100.3) and raw materials (100.0) also returned to near recent trends. Only the air freight index (106.1) remained firmly above trend as shippers sought substitutes for ocean transport as backlogs accumulated in major ports.

## Component indices

### Export orders

(Index, trend = 100)

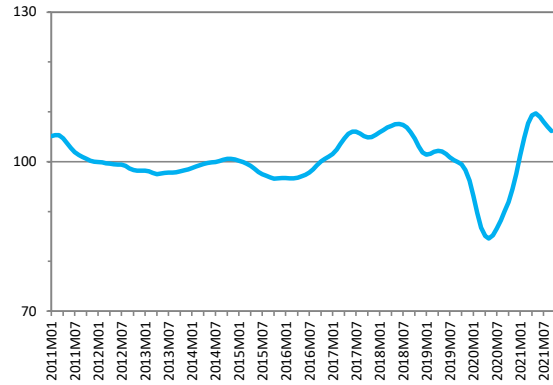


Source: IHS Markit.

97.8

### International air freight (IATA)

(Index, trend = 100)

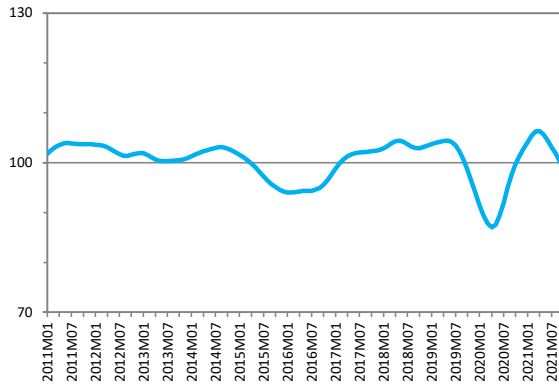


Source: IATA.

106.1

### Container port throughput

(Index, trend = 100)

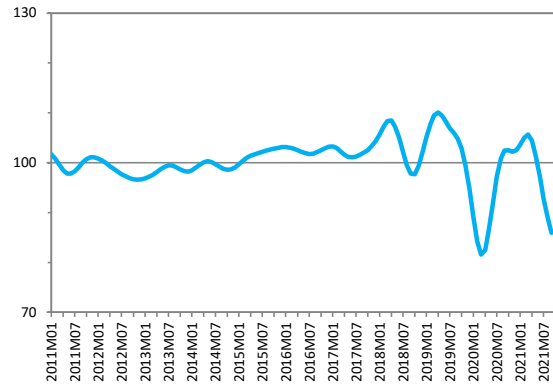


Source: ISL.

100.3

### Automobile production and sales

(Index, trend = 100)

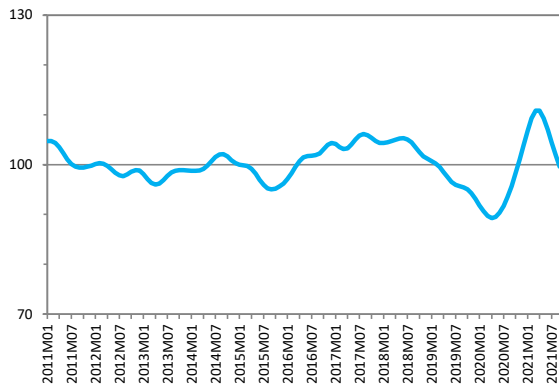


Source: Federal Reserve Bank of St. Louis, ACEA, JAMA, National Bureau of Statistics China.

85.9

### Electronic components

(Index, trend = 100)

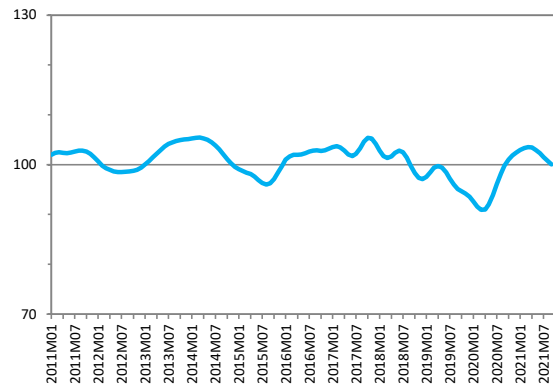


Source: TDM.

99.6

### Agricultural raw materials

(Index, trend = 100)



Source: TDM.

100.0



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:

<https://www.iata.org/en/publications/economics/>

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/news20\\_e/methodology\\_wtoi\\_19aug20\\_e.pdf](https://www.wto.org/english/news_e/news20_e/methodology_wtoi_19aug20_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](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/pres21\\_e/pr876\\_e.htm](https://www.wto.org/english/news_e/pres21_e/pr876_e.htm)