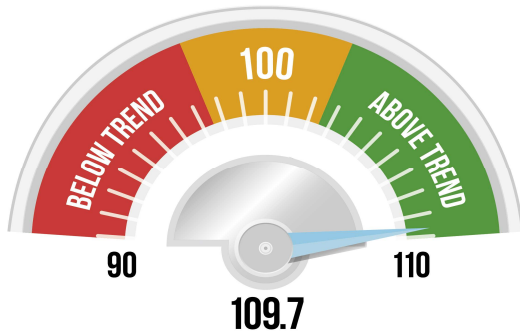


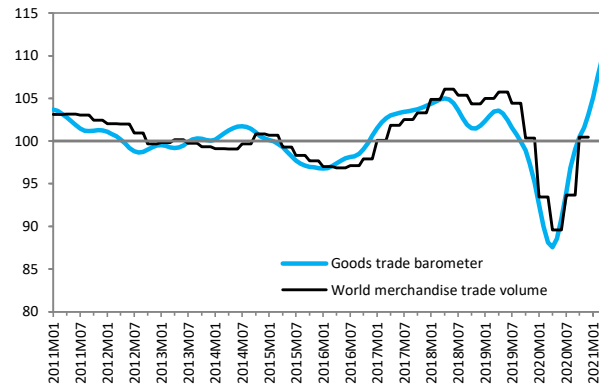
Goods barometer shows strength of trade recovery, depth of COVID-19 shock

Goods trade barometer

Index value, March 2021 = 109.7

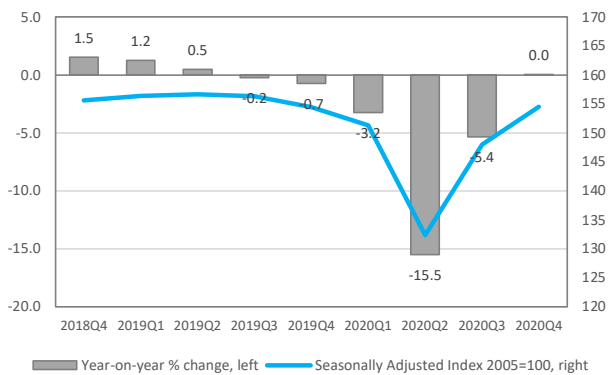


Index history, trend = 100



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 109.7 is nearly 10 points above the baseline value of 100 for the index and up 21.6 points year-on-year, reflecting both the strength of the current recovery and the depth of the pandemic-induced shock last year. The latest Barometer reading is broadly in line with the WTO's current trade forecast (31 March), which foresees an 8% pickup in merchandise trade volumes in 2021.

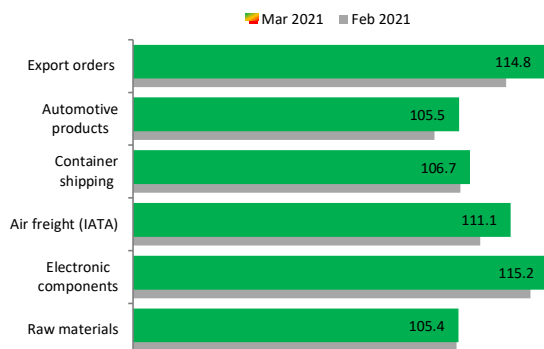
World merchandise trade volume



Global trade has been recovering since the second quarter of 2020, when the spread of the COVID-19 virus prompted lockdowns in many countries and triggered a steep drop in world trade. The volume of merchandise trade was down 15.5% year-on-year in Q2, when lockdowns were in full effect, but by Q4 trade had surpassed the level from the same period in 2019. Quarterly trade volume statistics for the first and second quarters of 2021 have not been released yet, but when they are they are expected to show very strong year-on-year growth, partly due to the recent strengthening of trade and partly as a result of the trade collapse last year.

Drivers of goods trade

Component index values, trend = 100

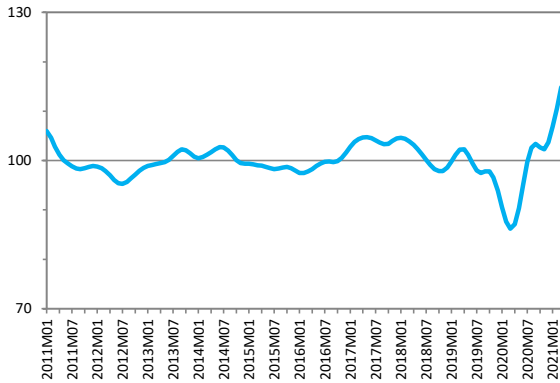


All of the Barometer's component indices were above trend in the latest month, reflecting the broad-based nature of the recovery. All indices were also rising, suggesting accelerating growth. The biggest gains were seen in the most forward-looking components, including export orders (114.8), air freight (111.1) and electronic components (115.2). The indices for automotive products (105.5) and raw materials (105.4, mostly wood intended for home building) may signal rising consumer sentiment. Finally, container shipping (106.7) has held up well throughout the pandemic.

Component indices

Export orders

(Index, trend = 100)

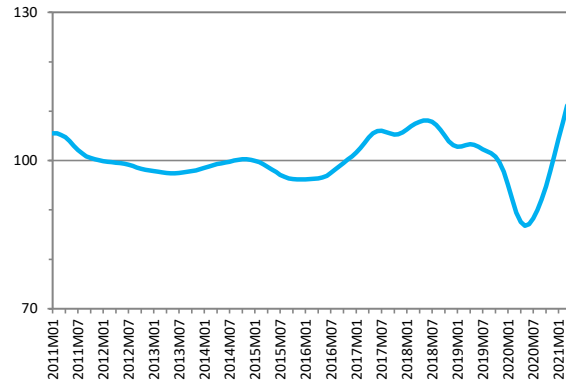


Source: IHS Markit.

114.8

International air freight (IATA)

(Index, trend = 100)

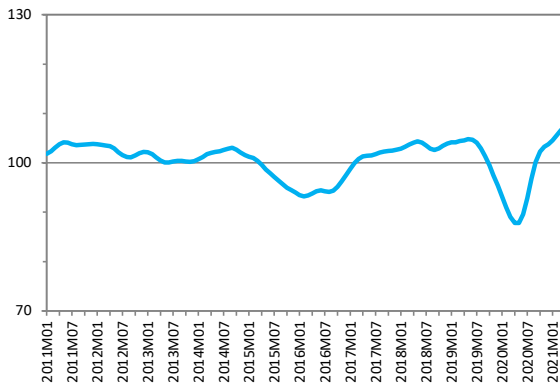


Source: IATA.

111.1

Container port throughput

(Index, trend = 100)

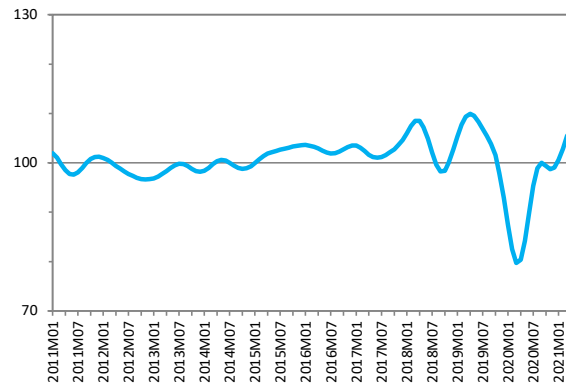


Source: ISL.

106.7

Automobile production and sales

(Index, trend = 100)

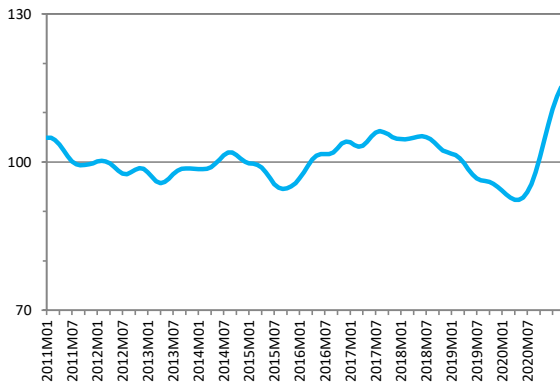


Source: Federal Reserve Bank of St. Louis, ACEA, JAMA, National Bureau of Statistics China.

105.5

Electronic components

(Index, trend = 100)

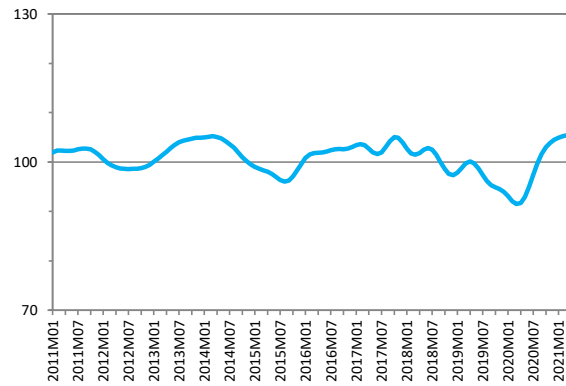


Source: TDM.

115.2

Agricultural raw materials

(Index, trend = 100)



Source: TDM.

105.4



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

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/pres21_e/pr876_e.htm