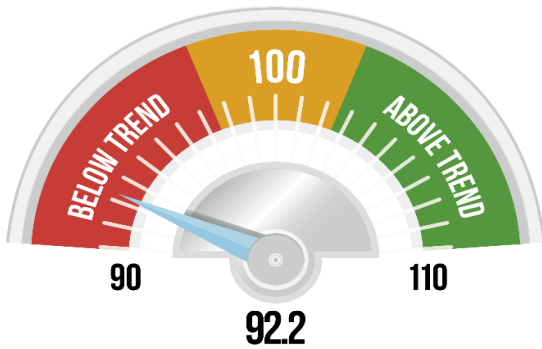


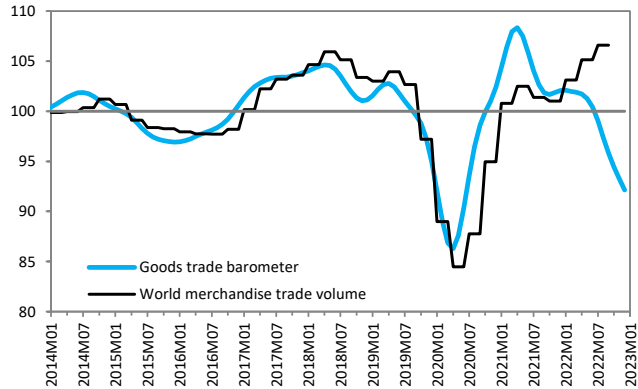
Goods barometer declines further, hinting at fourth quarter trade slump

Goods trade barometer

Index value, December 2022 = 92.2

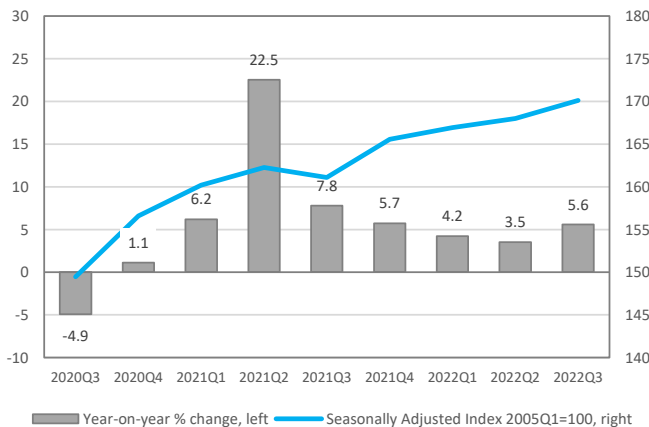


Index history, trend = 100



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 92.2 for the barometer index (represented by the blue line above) is below the baseline value of 100 and well below the merchandise trade volume index (represented by the black line), suggesting that trade volume indices for 2022Q4 of 2023Q1 are likely to be below trend once statistics for these periods are available.

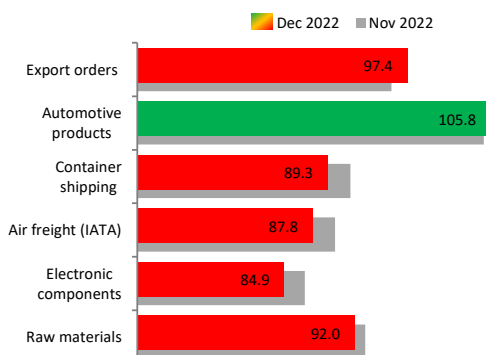
World merchandise trade volume



World merchandise trade volume growth was unexpectedly strong in the third quarter of 2022, registering a 5.6% increase compared to the same quarter in the previous year. Cumulative year-on-year growth in the first three quarters of 2022 was 4.4%, above the WTO's forecast from last October of a 3.5% increase for the year. Preliminary trade volume statistics and other trade related indicators suggest that quarter-on-quarter trade volume growth will probably turn negative in Q4 of 2022, bringing actual trade growth for the year more in line with the forecast. The anticipated trade slowdown may be short lived, since container throughput of Chinese ports has already started to pick up.

Drivers of goods trade

Component index values, trend = 100



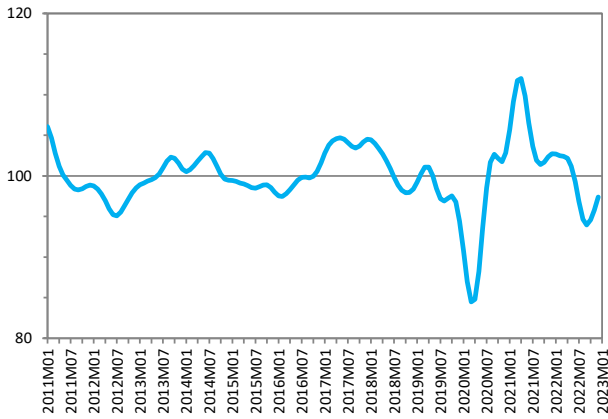
All of the barometer's component indices have fallen below trend except the automotive products index (105.8), which was buoyed by above-trend sales and production figures for the United States, Europe and Japan, outweighing declines in China. The export orders index (97.4) remains below trend but is rising, hinting at a possible upturn in the near future. Meanwhile, indices for container shipping (89.3), air freight (87.8), electronic components (84.9) and raw materials (92.0) are all below trend and falling, suggesting that weakness in trade is broad-based, impacting many sectors.

Component indices

Export orders

97.4

(Index, trend = 100)

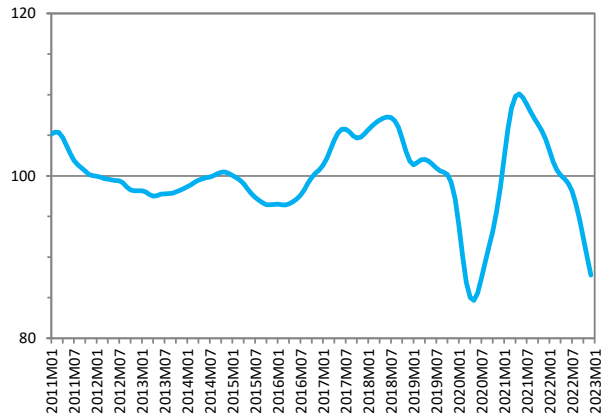


Source: IHS Markit.

International air freight (IATA)

87.8

(Index, trend = 100)

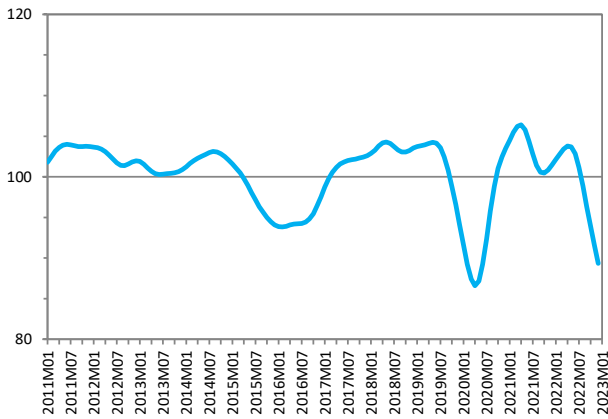


Source: IATA.

Container port throughput

89.3

(Index, trend = 100)

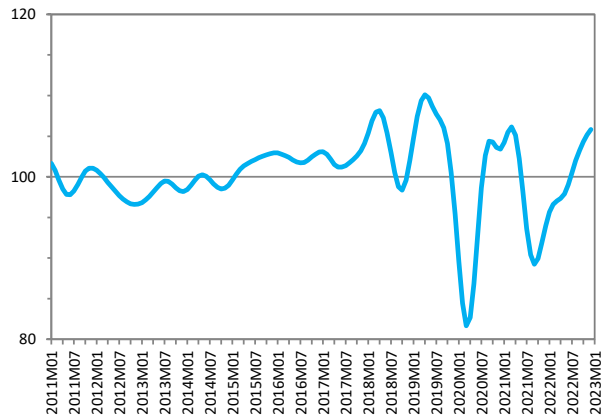


Source: ISL.

Automobile production and sales

105.8

(Index, trend = 100)

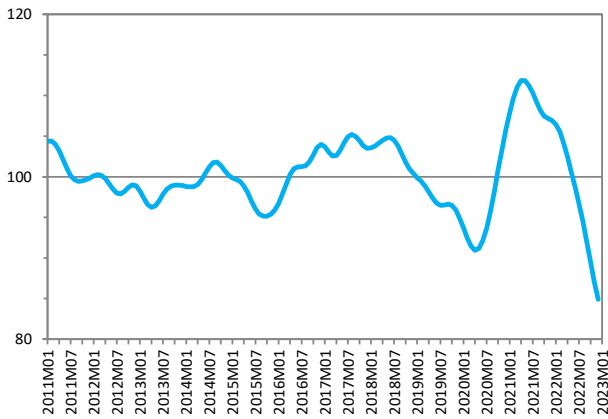


Source: Federal Reserve Bank of St. Louis, ACEA, JAMA, National Bureau of Statistics China.

Electronic components

84.9

(Index, trend = 100)

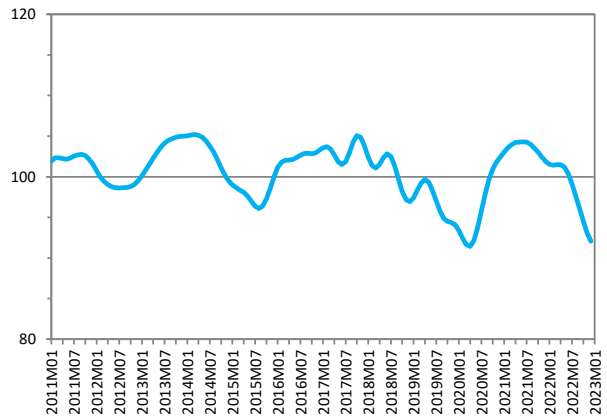


Source: TDM.

Agricultural raw materials

92.0

(Index, trend = 100)



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:

<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/latest_trends_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/pres22_e/pr909_e.htm