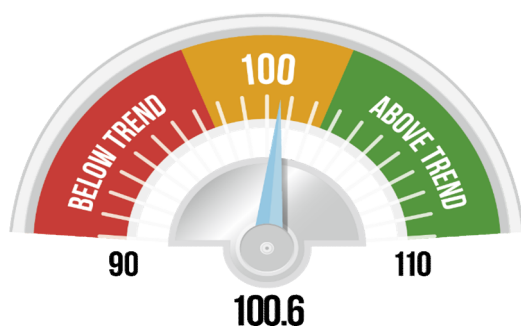


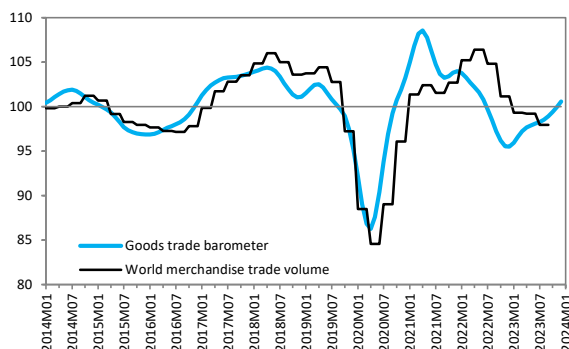
Goods barometer continues to signal weak upward momentum in trade

Goods trade barometer

Index value, December 2023 = 100.6

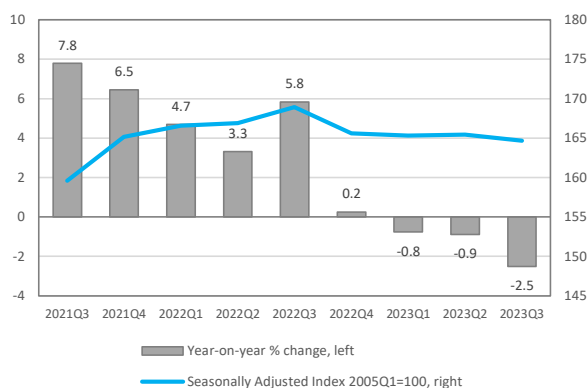


Index history, trend = 100



The Goods Trade Barometer is a composite leading indicator of world trade, providing an early indication of the trajectory of merchandise trade volume relative to recent trends. The current value of 100.6 for the barometer index (represented by the blue line above) is above the quarterly trade volume index (represented by the black line) but only slightly above the baseline value of 100. This suggests that merchandise trade should start to show some modest gains the first part of 2024, but these could be easily derailed by regional conflicts and geopolitical tensions.

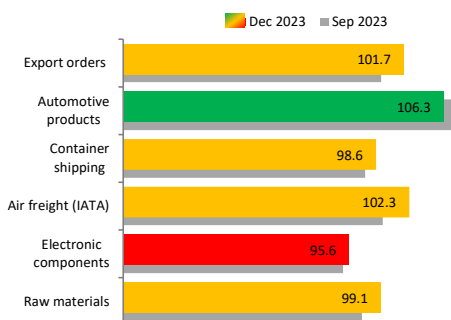
World merchandise trade volume



In the third quarter of 2023, the volume of world merchandise trade was down 0.4% compared to the previous quarter and 2.5% compared to the same period in 2022. The steep year-on-year drop in Q3 was mostly due to relatively strong growth in the first three quarters of 2022, which was followed by a slump in Q4. Goods trade was mostly flat last year, with volume in Q3 nearly unchanged since the start of the year and up just 3.2% over two years. These developments are more negative than the WTO's most recent forecast of 5 October 2023, which predicted 0.8% growth in merchandise trade in 2023.

Drivers of goods trade

Component index values, trend = 100

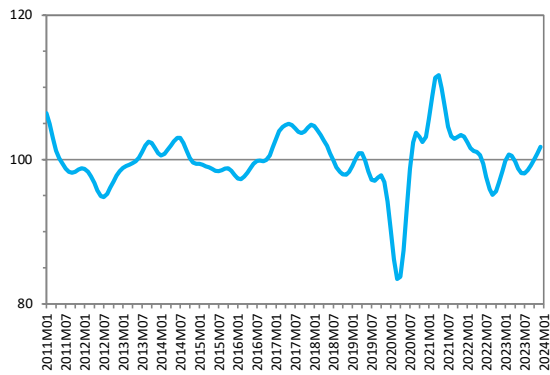


Component indices are mostly neutral, with indicators of export orders (101.7) and air freight (102.3) rising slightly above trend and measures of container shipping (98.6) and raw materials trade (99.1) remaining slightly below trend. The index automobile production and sales (106.3) remains well above trend although it has lost momentum recently. Meanwhile, a seemingly sharp rebound in electronic components trade has been revised away (95.6). Goods trade is expected to pick up in 2024 as it rebounds from below-average growth in 2023, but uncertainty remains high due to the prevalence of downside risks.

Component indices

Export orders

(Index, trend = 100)

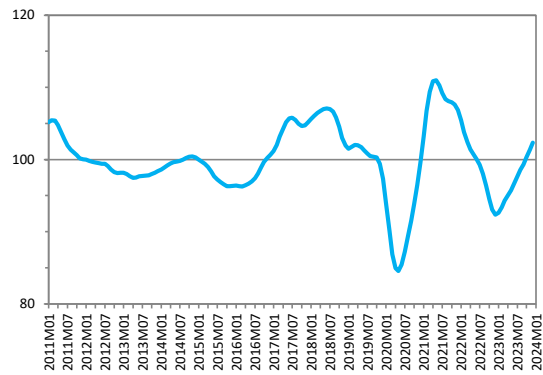


Source: IHS Markit.

101.7

International air freight (IATA)

(Index, trend = 100)

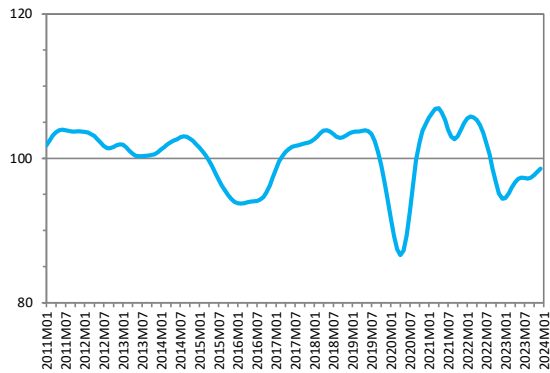


Source: IATA.

102.3

Container port throughput

(Index, trend = 100)

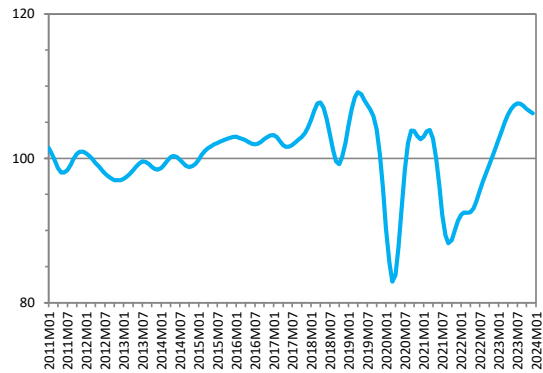


Source: ISL.

98.6

Automobile production and sales

(Index, trend = 100)

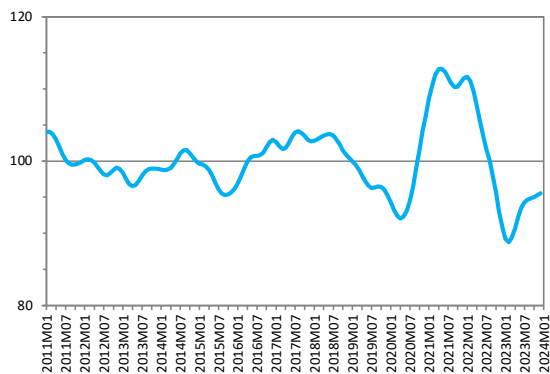


Source: Federal Reserve Bank of St. Louis, ACEA, JAMA, National Bureau of Statistics China.

106.3

Electronic components

(Index, trend = 100)

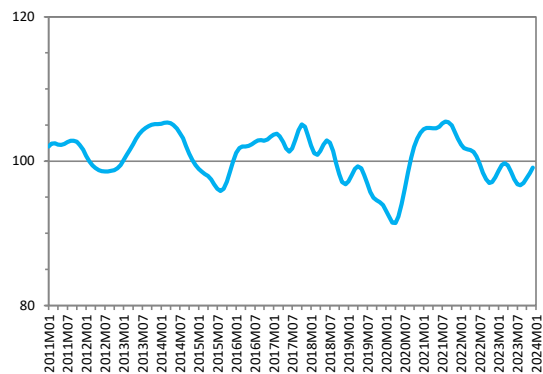


Source: TDM.

95.6

Agricultural raw materials

(Index, trend = 100)



Source: TDM.

99.1



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/statistics_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/res_e/booksp_e/gtos_updt_oct23_e.pdf