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WORLD TRADE 2010, PROSPECTS FOR 2011

Trade growth to ease in 2011 but despite 2010 record surge, crisis hangover persists

Following the record-breaking 14.5% surge in the volume of exports in 2010 world trade growth should settle to a more modest 6.5% expansion in 2011. The sharp rise in trade volumes last year enabled world trade to recover to its pre-crisis level but not its long-term trend and WTO economists believe the recent series of important events around the world lend a greater degree of uncertainty to any forecast.

"The figures show how trade has helped the world escape recession in 2010," WTO Director-General Pascal Lamy said. "However, the hangover from the financial crisis is still with us. High unemployment in developed economies and sharp belt-tightening in Europe will keep fuelling protectionist pressures. WTO Members must continue to be vigilant and resist these pressures and to work toward opening markets rather than closing them. "Stability" should be the name of the game for 2011".

The 14.5% rise was the largest annual figure in the present data series which began in 1950 and was buoyed by a 3.6% recovery in global output. It was a rebound from the 12% slump in 2009, returning trade to the 2008 peak level and to more normal rates of expansion. Nevertheless, the financial crisis and global recession continue to have an impact, they said.

For 2011, the economists are forecasting a more modest 6.5% increase, but with uncertainty about the impact of a number of recent events, including the earthquake and tsunami in Japan. If achieved, this would be higher than the 6.0% average yearly increase between 1990 and 2008 (Chart 1).

These figures refer to growth in the volume of world trade, i.e., trade in real terms, adjusted for changes in prices and exchange rates. The projection is based on a consensus estimate of global output growth by economic forecasters, who predict a GDP growth rate of 3.1% in 2011 at market exchange rates.

The factors that contributed to the unusually large drop in world trade in 2009 may have also helped boost the size of the rebound in 2010. These include the spread of global supply chains and the product composition of trade compared to output. Global supply chains cause goods to cross national boundaries several times during the production process, which raises measured world trade flows compared to earlier decades. The quantification of this effect would require data on trade in value added that are not currently available. The goods that were most affected by the downturn (consumer durables, industrial machinery, etc.) have a larger share in world trade than in world GDP, which increased the magnitude of the trade slump relative to GDP in 2009, and which had a similar positive effect during the recovery of 2010.

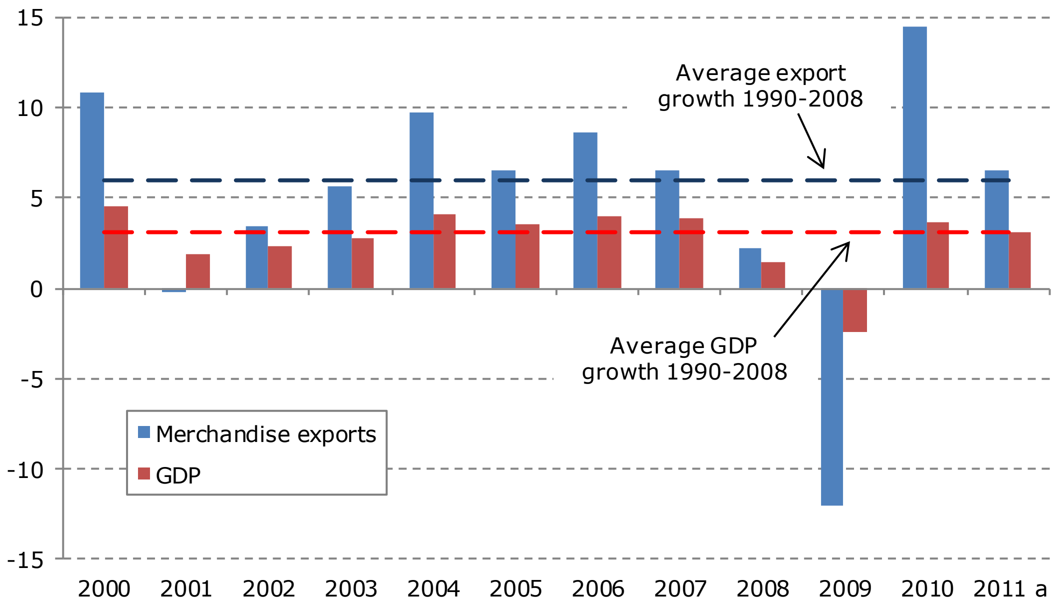
The short-term outlook is clouded by a number of significant risks factors in addition to the catastrophes in Japan. These include rising prices for food and other primary products, and unrest in major oil exporting countries. Adverse developments in any of these areas could potentially set back the economic recovery and limit the expansion of trade in the coming year.

The full impact of the Japanese disaster is particularly difficult to gauge since it is complicated by a simultaneous nuclear incident, which is hampering relief and rebuilding efforts. The limited amount of research on the economic consequences of natural disasters suggests, however, that the trade impact should be relatively small, especially in the in the medium-to-long term.

Higher prices for primary commodities and the extraordinary growth of trade in developing Asia helped boost the combined share of developing economies and the Commonwealth of Independent States (CIS) in world exports to 45% in 2010, its highest ever.

Developed economies recorded export growth of nearly 13% in 2010, compared to a 16.5% average increase in the rest of the world. China's exports increased in 2010 by a massive 28% in volume terms.

Chart 1: Growth in volume of world merchandise trade and GDP, 2000-11 [a]
Annual % change



a Figures for 2011 are projections.
Source: WTO Secretariat.

Putting the trade recovery into perspective

Although the growth of world exports in 2010 was the fastest on record in a data series going back to 1950, it might have been even faster if trade had quickly reverted to its pre-crisis trend. This did not happen. The rebound was strong enough for world exports to recover their peak level of 2008, but it was not strong enough to bring about a return to the previous growth path (Chart 2).

The 3.6% growth rate of world GDP for 2010 is also less robust than it might appear at first glance. It was above its average rate of 3.1% between 1990 and 2008, but it was far from a record. In fact, world GDP growth equalled or exceeded 4% several times in recent years, including 1997, 2000, 2004 and 2006. Considering the depressed level of world output in 2009, growth in this range or higher would not have been surprising in 2010.

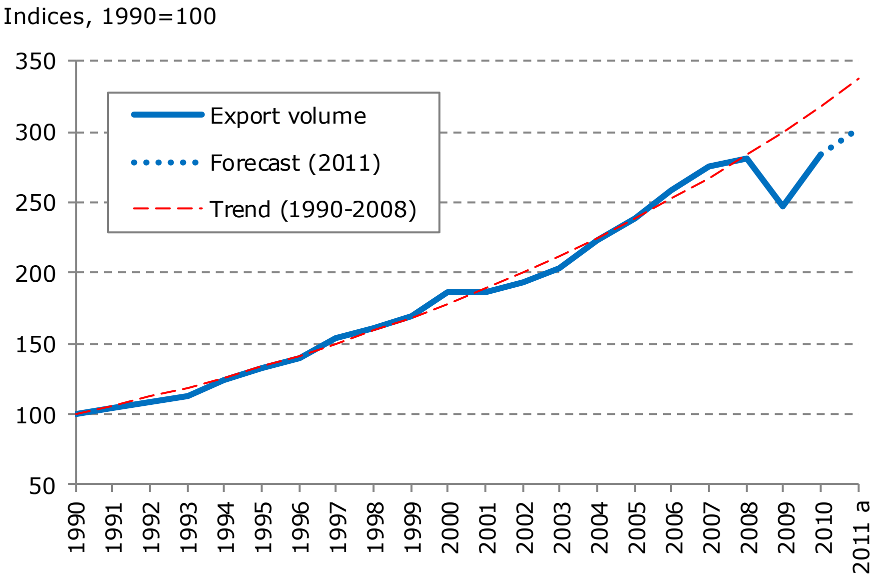
A number of factors combined to make trade and output grow more slowly than they might otherwise have done. First, curtailment of fiscal stimulus measures in many countries dampened economic activity in the second half of the year. European governments in particular moved toward fiscal consolidation in an attempt to reduce their budget deficits through a combination of spending cuts and revenue measures, with negative consequences for short-term growth.

Second, although oil prices stabilized at around $78/barrel in 2010, they were still high by recent historical standards (e.g. oil prices averaged $31/barrel between 2000 and 2005). Prices were below the $96/barrel average seen in 2008, but they were also up 30% from 2009, raising energy costs for households and businesses.

Finally, persistent unemployment prevented domestic consumption from rebounding more strongly in developed countries and limited income growth and import demand. The OECD average unemployment rate was 8.6% in 2010 (up from 6.1% in 2008), and unemployment remained at or near 9% in the United States throughout the year.

The record expansion of trade and the revival of economic activity in 2010 were certainly welcome developments, but their importance should not be overstated. Despite the rebound, the negative impact of the financial crisis and global recession are likely to persist for some time.

Chart 2: Volume of world merchandise exports , 1990-2011 [a]



a Figures for 2011 are projections.

Source: WTO Secretariat.

The state of the world economy and trade in 2010

Economic growth

World GDP at market exchange rates expanded 3.6% in 2010, one year after an unprecedented contraction of 2.4% that accompanied the financial crisis in 2009. Output of developed economies rose 2.6% in the latest year after falling 3.7% in 2009, while the rest of the world (including developing economies and the CIS) grew 7.0%, up from 2.1% in 2009 (Table 1).

Growth was stronger in the first half of the year, but weakened in the second half as the sovereign debt crisis affecting smaller Euro area economies restrained economic growth, especially in Europe.

Although developing economies collectively avoided an outright decline in 2009, many individual economies saw their GDP contract, for example South Africa, Chile, Singapore, and Chinese Taipei. However, all of these economies returned to positive growth in 2010, and the only large developing country that remained mired in recession was Venezuela.

GDP grew faster in developing Asia (8.8%) than in other developing regions last year, with China and India registering strong increases of 10.3% and 9.7%, respectively. South and Central America also saw vigorous growth of 5.8%, driven by Brazil's strong 7.5% upturn. However, Africa had the fastest average rate of GDP growth of any region over the last 5 years (4.7% between 2005 and 2010).

Developed economies grew more slowly than developing economies, but some performed better than others. Concerns about the possibility of sovereign defaults in Greece, Ireland, Portugal and Spain brought renewed financial market instability and fiscal austerity in the second half of 2010, which held Europe's growth rate down to 1.9%, the slowest of any region. The economies of Greece, Ireland and Spain all contracted in 2010, as did Iceland's, which was hit by a banking crisis in 2008.

Table 1: GDP and merchandise trade by region, 2007-10
Annual % change

	GDP			Exports			Imports		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
World	1.4	-2.4	3.6	2.2	-12.0	14.5	2.2	-12.8	13.5
North America	0.1	-2.8	3.0	2.1	-14.8	15.0	-2.4	-16.7	15.7
United States	0.0	-2.6	2.8	5.8	-14.0	15.4	-3.7	-16.4	14.8
South and Central America a	5.1	-0.2	5.8	0.8	-7.9	6.2	13.2	-16.3	22.7
Europe	0.5	-4.0	1.9	0.2	-14.1	10.8	-0.6	-14.2	9.4
European Union (27)	0.5	-4.2	1.8	0.0	-14.5	11.4	-0.9	-14.2	9.2
Commonwealth of Independent States (CIS)	5.5	-7.1	4.3	2.0	-5.2	10.1	16.4	-25.6	20.6
Africa	4.8	2.1	4.7	1.2	-4.2	6.5	14.6	-5.0	7.0
Middle East	5.3	0.8	3.8	3.5	-4.3	9.5	14.2	-7.8	7.5
Asia	2.8	-0.2	6.3	5.5	-11.2	23.1	4.7	-7.5	17.6
China	9.6	9.1	10.3	8.5	-10.5	28.4	3.8	2.9	22.1
Japan	-1.2	-6.3	3.9	2.2	-24.8	27.5	-1.0	-12.2	10.0
India	6.4	5.7	9.7	14.4	-6.8	19.9	17.3	-1.0	11.2
Newly industrialized economies (4) b	1.9	-0.8	7.7	4.9	-5.7	21.3	3.5	-11.4	18.0
Memo: Developed economies	0.2	-3.7	2.6	0.8	-15.1	12.9	-1.2	-14.4	10.7
Memo: Developing and CIS	5.7	2.1	7.0	4.2	-7.8	16.7	8.5	-10.2	17.9

a Includes the Caribbean.
b Hong Kong, China; Republic of Korea; Singapore and Chinese Taipei.
Source: WTO Secretariat.

The major exception to the below average GDP growth in Europe was Germany, whose 3.6% growth rate outpaced all euro area economies and all European Union (27) members except for Sweden and Poland. According to OECD National Accounts Statistics, Germany's net exports of goods contributed 1.4% to its 3.6% GDP growth, or 40% of the total increase. By comparison, domestic final consumption expenditure only contributed 0.7% to GDP, or 19% of the total increase.

GDP growth in the United States was more subdued, at 2.8% in 2010, while Japan's was up 3.9%. However, the Japanese recovery should be seen in the context of the 6.3% drop in output that the country experienced in 2009, the most severe decline among leading industrialized economies. Japan also ceded the position of the world's second largest economy to China, measured in dollar terms. In terms of income per head, however, it may be noted that Japan's per capita GDP was $44,800 dollars in 2010, compared to a figure of $4,800 for China.

Merchandise trade in volume (i.e., real) terms

The uneven recovery in output produced an equally uneven recovery in global trade flows in 2010. While world merchandise exports rose 14.5% in volume terms, those of developed economies increased by 12.9%, and combined shipments from developing economies and the CIS jumped 16.7% (Table 1). Imports of developed economies grew more slowly than exports last year (10.7% compared to 12.9%) while developing economies plus the CIS saw the opposite happen (17.9% growth in imports compared to 16.7% for exports).

Asia exhibited the fastest real export growth of any region in 2010 with a jump of 23.1%, led by China and Japan, whose shipments to the rest of the world each rose roughly 28%. China's trade performance is more impressive when one considers that the decline in the country's exports in 2009 was less than half that of Japan (11% compared to 25%). Meanwhile, the United States and the European Union saw their exports growing more slowly at 15.4% and 11.4%, respectively.

Imports were up 22.1% in real terms in China, 14.8% in the United States, 10.0% in Japan, and 9.2% in the European Union.

Regions that export significant quantities of natural resources (Africa, the Commonwealth of Independent States, the Middle East and South America) all experienced relatively low export volume growth in 2010, but very strong increases in the dollar value of their exports. For example, Africa's exports were up 6% in volume terms, and 28% in dollar terms (Appendix Table 1).

An explanation for this can be seen in rising primary commodity prices, which resumed their upward trajectory in 2010, after plunging in 2009. Table 2 illustrates commodity price developments in the last few years. Despite recent volatility, the overall trend toward higher prices is clear. Prices fell sharply in 2009 as the global recession took hold, but then shot up again when growth resumed in 2010. The increases were driven to a large extent by rising import demand on the part of fast-growing developing economies like China and India. Between 2000 and 2010, prices for metals rose faster than any other primary commodity group, with average annual increases of 12%, followed closely by energy with 11% growth per annum. Only agricultural raw material prices stagnated, with increases of just 2% per year on average over the last 10 years.

Table 2: Exports prices of selected primary products, 2000-10
Annual % change

	2008	2009	2010	2000-10	2005-10
All commodities	28	-30	26	10	9
Metals	-8	-20	48	13	15
Beverages a	23	2	14	9	12
Food	23	-15	12	6	8
Agricultural raw materials	-1	-17	33	2	5
Energy	40	-37	26	11	8

a Comprising coffee, cocoa beans and tea.
Source: IMF International Financial Statistics.

In contrast to primary products, prices of manufactured goods rose very little in 2010. Export and import price indices may differ substantially across countries, but as an example, US non-fuel import prices in 2010 were nearly unchanged from 2009 (up 2.7% in 2010 after falling 3% in 2009), and prices of imports from China (predominated by manufactures) declined by 0.1%. This means that nominal trade figures for natural resource exporters would be strongly deflated when calculating volume estimates, whereas real trade growth for countries that mostly export manufactured goods would be relatively close to their nominal growth rates.

Higher commodity prices lifted foreign exchange earnings in regions that export a lot of primary products and helped boost imports, especially in South and Central America, where the volume of imports jumped 22.7% in 2010, and in the CIS, where imports were up 20.6%. Africa's import volume growth was actually the lowest of any region last year, at 7.0%, despite the continent's large share of fuels and mining products in its total exports (64% in 2009 and 71% in 2008, when commodity prices were higher).

This relatively small increase may be partly explained by the fact that African imports did not fall very far in 2009 (Africa had the smallest decline of any region at -5.0%), leaving less pent-up demand for imports in the following year. Also, not all African countries are important exporters of the fuels and mining products, which saw the biggest price rises. Net importers of these products include Ethiopia, Kenya, Morocco and Tanzania, among others. These countries did not experience the same windfall in export earnings enjoyed by natural resource exporters.

Although South Africa is a net exporter of mining products, it is a net importer of fuels, which represented just over 21% of the country’s total imports of goods in 2009 (the share is the same for Kenya and Morocco, while Tanzania’s share is 23%).

Merchandise and commercial services trade in value (i.e. dollar) terms

As a result of rising commodity prices and a depreciating US currency (down 3.5% on average against major currencies in 2010 according to US Federal Reserve nominal effective exchange rate statistics), growth in the dollar value of world trade in 2010 was greater than the increase in volume terms. World merchandise exports were up 22%, rising from $12.5 trillion to $15.2 trillion in a single year, while world exports of commercial services rose 8%, from $3.4 trillion to $3.7 trillion (Table 3).[1]

Nominal merchandise exports of developed economies jumped 16% in 2010 to $8.2 trillion, up from $7.0 trillion in 2009. However, because this rate of increase was slower than the world average of 22%, the share of developed countries in world merchandise exports fell to 55%, its lowest level ever.

This falling share cannot be explained mainly as a result of higher prices for primary products exported predominantly by developing countries. This is because the latter prices were even higher in 2008 but the share of developed countries in world trade at that time was also higher, at nearly 58%.

The story is similar on the import side, where developed economy imports increased 16% to $8.9 trillion, but their share in world imports dropped to 59% from 61% in 2009 and 63% in 2008.

Table 3: World exports of merchandise and commercial services, 2005-10
$bn and annual % change

	Value	Annual % change			
	2010	2008	2009	2010	2005-10
Merchandise	15237.6	15	-22	22	8
Commercial services	3663.8	13	-12	8	8
Transport	782.8	16	-23	14	7
Travel	935.7	10	-9	8	6
Other commercial services	1945.3	13	-8	6	9

Source: WTO Secretariat.

The faster growth of merchandise trade compared to services can be partly explained by the smaller decline in services in 2009 (just 12% compared to 22% for merchandise), which implies less need for faster-than-average growth to catch up to earlier trends. The average annual growth

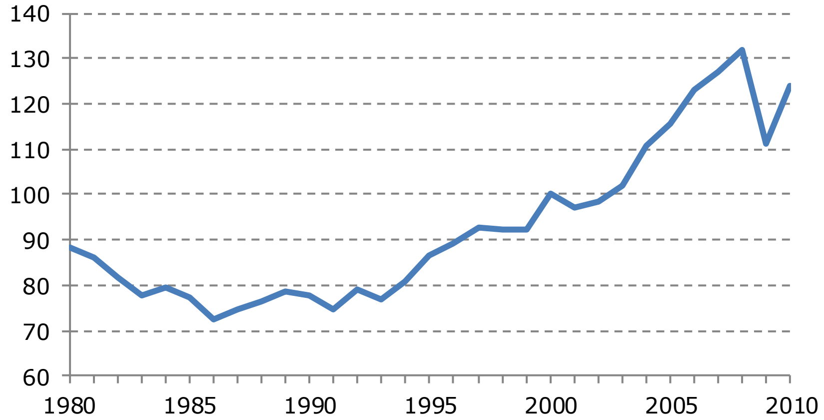
[1] World exports of goods measured on a balance of payments basis like services were also up 22% in 2010.

in the value of merchandise trade and commercial services trade between 2005 and 2010 was the same, at 8%.

Transportation was the fastest growing component of commercial services exports in 2010, with an increase of 14% to $782.8 billion. That transport services grew faster than other types of services is not surprising since they are closely linked to trade in goods, which saw record growth last year. Travel grew in line with commercial services overall, whereas other commercial services (including financial services) advanced more slowly.

World exports of goods and commercial services in current US dollars rebounded more quickly than world GDP last year, and as a result the ratio of world trade to GDP rose sharply after falling even more sharply in 2009 (Chart 3). At 124 in 2010, it remained below its 2008 peak of 132, but the 2010 value was still high by historical standards.

Chart 3: Ratio of world exports of goods and commercial services to GDP, 1980-2010
Index, 2000=100



Source: IMF for world GDP, WTO Secretariat for world trade in goods and commercial services.

Sectoral developments

Prices for traded manufactured goods tended to be more stable than those of primary products, both before and after the economic crisis, so movements in nominal trade flows reflect changes in quantities reasonably well. This is important because the product composition of trade was a major determinant of the extent to which the exports and imports of various countries declined in 2009, and the same was true during the recovery of 2010.

Chart 4 shows indices of estimated quarterly world trade in manufactured goods broken down by product. By the end of 2010 exports of manufactures had only just returned to a level close to their pre-crisis maximum, while particular categories such as automotive products and iron and steel were still well below their mid-2008 peaks.

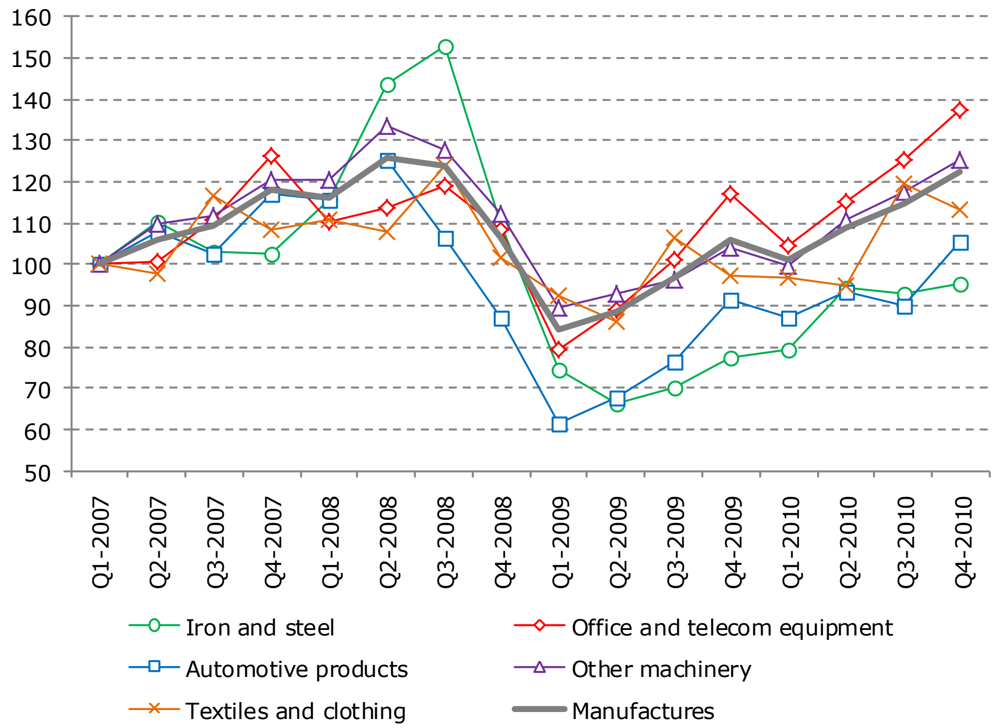
World exports of office and telecom equipment declined less than other products during the crisis, but have grown faster since then. Exports of office and telecom equipment rose nearly 73% between Q1-2009 and Q4-2010, and automotive products increased by a similar amount (71%).

However, automotive products declined much more during the crisis (51% compared to 30% for office and telecom), so that by the end of 2010 they were only 5% above their level at the beginning of 2007, whereas world trade in office and telecom equipment was up 37%. Manufactures as a whole rose 46% between Q1-2009 and Q4-2010.

The share of office and telecom equipment in exports of developing economies is greater than its share in developed economies exports (15% in 2008 for the former, 7% for the latter) while automotive products are responsible for a larger share of developed economy exports (11%, compared to 4%), so it is perhaps not surprising that developed country exports have lagged behind those of developing countries since the crisis.

World trade in textiles and clothing did not fluctuate as much as other products in 2009 (down 14%) and 2010 (up 11%) but the category other machinery matched the trend for total manufactures almost perfectly. This is partly due to its relatively large share in manufactures trade (about 13% in 2009) but also to the fact that it is mostly made up of investment goods (industrial machinery, power generating equipment, etc.), which are highly sensitive to economic conditions and closely linked to production. About 4% of trade in manufactures is composed of consumer durables other than automobiles (mostly household appliances).

Chart 4: World exports of manufactured goods by product, 2007-10
Indices, 2007Q1=100



Source: WTO Secretariat estimates based on mirror data.

Due to insufficient data, we cannot say at this stage whether world trade became more or less regional in 2010, but we can get an indication by looking at the automotive sector, where quarterly trade data are available by partner for all of the main exporting countries and regions.

Table 4 shows preliminary estimates of automotive product exports of North America, Europe and Asia from 2008 to 2010, including intra-regional and extra-regional trade flows. In Asia and North America, exports of automotive products became increasingly intra-regional between 2008 and 2010, with North America's intra-trade share rising from 72% to 76% and Asia's increasing from 24% to 32%.

On the other hand, Europe's exports became more intra-regional in 2009 but sharply more extra-regional in 2010. Reasons for this include weak demand within Europe on account of the continent's relatively slow rate of GDP growth, and booming exports from Germany to China.

The value of Germany's total exports of automotive products was up 25% from $159.7 billion in 2009 to $199.6 billion in 2010. However, exports to China roughly doubled during the same period, from $8.7 billion to $17.6 billion. Also, while Germany's exports to the rest of the world were down 34% in 2009, exports to China were up 12%. As a result, China has become the third largest market for German cars after the United States and United Kingdom.

Exports of vehicles and auto parts developed along similar lines in North America and also in Europe, but they diverged slightly in Asia in 2010, as the region's exports of vehicles became more intra-regional, while trade in parts and components became more extra-regional.

Table 4: Exports of automotive products by major exporting regions, 2008-10
$bn and %

	Value of exports to world	Value of intra-regional exports	Value of extra-regional exports	Share of intra-regional trade in exports to world			Annual % change in exports to world		Annual % change in intra-regional exports		Annual % change in extra-regional exports	
	2010	2010	2010	2008	2009	2010	2009	2010	2009	2010	2009	2010
North America												
Automotive products	205.3	156.6	48.7	72.2	75.6	76.3	-32	43	-28	45	-40	39
Vehicles	132.4	94.2	38.1	66.4	70.7	71.2	-33	45	-29	46	-42	42
Parts and components	73.0	62.4	10.6	83.1	84.4	85.5	-29	41	-28	43	-34	31
Europe												
Automotive products	538.8	385.9	153.0	75.2	77.1	71.6	-31	18	-29	10	-36	46
Vehicles	351.1	247.3	103.7	73.5	76.5	70.5	-32	16	-29	7	-39	46
Parts and components	187.8	138.5	49.2	78.6	78.3	73.8	-29	22	-29	15	-28	47
Asia												
Automotive products	276.5	89.8	186.7	24.5	31.8	32.5	-34	45	-14	48	-40	43
Vehicles	170.7	43.9	126.8	17.6	24.0	25.7	-41	45	-19	55	-45	42
Parts and components	105.8	45.9	59.9	39.5	44.2	43.4	-19	44	-10	42	-26	46

Source: WTO Secretariat estimates based on monthly data for available reporters in Global Trade Information Services' Global Trade Atlas database.

Exchange rates and trade balances

Trade imbalances of leading economies widened in 2010, as exports and imports bounced back from their depressed levels of 2009. However, for most countries the gap between exports and imports was smaller after the crisis than before (Appendix Chart 1).

The monthly trade deficit of the United States widened from a low of $32 billion in February 2009 to around $62 billion per month on average in the second half of 2010, and the deficit for the year increased 26% compared to 2009. However, the 2010 deficit of roughly $690 billion was 22% less than the corresponding deficit of $882 billion in 2008.

China's merchandise trade surplus for 2010 totalled $183 billion, roughly 7% less than the $196 billion it recorded in 2009, and 39% less than the nearly $300 billion surplus of 2008. The European Union's had a trade deficit with the rest of the world of $190 billion in 2010, which was up 26% from 2009 but down 49% from the $375 billion it recorded in 2008.

Japan was an exception to the trend towards smaller trade deficits/surpluses after the crisis. In 2008 the country recorded a $19 billion surplus of exports over imports, but this nearly quadrupled to $77 billion in 2010.

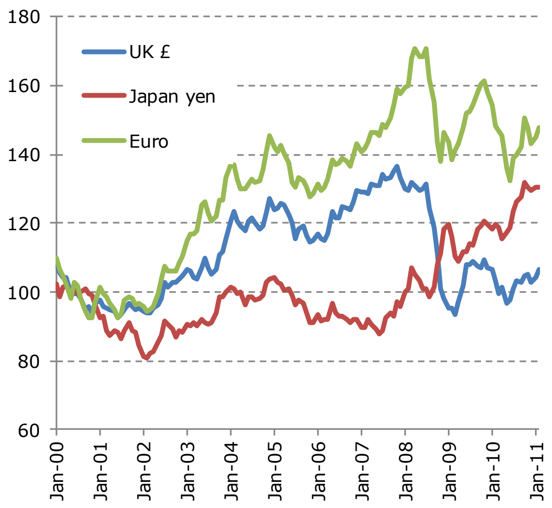
In terms of exchange rates, by February 2011 the Yuan had appreciated against the US dollar in nominal terms by around 3.8% from its previous level. However, real appreciation against the dollar is happening at a faster rate due to higher inflation in China. China's real (i.e., inflation adjusted) effective exchange rate against a broad basket of currencies rose 1.3% in 2010 according to indices supplied by J.P. Morgan.

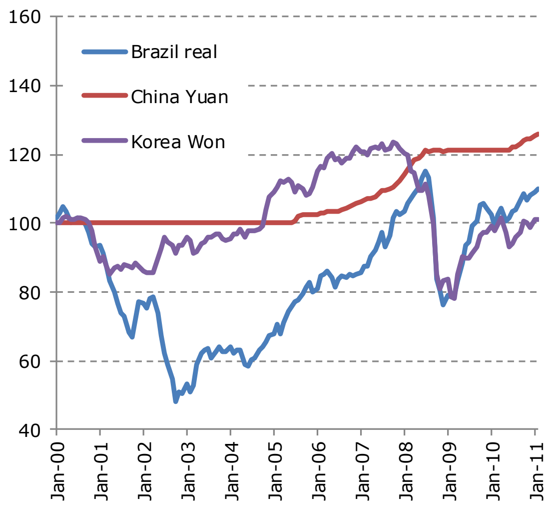
By comparison, the US dollar registered a 5% real effective depreciation against trading partners' currencies during the same period.

The yen appreciated by nearly 7% in nominal terms against the dollar in 2010, but its real effective rate was only up by less than 1% on account of a falling price level (i.e. deflation) in Japan. This suggests that the higher value of the yen did not hurt the competitiveness of Japanese goods on world markets.

On the other hand, the strong nominal appreciations of the Brazilian real (12%) and the Korean won (10%) against the dollar were matched by large real effective rises (15% and 9%, respectively) that would have raised the cost of goods from these countries relative to other countries' exports.

Chart 5: Nominal dollar exchange rates, January 2000 - February 2011
Indices of US dollars per unit of national currency, 2000=100





Source: Federal Reserve Bank of St. Louis.

Prospects for 2011

World trade flows are continuing their recovery, building on the large gains of 2010, with slower but still slightly above average growth in 2011. However, recent events in the Middle East and Japan have raised the level of global economic uncertainty and tilted the balance of risk towards the downside.

WTO economists' baseline projections for world merchandise trade in 2011 would see exports grow by 6.5%, with shipments from developed countries increasing by around 4.5% and those from developing economies and the CIS advancing 9.5% (Table 5). These projections include the likely impact of Japan's earthquake, but if the repercussions turn out to be worse than expected we would have to revisit the forecast in the coming months.

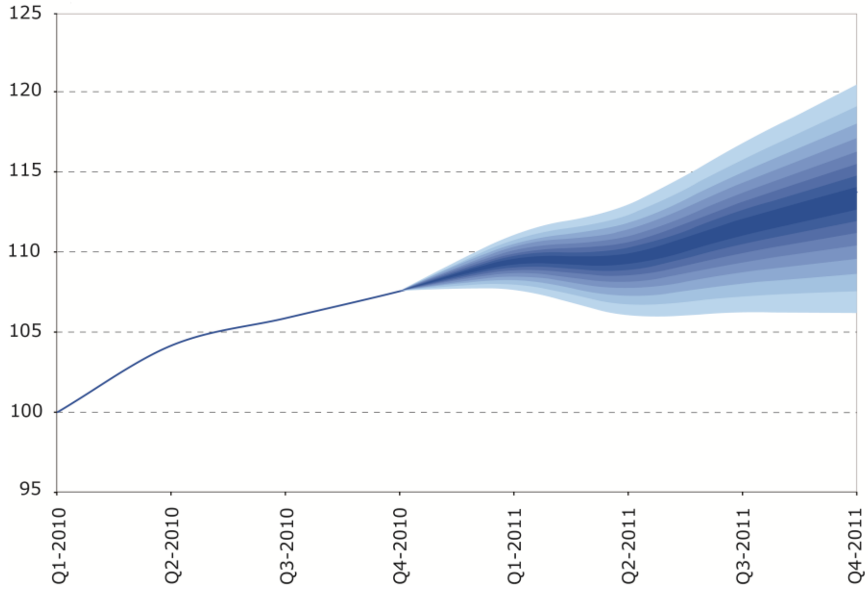
Table 5: World merchandise exports and GDP, 2008-2011 [a]
Annual % change

	2008	2009	2010	2011 a
Volume of merchandise exports				
World	2.2	-12.0	14.5	6.5
Developed economies	0.8	-15.1	12.9	4.5
Developing economies and CIS	4.2	-7.8	16.7	9.5
Real GDP at market exchange rates (2005)				
World	1.4	-2.4	3.6	3.1
Developed economies	0.2	-3.7	2.6	2.2
Developing economies and CIS	5.7	2.1	7.0	5.8

a Figures for 2011 are projections.
Source: WTO Secretariat for exports, concensus estimates for GDP.

In recognition of the uncertainty surrounding any forecast, the fan chart shown in Chart 6 represents the probabilities associated with this year's trade growth prediction of 6.5 per cent, based on the experience of past forecasts and taking into account current economic and political conditions. The area covered by the darkest band in the centre of Chart 6 contains the most likely development of trade volumes. The area covered by each pair of identically shaded bands represents another 5 per cent probability of future trade volumes lying within that range. In light of the downside risks mentioned above, the fan chart is slightly skewed towards its lower range. It can be seen, for instance, that even under the worst case scenario portrayed in the chart, trade growth in 2011 would still be positive overall, despite the possibility of a more pronounced dent in the second quarter.

Chart 6: Volume of world trade, 2010-11 [a]
Indices, Q1-2010=100



a Figures for 2011 are projections
Source: WTO Secretariat

The 14.5% rise in exports in 2010 was quite close to the WTO's most recent projection of 13.5% released in September. That forecast correctly predicted the growth of developing economies (16.5%) but underestimated the extent of the rebound in developed economies (11.5% compared to the realised figure of 12.9%)

The trade forecast assumes world GDP growth of 3.1% at market exchange rates for 2011, with developed economies gaining 2.2% and the rest of the world (including developing economies and the Commonwealth of Independent States) advancing 5.8%. The GDP projection refers to real GDP at market exchange rates based on consensus estimates of economic forecasters.[2]

Even though the risks are mostly on the downside, there is also some upside potential if the uncertainly in the Middle East resolves itself soon and if unemployment rates start to come down more quickly in the United States. The latter would release a considerable amount of pent up demand for goods, which would stimulate imports and drive world trade higher.

The limited amount of existing research on the consequences of natural disasters for economic growth suggests that even very large disasters generally do not have noticeable effects on output as measured by GDP, especially in the long run.[3]

Studies dealing specifically with the trade effects of natural disasters are even rarer. A recent paper by Gassebner, Keck and Teh (2010)[4] examines data on disasters in 170 countries between

[2] The IMF World Economic Outlook, the OECD Economic Outlook, the UN DESA World Economic Situation and Prospects and other national sources.

[3] Cavallo, Edward, Galiani, Sebastian, Noy, Han and Pantano, Juan (2010), "Catastrophic Natural Disasters and Growth," Inter-American Development Bank Working Paper IDB-WP-183.

1962 and 2004. Using the methodology of this paper, we find that the expected impact of the Japanese earthquake is to:

- reduce the volume of Japanese exports by between 0.5% and 1.6%; and
- increase the volume of Japanese imports by between 0.4% and 1.3%.

The reduction in exports is easily explained. Export declines occur because of the human losses and injuries (affecting companies' human resources) and the destruction and damage to physical capital and equipment in the export sector. Furthermore, damage to public infrastructure, such as roads, bridges, railways, and telecommunication systems, can cause disruptions to the export supply chain.

What may be less clear is why imports are estimated to increase as a result of a disaster. This is because any major reconstruction or rebuilding of damaged infrastructure will likely increase imports, since the required materials, technology or skills may need to come from abroad. This should outweigh any drop in import demand stemming from lost output and income.

Some of the economic impact of the earthquake could be transmitted to other countries through global supply chains. Anecdotal evidence is already being reported on shortages of Japanese auto parts and electronic components in other countries, and on ships being unable to unload perishable food in Japan because of a lack of refrigeration due to reduced electricity supplies.

However, less output and trade in one quarter will probably be followed by increased activity in subsequent quarters, so the cumulative effect over the course of the year may not be large.

The prospect of sharply higher oil prices probably poses a greater threat to the world economy and trade than the Japanese earthquake. Fears of a prolonged conflict in Libya and spreading unrest in the Middle East have lifted oil prices above $100/barrel. An interruption of supplies from any other major producer would raise prices higher still, with potentially significant implications for the global economy. In such an event, the WTO would have to revisit its trade projections.

The above estimates of export growth are supported by the results of the WTO Secretariat's time series forecasting model,[5] which predicts a 4.5 per cent increase in demand for imported goods and services in 2011 on the part of developed economies (or more precisely, the members of the Organisation for Economic Cooperation and Development, or OECD) (Chart 7).

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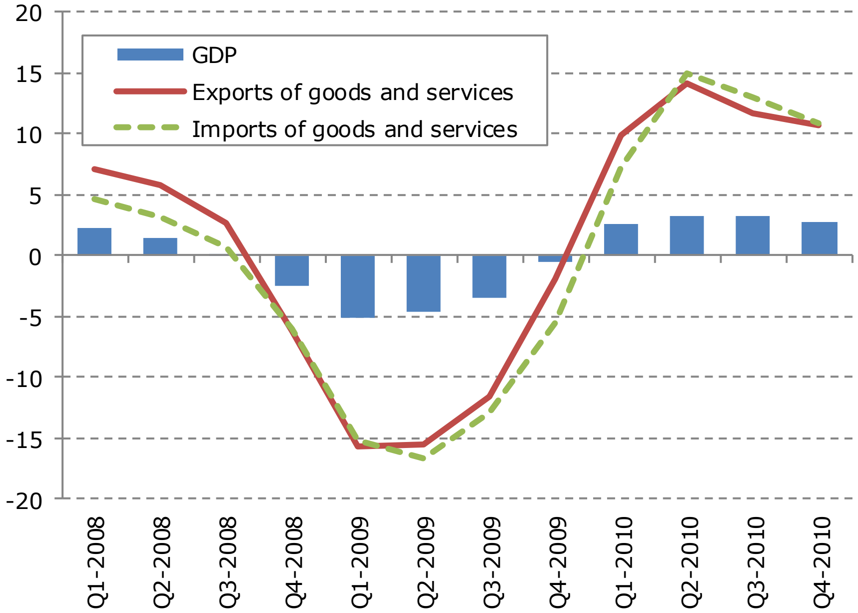
[4] Gassebner, Martin, Keck, Alexander and Teh, Robert (2010) 'Shaken, not Stirred: The Impact of Disasters on International Trade', *Review of International Economics*, 18(2): 351-368.

[5] Keck, Alexander, Raubold, Alexander and Truppia, Alessandro (2009) "Forecasting international trade: A time series approach', *OECD Journal: Journal of Business Cycle Measurement and Analysis*, vol. 2: 157-176. The model has been extended and further improved since publication and also includes estimations for emerging economies, such as China.

Chart 7: Real GDP and trade growth of OECD countries, 2008-10
% change over same quarter in previous year



Note: Q4-2010 exports and imports estimated based on available data.
Source: OECD Quarterly National Accounts.

Appendix
Details of trade developments in 2010

Merchandise trade, volume (real) terms, 2010

World merchandise exports in volume terms (i.e. excluding the influence of prices and exchange rates) rose 14.5% in 2010, while world imports grew 13.5%. In principle, world exports and imports should increase at roughly the same rate, with some discrepancies due to differences in data recording across countries. World trade as measured by exports grew 4 times as fast as global GDP in 2010, whereas trade normally grows about twice as fast as GDP. (Table 1).

Only in Asia and North America did exports grow faster than the world average (15.0% and 23.1%, respectively), whereas slower than average growth was recorded in South and Central America (6.2%), Europe (10.8%), the CIS (10.1%), Africa (6.4%), and the Middle East (9.5%). However, low volume growth in oil-exporting regions would be considered normal since demand for fuels tends to be unresponsive to price and income changes. On the import side, faster than average growth was observed in North America (15.7%), South and Central America (22.7), the CIS (20.6%), and Asia (17.6%), while slower growth was reported in Europe (9.4%), Africa (7.1) and the Middle East (7.5).

Among countries for which data are available, the five countries with the fastest growing merchandise exports in volume terms were Jordan (30%), China (28%), Japan (27%), and the Philippines (27%) and Chinese Taipei (27%).

On the import side, the BRIC countries of Brazil, Russia, India and China all reported very rapid growth in 2010 (43% for Brazil, 39% for china, 30% for Russia and 25% for India.

Merchandise and commercial services trade in nominal terms, 2010

Merchandise trade

All regions experienced double-digit increases in the dollar value of both exports and imports in the latest year, thanks in part to rising prices for fuels and other commodities (Appendix Table 1).

North America's exports were up 23% to $1.96 trillion, or 13% of the world total. Meanwhile, the region's imports grew at the same rate as exports to $2.68 trillion, or 18% of world total.

South and Central America's exports jumped 25% to $575 billion (4% of world) while imports were up 30% to $576 billion (4% of world).

Europe's exports totalled $5.63 trillion (38% of world) and imports reached $5.84 trillion (39% of world). Exports and imports were up 12% and 13%, respectively, over 2009.

Exports of the Commonwealth of Independent States (CIS) states rose 30% to $588 billion, or 4% of the world total. CIS imports advanced 24% to $484 billion, equal to 3% of world imports.

Africa's exports in 2010 were worth $500 billion (3% of world), 28% above their 2009 level. The continent's imports increased at half the rate of exports (14%) to $463 billion, or 3% of the world total.

The Middle East's exports rose 30% to $916 billion (6% of the world total), but imports only increased by 13% to $572 billion (4% of world).

Asia's exports of goods were worth $4.69 trillion (32% of world) in 2010, a 31% increase over 2009. The region's imports totalled $4.50 trillion (30% of world), up 32% from 2009.

The leading merchandise exporters in 2010 were China ($1.58 trillion, or 10% of world exports), the United States ($1.28 trillion, 8% of world), Germany ($1.27 trillion, 8% of world), Japan ($770 billion, 5% of world) and the Netherlands ($572 billion, 3.8% of world). The top merchandise importers were the United States ($1.97 trillion, 13% of world imports), China ($1.40 trillion , 9% of world), Germany ($1.07 trillion 7% of world), Japan ($693 billion, 4.5% of world) and France ($606 billion, 4% of world). The United States overtook Germany to become the second largest exporter, one year after Germany ceded the top position to China (Appendix Table 3).

If we ignore intra-trade between the 27 European Union members and treat the EU as a single entity, the leading exporters were the European Union ($1.79 trillion, or 15% of the total), China (13%), the United States (11%), Japan (6.5%) and the Republic of Korea ($466 billion, or 4% of the total). The top importers excluding EU (27) intra-trade were the European Union ($1.98 trillion or 16.5% of world imports), the United States (16%), China (12%), Japan (6%) and the Republic of Korea ($425 billion, 3.5% of world). Hong Kong's total imports were actually larger than Korea's ($442 billion), but retained imports were smaller ($116 billion) (Appendix Table 4).

Commercial services trade

World exports of commercial services increased 8% to $3.67 trillion in 2010 after dropping 12% in 2009. The growth rate in 2010 was equal to the average annual rate for the 2005-2010 period (Appendix Table 2).

North America's exports were worth at $599 billion last year, while the value of the region's imports came to $471 billion. Exports and imports were both up 9% year-on-year, but Mexico lagged on the export side with 5% growth.

South and Central America's exports rose 11% to $111 billion, but imports grew more than twice as fast (23%) to reach $135 billion. Both exports and imports of Brazil grew faster than the regional average (+15% and 35%, respectively), with particularly high growth rates observed for imports of transport services (+42%) and travel (+51%, partly due to the strength of the Real).

Europe's exports and imports were both larger than any other region's last year ($1.72 trillion and $1.5 trillion, respectively) but they were also the least dynamic, with growth of just 2% on the export side and 1% on the import side. The reason for the Europe's poor performance can be found in the weakness of travel services, which declined by 3% on the export side and 2% on the import side.

Exports of CIS countries increased by 10% to $78 billion last year. The region's imports also rose 14% to $105 billion. Russian export growth of 6% was driven by transport services.

Meanwhile, Africa exported $86 billion worth of commercial services, 11% more than in 2009. The continent's imports advanced 12% to $141 billion. In South Africa, travel receipts increased by 24% due to the large number of foreign visitors attending the FIFA World Cup.

The Middle East exported $103 billion worth of commercial services and imported $185 billion in 2010. Exports and imports were both up 9% year-on-year.

Finally, Asia exported $963 billion worth of services last year and imported a similar amount, $961 billion. Exports and imports were up 21% and 20%, respectively. Transport was the most dynamic sector, with a growth rate of 26% on both the export and import sides. Travel exports also rose rapidly at 25%. Also, other commercial services increased by 17%, which now represents half of the region's exports.

The United States exported $515 billion in commercial services in 2010, or 14% of the global total, making it the world's largest exporter. The top 5 was rounded out by Germany ($230 billion, or 6% of world exports), the United Kingdom ($227 billion, also 6% of world), China ($170 billion, 5% of world) and France ($140 billion, 4% of world). (Appendix Table 5).

The United States was also the leading importer, with purchases of $358 billion from foreign providers, equal to 10% of world imports. It was followed by Germany ($256, 7% of world), China ($192, 5.5% of world), the United Kingdom ($156 billion, 4.5% of world) and Japan ($155 billion, 4.5% of world)

China replaced France as the fourth largest exporter of commercial services, while Germany overtook the United Kingdom in second place. China also moved up the rankings on the import side, taking over the third position from the United Kingdom.

When EU intra-trade is excluded, the European Union (27) becomes the leading global exporter, with services exports to the rest of the world totalling at $684 billion in 2010, or 25% of global trade. It is followed by The United States (with 18% of the reduced world total), China (with 6%), Japan (with 5%) and Singapore (with $112 billion, or 4% of world).

The European Union is also the top importer when EU intra-trade is left out. Its imports from non-EU countries in 2010 came to $598 billion, or 22% of world trade. The top 5 is rounded out by the United States (13% of world), China (7%), Japan (6%) and India (4%).

The WTO does not forecast trade in commercial services, but Japan's earthquake could significantly influence services trade statistics in the coming year because of the specific ways that insurance services are recorded in international transactions. Until recently, the accepted practice in when compiling balance of payments data was for countries to report insurance services trade flows as gross premiums (i.e. revenue) minus gross claims (i.e. payments). This had the perverse effect of sharply reducing services imports in countries that suffered natural disasters, to the point where negative imports could be recorded in certain years. The sixth edition of the IMF Balances of Payments Manual (2008) provides revised guidelines for recording insurance transactions, including the use of an estimate for expected claims rather than actual claims, but these standards have not been universally adopted. As a result, total world trade in commercial services might be artificially low next year.

Appendix Table 1

World merchandise trade by region and selected economies, 2010

$bn and %

	Exports					Imports				
	Value	Annual percentage change				Value	Annual percentage change			
	2010	2005-10	2008	2009	2010	2010	2005-10	2008	2009	2010
World	14855	8	15	-23	22	15050	7	16	-23	21
North America	1964	6	11	-21	23	2681	3	8	-25	23
United States	1278	7	12	-18	21	1968	3	7	-26	23
Canada a	387	1	9	-31	22	402	4	7	-21	22
Mexico	298	7	7	-21	30	311	6	10	-24	29
South and Central America b	575	10	21	-24	25	576	14	30	-26	30
Brazil	202	11	23	-23	32	191	20	44	-27	43
Other South and Central America b	373	9	20	-25	22	385	12	25	-25	24
Europe	5626	5	12	-22	12	5841	5	13	-25	13
European Union (27)	5147	5	11	-22	12	5337	5	12	-25	12
Germany	1269	5	9	-23	13	1067	7	12	-22	15
France	521	2	10	-21	7	606	4	13	-22	8
Netherlands	572	7	16	-22	15	517	7	18	-24	17
United Kingdom	405	1	5	-23	15	558	2	2	-24	15
Italy	448	4	9	-25	10	484	5	10	-26	17
Commonwealth of Independent States (CIS)	588	11	35	-36	30	414	14	32	-33	24
Russian Federation a	400	10	33	-36	32	248	15	31	-34	30
Africa	500	10	29	-30	28	463	13	28	-15	14
South Africa	82	10	16	-24	33	94	9	14	-27	29
Africa less South Africa	418	10	31	-31	28	369	14	33	-12	11
Oil exporters c	277	9	34	-38	31	138	14	39	-9	4
Non oil exporters	141	12	24	-14	21	231	13	29	-14	15
Middle East	916	11	34	-31	30	572	11	28	-15	13
Asia	4685	11	15	-18	31	4503	11	21	-20	32
China	1578	16	17	-16	31	1395	16	18	-11	39
Japan	770	5	9	-26	33	693	6	23	-28	25
India	216	17	30	-15	31	323	18	40	-20	25
Newly industrialized economies (4) d	1111	9	10	-17	30	1103	9	17	-24	33
Memorandum items:										
MERCOSUR e	282	11	24	-22	30	267	19	41	-28	43
ASEAN f	1052	10	14	-18	29	950	10	21	-23	31
EU (27) extra-trade	1787	6	13	-21	17	1977	6	17	-27	18
Least Developed Countries (LDCs)	164	15	32	-24	28	174	15	30	-5	13

a. Imports are valued f.o.b.

b. Includes the Caribbean. For composition of groups see the Technical Notes of WTO, International Trade Statistics, 2010.

c. Algeria, Angola, Cameroon, Chad, Congo, Equatorial Guinea, Gabon, Libya, Nigeria, Sudan.

d. Hong Kong, China; Republic of Korea; Singapore and Chinese Taipei.

e. Common Market of the Southern Cone: Argentina, Brazil, Paraguay, Uruguay.

f. Association of Southeast Asian Nations: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Viet Nam.

Source: WTO Secretariat.

Appendix Table 2

World exports of commercial services by region and selected country, 2010

$bn and %

	Exports					Imports				
	Value	Annual percentage change				Value	Annual percentage change			
	2010	2005-10	2008	2009	2010	2010	2005-10	2008	2009	2010
World	3665	8	13	-12	8	3505	8	14	-11	9
North America	599	7	9	-8	9	471	6	9	-9	9
United States	515	8	10	-7	8	358	6	9	-8	7
South and Central America a	111	10	15	-8	11	135	14	21	-9	23
Brazil	30	15	27	-9	15	60	22	28	-1	35
Europe	1724	6	12	-14	2	1504	6	12	-13	1
European Union (27)	1553	6	11	-15	2	1394	5	12	-13	1
Germany	230	7	15	-12	2	256	4	11	-12	1
United Kingdom	227	2	0	-19	0	156	0	-1	-19	-1
France	140	3	12	-14	-1	126	3	9	-10	0
Netherlands	111	4	13	-9	0	109	5	14	-3	1
Spain	121	5	12	-14	-1	85	5	9	-17	-1
Commonwealth of Independent States (CIS)	78	14	27	-17	10	105	12	26	-19	14
Russian Federation	44	12	30	-19	6	70	13	30	-20	18
Ukraine	16	12	27	-23	20	11	10	43	-30	0
Africa	86	9	14	-9	11	141	14	30	-12	12
Egypt	24	10	25	-14	12	13	6	25	-22	-1
South Africa	14	5	-8	-6	21	18	9	2	-13	25
Morocco	12	10	12	-7	1	6	14	24	-6	15
Middle East	103	…	…	-3	9	185	…	…	-8	9
Israel	24	7	15	-10	11	17	5	13	-14	3
Asia	963	12	16	-11	21	961	11	16	-10	20
China b	170	18	20	-12	32	192	18	22	0	22
Japan	138	6	15	-14	9	155	5	13	-12	6
India	110	…	20	-13	…	117	…	25	-9	…
Singapore	112	15	17	-6	20	96	12	17	-9	21
Korea, Republic of	82	11	25	-19	13	93	10	14	-17	17
Hong Kong, China	108	11	9	-6	25	51	9	11	-5	15
Australia	48	9	12	-8	17	50	11	21	-15	22
Memorandum item										
EU (27) extra-trade	684	7	12	-14	5	598	7	16	-13	6

a Includes the Caribbean. For composition of groups see Chapter IV Metadata of WTO International Trade Statistics, 2010.
b Preliminary estimate.

Note: While provisional full year data were available in early March for 50 economies accounting for more than two thirds of world commercial services trade, estimates for most other countries are based on data for the first three quarters.

Source : WTO Secretariat.

Appendix Table 3

Merchandise trade: leading exporters and importers, 2010

$bn and %

Rank	Exporters	Value	Share	Annual % change	Rank	Importers	Value	Share	Annual % change
1	China	1578	10.4	31	1	United States	1968	12.8	23
2	United States	1278	8.4	21	2	China	1395	9.1	39
3	Germany	1269	8.3	13	3	Germany	1067	6.9	15
4	Japan	770	5.1	33	4	Japan	693	4.5	25
5	Netherlands	572	3.8	15	5	France	606	3.9	8
6	France	521	3.4	7	6	United Kingdom	558	3.6	15
7	Korea, Republic of	466	3.1	28	7	Netherlands	517	3.4	17
8	Italy	448	2.9	10	8	Italy	484	3.1	17
9	Belgium	411	2.7	11	9	Hong Kong, China	442	2.9	25
						- retained imports a	116	0.8	31
10	United Kingdom	405	2.7	15	10	Korea, Republic of	425	2.8	32
11	Hong Kong, China	401	2.6	22	11	Canada b	402	2.6	22
	- domestic exports a	18	0.1	7					
	- re-exports a	383	2.5	23					
12	Russian Federation	400	2.6	32	12	Belgium	390	2.5	11
13	Canada	387	2.5	22	13	India	323	2.1	25
14	Singapore	352	2.3	30	14	Spain	312	2.0	6
	- domestic exports	183	1.2	32					
	- re-exports	169	1.1	28					
15	Mexico	298	2.0	30	15	Singapore	311	2.0	26
						- retained imports c	142	0.9	24
16	Taipei, Chinese	275	1.8	35	16	Mexico	311	2.0	29
17	Saudi Arabia a	254	1.7	32	17	Taipei, Chinese	251	1.6	44
18	Spain	245	1.6	8	18	Russian Federation b	248	1.6	30
19	United Arab Emirates a	235	1.5	27	19	Australia	202	1.3	22
20	India	216	1.4	31	20	Brazil	191	1.2	43
21	Australia	212	1.4	38	21	Turkey	185	1.2	32
22	Brazil	202	1.3	32	22	Thailand	182	1.2	36
23	Malaysia	199	1.3	26	23	Switzerland	176	1.1	13
24	Switzerland	195	1.3	13	24	Poland	174	1.1	16
25	Thailand	195	1.3	28	25	United Arab Emirates a	170	1.1	13
26	Sweden	158	1.0	21	26	Malaysia	165	1.1	33
27	Indonesia	158	1.0	32	27	Austria	159	1.0	11
28	Poland	156	1.0	14	28	Sweden	148	1.0	23
29	Austria	152	1.0	11	29	Indonesia	132	0.9	46
30	Czech Republic	133	0.9	18	30	Czech Republic	126	0.8	20
	Total of above d	12541	82.3	-		Total of above d	12712	82.7	-
	World d	15238	100.0	22		World d	15376	100.0	21

a. Secretariat estimates.

b. Imports are valued f.o.b.

c. Singapore’s retained imports are defined as imports less re-exports.

d. Includes significant re-exports or imports for re-export.

Source: WTO Secretariat.

Appendix Table 4

Merchandise trade: leading exporters and importers (excluding intra EU (27) trade), 2010

$bn and %

Rank	Exporters	Value	Share	Annual % change	Rank	Importers	Value	Share	Annual % change
1	Extra-EU (27) exports	1787	15.0	17	1	Extra-EU (27) imports	1977	16.5	18
2	China	1578	13.3	31	2	United States	1968	16.4	23
3	United States	1278	10.8	21	3	China	1395	11.6	39
4	Japan	770	6.5	33	4	Japan	693	5.8	25
5	Korea, Republic of	466	3.9	28	5	Hong Kong, China	442	3.7	25
						- retained imports a	116	1.0	31
6	Hong Kong, China	401	3.4	22	6	Korea, Republic of	425	3.5	32
	- domestic exports a	18	0.2	7					
	- re-exports a	383	3.2	23					
7	Russian Federation	400	3.4	32	7	Canada b	402	3.3	22
8	Canada	387	3.3	22	8	India	323	2.7	25
9	Singapore	352	3.0	30	9	Singapore	311	2.6	26
	- domestic exports	183	1.5	32		- retained imports c	142	1.2	24
	- re-exports	169	1.4	28					
10	Mexico	298	2.5	30	10	Mexico	311	2.6	29
11	Taipei, Chinese	275	2.3	35	11	Taipei, Chinese	251	2.1	44
12	Saudi Arabia a	254	2.1	32	12	Russian Federation b	248	2.1	30
13	United Arab Emirates a	235	2.0	27	13	Australia	202	1.7	22
14	India	216	1.8	31	14	Brazil	191	1.6	43
15	Australia	212	1.8	38	15	Turkey	185	1.5	32
16	Brazil	202	1.7	32	16	Thailand	182	1.5	36
17	Malaysia	199	1.7	26	17	Switzerland	176	1.5	13
18	Switzerland	195	1.6	13	18	United Arab Emirates a	170	1.4	13
19	Thailand	195	1.6	28	19	Malaysia	165	1.4	33
20	Indonesia	158	1.3	32	20	Indonesia	132	1.1	46
21	Norway	132	1.1	9	21	Saudi Arabia a	102	0.8	7
22	Turkey	114	1.0	12	22	South Africa	94	0.8	29
23	Iran, Islamic Rep. Of a	101	0.8	28	23	Viet Nam	85	0.7	21
24	South Africa	82	0.7	33	24	Norway	77	0.6	11
25	Nigeria a	79	0.7	49	25	Iran, Islamic Rep. Of a	63	0.5	24
26	Viet Nam	72	0.6	26	26	Israel a	61	0.5	24
27	Chile	70	0.6	30	27	Ukraine	61	0.5	34
28	Argentina	69	0.6	23	28	Philippines a	58	0.5	27
29	Kuwait a	66	0.6	27	29	Chile	58	0.5	37
30	Bolivarian Rep. of Venezuela	66	0.6	14	30	Argentina	56	0.5	46
	Total of above d	10709	90.2	-		Total of above d	10865	90.4	-
	World d (excl. intra-EU (27))	11878	100.0	26		World d (excl. intra-EU (27))	12016	100.0	24

a. Secretariat estimates.

b. Imports are valued f.o.b.

c. Singapore's retained imports are defined as imports less re-exports.

d. Includes significant re-exports or imports for re-export.

Source: WTO Secretariat.

Appendix Table 5

Leading exporters and importers in world trade in commercial services, 2010

$bn and %

Rank	Exporters	Value	Share	Annual % change	Rank	Importers	Value	Share	Annual % change
1	United States	515	14.1	8	1	United States	358	10.2	7
2	Germany	230	6.3	2	2	Germany	256	7.3	1
3	United Kingdom	227	6.2	0	3	China a	192	5.5	22
4	China a	170	4.6	32	4	United Kingdom	156	4.5	-1
5	France	140	3.8	-1	5	Japan	155	4.4	6
6	Japan	138	3.8	9	6	France	126	3.6	0
7	Spain	121	3.3	-1	7	India	117	3.3	…
8	Singapore	112	3.0	20	8	Netherlands	109	3.1	1
9	Netherlands	111	3.0	0	9	Italy	108	3.1	1
10	India	110	3.0	…	10	Ireland	106	3.0	2
11	Hong Kong, China	108	2.9	25	11	Singapore	96	2.7	21
12	Italy	97	2.6	3	12	Korea, Republic of	93	2.7	17
13	Ireland	95	2.6	3	13	Canada	89	2.6	15
14	Korea, Republic of	82	2.2	13	14	Spain	86	2.4	-1
15	Belgium	81	2.2	2	15	Belgium	76	2.2	4
16	Switzerland	76	2.1	6	16	Russian Federation	70	2.0	18
17	Luxembourg	68	1.9	13	17	Brazil	60	1.7	35
18	Canada	66	1.8	15	18	Hong Kong, China	51	1.5	15
19	Sweden	64	1.7	9	19	Australia	50	1.4	22
20	Denmark	58	1.6	7	20	Kingdom of Saudi Arabia b	49	1.4	…
21	Austria	53	1.5	-1	21	Denmark	49	1.4	-1
22	Australia	48	1.3	17	22	Sweden	48	1.4	6
23	Russian Federation	44	1.2	6	23	Thailand	45	1.3	21
24	Taipei, Chinese	41	1.1	29	24	United Arab Emirates b	42	1.2	…
25	Norway	40	1.1	5	25	Norway	41	1.2	12
26	Greece	37	1.0	-1	26	Switzerland	38	1.1	-1
27	Thailand	34	0.9	15	27	Luxembourg	38	1.1	8
28	Turkey	33	0.9	0	28	Taipei, Chinese	37	1.1	28
29	Malaysia	33	0.9	13	29	Austria	36	1.0	-2
30	Poland	32	0.9	11	30	Indonesia	33	0.9	18
31	Brazil	30	0.8	15	31	Malaysia	32	0.9	18
32	Macao, China	28	0.8	51	32	Poland	27	0.8	16
33	Finland	25	0.7	-10	33	Czech Republic	24	0.7	28
34	Israel	24	0.7	11	34	Mexico	23	0.7	8
35	Egypt	24	0.6	12	35	Finland	23	0.7	-11
36	Portugal	23	0.6	2	36	Nigeria b	20	0.6	…
37	Czech Republic	22	0.6	10	37	Greece	20	0.6	2
38	Hungary	18	0.5	1	38	Iran, Islamic Rep. of b	19	0.5	…
39	Lebanon b	18	0.5	…	39	Angola b	18	0.5	…
40	Indonesia	17	0.5	25	40	Turkey	18	0.5	17
	Total of above	**3290**	**89.8**	**-**		**Total of above**	**3035**	**86.7**	**-**
	World	**3665**	**100.0**	**8**		**World**	**3505**	**100.0**	**9**

a Preliminary estimate.

b Secretariat estimate.

Note: Figures for a number of countries and territories have been estimated by the Secretariat. Annual percentage changes and rankings are affected by continuity breaks in the series for a large number of economies, and by limitations in cross-country comparability. See the Metadata.

Source: WTO Secretariat.

Appendix Table 6
Leading exporters and importers of commercial services excluding intra-EU (27) trade, 2010
$bn and %

Rank	Exporters	Value	Share	Annual % change	Rank	Importers	Value	Share	Annual % change
1	EU27 Extra-EU27	684	24.5	5	1	EU27 Extra-EU27	598	22.1	6
2	United States	515	18.4	8	2	United States	358	13.2	7
3	China a	170	6.1	32	3	China a	192	7.1	22
4	Japan	138	4.9	9	4	Japan	155	5.7	6
5	Singapore	112	4.0	20	5	India	117	4.3	…
6	India	110	3.9	…	6	Singapore	96	3.5	21
7	Hong Kong, China	108	3.9	25	7	Korea, Republic of	93	3.4	17
8	Korea, Republic of	82	2.9	13	8	Canada	89	3.3	15
9	Switzerland	76	2.7	6	9	Russian Federation	70	2.6	18
10	Canada	66	2.4	15	10	Brazil	60	2.2	35
11	Australia	48	1.7	17	11	Hong Kong, China	51	1.9	15
12	Russian Federation	44	1.6	6	12	Australia	50	1.8	22
13	Taipei, Chinese	41	1.5	29	13	Kingdom of Saudi Arabia b	49	1.8	…
14	Norway	40	1.4	5	14	Thailand	45	1.7	21
15	Thailand	34	1.2	15	15	United Arab Emirates b	42	1.5	…
16	Turkey	33	1.2	0	16	Norway	41	1.5	12
17	Malaysia	33	1.2	13	17	Switzerland	38	1.4	-1
18	Brazil	30	1.1	15	18	Taipei, Chinese	37	1.4	28
19	Macao, China	28	1.0	51	19	Indonesia	33	1.2	18
20	Israel	24	0.9	11	20	Malaysia	32	1.2	18
21	Egypt	24	0.9	12	21	Mexico	23	0.9	8
22	Lebanon b	18	0.6	…	22	Nigeria b	20	0.7	…
23	Indonesia	17	0.6	25	23	Iran, Islamic Rep. of b	19	0.7	…
24	Mexico	16	0.6	5	24	Angola b	18	0.7	…
25	Ukraine	16	0.6	20	25	Turkey	18	0.7	17
26	South Africa	14	0.5	21	26	South Africa	18	0.7	25
27	Argentina	13	0.5	18	27	Israel	17	0.6	3
28	Philippines	12	0.4	21	28	Lebanon b	15	0.6	…
29	Morocco	12	0.4	1	29	Argentina	14	0.5	17
30	Kuwait b	11	0.4	…	30	Egypt	13	0.5	-1
31	Croatia	11	0.4	-7	31	Kuwait b	12	0.5	…
32	United Arab Emirates b	10	0.4	…	32	Algeria b	12	0.4	…
33	Kingdom of Saudi Arabia b	10	0.4	…	33	Ukraine	11	0.4	0
34	Chile	10	0.3	15	34	Chile	11	0.4	17
35	Cuba b	9	0.3	…	35	Philippines	11	0.4	25
36	New Zealand	9	0.3	14	36	Kazakhstan	10	0.4	4
37	Iran, Islamic Rep. of b	8	0.3	…	37	Bolivarian Rep. of Venezuela	10	0.4	10
38	Viet Nam	8	0.3	32	38	New Zealand	9	0.3	15
39	Panama	6	0.2	8	39	Viet Nam	8	0.3	24
40	Tunisia	5	0.2	-1	40	Colombia	8	0.3	17
	Total of above	**2655**	**95.0**	**-**		**Total of above**	**2525**	**93.3**	**-**
	World	**2795**	**100.0**	**11**		**World**	**2705**	**100.0**	**13**

a Preliminary estimate.

b Secretariat estimate.

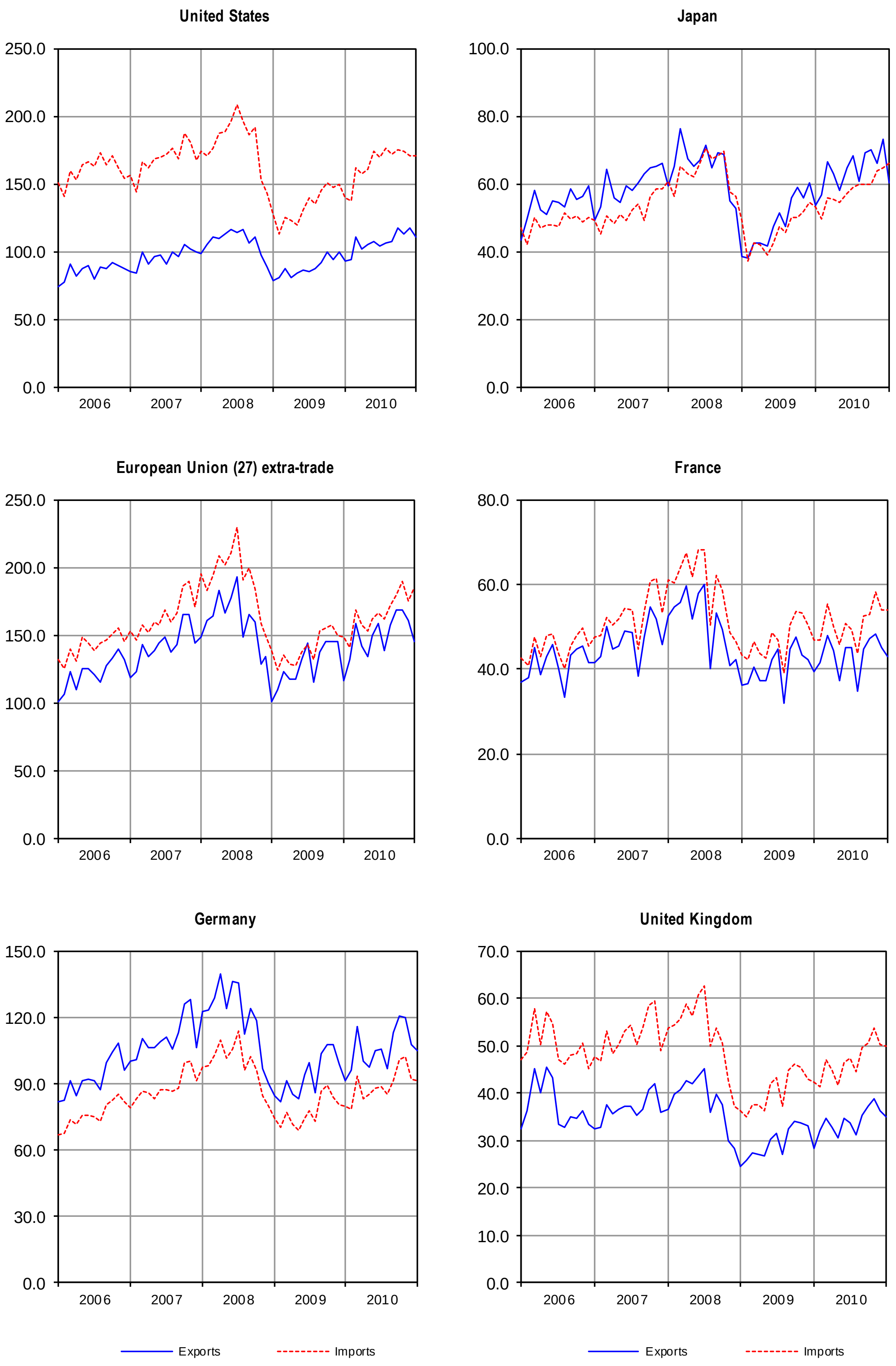
Note: Figures for a number of countries and territories have been estimated by the Secretariat. Annual percentage changes and rankings are affected by continuity breaks in the series for a large number of economies, and by limitations in cross-country comparability. See the Metadata.

Source: WTO Secretariat.

Appendix Chart 1

Monthly merchandise exports and imports of selected economies, Jan. 2006 - Jan. 2011

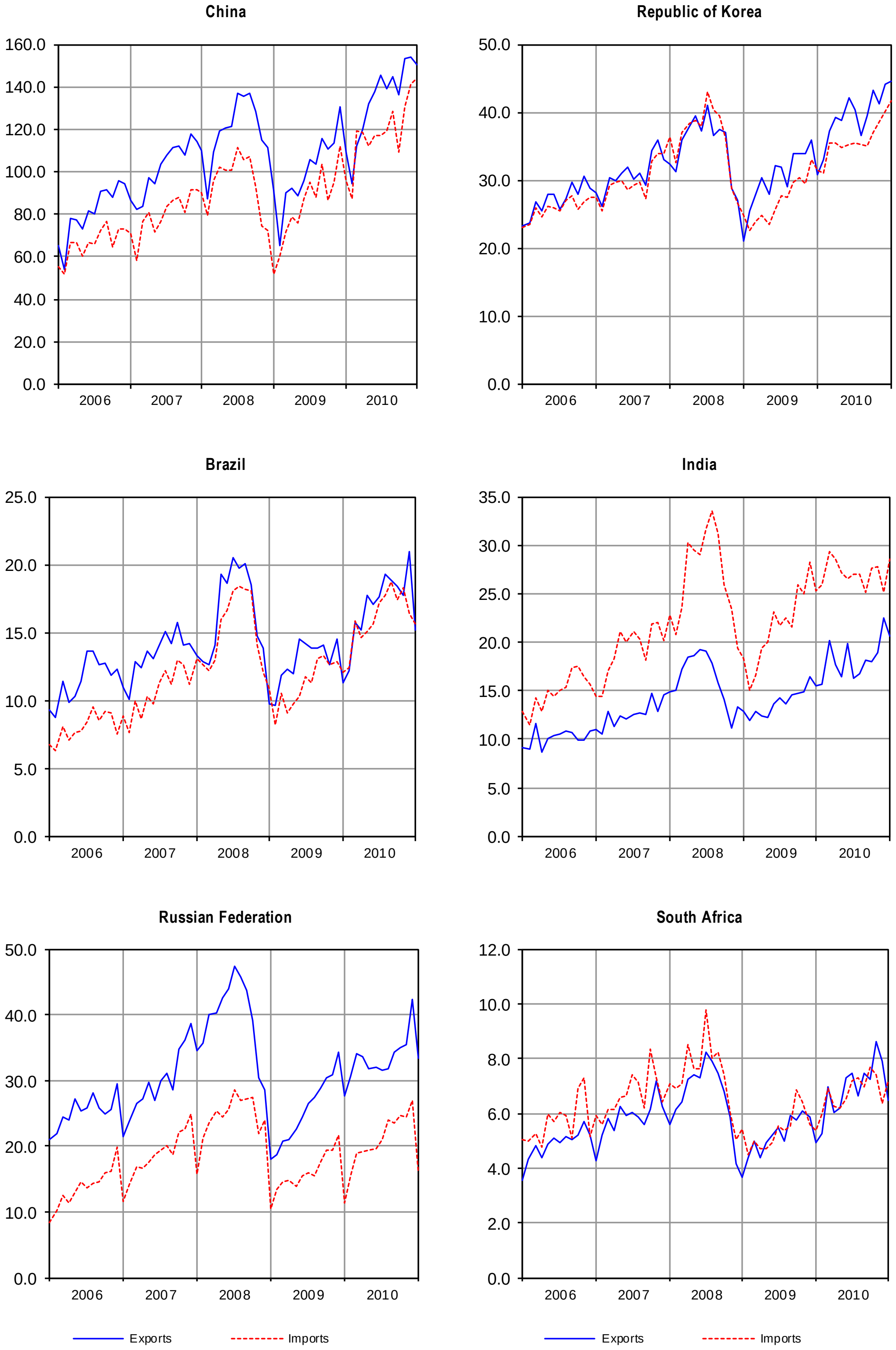
(Billion dollars)



Appendix Chart 1 (continued)

Monthly merchandise exports and imports of selected economies, Jan. 2006 - Jan. 2011

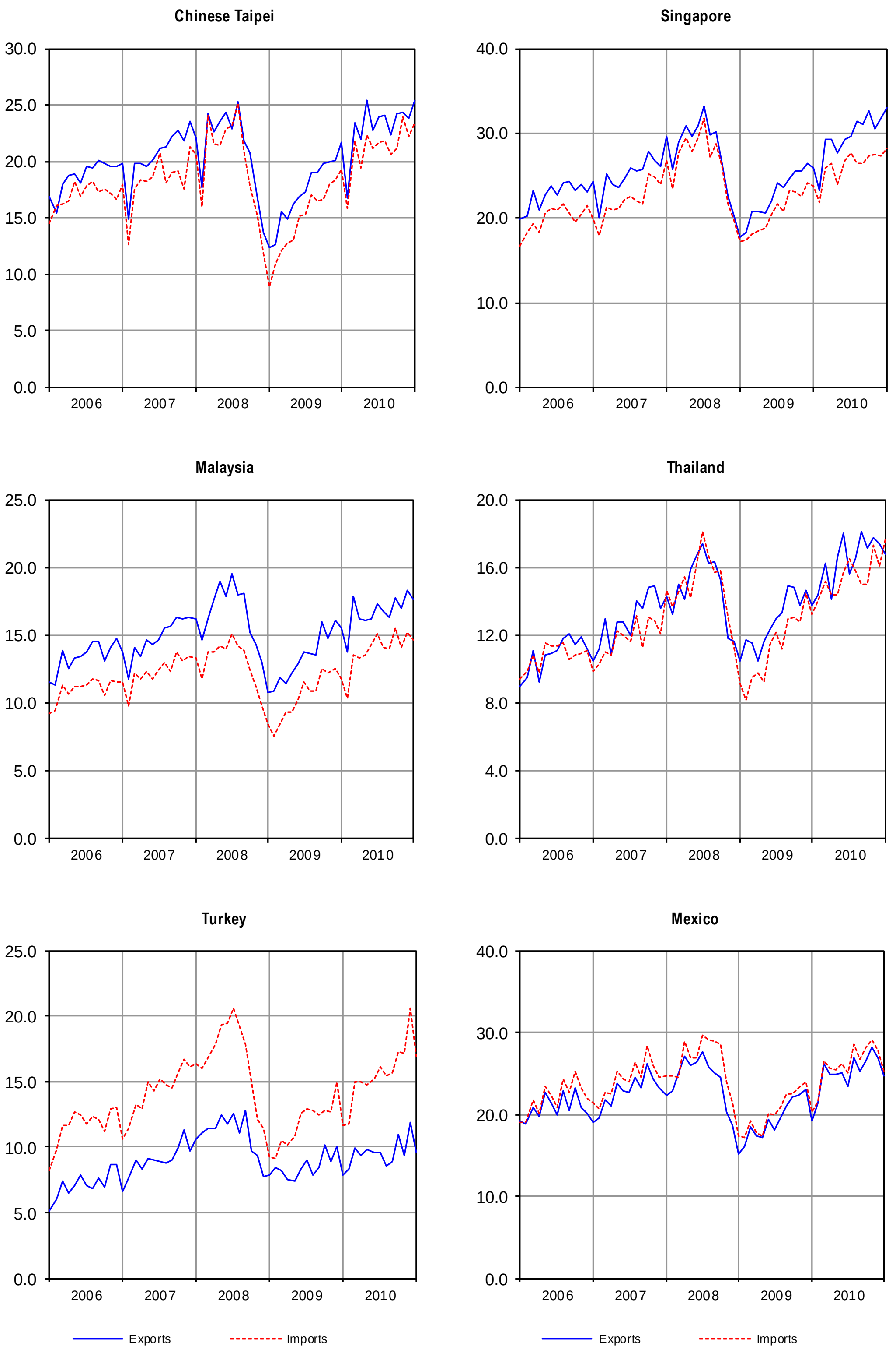
(Billion dollars)



Appendix Chart 1 (continued)

Monthly merchandise exports and imports of selected economies, Jan. 2006 - Jan. 2011

(Billion dollars)



Sources: IMF International Financial Statisitics, Global Trade Information Services GTA database, national statistics.

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