

# I The trade situation in 2009-10

The economic and financial crisis that shook the world economy in the closing months of 2008 produced a global recession in 2009 that resulted in the largest decline in world trade in more than 70 years. The rate of trade growth had already slowed from 6.4 per cent in 2007 to 2.1 per cent in 2008, but the 12.2 per cent contraction in 2009 was without precedent in recent history. The WTO has projected a modest recovery in 2010 which should reverse some of the impact of the trade collapse.

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## A. Introduction

Trade and output growth resumed in the second half of 2009 following record declines earlier in the year. The recovery through the first quarter of 2010 was insufficient to attain pre-crisis levels. The WTO has projected a further recovery in 2010 from the depressed levels of 2009, which should reverse some but not all of the impact of the trade collapse. One positive development in 2009 was the absence of any major increase in trade barriers imposed by WTO members in response to the crisis, despite high unemployment in many countries. The WTO system of trade regulation played a significant role in helping to prevent another descent into protectionism that so exacerbated economic conditions in the 1930s.

The dramatic decline in world trade in 2009 (see Figure 1) was even greater in US dollar terms (-22.6 per cent) than in volume terms (-12.2 per cent), thanks in large part to falling prices for oil and other primary products.<sup>1</sup> World output as measured by gross domestic product (GDP) also fell by 2.3 per cent in 2009, the first such decline since the end of the Second World War. Taken together, these developments amounted to the most severe global economic slowdown since the Great Depression.

### 1. Explaining the size of the trade collapse

World trade volumes fell on three other occasions since 1965 (-0.2 per cent in 2001, -2.0 per cent in 1982, and -7.0 per cent in 1975), but none of these episodes approached the magnitude of last year's plunge. The slump in trade in 2009 was larger than most econometric models would have predicted given the size of the drop in GDP, and it was also larger than the decline predicted by the WTO in the early stages of the crisis.

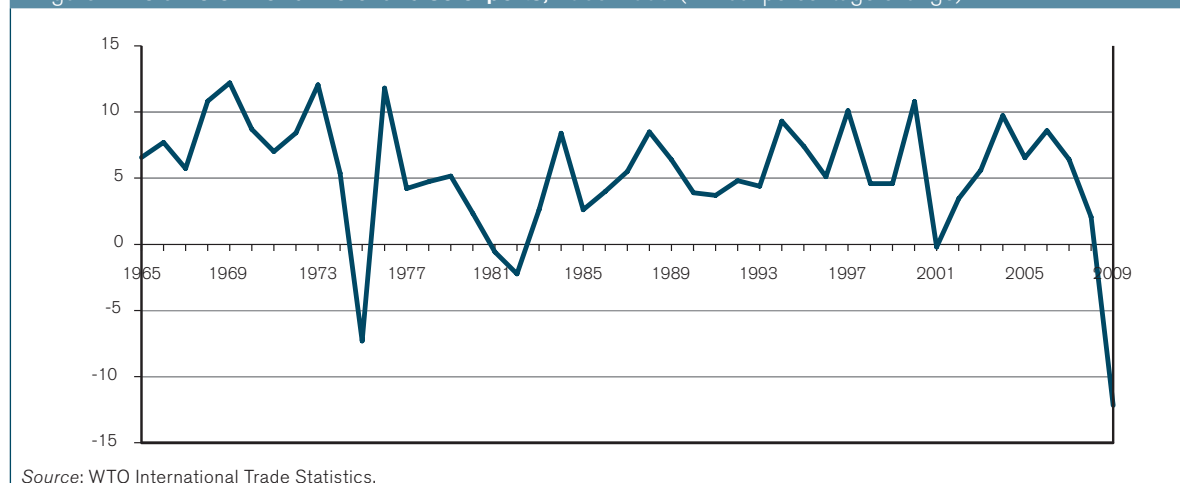
Economists have suggested a number of explanations for the trade collapse, including the imposition of some protectionist measures and reduced access to credit to

finance trade transactions. However, the consensus that has emerged centres on a sharp contraction in global demand as the primary cause.<sup>2</sup> The weakness in demand had its roots in the sub-prime mortgage crisis in the United States, which became apparent in 2007 and intensified towards the end of 2008. What began as a crisis in the US financial sector spread to the real economy, to other developed economies, and to the rest of the world in short order. The impact of the crisis on trade was further magnified by the product composition of the fall in demand, by the fact that the decline was synchronized across countries and regions, and by the growth of global supply chains in recent decades.

Sharp falls in wealth linked to the recession caused households to reduce their spending on consumer durables such as automobiles (trade in automotive products was down 32 per cent in 2009), and also made firms reconsider expenditures on investment goods such as industrial machinery (down 29 per cent in 2009 – see Table 1). Purchases of these items could be postponed easily in response to heightened economic uncertainty, and they may also have been more sensitive to credit conditions than other types of goods. The reduction in demand for these products then fed through to markets that supply inputs for their production, particularly iron and steel (down 47 per cent in 2009). Shrinking demand for iron and steel was also linked to the slump in building construction in countries where property markets had been booming before the crisis. Consumer durables and capital goods make up a relatively small fraction of global GDP but a relatively large part of world trade. As a result, falling demand for these products may have had a greater impact on world trade than on world GDP.

The magnitude of the trade contraction of 2009 may also have been inflated somewhat compared with earlier declines in the 1970s and '80s due to the spread of global supply chains in the intervening years. With today's more extensive supply chains, goods frequently cross national borders several times during the production process

Figure 1: Volume of world merchandise exports, 1965-2009 (Annual percentage change)



Source: WTO International Trade Statistics.

Table 1: **World trade in manufactured goods by product, 2008Q1-2009Q4**  
(Year-to-year percentage change in current dollars)

	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	2009
<b>Manufactures</b>	<b>16</b>	<b>18</b>	<b>13</b>	<b>-11</b>	<b>-28</b>	<b>-30</b>	<b>-22</b>	<b>0</b>	<b>-21</b>
Iron and steel	15	27	43	4	-39	-56	-55	-31	-47
Chemicals	19	24	20	-7	-24	-25	-17	8	-15
Office and telecom equipment	10	13	7	-14	-29	-22	-15	8	-15
Automotive products	15	16	3	-26	-47	-46	-29	6	-32
Industrial machinery	21	22	15	-8	-29	-36	-32	-15	-29
Textiles	11	9	3	-13	-27	-27	-17	0	-19
Clothing	11	11	8	-2	-11	-15	-12	-6	-11

Source: WTO Secretariat estimates.

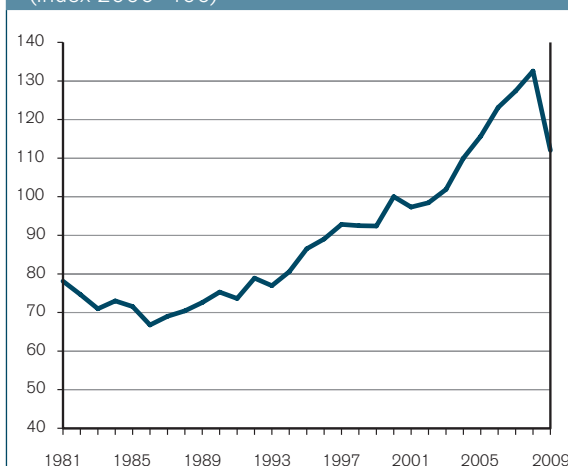
before arriving at their final destination. Merchandise trade statistics record the value of goods every time they cross national boundaries, so when these data are added together to arrive at a figure for total world trade, the number will be larger when supply chains are more extensive due to a certain amount of double counting. Consequently, a given fall in demand in 2009 would probably produce a bigger measured decline in trade than an equivalent fall in demand in 1982 or 1975.

The extent of this double counting is difficult to gauge due to a lack of readily available data, but it is reflected in the fact that trade has been growing faster than production since the 1980s. As a result, the ratio of world exports to GDP has increased steadily since 1985, and jumped by nearly one-third between 2000 and 2008, before dropping in 2009 as world trade fell faster than world GDP (see Figure 2).

A final factor that reinforced the trade slump was its synchronized nature. Exports and imports of all countries fell at the same time, leaving no region untouched (see Figure 3). It is intuitively clear that the fall in world trade would have been smaller if contraction in some regions had been balanced by expansion in others, but this was not the case in 2009.

The synchronized nature of the decline is closely related to the spread of international supply chains and

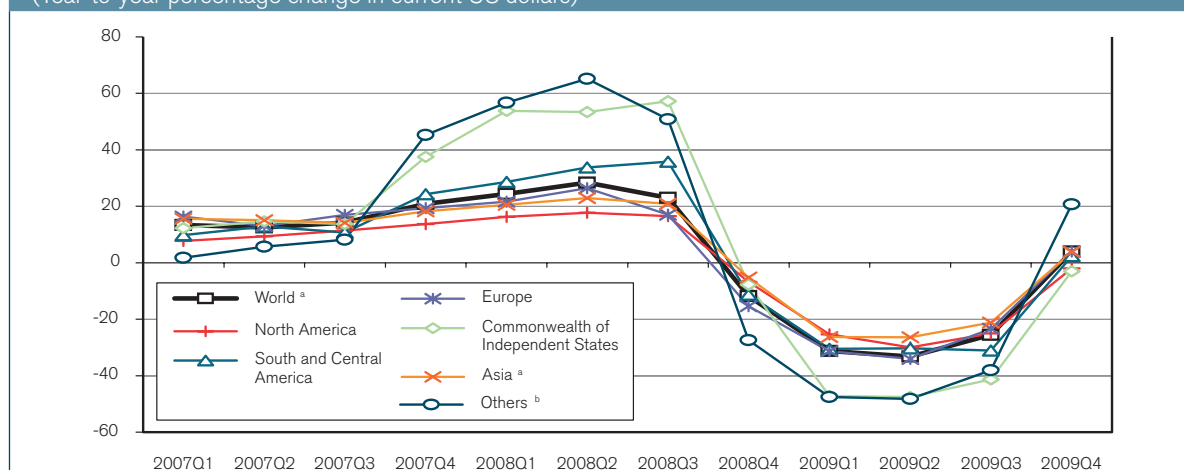
Figure 2: **Ratio of world exports of goods and commercial services to GDP, 1981-2009**  
(Index 2000=100)



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

information technology, which allows producers in one region to respond almost instantly to market conditions in another part of the world. This usually contributes to global and national welfare by encouraging the most efficient use of scarce resources, but in the case of the trade collapse it may have acted as a transmission mechanism.

Figure 3: **World merchandise exports by region, 2007Q1-2009Q4**  
(Year-to-year percentage change in current US dollars)



a Includes significant re-exports.

b Includes Africa and Middle East.

Source: IMF, International Financial Statistics; Eurostat, Comext Database; National statistics; Global Trade Atlas.

## B. Overview of output and price developments in 2009-10

### 1. Economic growth

World GDP growth turned sharply negative in 2009 for the first time since the 1930s, dropping to -2.3 per cent from 1.6 per cent in 2008. Both years were well below the 2000-08 average of 3.0 per cent. Although the contraction in output started in the developed economies in the fourth quarter of 2008, it accelerated in the first half of 2009 and eventually affected all countries and regions to varying degrees. However, many developing countries only experienced slower GDP growth rather than absolute declines in output.

Figure 4 shows the quarterly evolution of GDP, as well as exports and imports of goods and services for the industrialized economies of the Organisation for Economic Cooperation and Development (OECD). Positive quarter-on-quarter GDP growth resumed in the second quarter of 2009 in OECD countries, but year-on-year changes remained negative throughout the year. An interesting feature of Figure 4 is that trade and output began their declines and started their recoveries at the same time. This provides some support for the notion that the trade decline was mostly related to falling demand rather than other factors.

Output of developed economies fell 3.5 per cent in 2009 after growing just 0.5 per cent in 2008. Among the leading developed economies, Japan suffered the largest decline in its GDP (-5.0 per cent) followed by the European Union (-4.2 per cent)<sup>3</sup> and the United States (-2.4 per cent). On the other hand, developing economies still managed to increase their collective output by 2.6 per cent in 2009, although this was down sharply from the 5.6 per cent growth of the previous year. The continued positive GDP growth of developing economies can be partly credited to the strong

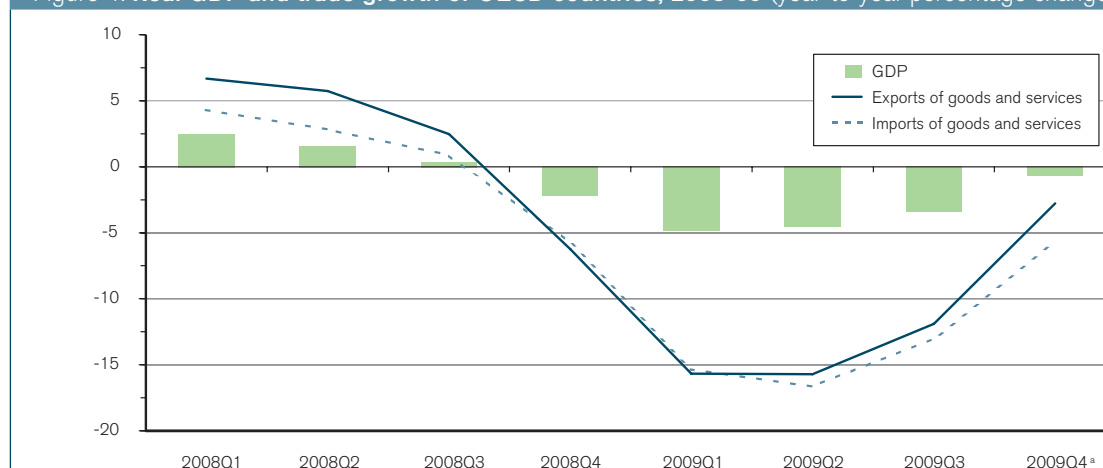
performances of China and India, whose output increased by 8.5 per cent and 5.4 per cent, respectively, in 2009. Oil-exporting countries saw their collective GDP fall to 2.0 per cent in 2009, down from 5.1 per cent in 2008, while least-developed countries (LDCs) grew 3.7 per cent, down from 6.7 per cent in 2008.

North America's GDP growth fell to -2.7 per cent in 2009, while South and Central America's rate dropped to -0.8 per cent. The decline in Europe's output was even larger (-4.0 per cent), and that of the Commonwealth of Independent States (CIS) larger still (-7.0 per cent). On the other hand, Africa managed to increase its production of goods and services by 1.6 per cent, as did the Middle East, which recorded GDP growth of 1.0 per cent. Asia's GDP growth was almost flat at 0.1 per cent, as the sharp decline of Japan cancelled out the expansions of China and India.

### 2. Prices and exchange rates

After plunging in the early stages of the economic crisis, prices for primary products stabilized and staged a significant recovery in the second half of 2009. This is illustrated by Figure 5, which shows indices of world primary product prices from the International Monetary Fund (IMF). Between July 2008 and February 2009, energy prices fell by 64 per cent and metals prices dropped by 50 per cent, but between February 2009 and January 2010 prices for energy and metals rose 60 per cent and 65 per cent, respectively. Average commodity prices for 2009 were down for energy (-37 per cent), metals (-29 per cent), agricultural raw materials (-17 per cent) and food (-15 per cent). The only primary product category registering an increase in prices last year was beverages (1.7 per cent), which includes coffee and tea (see Figure 6).

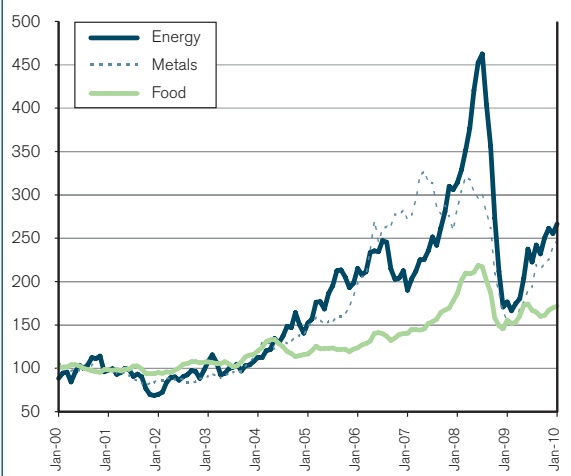
Figure 4: Real GDP and trade growth of OECD countries, 2008-09 (year-to-year percentage change)



<sup>a</sup> Estimated based on available data.

Source: OECD Quarterly National Accounts.

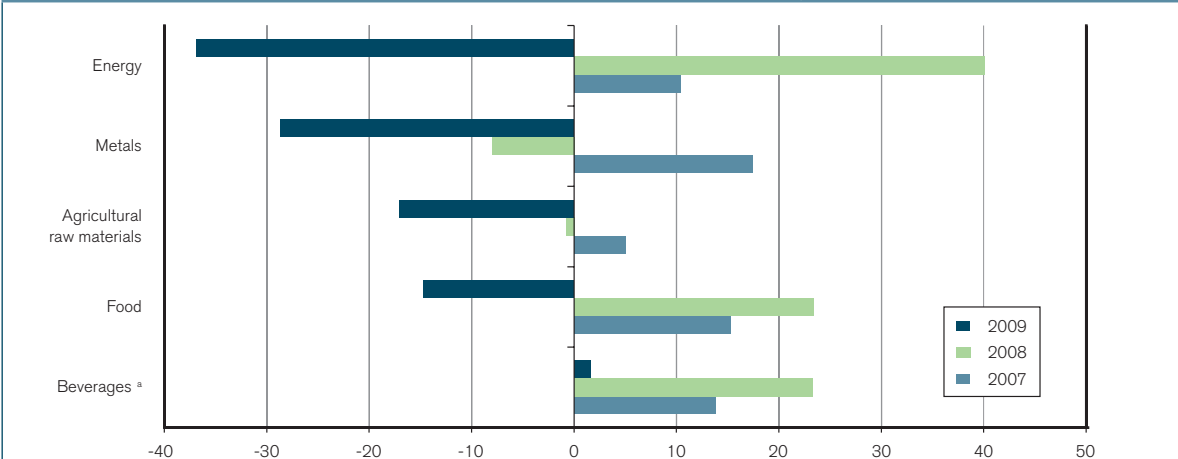
Figure 5: Export prices of selected primary products, January 2000-January 2010 (Index, January 2000=100)



Source: IMF International Financial Statistics.

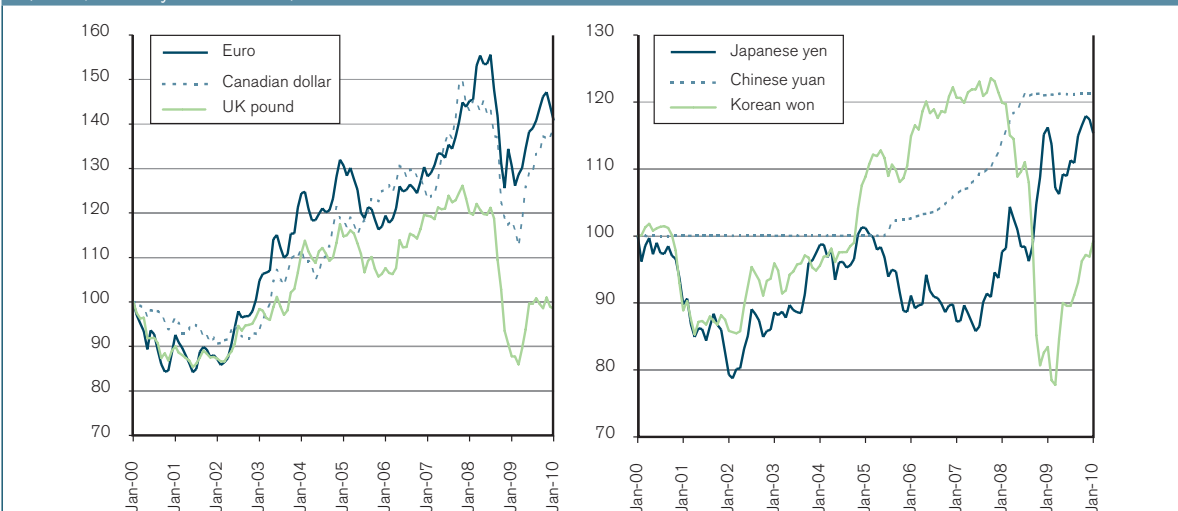
Major currencies have undergone significant fluctuations against the US dollar since the beginning of the economic crisis, with the exception of the Chinese yuan, which has been effectively pegged to the dollar since July 2008. For example, after falling nearly 20 per cent in value against the dollar between July and November 2008, the euro then appreciated 17 per cent between February and November 2009. Many other currencies followed a similar pattern, depreciating against the dollar as the crisis worsened and appreciating as conditions eased, probably due to the dollar's role as a safe haven currency in times of economic uncertainty. An exception to this rule is the Japanese yen, which appreciated against the dollar as a result of the unwinding of the so called yen "carry trade" in which large amounts of yen were borrowed in Japan and invested in assets denominated in other currencies in order to obtain a higher rate of return. The liquidation of these positions increased capital inflows into Japan and put upward pressure on the country's currency (see Figure 7).

Figure 6: Export prices of selected primary products, 2007-09 (Annual percentage change)



Source: IMF International Financial Statistics.

Figure 7: Dollar exchange rates of selected currencies, January 2000-January 2010 (Index, January 2000=100)



Source: IMF International Financial Statistics.

## C. Merchandise trade, volume (real) terms, 2009

World merchandise trade in volume terms (i.e. excluding the influence of prices and exchange rates) fell by 12.2 per cent in 2009 (see Table 2). This was well below the 2.1 per cent increase for 2008, and significantly lower than the 10 year average increase of 4.1 per cent. The drop in trade was also larger than the 2.3 per cent decline in GDP for 2009, which is not surprising since world trade generally grows faster than GDP when output is accelerating and declines more when output slows (see Figure 8).

All countries and regions in Table 2 saw the volume of their exports decline last year. North America and Europe fell more than the world average (14.4 per cent each) while the smallest declines were recorded by oil-

exporting regions such as the Middle East (-4.9 per cent), Africa (-5.6 per cent) and South and Central America (-5.7 per cent). The declines for Asia (-11.1 per cent) and the CIS (-9.5 per cent) were somewhat larger, but still less than the world average.

The United States (-13.9 per cent), European Union (-14.8 per cent) and Japan (-24.9 per cent) all saw their exports fall by more than the world average, but China's drop was smaller (-10.5 per cent). Collectively, the newly industrialized countries (NICs) experienced a relatively small decline in exports (-5.9 per cent) despite their vulnerability during the crisis due to the export orientation of their economies. The reduction in India's exports was also comparatively small (-6.2 per cent).

Table 2: GDP and merchandise trade by region, 2007-09 (Annual percentage change)

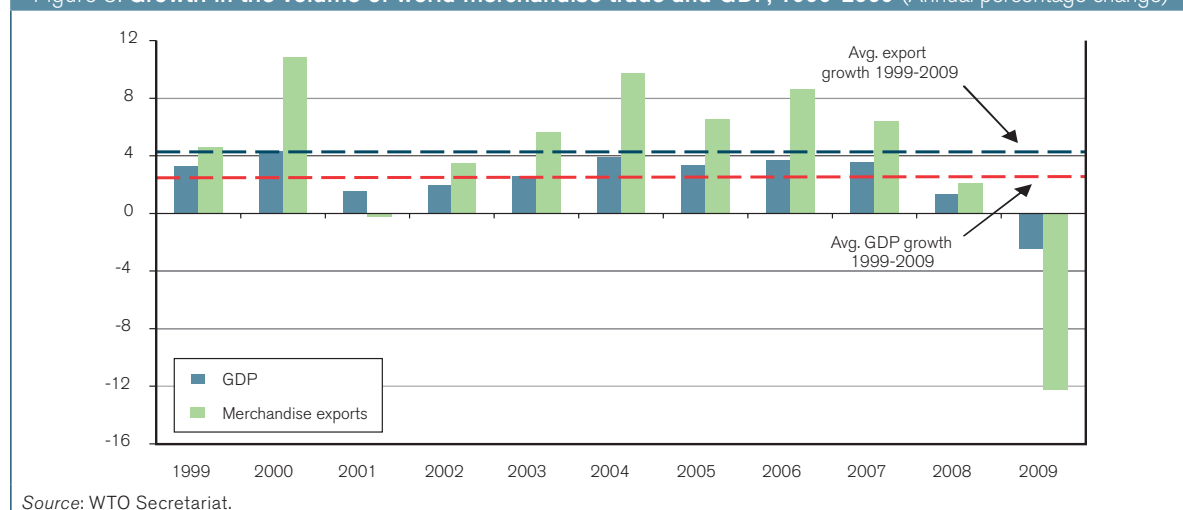
	GDP			Exports			Imports		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
<b>World</b>	3.8	1.6	-2.3	6.4	2.1	-12.2	6.1	2.2	-12.9
<b>North America</b>	2.2	0.5	-2.7	4.8	2.1	-14.4	2.0	-2.4	-16.3
United States	2.1	0.4	-2.4	6.7	5.8	-13.9	1.1	-3.7	-16.5
<b>South and Central America<sup>a</sup></b>	6.4	5.0	-0.8	3.3	0.8	-5.7	17.6	13.3	-16.3
<b>Europe</b>	2.9	0.8	-4.0	4.2	0.0	-14.4	4.4	-0.6	-14.5
European Union (27)	2.8	0.7	-4.2	4.0	-0.1	-14.8	4.1	-0.8	-14.5
<b>Commonwealth of Independent States (CIS)</b>	8.3	5.3	-7.1	7.5	2.2	-9.5	19.9	16.3	-20.2
<b>Africa</b>	5.8	4.7	1.6	4.8	0.7	-5.6	13.8	14.1	-5.6
<b>Middle East</b>	5.5	5.4	1.0	4.5	2.3	-4.9	14.6	14.6	-10.6
<b>Asia</b>	6.0	2.7	0.1	11.7	5.5	-11.1	8.2	4.7	-7.9
China	13.0	9.0	8.5	19.8	8.6	-10.5	13.8	3.8	2.8
Japan	2.3	-1.2	-5.0	9.4	2.3	-24.9	1.3	-1.3	-12.8
India	9.4	7.3	5.4	14.4	14.4	-6.2	18.7	17.3	-4.4
Newly industrialized economies (4) <sup>b</sup>	5.6	1.6	-0.8	9.0	4.9	-5.9	5.3	3.5	-11.4

<sup>a</sup> Includes the Caribbean.

<sup>b</sup> Hong Kong, China; Republic of Korea; Singapore and Chinese Taipei.

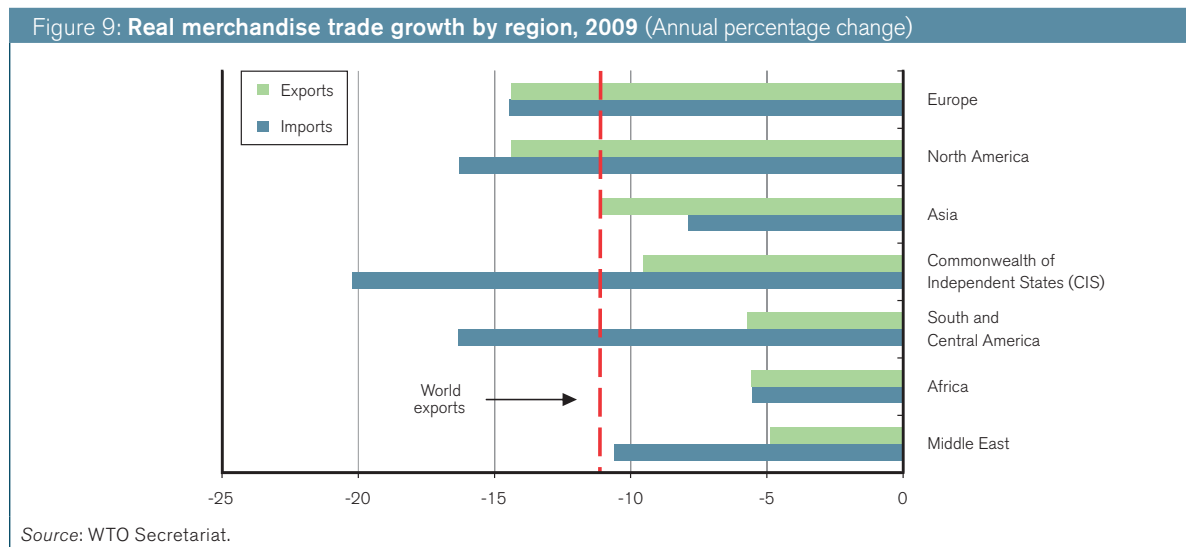
Source: WTO Secretariat.

Figure 8: Growth in the volume of world merchandise trade and GDP, 1999-2009 (Annual percentage change)



The situation was reversed on the import side, where the regions with the largest declines in 2009 included major exporters of oil and other natural resources – the CIS (-20 per cent) and South and Central America (-16.5 per cent – see Figure 9). This can be partly explained by falling export revenues as a result of lower oil prices in 2009. North America, Europe and the Middle East all saw their imports drop sharply (-16 per cent, -14.5 per cent and -10.6 per cent, respectively), but Africa and Asia only suffered single-digit declines (-5.6 per cent and -7.9 per cent respectively).

The declines in imports for the United States and the European Union (-16.5 per cent and -14.5 per cent, respectively) were greater than the world average, while Japan's drop was nearly equal to the world rate (-12.8 per cent). India recorded a relatively small drop in its imports (-4.4 per cent) while the volume of China's purchases from other countries actually increased (2.8 per cent). This increase can be partly explained by China's stockpiling of minerals and other natural resources while prices for these commodities were temporarily depressed.





## D. Merchandise and services trade, value (nominal) terms, 2009

### 1. Merchandise trade

The US dollar value of world merchandise trade fell 23 per cent in 2009 to US\$ 12.1 trillion, down from US\$ 16.1 trillion in 2008 (see Appendix Table 1). Some of this decline was due to changes in trade volumes, while much of the rest can be explained by falling commodity prices in 2009, particularly for oil. After rising to record levels in 2008, world crude oil prices plunged 37 per cent in 2009, from US\$ 95 per barrel to US\$ 60 per barrel on average. As a result, nominal trade developments for particular countries and regions may differ substantially from developments in volume terms, particularly for oil exporters on the export side and oil importers on the import side.

North America's merchandise exports fell 21 per cent in 2009, from US\$ 2.0 trillion to US\$ 1.6 trillion, while imports dropped 25 per cent from US\$ 2.9 trillion to US\$ 2.2 trillion. The percentage declines on both the export and import sides were roughly in line with the overall drop in world trade, as were those for South and Central America. Exports of the latter fell 24 per cent to US\$ 461 billion while the region's imports dropped 25 per cent to US\$ 444 billion. The story for Europe was similar, with exports falling 23 per cent to US\$ 5.0 trillion and imports shrinking by 24 per cent to US\$ 5.1 trillion.

Oil-producing regions recorded declines in exports that were much larger than the overall decline in world trade, including the CIS, which saw its exports fall more than any other region (-36 per cent to US\$ 452 billion). The CIS also had the largest percentage decline on the import side, as purchases from the rest of the world fell 33 per cent to US\$ 332 billion. Africa's exports dropped by 32 per cent to US\$ 379 billion, but the decline in the continent's imports was smaller than any other region's (-16 per cent to US\$ 400 billion). Results for the Middle East were similar to those for Africa, with exports falling 33 per cent to US\$ 691 billion and imports dropping 18 per cent to US\$ 493 billion.

Asia's exports were down 18 per cent in 2009, from US\$ 4.7 trillion to US\$ 3.6 trillion, the smallest nominal decline of any region. Asia's imports also fell less than the world average, 21 per cent to US\$ 3.4 trillion. This relatively strong performance rested on China's ability to minimize the impact of the economic crisis on its

trade flows. The country's exports fell 16 per cent to US\$ 1.2 trillion last year, while its imports declined by just 11 per cent to US\$ 1.0 trillion.

As many observers had predicted, China overtook Germany as the world's leading exporter in 2009 with a 9.6 per cent share in world trade (see Appendix Table 3). The other top exporters were Germany (9.0 per cent), the United States (8.5 per cent), Japan (4.7 per cent), and the Netherlands (4.0 per cent). Among major economies, the country that advanced the most in world export rankings was the Republic of Korea, which moved from 12<sup>th</sup> to 9<sup>th</sup> place. The country that fell furthest was the Russian Federation, which dropped from 9<sup>th</sup> to 13<sup>th</sup> position.

The United States remained the leading merchandise importer with a 12.7 per cent share in world trade. China (8.0 per cent) took over second place from Germany (7.4 per cent), which fell to third place. France (4.4 per cent) and Japan (4.4 per cent) exchanged places, with France taking over the fourth position and Japan dropping to fifth. Appendix Table 4 shows rankings in world trade excluding EU intra-trade, which places the European Union atop the rankings on both the export and import sides.

### 2. Commercial services trade

World commercial services exports fell 13 per cent in 2009, from US\$ 3.8 trillion to US\$ 3.3 trillion (see Table 3). Although smaller than the 23 per cent drop in merchandise trade, it was the largest decline ever recorded for services in a data series going back to 1980. It was also the first time since 1983 that trade in commercial services declined year on year.

Transport recorded the largest drop among services categories, followed by travel and other commercial services (see Table 4). The drop in transport services is unsurprising since this category is closely linked to trade in goods, which fell by a similar amount. One might have expected a larger decline in other commercial services, since this category includes financial services that were at the centre of the recent crisis. However, these trade flows are often based on long-term contractual relationships with suppliers, possibly making them less sensitive to short-term fluctuations in the business cycle.

Table 3: World exports of merchandise and commercial services, 2005-09 (Billion dollars and percentage)

	Value	Annual percentage change			
	2009	2005-09	2007	2008	2009
Merchandise	12147	4	16	15	-23
Commercial services	3312	7	20	12	-13

Source: WTO Secretariat.

Table 4: World exports of commercial services by major category, 2009 (Billion dollars and percentage)

	Value	Annual percentage change			
	2009	2005-09	2007	2008	2009
<b>Commercial services</b>	<b>3312</b>	<b>7</b>	<b>20</b>	<b>12</b>	<b>-13</b>
Transport	704	5	20	16	-21
Travel	854	6	15	11	-11
Other commercial services	1754	10	23	12	-10

Source: WTO Secretariat

All countries and regions in Appendix Table 2 recorded negative growth in commercial services trade in 2009 with two exceptions (China's imports were unchanged from 2008, while Morocco was the only country to report a rise in imports of services).

Regional declines in exports were led by the CIS (-18 per cent to US\$ 69 billion), followed by Europe (-14 per cent, US\$ 1.6 trillion), Asia (-13 per cent, US\$ 751 billion), Middle East (-12 per cent, US\$ 96 billion), Africa (-11 per cent, US\$ 78 billion), North America (-10 per cent, US\$ 542 billion) and South and Central America (-8 per cent, US\$ 100 billion). On the import side, the CIS again had the biggest decline (-21 per cent, US\$ 91 billion), followed by the Middle East (-13 per cent, US\$ 162 billion), Europe (-13 per cent, US\$ 1.5 trillion), Africa (-11 per cent, US\$ 117 billion), Asia (-11 per cent, US\$ 776 billion), North America (-10 per cent, US\$ 430 billion) and South and Central America (-8 per cent, US\$ 111 billion).

The United States was the largest exporter of commercial services in 2009 with a 14.2 per cent share of world trade, followed by the United Kingdom (7.2 per cent), Germany (6.5 per cent), France (4.2 per cent) and China (3.9 per cent). The United States also retained top spot on the import side (10.6 per cent of world trade), with Germany (8.2 per cent), the United Kingdom (5.1 per cent), China (5.1 per cent) and Japan (4.7 per cent) being the other countries in the top five (see Appendix Table 5).

Appendix Table 1: World merchandise trade by region and selected country, 2009  
(Billion dollars and percentage)

	Exports					Imports				
	Value	Annual percentage change				Value	Annual percentage change			
	2009	2005-09	2007	2008	2009	2009	2005-09	2007	2008	2009
<b>World</b>	12147	4	16	15	-23	12385	4	15	16	-24
<b>North America</b>	1602	2	11	11	-21	2177	-1	6	8	-25
United States	1057	4	12	12	-18	1604	-2	5	7	-26
Canada	316	-3	8	9	-31	330	1	9	7	-21
Mexico	230	2	9	7	-21	242	1	10	10	-24
<b>South and Central America<sup>a</sup></b>	461	6	14	21	-24	444	10	25	30	-25
Brazil	153	7	17	23	-23	134	15	32	44	-27
Other South and Central America <sup>a</sup>	308	6	13	20	-24	311	9	23	25	-25
<b>Europe</b>	4995	3	16	11	-23	5142	3	16	12	-25
European Union (27)	4567	3	16	11	-23	4714	3	16	12	-25
Germany	1121	4	19	9	-22	931	5	16	12	-21
France	475	1	11	9	-21	551	2	14	14	-22
Netherlands	499	5	19	16	-22	446	5	18	18	-23
United Kingdom <sup>b</sup>	351	-2	-2	5	-24	480	-2	4	2	-24
Italy	405	2	20	8	-25	410	2	16	8	-26
<b>Commonwealth of Independent States (CIS)</b>	452	7	21	35	-36	332	11	35	32	-33
Russian Federation <sup>c</sup>	304	6	17	33	-36	192	11	36	31	-34
<b>Africa</b>	379	5	18	28	-32	400	12	23	27	-16
South Africa	63	5	20	16	-22	72	4	12	12	-28
Africa less South Africa	317	5	17	31	-33	328	14	27	32	-13
Oil exporters <sup>d</sup>	204	3	17	34	-40	129	16	29	39	-11
Non oil exporters	113	9	16	23	-17	199	13	27	28	-14
<b>Middle East</b>	691	6	16	33	-33	493	10	25	28	-18
<b>Asia</b>	3566	6	16	15	-18	3397	6	15	21	-21
China	1202	12	26	17	-16	1006	11	21	18	-11
Japan	581	-1	10	9	-26	551	2	7	23	-28
India	155	12	23	30	-20	244	14	29	40	-24
Newly industrialized economies (4) <sup>e</sup>	853	4	11	10	-17	834	4	11	17	-24
<b>Memorandum items:</b>										
Developing economies	4697	7	17	19	-22	4432	8	19	22	-20
MERCOSUR <sup>f</sup>	217	7	18	24	-22	186	13	31	41	-28
ASEAN <sup>g</sup>	814	6	12	14	-18	724	5	13	21	-23
EU (27) extra-trade	1525	4	17	13	-21	1672	3	16	17	-27
Least Developed Countries (LDCs)	125	11	25	32	-27	144	13	24	29	-11

a Includes the Caribbean. For composition of groups see the Technical Notes of WTO International Trade Statistics, 2009.

b The 2007 annual change is affected by a reduction in trade associated with fraudulent VAT declaration. For further information, refer to the special notes of the monthly *UK Trade First Release* ([www.statistics.gov.uk/StatBase/Product.asp?vlnk=1119](http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=1119)).

c Imports are valued f.o.b.

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

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

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

g 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, 2009  
(Billion dollars and percentage)

	Exports					Imports				
	Value	Annual percentage change				Value	Annual percentage change			
	2009	2005-09	2007	2008	2009	2009	2005-09	2007	2008	2009
<b>World</b>	3310	7	20	12	-13	3115	7	19	13	-12
<b>North America</b>	542	6	15	9	-10	430	4	9	7	-10
United States	470	7	16	10	-9	331	4	8	8	-9
<b>South and Central America <sup>b</sup></b>	100	9	18	16	-8	111	12	22	21	-8
Brazil	26	15	26	27	-9	44	18	28	28	-1
<b>Europe</b>	1675	7	21	12	-14	1428	6	19	11	-13
European Union (27)	1513	7	21	11	-14	1329	6	19	11	-13
United Kingdom	240	4	20	2	-16	160	0	15	1	-19
Germany	215	8	18	11	-11	255	5	16	11	-10
France	140	4	16	10	-14	124	4	16	10	-12
Spain	122	7	20	12	-14	87	7	23	9	-17
Italy	101	3	13	7	-15	114	6	21	8	-11
<b>Commonwealth of Independent States (CIS)</b>	69	13	27	28	-18	91	11	30	26	-21
Russian Federation	42	14	27	30	-17	60	12	32	29	-19
Ukraine	13	10	26	27	-23	11	11	29	43	-32
<b>Africa</b>	78	9	19	19	-11	117	14	28	27	-11
Egypt	21	10	24	25	-15	14	9	27	25	-17
Morocco	12	13	24	12	-5	6	20	27	24	13
South Africa	11	0	13	-8	-9	14	4	16	3	-16
<b>Middle East</b>	96	11	16	20	-12	162	14	32	18	-13
Israel	22	6	10	14	-9	17	6	20	13	-12
<b>Asia</b>	751	9	22	14	-13	776	8	18	14	-11
China <sup>a</sup>	129	15	33	20	-12	158	17	29	22	-0
Japan	124	5	10	15	-15	146	4	11	10	-11
Hong Kong, China	86	8	16	9	-6	44	7	15	11	-6
India	86	...	25	18	...	74	...	21	26	...
Singapore	74	8	26	3	-11	74	8	16	6	-6
Korea, Republic of	56	6	28	20	-25	74	6	21	12	-19
Taipei, Chinese	31	5	7	11	-10	29	-2	8	0	-15

a Preliminary estimate.

b Includes the Caribbean. For composition of groups see Chapter IV Metadata of WTO International Trade Statistics, 2009.

Note: While provisional full year data were available in early March for 50 countries, 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, 2009**  
(Billion dollars and percentage)

Rank	Exporters	Value	Share	Annual per cent change	Rank	Importers	Value	Share	Annual per cent change
1	China	1202	9.6	-16	1	United States	1604	12.7	-26
2	Germany	1121	9.0	-22	2	China	1006	8.0	-11
3	United States	1057	8.5	-18	3	Germany	931	7.4	-21
4	Japan	581	4.7	-26	4	France	551	4.4	-22
5	Netherlands	499	4.0	-22	5	Japan	551	4.4	-28
6	France	475	3.8	-21	6	United Kingdom	480	3.8	-24
7	Italy	405	3.2	-25	7	Netherlands	446	3.5	-23
8	Belgium	370	3.0	-22	8	Italy	410	3.2	-26
9	Korea, Republic of	364	2.9	-14	9	Hong Kong, China	353	2.8	-10
						- retained imports <sup>a</sup>	91	0.7	-8
10	United Kingdom	351	2.8	-24	10	Belgium	351	2.8	-25
11	Hong Kong, China	330	2.6	-11	11	Canada	330	2.6	-21
	- domestic exports <sup>a</sup>	15	0.1	-9					
	- re-exports <sup>a</sup>	314	2.5	-11					
12	Canada	316	2.5	-31	12	Korea, Republic of	323	2.6	-26
13	Russian Federation	304	2.4	-36	13	Spain	290	2.3	-31
14	Singapore	270	2.2	-20	14	Singapore	246	1.9	-23
	- domestic exports	138	1.1	-21		- retained imports <sup>b</sup>	114	0.9	-28
	- re-exports	132	1.1	-19					
15	Mexico	230	1.8	-21	15	India	244	1.9	-24
16	Spain	218	1.7	-23	16	Mexico	242	1.9	-24
17	Taipei, Chinese	204	1.6	-20	17	Russian Federation <sup>c</sup>	192	1.5	-34
18	Saudi Arabia <sup>a</sup>	189	1.5	-40	18	Taipei, Chinese	175	1.4	-27
19	United Arab Emirates <sup>a</sup>	175	1.4	-27	19	Australia	165	1.3	-17
20	Switzerland	173	1.4	-14	20	Switzerland	156	1.2	-15
21	Malaysia	157	1.3	-21	21	Poland	147	1.2	-30
22	India	155	1.2	-20	22	Austria	144	1.1	-22
23	Australia	154	1.2	-18	23	Turkey	141	1.1	-30
24	Brazil	153	1.2	-23	24	United Arab Emirates <sup>a</sup>	140	1.1	-21
25	Thailand	152	1.2	-14	25	Thailand	134	1.1	-25
26	Austria	137	1.1	-24	26	Brazil	134	1.1	-27
27	Poland	134	1.1	-21	27	Malaysia	124	1.0	-21
28	Sweden	131	1.0	-29	28	Sweden	119	0.9	-29
29	Norway	121	1.0	-30	29	Czech Republic	105	0.8	-26
30	Indonesia	120	1.0	-14	30	Saudi Arabia <sup>a</sup>	92	0.7	-20
	Total of above <sup>d</sup>	10244	82.2	-		Total of above <sup>d</sup>	10323	81.6	-
	World <sup>d</sup>	12461	100.0	-23		World <sup>d</sup>	12647	100.0	-23

a Secretariat estimates.

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

c Imports are valued f.o.b.

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, 2009  
(Billion dollars and percentage)

Rank	Exporters	Value	Share	Annual per cent change	Rank	Importers	Value	Share	Annual per cent change
1	Extra-EU (27) exports	1525	16.2	-21	1	Extra-EU (27) imports	1672	17.4	-27
2	China	1202	12.8	-16	2	United States	1604	16.7	-26
3	United States	1057	11.2	-18	3	China	1006	10.5	-11
4	Japan	581	6.2	-26	4	Japan	551	5.7	-28
5	Korea, Republic of	364	3.9	-14	5	Hong Kong, China	353	3.7	-10
						- retained imports <sup>a</sup>	91	0.9	-8
6	Hong Kong, China	330	3.5	-11	6	Canada	330	3.4	-21
	- domestic exports <sup>a</sup>	15	0.2	-9					
	- re-exports <sup>a</sup>	314	3.3	-11					
7	Canada	316	3.4	-31	7	Korea, Republic of	323	3.4	-26
8	Russian Federation	304	3.2	-36	8	Singapore	246	2.6	-23
						- retained imports <sup>b</sup>	114	1.2	-28
9	Singapore	270	2.9	-20	9	India	244	2.5	-24
	- domestic exports	138	1.5	-21					
	- re-exports	132	1.4	-19					
10	Mexico	230	2.4	-21	10	Mexico	242	2.5	-24
11	Taipei, Chinese	204	2.2	-20	11	Russian Federation <sup>c</sup>	192	2.0	-34
12	Saudi Arabia <sup>a</sup>	189	2.0	-40	12	Taipei, Chinese	175	1.8	-27
13	United Arab Emirates <sup>a</sup>	175	1.9	-27	13	Australia	165	1.7	-17
14	Switzerland	173	1.8	-14	14	Switzerland	156	1.6	-15
15	Malaysia	157	1.7	-21	15	Turkey	141	1.5	-30
16	India	155	1.6	-20	16	United Arab Emirates <sup>a</sup>	140	1.5	-21
17	Australia	154	1.6	-18	17	Thailand	134	1.4	-25
18	Brazil	153	1.6	-23	18	Brazil	134	1.4	-27
19	Thailand	152	1.6	-14	19	Malaysia	124	1.3	-21
20	Norway	121	1.3	-30	20	Saudi Arabia <sup>a</sup>	92	1.0	-20
21	Indonesia	120	1.3	-14	21	Indonesia	92	1.0	-28
22	Turkey	102	1.1	-23	22	South Africa <sup>a</sup>	72	0.7	-28
23	Iran, Islamic Rep. of <sup>a</sup>	78	0.8	-31	23	Viet Nam	69	0.7	-15
24	South Africa	63	0.7	-22	24	Norway	69	0.7	-23
	Bolivarian Rep. of Venezuela	58	0.6	-39	25	Iran, Islamic Rep. of <sup>a</sup>	51	0.5	-10
26	Kuwait <sup>a</sup>	57	0.6	-35	26	Israel <sup>a</sup>	49	0.5	-27
27	Viet Nam	57	0.6	-10	27	Philippines	46	0.5	-24
28	Argentina	56	0.6	-20	28	Ukraine	45	0.5	-47
29	Chile	53	0.6	-20	29	Egypt	45	0.5	-7
30	Nigeria <sup>a</sup>	53	0.6	-36	30	Chile	42	0.4	-32
	Total of above <sup>d</sup>	8504	90.3	-		Total of above <sup>d</sup>	8602	89.6	-
	World <sup>d</sup> (excl. intra-EU (27))	9419	100.0	-22		World <sup>d</sup> (excl. intra-EU (27))	9605	100.0	-23

a Secretariat estimates.

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

c Imports are valued f.o.b.

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, 2009**  
(Billion dollars and percentage)

Rank	Exporters	Annual percentage			Rank	Importers	Annual percentage		
		Value	Share	change			Value	Share	change
1	United States	470	14.2	-9	1	United States	331	10.6	-9
2	United Kingdom	240	7.2	-16	2	Germany	255	8.2	-10
3	Germany	215	6.5	-11	3	United Kingdom	160	5.1	-19
4	France	140	4.2	-14	4	China	158	5.1	0
5	China <sup>a</sup>	129	3.9	-12	5	Japan	146	4.7	-11
6	Japan	124	3.8	-15	6	France	124	4.0	-12
7	Spain	122	3.7	-14	7	Italy	114	3.6	-11
8	Italy	101	3.0	-15	8	Ireland	104	3.3	-5
9	Ireland	95	2.9	-7	9	Netherlands	87	2.8	-5
10	Netherlands	92	2.8	-11	10	Spain	87	2.8	-17
11	Hong Kong, China	86	2.6	-6	11	Canada	77	2.5	-11
12	India	86	2.6	...	12	India	74	2.4	...
13	Belgium	75	2.3	-11	13	Korea, Republic of	74	2.4	-19
14	Singapore	74	2.2	-11	14	Singapore	74	2.4	-6
15	Switzerland	68	2.1	-11	15	Belgium	72	2.3	-12
16	Sweden	60	1.8	-16	16	Russian Federation	60	1.9	-19
17	Luxembourg	60	1.8	-16	17	Denmark	51	1.6	-19
18	Canada	57	1.7	-12	18	Sweden	47	1.5	-14
19	Korea, Republic of	56	1.7	-25	19	Hong Kong, China	44	1.4	-6
20	Denmark	55	1.7	-25	20	Brazil	44	1.4	-1
21	Austria	53	1.6	-13	21	Saudi Arabia <sup>b</sup>	43	1.4	...
22	Russian Federation	42	1.3	-17	22	Australia	41	1.3	-13
23	Australia	41	1.3	-7	23	Thailand	38	1.2	-18
24	Norway	38	1.1	-17	24	Austria	38	1.2	-12
25	Greece	38	1.1	-25	25	Norway	37	1.2	-16
26	Turkey	33	1.0	-6	26	Luxembourg	36	1.2	-13
27	Taipei, Chinese	31	0.9	-10	27	United Arab Emirates <sup>b</sup>	36	1.1	...
28	Thailand	31	0.9	-9	28	Switzerland	34	1.1	-6
29	Poland	29	0.9	-19	29	Taipei, Chinese	29	0.9	-15
30	Malaysia	28	0.8	-8	30	Malaysia	27	0.8	-12
	Total of above	2765	83.5	-	31	Total of above	2540	81.6	-
	World	3310	100.0	-13	32	World	3115	100.0	-12

a Preliminary estimate.

b Secretariat estimate.

Note: While provisional full year data were available in early March for 50 countries 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.

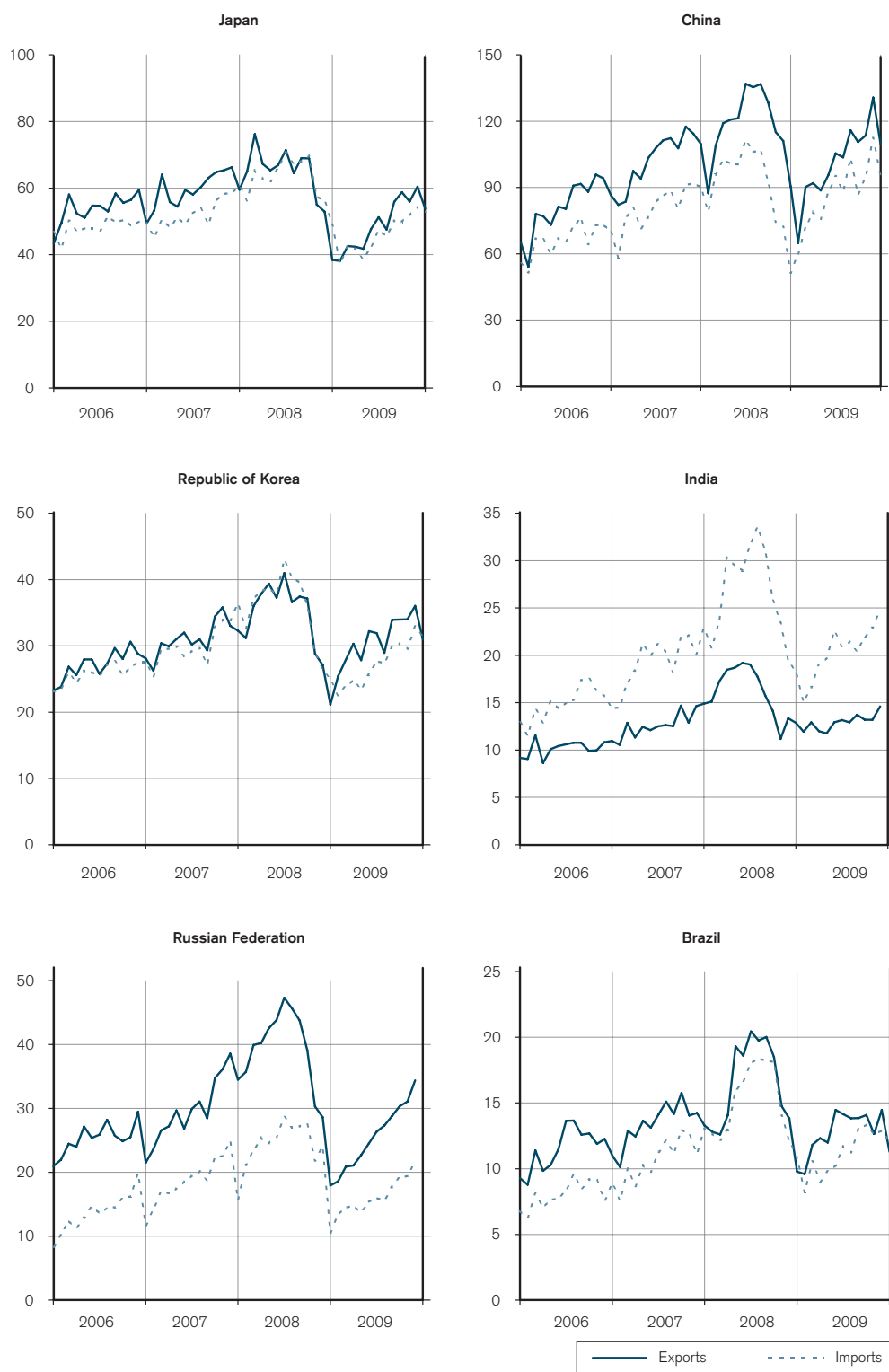
Appendix Figure 1: Monthly merchandise exports and imports of selected economies, January 2006 - January 2010 (Billion dollars)



Source: IMF International Financial Statistics, Global Trade Information Services GTA database, national statistics.

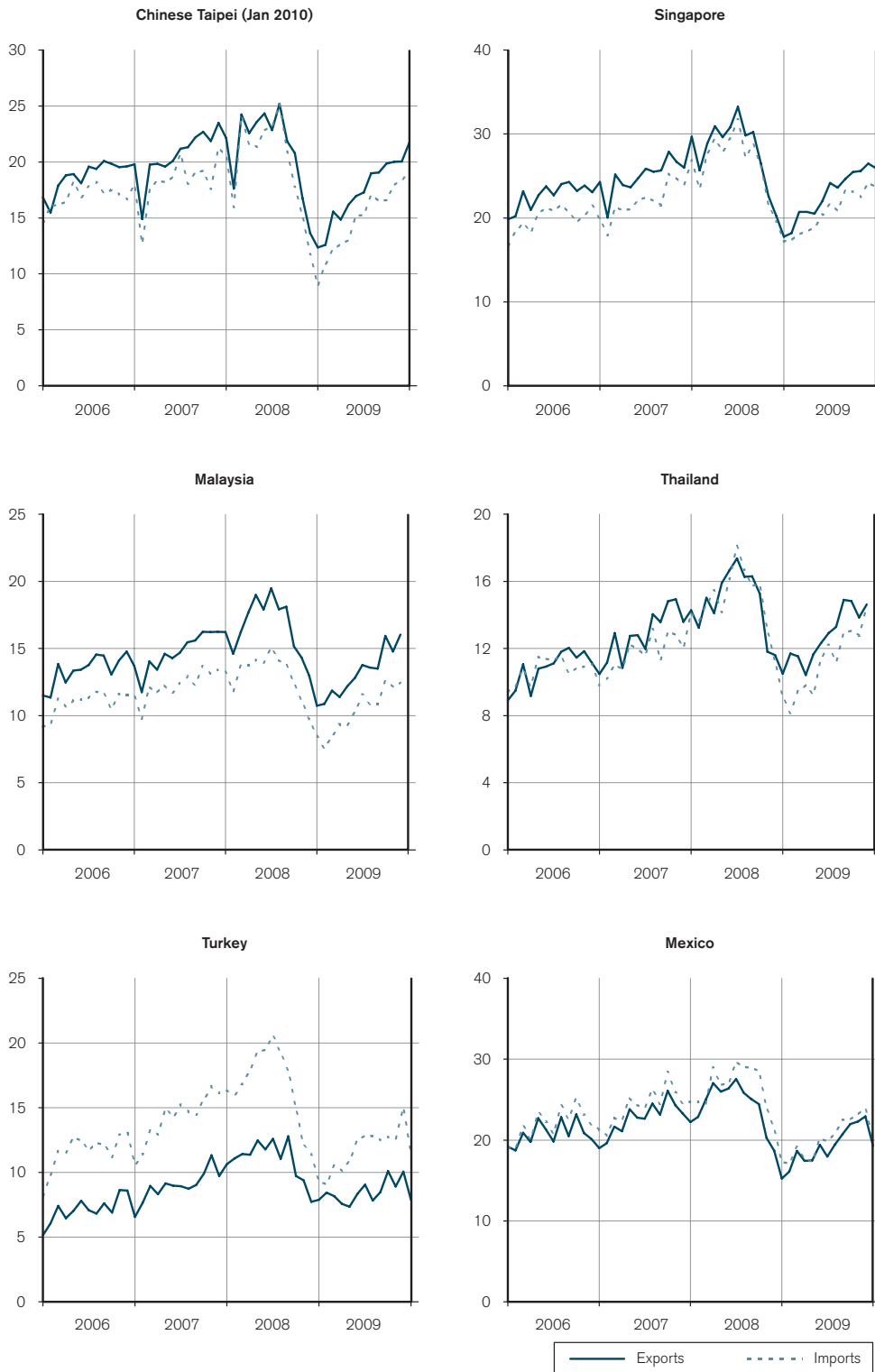


Appendix Figure 1: Monthly merchandise exports and imports of selected economies, January 2006 - January 2010 (Billion dollars) continued



Source: IMF International Financial Statistics, Global Trade Information Services GTA database, national statistics.

Appendix Figure 1: Monthly merchandise exports and imports of selected economies, January 2006 - January 2010 (Billion dollars) continued



Source: IMF International Financial Statistics, Global Trade Information Services GTA database, national statistics.

Appendix Figure 1: Monthly merchandise exports and imports of selected economies, January 2006 - January 2010 (Billion dollars) continued



Source: IMF International Financial Statistics, Global Trade Information Services GTA database, national statistics.

## Endnotes

- 1 Unless otherwise noted, world trade refers to world merchandise exports. Figures for world merchandise imports are similar but not identical to exports due to the inclusion of shipping and other costs in imports, and to differences in the recording of trade flows.
- 2 For a comprehensive analysis of the causes of trade contraction, see Baldwin, R. (2009), *The Great Trade Collapse: Causes, Consequences and Prospects*, London: Centre for Economic Policy Research.
- 3 Euro area GDP also fell by 4.0 per cent.