

Chapter II

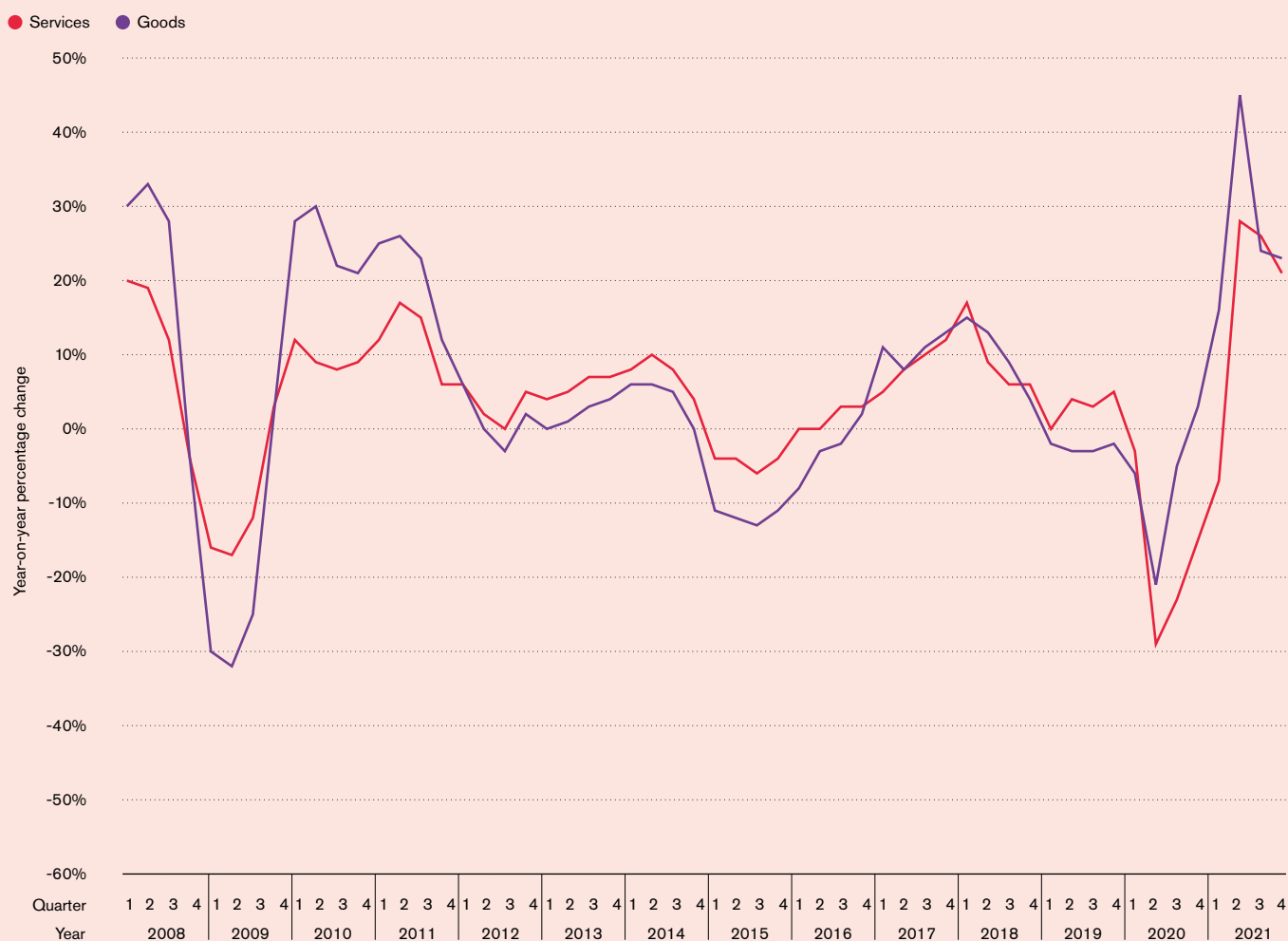
Highlights of world trade in 2021

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World trade overview

Trade in goods made a strong recovery in 2021, exceeding pre-pandemic levels, while services trade remained well below its 2019 value.

Chart 2.1
World trade in goods and commercial services, 2008-2021, quarterly
 (Year-on-year percentage change)



Note: Trade as average of exports and imports.
 Source: WTO-UNCTAD-ITC.

+27%

Trade in goods has recovered faster than services trade due to strong consumer demand for products, especially in advanced economies, sustained by governments' fiscal stimulus measures. In 2021, trade in goods rose by 27 per cent year-on-year, and by 17 per cent in comparison with 2019.

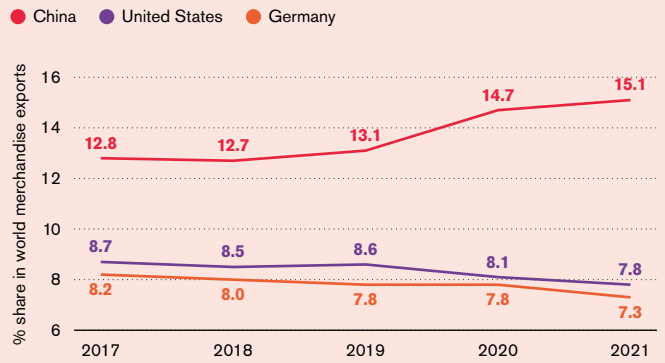
+16%

By contrast, unequal distribution of vaccines, the emergence of new COVID-19 variants and border restrictions continued to weigh on the recovery of tourism and passenger transport in the services sector. Trade in commercial services expanded by 16 per cent in 2021. However, it remained 5 per cent below pre-pandemic levels.

Leading merchandise traders

China, the United States and Germany were the top three merchandise exporters in 2021, representing 15 per cent (China), 8 per cent (United States) and 7 per cent (Germany) of world exports.

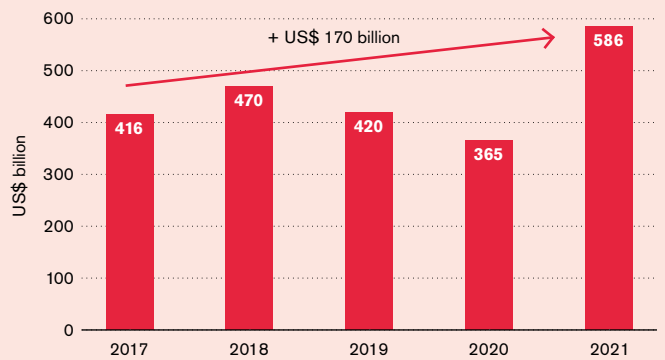
Source: WTO-UNCTAD estimates.



Iron and steel

World exports of iron and steel grew the most among manufactured goods in 2021. Since 2017, they have increased by US\$ 170 billion.

Source: WTO estimates.



Manufactured goods

Trade in manufactured goods represented 68 per cent of world merchandise exports in 2021, with a value of US\$ 14.8 trillion.

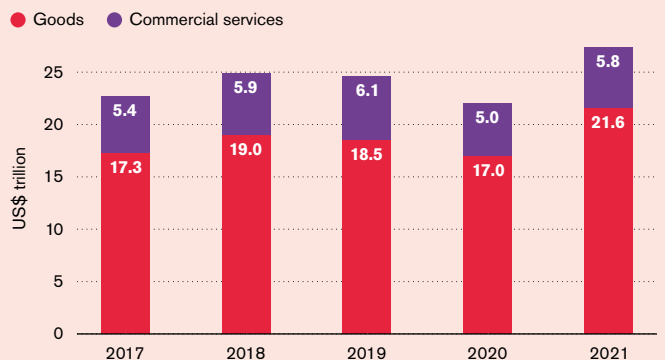
Source: WTO estimates.



Trade in goods and services

World trade in goods and services amounted to US\$ 27.3 trillion in 2021, a 24 per cent increase compared with 2020.

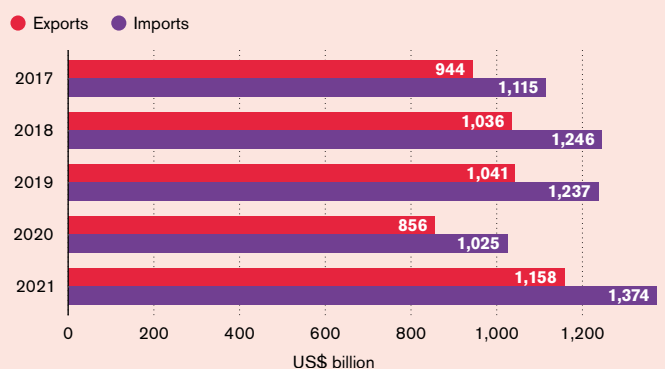
Note: Average of exports and imports.
Source: WTO-UNCTAD estimates.



Transport services

Trade in transport services rose by 35 per cent in 2021, fuelled by a surge in freight shipping rates. The total value exceeds pre-pandemic levels.

Source: WTO-UNCTAD estimates.



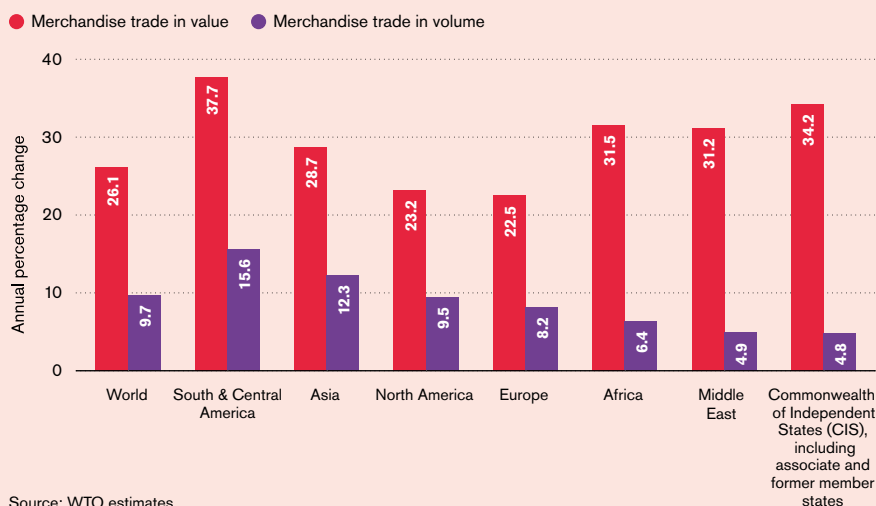
Merchandise trade

All regions recorded growth in merchandise trade in 2021. Trade in US dollar terms rose more sharply than trade in terms of volume. The strength of recovery of merchandise trade differed markedly across regions.

Chart 2.2

World merchandise trade by regions, 2021

(Annual percentage change)



+37.7%

South and Central America registered 37.7 per cent growth in the value of merchandise trade in 2021, the strongest among all regions. This was due to the rising prices of primary commodities, such as fuel, grains and base metal, which the region mostly imports from the Commonwealth of Independent States, Africa and the Middle East.

Source: WTO estimates.

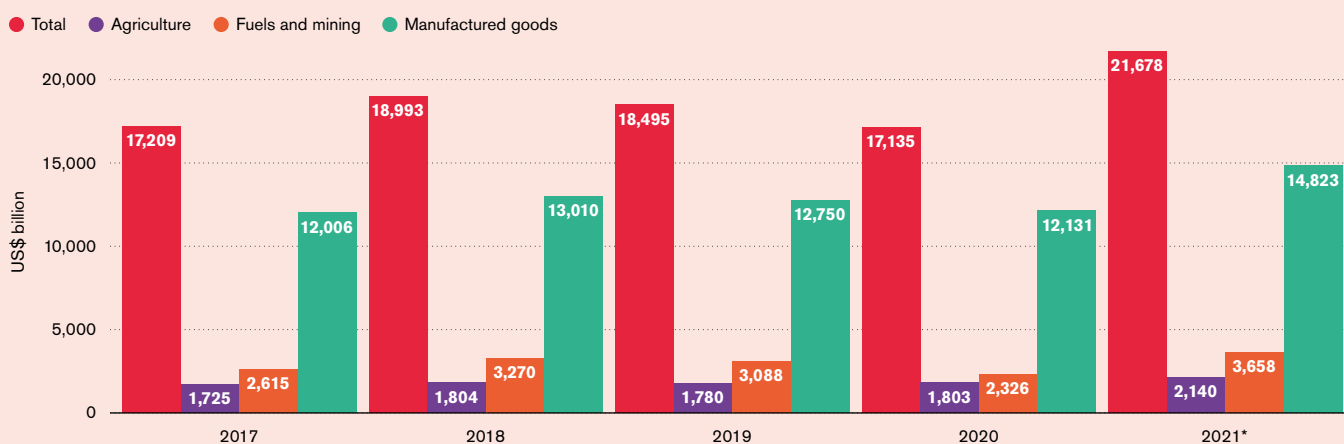
Merchandise exports

World exports of fuels and mining products contributed more than any other product group to the 26 per cent growth in world merchandise exports in 2021.

Chart 2.3

Merchandise exports by major product group, 2017-21

(US\$ billion)



* Estimate for product break-down.

Data include trade within the European Union and exclude re-exports of Hong Kong, China.

Source: WTO estimates.

+57%

Fuels and mining products rose by 57 per cent in 2021, due to a hike in energy prices and a rebound in demand.

+22%

Exports of manufactured goods grew by 22 per cent in 2021, after a decline of 5 per cent in 2020.

+19%

Exports of agricultural products increased the least in 2021, rising by 19 per cent. The lower growth is because agricultural exports remained resilient in 2020 despite the pandemic.

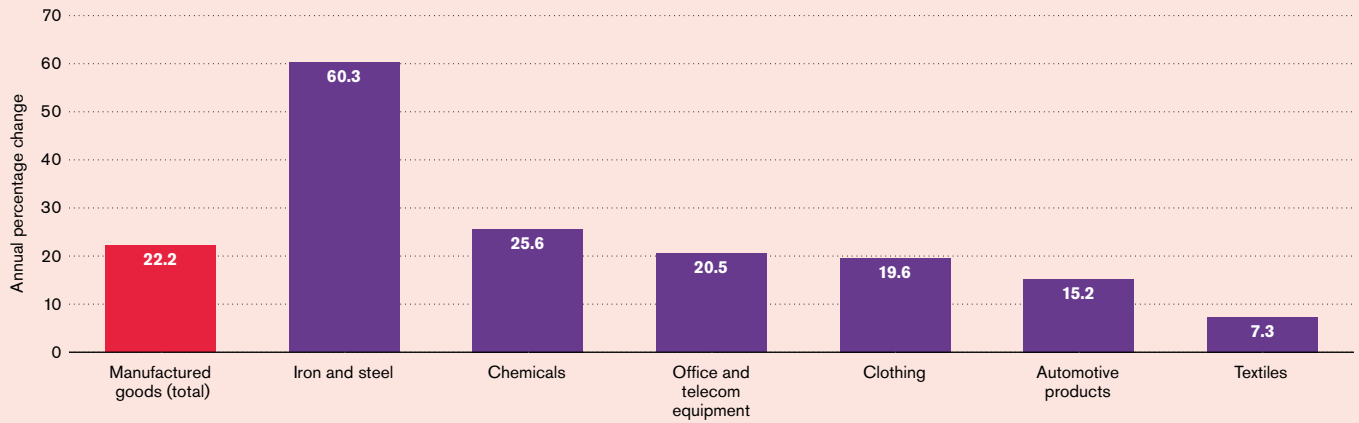
World exports of manufactured goods

World exports of manufactured goods exceeded their pre-pandemic levels in 2021, increasing by 22 per cent – with exports of iron and steel growing the most.

Chart 2.4

World exports of manufactured goods, 2021

(Annual percentage change)



Note: Data include trade within the European Union and exclude re-exports of Hong Kong, China.
Source: WTO estimates.

+60%

World exports of iron and steel increased the most in 2021, rising by 60 per cent – driven by increased demand and high prices for raw materials.

+7%

Exports of textiles grew the least, rising by 7 per cent in 2021. This lower growth is because textiles maintained high values in 2020 despite the pandemic.

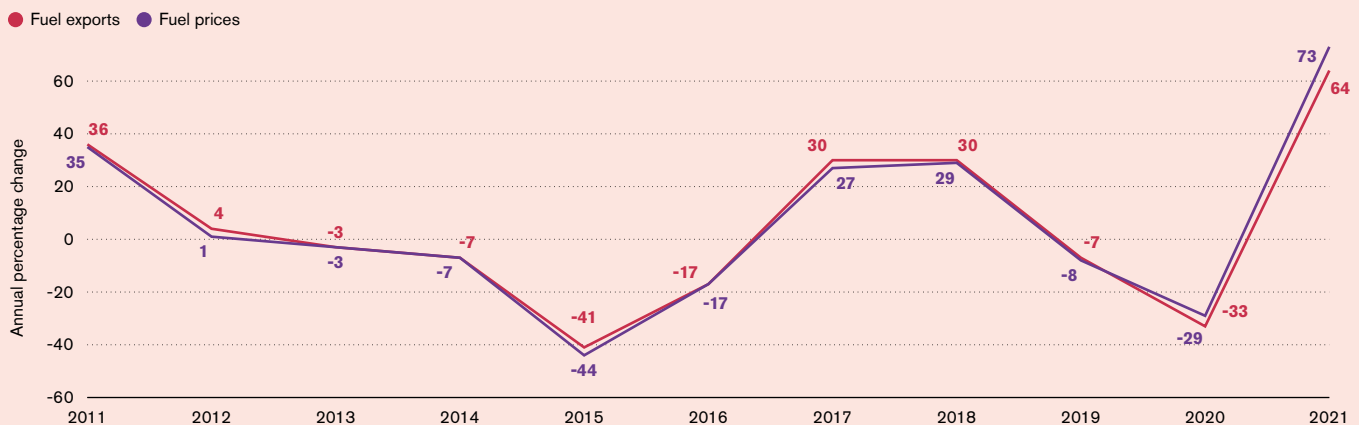
Fuel prices and world fuel exports

World fuel exports bounced back in 2021 after the COVID-19-related collapse in demand in 2020. Fuel prices saw a sharp rise in 2021 due to the increased demand.

Chart 2.5

World exports of fuels and fuel prices, 2011-21

(Annual percentage change)



Source: WTO Secretariat (export values) / IMF (fuel prices).

+64%

In 2021, world fuel exports reached a new peak in value terms, rising by 64 per cent and climbing to US\$ 2,573 billion.

+73%

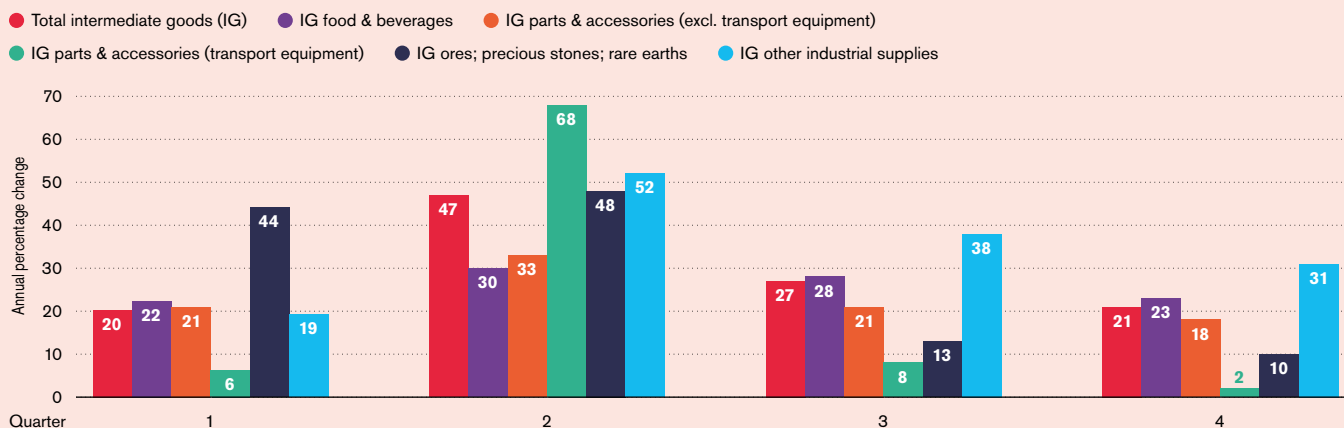
Fuel prices jumped by 73 per cent in 2021, due to increased demand and limited production.

World exports of intermediate goods

World exports of intermediate goods – used in supply chains – grew by 28 per cent in 2021. Sustained growth of “other industrial supplies”, representing nearly half of world exports and covering a wide range of manufacturing inputs – from metal structures to electronic components and pharma products – reflects increased activity in manufacturing production chains in 2021.

Chart 2.6

World exports of intermediate goods, total and by main category, 2021Q1-Q4



Source: WTO estimates.

+46% and -12%

The fluctuation in exports of ores and precious stones reflects the rise in prices of iron ores during the first half of 2021 (46 per cent) and decline in the second half (-12 per cent).

+68%

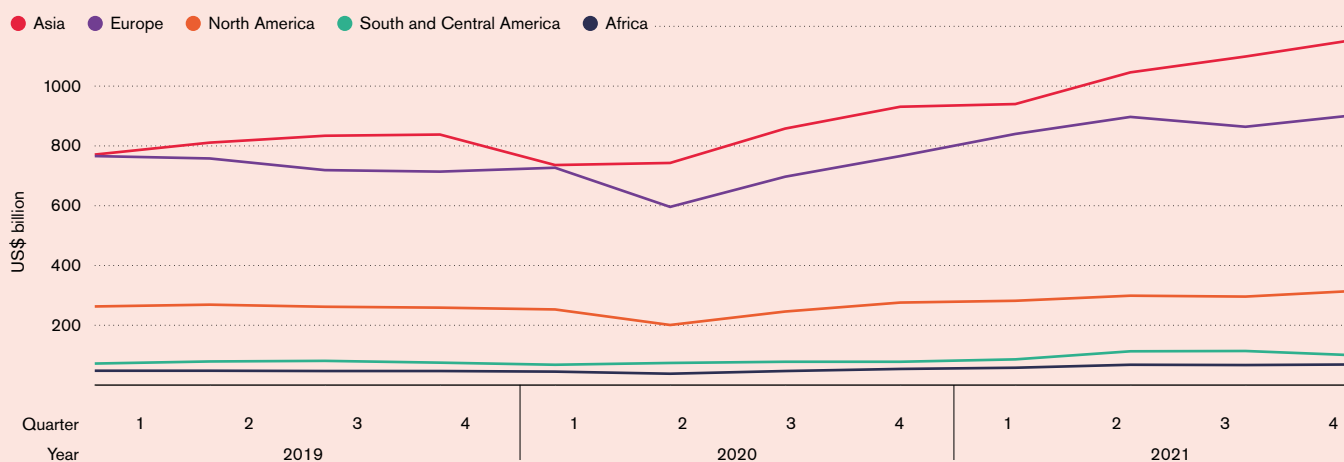
Q2 of 2021 saw a recovery (68 per cent) in automotive supply chains, from a low base, following the strong decline recorded by the automotive industry in terms of supply and demand during the peak of the pandemic.

Regional breakdown of world exports of intermediate goods

Asia and Europe represented close to 80 per cent of world exports of intermediate goods in 2021.

Chart 2.7

World exports of intermediate goods, by region, 2019Q1 - 2021Q4



Source: Trade Data Monitor (110 reporting economies, including estimates for Africa).

43% and 35%

Asia and Europe were the main providers of inputs for supply chains in 2021, representing 43 per cent and 35 per cent respectively of world exports of intermediate goods.

67%

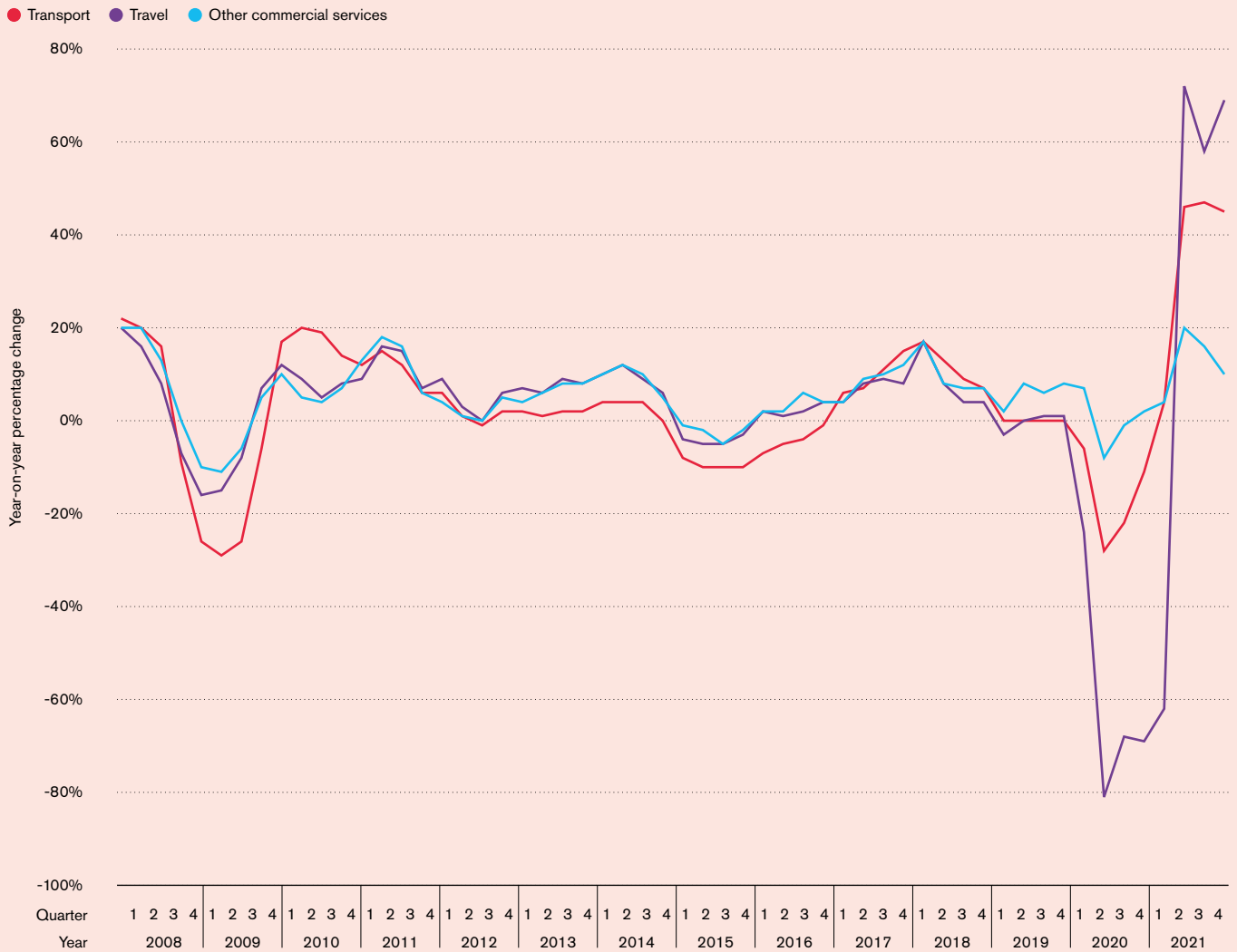
Almost 67 per cent of Asian exports of industrial inputs were shipped within Asian supply chains, especially high-tech components such as processors.

Exports of intermediate goods within Asia reached US\$ 2.9 trillion in 2021.

Commercial services

A surge in consumer demand for goods along with pandemic-related restrictions resulted in port bottlenecks, a misallocation of containers” instead of shortage of containers worldwide and shipping delays, leading to a large increase in shipping rates in 2021 and strong growth in the value of sea transport services. However, by the end of 2021, travel-related expenditure was still 57 per cent below its value in 2019.

Chart 2.8
World trade in commercial services by sectors, quarterly, 2008-21
 (Year-on-year percentage change)



Note: Trade as average of exports and imports.
 Source: WTO-UNCTAD-ITC estimates.

+45%

Following a 28 per cent plunge in Q2 of 2020, global transport services rebounded strongly in 2021, rising by 45 per cent on average in Q2 to Q4 of 2021.

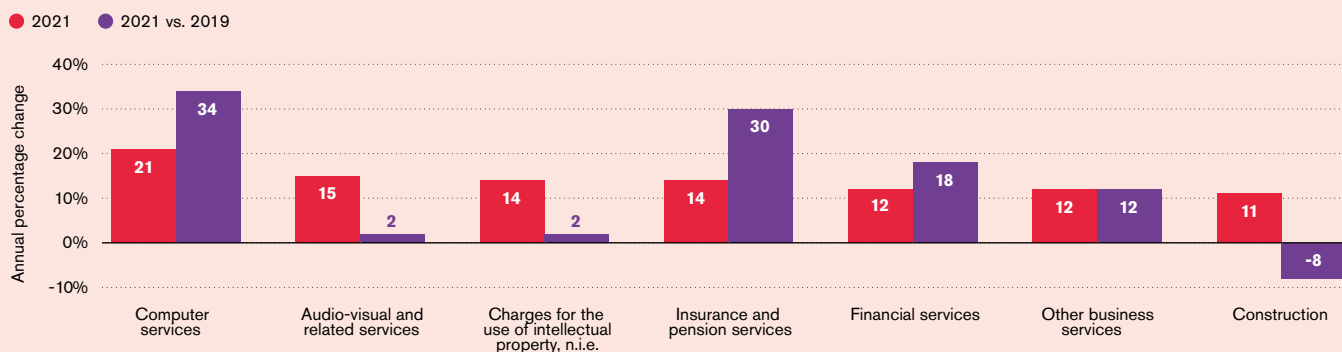
Other commercial services

Exports of other commercial services – ranging from computer services to construction – were up 14 per cent globally in 2021. However, recovery was uneven across sectors. Supply chain disruptions boosted growth in insurance services but hindered recovery in construction, with exports 8 per cent below 2019 levels. This was due to shortages of essential building materials, such as steel, and high prices. As in 2020, computer services recorded the strongest growth.

Chart 2.9

Other commercial services by selected subsector, 2021

(Annual percentage change)



Source: WTO-UNCTAD estimates.

+21%

Computer services continued to rise, increasing by 21 per cent in 2021, 34 per cent above pre-pandemic levels.

+14%

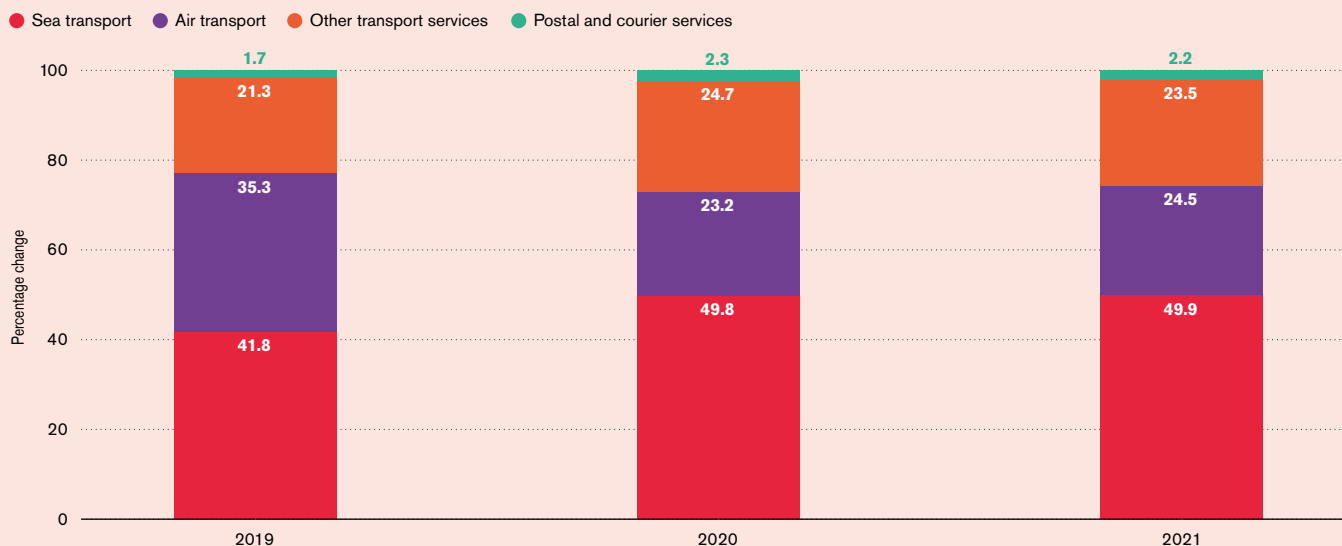
Insurance services rose 14 per cent in 2021, up 30 per cent compared with 2019, as insurance premiums on freight transport soared.

Trade in transport services

Chart 2.10

Breakdown of trade in transport services 2019-21

(Percentage share)



Note: Trade as average of exports and imports.

Source: WTO-UNCTAD estimates.

24.5%

The value of air transport services, covering largely passenger transport, fell sharply in 2021 due to travel restrictions worldwide relating to the COVID-19 pandemic. As a result, the share of air transport in transport services overall contracted from 35.3 per cent in 2019 to 24.5 per cent in 2021.

49.9%

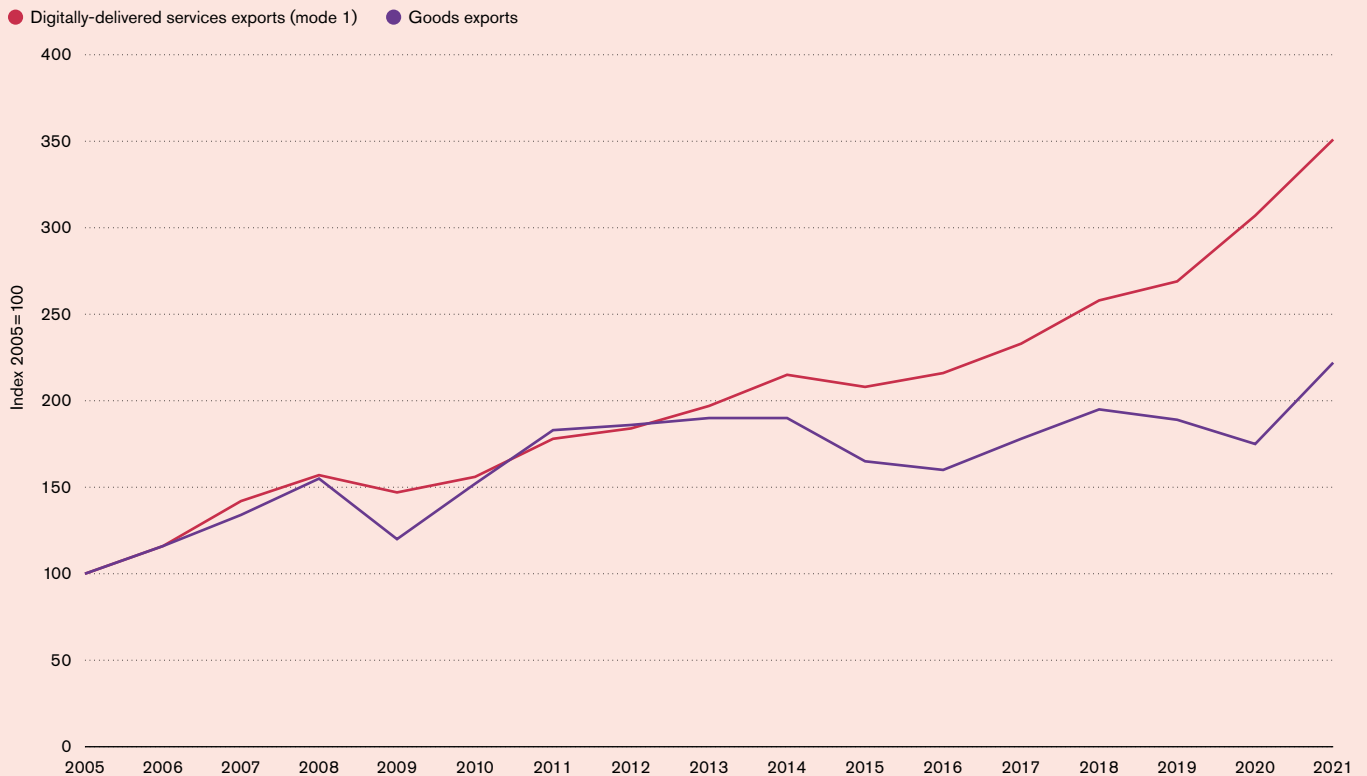
Boosted by high consumer demand for goods and surging shipping rates, sea transport services accounted for half (49.9 per cent) of trade in transport services in 2021.

Global exports of digitally delivered services

Chart 2.11

Global exports of digitally delivered services, 2005-21

(Index 2005=100)



Note: In the chart, digitally delivered services cover cross-border supply (mode 1 of the General Agreement on Trade in Services) of insurance and pension services, financial services, charges for the use of intellectual property n.i.e., telecommunications, computer and information services, other business services, and personal, cultural and recreational services.

Sources: For services, WTO estimates in the Trade in Services by Mode of Supply revised dataset (TiSMoS). For goods exports on balance-of-payment basis, WTO-UNCTAD estimates.

+7.3%

Global exports of digitally delivered services have almost tripled since 2005, rising by 7.3 per cent on average per year from 2005 to 2019, outpacing goods exports (+4.7 per cent on a balance-of-payments basis).

+14%

While goods trade fell in 2020, exports of digitally delivered services rose by 14 per cent, boosted by an increase in remote working, distance learning and home entertainment due to COVID-19.

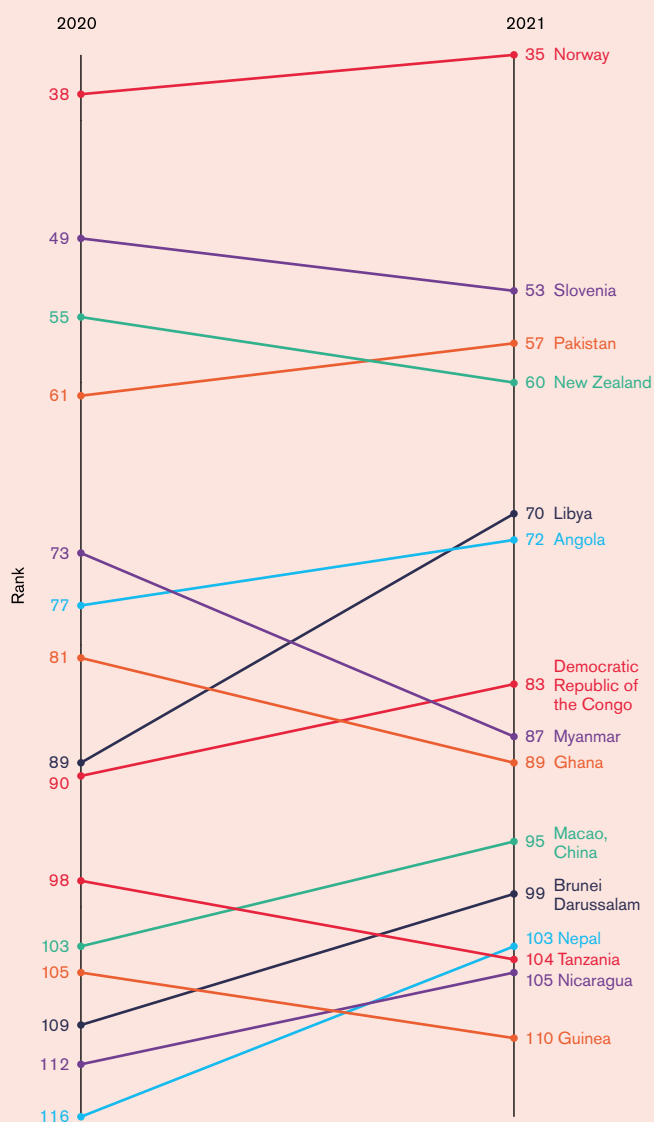
3.71 trillion

In 2021, world exports of digitally delivered services reached an estimated value of US\$ 3.71 trillion.

Leading traders

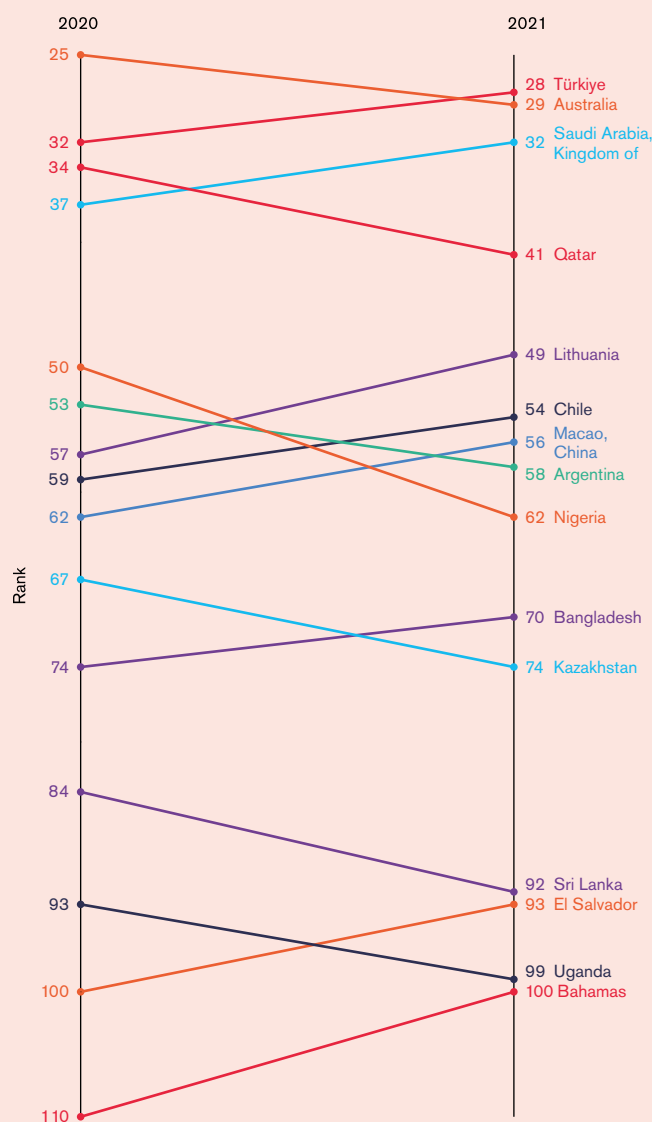
While China remained the leading merchandise trader in 2021, Macao (China) and Brunei Darussalam entered the top 100 merchandise traders in the world for the first time in over 15 years. This was prompted by strong imports of consumer goods for Macao (China) and strong exports and imports of mineral fuels for Brunei Darussalam. Economies such as Bangladesh and El Salvador that witnessed a boost in exports of other commercial services like computer services jumped up in rankings in 2021.

Chart 2.12
Changes in rankings for merchandise traders in the world's top 100, 2020-21
 (Rank)



Source: WTO-UNCTAD estimates.

Chart 2.13
Changes in rankings for commercial services traders among the world's top 100, 2020-21
 (Rank)



Source: WTO-UNCTAD estimates.

13

Nepal jumped 13 places in its world ranking among merchandise traders, moving up to 103rd position in 2021.

70

Bangladesh climbed four places among the leading traders of commercial services to 70th position in 2021.

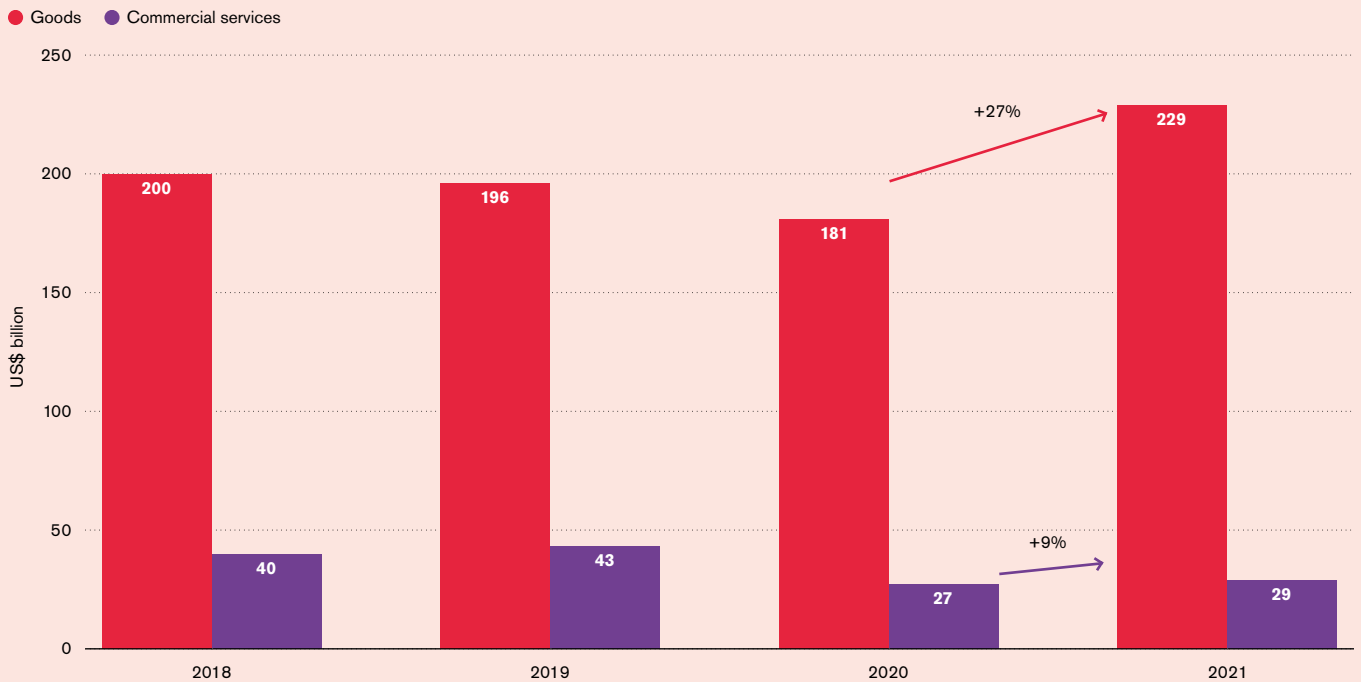
Least-developed countries (LDCs)

Exports of goods from least-developed countries (LDCs) amounted to US\$ 229 billion in 2021, a 27 per cent increase, while LDC exports of commercial services totalled US\$ 29 billion, expanding by 9 per cent. Compared with pre-pandemic levels, goods exports were up 17 per cent while services exports remain 32 per cent below the value for 2019. This is because travel receipts continued to be affected by the pandemic and mobility restrictions.

Chart 2.14

Exports of least-developed countries, 2018-21

(US\$ billion)



Source: WTO-UNCTAD estimates.

+27%

LDCs' goods exports rose by 27 per cent in 2021, in line with the rest of the world.

+9%

The value of LDCs' exports of commercial services expanded by 9 per cent in 2021, compared with 17 per cent for the rest of the world.