

World merchandise trade volume growth to fall to 2.6% in 2019 from 3% in 2018

World trade will continue to face strong headwinds in 2019 and 2020 after growing more slowly than expected in 2018 due to rising trade tensions and increased economic uncertainty. **The World Trade Organization (WTO) expects world merchandise trade volume growth to fall to 2.6% in 2019 from 3% in 2018. Further, it is expected that trade growth could rebound to 3% in 2020.** However, this would depend on the back of easing of trade tensions.

As per WTO, trade growth in 2018 was weighed down by several factors, including new tariffs and retaliatory measures affecting widely-traded goods, weaker global economic growth, volatility in financial markets and tighter monetary conditions in developed countries, among others. Consensus estimates have world GDP growth slowing from 2.9% in 2018 to 2.6% in both 2019 and 2020.

According to Table I, if current GDP forecasts are realized, the WTO expects the volume of world merchandise trade to grow by 2.6% in 2019, with stronger expansion in developing economies (3.4% for exports, 3.6% for imports) than in developed ones (2.1% for exports, 1.9% for imports). World trade growth should pick up slightly in 2020 to 3.0%, with growth in developing economies (3.7% for exports, 3.9% for imports) again outpacing developed countries (2.5% for exports, 1.9% for imports). Most risks remain firmly on the downside, with upside potential hinging on a relaxation of trade tensions.

Table I: Merchandise trade volume and real GDP, 2015 – 2020* (Annual % change)

	2015	2016	2017	2018	2019P	2020P
Volume of world merchandise trade ²	2.3	1.6	4.6	3.0	2.6	3.0
Exports						
Developed economies	2.4	1.0	3.6	2.1	2.1	2.5
Developing economies ³	1.7	2.3	5.6	3.5	3.4	3.7
North America	1.1	0.3	4.2	4.3	2.7	3.7
South and Central America ⁴	-0.4	0.7	3.0	0.6	0.7	1.0
Europe	2.9	1.2	3.7	1.6	1.8	2.0
Asia	1.4	2.3	6.8	3.8	3.7	4.1
Other regions ⁵	3.2	2.9	1.6	2.7	3.4	3.1
Imports						
Developed economies	4.2	2.0	3.3	2.5	1.9	1.9
Developing economies ³	0.6	1.3	6.8	4.1	3.6	3.9
North America	5.4	0.1	4.0	5.0	3.6	2.5
South and Central America ⁴	-8.4	-8.8	4.6	5.2	2.6	5.8
Europe	3.5	3.1	2.9	1.1	1.0	2.1
Asia	3.9	3.6	8.3	5.0	4.6	3.7
Other regions ⁵	-4.3	-1.9	2.5	0.5	0.5	1.9
Real GDP at market exchange rates	2.8	2.4	3.0	2.9	2.6	2.6
Developed economies	2.3	1.7	2.3	2.2	1.8	1.7
Developing economies ³	3.7	3.7	4.3	4.1	4.0	4.3
North America	2.8	1.6	2.3	2.8	2.5	2.2
South and Central America ⁴	-0.8	-2.1	0.8	0.6	1.8	2.7
Europe	2.4	2.0	2.7	2.0	1.1	1.5
Asia	4.3	4.1	4.5	4.3	4.2	4.0
Other regions ⁵	1.2	2.2	1.9	2.2	2.4	2.6

Source: WTO. * Figures for 2019 and 2020 are projections, 2 Average of exports and imports, 3 Includes the Commonwealth of Independent States (CIS), including associate and former member States, 4 Refers to South and Central America and the Caribbean, 5 Other regions comprise Africa, Middle East and Commonwealth of Independent States (CIS).

Please find attached the full release by WTO on World merchandise trade volume growth for your kind reference.

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