

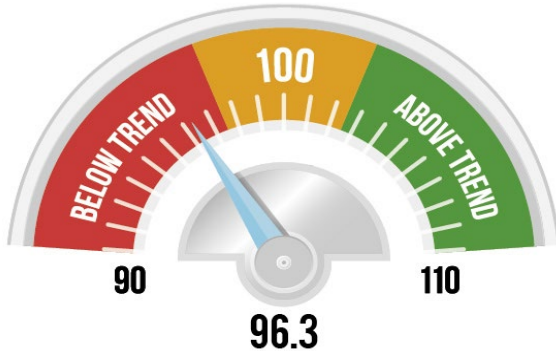
World Trade Outlook Indicator

lundi 20 mai 2019

World Trade Outlook Indicator

96.3

(Index, trend = 100)



Drivers of trade

	Level of Index	Direction of change
Merchandise trade volume (Q4)	100.2	↓
Export orders	96.6	↑
International air freight (IATA)	92.3	↓
Container port throughput	101.0	↓
Automobile production and sales	92.2	↓
Electronic components	96.7	→
Agricultural raw materials	92.4	↓

Trade weakness to extend into second quarter, WTO indicator suggests

The World Trade Outlook Indicator (WTOI) is designed to provide "real time" information on the trajectory of world trade relative to recent trends. The latest reading of 96.3 remains below the baseline value of 100 for the index, suggesting below-trend trade expansion into the second quarter. In the chart below, the blue line depicting the WTOI is below the red line denoting actual merchandise trade growth. This suggests that merchandise trade is likely to follow the WTOI below trend in first and second quarters once data for these periods are available. It should be noted that the WTOI does not reflect recently announced major trade measures. The outlook for trade could worsen if heightened trade tensions are not resolved or if macroeconomic policy fails to adjust to changing circumstances.

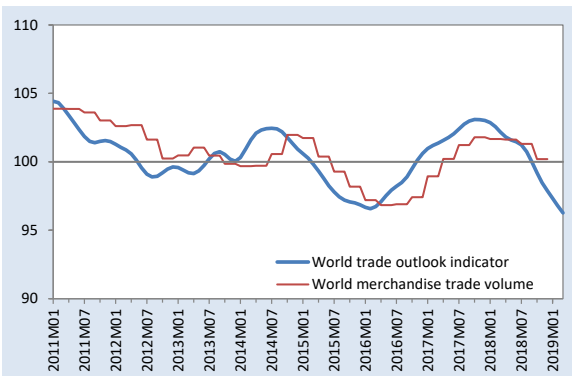
The latest result was driven by declines in all but two component indices. Indices for international air freight (92.3), automobile production and sales (92.2), and agricultural raw materials (92.4) fell further below-trend. The index for container port throughput (101.0) also declined but remained above 100, suggesting growth in line with recent trends. Indices for export orders (96.6) and electronic components (96.7) appear to have bottomed out, even as both remained firmly below-trend.

About the Indicator: Readings of 100 indicate growth in line with medium-term trends; readings greater than 100 suggest above trend growth, while those below 100 indicate the opposite. The direction of change reflects momentum compared the previous month. The chart below compares historical values of the WTOI to actual merchandise trade data. Trade volume growth tends to accelerate when the WTOI (blue line) is above the index for merchandise trade (red line), and decelerate when the WTOI is below the trade index.

World trade trajectory and momentum

World Trade Outlook Indicator and merchandise trade

(Index, trend = 100)



Changes in WTOI and component indices

(Point changes in index values)

	Month-on-month change			Year-on-year change
	2019 Jan.	2019 Feb.	2019 Mar.	2019 Mar.
WTOI	-0.5	-0.6	-0.5	-5.9
Export orders	-0.1	0.2	0.3	-4.4
Air freight	-1.7	-1.6	-1.5	-12.4
Container shipping	0.1	-0.2	-0.3	-0.5
Automobiles	-0.8	-0.8	-0.8	-10.6
Electronics	-0.3	-0.2	0.0	-6.7
Raw materials	-0.9	-0.9	-0.7	-7.3

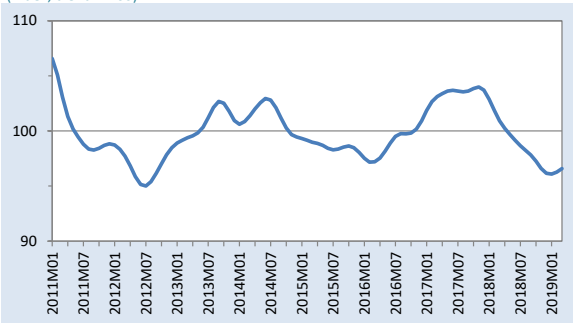
Note: Component indices of the WTOI are derived from various sources and are seasonally adjusted, smoothed, de-trended and amplitude adjusted by the WTO. As a result, values differ from original data series. For more information on interpretation, see methodological note.

Component indices

Export orders

96.6

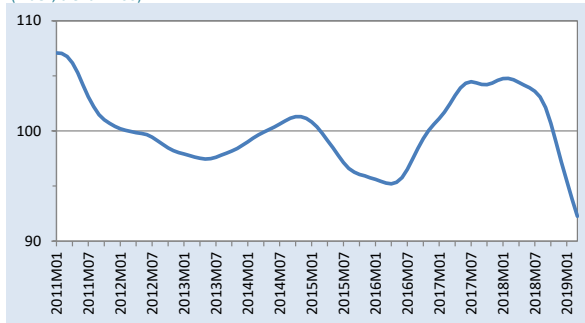
(Index, trend = 100)



International air freight (IATA)

92.3

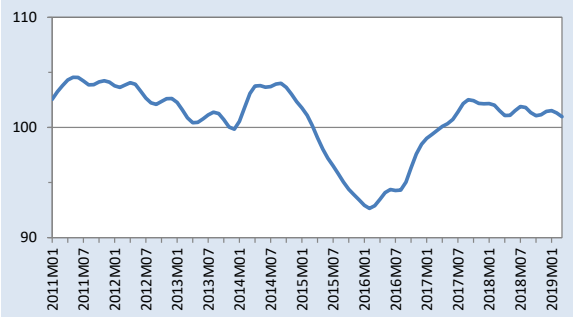
(Index, trend = 100)



Container port throughput

101.0

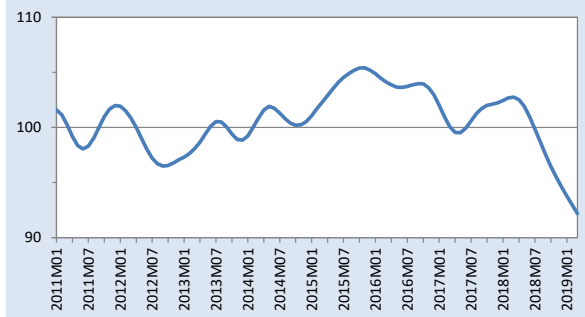
(Index, trend = 100)



Automobile production and sales

92.2

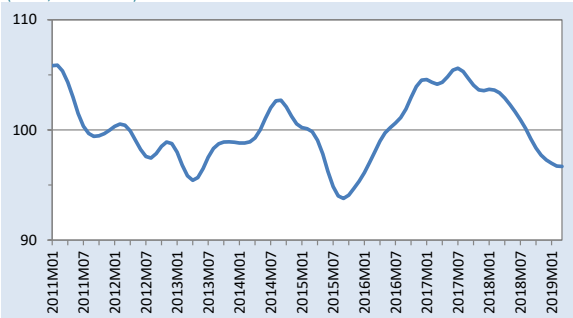
(Index, trend = 100)



Electronic components

96.7

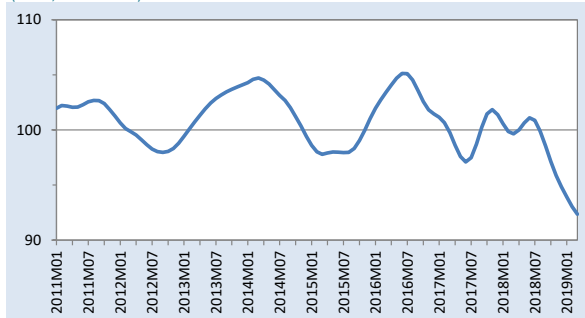
(Index, trend = 100)



Agricultural raw materials

92.4

(Index, trend = 100)



Data on international air freight courtesy of the International Air Transport Association (IATA). Air freight has proved to be a very timely indicator of overall world trade and an early signal of turning points in recessions. Further information and analysis available here:

Background: [http://www.iata.org/publications/economic-briefings/Air freight and world trade.pdf](http://www.iata.org/publications/economic-briefings/Air_freight_and_world_trade.pdf)

IATA Quarterly Analysis: <http://www.iata.org/cargochartbook>

IATA Monthly Analysis: <http://www.iata.org/freight-monthly-analysis>



Other sources: WTO Secretariat for quarterly merchandise trade volume, TDM Trade Data Monitor database for electronic components and agricultural raw materials, Institute for Shipping Economics and Logistics for container throughput. Export orders from IHS-Markit Global PMI.

Details on the methodology of the trade outlook indicator are available on the WTO website at the following address:

https://www.wto.org/english/news_e/news19_e/wtoi_methodology_20_05_19.pdf

Short-term WTO trade statistics (quarterly and monthly) can be obtained here:

https://www.wto.org/english/res_e/statist_e/short_term_stats_e.htm

The WTO issues a separate semi-annual trade forecasts projecting trade growth over two years. The latest release is available for download here:

https://www.wto.org/english/news_e/pres19_e/pr837_e.htm