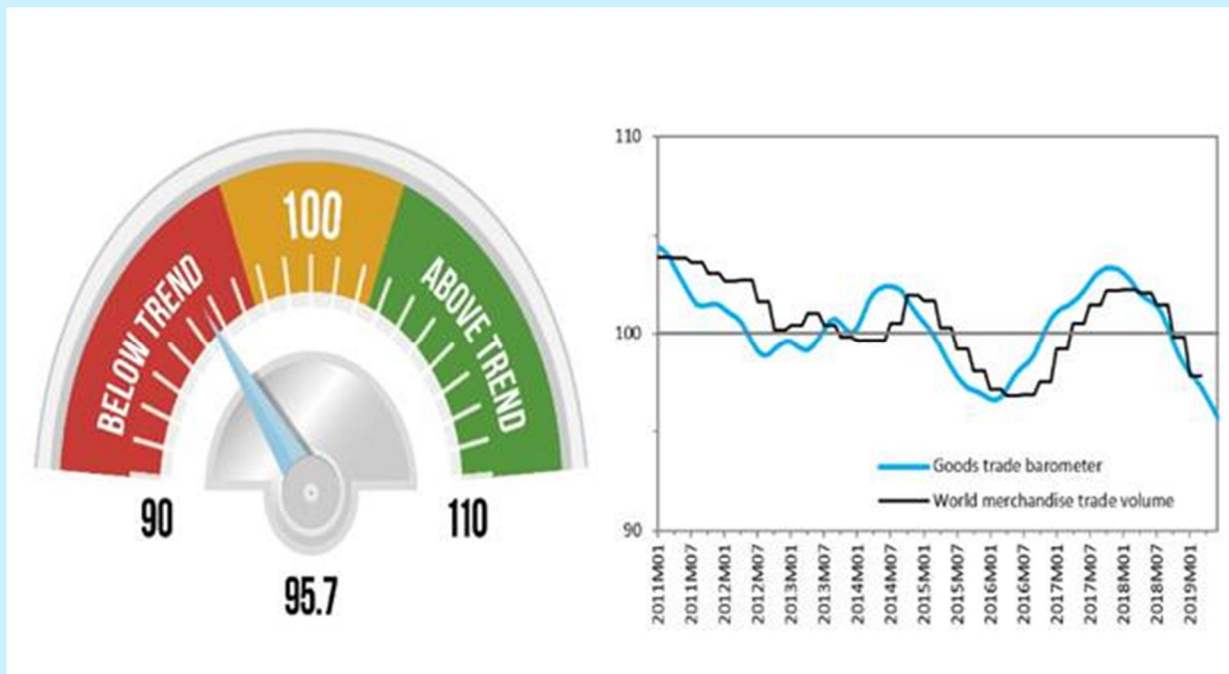


Growth of world merchandise trade volumes is likely to remain weak in Q3 2019: WTO's Goods Trade Barometer

The growth of world merchandise trade volumes is likely to remain weak in the third quarter of 2019 according to the WTO's Goods Trade Barometer. The latest reading of 95.7 from the barometer, formerly the World Trade Outlook Indicator (WTOI), is lower than the previous release and signals that stronger trade growth is not yet in sight.



Source: PHD Research Bureau, PHDCCI compiled from WTO

The latest reading continues to fall well below the baseline value of 100 for the index of the renamed barometer. The loss of momentum in goods trade has already been confirmed in

previous quarters where official data are available. The barometer suggests that below-trend expansion in merchandise trade will persist in the coming months.

Sustained weakness in the barometer index was driven by below trend values in all component indices. The international air freight (91.4) and electronic components (90.7) indices showed the strongest deviations from trend, with readings well below previous releases. Indices for export orders (97.5), automobile production and sales (93.5) and agricultural raw materials (97.1) all remained below trend although they show some signs of having bottomed out. Only the index for container shipping (99.0) was close to the baseline value of 100.

The Goods Trade Barometer provides, as the WTOI did, "real time" information on the trajectory of world trade relative to recent trends. It aims to identify turning points and gauge momentum in global trade growth. As such, it complements trade statistics and forecasts from the WTO and other organizations. Readings of 100 indicate growth in line with medium-term trends; readings greater than 100 suggest above-trend growth, while those below 100 indicate below-trend growth.

Please find enclosed the full Goods Trade Barometer of WTO for your kind reference.

Please contact for any query related to this mail to Ms Bhawna Kakkar, Research Associate at bhawna.kakkar@phdcci.in with a cc to Dr S P Sharma, Chief Economist at spsharma@phdcci.in and Ms Surbhi Sharma, Associate Economist at surbh@phdcci.in, PHD Chamber of Commerce & Industry.

Regards,

Dr S P Sharma

Chief Economist

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: spsharma@phdcci.in

Website: www.phdcci.in

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PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801-04, 49545454, 49545400
Fax : +91-11-2685 5450 • E-mail : phdcci@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP001947



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