



# CPB Memo

CPB Netherlands Bureau for  
Economic Policy Analysis  
Van Stolkweg 14  
Postbus 80510  
2508 GM Den Haag

T +31 70 3383 380  
I [www.cpb.nl](http://www.cpb.nl)

**Contact**  
Jos Ebregt and Nico van Leeuwen

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**Subject:** CPB World Trade Monitor August 2014

## Developments in international trade and industrial production

- August 2014: world trade down 0.8% month on month, following a 1.5% increase in July.
- August 2014: world industrial production down 0.8% month on month, following a 0.5% increase in July.

### World trade volume

Based on preliminary data, the volume of world trade declined 0.8% in August from the previous month, following a 1.5% increase in July (initial estimate: 1.4%). The decline was widespread, the United States and Latin America (at both the import and the export side) and emerging Asia (at the import side only) being the only major economic blocks recording positive monthly growth. In Central and Eastern Europe, both imports and exports slumped.

Because of the volatility of monthly trade figures, momentum is the preferred measure of trade growth.<sup>1</sup> Trade momentum rose to 1.0% in August (non-annualised) from 0.8% in July. While the regional outcomes are mixed, the general picture is one of weak and slowing trade momentum in advanced economies and relatively strong momentum in emerging economies.

### World industrial production

According to preliminary data, world industrial production fell 0.8% in August, following a 0.5% increase in July (equal to the initial estimate). Production subsided in each major economic block, the overall decline being bigger in advanced economies than in emerging economies. The largest contractions occurred in Japan, the Euro Area, and Central and Eastern Europe.

Global production momentum was 0.2% in August (non-annualised), down from 0.4% in July. Momentum was negative in Japan, the Euro Area, Central and Eastern Europe, and Latin America. Momentum in advanced economies became more negative in August, continuing a decline that started in March this year. The slowdown in emerging economies was relatively small.

*The next release of the CPB World Trade Monitor is scheduled tentatively for 25 November 2014. The WTM database in Excel format is available at:*

<http://www.cpb.nl/en/world-trade-monitor>

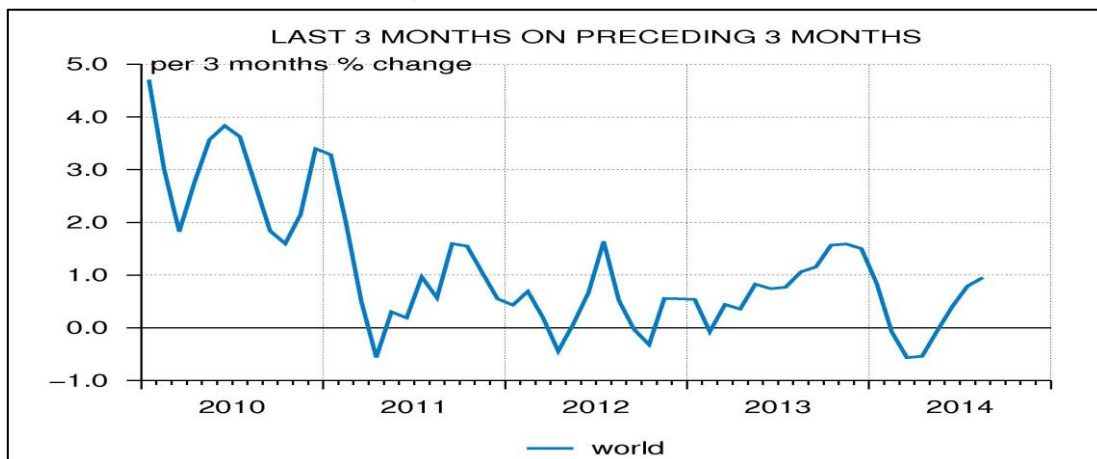
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<sup>1</sup> Momentum is the change in the three months average up to the report month relative to the average of the preceding three months.

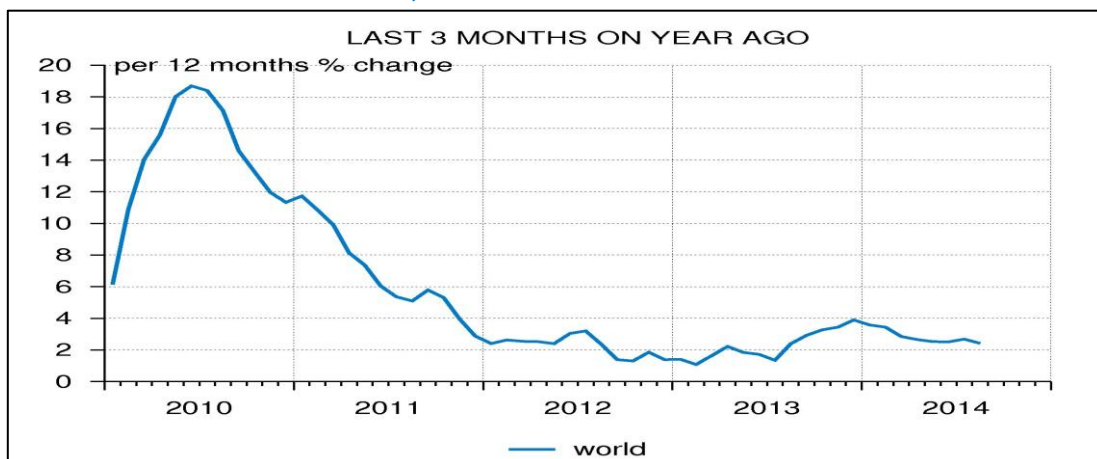
### WORLD MERCHANDISE TRADE, CHART 1



### WORLD MERCHANDISE TRADE, CHART 2



### WORLD MERCHANDISE TRADE, CHART 3

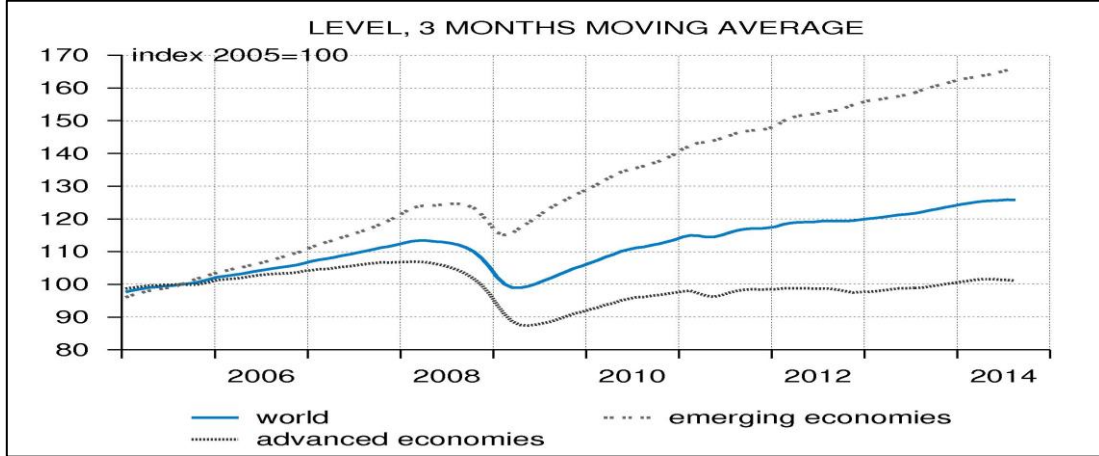


## WORLD MERCHANDISE TRADE (percentage changes)

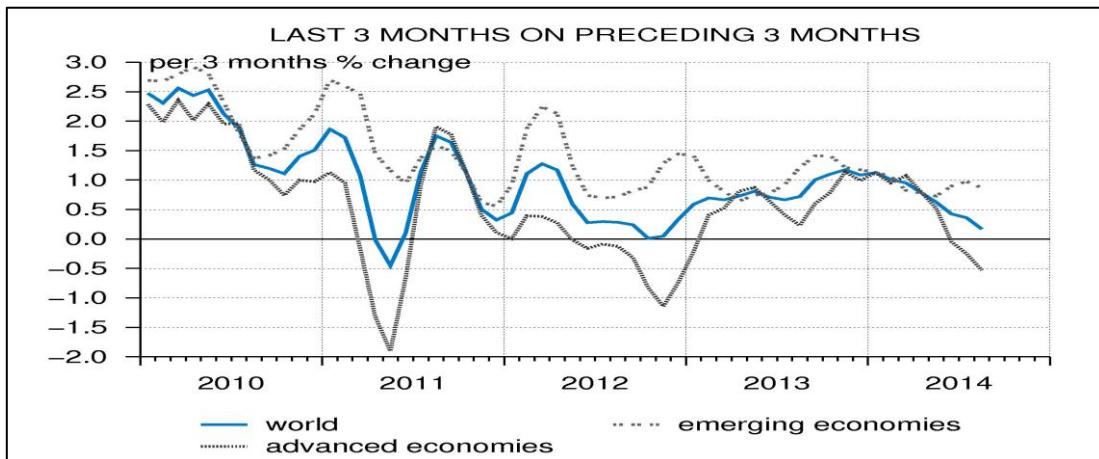
	year on year			quarter on quarter			momentum (a)		month on month		
	2011	2012	2013	2013q4	2014q1	2014q2	2014m07	2014m08	2014m06	2014m07	2014m08
<b>Volumes (s.a.)</b>											
<b>World trade</b>	<b>6.1</b>	<b>2.1</b>	<b>2.6</b>	<b>1.5</b>	<b>-0.6</b>	<b>0.4</b>	<b>0.8</b>	<b>1.0</b>	<b>0.2</b>	<b>1.5</b>	<b>-0.8</b>
<b>World imports</b>	<b>6.2</b>	<b>2.1</b>	<b>2.6</b>	<b>1.4</b>	<b>0.1</b>	<b>-0.3</b>	<b>0.0</b>	<b>0.5</b>	<b>1.0</b>	<b>0.6</b>	<b>-0.8</b>
Advanced Economies	3.5	-0.4	-0.3	0.6	0.3	0.8	0.8	0.2	-0.4	1.3	-1.0
United States	4.0	2.8	0.8	0.9	-0.1	2.5	1.0	-0.6	-1.7	1.0	0.6
Japan	4.9	3.5	1.6	1.6	4.5	-7.0	-4.8	-3.0	3.6	-1.3	-1.2
Euro Area	2.9	-3.5	-0.7	0.4	0.3	0.8	0.9	0.5	-0.4	1.5	-1.5
Other advanced economies	3.9	1.5	-1.7	0.2	-0.9	2.1	2.5	1.6	-0.4	2.0	-1.9
Emerging economies	9.4	4.8	5.7	2.1	-0.1	-1.4	-0.7	0.8	2.5	0.0	-0.6
Asia	7.3	3.4	5.1	4.0	-2.1	-1.5	-0.8	2.5	4.1	0.7	1.0
Central and Eastern Europe	14.7	3.7	4.6	1.2	-0.4	-1.9	-0.7	-2.2	0.8	0.0	-6.8
Latin America	11.4	6.1	9.3	-1.9	3.9	-1.9	-0.2	1.3	0.9	-0.1	0.6
Africa and Middle East	9.3	8.8	6.4	0.6	3.3	-0.5	-0.8	-1.3	0.9	-1.8	-0.3
<b>World exports</b>	<b>5.9</b>	<b>2.1</b>	<b>2.5</b>	<b>1.6</b>	<b>-1.2</b>	<b>1.1</b>	<b>1.5</b>	<b>1.4</b>	<b>-0.5</b>	<b>2.4</b>	<b>-0.9</b>
Advanced Economies	4.8	0.5	1.2	0.4	-0.4	0.4	0.4	0.2	-0.6	1.1	-0.5
United States	7.4	3.9	2.6	2.7	-3.2	2.4	3.2	2.8	0.4	1.6	1.0
Japan	-0.8	-1.3	-1.4	1.5	-1.0	-1.2	-2.0	-0.1	-0.3	2.2	-0.4
Euro Area	5.2	0.4	0.3	0.2	0.3	0.7	0.0	-0.7	-1.3	0.4	-0.6
Other advanced economies	4.8	-1.2	3.7	-1.5	0.5	-1.3	0.0	0.4	-0.1	2.1	-2.0
Emerging economies	7.1	3.8	3.9	2.9	-2.0	1.8	2.7	2.6	-0.4	3.6	-1.2
Asia	8.1	3.4	5.8	4.3	-3.8	3.7	4.4	4.2	-0.1	4.0	-0.4
Central and Eastern Europe	9.0	4.1	1.3	1.7	0.2	-0.4	0.7	-0.8	-1.9	6.1	-5.1
Latin America	5.5	6.0	5.2	1.5	-1.7	-0.3	0.2	1.3	0.4	0.4	0.4
Africa and Middle East	1.9	3.8	-3.2	-1.5	4.3	-3.7	-1.4	0.0	-0.5	0.9	-1.3
<b>Prices / unit values in USD (s.a.)</b>											
<b>World trade</b>	<b>12.6</b>	<b>-1.9</b>	<b>-1.0</b>	<b>0.3</b>	<b>0.5</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.6</b>	<b>0.0</b>	<b>-0.4</b>	<b>-1.1</b>
<b>World imports</b>	<b>12.8</b>	<b>-1.6</b>	<b>-1.3</b>	<b>0.2</b>	<b>0.4</b>	<b>0.2</b>	<b>0.1</b>	<b>-0.6</b>	<b>-0.1</b>	<b>-0.3</b>	<b>-1.1</b>
Advanced Economies	13.3	-2.0	-0.2	1.2	0.5	-0.4	-0.5	-1.0	0.0	-0.4	-1.3
United States	10.9	0.3	-1.1	-0.9	1.0	0.4	0.2	-0.1	0.3	-0.3	-0.6
Japan	17.6	-0.3	-7.4	2.2	-4.8	-1.1	1.5	2.8	1.0	1.1	-0.4
Euro Area	14.1	-3.8	1.8	1.9	1.2	-0.9	-1.4	-2.2	-0.4	-0.8	-1.8
Other advanced economies	12.4	-1.0	-0.3	1.7	0.8	0.2	0.0	-0.7	-0.2	-0.2	-1.3
Emerging economies	12.3	-1.2	-2.5	-0.8	0.3	0.8	0.7	-0.1	-0.1	-0.3	-0.9
Asia	13.8	0.3	-2.3	-1.7	0.9	1.0	1.1	0.1	0.4	-0.6	-1.5
Central and Eastern Europe	10.1	-4.3	-1.8	0.2	-1.4	0.8	0.5	-0.3	-0.9	0.3	-0.6
Latin America	10.4	-2.8	-5.1	-0.3	0.3	1.0	1.1	-0.5	-1.8	0.5	-0.6
Africa and Middle East	11.3	-1.4	-2.2	0.3	0.2	0.1	-0.4	-0.8	-0.4	-0.5	-0.3
<b>World exports</b>	<b>12.4</b>	<b>-2.2</b>	<b>-0.7</b>	<b>0.4</b>	<b>0.6</b>	<b>-0.2</b>	<b>-0.4</b>	<b>-0.7</b>	<b>0.2</b>	<b>-0.4</b>	<b>-1.1</b>
Advanced Economies	11.3	-3.1	0.6	1.7	0.5	-0.2	-0.6	-1.2	-0.4	-0.3	-1.1
United States	8.1	0.4	-0.4	-0.3	1.4	-0.3	-0.6	-0.9	-0.5	0.1	-0.5
Japan	7.8	-1.7	-9.2	-0.7	-3.1	0.5	1.5	1.6	2.1	-1.4	0.2
Euro Area	11.2	-4.7	3.0	2.8	0.8	-0.2	-0.8	-1.5	-0.6	-0.1	-1.3
Other advanced economies	15.3	-2.5	-0.5	2.0	0.0	-0.4	-1.1	-1.8	-0.8	-0.4	-1.2
Emerging economies	13.7	-1.2	-2.0	-1.0	0.7	-0.2	-0.1	-0.1	0.8	-0.5	-1.2
Asia	9.9	0.1	-1.2	-0.5	1.0	-1.0	-0.6	0.3	1.1	-0.4	-0.3
Central and Eastern Europe	16.7	-3.1	0.0	0.3	-0.3	0.7	0.2	-1.2	0.0	-0.6	-2.3
Latin America	16.2	-4.6	-4.3	-1.6	-0.6	2.6	3.1	2.5	0.6	1.4	-1.2
Africa and Middle East	23.9	-1.7	-3.0	-2.2	-0.2	1.7	0.7	-0.8	0.9	-1.8	-2.7
<b>World prices / unit values in USD</b>											
Manufactures	7.8	-1.5	-0.6	0.9	0.8	-0.8	-0.8	-0.2	-0.1	0.2	0.9
Fuels (HWWI)	31.4	-0.4	-1.4	-2.4	-0.9	2.2	1.7	-0.4	2.4	-3.0	-5.0
Primary commodities ex. fuels (HWWI)	18.3	-12.8	-5.3	0.5	0.4	1.5	-1.2	-2.7	-2.1	-0.6	-0.4
Fuels, real	21.9	1.1	-0.7	-3.3	-1.6	3.0	2.5	-0.2	2.6	-3.2	-5.8
Primary commodities ex. fuels, real	9.9	-11.5	-4.7	-0.4	-0.4	2.3	-0.4	-2.5	-1.9	-0.8	-1.3

(a) Average of the three months up to the report month over average of the preceding three months.

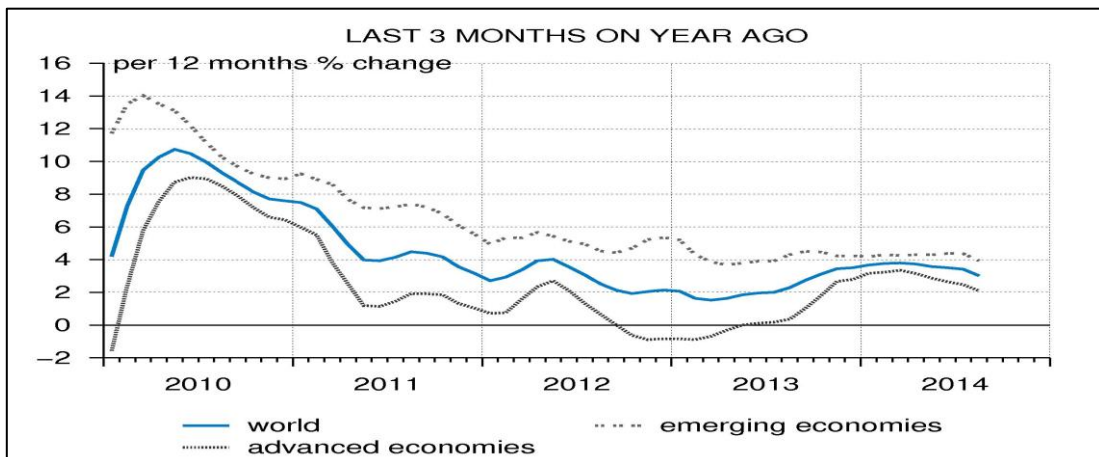
**INDUSTRIAL PRODUCTION VOLUME, CHART 1**



**INDUSTRIAL PRODUCTION VOLUME, CHART 2**



**WORLD INDUSTRIAL PRODUCTION, CHART 3**



## WORLD INDUSTRIAL PRODUCTION (percentage changes)

	year on year			quarter on quarter			momentum (a)		month on month		
	2011	2012	2013	2013q4	2014q1	2014q2	2014m07	2014m08	2014m06	2014m07	2014m08
<b>World (b)</b>	<b>4.4</b>	<b>2.8</b>	<b>2.4</b>	<b>1.1</b>	<b>1.0</b>	<b>0.4</b>	<b>0.4</b>	<b>0.2</b>	<b>0.0</b>	<b>0.5</b>	<b>-0.8</b>
Advanced Economies	2.0	0.7	0.8	1.0	1.1	0.0	-0.3	-0.5	-0.4	0.4	-0.9
United States	3.3	3.8	2.9	1.2	1.0	1.3	1.1	0.7	0.3	0.2	-0.2
Japan	-2.8	0.1	-0.6	1.8	2.7	-3.6	-3.0	-4.0	-3.2	0.4	-1.9
Euro Area	3.5	-2.4	-0.7	0.6	0.2	0.1	-0.3	-0.6	-0.4	1.0	-1.8
Other advanced economies	1.0	0.6	0.3	0.5	1.4	0.0	-0.4	0.1	0.8	-0.1	-0.1
Emerging economies	7.1	5.1	4.1	1.2	0.8	0.9	1.0	0.9	0.4	0.6	-0.6
Asia	10.0	7.2	7.0	2.1	1.0	1.6	1.6	1.4	0.7	0.6	-0.5
Central and Eastern Europe	6.5	2.1	1.5	0.9	0.2	0.5	0.2	-0.3	-0.1	0.7	-1.7
Latin America	3.3	0.2	0.8	-0.4	-0.3	-0.5	-0.7	-0.7	-0.8	0.6	-0.4
Africa and Middle East	0.3	3.3	-2.8	-1.6	1.4	-0.7	0.0	0.7	0.5	0.5	-0.4

(a) Average of the three months up to the report month over average of the preceding three months.  
(b) Country data are weighted with shares in world production. Regional aggregates computed with shares in world imports are available in the xlsx file at the CPB website.