

CPB Memo

CPB Netherlands Bureau for Economic Policy Analysis



From : Wim Suyker and Gerard van Welzenis
Subject : World trade monitor: April 2009
Date : 24 June 2009

World trade volume

World trade volume fell by 0.6% in April from the previous month based on preliminary data, following a drop of 0.4% in March (marginally revised up from a drop of 0.5%).¹ April was the third month with an absolute change of less than 1%, after three months with drops of on average 6% per month. The drop in those months is without precedent in the data series that reaches back until 1991.

Monthly trade numbers are volatile and focus on 3-months moving average is therefore preferable. In the three months up to April, world trade was down by 6.0% from the preceding three months. In the previous period (the three months up to January), the drop in world trade was much bigger: -12.3%. Most noticeable in the three months up to April are the sharp drops in Japanese imports (-19.1%) and in Japanese exports (-16.5%). No region showed positive trade numbers.

World trade volume growth is on a sharp downward trend, based on twelve months over the previous twelve months (see final graph). Trend growth was negative in April: -6.4%, down from the record growth rate of +9.9% in November 2006. The drops since February 2009 are the first ones since August 2002. The sharp downward trend also shows up in year-on-year rates: in April, world trade was 20% less than in the corresponding period of 2008.

World trade prices

World trade prices measured in US dollars increased by 0.3% in April from the previous month, after a rise of 0.8% in March (revised up from a rise of 0.6%). In April, energy prices rose the strongest (+6.8%).

Monthly trade numbers are volatile and focus on 3-months moving average (momentum) is therefore preferable. In the three months up to April, world trade prices were down by 3.2% from the preceding three months. This was a much smaller drop than the drop of 11.7% in the three months up to January. In the three months up to April, manufactures prices showed the strongest drop (-3.2%).

The release of the next monitor is tentatively scheduled for July 23.

An explanatory note on our world trade series is available at

<http://www.cpb.nl/nl/pub/cpbreeksen/memorandum/116/>

The trade database is available in xls-format at <http://www.cpb.nl/eng/research/sector2/data/trademonitor.xls>

¹ The CPB world trade system has been extended. See the short description at the end of this note.

Figure: World trade goods, volume, seasonally adjusted

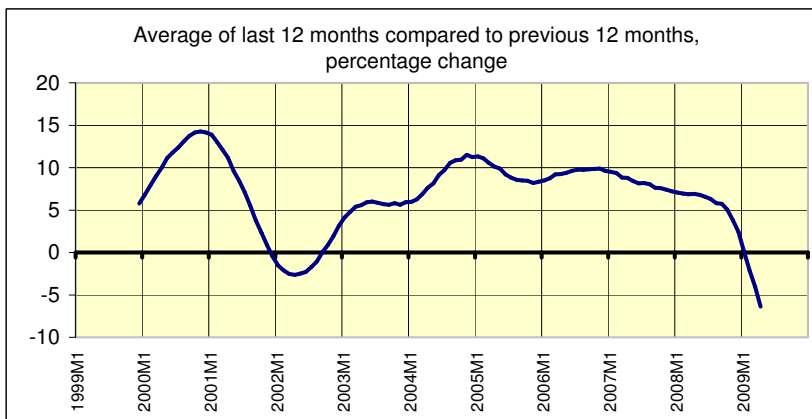
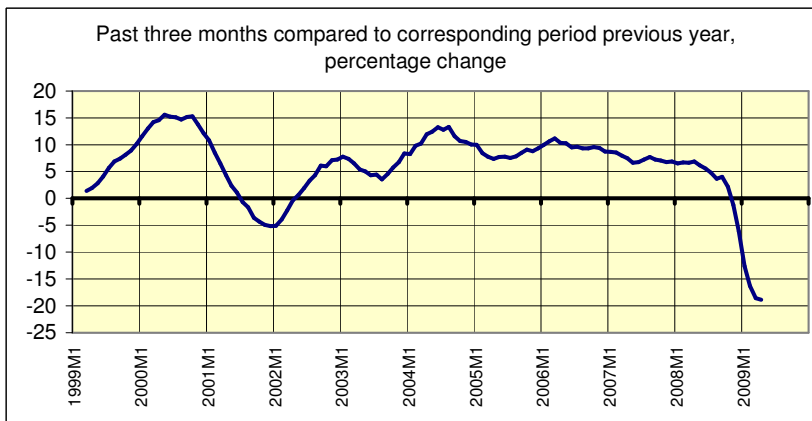
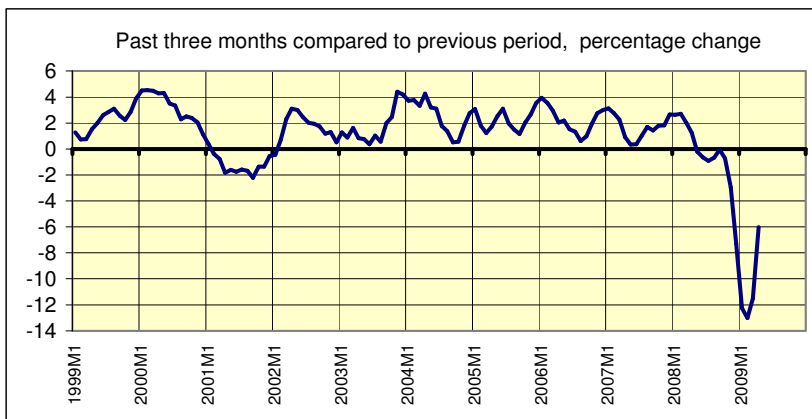
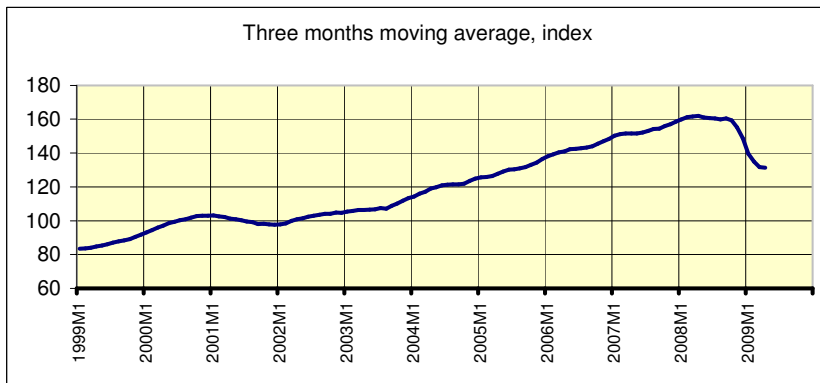


Table 1: World Trade Monitor, percentage changes

	Year on year			Quarter on quarter			Momentum (b)		Month on month		
	2006	2007	2008	2008Q3	2008Q4	2009Q1	2009M1	2009M4	2009M2	2009M3	2009M4
Volumes (s.a.)											
World trade	9.6	7.2	2.4	-0.1	-7.3	-11.5	-12.3	-6.0	0.3	-0.4	-0.6
World imports	8.5	7.1	1.9	-0.5	-6.7	-11.0	-11.0	-6.7	-1.1	-1.1	0.0
Advanced Economies (a)	6.1	2.5	-2.3	-1.1	-4.6	-10.7	-8.1	-8.9	-4.6	-0.4	-1.4
United States	5.6	1.5	-3.4	-0.2	-1.3	-14.5	-7.3	-12.7	-6.5	-0.3	-2.5
Japan	3.0	1.1	-0.8	3.3	0.6	-17.9	-4.2	-19.1	-14.9	1.8	-0.3
Euro Area	6.0	4.1	-2.1	-1.8	-6.5	-7.3	-9.3	-4.4	-1.7	-0.4	-0.7
Emerging Economies	12.0	13.4	7.2	0.2	-9.0	-11.5	-14.3	-4.1	3.1	-1.9	1.5
Asia	11.7	11.5	6.2	0.5	-9.5	-9.5	-15.1	-0.8	5.1	-2.2	2.9
Central and Eastern Europe	15.7	17.0	6.9	0.1	-14.2	-17.4	-20.5	-9.1	1.8	-0.2	-2.9
Latin America	12.7	12.3	6.9	-1.0	-7.7	-16.9	-13.1	-10.4	2.8	-2.5	-1.0
Africa and Middle East	8.3	18.3	12.4	0.4	-1.4	-7.5	-4.9	-5.3	-2.1	-2.1	2.9
World exports	10.8	7.3	2.9	0.3	-7.9	-12.0	-13.4	-5.3	1.7	0.4	-1.2
Advanced Economies (a)	7.7	4.1	0.2	-1.0	-9.2	-13.0	-14.0	-6.9	0.0	0.2	-0.6
United States	10.7	6.3	5.9	0.6	-8.7	-12.1	-11.8	-7.4	2.6	-1.4	-3.5
Japan	11.1	9.6	0.8	0.9	-14.6	-28.8	-25.5	-16.5	-4.1	0.5	7.6
Euro Area	6.4	4.5	-0.9	-1.5	-9.3	-10.4	-13.3	-5.0	-1.4	1.6	0.0
Emerging Economies	14.4	11.0	5.7	1.7	-6.7	-11.0	-12.9	-3.8	3.4	0.5	-1.7
Asia	18.8	13.5	6.7	3.1	-6.6	-12.0	-14.1	-2.7	3.9	3.1	-1.3
Central and Eastern Europe	13.3	9.9	6.3	-1.8	-14.3	-12.3	-19.0	-5.8	1.3	-2.3	-1.5
Latin America	7.1	4.4	0.7	-2.3	-5.0	-6.9	-6.6	-1.9	8.4	-4.7	1.4
Africa and Middle East	2.2	5.1	3.9	1.5	-0.6	-7.5	-4.6	-9.2	-1.0	-5.7	-6.6
Prices / unit values in US\$											
World trade	5.2	7.3	12.1	-0.5	-14.2	-4.8	-11.7	-3.2	-3.1	0.8	0.3
World imports	5.9	7.3	12.3	0.2	-13.2	-5.6	-11.6	-3.7	-3.5	1.4	0.2
Advanced Economies (a)	6.4	8.9	13.1	-0.6	-15.0	-5.5	-13.0	-2.5	-1.7	0.5	1.0
United States	4.8	4.2	11.3	1.0	-15.0	-6.7	-15.3	-1.8	0.0	0.5	1.1
Japan	8.9	6.0	21.9	-3.1	-8.7	-3.8	-10.0	-1.5	0.4	-4.2	1.1
Euro Area	7.0	12.0	14.0	-0.9	-16.0	-6.4	-12.7	-4.3	-3.6	1.9	0.6
Emerging Economies	5.5	5.9	12.1	1.5	-11.0	-5.8	-10.1	-4.9	-5.5	2.5	-0.7
Asia	4.5	3.4	10.4	1.6	-12.2	-5.0	-10.9	-5.1	-8.1	4.4	-1.8
Central and Eastern Europe	7.8	11.2	15.1	-0.3	-11.1	-5.5	-9.5	-3.0	-1.5	0.4	1.5
Latin America	5.4	6.5	13.4	4.5	-6.8	-4.6	-8.0	-3.5	-3.5	0.5	0.0
Africa and Middle East	6.1	5.2	11.7	1.2	-9.8	-7.1	-9.2	-5.0	-2.7	0.3	1.2
World exports	4.5	7.3	11.8	-1.2	-15.3	-4.0	-11.9	-2.7	-2.6	0.3	0.5
Advanced Economies (a)	4.3	8.9	10.2	-1.8	-11.4	-1.7	-7.7	-1.8	-2.9	0.6	0.1
United States	3.3	4.7	5.9	0.9	-5.9	-2.3	-6.0	-0.9	-0.3	-0.7	0.4
Japan	-2.2	0.8	7.4	-7.4	4.9	10.4	12.7	-0.5	-3.8	-2.4	-6.3
Euro Area	5.1	12.4	10.8	-1.9	-13.7	-3.3	-9.6	-2.8	-3.5	1.4	0.4
Emerging Economies	5.0	5.9	14.0	-0.6	-19.2	-6.2	-16.3	-3.5	-2.0	-0.1	0.9
Asia	0.1	3.1	6.4	-0.5	-9.1	-2.3	-6.0	-2.3	-0.9	-1.3	0.1
Central and Eastern Europe	8.9	13.1	18.5	1.6	-13.4	-7.5	-12.2	-4.1	-2.3	1.8	1.3
Latin America	12.0	7.5	14.9	4.4	-17.0	-10.4	-18.6	-4.4	-2.6	2.6	1.1
Africa and Middle East	17.7	10.7	32.3	-2.1	-43.9	-16.0	-41.6	-3.2	-3.7	4.9	4.1
World prices / unit values in US\$											
Manufactures	2.1	5.7	9.0	-0.7	-7.8	-3.1	-5.5	-3.2	-2.5	-0.3	-0.1
Energy (HWWI)	19.1	12.0	40.3	-2.8	-51.1	-20.6	-50.2	-2.3	-4.1	7.8	6.8
Other raw materials (HWWI)	26.7	17.6	12.5	-5.9	-29.2	-4.0	-23.9	-1.0	-2.3	0.5	0.1
Energy real (HWWI)	16.6	5.5	28.0	-2.3	-46.9	-18.0	-47.1	0.9	-1.6	8.1	6.9
Other raw materials real (HWWI)	24.0	11.4	2.8	-5.4	-23.2	-0.9	-19.2	2.3	0.2	0.8	0.2

(a) OECD countries excluding Turkey, Czech Republic, Slovak Republic, Hungary, Poland, Mexico and Korea

(b) Three months ending in indicated month compared to previous period

Table 2: World Trade Monitor, indices (2000=100)

	2006	2007	2008	2008Q2	2008Q3	2008Q4	2009Q1	2009M2	2009M3	2009M4
Volumes (s.a.)										
World trade	143.8	154.2	157.9	160.6	160.5	148.8	131.6	131.9	131.4	130.6
World imports	141.8	151.8	154.8	157.3	156.5	146.1	129.9	129.9	128.5	128.4
Advanced Economies (a)	123.9	127.0	124.1	125.6	124.1	118.4	105.7	104.2	103.8	102.3
United States	132.9	134.9	130.3	129.6	129.3	127.6	109.0	106.7	106.3	103.7
Japan	119.2	120.4	119.4	116.5	120.4	121.2	99.5	93.5	95.2	94.9
Euro Area	119.2	124.0	121.5	124.1	121.9	113.9	105.6	105.1	104.7	104.0
Emerging Economies	177.2	200.9	215.4	219.9	220.5	200.7	177.6	180.6	177.2	179.9
Asia	187.6	209.3	222.3	225.8	227.0	205.5	185.9	190.4	186.2	191.6
Central and Eastern Europe	201.0	235.2	251.4	261.8	262.1	224.9	185.8	187.0	186.7	181.3
Latin America	133.5	149.9	160.2	165.1	163.5	150.8	125.4	127.6	124.3	123.1
Africa and Middle East	166.4	196.9	221.3	223.1	224.0	220.8	204.2	204.2	200.0	205.9
World exports	145.8	156.5	161.0	164.0	164.6	151.5	133.3	133.9	134.4	132.9
Advanced Economies (a)	122.1	127.2	127.5	131.1	129.8	117.9	102.6	102.5	102.7	102.1
United States	118.4	125.8	133.2	136.8	137.6	125.7	110.5	112.0	110.4	106.5
Japan	141.5	155.2	156.5	162.0	163.4	139.5	99.3	97.8	98.2	105.6
Euro Area	125.1	130.8	129.7	133.4	131.3	119.2	106.7	105.6	107.4	107.4
Emerging Economies	186.6	207.1	218.9	220.6	224.5	209.4	186.3	188.0	189.0	185.8
Asia	222.0	252.0	268.9	269.4	277.7	259.4	228.2	228.7	235.7	232.6
Central and Eastern Europe	176.8	194.3	206.5	214.9	211.1	180.9	158.7	160.6	156.9	154.5
Latin America	133.7	139.6	140.5	143.8	140.4	133.3	124.1	129.5	123.4	125.1
Africa and Middle East	131.7	138.4	143.9	142.9	145.0	144.0	133.2	135.4	127.6	119.1
Prices / unit values in US\$										
World trade	129.7	139.2	156.0	164.6	163.8	140.5	133.8	132.0	133.1	133.6
World imports	130.8	140.4	157.7	165.3	165.7	143.9	135.8	133.5	135.4	135.7
Advanced Economies (a)	136.8	148.9	168.4	178.2	177.1	150.6	142.3	141.3	142.1	143.5
United States	115.0	119.9	133.4	140.5	141.9	120.6	112.5	112.3	112.8	114.1
Japan	128.2	135.9	165.7	174.0	168.7	154.1	148.2	150.5	144.2	145.8
Euro Area	154.5	173.0	197.1	209.3	207.5	174.3	163.2	160.2	163.2	164.1
Emerging Economies	122.6	129.8	145.5	150.8	153.0	136.1	128.2	124.7	127.8	126.9
Asia	113.8	117.6	129.9	134.7	136.8	120.1	114.1	109.3	114.1	112.0
Central and Eastern Europe	146.5	162.9	187.5	195.9	195.3	173.5	164.0	163.0	163.6	166.1
Latin America	121.4	129.2	146.6	148.2	154.9	144.3	137.7	135.8	136.5	136.5
Africa and Middle East	133.3	140.2	156.6	161.9	163.9	147.8	137.2	135.9	136.3	137.9
World exports	128.6	138.0	154.3	163.9	161.9	137.2	131.8	130.5	130.8	131.5
Advanced Economies (a)	133.8	145.6	160.5	168.4	165.4	146.5	144.0	142.3	143.2	143.3
United States	110.5	115.7	122.5	124.5	125.6	118.2	115.5	115.6	114.8	115.3
Japan	95.7	96.5	103.7	105.4	97.6	102.4	113.0	112.4	109.7	102.8
Euro Area	147.2	165.4	183.3	193.9	190.1	164.2	158.7	156.1	158.3	158.9
Emerging Economies	122.8	130.0	148.2	159.5	158.6	128.2	120.2	119.4	119.2	120.3
Asia	97.7	100.7	107.2	110.9	110.4	100.4	98.2	98.3	97.0	97.2
Central and Eastern Europe	171.7	194.2	230.1	240.7	244.6	212.0	196.1	193.4	196.9	199.5
Latin America	141.7	152.4	175.1	182.6	190.6	158.2	141.8	139.3	143.0	144.5
Africa and Middle East	185.4	205.4	271.8	324.8	318.0	178.4	149.7	145.5	152.7	158.9
World prices / unit values in US\$										
Manufactures	118.0	124.8	136.1	140.7	139.8	128.9	124.9	124.0	123.6	123.5
Energy (HWWI)	224.7	251.5	353.0	436.0	423.8	207.1	164.4	158.1	170.4	181.9
Other raw materials (HWWI)	177.8	209.1	235.3	264.7	249.0	176.2	169.3	167.7	168.5	168.6
Energy real (HWWI)	190.3	200.8	257.1	309.7	302.5	160.6	131.6	127.5	137.8	147.3
Other raw materials real (HWWI)	150.5	167.6	172.3	188.1	178.0	136.7	135.5	135.2	136.3	136.5

(a) OECD countries excluding Turkey, Czech Republic, Slovak Republic, Hungary, Poland, Mexico and Korea

Annex: The extension and revision of the CPB world trade monitor

The monthly CPB world trade monitor is extended and revised. It is now based on more actual country information and less on estimations of missing country data. Monthly merchandise trade values are available for almost 150 countries. For about 100 countries the data are more or less timely, covering over 95% of world trade. Merchandise trade volumes and prices are available for approximately 125 countries, but only for some 50 countries these data are timely and robust. They cover 85% to 90% of world trade, which is appreciably more than the price information of the 26 countries we covered previously. The extra information enables us to publish trade data for geographical sub-regions in the emerging world, so far covered as one group. Missing trade values, volumes and prices are still estimated as described in the “Explanatory note on the CPB world trade series”, available on the CPB site. Furthermore, we now employ two more main sources for our trade series: Eurostat (exclusively for data of all 27 EU member countries) and the World Bank Global Economic Monitor.

The accompanying charts present the old and new series for the volume of total world trade. Chart 1 compares the annual changes over the period 1992-2008. The differences are due to changes of the standard sources for a large number of countries, but primarily to the use of extra price and volume information. The largest discrepancy is in 1992 and is mainly located in Central and Eastern Europe. In the beginning of the nineties a lot of new states were formed in this region effecting the volume of international trade. For most of these countries we do not have actual trade information up to 1993. Estimates of the missing data in the various sources and by ourselves can differ substantially.

Chart 1 World trade volume 1992-2008 annual percentage changes

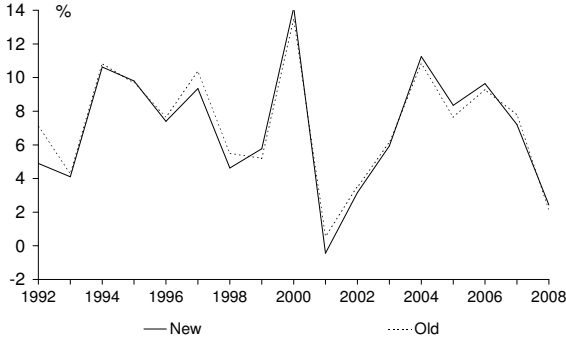
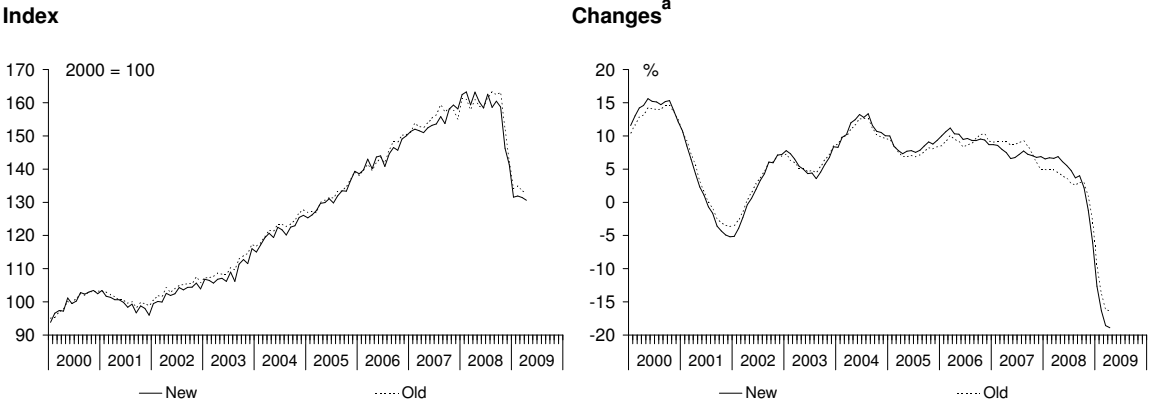


Chart 2 compares the monthly world trade data from 2000 to 2009. Up to 2007 the data hardly differ, but thereafter the monthly patterns start to deviate somewhat, which is entirely due to the use of more country volume and price information under the new system. Estimation of missing trade volumes and prices had been difficult in 2007 and 2008 given the huge changes in exchange rates and commodity prices. The year-on-year fall of the world trade in the beginning of 2009 is a bit steeper now. But the message is essentially the same: a steep drop in the months November 2008 - January 2009 followed by a stabilisation at a very depressed level in the months thereafter.

Chart 2 World trade volume, 2000-2009



^a Annual percentage changes of 3mma.