

CPB Memo

CPB Netherlands Bureau for Economic Policy Analysis



From : Wim Suyker and Gerard van Welzenis
Subject : World trade monitor: January 2009
Date : 19 March 2009

World trade volume

World trade volume dropped by 6.6% in January from the previous month based on preliminary data, following a drop of 5.9% in December (revised up from a drop of 7.0%) and a drop of 6.3% in November (revised down from 5.3%). These drops are without precedent in the data series that reaches back until 1991. The biggest drop before was 1.9% in February 1991 and in March 2008. In January, the strongest import drop occurred in the Japan (-7.3%). Japan also showed the strongest export drop (-15.8%).

Monthly trade numbers are volatile and focus on 3-months moving average (momentum) is therefore preferable. In the three months up to January, world trade was down by 40.7% at an annual rate from the preceding three months (non-annualised the drop was 12.3%). In the previous period (the three months up to October), world trade growth was still growing by 9.2% at an annual rate. The drop in the three months up to January was the biggest on record (series start in 1991). Most noticeable in the three months up to January are the sharp drop in the imports of emerging countries (-53.0% at an annual rate, -17.2% non-annualised) and the sharp drop in Japanese exports (-68.7% at an annual rate, -25.2% non-annualised).

World trade volume growth is on a sharp downward trend, based on twelve months over the previous twelve months (see final graph). In January, trend growth was 0.6%, down from the record high of 9.4% in August 2007. The sharp downward trend also shows up in year-on-year rates: world trade in January 2009 was 17% lower than in January 2008.

World trade prices

World trade prices measured in US dollars dropped by 0.7% in January from the previous month, after a drop of 1.7% in December (revised down from a drop of 0.9%). The drop was due to a fall in manufactured goods prices (-1.6%). Commodity prices were up in January.

Monthly trade numbers are volatile and focus on 3-months moving average (momentum) is therefore preferable. In the three months up to January, world trade prices were down by 43.8% at an annual rate from the preceding three months (a drop of 13.4% at a non-annualised rate). Prices of energy dropped by 93.9% and prices of other raw materials by 66.4%.

The release of the next monitor is tentatively scheduled for April 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>

Figure: World trade goods, volume, seasonally adjusted

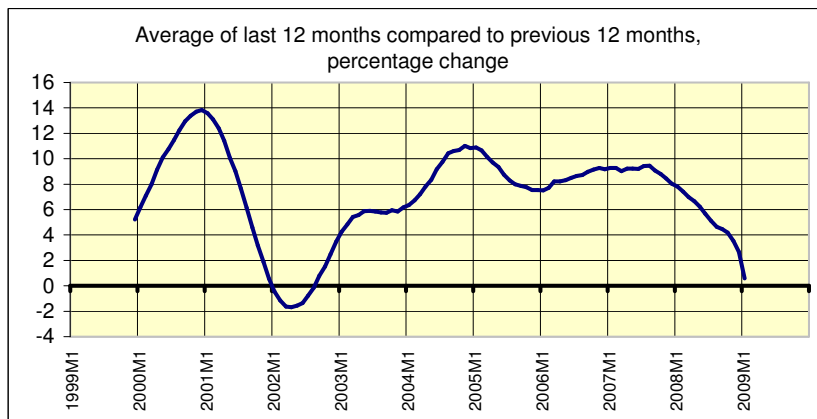
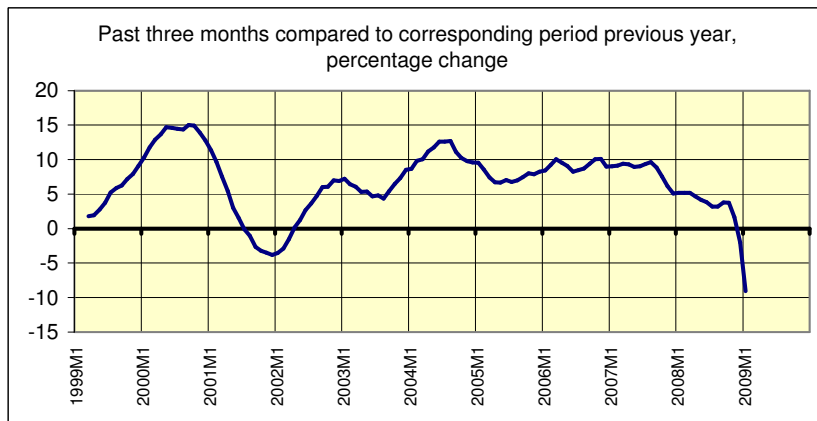
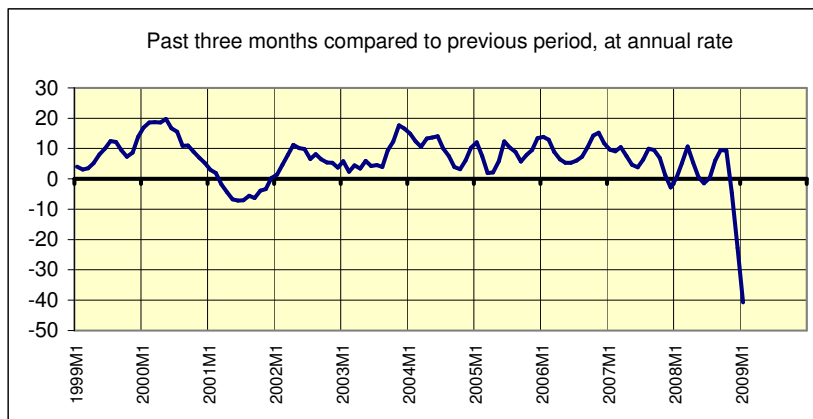
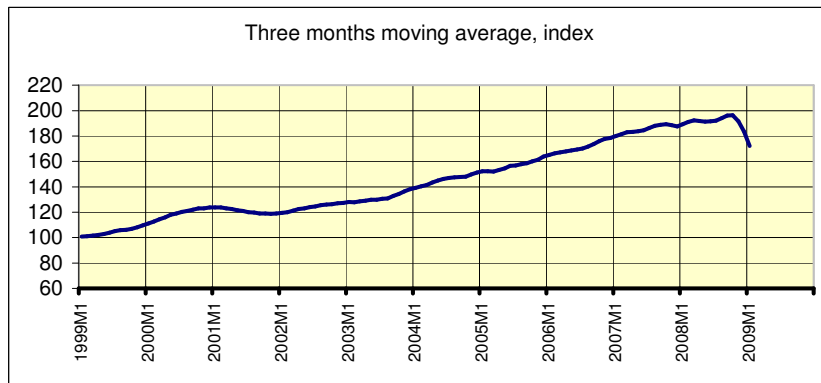


Table 1: World Trade Monitor, percentage changes

	Annual rate			Annual rate			Momentum (b)					
	2006	2007	2008	2008Q2	2008Q3	2008Q4	2008M10	2009M1	2008M10	2008M11	2008M12	2009M1
Volumes (s.a. 1998=100)												
World trade	9.2	8.0	2.7	-1.4	9.5	-22.8	9.2	-40.7	-0.5	-6.3	-5.9	-6.6
World imports	9.3	7.9	2.2	-2.6	8.8	-21.3	11.2	-39.9	-0.5	-6.0	-6.4	-5.6
Advanced economies (a)	6.9	4.0	-1.5	-5.5	0.5	-17.1	-0.9	-27.5	-1.0	-4.0	-2.2	-5.3
United States	5.6	1.5	-3.6	-11.1	1.3	-11.4	4.6	-30.2	4.3	-6.8	-2.4	-6.6
Japan	3.2	0.8	0.3	-12.0	12.0	2.6	17.4	-19.6	0.5	-2.3	-3.2	-7.3
EU15	8.0	5.2	-1.2	-4.3	-0.1	-19.8	-2.2	-26.2	-2.4	-3.6	-1.6	-4.0
Other countries	13.2	14.0	7.6	1.6	20.8	-26.5	28.9	-53.0	0.1	-8.4	-11.9	-6.1
World exports	9.1	8.2	3.1	-0.3	10.2	-24.3	7.3	-41.6	-0.5	-6.6	-5.3	-7.5
Advanced economies (a)	8.2	5.1	0.8	0.9	-1.0	-29.9	-6.7	-42.1	-2.2	-6.2	-3.9	-8.1
United States	10.7	7.2	6.1	15.3	7.3	-37.0	-13.7	-44.3	-0.7	-4.3	-6.5	-7.8
Japan	11.1	9.4	1.7	-12.8	7.4	-48.2	-3.6	-68.7	-2.8	-14.0	-9.7	-15.8
EU15	7.8	4.4	-0.1	-0.5	-3.8	-25.4	-4.9	-36.8	-2.3	-6.1	-2.0	-6.9
Other countries	10.2	12.4	6.0	-1.7	25.4	-17.4	26.6	-41.0	1.5	-7.0	-7.0	-6.8
Prices / unit values in US\$ (1998=100)												
World trade	5.5	6.7	11.8	30.8	-5.8	-50.1	-30.3	-43.8	-7.9	-5.8	-1.7	-0.7
World imports	5.0	6.7	11.8	28.6	-3.4	-48.0	-27.5	-42.7	-7.1	-6.0	-1.3	-1.3
Advanced economies (a)	5.4	8.0	12.2	28.2	-3.6	-49.0	-27.4	-44.1	-7.1	-6.8	-0.7	-1.6
United States	4.8	4.2	11.3	35.1	4.0	-47.9	-20.3	-48.6	-6.0	-7.4	-4.6	-1.2
Japan	8.7	6.3	21.8	23.2	-0.7	-32.6	-12.8	-37.4	0.8	-5.9	-5.8	0.6
EU15	5.5	10.3	11.5	27.8	-8.3	-53.3	-33.7	-45.1	-9.1	-7.0	2.0	-2.6
Other countries	4.2	4.8	11.2	29.1	-3.2	-46.6	-27.5	-40.7	-7.1	-4.9	-2.1	-0.9
World exports	5.9	6.6	11.8	32.9	-8.1	-52.1	-32.9	-44.8	-8.6	-5.6	-2.1	0.0
Advanced economies (a)	3.8	8.6	9.6	19.6	-8.5	-39.7	-25.9	-30.8	-6.0	-4.7	1.7	-0.5
United States	3.3	4.7	5.9	10.0	3.7	-21.6	-5.9	-22.1	-2.1	-3.2	-2.2	0.5
Japan	-2.2	0.9	7.5	1.5	-23.6	22.5	-17.0	46.9	1.8	3.3	5.0	5.0
EU15	4.2	11.2	9.4	20.4	-10.7	-47.6	-31.6	-37.8	-7.9	-6.0	3.2	-2.1
Other countries	8.6	3.9	14.1	49.6	-9.1	-62.9	-40.6	-57.1	-11.4	-6.6	-6.2	0.6
World prices / unit values in US\$ (1998=100)												
Manufactures	2.1	5.3	8.4	17.5	-2.3	-25.4	-15.5	-20.2	-3.1	-2.8	1.0	-1.6
Energy (HWWI)	19.1	12.0	40.3	155.0	-10.7	-94.3	-68.7	-93.9	-28.1	-24.2	-21.2	4.5
Other raw materials (HWWI)	26.7	17.6	12.5	23.0	-21.7	-74.9	-50.6	-66.4	-17.4	-9.0	-5.1	4.3
Energy real (HWWI)	16.5	5.9	28.9	117.3	-9.2	-92.3	-63.5	-92.2	-25.8	-22.0	-22.0	6.2
Other raw materials real (HWWI)	23.9	11.8	3.5	4.8	-20.1	-66.3	-42.1	-57.6	-14.7	-6.4	-6.1	5.9

(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, at annual rate

Table 2: World Trade Monitor, indices

	2006	2007	2008	2008Q1	2008Q2	2008Q3	2008Q4	2008M11	2008M12	2009M1
Volumes (s.a. 1998=100)										
World trade	172.1	186.0	191.0	192.4	191.7	196.0	183.8	183.3	172.5	161.2
World imports	176.0	189.8	194.1	195.8	194.6	198.7	187.2	187.2	175.2	165.4
Advanced economies (a)	156.1	162.4	160.0	163.5	161.2	161.4	154.0	153.0	149.7	141.7
United States	170.1	172.6	166.3	171.0	166.0	166.6	161.6	159.0	155.2	144.9
Japan	137.5	138.6	139.1	140.2	135.8	139.7	140.6	141.0	136.5	126.5
EU15	152.6	160.5	158.5	162.0	160.2	160.2	151.6	150.6	148.2	142.2
Other countries	220.2	251.1	270.1	268.0	269.1	282.1	261.2	263.6	232.4	218.3
World exports	168.3	182.1	187.8	188.9	188.7	193.4	180.4	179.3	169.8	157.0
Advanced economies (a)	146.5	154.0	155.2	158.6	158.9	158.5	145.0	143.7	138.1	126.9
United States	136.3	146.1	155.1	153.9	159.4	162.3	144.6	145.6	136.1	125.5
Japan	163.0	178.4	181.5	191.8	185.4	188.7	160.1	156.7	141.4	119.1
EU15	150.5	157.2	157.1	160.9	160.7	159.1	147.9	145.7	142.8	133.0
Other countries	210.6	236.7	250.9	247.6	246.5	260.9	248.7	248.3	231.0	215.2
Prices / unit values in US\$ (1998=100)										
World trade	127.3	135.8	151.8	151.5	162.0	159.6	134.1	132.1	129.9	129.0
World imports	124.9	133.3	149.0	148.4	158.0	156.7	133.1	130.9	129.1	127.4
Advanced economies (a)	125.7	135.8	152.3	151.9	161.7	160.2	135.4	132.5	131.5	129.4
United States	120.0	125.0	139.1	136.0	146.6	148.0	125.8	124.4	118.7	117.3
Japan	151.0	160.5	195.5	192.7	203.0	202.6	183.6	183.3	172.7	173.7
EU15	127.3	140.4	156.6	158.0	168.0	164.4	135.9	131.7	134.3	130.8
Other countries	122.1	127.9	142.2	141.3	150.6	149.4	127.7	126.4	123.8	122.7
World exports	129.7	138.2	154.5	154.5	165.9	162.4	135.1	133.4	130.6	130.6
Advanced economies (a)	121.1	131.6	144.3	145.3	152.0	148.7	131.0	128.2	130.3	129.7
United States	110.0	115.2	121.9	121.0	123.9	125.1	117.7	117.3	114.7	115.2
Japan	102.1	103.0	110.7	112.7	113.1	105.8	111.3	110.6	116.2	122.0
EU15	121.9	135.6	148.3	150.8	158.0	153.6	130.7	126.7	130.7	128.0
Other countries	144.0	149.6	170.6	169.4	187.3	182.9	142.7	142.3	133.5	134.3
World prices / unit values in US\$ (1998=100)										
Manufactures	109.1	114.8	124.4	123.2	128.3	127.6	118.6	117.1	118.3	116.4
Energy (HWWI)	431.6	483.2	678.1	662.8	837.6	814.2	398.0	384.2	302.9	316.6
Other raw materials (HWWI)	167.0	196.4	221.1	236.1	248.7	233.9	165.6	163.0	154.7	161.3
Energy real (HWWI)	395.8	419.3	540.5	537.5	652.6	637.0	335.1	328.2	256.1	272.0
Other raw materials real (HWWI)	153.0	171.1	177.0	191.6	193.8	183.2	139.6	139.2	130.8	138.6

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