

# CPB Memo

CPB Netherlands Bureau for Economic Policy Analysis



Date : 25 March 2010  
From : Jos Ebregt and Gerard van Welzenis  
Subject : World trade monitor: January 2010

- **January 2010: world trade down by 0.7% month on month, after a downwardly revised 3.9% increase in December 2009.**

## World trade volume

Based on preliminary data, world trade volume contracted by a 0.7% in January 2010 from the previous month, following a revised increase of 3.9% in December 2009 (initial estimate: 4.8%). Volume growth of both exports and imports of emerging economies fell back to around zero, while import and export volumes of the United States and the Euro Area declined. In January, trade was 10% below the peak level reached in April 2008, but 13% above the trough reached in May 2009.

Monthly trade figures are volatile and focus on ‘momentum’ is therefore preferable.<sup>1</sup> Momentum remains strong. In the three months up to January 2009, world trade was up by 5.2% from the preceding three months, a new high in our series of trade momentum, which starts in 1991.

## World trade prices

In the three months up to January 2009, dollar prices of world trade were up by 3.6% from the preceding three months. Price momentum turned positive in June, after a series of deep declines that started towards the end of 2008. Dollar prices of traded manufactures were nearly flat in January, following a 0.9% decline in December, while their momentum still is 1.5%.

## World industrial production

On the basis of preliminary data, world industrial production grew by 1.2% in January 2010, following an unrevised rise of 0.7% in December 2009. Production went up in nearly all regions, including the Euro Area, where production contracted in December. Growth was strongest in Japan (again). In January, industrial production was 3% below the peak level reached in March 2008. It has risen steadily by an accumulated 10% from the March 2009 trough.

The release of the next monitor is scheduled tentatively for 26 April 2010.

---

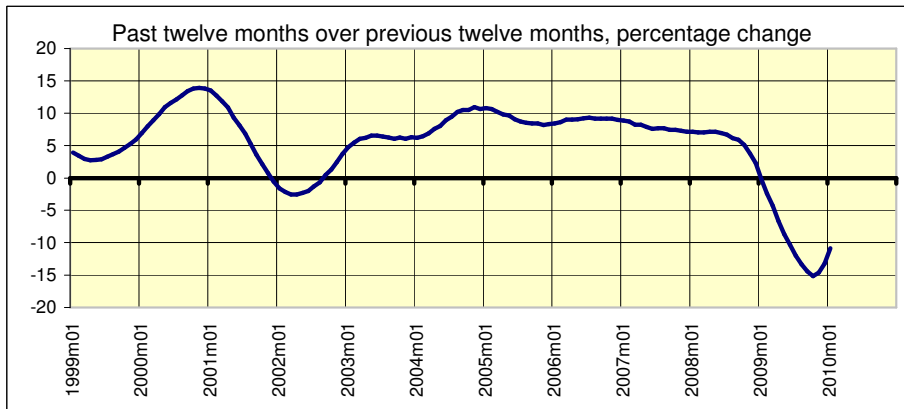
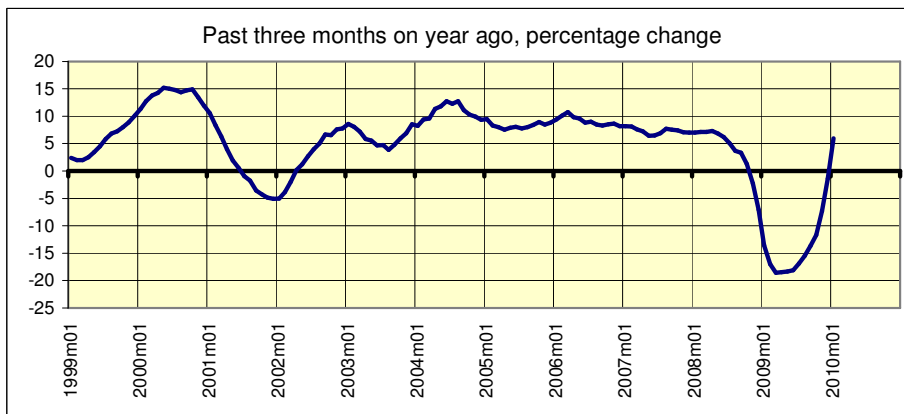
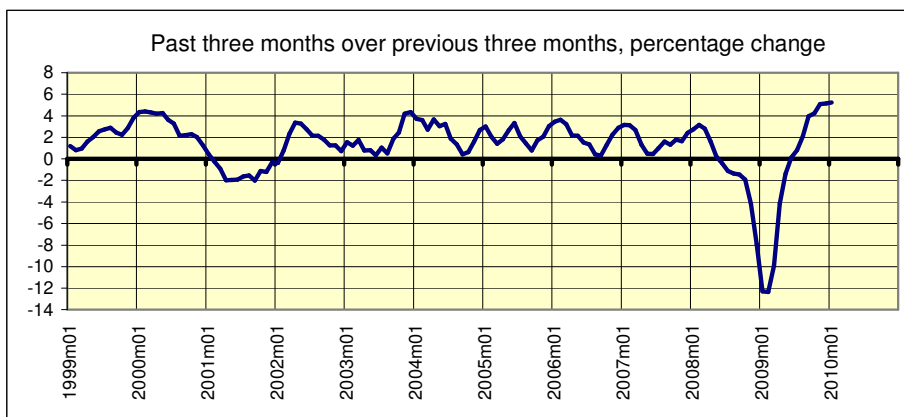
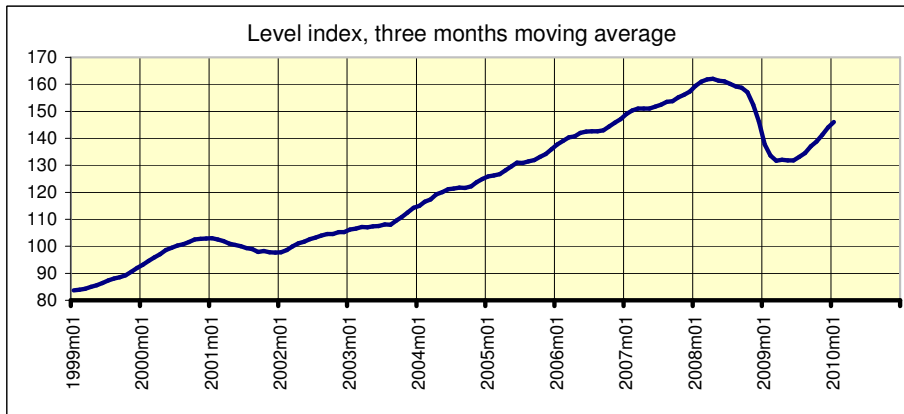
<sup>1</sup> Momentum is the change in the three months average up to the current month relative to the average of the preceding three months period.

*An explanatory note on our world trade series is available at*

<http://www.cpb.nl/nl/pub/cpbreeksen/memorandum/116/> The CPB world trade system has been extended earlier this year. See the short description at the end of this note.

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

**Figure 1: World merchandise trade, volume, seasonally adjusted**



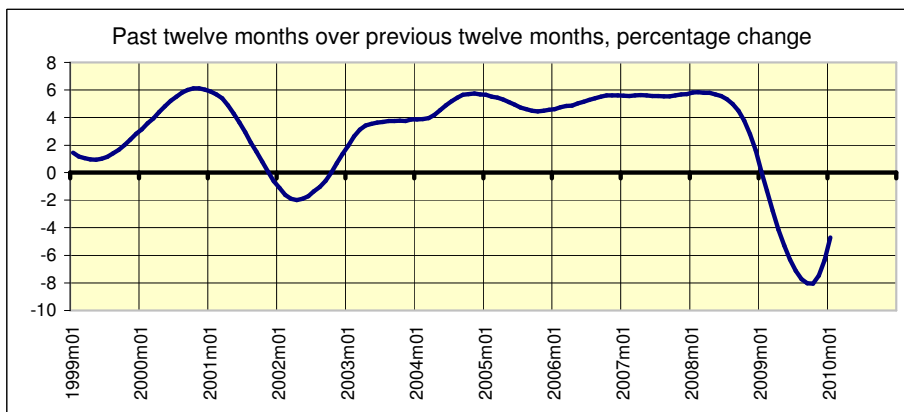
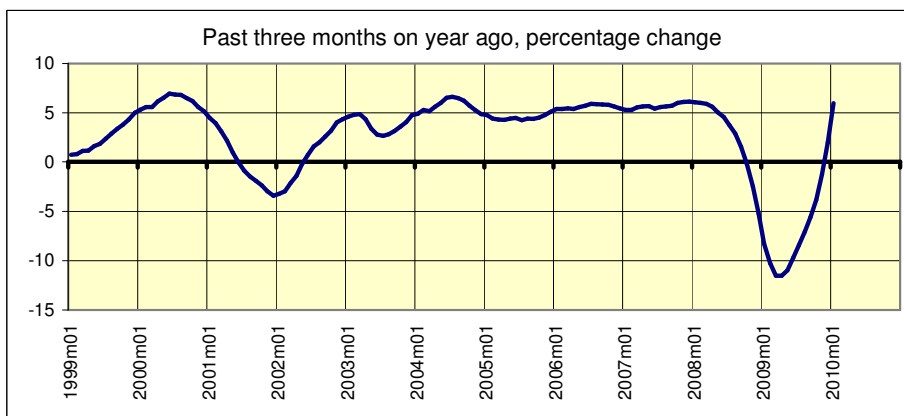
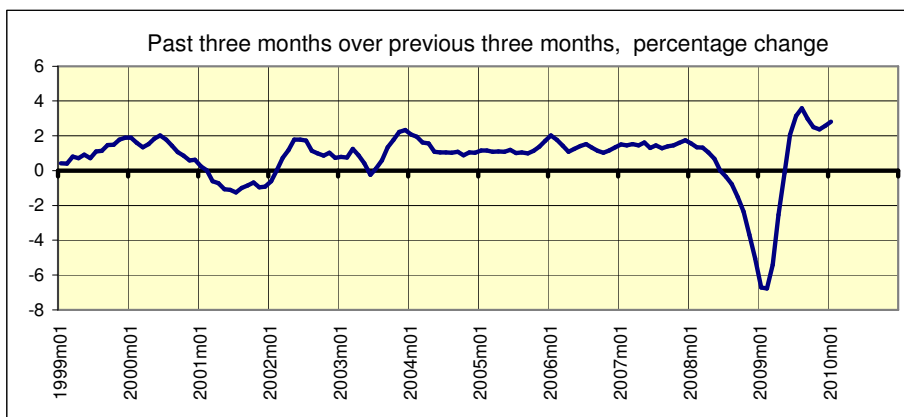
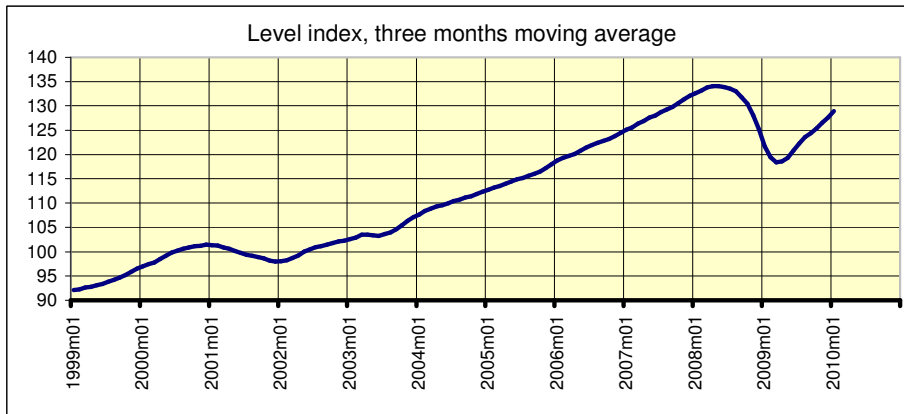
**Table 1: World merchandise trade, percentage changes**

	year on year			quarter on quarter			momentum (a)		month on month		
	2007	2008	2009	2009q2	2009q3	2009q4	2009m10	2010m01	2009m11	2009m12	2010m01
<b>Volumes (s.a.)</b>											
World trade	7.2	2.3	-13.2	0.1	3.9	5.1	4.2	5.2	0.8	3.9	-0.7
World imports	6.7	1.3	-12.8	-0.3	4.9	4.3	4.6	4.5	0.9	3.6	-0.8
Advanced Economies (b)	2.5	-1.7	-14.7	-3.8	5.0	3.5	5.4	2.8	0.8	2.1	-1.5
United States	1.5	-3.4	-16.5	-6.4	6.5	6.5	6.6	6.2	1.6	5.5	-3.4
Japan	0.9	-0.2	-13.4	-1.9	7.4	2.1	6.1	3.6	4.9	-0.2	2.1
Euro Area	4.1	-1.2	-13.9	-2.7	3.3	1.4	4.0	0.2	-0.5	0.9	-1.9
Emerging economies	12.5	5.2	-10.4	4.0	4.8	5.1	3.7	6.4	1.1	5.3	-0.1
Asia	9.5	2.2	-6.7	6.4	5.3	6.8	4.2	8.8	0.2	7.4	1.9
Central and Eastern Europe	19.8	8.7	-22.3	-3.3	0.8	5.0	3.4	3.4	1.1	-0.1	0.0
Latin America	10.9	7.1	-17.9	0.4	6.6	7.5	3.2	13.8	10.4	10.0	-5.2
Africa and Middle East	17.8	11.5	-3.1	6.2	6.0	-3.1	2.4	-4.7	-1.9	-0.8	-5.0
World exports	7.6	3.3	-13.7	0.5	3.0	6.0	3.8	6.0	0.7	4.3	-0.5
Advanced Economies (b)	4.2	0.3	-16.1	0.3	4.7	3.5	4.0	2.8	-0.2	2.2	-1.0
United States	6.3	5.9	-14.0	-1.8	6.4	7.9	6.4	6.5	0.4	4.2	-1.4
Japan	9.5	0.8	-24.3	11.6	9.9	8.8	9.2	7.0	0.4	2.8	1.8
Euro Area	4.4	-0.7	-15.6	-0.3	3.6	0.9	2.3	0.6	-0.6	1.6	-1.8
Emerging economies	11.6	6.4	-11.2	0.7	1.3	8.5	3.6	9.0	1.6	6.2	0.0
Asia	14.1	9.0	-10.8	2.7	1.9	9.5	4.2	10.2	1.5	7.4	0.1
Central and Eastern Europe	14.3	5.1	-20.8	-2.4	2.1	6.8	5.2	6.0	0.3	2.7	2.1
Latin America	5.5	-0.7	-6.7	-1.7	-2.1	8.8	0.8	10.7	5.4	7.8	-4.5
Africa and Middle East	1.7	0.0	-4.6	-4.1	0.2	4.2	1.1	4.3	1.0	1.6	0.9
<b>Prices / unit values in USD</b>											
World trade	7.3	12.5	-10.8	1.4	3.9	4.6	4.1	3.6	2.1	-0.3	0.2
World imports	7.7	13.9	-11.7	0.9	3.0	4.1	3.4	3.4	2.3	-0.3	0.2
Advanced Economies (b)	8.9	12.9	-11.6	2.8	3.9	3.0	3.2	2.3	1.4	-0.8	0.5
United States	4.2	11.3	-11.6	3.5	2.8	2.6	2.4	2.8	1.5	0.2	1.3
Japan	6.2	21.5	-15.5	-6.8	-0.1	9.9	2.4	11.7	3.7	2.2	4.6
Euro Area	12.0	13.8	-12.1	3.0	5.6	3.4	4.4	1.9	1.3	-1.1	-0.4
Emerging economies	6.9	16.0	-11.5	-1.1	1.9	5.6	3.5	5.0	3.4	0.4	-0.2
Asia	5.7	15.6	-11.7	-0.2	2.4	7.6	4.7	7.4	5.2	1.1	0.2
Central and Eastern Europe	8.5	13.7	-11.7	2.8	5.1	3.0	4.1	2.1	1.4	-0.2	-0.2
Latin America	6.2	14.7	-8.6	-3.6	-0.4	3.8	1.7	1.0	-2.7	0.9	-0.7
Africa and Middle East	6.4	18.6	-10.4	-4.8	-1.0	4.9	0.9	5.2	3.7	0.6	-0.1
World exports	6.9	11.0	-9.8	2.0	4.8	5.1	4.7	3.8	1.9	-0.2	0.1
Advanced Economies (b)	8.9	10.1	-7.5	0.8	3.7	3.4	3.4	2.4	1.3	-0.7	0.3
United States	4.7	5.9	-4.7	0.5	0.8	0.8	0.6	1.4	0.8	0.7	0.7
Japan	0.9	7.4	-0.3	-7.6	-1.2	8.3	1.3	11.3	6.4	0.9	5.3
Euro Area	12.4	10.7	-8.2	2.4	5.6	4.2	5.1	1.7	0.6	-1.1	-1.1
Emerging economies	4.7	12.3	-12.1	3.4	5.7	7.3	6.2	5.6	2.5	0.5	0.0
Asia	2.5	4.3	-5.4	-0.2	2.5	3.7	3.0	3.0	1.2	0.7	0.1
Central and Eastern Europe	8.5	20.5	-10.3	5.9	8.2	5.4	6.6	3.2	2.1	-0.8	-1.7
Latin America	7.6	14.8	-14.8	5.0	4.2	4.0	3.8	3.2	2.0	0.0	0.1
Africa and Middle East	10.5	32.9	-27.6	16.4	14.6	25.1	18.0	20.0	6.8	5.3	0.2
<b>World prices / unit values in USD</b>											
Manufactures	5.6	8.9	-6.9	-0.2	2.6	2.5	2.5	1.5	0.8	-0.9	0.1
Energy (HWWI)	12.0	40.3	-37.0	29.4	14.5	10.3	10.5	8.2	5.0	-3.1	4.6
Other raw materials (HWWI)	17.6	12.5	-21.9	10.6	9.0	8.4	9.0	8.0	2.9	3.7	1.5
Energy real (HWWI)	5.6	28.2	-31.9	29.5	11.7	7.6	7.8	6.6	4.1	-2.2	4.6
Other raw materials real (HWWI)	11.5	3.0	-15.9	10.8	6.3	5.8	6.4	6.4	2.1	4.6	1.5

(a) Average of three months ending in current month over average of preceding three months.

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

**Figure 2: World industrial production, volume, seasonally adjusted**



**Table 2: World industrial production, percentage changes**

	year on year			quarter on quarter			momentum (a)		month on month		
	2007	2008	2009	2009q2	2009q3	2009q4	2009m10	2010m01	2009m11	2009m12	2010m01
World (b)	5.7	1.6	-6.4	2.1	3.0	2.6	2.5	2.8	1.1	0.7	1.2
Advanced Economies (c)	2.4	-2.2	-13.4	-0.6	2.6	1.5	2.4	1.8	0.7	0.4	1.5
United States	1.5	-2.2	-9.7	-2.7	1.6	1.6	2.3	1.6	0.7	0.5	0.9
Japan	2.9	-3.2	-21.7	7.6	7.2	4.4	5.2	5.3	2.2	1.7	2.8
Euro Area	3.7	-1.6	-14.8	-1.4	3.0	0.4	2.4	0.5	0.4	-0.3	2.0
Emerging economies	10.0	6.3	1.5	4.7	3.3	3.5	2.6	3.7	1.4	1.0	1.0
Asia	13.8	9.2	7.4	6.8	3.6	4.2	2.8	4.6	1.7	1.3	1.2
Central and Eastern Europe	7.4	1.0	-10.8	0.6	3.4	2.9	2.4	3.4	2.2	-0.5	1.7
Latin America	5.3	1.6	-6.6	1.9	3.3	2.8	3.2	2.0	0.3	0.7	-0.4
Africa and Middle East	1.6	3.0	-6.3	0.3	1.4	0.8	0.9	1.1	0.1	0.9	0.4

(a) Average of three months ending in current month over average of preceding three months.

(b) Country data are weighted with shares in world production. This is also done for other aggregates such as advanced economies.

World and other aggregates based on shares in world imports are available in the xls-file on the CPB website.

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