

# CPB Memo

CPB Netherlands Bureau for Economic Policy Analysis



Date : 25 August 2010  
From : Gerard van Welzenis  
Subject : World trade monitor: June 2010<sup>1</sup>

- **June 2010: world trade up by 0.7% month on month, after an upwardly revised 2.3% increase in May.**
- **June 2010: world trade momentum declines to 3.6% from 5.1% in May.**
- **June 2010: world industrial production edged up 0.2%.**

## World trade volume

Based on preliminary data, world trade volume increased by 0.7% in June from the previous month, following an upwardly revised increase of 2.3% in May. The 0.7% increase results from an import rise of 1.7% and an export decline of 0.3%. Monthly import and export data can differ substantially, but in the long run the difference is negligible. Import volumes went up in all regions, apart from Central and Eastern Europe. Export volume declined slightly in all major regions in June, except for the euro area which showed a strong increase.

Monthly trade figures are volatile and focus on ‘momentum’ is therefore preferable.<sup>2</sup> In the second quarter trade growth in the advanced economies accelerated, but fell back considerably in most emerging regions. As a result world trade growth slowed down to 3.6% against 5.7% in the first quarter and 6.1% in the last quarter of 2009.

## World industrial production

On the basis of preliminary data, world industrial production grew by 0.2% in June, following a strong rise of 1.0% in May. In the second quarter industrial production growth in the United States and Europe held up, but decelerated strongly in Japan and the emerging markets. World industrial production grew by 2.0% in the second quarter, against 3.2% in the first and 2.9% in the last quarter of 2009. The world production level has recently passed the previous peak reached in March 2008.

*The release of the next monitor is scheduled tentatively for 25 August 2010. The trade database in excel format as well as an explanatory note on our world trade series are available at:*

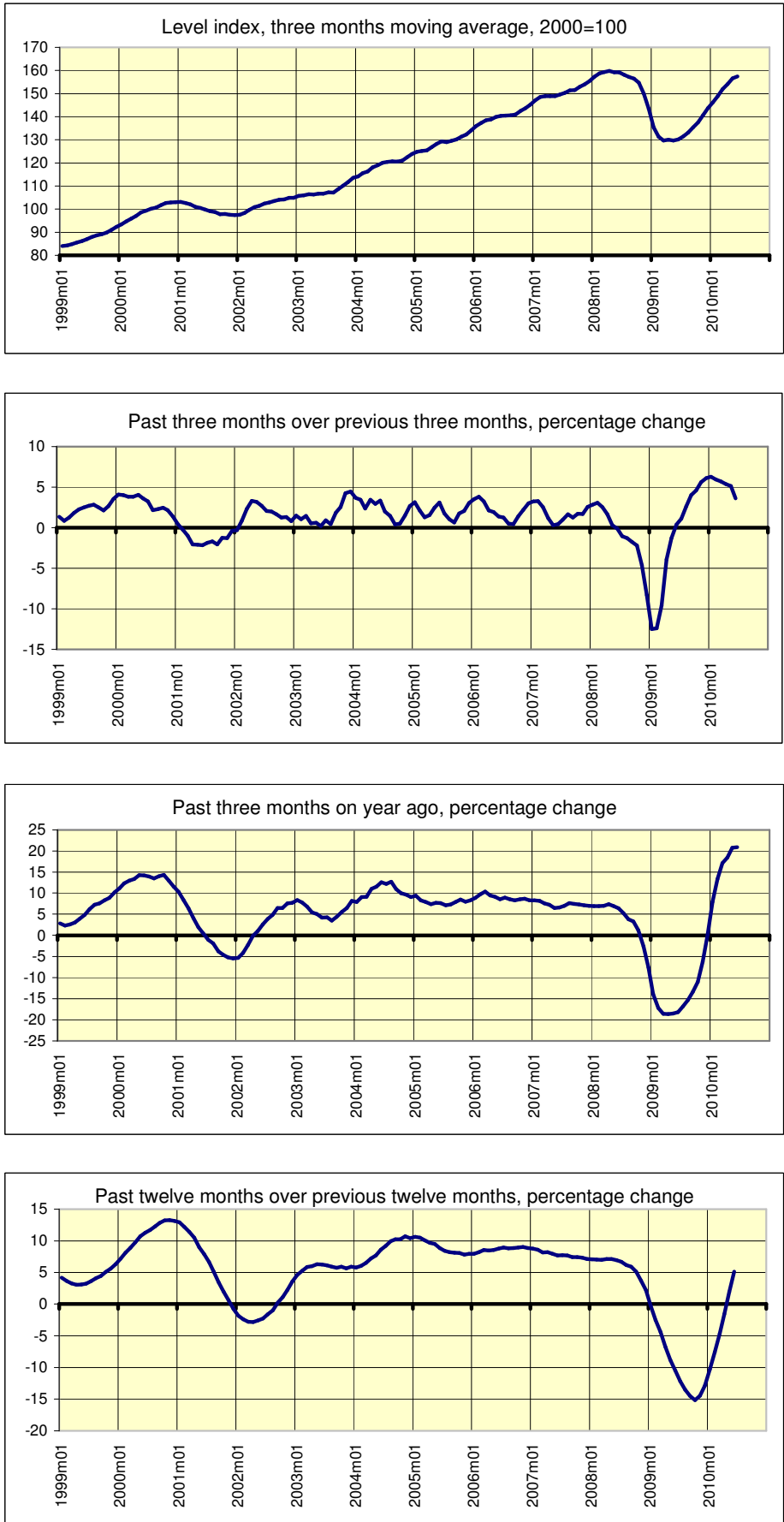
<http://www.cpb.nl/eng/research/sector2/data/trademonitor.html>

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<sup>1</sup> In the previous release, the May changes in all trade prices were accidentally measured in euros instead of dollars. This did not affect the reported volume data.

<sup>2</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.

Figure 1: World merchandise trade, volume, seasonally adjusted



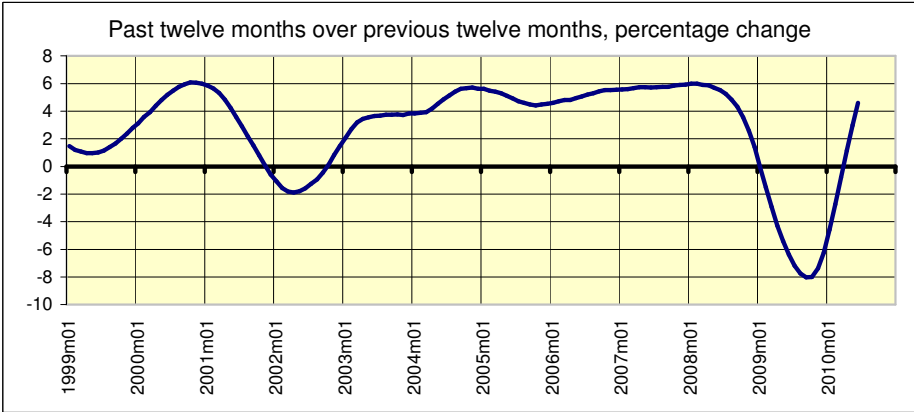
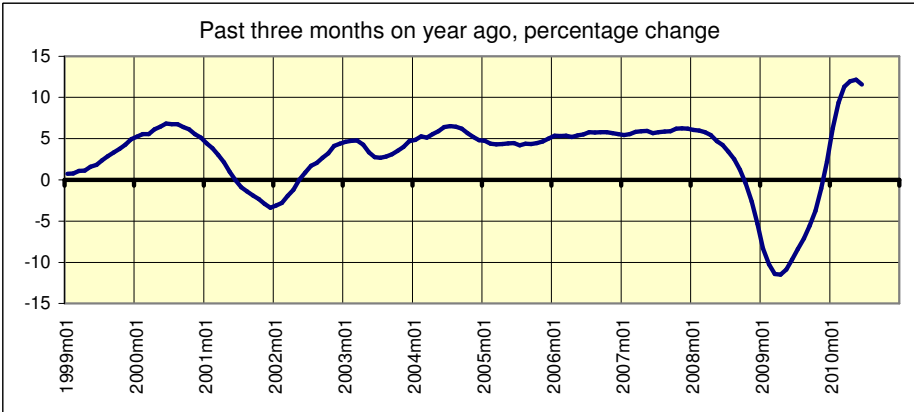
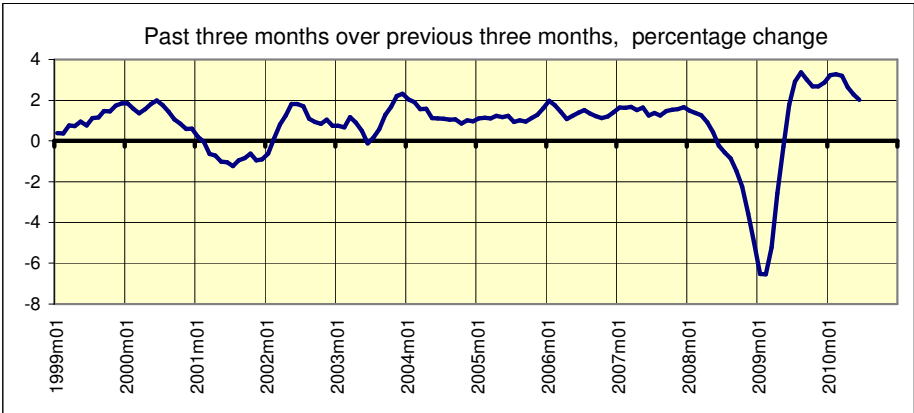
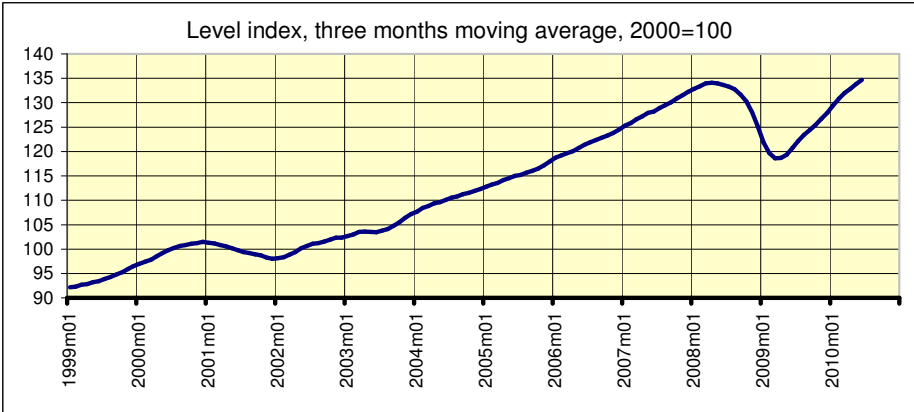
**Table 1: World merchandise trade, percentage changes**

	year on year			quarter on quarter			momentum (a)		month on month		
	2007	2008	2009	2009q4	2010q1	2010q2	2010m05	2010m06	2010m04	2010m05	2010m06
<b>Volumes (s.a.)</b>											
World trade	7.1	2.2	-12.8	6.1	5.7	3.6	5.1	3.6	-1.3	2.3	0.7
World imports	7.0	1.6	-13.1	5.7	5.9	3.4	5.3	3.4	-2.0	1.8	1.7
Advanced Economies (b)	2.7	-1.5	-14.8	3.4	3.1	5.5	5.5	5.5	-1.5	4.4	2.3
United States	1.5	-2.5	-16.7	4.7	4.1	5.8	4.9	5.8	-1.7	4.1	4.7
Japan	1.0	-0.2	-13.5	1.4	2.4	6.5	2.2	6.5	3.3	7.2	1.2
Euro Area	4.3	-1.3	-14.0	2.3	2.5	4.9	5.5	4.9	-2.2	3.0	3.3
Emerging economies	13.3	5.7	-10.9	8.4	9.2	1.1	5.1	1.1	-2.6	-0.8	1.0
Asia	10.6	3.7	-6.2	10.3	11.8	0.2	5.3	0.2	-3.6	0.1	0.3
Central and Eastern Europe	20.2	8.4	-22.4	6.2	5.1	-0.2	3.3	-0.2	-1.7	-1.5	-0.3
Latin America	10.9	6.6	-18.1	8.2	10.0	7.9	10.4	7.9	1.4	-2.0	2.8
Africa and Middle East	18.0	9.2	-7.2	3.6	1.9	1.1	1.9	1.1	-1.9	-3.3	4.3
World exports	7.3	2.8	-12.6	6.5	5.5	3.9	5.0	3.9	-0.6	2.7	-0.3
Advanced Economies (b)	4.3	0.8	-16.0	4.2	3.5	4.3	5.6	4.3	-1.0	2.2	0.6
United States	6.3	8.2	-14.0	7.2	3.6	1.9	3.7	1.9	-2.1	2.6	-1.5
Japan	9.7	0.8	-24.5	7.6	5.5	10.2	9.5	10.2	7.4	1.5	-1.8
Euro Area	4.5	-0.6	-15.3	2.6	3.4	3.9	5.6	3.9	-3.2	2.2	3.5
Emerging economies	11.0	5.0	-8.9	8.8	7.5	3.4	4.4	3.4	-0.3	3.2	-1.1
Asia	12.4	6.2	-8.4	11.0	8.7	3.8	4.4	3.8	-0.3	4.2	-1.2
Central and Eastern Europe	12.0	5.6	-13.0	6.9	4.5	0.3	3.1	0.3	-1.3	-0.8	-1.1
Latin America	6.4	-1.2	-7.1	4.3	7.9	5.7	7.9	5.7	1.0	0.5	-0.7
Africa and Middle East	5.9	2.6	-7.8	2.4	3.1	3.0	2.4	3.0	-0.2	3.6	-0.2
<b>Prices / unit values in USD (s.a.)</b>											
World trade	7.3	13.0	-11.8	3.2	-0.3	-2.1	-1.2	-2.1	0.1	-2.7	-0.9
World imports	7.5	13.8	-11.9	3.0	-0.2	-2.0	-1.0	-2.0	0.5	-3.0	-1.3
Advanced Economies (b)	8.9	12.9	-11.4	3.1	-0.4	-3.8	-2.2	-3.8	0.4	-4.7	-1.7
United States	4.2	11.3	-11.6	2.6	1.9	0.3	1.2	0.3	1.1	-0.8	-1.3
Japan	6.1	21.5	-15.7	11.0	9.9	-4.7	0.2	-4.7	-0.1	-5.0	-4.2
Euro Area	12.0	13.9	-11.9	3.0	-2.5	-5.8	-3.9	-5.8	0.0	-6.5	-2.2
Emerging economies	6.0	15.5	-12.3	3.2	0.5	0.1	0.4	0.1	0.5	-1.1	-0.8
Asia	4.7	14.9	-12.9	4.0	1.3	1.1	1.2	1.1	0.4	-0.7	-0.4
Central and Eastern Europe	8.2	13.6	-11.9	2.5	-0.7	-0.4	0.5	-0.4	0.5	-1.2	-1.8
Latin America	6.2	15.3	-8.5	3.1	0.9	-0.7	-0.6	-0.7	0.2	-0.8	-0.5
Africa and Middle East	6.1	19.4	-11.1	2.3	0.0	-2.9	-2.2	-2.9	0.5	-3.0	-1.3
World exports	7.2	12.3	-11.7	3.4	-0.5	-2.2	-1.5	-2.2	-0.3	-2.3	-0.5
Advanced Economies (b)	8.9	10.1	-7.6	3.0	-1.2	-4.8	-3.4	-4.8	-1.0	-3.8	-1.1
United States	4.7	5.9	-4.7	0.8	1.6	1.6	1.7	1.6	1.1	0.5	-0.7
Japan	0.7	7.3	-0.2	8.6	6.3	-11.1	-7.7	-11.1	-7.6	-1.2	-0.2
Euro Area	12.5	10.7	-8.5	3.1	-4.0	-6.5	-5.2	-6.5	-0.4	-6.2	-2.4
Emerging economies	5.3	15.1	-15.8	4.1	0.6	0.0	0.6	0.0	0.6	-0.8	-1.4
Asia	4.1	7.5	-8.4	2.8	0.4	1.7	1.3	1.7	0.8	-0.2	0.7
Central and Eastern Europe	10.8	19.6	-18.2	5.6	0.5	-3.0	-1.4	-3.0	0.3	-3.8	-1.4
Latin America	6.7	15.1	-14.4	8.2	-0.4	-2.2	-1.9	-2.2	-1.6	-0.3	-1.5
Africa and Middle East	5.0	36.8	-32.5	8.6	5.4	3.0	2.7	3.0	1.5	1.9	0.2
<b>World prices / unit values in USD</b>											
Manufactures	5.9	8.2	-6.3	2.7	-0.6	-4.3	-3.1	-4.3	-1.2	-2.7	-1.2
Energy (HWWI)	12.0	40.3	-37.0	10.3	3.7	2.1	6.0	2.1	6.6	-9.3	-1.2
Other raw materials (HWWI)	17.6	12.5	-21.9	8.4	3.4	9.5	7.6	9.5	12.6	-4.3	-1.2
Energy, real (HWWI)	5.3	29.2	-32.4	7.4	4.4	6.7	9.4	6.7	7.9	-6.8	-0.1
Other raw materials, real (HWWI)	11.2	3.7	-16.5	5.6	4.1	14.5	11.1	14.5	13.9	-1.6	0.0

(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	2009q4	2010q1	2010q2	2010m05	2010m06	2010m04	2010m05	2010m06
World (b)	5.9	1.4	-6.3	2.9	3.2	2.0	2.3	2.0	0.7	1.0	0.2
Advanced Economies (c)	2.8	-2.6	-13.2	2.0	2.9	1.9	2.4	1.9	0.4	1.3	-0.4
United States	2.7	-3.3	-9.3	1.7	1.7	1.6	1.6	1.6	0.4	1.3	0.0
Japan	2.9	-3.2	-21.2	5.7	6.9	1.2	2.8	1.2	1.2	0.0	-1.1
Euro Area	3.7	-1.7	-14.7	0.8	2.5	2.6	3.3	2.6	0.0	2.3	-0.5
Emerging economies	10.0	6.3	1.5	3.7	3.5	2.2	2.2	2.2	1.0	0.7	0.7
Asia	13.8	9.2	7.3	4.4	4.2	2.6	2.4	2.6	1.6	0.7	1.1
Central and Eastern Europe	7.2	1.1	-10.7	3.3	3.0	1.7	2.6	1.7	-0.7	1.7	-0.2
Latin America	5.4	1.6	-6.6	3.3	2.1	1.6	2.4	1.6	0.5	0.2	-0.4
Africa and Middle East	1.6	3.0	-6.4	1.0	0.9	0.6	0.4	0.6	0.1	0.6	0.2

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

(b ) Country data are weighted with shares in world production. This also applies to all other regional aggregates.

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.