

CPB Memo

CPB Netherlands Bureau for Economic Policy Analysis



Date : 1 March 2010
From : Jos Ebregt and Gerard van Welzenis
Subject : World trade monitor: December 2009

- **December 2009: world trade up by 4.8% month on month, after an unrevised 1.1% increase in November; in 2009 as a whole, trade declined by 13.2%.**

World trade volume

Based on preliminary data, world trade volume expanded by an unprecedented 4.8% in December 2009 from the previous month, following an increase of 1.1% in November (unrevised). Import volumes of emerging economies continued to expand at an accelerated pace, growth reaching 7.8% in December. Import growth was particularly high in emerging economies in Asia and Latin America. Import growth in advanced economies accelerated as well, from 0.7% in November (first estimate: 0.3%) to 2.7% in December. In December, trade was 8% below the peak level reached in April 2008, but 15% above the trough reached in May 2009. In 2009 as a whole, trade decreased by an unheard-of 13.2%.

Monthly trade figures are volatile and focus on ‘momentum’ is therefore preferable.¹ In the fourth quarter of 2009, world trade was up by 6.0% from the third. That is a new high in our series of trade momentum, which starts in 1991.

World trade prices

In the last quarter of 2009, dollar prices of world trade were up by 4.1% from the third. Price momentum turned positive in June, after a series of deep declines that started towards the end of 2008. Dollar prices of traded manufactures decreased by 1.0% in December, their momentum still being 2.6%, down from 3.1% in November, which was the highest figure since July 2008.

World industrial production

On the basis of preliminary data, world industrial production grew by 0.7% in December 2009, following a rise of 1.0% in November (first estimate: 1.2%). Industrial production declined in the Euro Area and Central and Eastern Europe. In the fourth quarter of 2009, world industrial production was up by 2.1% from the third quarter. In December, it was 5% below the peak level reached in March 2008. Since the trough in March 2009 industrial production has risen steadily by an accumulated 8%.

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

The release of the next monitor is scheduled tentatively for 25 March 2010.

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

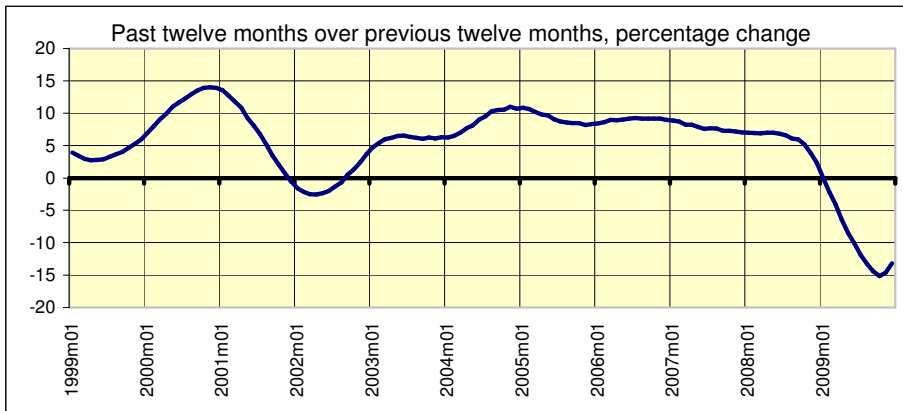
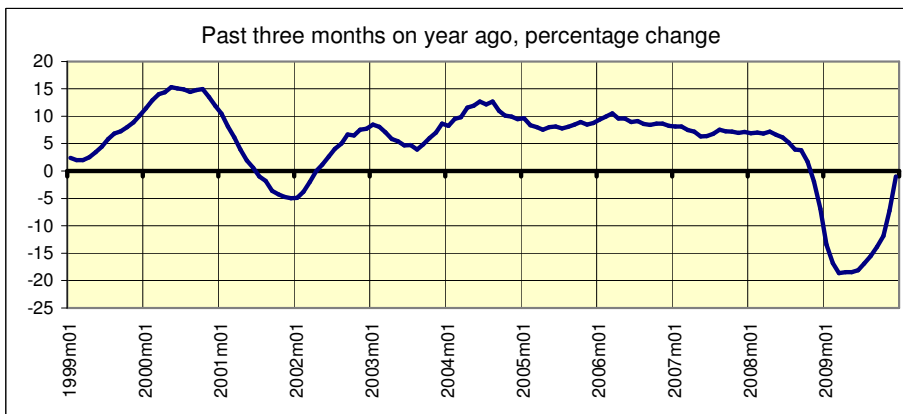
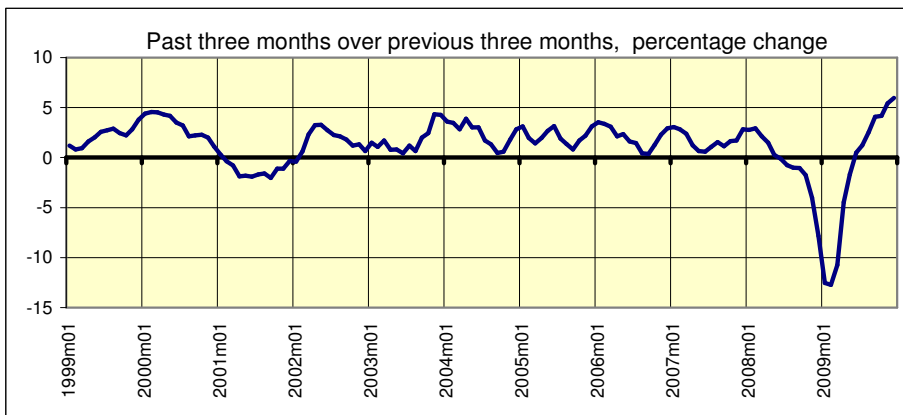
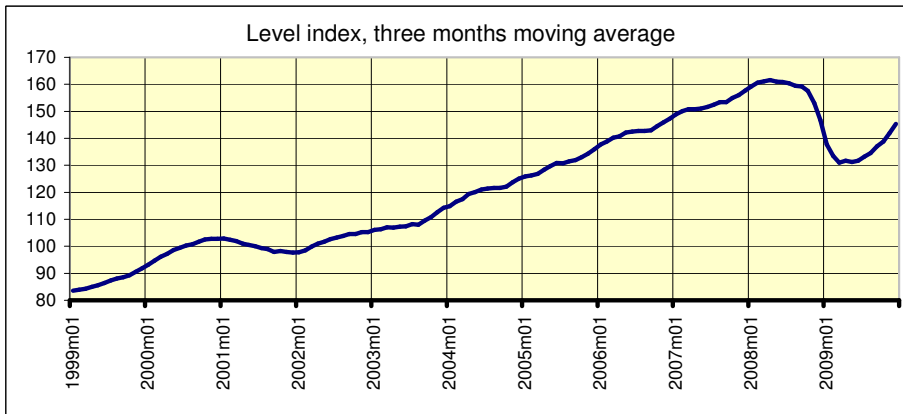


Table 1: World merchandise trade, percentage changes

	year on year			quarter on quarter			momentum (a)		month on month		
	2007	2008	2009	2009q2	2009q3	2009q4	2009m09	2009m12	2009m10	2009m11	2009m12
Volumes (s.a.)											
World trade	7.1	2.4	-13.2	0.5	4.1	6.0	4.1	6.0	1.2	1.1	4.8
World imports	6.5	1.3	-12.6	-0.1	4.7	5.6	4.7	5.6	0.4	1.4	5.2
Advanced Economies (b)	2.5	-1.8	-14.6	-3.8	4.8	3.9	4.8	3.9	-0.1	0.7	2.7
United States	1.5	-3.4	-16.5	-6.4	6.5	6.4	6.5	6.4	-0.2	1.4	5.6
Japan	0.8	0.6	-14.4	-1.6	8.1	2.2	8.1	2.2	-6.5	5.0	-0.1
Euro Area	4.1	-1.7	-13.4	-2.5	2.5	2.1	2.5	2.1	0.5	-0.8	2.2
Emerging economies	12.0	5.3	-10.3	4.4	4.6	7.4	4.6	7.4	0.9	2.1	7.8
Asia	9.1	2.2	-6.8	7.2	4.2	9.1	4.2	9.1	2.4	1.1	12.2
Central and Eastern Europe	19.9	8.7	-21.3	-3.0	2.4	9.9	2.4	9.9	2.4	3.9	1.0
Latin America	10.8	7.1	-17.3	0.3	6.8	9.9	6.8	9.9	-5.7	13.6	9.1
Africa and Middle East	16.2	12.9	-3.5	5.9	6.6	-2.8	6.6	-2.8	-1.3	-3.5	-2.7
World exports	7.6	3.4	-13.7	1.1	3.5	6.4	3.5	6.4	2.0	0.8	4.5
Advanced Economies (b)	4.2	0.5	-16.2	0.9	4.8	4.1	4.8	4.1	1.7	-0.2	2.7
United States	6.3	5.9	-13.9	-1.8	6.3	7.8	6.3	7.8	3.5	0.2	4.3
Japan	9.3	1.9	-25.5	12.2	11.1	8.9	11.1	8.9	3.3	0.5	2.9
Euro Area	4.5	-0.8	-15.5	0.7	3.3	2.0	3.3	2.0	1.0	-0.9	2.3
Emerging economies	11.5	6.5	-11.1	1.3	2.2	8.7	2.2	8.7	2.3	1.8	6.3
Asia	14.1	9.0	-10.7	3.7	3.0	10.0	3.0	10.0	3.1	1.7	7.6
Central and Eastern Europe	14.3	4.8	-20.9	-2.4	2.3	6.5	2.3	6.5	2.9	-0.2	3.0
Latin America	5.5	-0.6	-6.8	-1.4	-2.1	8.9	-2.1	8.9	-2.0	6.0	7.5
Africa and Middle East	0.9	0.8	-4.7	-5.1	1.6	3.4	1.6	3.4	1.1	1.3	1.4
Prices / unit values in USD											
World trade	7.3	12.4	-10.9	1.4	3.8	4.1	3.8	4.1	1.6	1.7	-0.6
World imports	7.8	13.9	-11.8	0.9	2.9	3.4	2.9	3.4	1.2	1.9	-0.6
Advanced Economies (b)	8.9	12.8	-11.6	2.9	3.8	2.9	3.8	2.9	1.3	1.3	-1.1
United States	4.2	11.3	-11.6	3.5	2.8	2.6	2.8	2.6	0.9	1.6	0.0
Japan	6.2	21.5	-15.5	-6.8	-0.1	9.9	-0.1	9.9	7.7	3.7	2.2
Euro Area	12.0	13.8	-12.2	3.0	5.7	3.1	5.7	3.1	0.7	1.1	-1.5
Emerging economies	6.8	16.0	-11.9	-1.0	1.8	4.4	1.8	4.4	1.2	2.7	0.4
Asia	5.7	15.6	-11.7	0.1	2.4	7.3	2.4	7.3	1.2	5.0	1.4
Central and Eastern Europe	8.5	13.7	-13.0	2.8	4.4	-0.6	4.4	-0.6	0.3	-0.2	-1.2
Latin America	6.2	14.7	-9.0	-3.5	-0.4	2.3	-0.4	2.3	3.5	-3.8	1.2
Africa and Middle East	6.4	18.7	-10.6	-4.8	-1.5	3.4	-1.5	3.4	1.2	3.0	0.7
World exports	6.8	11.0	-9.9	1.9	4.7	4.7	4.7	4.7	1.9	1.6	-0.6
Advanced Economies (b)	8.9	10.0	-7.5	0.8	3.7	3.3	3.7	3.3	1.4	1.4	-1.2
United States	4.7	5.9	-4.7	0.5	0.8	0.9	0.8	0.9	0.0	0.9	0.6
Japan	0.9	7.4	-0.3	-7.6	-1.2	8.3	-1.2	8.3	2.7	6.4	0.9
Euro Area	12.4	10.7	-8.3	2.3	5.7	3.9	5.7	3.9	1.6	0.7	-1.8
Emerging economies	4.7	12.5	-12.2	3.2	5.7	6.5	5.7	6.5	2.6	1.9	0.1
Asia	2.5	4.3	-5.5	-0.4	2.4	3.5	2.4	3.5	1.9	0.8	0.6
Central and Eastern Europe	8.6	20.8	-10.5	5.9	8.2	5.0	8.2	5.0	1.9	1.9	-1.3
Latin America	7.6	14.8	-14.8	4.9	4.3	4.0	4.3	4.0	1.6	2.1	0.0
Africa and Middle East	10.5	32.9	-27.6	16.4	15.5	22.2	15.5	22.2	6.9	5.0	3.9
World prices / unit values in USD											
Manufactures	5.6	8.8	-6.9	-0.5	2.3	2.6	2.3	2.6	1.2	0.8	-1.0
Energy (HWWI)	12.0	40.3	-37.0	29.4	14.5	10.3	14.5	10.3	8.2	5.0	-3.1
Other raw materials (HWWI)	17.6	12.5	-21.9	10.6	9.0	8.4	9.0	8.4	3.2	2.9	3.7
Energy real (HWWI)	5.6	28.3	-31.9	29.9	12.0	7.5	12.0	7.5	6.9	4.2	-2.1
Other raw materials real (HWWI)	11.5	3.0	-15.8	11.2	6.6	5.7	6.6	5.7	2.0	2.1	4.7

(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

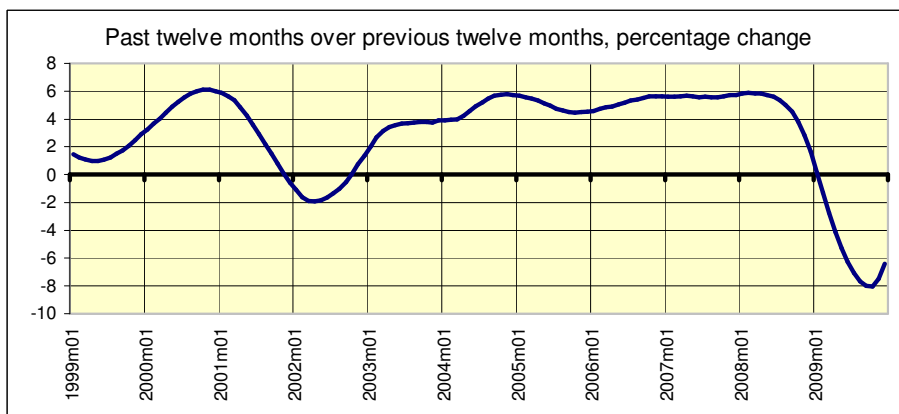
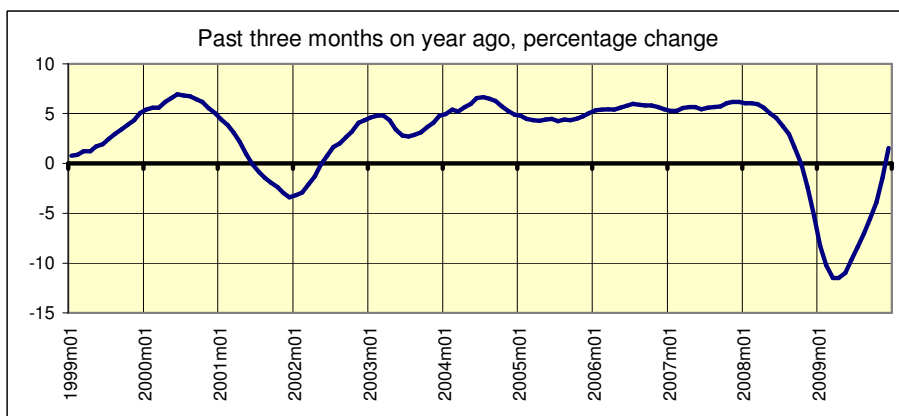
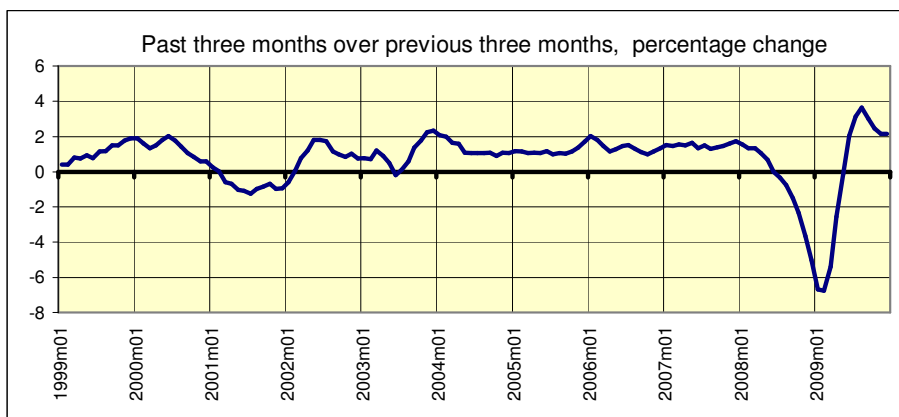
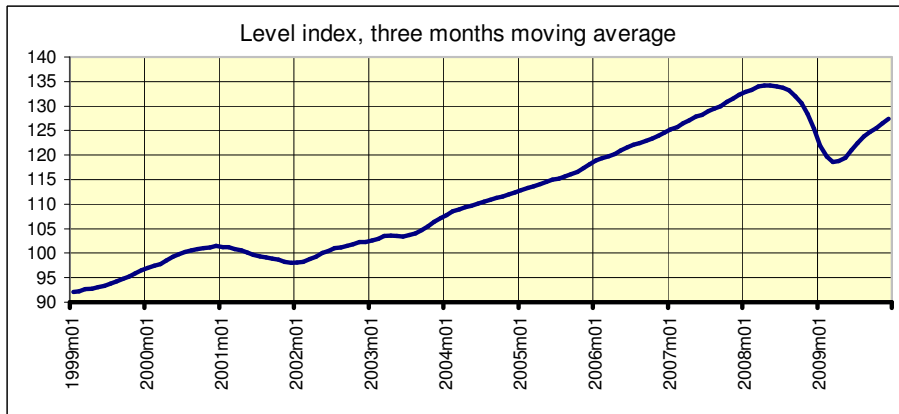


Table 2: World industrial production, percentage changes

	year on year			quarter on quarter			momentum (a)		month on month		
	2007	2008	2009	2009q2	2009q3	2009q4	2009m09	2009m12	2009m10	2009m11	2009m12
World (b)	5.7	1.6	-6.4	2.0	3.0	2.1	3.0	2.1	0.4	1.0	0.7
Advanced Economies (c)	2.4	-2.2	-13.5	-0.6	2.7	0.7	2.7	0.7	-0.6	0.6	0.1
United States	1.5	-2.2	-9.7	-2.7	1.7	1.7	1.7	1.7	0.2	0.6	0.7
Japan	2.9	-3.2	-21.6	7.6	7.2	4.5	7.2	4.5	0.5	2.2	1.9
Euro Area	3.7	-1.6	-14.8	-1.5	3.1	-0.1	3.1	-0.1	-0.4	0.1	-1.3
Emerging economies	10.0	6.3	1.5	4.7	3.4	3.5	3.4	3.5	1.4	1.3	1.2
Asia	13.8	9.2	7.4	6.8	3.7	4.3	3.7	4.3	1.6	1.6	1.7
Central and Eastern Europe	7.4	1.0	-10.9	0.7	3.3	2.8	3.3	2.8	1.4	1.8	-0.5
Latin America	5.3	1.6	-6.7	2.0	3.2	2.7	3.2	2.7	1.3	0.3	0.6
Africa and Middle East	1.8	3.4	-6.6	0.2	1.7	0.3	1.7	0.3	0.3	-0.2	0.6

(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.