

CPB Memo

CPB Netherlands Bureau for Economic Policy Analysis



From : Wim Suyker and Gerard van Welzenis
Subject : World trade monitor: March 2009
Date : 20 May 2009

World trade volume

World trade volume fell by 0.5% in March from the previous month based on preliminary data, following a rise of 1.1% in February (revised up from a rise of 0.8%). The changes in February and March are tiny compared with the huge drop of 6.1% per month in the previous three months. 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 first quarter, world trade was down by 11.3% from the preceding quarter (an annualised drop of 38%). In the previous quarter, the drop in world trade was much smaller: -5.8% (non-annualised). The drop in the first quarter was the biggest on record (series start in 1991). Most noticeable in the first quarter are the sharp drops in Japanese imports (-16.6%) and in Japanese exports (-28.2%).

World trade volume growth is on a sharp downward trend, based on twelve months over the previous twelve months (see final graph). As in the previous month, trend growth was negative in March: -2.9%, down from the record growth rate of +9.3% in January 2007. The drops in February and March are the first ones since August 2002. The sharp downward trend also shows up in year-on-year rates: in the first quarter, world trade was 15% less than in the corresponding period of 2008.

World trade prices

World trade prices measured in US dollars increased by 0.6% in March from the previous month, after a drop of 2.8% in February (revised down from a drop of 2.5%). In March, energy prices rose the strongest (+7.8%).

Monthly trade numbers are volatile and focus on 3-months moving average is therefore preferable. In the first quarter, world trade prices were down by 5.6% from the preceding quarter. This was a much smaller drop than the drop of 16.8% in the fourth quarter of 2008. In the first quarter, energy prices showed the strongest drop (-20.6%), but this was a much smaller drop than in the preceding quarter (-51.1%).

The release of the next monitor is tentatively scheduled for June 24.

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

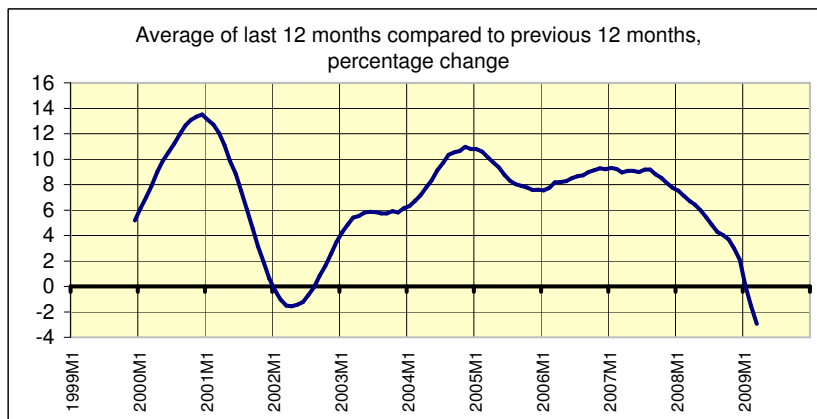
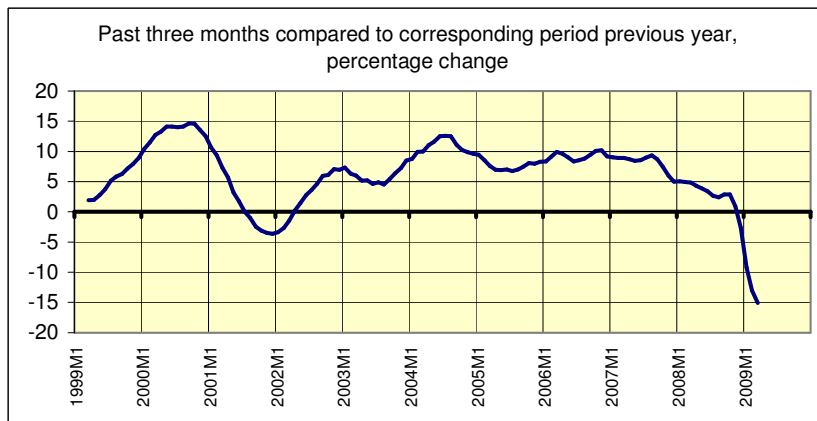
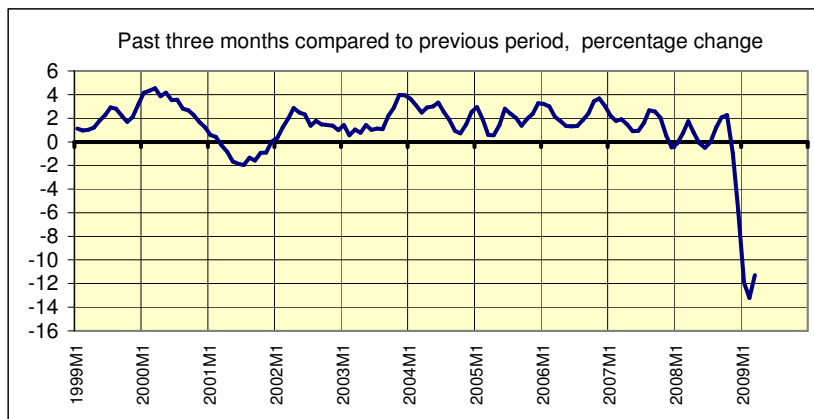
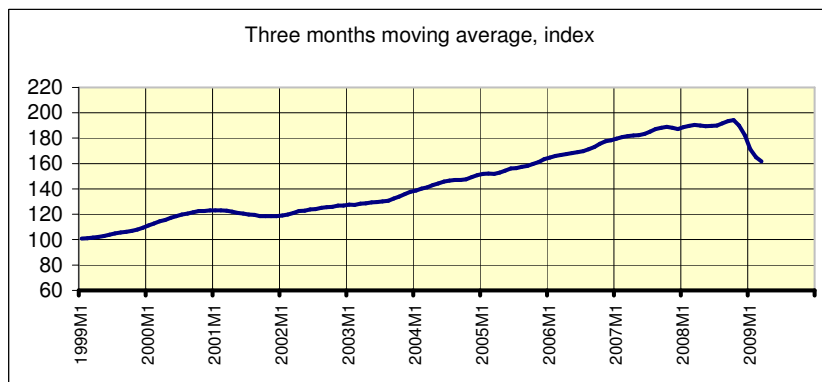


Table 1: World Trade Monitor, percentage changes

	Year on year			Quarter on quarter			Momentum (b)		Month on month		
	2006	2007	2008	2008Q3	2008Q4	2009Q1	2008M12	2009M3	2009M1	2009M2	2009M3
Volumes (s.a. 1998=100)											
World trade	9.2	7.7	2.1	2.1	-5.8	-11.3	-5.8	-11.3	-5.9	1.1	-0.5
World imports	8.9	7.7	2.1	1.9	-5.0	-11.5	-5.0	-11.5	-5.0	-0.3	-0.8
Advanced economies (a)	7.0	3.8	-1.7	-0.2	-4.6	-9.0	-4.6	-9.0	-4.1	-3.1	0.5
United States	5.6	1.5	-3.6	0.3	-2.9	-13.3	-2.9	-13.3	-6.7	-5.8	1.7
Japan	3.0	1.2	0.1	1.8	1.7	-16.6	1.7	-16.6	-7.5	-14.4	4.3
EU15	8.2	4.7	-1.6	-0.5	-5.4	-6.2	-5.4	-6.2	-2.5	-1.2	-0.1
Other countries	12.0	14.1	7.6	4.7	-5.5	-14.8	-5.5	-14.8	-6.2	3.7	-2.4
World exports	9.5	7.7	2.1	2.3	-6.6	-11.0	-6.6	-11.0	-6.9	2.6	-0.2
Advanced economies (a)	8.2	5.0	0.5	-0.6	-8.6	-11.4	-8.6	-11.4	-6.8	0.6	-1.0
United States	10.7	7.2	6.1	1.8	-10.9	-12.3	-10.9	-12.3	-8.0	4.1	-4.2
Japan	11.3	9.6	1.6	1.3	-14.3	-28.2	-14.3	-28.2	-17.3	-3.8	2.3
EU15	7.9	4.1	-0.7	-1.2	-7.5	-8.8	-7.5	-8.8	-5.1	-0.2	-0.1
Other countries	11.4	11.4	4.1	5.9	-4.3	-10.6	-4.3	-10.6	-7.1	4.8	0.6
Prices / unit values in US\$ (1998=100)											
World trade	5.5	7.1	12.3	-1.6	-16.8	-5.6	-16.8	-5.6	-0.8	-2.8	0.6
World imports	5.5	6.8	11.9	-1.0	-15.1	-6.2	-15.1	-6.2	-1.8	-2.5	0.3
Advanced economies (a)	5.5	8.0	12.3	-1.1	-15.4	-6.1	-15.4	-6.1	-1.9	-2.5	0.4
United States	4.8	4.2	11.3	1.0	-15.0	-6.9	-15.0	-6.9	-1.3	-0.1	0.2
Japan	8.9	5.8	22.0	-3.3	-9.7	-5.7	-9.7	-5.7	3.5	0.2	-6.8
EU15	5.6	10.5	11.7	-2.0	-17.3	-6.0	-17.3	-6.0	-3.1	-3.6	1.4
Other countries	5.4	4.8	11.3	-0.9	-14.7	-6.2	-14.7	-6.2	-1.6	-2.6	0.3
World exports	5.5	7.4	12.8	-2.2	-18.4	-5.0	-18.4	-5.0	0.1	-3.1	0.9
Advanced economies (a)	3.8	8.8	9.8	-2.2	-12.0	-2.7	-12.0	-2.7	-0.3	-3.1	0.4
United States	3.3	4.7	5.9	0.9	-5.9	-2.3	-5.9	-2.3	0.7	-0.3	-0.7
Japan	-2.3	0.8	7.4	-8.5	4.0	8.9	4.0	8.9	9.2	-3.9	-5.4
EU15	4.3	11.5	9.8	-2.6	-14.9	-4.0	-14.9	-4.0	-2.1	-3.8	1.5
Other countries	7.5	5.5	16.1	-2.8	-24.9	-7.6	-24.9	-7.6	0.6	-2.9	1.6
World prices / unit values in US\$ (1998=100)											
Manufactures	2.2	5.8	9.1	-0.8	-8.2	-3.9	-8.2	-3.9	-1.8	-2.7	-0.1
Energy (HWWI)	19.1	12.0	40.3	-2.8	-51.1	-20.6	-51.1	-20.6	4.5	-4.1	7.8
Other raw materials (HWWI)	26.7	17.6	12.5	-5.9	-29.2	-4.0	-29.2	-4.0	4.3	-2.3	0.5
Energy real (HWWI)	16.5	5.4	27.9	-2.2	-46.7	-17.2	-46.7	-17.2	6.5	-1.4	7.9
Other raw materials real (HWWI)	23.9	11.3	2.7	-5.3	-22.8	0.0	-22.8	0.0	6.2	0.4	0.5

(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

	2006	2007	2008	2008Q2	2008Q3	2008Q4	2009Q1	2009M1	2009M2	2009M3
Volumes (s.a. 1998=100)										
World trade	171.8	185.1	189.0	189.6	193.5	182.3	161.7	160.9	162.6	161.8
World imports	174.5	188.0	191.9	192.1	195.8	186.0	164.6	165.4	164.8	163.5
Advanced economies (a)	156.4	162.4	159.6	161.0	160.6	153.2	139.4	142.2	137.8	138.4
United States	170.1	172.6	166.3	166.0	166.6	161.7	140.2	145.1	136.7	138.9
Japan	137.3	139.0	139.2	135.9	138.3	140.6	117.3	128.0	109.6	114.3
EU15	153.1	160.3	157.8	159.9	159.1	150.4	141.1	142.2	140.6	140.4
Other countries	214.2	244.3	262.9	260.5	272.8	257.9	219.8	216.3	224.3	218.8
World exports	169.1	182.2	186.0	187.0	191.3	178.6	158.9	156.4	160.4	160.0
Advanced economies (a)	146.5	153.9	154.6	158.5	157.6	144.0	127.6	127.5	128.3	127.0
United States	136.3	146.1	155.1	159.4	162.3	144.6	126.9	125.3	130.4	124.9
Japan	163.3	179.0	181.8	186.2	188.5	161.6	116.1	118.2	113.7	116.3
EU15	150.8	157.0	155.9	159.6	157.6	145.9	133.1	133.3	133.0	132.8
Other countries	212.9	237.1	246.8	242.2	256.6	245.7	219.6	212.3	222.5	223.9
Prices / unit values in US\$ (1998=100)										
World trade	127.3	136.4	153.2	164.1	161.4	134.3	126.8	128.9	125.3	126.1
World imports	125.5	134.0	150.0	159.2	157.5	133.8	125.5	127.5	124.3	124.7
Advanced economies (a)	125.8	135.9	152.6	162.1	160.3	135.6	127.3	129.3	126.0	126.5
United States	120.0	125.0	139.1	146.6	148.0	125.8	117.1	117.1	117.0	117.3
Japan	151.3	160.1	195.4	206.8	199.9	180.5	170.2	173.9	174.2	162.4
EU15	127.4	140.7	157.2	168.5	165.0	136.5	128.2	130.8	126.1	127.8
Other countries	123.5	129.5	144.1	152.7	151.3	129.1	121.1	123.1	119.9	120.2
World exports	129.1	138.7	156.4	169.0	165.2	134.9	128.1	130.4	126.3	127.5
Advanced economies (a)	121.1	131.8	144.7	152.4	149.1	131.2	127.6	130.2	126.1	126.6
United States	110.0	115.2	121.9	123.9	125.1	117.7	115.0	115.5	115.1	114.3
Japan	102.0	102.8	110.4	113.7	104.0	108.2	117.9	123.2	118.4	112.0
EU15	122.0	136.0	149.3	158.9	154.8	131.8	126.5	129.1	124.3	126.2
Other countries	142.4	150.3	174.5	194.3	188.9	141.9	131.2	133.1	129.2	131.3
World prices / unit values in US\$ (1998=100)										
Manufactures	109.1	115.4	125.9	130.5	129.5	118.8	114.2	116.3	113.1	113.1
Energy (HWWI)	431.6	483.2	678.1	837.6	814.2	398.0	315.9	316.6	303.7	327.4
Other raw materials (HWWI)	167.0	196.4	221.1	248.7	233.9	165.6	159.0	161.3	157.5	158.3
Energy real (HWWI)	395.8	417.1	533.6	641.7	627.5	334.4	276.7	272.3	268.4	289.5
Other raw materials real (HWWI)	153.0	170.3	174.9	190.6	180.5	139.3	139.3	138.7	139.2	140.0

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