

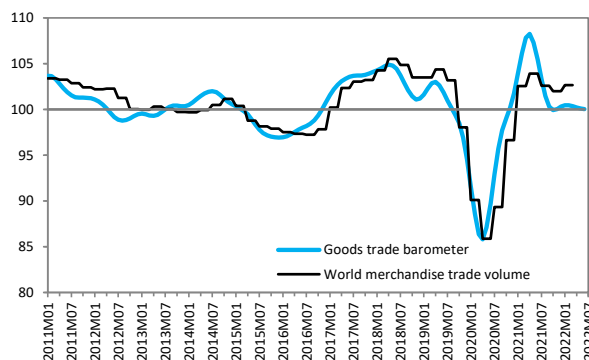
Stable goods barometer points to stagnating global trade growth

Goods trade barometer

Index value, June 2022 = 100.0

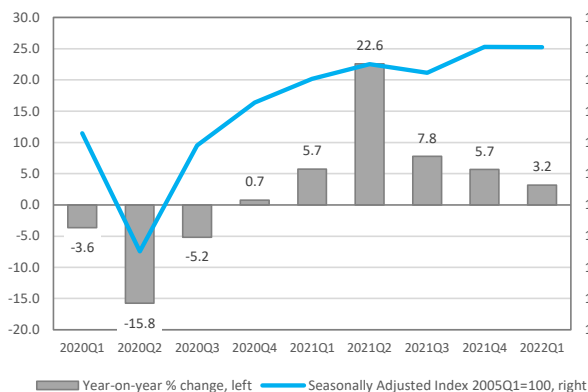


Index history, trend = 100



The Goods Trade Barometer is a composite leading indicator for world trade, providing real-time information on the trajectory of merchandise trade relative to recent trends. The latest reading of 100.0 coincides exactly with the baseline value of the index, indicating on-trend expansion. The barometer index is below the merchandise trade volume index, suggesting that year-on-year trade growth may slow further in Q2 while remaining positive, as the drag of the Russia-Ukraine conflict is offset by the relaxation of pandemic controls in China.

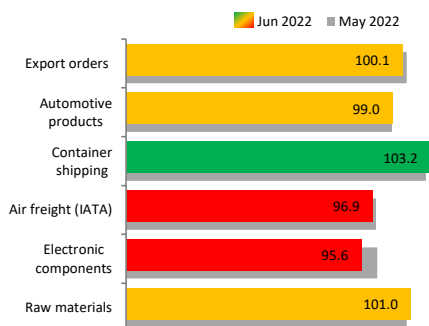
World merchandise trade volume



Global merchandise trade volume plateaued and year-on-year trade growth slowed to 3.2% the first quarter, down from 5.7% in fourth quarter of last year. The slowdown in Q1 only partly reflects the impact of the conflict in Ukraine, which broke out in late February. COVID-19 lockdowns in China also weighed on trade in the first quarter. Trade growth in Q1 is consistent with the WTO's most recent trade forecast from last April, which predicted 3.0% growth in the volume of world merchandise trade in 2022. However, uncertainty about the forecast has increased due to the ongoing conflict in Ukraine, rising inflationary pressures, and expected policy tightening in advanced economies.

Drivers of goods trade

Component index values, trend = 100

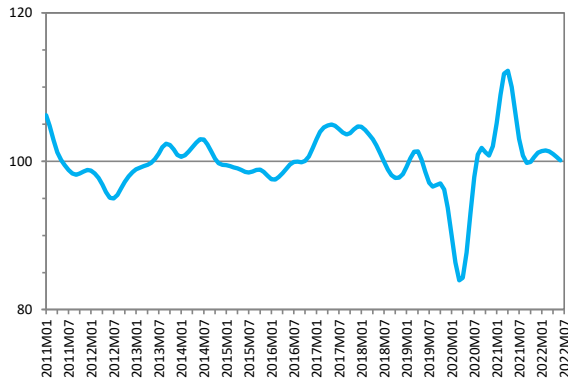


The barometer's component indices are a mixed bag, with most showing on trend or below trend growth. The forward-looking export orders index (100.1) is on trend but has turned down. The automotive products index (99.0) is slightly below trend but has lost its upward momentum. Indices for air freight (96.9) and electronic components (95.6) are below trend and pointing down, while the raw materials index (101.0) has recently risen slightly above trend. The main exception is the container shipping index (103.2), which has risen firmly above trend as shipments through Chinese ports have increased due to the easing of COVID-19 restrictions.

Component indices

Export orders

(Index, trend = 100)

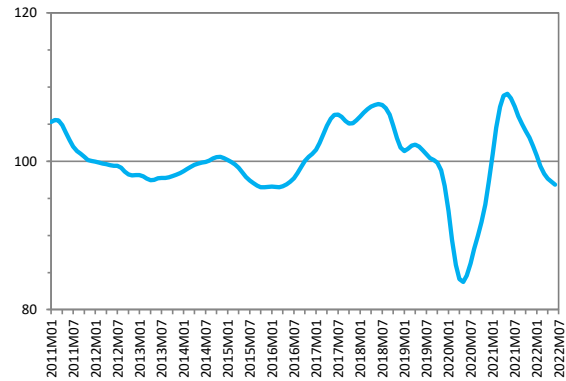


Source: IHS Markit.

100.1

International air freight (IATA)

(Index, trend = 100)

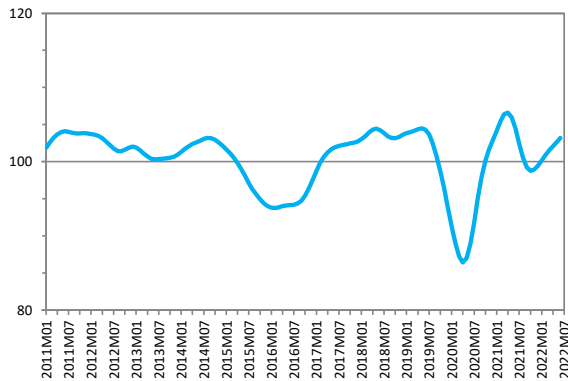


Source: IATA.

96.9

Container port throughput

(Index, trend = 100)

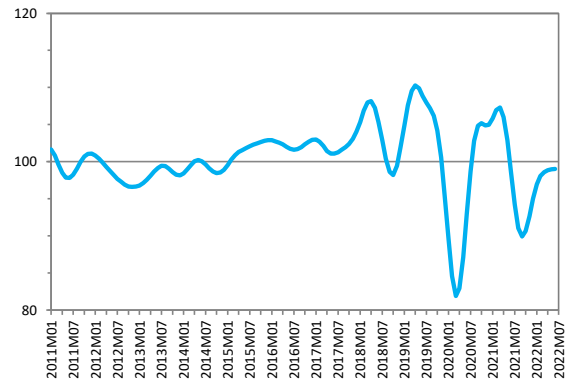


Source: ISL.

103.2

Automobile production and sales

(Index, trend = 100)

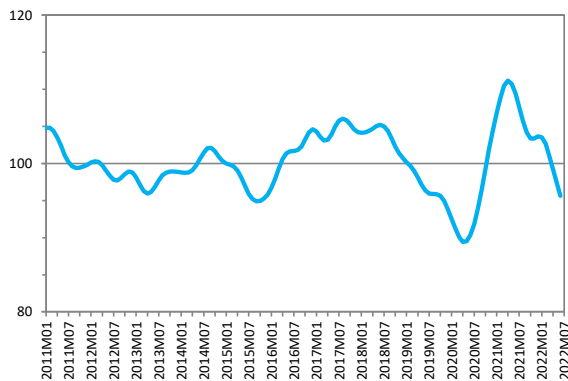


Source: Federal Reserve Bank of St. Louis, ACEA, JAMA, National Bureau of Statistics China.

99.0

Electronic components

(Index, trend = 100)

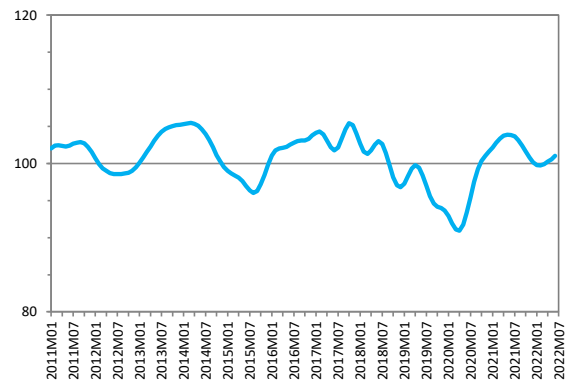


Source: TDM.

95.6

Agricultural raw materials

(Index, trend = 100)



Source: TDM.

101.0



Data on international air freight courtesy of the International Air Transport Association (IATA). Air freight has proved to be a very timely indicator of overall world trade and an early signal of turning points in recessions. Further information and analysis available here:

<https://www.iata.org/en/publications/economics/>

Other sources: WTO Secretariat for quarterly merchandise trade volume, TDM Trade Data Monitor database for electronic components and agricultural raw materials, Institute for Shipping Economics and Logistics for container throughput. Export orders from IHS-Markit Global PMI.

Details on the methodology of the trade outlook indicator are available on the WTO website at the following address:

https://www.wto.org/english/news_e/news20_e/methodology_wtoi_19aug20_e.pdf

Short-term WTO trade statistics (quarterly and monthly) can be obtained here:

https://www.wto.org/english/res_e/statis_e/latest_trends_e.htm

The WTO issues a separate semi-annual trade forecasts projecting trade growth over two years. The latest release is available for download here:

https://www.wto.org/english/news_e/pres22_e/pr902_e.htm