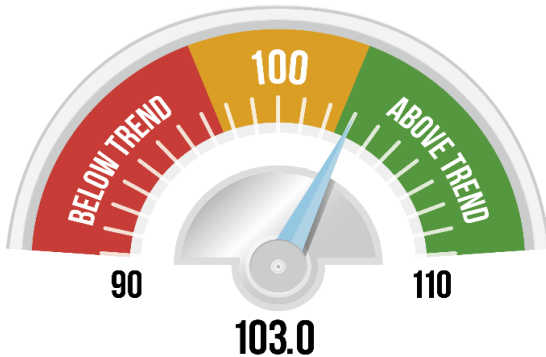


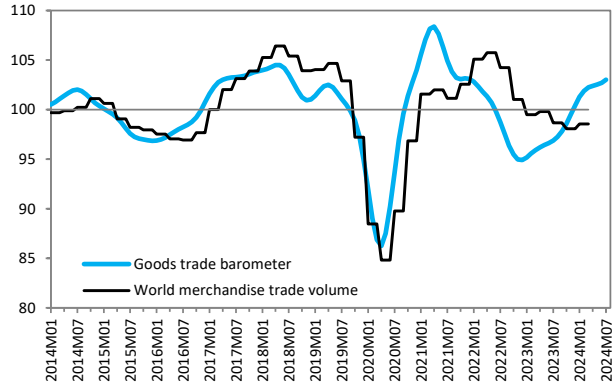
Goods barometer rises above trend, signalling upturn in trade volume

Goods trade barometer

Index value, July 2024 = 103.0

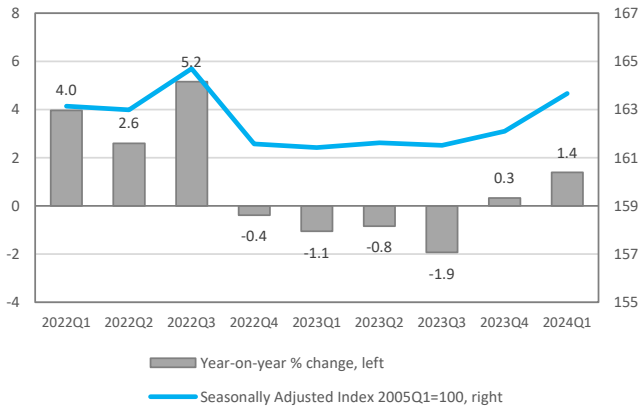


Index history, trend = 100



The Goods Trade Barometer is a composite leading indicator of world trade, providing an early indication of the trajectory of merchandise trade volume relative to recent trends. The current value of 103.0 for the barometer index (represented by the blue line above) is above both the quarterly trade volume index (represented by the black line) and the baseline value of 100 for the index. This suggests that merchandise trade has been picking up in the third quarter of 2024. However, the outlook remains uncertain due to shifting monetary policy in advanced economies and weakening export orders.

World merchandise trade volume

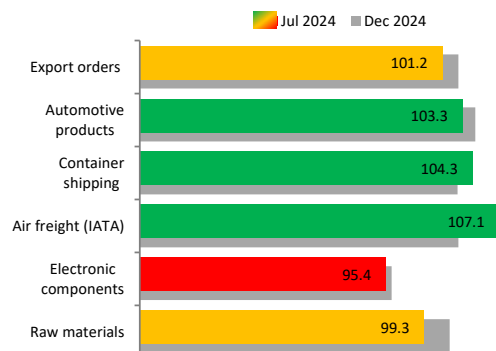


After remaining flat since the final quarter of 2022, the volume of world merchandise trade started to turn up in the fourth quarter of 2023 and gained momentum in the first quarter of 2024. Trade in 2024Q1 was up 1.0% compared to the previous quarter and 1.4% year-on-year. Quarter-on-quarter growth over the last two quarters averaged 0.7%, which is equivalent to 2.7% on an annualized basis. This is consistent with the WTO's most recent forecast of April 2024, which predicted a 2.6% increase in world merchandise trade in 2024.

Recent trade data in value terms show weaker than expected trade in Europe and stronger growth in other regions. As a result, the WTO's regional projections may need to be adjusted in the next WTO trade forecast update, which will be issued in mid-October.

Drivers of goods trade

Component index values, trend = 100

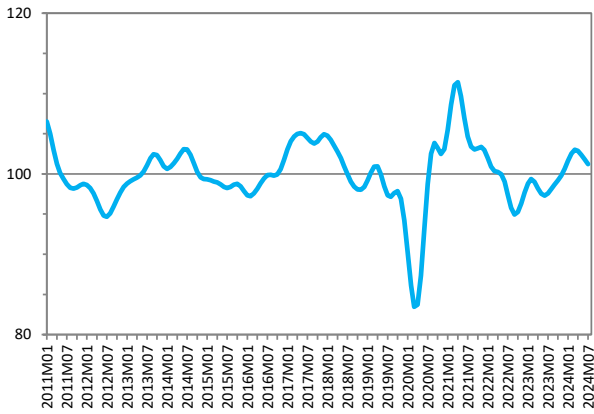


All of the barometer's component indices are currently on or above trend, with the notable exception of the electronic components index (95.4), which is below trend and falling. Component indices for automotive products (103.3), container shipping (104.3) and air freight (107.1) are all firmly above trend, although automotive products have lost momentum recently. New export orders (101.2), usually the barometer's most predictive component, is marginally positive but has turned down, which could be a cause for concern going forward. The index of raw materials (99.3) is nearly on trend but has declined sharply over the last three months.

Export orders

101.2

(Index, trend = 100)

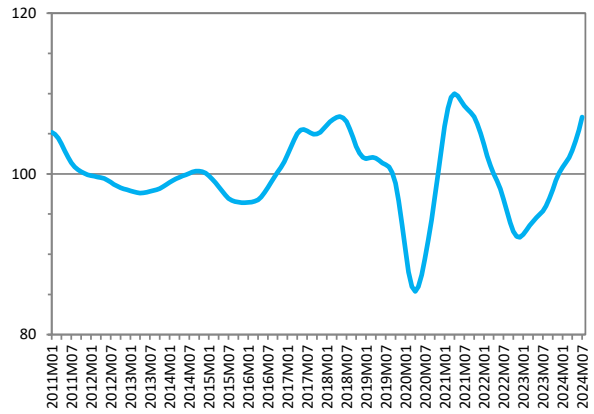


Source: S&P Global.

International air freight

107.1

(Index, trend = 100)

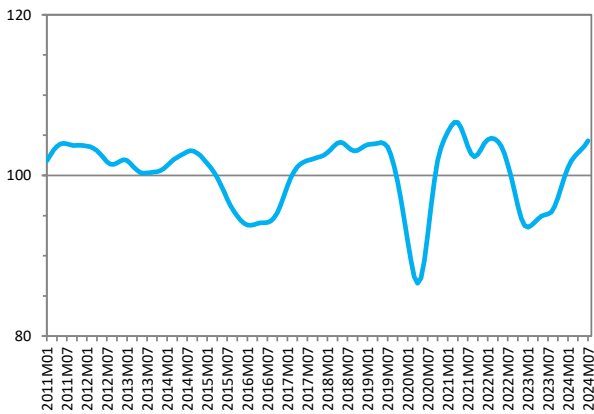


Source: IATA, WorldACD.

Container port throughput

104.3

(Index, trend = 100)

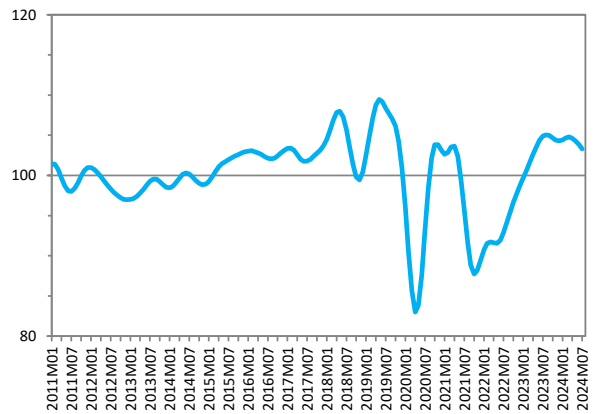


Source: ISL.

Automobile production and sales

103.3

(Index, trend = 100)

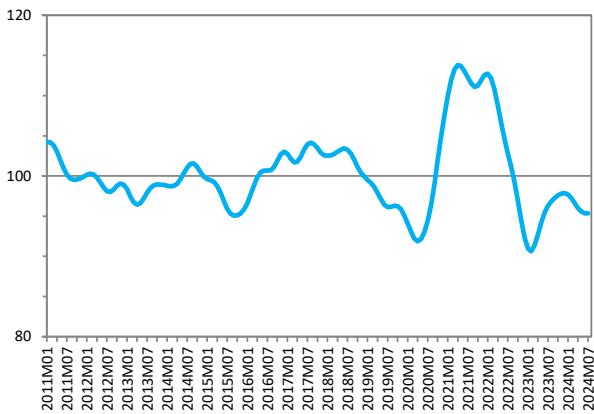


Source: Federal Reserve Bank of St. Louis, ACEA, JAMA, National Bureau of Statistics China.

Electronic components

95.4

(Index, trend = 100)

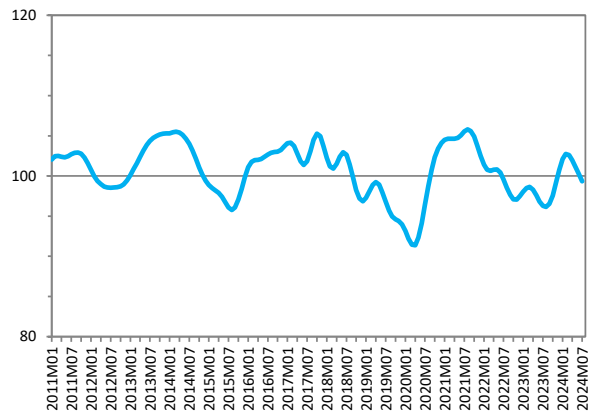


Source: TDM.

Agricultural raw materials

99.3

(Index, trend = 100)



Source: TDM.



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. The air freight series has been extended with data from WorldACD.

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/news24_e/tfore_10apr24_e.htm