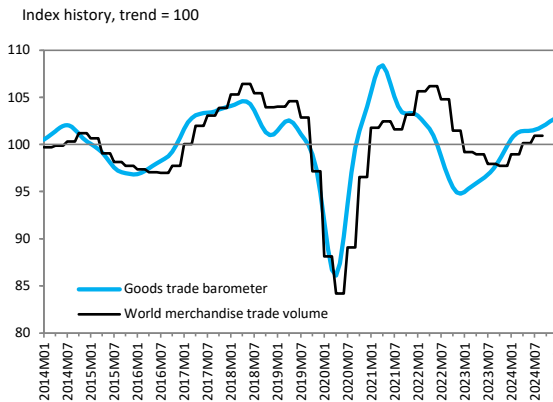


Goods barometer nearly unchanged but trade policy uncertainty looms

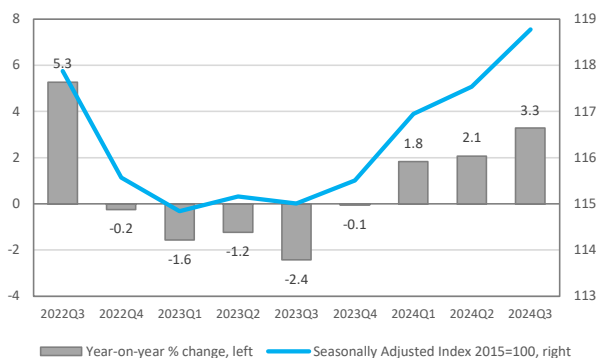
Goods trade barometer

Index value, January 2025 = 102.8



The Goods Trade Barometer is a composite leading indicator for world trade, providing an early indication of the trajectory of merchandise trade relative to recent trends. The current value of 102.8 for the barometer index (represented by the blue line above) is above the quarterly trade volume index (represented by the black line below) but little changed compared to the previous reading of 102.7 from last December. This would normally signify that merchandise trade was above trend with growth that was accelerating. However, rising trade policy uncertainty could have temporarily boosted trade as businesses and consumers frontload imports ahead of potential measures, possibly reducing demand later in the year. As a result, the barometer index should be interpreted with caution.

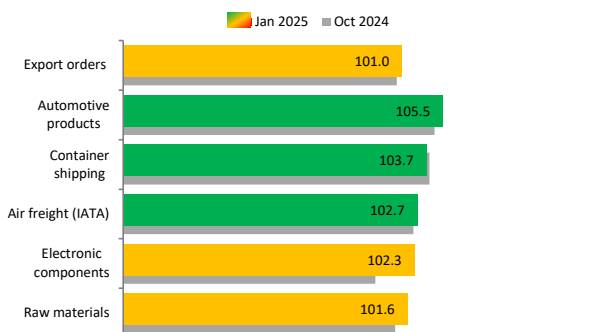
World merchandise trade volume



In the third quarter of 2024 – the latest period for which WTO data is available – the volume of world merchandise trade continued to recover from the trade slump of 2023, growing 3.3% year-on-year. Developments in the first three quarters were broadly in line with WTO's most recent trade forecast of 10 October, which predicted trade volume growth of 2.7% for the whole of 2024. Although the global average has remained steady, there have been some significant regional disparities in goods trade growth. In particular, European exports and imports have been much weaker than anticipated while Asia's exports and North America's imports have exceeded expectations. The WTO's next trade forecast is scheduled for release in April 2025.

Drivers of goods trade

Component index values, trend = 100

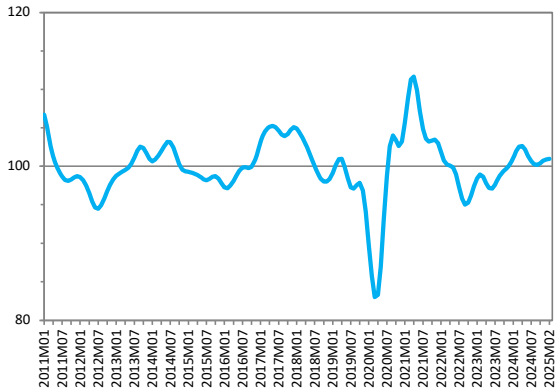


All of the barometer's component indices are currently on or above trend. Export orders (101.0), electronic components (102.3), and raw materials (101.6) are on trend, while indices for automotive products (105.5), container shipping (103.7), and air freight (102.7) are above trend to varying degrees. Export orders, which are usually the most predictive barometer component, remain close to the baseline value of 100. This indicator should be watched closely for any sign of an emerging trade slowdown.

Export orders

(Index, trend = 100)

101.0

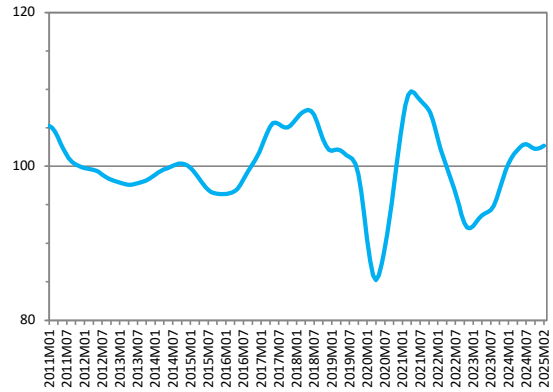


Source: S&P Global.

International air freight

(Index, trend = 100)

102.7

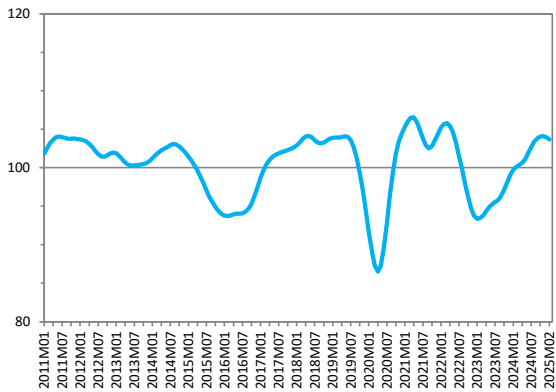


Source: IATA, WorldACD.

Container port throughput

(Index, trend = 100)

103.7

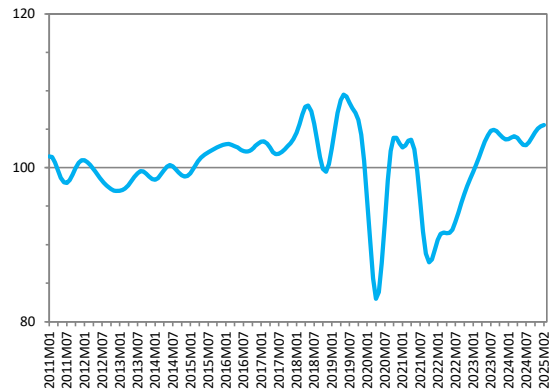


Source: ISL.

Automobile production and sales

(Index, trend = 100)

105.5

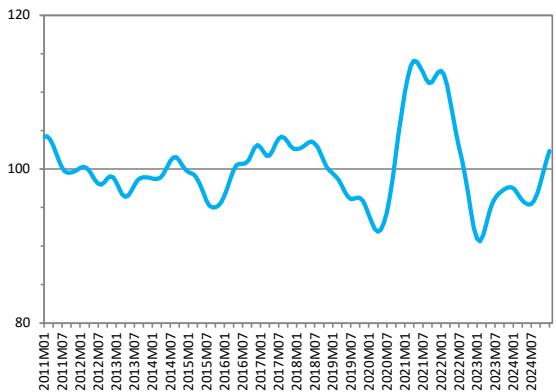


Source: Federal Reserve Bank of St. Louis, ACEA, JAMA, National Bureau of Statistics China.

Electronic components

(Index, trend = 100)

102.3

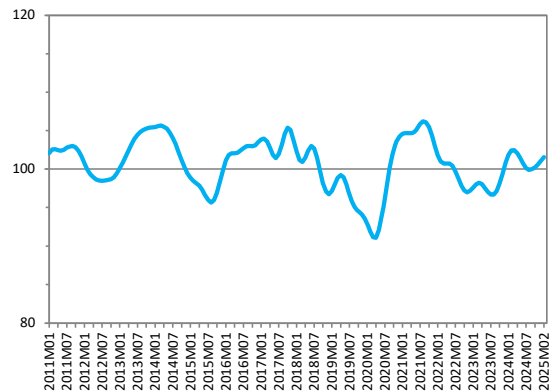


Source: TDM.

Agricultural raw materials

(Index, trend = 100)

101.6



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/stat_10oct24_e.htm