



# CPB Memo

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**Subject:** CPB World Trade Monitor August 2015

## Developments in international trade and industrial production

- August 2015: world trade down 0.5% month on month, following a 0.4 decrease in July.
- August 2015: world industrial production down 0.3% month on month, after a 0.2% increase in July.

### **Important methodological note**

*The methodology for the compilation of the WTM trade time series has undergone rigorous changes. As part of an ongoing revision of the data sources, the WTM now relies less than before on data from the World Bank and more on data from the OECD and national sources. Country coverage has also changed: a few small emerging countries with little weight in regional outcomes are no longer covered. The revision entails substantial differences in regional outcomes compared to the methodology used until now. This applies to the following country aggregates: Emerging Asia, Central and Eastern Europe, Latin America, Africa and Middle East, and Other advanced economies.*

*The methodology for the compilation of industrial production time series has not changed. We hope soon to update the documentation available on the CPB's website.*

### **World trade volume**

Based on preliminary data, the volume of world trade declined 0.5% in August from the previous month, following a 0.4% decrease in July (unchanged from the initial estimate). Both import and export volumes fell in emerging economies. With the exception of Central and Eastern Europe, all monthly growth figures for emerging country blocks were negative, the largest declines occurring in Latin America. In advanced economies, imports grew solidly while exports crept up.

Because of the volatility of monthly trade figures, momentum is the preferred measure of trade growth.<sup>1</sup> Trade momentum was 1.8% in August (non-annualised), sharply up from a revised 0.0% in July (initial estimate: 0.2%). Import and export momentum were up and positive in both the advanced and the emerging country blocks, with considerable regional variation in regional outcomes however. Import and export momentum surged in emerging Asia. Among advanced economies, the largest accelerations occurred in Japan.

### **World industrial production**

According to preliminary data, world industrial production decreased 0.3% in August, following a 0.2% increase in July (unchanged from the initial estimate). The decline was widespread, the *Other advanced*

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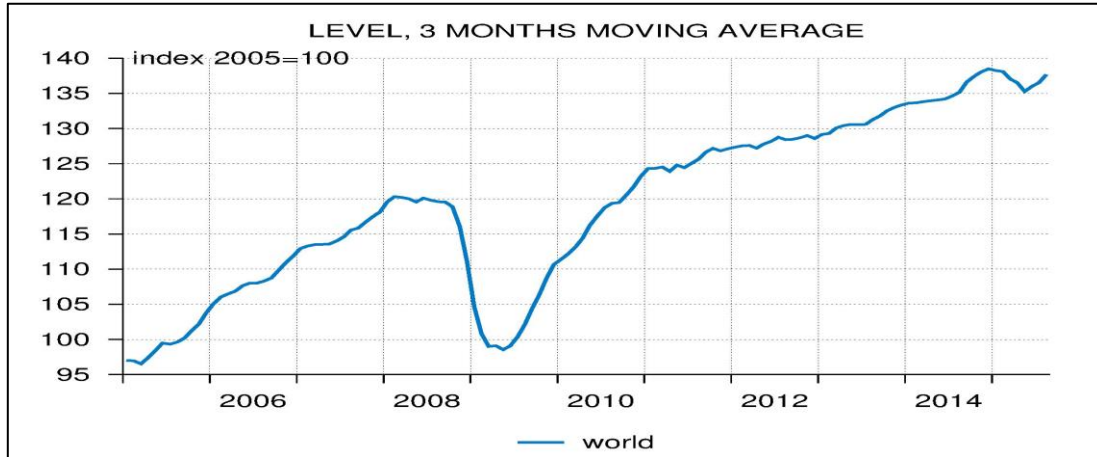
<sup>1</sup> Momentum is the change in the three months average up to the report month relative to the average of the preceding three months.

*countries* being the only country group showing positive growth. The largest monthly decline was recorded in Japan.

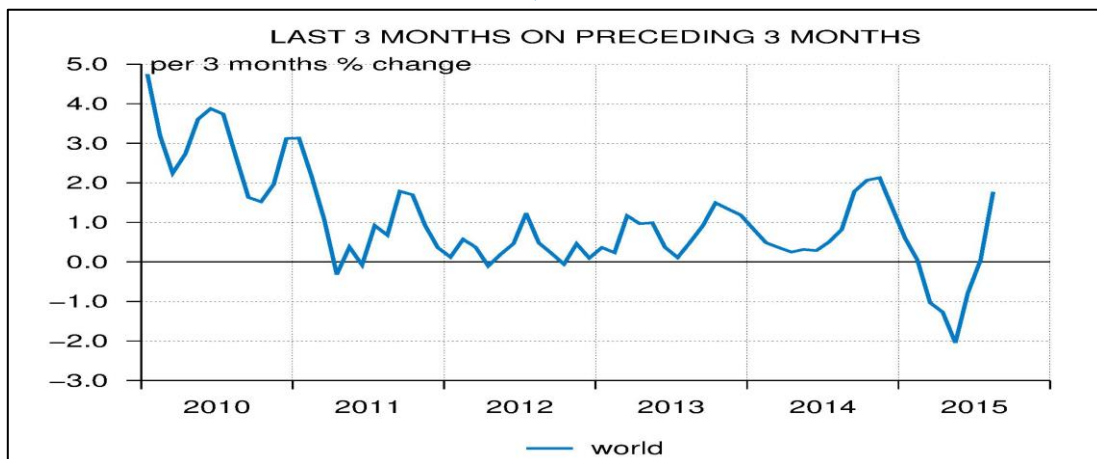
Global production momentum was 0.5% in August, up from 0.2% in July (unchanged from the initial estimate). Momentum was up in all major economic country blocks except for Africa and the Middle East. Among advanced economies, the rise was largest in the United States and *Other advanced countries*. Among emerging economies, the increase in momentum was spread rather evenly. In emerging Asia momentum was highest since January of the year.

*The next release of the CPB World Trade Monitor is scheduled tentatively for 24 November 2015. The WTM database in Excel format is available at <http://www.cpb.nl/en/world-trade-monitor>.*

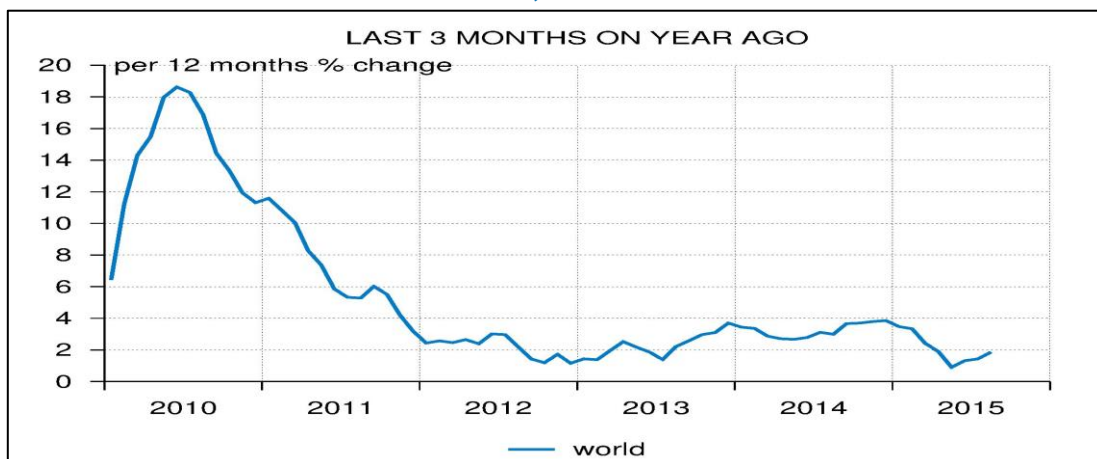
### WORLD MERCHANDISE TRADE VOLUME, CHART 1



### WORLD MERCHANDISE TRADE VOLUME, CHART 2



### WORLD MERCHANDISE TRADE VOLUME, CHART 3

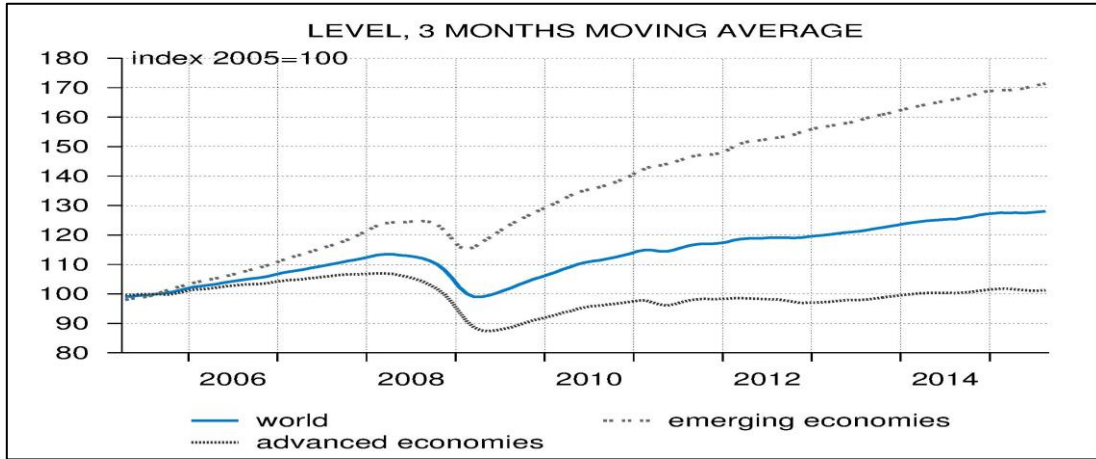


## WORLD MERCHANDISE TRADE (percentage changes)

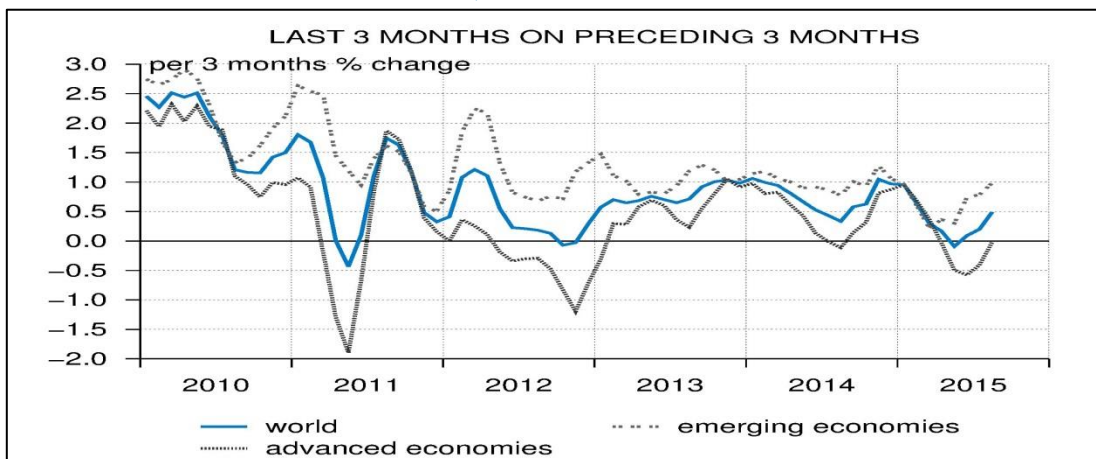
	year on year			quarter on quarter			momentum (a)		month on month		
	2012	2013	2014	2014q4	2015q1	2015q2	2015m07	2015m08	2015m06	2015m07	2015m08
<b>Volumes (s.a.)</b>											
<b>World trade</b>	<b>2.0</b>	<b>2.5</b>	<b>3.3</b>	<b>1.4</b>	<b>-1.0</b>	<b>-0.8</b>	<b>0.0</b>	<b>1.8</b>	<b>3.4</b>	<b>-0.4</b>	<b>-0.5</b>
<b>World imports</b>	<b>2.0</b>	<b>2.1</b>	<b>3.4</b>	<b>1.5</b>	<b>-1.3</b>	<b>-1.0</b>	<b>-0.2</b>	<b>1.7</b>	<b>3.7</b>	<b>-0.2</b>	<b>0.1</b>
Advanced Economies	-0.1	-0.4	3.2	1.1	1.7	-0.8	-1.0	0.3	1.2	0.2	1.3
United States	2.8	0.8	4.7	4.2	2.0	-0.9	-1.0	-0.2	1.1	0.0	3.4
Japan	3.5	1.6	2.3	1.1	0.8	-1.8	-1.7	1.7	0.1	2.2	0.1
Euro Area	-3.5	-0.6	2.6	0.4	1.6	-0.7	-0.6	0.7	1.7	0.1	0.5
Other advanced economies	2.7	-2.0	3.2	-1.0	1.6	-0.8	-1.7	-0.7	0.6	-0.4	0.8
Emerging economies	4.6	5.0	3.7	1.8	-4.5	-1.1	0.7	3.4	6.6	-0.6	-1.2
Asia	3.7	5.0	4.1	3.4	-5.7	-1.3	2.1	6.2	9.0	0.4	-1.2
Central and Eastern Europe	5.9	5.7	-0.3	1.0	-3.3	-0.7	-3.1	0.0	3.4	-1.2	3.6
Latin America	2.2	5.1	3.0	2.5	-1.1	-2.9	-1.9	0.3	8.9	-1.5	-6.5
Africa and Middle East	7.9	4.6	5.3	-2.4	-3.5	0.1	0.2	-0.8	0.8	-3.1	-0.8
<b>World exports</b>	<b>2.0</b>	<b>2.9</b>	<b>3.2</b>	<b>1.3</b>	<b>-0.8</b>	<b>-0.6</b>	<b>0.3</b>	<b>1.8</b>	<b>3.2</b>	<b>-0.5</b>	<b>-1.1</b>
Advanced Economies	0.5	1.5	1.9	2.0	-0.9	0.3	0.2	0.9	1.7	0.0	0.1
United States	3.9	2.6	3.2	1.4	-3.9	1.0	0.6	0.1	0.0	1.4	-1.7
Japan	-1.3	-1.4	1.8	3.8	1.0	-3.6	-3.1	-1.4	1.1	0.8	-0.3
Euro Area	0.3	0.4	1.9	1.5	0.4	0.5	0.0	0.5	1.4	-0.2	-0.5
Other advanced economies	-1.2	4.9	0.7	3.0	-2.5	1.2	2.1	3.8	4.4	-0.8	3.4
Emerging economies	3.7	4.5	4.6	0.5	-0.7	-1.6	0.4	2.9	4.8	-1.1	-2.4
Asia	3.7	5.9	5.1	-0.1	-2.6	-2.1	0.9	4.1	5.1	-1.4	-2.8
Central and Eastern Europe	7.8	1.3	5.4	2.3	4.1	-2.1	-4.0	-1.6	3.5	-3.7	2.1
Latin America	4.1	2.9	4.9	2.2	5.7	-0.3	1.2	3.9	9.7	2.1	-7.0
Africa and Middle East	0.2	1.7	0.8	1.3	0.5	0.6	1.1	-0.2	-0.2	-0.3	-0.1
<b>Prices / unit values in USD (s.a.)</b>											
<b>World trade</b>	<b>-1.5</b>	<b>-0.9</b>	<b>-2.1</b>	<b>-5.1</b>	<b>-6.6</b>	<b>0.0</b>	<b>0.8</b>	<b>-0.4</b>	<b>-0.3</b>	<b>-1.8</b>	<b>-0.9</b>
<b>World imports</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-2.1</b>	<b>-5.0</b>	<b>-6.4</b>	<b>-0.1</b>	<b>0.5</b>	<b>-0.4</b>	<b>-0.1</b>	<b>-1.6</b>	<b>-0.9</b>
Advanced Economies	-1.6	-0.7	-1.1	-5.7	-7.9	0.3	1.4	0.3	0.2	-1.9	-0.5
United States	0.3	-1.1	-1.1	-4.2	-5.7	0.4	0.7	-0.5	0.1	-1.0	-1.6
Japan	-0.3	-7.4	-4.6	-8.4	-10.3	-3.8	-1.6	-0.6	2.7	-0.9	-0.7
Euro Area	-3.9	1.8	-1.5	-6.6	-10.4	0.6	2.2	1.0	0.4	-3.3	0.7
Other advanced economies	1.7	-2.7	1.5	-4.4	-4.2	1.3	2.0	0.3	-0.8	-0.7	-1.8
Emerging economies	-0.6	-1.8	-3.1	-4.2	-4.7	-0.7	-0.5	-1.4	-0.6	-1.3	-1.3
Asia	0.1	-2.2	-3.0	-5.0	-5.2	0.4	-0.4	-1.8	-0.1	-2.5	-1.3
Central and Eastern Europe	-4.1	-3.5	-7.3	-6.7	-9.5	-6.0	-2.5	-3.7	-2.7	-0.9	-4.4
Latin America	0.9	-1.4	-2.8	-3.7	-3.0	-2.1	-1.6	-1.0	-2.8	2.7	0.4
Africa and Middle East	-1.2	0.1	-1.6	-0.9	-2.1	-0.7	0.3	0.4	-0.1	-0.1	-0.1
<b>World exports</b>	<b>-2.0</b>	<b>-0.7</b>	<b>-2.1</b>	<b>-5.3</b>	<b>-6.9</b>	<b>0.1</b>	<b>1.1</b>	<b>-0.3</b>	<b>-0.6</b>	<b>-2.0</b>	<b>-1.0</b>
Advanced Economies	-2.7	0.3	-0.7	-5.3	-7.1	-0.1	1.3	0.4	0.1	-1.9	-0.4
United States	0.4	-0.4	-0.5	-2.2	-2.7	-0.5	-0.3	-1.0	-0.3	-0.4	-1.4
Japan	-1.7	-9.2	-5.2	-7.1	-4.8	-1.1	-0.2	-0.5	0.3	-0.8	-0.3
Euro Area	-4.7	3.0	0.0	-5.9	-9.6	0.1	2.4	1.7	0.5	-2.5	0.6
Other advanced economies	-0.1	-2.0	-0.9	-6.0	-5.1	0.0	0.3	-1.3	-0.9	-2.0	-2.1
Emerging economies	-1.4	-1.7	-3.6	-5.3	-6.6	0.3	0.9	-1.2	-1.3	-2.0	-1.5
Asia	-0.2	-1.1	-1.4	-0.7	-2.5	-0.4	0.7	0.0	-1.0	-0.9	0.1
Central and Eastern Europe	-4.7	-2.3	-8.1	-12.1	-13.8	-1.2	0.3	-4.0	-1.6	-4.1	-5.6
Latin America	-2.9	-2.1	-6.2	-7.8	-9.5	-1.9	-1.2	-3.4	-2.1	-3.2	-0.6
Africa and Middle East	-1.7	-1.7	-5.8	-17.5	-19.4	7.7	3.8	-3.3	-1.3	-6.0	-7.7
<b>World prices / unit values in USD</b>											
Manufactures	-1.1	-0.5	-0.7	-0.9	-3.5	-2.3	-0.2	1.2	0.1	0.2	2.6
Fuels (HWWI)	-0.4	-1.4	-7.7	-25.0	-28.8	15.5	6.5	-6.5	-1.8	-10.8	-14.5
Primary commodities ex. fuels (HWWI)	-12.8	-5.3	-4.3	-5.3	-8.8	-3.3	-2.1	-4.2	-1.7	-3.0	-4.4
Fuels, real	0.7	-0.8	-7.2	-24.3	-26.1	18.1	6.7	-7.5	-1.8	-11.0	-16.6
Primary commodities ex. fuels, real	-11.8	-4.8	-3.7	-4.4	-5.5	-1.0	-1.9	-5.3	-1.7	-3.2	-6.8

(a) Average of the three months up to the report month over average of the preceding three months.

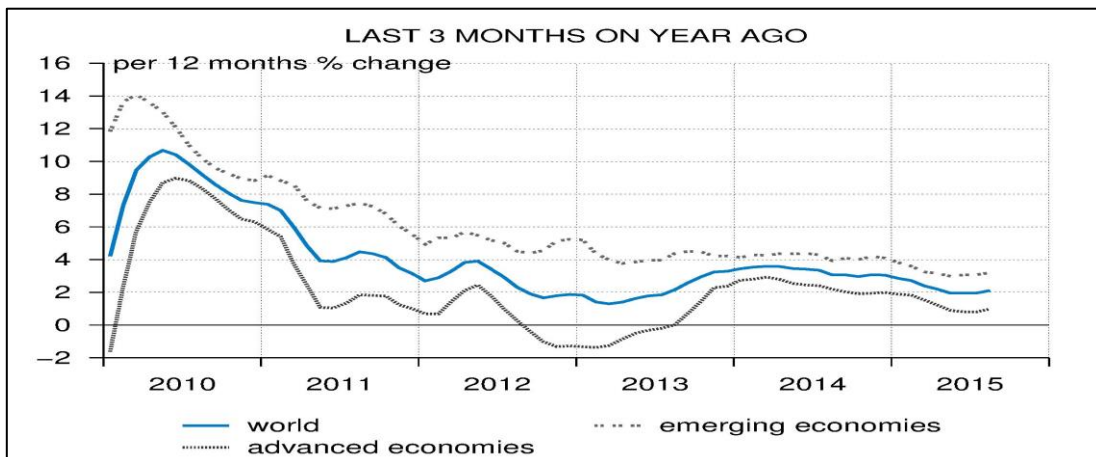
### INDUSTRIAL PRODUCTION VOLUME, CHART 1



### INDUSTRIAL PRODUCTION VOLUME, CHART 2



### INDUSTRIAL PRODUCTION VOLUME, CHART 3



## INDUSTRIAL PRODUCTION VOLUME (percentage changes)

	year on year			quarter on quarter			momentum (a)		month on month		
	2012	2013	2014	2014q4	2015q1	2015q2	2015m07	2015m08	2015m06	2015m07	2015m08
<b>World (b)</b>	<b>2.6</b>	<b>2.2</b>	<b>3.3</b>	<b>1.0</b>	<b>0.3</b>	<b>0.1</b>	<b>0.2</b>	<b>0.5</b>	<b>0.7</b>	<b>0.2</b>	<b>-0.3</b>
Advanced Economies	0.4	0.4	2.3	0.9	0.4	-0.6	-0.4	0.0	0.2	0.4	-0.3
United States	2.8	1.9	3.7	1.2	-0.1	-0.6	-0.3	0.1	0.0	0.8	-0.1
Japan	0.1	-0.6	1.9	0.9	1.3	-1.3	-1.1	-0.9	1.0	-0.7	-1.3
Euro Area	-2.3	-0.6	0.8	0.5	1.1	-0.2	-0.3	-0.1	-0.3	0.8	-0.5
Other advanced economies	0.5	-0.2	2.5	1.0	-0.6	-0.5	-0.2	0.5	0.7	0.0	0.6
Emerging economies	5.0	4.2	4.2	1.1	0.2	0.7	0.8	1.0	1.1	0.0	-0.3
Asia	7.1	7.1	6.4	1.6	0.6	1.0	1.2	1.5	1.3	0.1	-0.3
Central and Eastern Europe	2.1	1.5	2.5	0.4	0.0	-0.4	-0.5	-0.3	0.5	-0.2	-0.4
Latin America	0.3	0.9	-0.7	-0.4	-0.7	-0.5	-0.7	-0.4	0.5	-0.3	-0.4
Africa and Middle East	3.2	-2.9	0.0	0.3	-0.4	1.3	0.8	0.7	1.0	0.0	0.0

(a) Average of the three months up to the report month over average of the preceding three months.  
(b) Country data are weighted with shares in world production. Regional aggregates computed with shares in world imports are available in the xlsx file at the CPB website.