

# CPB Memo

CPB Netherlands Bureau for Economic Policy Analysis



From : Wim Suyker and Gerard van Welzenis  
Subject : World trade monitor: February 2009  
Date : 21 April 2009

## World trade volume

World trade volume increased by a tiny 0.8% in February from the previous month based on preliminary data, following a drop of 5.9% in January (revised up from a drop of 6.6%). The rise in February follows a continuous drop in the previous three months. World trade has dropped 17.5% over the three months November 2008 - January 2009. The drop in those months is without precedent in the data series that reaches back until 1991. The tiny rise in world trade in February occurred despite a severe drop in Japanese imports (-16.3%) and Japanese exports (-6.0%).

Monthly trade numbers are volatile and focus on 3-months moving average (momentum) is therefore preferable. In the three months up to February, world trade was down by 13.7% from the preceding three months (an annualised drop of 44%).<sup>1</sup> In the previous period (the three months up to November), the drop in world trade was much smaller: -1.1%. The drop in the three months up to February was the biggest on record (series start in 1991). Most noticeable in the three months up to February are the sharp drop in the imports of emerging countries (-19.3%) and the sharp drop in Japanese exports (-29.1%).

World trade volume growth is on a sharp downward trend, based on twelve months over the previous twelve months (see final graph). In February, trend growth was even negative: -1.5%, down from the record growth rate of +9.4% in January 2007. The drop in February was the first drop since August 2002. The sharp downward trend also shows up in year-on-year rates: world trade in February 2009 was 15% less than in February 2008.

## World trade prices

World trade prices measured in US dollars dropped by 2.5% in February from the previous month, after a drop of 0.5% in January (revised up from a drop of 0.7%). Energy prices dropped the steepest (-4.1%).

Monthly trade numbers are volatile and focus on 3-months moving average (momentum) is therefore preferable. In the three months up to February, world trade prices were down by 9.6% at an annual rate from the preceding three months. This was a smaller drop than the drop of 14.4% in the three months up to November. In the three months up to February, energy prices showed the strongest drop (-42.2%), as in the preceding period (-39.8%).

The release of the next monitor is tentatively scheduled for May 20.

*An explanatory note on our world trade series is available at*

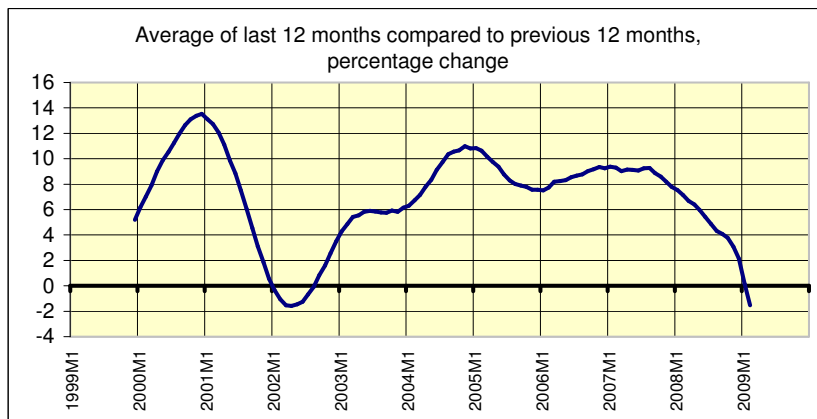
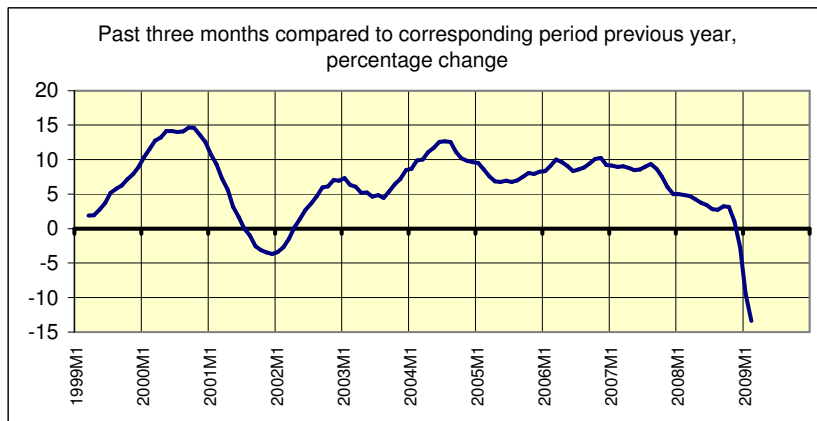
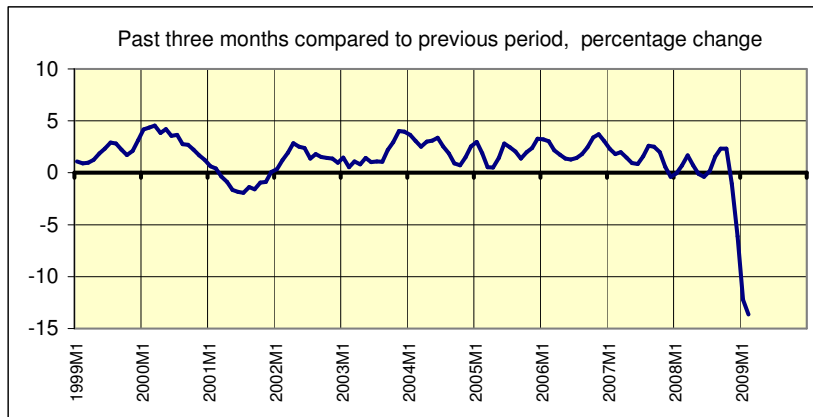
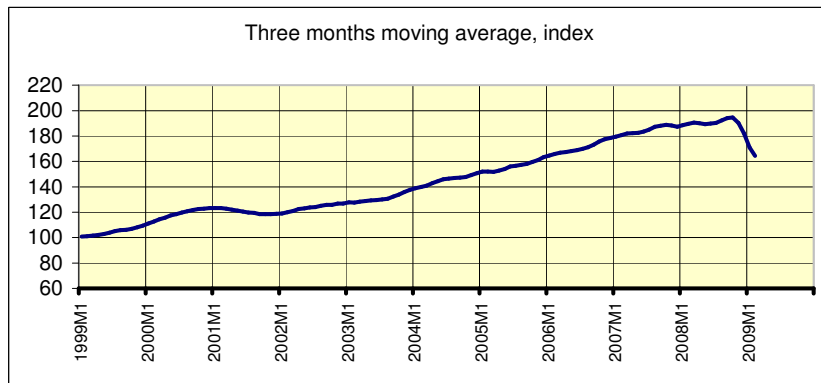
<http://www.cpb.nl/nl/pub/cpbreeksen/memorandum/116/>

*The trade database is available in xls-format at <http://www.cpb.nl/eng/research/sector2/data/trademonitor.xls>*

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<sup>1</sup> Given the huge changes at the moment, we have switched to mainly reporting non-annualised growth rates.

**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	2008Q2	2008Q3	2008Q4	2008M11	2009M2	2008M12	2009M1	2009M2
<b>Volumes (s.a. 1998=100)</b>											
World trade	9.3	7.8	2.2	-0.4	2.3	-6.1	-1.1	-13.7	-6.1	-5.9	0.8
World imports	8.9	7.8	2.2	-0.8	2.1	-5.3	-0.2	-13.9	-6.7	-5.1	-0.9
Advanced economies (a)	7.1	3.8	-1.6	-1.5	0.1	-4.7	-2.0	-9.6	-3.1	-4.2	-3.3
United States	5.6	1.5	-3.6	-2.9	0.3	-2.9	-1.3	-11.4	-2.2	-6.8	-5.8
Japan	3.2	1.1	-1.0	-3.9	5.4	0.6	3.3	-13.9	-3.4	-6.7	-16.3
EU15	8.3	4.7	-1.3	-1.2	-0.3	-5.5	-2.5	-7.9	-3.1	-2.5	-1.4
Other countries	12.0	14.1	7.6	0.2	4.9	-6.1	2.2	-19.3	-11.4	-6.5	2.6
World exports	9.6	7.8	2.1	0.0	2.5	-7.0	-1.9	-13.4	-5.5	-6.7	2.6
Advanced economies (a)	8.2	5.1	0.7	0.3	-0.2	-8.8	-5.2	-13.2	-4.2	-6.9	0.7
United States	10.7	7.2	6.1	3.6	1.8	-10.9	-9.3	-13.0	-6.5	-7.9	4.1
Japan	11.4	9.5	0.5	-2.4	3.0	-15.2	-6.8	-29.1	-9.8	-15.4	-6.0
EU15	8.0	4.2	-0.2	-0.2	-0.9	-7.6	-3.9	-10.8	-2.3	-5.3	0.3
Other countries	11.4	11.4	4.0	-0.4	6.0	-4.8	2.1	-13.7	-7.1	-6.5	4.9
<b>Prices / unit values in US\$ (1998=100)</b>											
World trade	5.4	7.1	12.2	7.3	-1.7	-16.7	-14.4	-9.6	-1.7	-0.5	-2.5
World imports	5.5	6.8	11.8	6.5	-1.1	-15.1	-12.8	-9.1	-1.4	-1.2	-2.2
Advanced economies (a)	5.4	8.0	12.1	6.4	-1.2	-15.5	-13.1	-9.3	-0.5	-1.7	-2.4
United States	4.8	4.2	11.3	7.8	1.0	-15.0	-11.2	-12.1	-4.6	-1.2	-0.1
Japan	8.7	6.0	22.2	6.2	-4.4	-9.7	-8.8	-6.7	-5.6	2.8	1.8
EU15	5.5	10.4	11.4	6.3	-2.2	-17.3	-15.3	-8.9	2.0	-2.8	-3.4
Other countries	5.4	4.8	11.2	6.5	-1.0	-14.5	-12.4	-8.8	-2.4	-0.6	-2.0
World exports	5.4	7.3	12.6	8.0	-2.3	-18.3	-15.9	-10.0	-2.0	0.2	-2.8
Advanced economies (a)	3.8	8.7	9.6	4.3	-2.4	-11.9	-10.9	-4.6	1.5	-0.2	-2.8
United States	3.3	4.7	5.9	2.4	0.9	-5.9	-3.8	-4.7	-2.2	0.6	-0.3
Japan	-2.4	0.9	7.6	-0.6	-9.2	4.7	-1.3	12.2	4.4	6.8	-1.9
EU15	4.2	11.3	9.3	4.7	-2.8	-14.8	-13.8	-6.0	3.2	-1.7	-3.6
Other countries	7.4	5.5	16.0	12.3	-2.8	-24.9	-21.2	-15.8	-6.1	0.6	-2.8
<b>World prices / unit values in US\$ (1998=100)</b>											
Manufactures	2.1	5.8	8.9	4.6	-0.9	-8.2	-7.8	-3.9	1.1	-1.4	-2.4
Energy (HWWI)	19.1	12.0	40.3	26.4	-2.8	-51.1	-39.8	-42.2	-21.2	4.5	-4.1
Other raw materials (HWWI)	26.7	17.6	12.5	5.3	-5.9	-29.2	-24.1	-15.3	-5.1	4.3	-2.3
Energy real (HWWI)	16.6	5.4	28.1	20.9	-2.1	-46.8	-35.1	-39.4	-22.0	6.0	-1.8
Other raw materials real (HWWI)	24.0	11.3	2.9	0.8	-5.1	-22.9	-18.0	-11.5	-6.1	5.8	0.0

(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	2008Q1	2008Q2	2008Q3	2008Q4	2008M12	2009M1	2009M2
<b>Volumes (s.a. 1998=100)</b>										
World trade	171.8	185.2	189.2	190.5	189.8	194.2	182.3	170.5	160.5	161.8
World imports	174.5	188.1	192.1	193.8	192.3	196.4	186.0	173.4	164.5	163.1
Advanced economies (a)	156.4	162.4	159.8	163.5	161.0	161.1	153.6	148.3	142.1	137.3
United States	170.1	172.6	166.3	171.0	166.0	166.6	161.7	155.5	144.9	136.5
Japan	137.5	139.0	137.6	137.9	132.5	139.7	140.5	136.1	127.0	106.3
EU15	153.1	160.4	158.3	162.2	160.3	159.8	151.1	146.2	142.6	140.6
Other countries	214.2	244.5	263.1	260.4	261.0	273.8	257.0	228.7	213.9	219.6
World exports	169.1	182.3	186.2	187.2	187.2	191.9	178.6	167.6	156.4	160.5
Advanced economies (a)	146.6	154.0	155.1	158.4	158.8	158.5	144.6	137.2	127.8	128.7
United States	136.3	146.1	155.1	153.9	159.4	162.3	144.6	136.1	125.4	130.5
Japan	163.3	178.9	179.9	187.6	183.2	188.6	160.0	141.2	119.5	112.3
EU15	150.8	157.2	156.9	160.9	160.6	159.1	147.1	141.4	133.9	134.3
Other countries	212.9	237.1	246.5	242.9	242.1	256.7	244.4	226.6	211.8	222.1
<b>Prices / unit values in US\$ (1998=100)</b>										
World trade	127.3	136.3	152.9	152.7	163.8	160.9	134.0	129.8	129.1	125.8
World imports	125.4	134.0	149.7	149.3	158.9	157.2	133.5	129.6	128.0	125.2
Advanced economies (a)	125.7	135.8	152.3	152.1	161.9	160.0	135.2	131.6	129.4	126.3
United States	120.0	125.0	139.1	136.0	146.6	148.0	125.8	118.7	117.3	117.1
Japan	151.0	160.1	195.6	196.0	208.1	198.9	179.6	169.1	173.7	176.9
EU15	127.3	140.6	156.7	158.2	168.1	164.5	136.0	134.4	130.6	126.2
Other countries	123.5	129.4	143.8	143.1	152.4	150.9	129.0	124.9	124.2	121.7
World exports	129.1	138.5	156.0	156.1	168.6	164.7	134.5	129.9	130.2	126.5
Advanced economies (a)	121.1	131.6	144.2	145.7	152.0	148.4	130.7	130.1	129.9	126.2
United States	110.0	115.2	121.9	121.0	123.9	125.1	117.7	114.7	115.4	115.0
Japan	101.9	102.8	110.7	115.2	114.5	104.0	108.9	113.6	121.3	118.9
EU15	121.9	135.7	148.4	150.9	158.0	153.6	130.9	130.9	128.6	124.1
Other countries	142.4	150.3	174.3	172.8	194.1	188.7	141.7	132.1	133.0	129.3
<b>World prices / unit values in US\$ (1998=100)</b>										
Manufactures	109.0	115.3	125.6	124.5	130.2	129.0	118.5	118.1	116.4	113.7
Energy (HWWI)	431.6	483.2	678.1	662.8	837.6	814.2	398.0	302.9	316.6	303.7
Other raw materials (HWWI)	167.0	196.4	221.1	236.1	248.7	233.9	165.6	154.7	161.3	157.5
Energy real (HWWI)	396.0	417.5	535.0	531.9	643.0	629.7	335.3	256.4	271.9	267.1
Other raw materials real (HWWI)	153.1	170.4	175.4	189.6	191.0	181.2	139.7	130.9	138.5	138.5

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