

Global goods trade continues to recover but future uncertain: WTO

Our Bureau
New Delhi

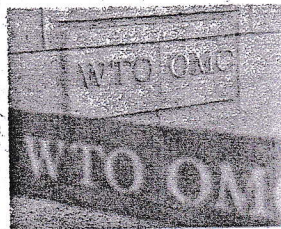
World trade in goods has continued to recover in the third quarter of 2024 after a disappointing performance in 2023 due to high inflation and rising interest rates but outlook for trade remains uncertain due to geopolitical tensions, weakening export orders and shifting monetary policy in advanced economies, according to the latest WTO goods trade barometer.

"The current reading of 100.6 for the barometer index is above the quarterly trade volume index but only slightly above the baseline value of 100 for both indices. This suggests that merchandise trade should continue to recover gradually in the early months of 2024, but any gains could be easily derailed by regional conflicts and geopolitical tensions," a World Trade Organization statement on the barometer released on Wednesday.

REAL TIME INFO

The goods trade barometer, shared periodically by the WTO, provides real-time information on the trajectory of merchandise trade relative to recent trends. Barometer values greater than 100 are associated with above-trend trade volumes while barometer values less than 100 suggest that goods trade has either fallen below trend or will do so in the near future.

Quarter-on-quarter growth in the last two quarters averaged 0.7 per cent, which is equivalent to 2.7 per cent on an annualised basis, the statement said. "This is quite close



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to the WTO's most recent forecast of April 2024, which predicted a 2.6 per cent increase in world merchandise trade volume in 2024," it said.

Recent data in value terms show weaker-than-expected trade growth in Europe and stronger-than-expected 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, it added.

In 2023, world goods trade fell by 1.2 per cent (year-on-year), while in 2025 it is expected to rise 3.3 per cent, per WTO estimates.

Per the latest goods barometer, component indices are currently on or above trend for most including automotive products (103.3), container shipping (104.3) and air freight (107.1). The notable exception is the electronic components index (95.4), which is below trend and falling.

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