

# World trade growth to slow down in end-2022 and into 2023: WTO

**Amiti Sen**  
New Delhi

Growth in world trade is likely to slow in the end months of 2022 and into 2023 as the global economy continues to be plagued by the uncertainty of the Ukraine war, rising interest rates, high energy prices, and monetary tightening, according to the latest WTO Goods Trade Barometer.

"The downturn in the goods barometer is consistent with the WTO's trade forecast of October 5, which predicted merchandise trade volume growth of 3.5 per cent in 2022 and 1 per cent in 2023," according to a release issued by the WTO on Monday.

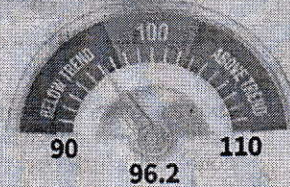
The barometer reading is also in line with India's export performance which started slowing down sharply since July 2022 and declined by 16.5 per cent year-on-year in October 2022.

The Goods Trade Barometer is a composite leading indicator for world trade, providing real-time information on the trajectory of merchandise trade relative to recent trends. Values greater than 100 signal above-trend expansion while values less than 100 indicate below-trend growth.

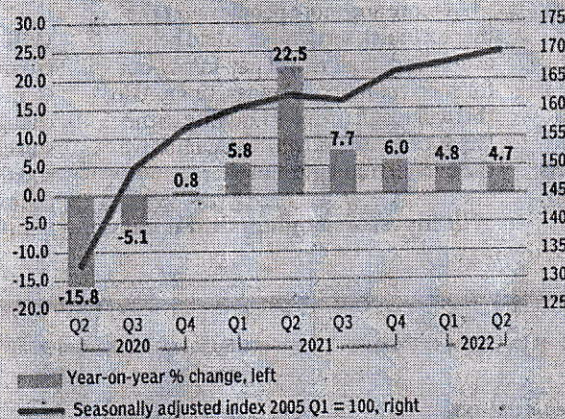
The current reading of 96.2 is below both the baseline value for the index

## Goods trade barometer

Index value,  
September 2022 = 96.2

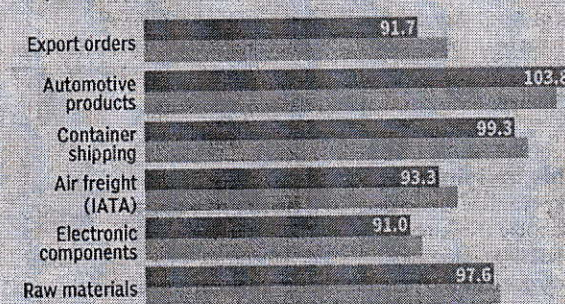


## World merchandise trade volume



## Drivers of goods trade

Component index values, trend = 100



Source: WTO

and the previous reading of 100.0, reflecting cooling demand for traded goods, the statement pointed out.

"The barometer index

was weighed down by negative readings in sub-indices representing export orders (91.7), air freight (93.3) and electronic components

(91.0). Together, these suggest cooling business sentiment and weaker global import demand," it said.

Container shipping and raw materials, too, have lost momentum finishing slightly below trend.

## AUTOMOTIVES IMPROVE

Automotives, however, were an exception with automotive products index (103.8) moving above trend due to stronger vehicle sales in the US and increased exports from Japan as supply conditions improved and as the yen continued to depreciate, the WTO release said.

The Goods Trade Barometer index combines several trade-related data into a single composite index that anticipates turning points in world merchandise trade volume.

The component indices include an index of new export orders derived from Purchasing Managers' Indices, an index of air freight sourced from the International Air Transport Association, a shipping index representing container port throughput of major international seaports in volume terms, an automotive sector index based on sales and/or production of passenger vehicles in leading economies and an index of trade in agricultural raw materials (mostly wood) based on customs data in quantity terms.