



# GLOBAL TRADE

UPDATE

DECEMBER 2022

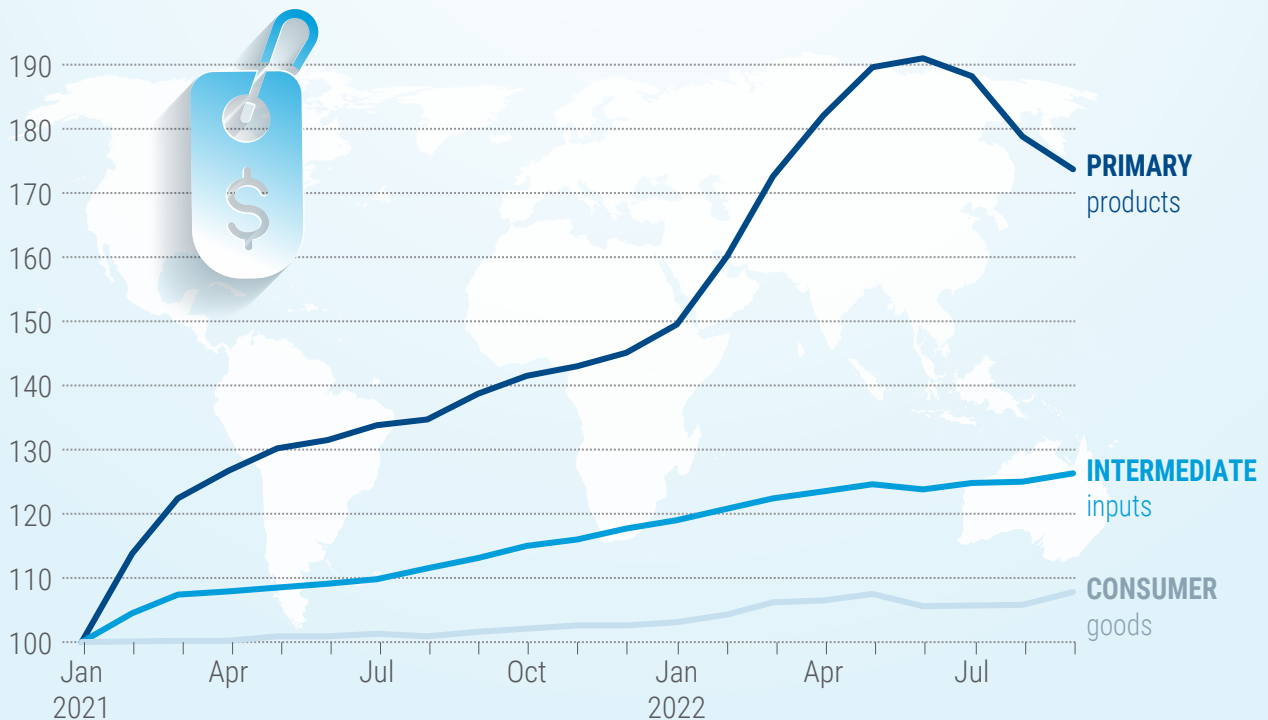
## Following a record year, global trade growth now turns negative

- Global trade is set to reach almost US\$32 trillion for 2022, but its growth has turned negative during the second half of 2022.
- Demand for foreign goods proved resilient throughout 2022, with trade volumes increasing by 3 per cent.
- Trade of East Asian economies has shown more resilience, South-South trade has lagged during Q3 2022.
- Geopolitical frictions, persisting inflation, and lower global demand are expected to negatively affect global trade during 2023.

## Inflation hits global trade

### Consumers and manufacturers to face rising prices for imported products

Price index of traded goods (Jan 2021=100)



Source: UNCTAD calculations based on national statistics of the United States of America and the European Union.  
Note: Prices are calculated from unit values of traded goods at the HS 6-digit levels, and aggregated using the Paasche price index.



# Global trade trends and nowcast

- Global trade is set to reach a record level of about US\$ 32 trillion for 2022. Trade in goods is expected to total almost US\$ 25 trillion (an increase of about 10 per cent from 2021). Trade in services is expected to total almost US\$ 7 trillion (an increase of about 15 per cent from 2021). Those record levels are largely due to robust growth in the first half of 2022. Conversely, trade growth has been subdued during the second half of the year. During Q3 2022, trade in goods declined by about one per cent relative to Q2 2022. Trade in services increased by about 1.3 per cent during the same period. The UNCTAD nowcast indicates that the value of global trade will decrease in Q4 2022 both for goods and for services.

## Global trade trends



Source: UNCTAD calculations based on national statistics.

Note: Quarterly growth is the quarter over quarter growth rate of seasonally adjusted values. Annual growth refers to the last four quarters.

Figures for Q3 2022 are preliminary. Q4 2022 is a [nowcast](#).

While the value of international merchandise trade has stabilized during the second half of 2022, the volume of trade increased during Q3 2022 and is expected to continue increasing during Q4. Positive growth in the volume of international trade indicates resilience of global demand.

## Trade in goods, values and volume indexes



Source: UNCTADStat.

# Summary and outlook

Deteriorating economic conditions and rising uncertainties have resulted in a trade slow-down during the second half of 2022. However, the decline in global trade has been nominal, as the volume of trade continued to increase throughout 2022, a signal of resilient global demand. Part of the decline in the value of international trade during the second half of 2022 is due to a decrease in the prices of primary products, especially energy. By contrast, the prices of internationally traded intermediate inputs and consumer goods have continued to increase during the same period, raising additional concerns about persisting global inflation. The decline in the value of global trade has been so far limited to goods. Trade in services has been more resilient, with its value continuing to rise during the second half of 2022. The ongoing trade slowdown is expected to worsen for 2023. While the outlook for global trade remains uncertain, negative factors appear to outweigh positive trends.

## Negative factors:

- ***Lower economic growth***

Economic growth forecasts for 2023 are being revised downwards due to high energy prices, rising interest rates, sustained inflation in many economies, and negative global economic spillovers from the war in Ukraine.

- ***High prices of traded goods***

Persistently high energy prices and the continued rise in the prices of intermediate inputs and consumers goods are expected to dampen demand for imports and to lead to a decline in the volume of international trade.

- ***Concerns of debt sustainability***

The record levels of global debt and the increase in interest rates pose significant concerns for debt sustainability. The ongoing tightening of financial conditions is expected to further heighten pressure on highly indebted governments, amplifying vulnerabilities and negatively affecting investments and international trade flows.

## Positive factors:

- ***Improvements in the logistics of global trade***

Ports and shipping companies have now adjusted to the challenges brought by the Covid-19 pandemic. New ships are entering service, and port congestion is being resolved. Freight and cargo rates are still higher than the pre-pandemic averages, but their trend is downwards.

- ***Trade agreements coming into fruition***

Recently signed agreements such as the Regional Comprehensive Economic Partnership and the African Continental Free Trade Area, as well as a number of smaller trade agreements, should come to fruition and provide some momentum for international trade.

## Other factors affecting international trade patterns:

- ***Reshaping of global supply chains***

Risks and uncertainties remain high for global supply chain operations. Risk mitigation strategies, such as the diversification of suppliers, reshoring, near-shoring and friend-shoring, will likely affect international trade patterns in the coming year.

- ***Transition towards a greener global economy***

The efforts towards a greener global economy are expected to spur demand for environmentally sustainable products, while reducing the demand for goods with high carbon content and for fossil fuels energy. This shift will reflect into international trade patterns.

# Trade trends in the major economies

The import and export trends of some of the world's major trading economies further illustrate the patterns of trade growth during Q3 2022. Except for the Russian Federation, the trade in goods for all major economies was well above levels of one year ago. However, quarter-over-quarter rates reveal that these positive trends reversed for most economies in Q3 2022.

Data on services is only available with a lag of one quarter. In Q2 2022, the trade in services for most major economies was higher than in Q2 2021. Quarter-over-quarter growth rates indicate that these positive trends have weakened considerably in Q2 2022.

## Trade growth for the major economies during Q3 2022

GOODS	YEAR-OVER-YEAR GROWTH		QUARTER-OVER-QUARTER GROWTH	
	IMPORTS	EXPORTS	IMPORTS	EXPORTS
Brazil	↑ 32%	↑ 16%	↑ 2%	↑ 1%
China	↑ 1%	↑ 10%	↓ 2%	0%
India	↑ 26%	↑ 3%	↓ 2%	↓ 13%
Japan	↑ 17%	↓ 2%	↑ 3%	↓ 2%
Republic of Korea	↑ 23%	↑ 6%	↑ 5%	↓ 3%
Russian Federation	↓ 17% *	↑ 1% *	↑ 26% *	↓ 13% *
South Africa	↑ 17%	↑ 1%	↓ 5%	↓ 7%
United States	↑ 14%	↑ 23%	↓ 4%	↑ 1%
European Union	↑ 29%	↑ 3%	↑ 1%	↓ 3%

SERVICES	YEAR-OVER-YEAR GROWTH		QUARTER-OVER-QUARTER GROWTH	
	IMPORTS	EXPORTS	IMPORTS	EXPORTS
Brazil	↑ 50%	↑ 35%	↑ 18%	↑ 26%
China	↑ 6%	↑ 19%	↓ 3%	↓ 3%
India	↑ 49%	↑ 35%	↑ 19%	↑ 16%
Japan	↓ 9%	↓ 2%	↓ 7%	↑ 2%
Republic of Korea	↑ 9%	↑ 17%	↑ 4%	↑ 2%
Russian Federation	N/A	N/A	N/A	N/A
South Africa	↑ 37%	↑ 40%	↑ 13%	↑ 18%
United States	↑ 30%	↑ 16%	↑ 9%	↑ 5%
European Union	↑ 9%	↑ 12%	↓ 2%	0%

Source: UNCTAD calculations based on national statistics.

Note: Year-over-Year growth is relative to same quarter of the previous year. Quarter-over-Quarter growth is relative to the previous quarter. Data is seasonally adjusted. Data excludes intra-EU trade.

\* denotes estimates.

# Regional trade trends in Q3 2022

In Q3 2022, the value of the global trade in goods was significantly above the levels of Q3 2021 for both developing and developed countries. Trade between developing countries (South-South) was about 13 per cent higher than in the same period of 2021. South-South trade excluding East Asian economies grew by 19 per cent. The decline in trade of Q3 2022 with respect to Q2 2022 was similar for developed and developing countries. When East Asian economies are excluded the more significant decline in developing countries' trade is remarkable.

## Developing and developed trade growth in goods during Q3 2022

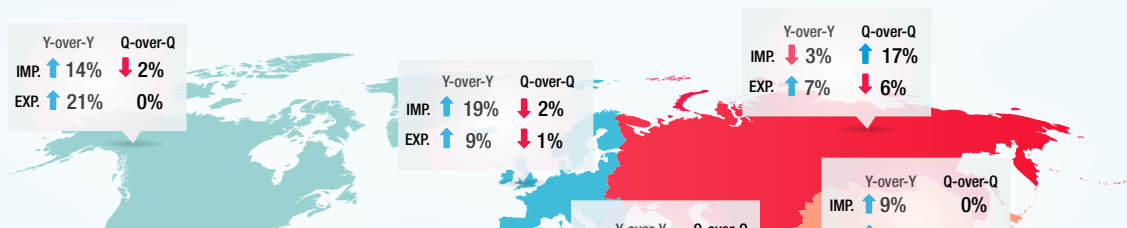
	YEAR-OVER-YEAR GROWTH		QUARTER-OVER-QUARTER GROWTH	
	IMPORT	EXPORT	IMPORT	EXPORT
Developed countries	↑ 15%	↑ 12%	↓ 2%	↓ 1%
Developing countries	↑ 11%	↑ 14%	↓ 1%	↓ 1%
South-South Trade	↑ 13%		↓ 1%	
Developing countries (excluding East Asia)	↑ 14%	↑ 21%	↓ 3%	↓ 4%
South-South trade (excluding East Asia)	↑ 19%		↓ 6%	

Source: UNCTAD estimates based on national statistics.

Note: Year-over-Year growth is relative to the same quarter of previous year. Quarter-over-Quarter growth is relative to the previous quarter. Data is seasonally adjusted. Data does not include trade in services.

Year-over-year growth rates remained strong across all geographic regions, except for the region comprising the Russian Federation. On a quarter-by-quarter basis, trade declined in all geographic regions, except for East Asia for which trade remained at a level similar to that of Q2 2022, and for the region comprising the Russian Federation, whose imports recovered from the sharp drop in Q2 2022. Trade performance and volatility indices at the country level are provided in the Annex.

## Regional trade growth in goods during Q3 2022



预览已结束，完整报告链接和二维码如下：

[https://www.yunbaogao.cn/report/index/report?reportId=5\\_32042](https://www.yunbaogao.cn/report/index/report?reportId=5_32042)



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