

ECONOMIC PULSE

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INTERNATIONAL TRADE: CHINA'S REOPENING ECONOMY SUPPORTS GLOBAL EXPORTS

The reopening of the Chinese economy at the end of last year has finally had its effects with a few months' delay. Exports from China jumped 19.8% m/m in March, according to preliminary figures released by the CPB¹ (Chart 1). A pullback is expected to occur in the spring. This is also suggested by the first figures released by the Bureau of Chinese Statistics (NBS), which show a 10% decrease in (nominal) exports in April, after seasonal adjustments.

The general trend remains uncertain. The rebound in China has just allowed global export volumes to stabilise in the first quarter of 2023. Indeed, outside China, the dynamics have been much more mixed in recent months. They were positive in the United States and Eastern Europe, where exports rose by 3.0% t/t and 7.7% t/t respectively in Q1 2023. Eastern European exports, however, are still in a catching-up phase after a significant decline in the months following the outbreak of war in Ukraine. In contrast, exports fell in the eurozone (-2.4% t/t), the United Kingdom (-12.9% t/t), Japan (-3.3% t/t), Africa and the Middle East (-1.9% t/t).

Global manufacturing activity has also been continuing to contract in the spring, but shows no signs of steeper decline: the manufacturing PMI index for new export orders rebounded in April, albeit it remains below the growth threshold, at 48.4 (chart 2).

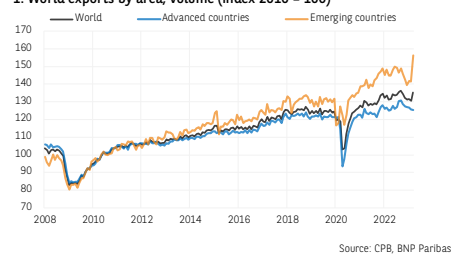
The various indicators for assessing tensions in global production chains (New York Federal Reserve synthetic index [chart 3]; PMI delivery times indicator [chart 6]) continue to decline. Maritime freight is now at a level comparable to that seen before the pandemic, and appears to have reached a low point (Chart 5).

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GLOBAL TRADE INDICATORS

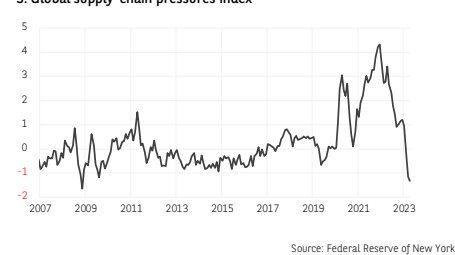
1. World exports by area, volume (index 2010 = 100)



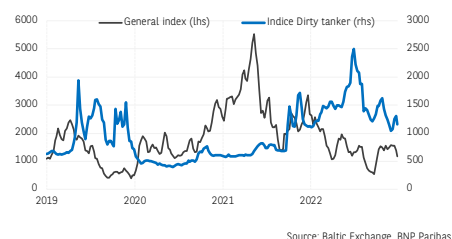
2. Global manufacturing PMI, new export orders



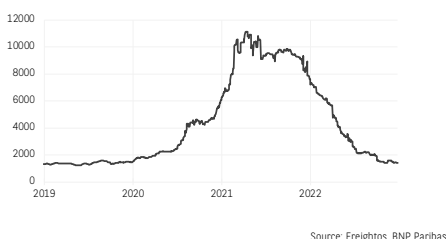
3. Global supply-chain pressures index



4. Baltic Exchange Dry Index



5. Freight rate index



6. Global manufacturing PMI, delivery times

