

INTERNATIONAL TRADE: FALL IN TRADE TO PUT INTO PERSPECTIVE

World trade in goods (exports and imports combined) continued to fall during the first months of the summer, but the trend must be put into perspective: apart from a few sectors, and mainly the automotive sector, the pent-up demand following the pandemic seems to have almost completely vanished; the trend in trade activity is therefore returning to levels more consistent with the ones prevailing before the arrival of Covid-19. Furthermore, the recent drop in Chinese exports (-14.0% between March and July) only partially erased a very dynamic first quarter (+26.0% between December 2022 and March 2023). Moreover, Chinese exports rebounded slightly in August, according to the preliminary data from the National Bureau of Statistics of China (NBS). While eurozone exports fell in July (-1.9% m/m), exports from the United States and Japan grew by 1.3% m/m and 1.4% m/m respectively. Japan, in particular, benefited from the strong rebound in car exports.

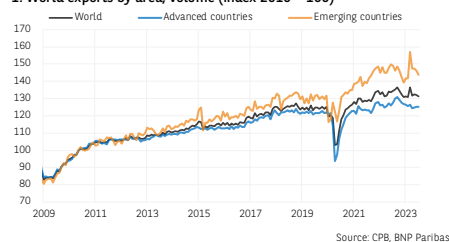
PMI indicators remain at historically-low levels but close to the 50 threshold indicating an expansion in activity. The global composite index fell by one point in August to 50.6. The new export orders indicator for the manufacturing sector was 47.0, a slight improvement the previous month (46.4 in July).

After reaching stratospheric levels, sea freight continues to decline. The Freightos index fell in September to levels not seen since the beginning of 2018. The most marked drop occurred in maritime trade linking northern Europe to China, where freight costs plummeted again in September, reaching their lowest level since 2017 (start of the current statistics). The supply-chain pressures index, published by the Federal Reserve Bank of New York, has risen slightly over the last two months, but remains well below its historical average.

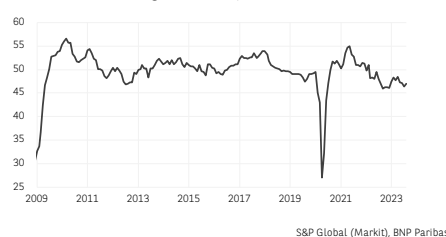
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INDICATORS OF INTERNATIONAL TRADE

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



2. Global manufacturing PMI, new export orders



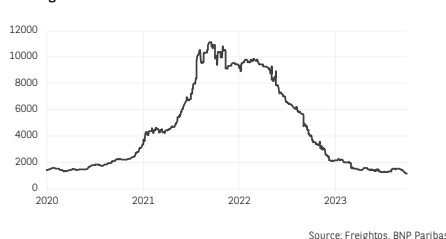
3. Global supply-chain pressures index



4. Baltic Exchange Dry Index



5. Freight rate index



6. Global manufacturing PMI, delivery times (Inverted line)

