

ECONOMIC PULSE

INTERNATIONAL TRADE: SUPPORTED BY EMERGING MARKET COUNTRIES, EXPORT MOMENTUM REMAINS ENCOURAGING

In its latest forecast dated 10 October¹, the WTO revised slightly its growth figures for global goods trade in 2024, to 2.7% (compared to an initial estimate of 2.6%) and to 3.0% in 2025 (compared to 3.3% previously). Although down 0.6% m/m in July, global export volumes remained on an upward trajectory until this summer. However, there are significant differences between geographical areas (*chart 1*).

In July, the y/y drop in exports from the Eurozone (-1.5%) and Japan (-2.0%) was offset by an increase in exports from the United States (+3.3%), Latin America (+7.5%) and in particular, China (+10.3%). Moreover, new export orders from Taiwan, which are a fairly reliable indicator of the momentum of the tech sector, remain solid (*chart 4*). They have rebounded 7% since the beginning of the year, on a three-month moving average basis. New orders for electronic products and information and communication products, which account for around two thirds of total orders sent to Taiwan, rose by 7% and 13%, respectively, during this period.

However, global PMIs are more nuanced: the indicator for new export orders fell further into contraction, to 47.5 in September (*chart 2*). This decline was largely driven by the Eurozone, where the manufacturing PMI fell to 45.0 in September, a low for the current year.

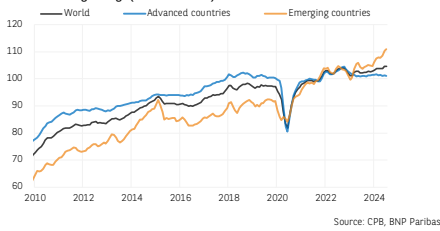
Despite the situation in the Middle East, pressures on global value chains remain contained (*charts 3 and 6*). Sea freight prices have also fallen significantly in recent weeks, although a slight increase occurred at the beginning of October (*chart 5*). Since mid-August, the date of its last high, the Freightos Index has fallen by 35%, as a result in particular of a decline by half (-52%) in shipping costs between China and Europe. Transport costs on routes between East China and the US East Coast have also fallen by 30%. The risks to global logistics caused by a prolonged strike by US East Coast dockers have receded for this year, with a temporary agreement having been reached, applicable until 15 January 2025.

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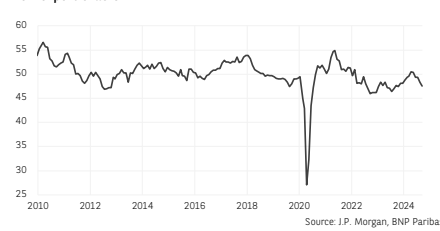
¹ WTO | 2024 News items - Global goods trade on track for gradual recovery despite persistent downside risks.

INDICATORS OF INTERNATIONAL TRADE

1. World exports by area, volume
3-month moving average (Index 2010=100)



2. Global manufacturing PMI, New export orders



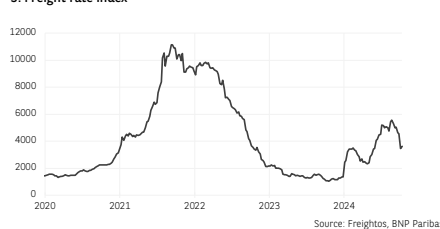
3. Global supply-chain pressures index



4. Taiwan new export orders
USD billion, 3-month moving average



5. Freight rate index



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

