

## WORLD TRADE BAROMETER: SOME IMPROVEMENT ON THE EXPORT FRONT

In April, the World Trade Organization (WTO) published its latest set of forecasts, which had a rather positive message<sup>1</sup>. After a decline of 1.2% in 2023, world trade volume in goods is expected to rebound by 2.6% in 2024, an increase more or less in line with the WTO forecasts for GDP growth, at 2.7%. Among the main supports for global trade, the Geneva-based organisation highlights the expected decline in inflation in 2024 and 2025. This would support purchasing power and, consequently, the consumption of manufactured goods.

The WTO report also provides a perspective on the last two episodes of major disruptions on the Suez Canal: the current situation and the blockade of the canal by the container ship *Ever Given* in 2021. At this stage, a number of factors would limit the impact of the ongoing blockade on global freight: an increase in the number of container ships available, weaker global demand and higher inventories.

After surging at the beginning of the year, the tensions on global logistics seem to be partially easing. The Freightos index, an aggregate measure of the sea freight rate, remains on a downward trajectory, while its level had tripled at the beginning of the year (*chart 5*). This followed the heightening of the conflict in the Red Sea and the resulting additional burdens on transport and insurance costs. After peaking in mid-February, the Freightos index has since fallen by almost half. The New York Federal Reserve's supply-chain pressures indicator also declined in March (*chart 3*).

At the same time, manufacturing activity is picking up. The global PMI for the sector climbed back above the 50 mark in January. It then continued to rise, albeit at a very limited pace, to 50.6 in March. The sub-indicator for new export orders increased from 49.3 to 49.6 (*chart 2*). The evolution of goods exports in volume terms, calculated by the CPB<sup>2</sup>, confirms this slight improvement (*chart 1*): world exports rose in March for the third consecutive month, bringing the year-on-year rate to 2.8%, the highest pace in a year. China's exports, which rose 7.6% in the first two months of the year, pushed up global figures. Exports from the United States have also jumped year-on-year (+5.9% year-on-year in February, also the strongest increase in a year).

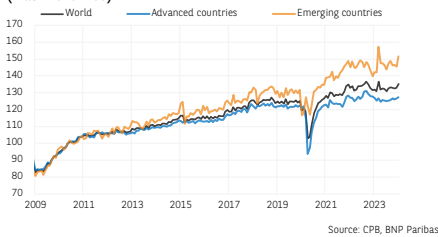
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<sup>1</sup> [WTO | Global Trade Outlook and Statistics - April 2024](#).

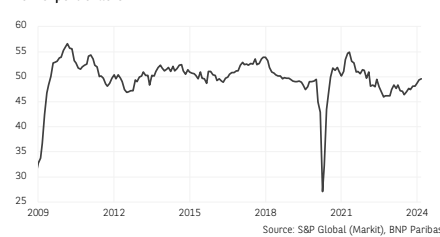
<sup>2</sup> Netherlands Bureau for Economic Policy Analysis.

### INDICATORS OF INTERNATIONAL TRADE

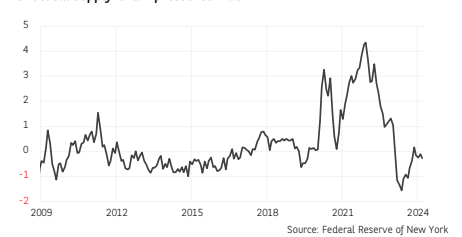
1. World exports by area, volume (Index 2010=100)



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)

