

## Goods barometer signals further weakening of trade in first quarter of 2020

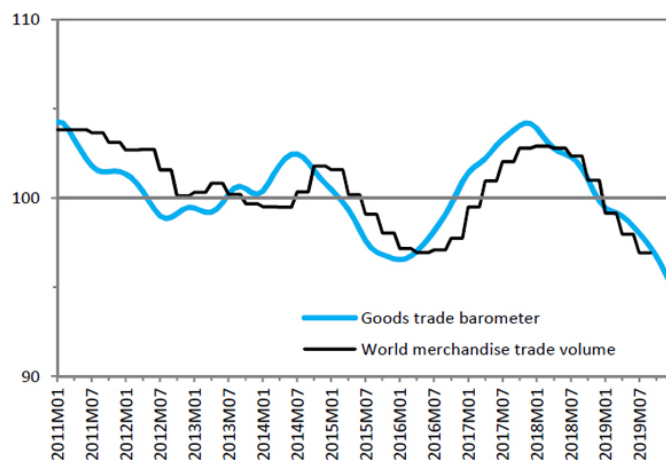
World merchandise trade growth is likely to remain weak in early 2020, according to the WTO Goods Trade Barometer released on 17 February. The real-time measure of trade trends now reads 95.5 – less than the 96.6 recorded last November and well below the index's baseline value of 100. This below-trend performance could be reduced further by a new global health threat.

### Goods trade barometer

Index value, December 2019



Index history, trend = 100



① Goods barometer signals further weakening of trade in first quarter of 2020

The Goods Trade Barometer provides information on the current trajectory of world merchandise trade relative to recent trends, based on best-available forward-looking data. It does not account for recent developments such as the outbreak of COVID-19, the new coronavirus disease, which may dampen trade prospects further.

WTO trade statistics show that the volume of world merchandise trade was down 0.2% in the third quarter of 2019 compared to the previous year. While the year-on-year growth figures for the fourth quarter may pick up slightly, the latest barometer reading provides no

### More

- ❑ [WTO trade barometers \(https://www.wto.org/english/res\\_e/statis\\_e/wtoi\\_e.htm\)](https://www.wto.org/english/res_e/statis_e/wtoi_e.htm)

indication of a sustained recovery. Indeed, year-on-year trade growth may fall again in the first quarter of 2020, though official statistics to confirm this will only become available in June.

The drop in the barometer since November has been driven by additional declines in indices for container shipping (94.8) and agricultural raw materials (90.9), as well as the plateauing of the automotive products index (100.0). Although indices for export orders (98.5), air freight (94.6) and electronic components (92.8) are all below baseline, they appear to have stabilized and would normally be expected to rise in the coming months. However, every component of the Goods Trade Barometer will be influenced by the economic impact of COVID-19 and the effectiveness of efforts to treat and contain the disease.

Like its counterpart for services, the Goods Trade Barometer aims to gauge momentum and identify turning points in global trade growth. As such, it complements trade statistics and forecasts from the WTO and other organizations. Readings of 100 indicate growth in line with medium-term trends; readings greater than 100 suggest above-trend growth, while those below 100 indicate below-trend growth.

The full Goods Trade Barometer is available [here](https://www.wto.org/english/news_e/news20_e/wtoi_17feb20_e.pdf) ([https://www.wto.org/english/news\\_e/news20\\_e/wtoi\\_17feb20\\_e.pdf](https://www.wto.org/english/news_e/news20_e/wtoi_17feb20_e.pdf)).

Further details on the methodology are contained in the technical note [here](https://www.wto.org/english/news_e/news19_e/methodology_wtoi_15aug19_e.pdf) ([https://www.wto.org/english/news\\_e/news19\\_e/methodology\\_wtoi\\_15aug19\\_e.pdf](https://www.wto.org/english/news_e/news19_e/methodology_wtoi_15aug19_e.pdf)).

## Share

 [RSS news feeds \(https://www.wto.org/english/res\\_e/webcas\\_e/rss\\_e.htm\)](https://www.wto.org/english/res_e/webcas_e/rss_e.htm)

▣ [Council for Trade in Goods](https://www.wto.org/english/tratop_e/gatt_e/gatt_e.htm) ([https://www.wto.org/english/tratop\\_e/gatt\\_e/gatt\\_e.htm](https://www.wto.org/english/tratop_e/gatt_e/gatt_e.htm)).