

# TRADE WATCH<sup>\*</sup>

3<sup>rd</sup> Quarter 2010

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\* TRADE WATCH is a quarterly note that follows international trade flows from a global perspective. It contains up-to-date trade data from an array of sources along with an analysis from Caroline Freund and Ileana Cristina Neagu, international trade specialists in the Development Economics Research Group, covering issues such as import and export growth at national, regional and industry levels, exchange rate fluctuations and quantity and price decomposition of trade. The goal of the note is to provide high quality and timely information to World Bank units and stakeholders. The report is supported by funding the governments of Norway, Sweden and the United Kingdom through the Multidonor Trust Fund for Trade and Development.

TRADE UPDATE – TRADE IN EUROPE SURGES

- Trade is up sharply in Europe in the third quarter.
- Following a period of strong growth in East Asia and Latin American, trade growth slows somewhat.
- Sectoral evidence from the US shows imports of food and light manufactures are up. Japan records significant weakness across sectors, with only foodstuffs near pre-crisis levels.

*Data for the third quarter of 2010 show continued export and import growth.* Tables 1 and 2 show seasonally adjusted export and import growth, respectively,<sup>1</sup> using 7 years of monthly trade data in constant dollars for 63 countries. Q3 2010 data indicate a 3.6 percent increase in exports and a 5.5 percent increase in imports.

However, some regional disparities are highlighted in quarterly growth rates by region, shown in Figures 1 and 2.<sup>2</sup> The dark bars represent the most recent quarter's growth rates, and the lighter bars show the previous quarter's growth rates. Trade in Western Europe is strong relative to the previous quarter. This evolution is not surprising, especially for Euro-country exports, given the sharp depreciation that took place in May and June. Indeed, exports from Cyprus, France, Italy, Portugal and Spain were up over 10 percent in the third quarter. Trade also picked up in many Eastern European countries, although Central Asian exports were weak, as depicted in Figures 3 and 4. Export strength was especially evident in those countries tied to the Euro, such as Bulgaria, Estonia and Latvia. Growth rates in East Asia and the Pacific and Latin America and the Caribbean have diminished considerably.

Seven of the 63 economies included in the analysis—Brazil, China, Hong Kong, Italy, Pakistan, Switzerland and Vietnam—have now reached or exceeded the pre-crisis export and import levels. This is illustrated in Table 3, which shows how trade of Q3 2010 fares relative to the value two years ago, when trade was booming. On average, the remaining gap is around 8.8 per cent for exports and 16.9 per cent for imports.<sup>3</sup>

Trade fell fast and furiously across countries since the onset of the financial crisis in the fall of 2008. Figure 5 compares trade growth (month over same month the previous year) in this crisis and in previous downturns (1975, 1982, 1991, and 2001), using monthly data in constant U.S. dollars for a balanced sample of 40 countries that report data from January 1960 through September 2010. Data are matched so that year zero is the lowest

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<sup>1</sup> We converted nominal trade to year's 2000 constant dollars growth and seasonally adjusted using country-month fixed effects.

<sup>2</sup> Africa and the Middle East are not included because there are not enough countries reporting data for credible statistics.

<sup>3</sup> The gap between average exports and imports is due primarily to the absence of several of the large oil exporting countries in the analysis, where exports declined by more than imports.

### 3<sup>rd</sup> QUARTER 2010 TRADE WATCH

point of the contraction. Growth leading up to the crisis was higher and the fall deeper in this episode than in previous downturns. Of special interest, the recovery also appears to be much steeper in this crisis than in previous episodes. The graph highlights the completion of a V-shaped recovery.

Figure 6 shows that trade has been recovering at almost twice the growth rate of the 2002-2008 period and increased nearly 30 percent since its lowest point in February 2009. While the trade value remains around 20 percent lower than the pre-crisis peak, this is partly driven by surging commodity prices which fueled a run-up in trade values before the crisis.

U.S. and Japanese data, available by industry, provide an indication of where trade is declining/recovering the fastest. Table 4 shows U.S. import growth by broad sector relative to the same quarter of the previous year. Similar data for Japan (measured in Yen) are shown in Table 5.<sup>4</sup> In both countries, data for the 3<sup>rd</sup> quarter of 2010 (column 9) show significant improvement across sectors as compared with the 3<sup>rd</sup> quarter of 2009, but this is largely due to the sharp decline in trade that occurred in Q1 2009, which left trade in Q3 at low levels. The last column shows Q3 2010 relative to Q3 2008, to examine how the pattern of trade now compares with its structure just before the crisis. In the United States, while many sectors remain depressed, a few—especially light manufactures, such as, textiles and footwear—are now above pre-crisis levels. In Japan, with the exception of foodstuffs, all sectors remain well below pre-crisis levels.

*If you wish to receive a monthly **Trade Watch**, email [ineagu@worldbank.org](mailto:ineagu@worldbank.org) with “Trade Watch” in the subject. For previous notes and more trade statistics visit the Trade Watch webpage at <http://www.worldbank.org/research/trade/>*

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<sup>4</sup> Aggregate figures for Japan in Table 5 are calculated from Yen values and therefore are different from Tables 1, 2 and 3 which use data in \$US.

**Table 1: Quarter-to-Quarter Export Growth**  
(Percentage Change in Constant U.S. Dollars – Seasonally Adjusted)

	2008				2009				2010		
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd
Argentina	3.8	-10.7	26.1	-25.7	-12.2	9.1	-8.9	5.6	0.9	24.6	1.7
Australia	9.6	15.0	10.6	-14.7	-8.9	-9.9	8.5	10.3	6.2	20.8	3.1
Belgium	6.3	4.0	-4.2	-21.8	-12.9	4.4	12.4	5.1	-0.1	-0.9	5.7
Brazil	-2.3	11.5	5.5	-11.8	-20.5	10.7	-2.3	7.7	10.6	17.0	1.9
Bulgaria	10.7	6.3	-5.9	-27.4	-12.9	-0.1	13.3	10.4	-4.8	7.0	13.6
Canada	4.8	3.4	-1.5	-22.7	-22.3	-3.7	9.7	5.1	6.2	3.3	-1.5
Chile	6.4	-12.7	-7.0	-20.3	-11.3	2.1	14.7	8.8	-2.9	-8.9	20.1
China	4.3	3.6	6.5	-10.8	-15.8	3.0	12.0	9.3	4.8	8.1	5.3
Colombia	6.8	4.8	-5.7	-17.1	1.2	-6.6	2.7	6.1	11.5	-0.3	-6.7
Croatia	2.5	5.8	8.1	-24.5	-2.9	-3.8	5.9	4.6	6.4	0.7	-4.6
Cyprus	12.5	9.8	-0.8	-19.0	-23.6	9.4	13.9	-2.0	0.5	-4.2	25.8
Czech Republic	14.1	0.8	-4.6	-25.4	-14.8	5.0	17.2	0.9	0.6	-0.9	10.1
Denmark	9.6	3.8	-8.2	-22.4	-7.9	2.2	9.5	0.0	0.0	-0.4	5.3
Ecuador	7.1	4.8	-8.9	-35.2	-15.7	13.9	12.0	9.1	1.9	-1.6	-8.4
Egypt	33.0	27.3	-12.4	-39.1	6.0	13.2	-1.3	-4.3	3.4	10.5	-1.6
Estonia	5.0	5.6	-4.0	-21.2	-24.5	8.9	10.8	0.0	1.2	2.1	13.0
Finland	9.8	7.0	-11.1	-25.9	-20.8	3.3	1.4	11.8	-14.6	11.9	3.1
France	11.5	0.4	1.1	-15.3	-10.5	3.9	16.8	3.9	1.8	1.1	10.0
Germany	7.7	3.9	-5.8	-19.3	-14.5	2.2	12.8	3.5	-0.8	2.9	6.1
Greece	0.5	12.1	-1.9	-18.3	-13.6	-0.3	3.0	-1.5	-3.6	6.2	-6.7
Hong Kong	1.1	-0.6	0.1	1.2	-16.7	13.0	-1.6	11.1	4.0	11.9	1.9
Hungary	14.8	-1.4	-7.4	-22.8	-10.5	6.4	11.7	7.3	2.7	-1.6	6.2
Iceland	-22.1	50.3	-9.9	-21.7	-30.1	-3.2	32.8	-16.2	-6.8	11.8	11.9
India	1.6	7.4	3.7	-21.8	-13.1	1.8	9.9	-2.0	7.0	10.9	-1.2
Indonesia	14.9	3.4	-3.0	-20.0	-14.7	12.8	6.4	21.0	7.1	0.5	-0.5
Ireland	6.4	-1.5	-2.8	-9.8	2.7	3.8	4.6	-5.9	7.0	-3.1	7.7
Israel	0.2	2.1	1.0	-21.9	-12.1	9.5	16.2	10.2	-4.4	1.2	-9.1
Italy	12.1	0.5	5.1	-10.7	-10.4	5.0	22.5	14.1	3.0	3.6	13.5
Japan	8.1	-0.9	0.5	-13.6	-24.7	8.2	16.0	10.4	7.6	5.9	5.4
Kazakhstan	19.8	0.7	5.3	-35.7	-42.2	-6.5	28.5	3.4	6.5	1.6	-15.4
Korea, Republic of	2.7	9.0	2.8	-22.7	-13.0	15.2	8.6	2.3	4.4	14.2	1.8
Latvia	9.2	-1.3	0.2	-23.7	-14.1	0.2	15.1	9.9	-4.9	2.1	15.6
<b>Average</b>	<b>7.5</b>	<b>4.6</b>	<b>-0.9</b>	<b>-21.6</b>	<b>-14.3</b>	<b>4.0</b>	<b>11.5</b>	<b>5.4</b>	<b>2.6</b>	<b>4.3</b>	<b>3.6</b>

Source: Datastream and International Financial Statistics. Note: Data reported in national currency is converted to current U.S. dollars using average monthly nominal exchange rates. Series are deflated using the U.S. CPI index and deseasoned using country specific time dummies.

3<sup>rd</sup> QUARTER 2010 TRADE WATCH

**Table 1: Quarter-to-Quarter Export Growth Continued**  
(Percentage Change in Constant U.S. Dollars – Seasonally Adjusted)

	2008				2009				2010		
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd
Lithuania	25.5	11.2	-3.6	-27.8	-18.5	-3.9	14.0	6.9	-3.6	5.3	8.5
Luxembourg	10.6	7.1	-1.0	-28.9	-14.5	3.2	28.6	-4.0	-2.4	5.1	8.0
Malaysia	2.5	5.4	-2.5	-22.2	-14.5	0.9	6.9	15.8	8.6	0.9	-1.7
Malta	-1.0	-10.1	0.3	-16.0	-20.5	5.7	16.3	-7.0	15.8	-6.0	-11.1
Mexico	0.3	2.1	-2.9	-20.1	-14.5	0.7	8.8	12.0	5.1	5.4	3.2
Netherlands	6.1	2.4	-4.9	-20.1	-14.2	1.5	11.5	2.7	1.3	-1.5	4.4
New Zealand	0.5	-6.7	-2.4	-16.0	-14.3	6.4	7.1	5.9	3.7	4.1	-0.3
Norway	4.6	7.6	-9.9	-25.3	-19.3	-10.7	10.9	6.6	-4.3	-7.0	-5.1
Pakistan	8.4	4.5	-8.2	-7.2	-9.9	-2.3	6.5	13.1	7.5	-4.6	0.9
Peru	9.1	1.7	-5.1	-25.2	-10.7	7.7	7.1	11.8	7.0	-2.5	4.3
Philippines	-3.2	-0.2	-2.0	-20.8	-19.3	16.1	9.0	4.0	6.9	10.2	15.2
Poland	14.6	4.6	-4.8	-26.4	-8.5	5.3	12.0	5.4	-0.4	0.8	0.1
Portugal	13.5	1.0	1.7	-20.8	-10.9	8.4	20.8	6.9	-1.8	0.3	10.1
Romania	7.5	8.3	-3.3	-18.4	-16.0	13.3	15.6	10.0	-5.6	7.1	6.6
Russian Federation	9.9	2.6	3.9	-30.2	-30.0	7.4	16.9	10.0	9.1	-3.7	-3.6
Singapore	8.5	2.2	-1.9	-23.5	-13.3	7.2	10.4	7.5	6.3	8.7	3.0
Slovakia	11.7	-4.0	-8.6	-21.2	-14.9	3.7	11.6	10.2	-3.0	-1.3	3.4
Slovenia	9.2	2.6	-1.6	-18.2	-12.9	5.3	11.6	8.9	-3.8	3.1	7.7
South Africa	0.2	7.5	7.2	-27.9	-14.4	5.8	16.6	7.2	1.9	9.2	13.8
Spain	10.2	3.0	3.5	-21.3	-10.7	9.6	17.8	5.1	0.7	1.4	11.3
Sweden	7.1	-0.6	-8.2	-26.0	-15.0	4.1	14.3	1.6	3.6	5.0	8.5
Switzerland	13.6	7.3	-2.4	-15.2	-5.5	2.2	11.0	3.3	4.9	0.1	8.0
Taiwan, Province of China	0.2	3.5	-3.2	-25.3	-16.0	11.2	14.3	6.9	10.6	10.6	0.7
Thailand	3.2	5.5	0.0	-19.2	-6.2	-1.6	12.3	6.9	8.7	9.3	-1.7
Turkey	13.3	-6.2	4.5	-30.2	-1.3	-17.0	12.0	3.9	3.7	2.2	-2.9
Ukraine	12.4	24.7	13.5	-34.5	-26.6	0.4	15.2	19.1	-5.2	14.9	5.9
United Kingdom	0.6	0.1	1.7	-21.6	-17.1	1.3	16.2	5.6	-2.5	-2.0	9.5
United States	2.1	1.4	1.8	-13.4	-14.8	-2.5	8.2	6.5	2.4	3.3	5.1
Uruguay	21.1	3.2	-2.4	-13.2	-5.7	14.7	0.8	-1.9	10.0	27.8	-9.0
Venezuela	12.4	15.3	6.1	-52.1	-34.9	31.3	22.6	-23.4	12.2	-11.4	-10.9
Viet Nam	6.5	8.0	9.0	-12.7	3.5	-14.8	1.1	13.6	2.4	21.1	4.0
<b>Average</b>	<b>7.5</b>	<b>4.6</b>	<b>-0.9</b>	<b>-21.6</b>	<b>-14.3</b>	<b>4.0</b>	<b>11.5</b>	<b>5.4</b>	<b>2.6</b>	<b>4.3</b>	<b>3.6</b>

Source: Datastream and International Financial Statistics. Note: Data reported in national currency is converted to current U.S. dollars using average monthly nominal exchange rates. Series are deflated using the U.S. CPI index and deseasoned using country specific time dummies.

### 3<sup>rd</sup> QUARTER 2010 TRADE WATCH

**Table 2: Quarter-to-Quarter Import Growth**  
(Percentage Change in Constant U.S. Dollars – Seasonally Adjusted)

	2008				2009				2010		
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd
Argentina	12.0	2.5	-1.1	-19.3	-24.8	-3.2	8.6	5.4	13.2	14.3	8.9
Australia	11.3	3.7	-0.4	-21.2	-11.1	0.1	13.6	13.0	0.0	2.7	3.4
Belgium	2.5	5.7	-4.0	-23.3	-17.0	0.0	11.1	4.1	-4.5	1.7	1.7
Brazil	8.7	5.5	8.9	-13.8	-24.6	-2.3	12.4	10.0	9.5	8.5	8.2
Bulgaria	5.2	9.0	-11.4	-25.0	-21.8	-1.6	1.8	-1.2	-6.3	6.5	-1.8
Canada	0.3	1.7	-2.1	-14.7	-18.7	-2.4	11.3	4.6	2.5	6.2	3.8
Chile	5.2	3.0	1.4	-19.8	-27.3	-8.0	4.7	12.5	4.5	9.7	3.8
China	6.9	4.2	2.6	-21.4	-16.8	22.1	15.5	8.2	12.2	9.9	2.4
Colombia	3.9	-0.9	4.0	-6.2	-12.0	-13.1	8.1	-0.2	9.7	0.8	15.0
Croatia	7.1	-1.0	-0.6	-21.4	-13.6	-3.1	7.8	2.3	-9.6	-7.1	11.5
Cyprus	14.9	0.0	5.5	-27.7	-10.1	-6.4	9.4	-2.2	8.9	-12.3	2.6
Czech Republic	14.5	-1.4	-4.2	-21.5	-17.0	-1.4	17.0	0.7	3.6	-1.3	11.6
Denmark	7.0	2.8	-6.7	-19.0	-12.2	-7.3	8.8	1.0	-5.3	1.1	5.6
Ecuador	1.5	11.0	13.5	-8.6	-18.4	-11.7	7.9	7.6	7.5	9.2	11.7
Egypt	-3.4	60.9	9.9	-11.4	-20.0	-4.6	17.9	1.9	-1.3	0.9	14.6
Estonia	-2.4	-1.9	-1.9	-21.2	-29.7	-5.5	14.1	2.1	-0.6	-2.5	13.1
Finland	6.9	3.2	-6.7	-26.4	-21.2	-4.1	11.7	0.6	-6.5	0.8	7.2
France	7.7	2.7	-0.9	-18.0	-13.8	1.7	9.9	6.6	-3.2	0.1	6.4
Germany	7.9	2.6	-1.5	-19.7	-10.8	-4.1	11.6	-1.0	4.5	2.1	4.5
Greece	3.5	11.5	-5.0	-27.3	-15.8	-4.8	14.0	-15.7	-8.4	-11.3	-4.0
Hong Kong	-1.9	1.1	0.3	-1.3	-18.9	10.9	5.9	9.7	3.7	11.0	2.0
Hungary	10.9	-1.0	-4.5	-23.3	-16.8	-0.3	13.0	6.9	-1.0	-2.8	8.3
Iceland	-12.3	-8.0	-6.8	-46.3	-10.4	-17.5	19.3	-8.8	-0.7	-3.5	14.3
India	10.4	8.1	20.3	-25.7	-26.4	14.2	5.8	5.9	10.8	2.0	2.7
Indonesia	43.7	10.2	-2.2	-17.2	-27.3	9.7	15.8	12.1	9.8	4.3	0.2
Ireland	-2.2	-3.2	-6.0	-24.5	-6.9	-3.2	0.0	-4.6	-4.0	1.0	-2.9
Israel	0.6	0.5	-4.8	-25.4	-24.5	-2.4	11.7	1.6	1.1	0.4	-4.9
Italy	9.5	1.2	2.8	-16.3	-14.9	0.4	16.4	9.4	4.1	2.7	9.1
Japan	8.0	2.7	4.8	-12.3	-25.9	-5.2	13.4	4.2	4.1	4.3	4.1
Kazakhstan	-5.8	6.4	8.9	-8.3	-19.7	-9.0	1.6	6.3	-10.0	9.1	-27.7
Korea, Republic of	5.3	4.2	8.0	-28.5	-20.6	0.0	16.2	2.6	6.7	6.0	2.0
Latvia	5.1	-9.0	-4.8	-25.0	-20.6	-16.2	10.0	0.7	1.1	-5.2	14.9
<b>Average</b>	<b>7.7</b>	<b>3.5</b>	<b>-0.6</b>	<b>-20.8</b>	<b>-17.4</b>	<b>-0.9</b>	<b>11.4</b>	<b>3.6</b>	<b>2.5</b>	<b>2.8</b>	<b>5.5</b>

Source: Datastream and International Financial Statistics. Note: Data reported in national currency is converted to current U.S. dollars using average monthly nominal exchange rates. Series are deflated using the U.S. CPI index and deseasoned using country specific time dummies.

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**Table 2: Quarter-to-Quarter Import Growth Continued**  
(Percentage Change in Constant U.S. Dollars – Seasonally Adjusted)

	2008				2009				2010		
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd
Lithuania	27.5	-2.5	-5.6	-28.6	-23.3	-7.9	13.9	0.9	4.3	-0.6	13.4
Luxembourg	7.0	9.2	6.9	-26.0	-16.6	-0.9	17.2	6.3	-4.5	7.6	-2.2
Malaysia	2.7	-2.3	0.4	-18.7	-21.2	7.8	12.1	13.8	2.4	11.3	1.6
Malta	0.3	3.2	7.8	-34.4	-2.9	-6.1	23.9	-13.4	10.7	-11.3	42.2
Mexico	2.8	-0.1	2.4	-18.8	-16.7	-4.5	12.6	2.9	9.8	6.4	4.3
Netherlands	9.7	2.9	-4.3	-21.2	-14.8	0.7	9.9	3.7	1.3	1.5	-0.1
New Zealand	2.4	4.5	-5.2	-20.7	-21.7	11.1	7.1	2.6	-0.1	6.8	1.1
Norway	3.4	-4.7	-5.9	-21.9	-13.5	-1.7	12.0	5.4	1.3	2.8	2.2
Pakistan	29.6	-4.7	-14.4	-12.5	-7.9	9.4	-3.0	7.3	15.7	-2.4	0.4
Peru	18.0	14.4	2.4	-17.0	-20.4	-6.2	8.3	8.9	12.8	1.6	16.8
Philippines	2.4	-8.4	1.9	-24.9	-7.6	0.0	1.8	2.2	19.3	-3.4	-2.2
Poland	13.0	2.2	-3.2	-23.9	-18.9	-0.2	13.1	2.8	2.4	-4.4	3.6
Portugal	8.9	-0.9	-0.6	-21.7	-11.6	2.1	19.9	2.5	-4.9	-0.6	0.1
Romania	7.6	4.0	-1.5	-30.2	-22.3	1.4	14.8	-4.0	1.5	2.5	0.5
Russian Federation	13.9	13.3	9.0	-16.1	-17.8	4.0	11.5	13.0	8.8	19.5	17.8
Singapore	9.7	3.3	-1.1	-22.3	-16.7	1.2	11.8	5.1	7.5	3.5	2.5
Slovakia	10.3	-4.5	-9.2	-21.5	-11.9	-5.6	12.5	6.0	4.1	-3.8	9.4
Slovenia	7.9	3.0	-1.8	-23.5	-17.8	-0.9	13.4	1.5	-2.5	0.7	4.5
South Africa	0.7	-1.7	7.9	-31.0	-13.1	-13.1	14.2	13.9	-0.7	-2.2	11.6
Spain	5.3	-3.6	-3.9	-24.2	-17.4	-4.8	16.9	2.0	-3.4	-2.2	3.9
Sweden	9.2	4.3	-10.5	-28.1	-13.5	1.3	14.7	4.3	5.6	5.6	4.6
Switzerland	7.9	5.8	-3.5	-17.3	-2.5	-1.5	10.9	2.1	3.8	4.3	7.6
Taiwan, Province of China	5.0	1.5	6.5	-31.7	-30.5	15.9	21.9	10.3	7.3	5.6	5.6
Thailand	11.7	-4.2	10.2	-16.1	-33.0	4.9	19.8	12.1	2.6	-2.2	8.7
Turkey	5.2	-4.0	3.3	-32.2	-17.4	0.5	16.1	4.2	7.8	3.6	7.5
Ukraine	18.7	20.9	8.2	-30.8	-22.4	0.8	19.0	13.1	-0.9	14.2	17.6
United Kingdom	0.9	0.8	-4.7	-20.3	-15.8	3.2	8.7	5.6	-1.6	-0.3	6.8
United States	1.1	1.1	0.6	-16.0	-19.7	-2.9	9.6	5.0	3.3	6.6	3.6
Uruguay	38.9	43.0	-26.8	-15.8	-21.6	15.5	0.3	-3.7	0.1	24.6	-10.8
Venezuela	-16.1	-10.8	-2.4	14.0	-12.4	-17.2	-5.7	-28.5	-11.5	10.2	6.3
Viet Nam	26.7	-3.6	-17.2	-15.0	-6.8	16.1	9.9	12.0	-3.1	1.8	4.0
<b>Average</b>	<b>7.7</b>	<b>3.5</b>	<b>-0.6</b>	<b>-20.8</b>	<b>-17.4</b>	<b>-0.9</b>	<b>11.4</b>	<b>3.6</b>	<b>2.5</b>	<b>2.8</b>	<b>5.5</b>

Source: Datastream and International Financial Statistics. Note: Data reported in national currency is converted to current U.S. dollars using average monthly nominal exchange rates. Series are deflated using the U.S. CPI index and deseasoned using country specific time dummies.

**Table 3: Growth from Q3 2008 to Q3 2010**  
(Percentage Change in Constant U.S. Dollars – Seasonally Adjusted)

	Exports	Imports		Exports	Imports
Argentina	-12.5	-5.4	Pakistan	1.8	4.0
Australia	10.7	-4.3	Peru	-6.2	-2.1
Belgium	-12.0	-27.3	Philippines	14.1	-18.8
Brazil	7.7	0.9	Poland	-15.9	-27.3
Bulgaria	-8.4	-43.1	Portugal	7.1	-17.9
Canada	-27.9	-10.9	Romania	6.4	-36.6
Chile	-4.4	-24.9	Russian Federation	-31.7	38.5
China	13.1	25.9	Singapore	0.3	-12.2
Colombia	-11.4	-1.5	Slovakia	-15.4	-14.7
Croatia	-20.1	-32.0	Slovenia	-2.6	-26.5
Cyprus	-8.4	-36.2	South Africa	3.3	-26.5
Czech Republic	-13.4	-13.5	Spain	8.4	-30.2
Denmark	-16.0	-26.7	Sweden	-10.2	-12.1
Ecuador	-30.3	0.2	Switzerland	6.6	4.7
Egypt	-22.4	-7.2	Taiwan, Province of China	5.1	-11.7
Estonia	-16.2	-33.2	Thailand	4.6	-13.7
Finland	-32.3	-36.9	Turkey	-31.4	-18.3
France	8.3	-13.3	Ukraine	-23.6	-3.0
Germany	-10.7	-15.5	United Kingdom	-15.5	-16.7
Greece	-31.9	-56.3	United States	-7.8	-14.1
Hong Kong	23.4	21.2	Uruguay	18.8	-18.0
Hungary	-5.3	-19.8	Venezuela	-65.9	-42.1
Iceland	-31.3	-52.6	Viet Nam	13.9	16.3
India	-12.6	-18.7			
Indonesia	6.1	-1.7			
Ireland	5.8	-39.0			
Israel	-15.2	-39.8			
Italy	42.1	6.2			
Japan	8.3	-17.8			
Kazakhstan	-57.7	-48.7			
Korea, Republic of	4.5	-21.9			
Latvia	-6.6	-39.2			
Lithuania	-24.1	-32.0			
Luxembourg	-14.1	-23.4			
Malaysia	-10.5	1.9			
Malta	-26.1	-10.4			
Mexico	-4.1	-8.9			
Netherlands	-17.0	-20.8			
New Zealand	-6.6	-18.2			
Norway	-46.2	-16.6			
			<b>Average</b>	<b>-8.8</b>	<b>-16.9</b>

Source: Datastream and International Financial Statistics. Note: Data reported in national currency is converted to current U.S. dollars using average monthly nominal exchange rates. Series are deflated using the U.S. CPI index and deseasoned using country specific time dummies.



### 3<sup>rd</sup> QUARTER 2010 TRADE WATCH

**Table 4: U.S. Import Growth by Industry**  
(Percentage Change in U.S. Dollars relative to the Same Quarter of the Previous Year)

Industry	2008		2009			2010			Q3 2010 rel to Q3 2008	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2		Q3
Animal & Animal Products	-0.42	-1.85	-8.04	-7.50	-15.23	-13.06	-1.21	12.55	20.75	2.37
Vegetable Products	24.08	11.94	-6.36	-13.20	-13.94	-7.49	5.95	15.36	13.64	-2.20
Foodstuffs	12.98	3.18	-5.00	-8.63	-11.33	-3.21	10.58	9.60	12.19	-0.52
Mineral Products	57.57	-13.36	-51.40	-54.02	-48.72	-14.24	55.44	45.48	20.11	-38.41
Chemicals & Allied Industries	23.82	8.19	-13.32	-17.79	-17.08	-3.31	11.14	18.41	14.42	-5.12
Plastics / Rubbers	8.73	0.69	-22.48	-27.00	-23.31	-14.27	20.19	37.57	33.54	2.42
Raw Hides, Raw Hides, Leather & Furs	1.27	-5.09	-14.64	-22.91	-27.33	-16.65	4.23	23.75	37.31	-0.21
Wood & Wood Products	-8.86	-13.94	-26.51	-30.12	-27.08	-17.67	5.33	19.41	17.20	-14.54
Textiles	-2.52	-4.83	-13.27	-16.37	-14.36	-8.74	4.45	17.87	18.93	1.85
Footwear / Headgear	3.05	0.98	-7.31	-13.98	-13.67	-8.08	2.36	20.61	29.64	11.92
Stone / Glass	6.05	-19.58	-36.80	-31.86	-25.78	9.27	38.02	41.84	30.10	-3.43
Metals	16.33	4.40	-26.57	-50.20	-51.83	-36.26	2.23	54.94	48.29	-28.57
Machinery / Electrical	4.25	-11.04	-22.35	-24.24	-19.14	0.24	15.53	27.59	25.65	1.60
Transportation	-10.33	-23.18	-46.68	-46.07	-24.16	-0.58	44.25	61.07	30.65	-0.92
Miscellaneous	1.36	-6.11	-18.38	-22.45	-16.22	-9.16	11.34	21.28	19.48	0.10
<b>Total</b>	<b>14.56</b>	<b>-9.03</b>	<b>-29.88</b>	<b>-34.32</b>	<b>-28.87</b>	<b>-7.88</b>	<b>21.40</b>	<b>31.64</b>	<b>22.99</b>	<b>-12.51</b>

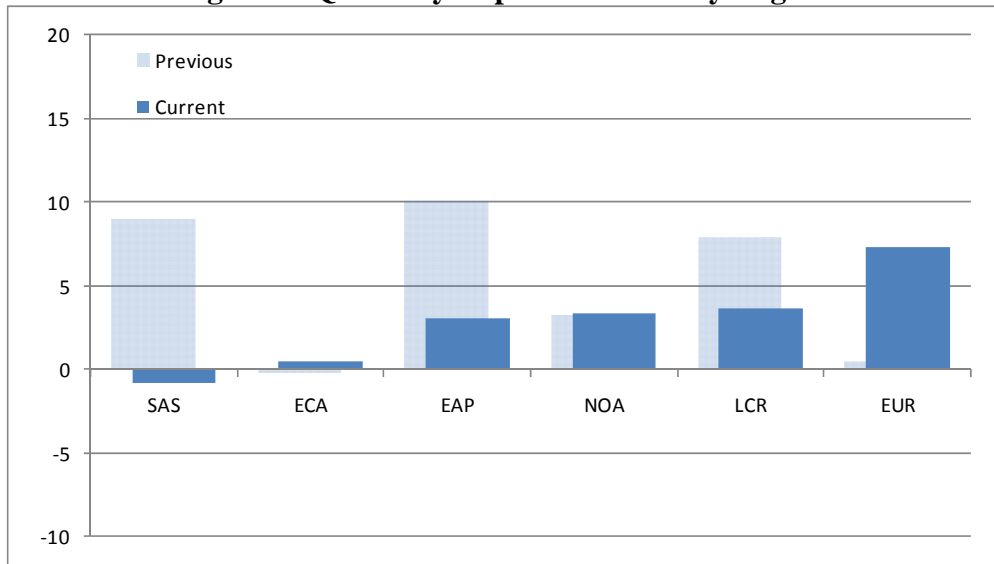
Source: U.S.I.T.C. and authors' calculations.

**Table 5: Japan's Import Growth by Industry**  
(Percentage change in Japanese Yen relative to the Same Quarter of the Previous Year)

Industry	2008		2009			2010			Q3 2010 rel to Q3 2008	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2		Q3
Animal & Animal Products	8.89	-2.69	-15.75	-18.17	-24.85	-20.24	-5.37	3.29	13.52	-14.69
Vegetable Products	32.26	3.80	-27.25	-32.01	-36.08	-27.33	2.82	3.38	1.34	-35.22
Foodstuffs	-3.71	-7.68	-7.86	-12.55	-11.63	-10.12	-1.77	7.67	11.92	-1.09
Mineral Products	59.13	-5.93	-47.90	-54.84	-54.19	-29.45	31.71	45.78	15.60	-47.04
Chemicals & Allied Industries	13.18	-1.55	-21.05	-22.02	-18.48	-8.95	21.25	21.46	12.49	-8.30
Plastics / Rubbers	11.46	1.49	-31.59	-37.42	-33.84	-24.58	20.51	46.50	31.41	-13.05
Raw Hides, Raw Hides, Leather & Furs	-8.04	-17.81	-16.16	-23.52	-20.65	-15.14	-9.42	6.18	4.56	-17.03
Wood & Wood Products	-1.62	-4.31	-17.87	-25.33	-28.87	-20.28	2.48	15.65	12.23	-20.17
Textiles	-1.52	-4.19	-6.72	-11.62	-14.42	-12.54	-7.94	2.45	-3.24	-17.19
Footwear / Headgear	2.25	-2.45	-5.81	-6.77	-13.56	-18.94	-8.49	2.06	0.79	-12.88
Stone / Glass	6.63	-19.09	-47.89	-48.59	-43.74	-26.33	30.57	29.72	22.47	-31.10
Metals	4.70	-10.56	-47.95	-64.33	-56.51	-37.28	25.11	89.85	43.15	-37.75
Machinery / Electrical	-3.59	-17.91	-37.26	-29.54	-26.86	-12.09	24.60	24.80	19.41	-12.66
Transportation	5.52	-32.51	-43.37	-45.80	-42.78	1.04	0.26	33.35	19.95	-31.37
Miscellaneous	-4.33	-14.57	-30.03	-26.06	-23.51	-13.28	15.81	9.19	3.58	-20.78
<b>Total</b>	<b>21.30</b>	<b>-9.63</b>	<b>-37.07</b>	<b>-40.38</b>	<b>-39.93</b>	<b>-21.07</b>	<b>19.12</b>	<b>28.55</b>	<b>14.93</b>	<b>-30.96</b>

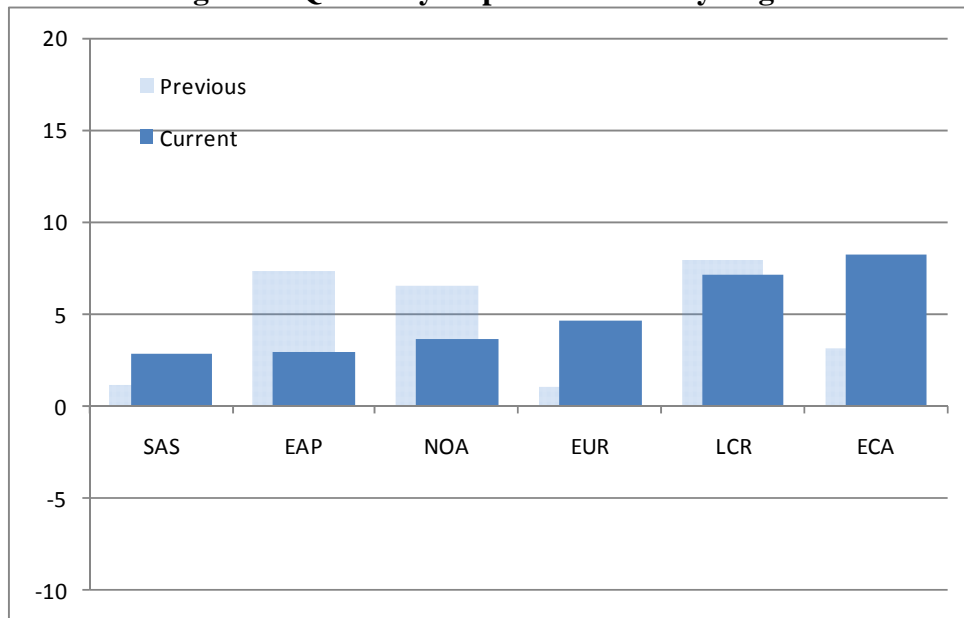
Source: Ministry of Finance, Japan, and authors' calculations.

**Figure 1: Quarterly Export Growth\* by Region**



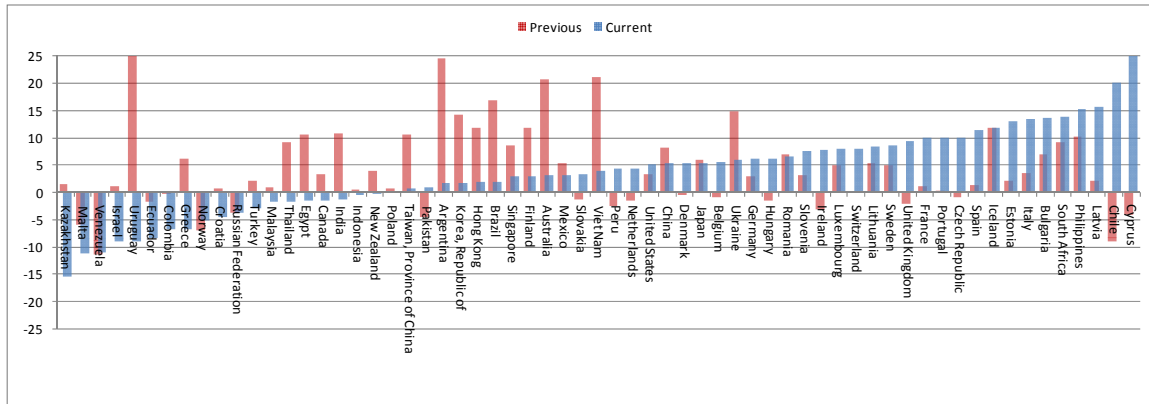
Source: Datastream, U.S. Commerce Department, U.S. Bureau of Labor Statistics and authors' calculations. Seasonally adjusted growth from the 2<sup>nd</sup> quarter of 2010 to the 3<sup>rd</sup> quarter of 2010 in "Current" and from the 1<sup>st</sup> quarter of 2010 to the 2<sup>nd</sup> quarter of 2010 in "Previous"; \*Seasonally adjusted using time-region fixed effects and deflated using U.S. consumer price index.

**Figure 2: Quarterly Import Growth\* by Region**



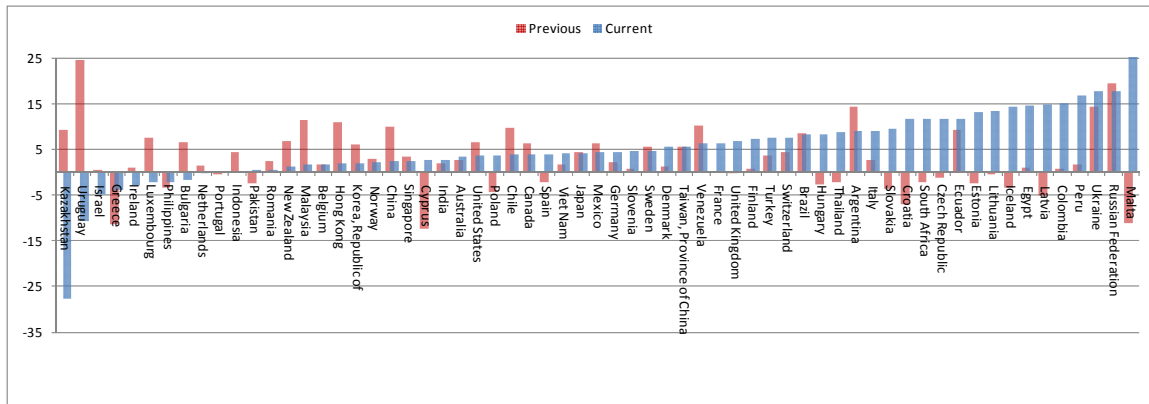
Source: Datastream, U.S. Commerce Department, U.S. Bureau of Labor Statistics and authors' calculations. Seasonally adjusted growth from the 2<sup>nd</sup> quarter of 2010 to the 3<sup>rd</sup> quarter of 2010 in "Current" and from the 1<sup>st</sup> quarter of 2010 to the 2<sup>nd</sup> quarter of 2010 in "Previous"; \*Seasonally adjusted using time-region fixed effects and deflated using U.S. consumer price index.

**Figure 3: Quarterly Export Growth by Country**



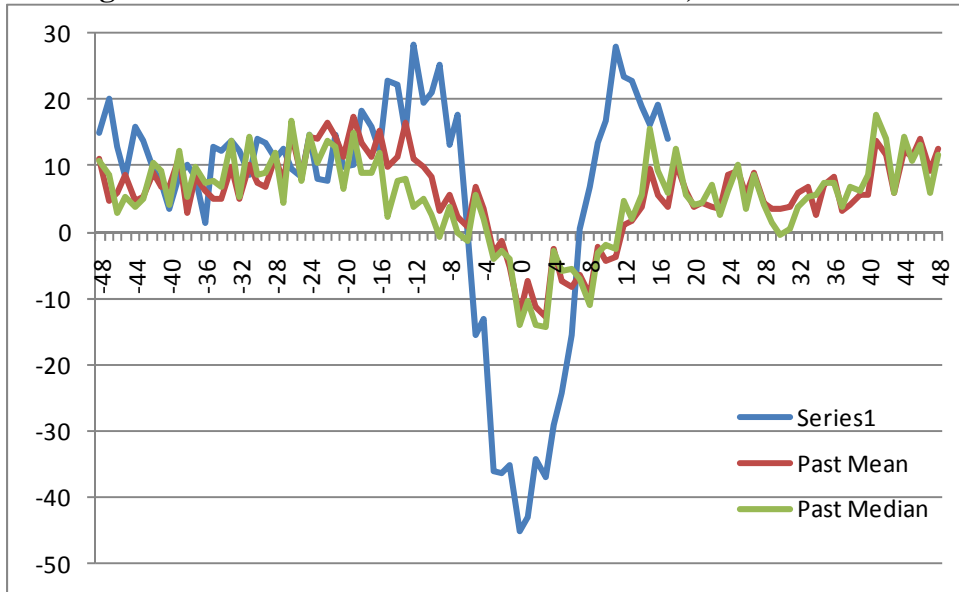
Source: Datastream, U.S. Commerce Department, U.S. Bureau of Labor Statistics and authors' calculations. Seasonally adjusted growth from the 2<sup>nd</sup> quarter of 2010 to the 3<sup>rd</sup> quarter of 2010 in "Current" and from the 1<sup>st</sup> quarter of 2010 to the 2<sup>nd</sup> quarter of 2010 in "Previous"; \*Seasonally adjusted using time-region fixed effects and deflated using U.S. consumer price index.

**Figure 4: Quarterly Import Growth by Country**



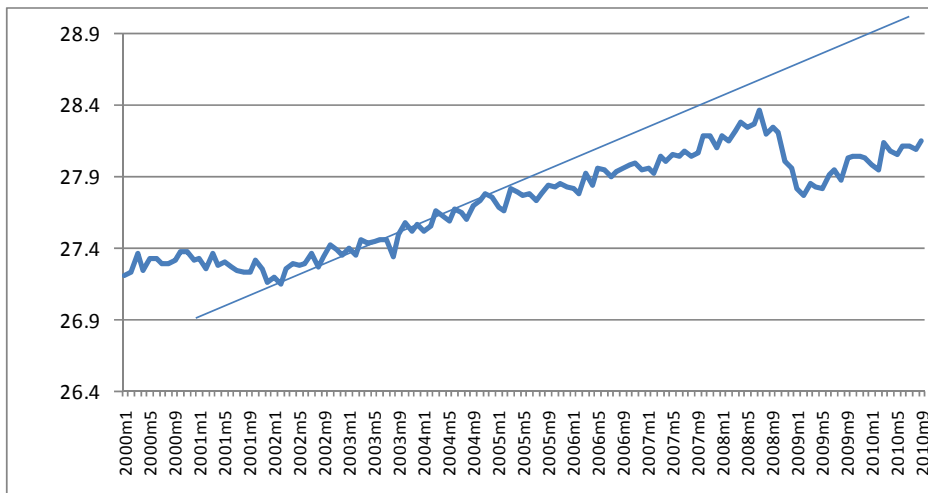
Source: Datastream, U.S. Commerce Department, U.S. Bureau of Labor Statistics and authors' calculations. Seasonally adjusted growth from the 2<sup>nd</sup> quarter of 2010 to the 3<sup>rd</sup> quarter of 2010 in "Current" and from the 1<sup>st</sup> quarter of 2010 to the 2<sup>nd</sup> quarter of 2010 in "Previous"; \*Seasonally adjusted using time-region fixed effects and deflated using U.S. consumer price index.

**Figure 5: Month-Over-Month Trade Growth, Now and Then**



Source: Datastream, I.M.F., U.S. Commerce Department, U.S. Bureau of Labor Statistics and author's calculations. Data in US dollars deflated using U.S. consumer price index for a balanced sample of 40 countries.

**Figure 6: Natural Logarithm of World Imports**



Source: Datastream, Bloomberg, U.S. Commerce Department and authors' calculations using a balanced sample of 63 economies reporting data. Imports are in current US dollars.