

MARCH TRADE WATCH

Trade Collapses in the New Year: Update

- January and February trade data show a sharp drop in exports and imports across nearly all countries. This follows already weak end-of-the-year trade data.
- U.S. and Japanese import data, available by sector, show a universal collapse across broad sectors, with food products the least damaged and mineral products and heavy materials, such as transportation and metals the most affected.
- One important bright spot is cell phones. Imports are up 24 percent in the United States and 12 percent in Japan.

Trade plummets in the New Year. Forty-one countries have reported trade data for February. Trade growth is uniformly negative, with both exports and imports on average down over 30 percent, as compared with the same month last year (See Tables 1 and 2). While trade is severely depressed, there is little overall change since January, suggesting that conditions did not deteriorate significantly from the previous month.

To put the declines in context, Figures 1 and 2 show export and import growth by region through February 2009, for a balanced sample of countries reporting data. Figures 3 and 4 show the same indices by income group. Trade growth relative to the same month of the previous year averaged above 20 percent until October and November. While part of the decline reflects the steep fall in commodity prices—the slowdown is relatively widespread, across regions and between developed and developing countries, as well as across exports and imports, suggesting that reduced demand is the primary cause.

U.S. and Japanese data, available by industry, provide an indication of where trade is declining the fastest. Table 3 and Figure 5 show U.S. imports by broad sector. All sectors now record declines. Data for Japan, also showing universal declines, are reported in Table 4 and Figure 6. Both countries report especially sharp drops in mineral products, in part reflecting plummeting prices. Transportation, metals, and stone and glass have also been hit heavily as demand and investment plummet. In both countries, food products (animals, vegetables, and foodstuffs) have been relatively less damaged by the crisis.

Exploring the data at the HS 6-digit level (more than 5000 products), over 75 percent of products in both countries declined relative to the same month the previous year. Still, there are a few bright spots:

Cell phone imports are up 24 percent in the US and 12 percent in Japan.

Medical equipment trade is thriving (such as catheters, pacemakers and MRI equipment).

MARCH TRADE WATCH

Various foods items are up (bananas and meat in both nations, grains and rice in Japan).

A number of chemical imports increased in both countries (eg. Heterocyclic comps, a sizable item in trade, are up 48 percent in the US and 67 percent in Japan).

Tobacco imports rose over 100 percent in the US and 30 percent in Japan.

This note was prepared by Caroline Freund (DECRG) and Matias David Horenstein (DECRG) with support from PRMTR and the multi-donor trust fund.

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MARCH TRADE WATCH

Table 1: Export Growth Relative to Same Month Previous Year
(Percentage Change for Data in \$U.S.)

Country	Exports					
	September	October	November	December	January	February
Argentina	44.90	13.36	-5.78	-24.01	-35.80	-24.44
Australia	52.02	34.14	13.49	3.09	-0.08	-1.20
Austria	13.30	-9.92	-25.66	-16.02	-32.72	n.a.
Bangladesh	12.70	31.41	4.90	3.78	n.a.	n.a.
Belgium	12.25	-7.45	-26.78	-15.69	-27.96	n.a.
Bulgaria	18.03	-12.90	-26.82	-18.24	n.a.	n.a.
Canada	14.30	-1.81	-16.98	-17.34	-34.67	-34.47
Chile	-12.69	-22.73	-27.62	-26.81	-41.43	-42.19
China	21.50	19.20	-2.20	-2.80	-17.50	-25.70
Colombia	15.73	0.19	-35.82	-16.30	-30.93	n.a.
Croatia	18.92	-19.81	-11.18	-8.81	-36.75	-20.52
Cyprus	12.22	-15.00	8.44	7.64	-31.14	-30.13
Czech Republic	21.66	-7.52	-24.46	-18.79	-34.51	-39.85
Denmark	17.50	-4.53	-26.77	-9.63	-26.21	-32.03
Ecuador	19.58	-11.08	-23.93	-38.52	-45.42	-51.98
Egypt	65.12	38.29	-4.46	n.a.	-9.67	n.a.
Estonia	29.36	5.22	-27.31	-13.89	-35.77	n.a.
Finland	8.57	-6.25	-30.52	-22.19	-42.48	-44.59
France	10.96	-10.69	-23.88	-10.12	-30.70	-33.61
Germany	10.41	-5.35	-23.83	-15.00	-30.95	-33.35
Greece	7.54	3.70	-27.84	n.a.	-29.83	-25.31
Hong Kong	3.50	9.37	-4.95	-10.85	-21.30	-22.60
Hungary	8.23	-17.00	-20.46	-20.54	-42.98	-40.88
Iceland	67.22	-24.65	-46.17	6.20	-27.95	n.a.
India	11.03	-13.07	-9.89	-1.04	-15.88	-21.73
Indonesia	29.02	4.72	-1.81	-20.56	-36.08	-32.86
Ireland	4.31	-9.26	-19.79	1.41	-11.38	n.a.
Israel	26.86	-20.09	-18.83	-18.50	-27.28	-33.20
Italy	11.15	-6.91	-26.63	-12.33	-33.25	n.a.
Japan	9.45	6.67	-16.13	-20.00	-35.17	-41.66
Jordan	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Kazakhstan	47.93	52.26	-2.29	-18.21	-49.81	n.a.
Korea, Republic of	27.64	7.78	-19.45	-17.90	-34.20	-18.35
Latvia	29.51	0.46	-26.36	-17.94	-31.88	-38.56
Lithuania	46.27	16.82	1.71	-11.04	-23.73	-36.66
Luxembourg	20.08	-4.58	-27.31	-21.81	-33.63	n.a.
Malaysia	13.69	-8.65	-11.71	-18.77	-35.29	-27.38
Malta	2.78	-8.37	-35.14	-38.07	-43.73	-45.16
Mexico	8.40	-6.36	-16.67	-19.68	-31.50	-29.46
Netherlands	15.51	-3.49	-23.90	-15.80	-29.13	n.a.
New Zealand	-4.44	-13.38	-21.40	-20.72	-33.72	-41.48
Norway	7.20	-13.34	-21.76	-32.92	-30.68	-39.89
Pakistan	18.36	9.04	0.97	-1.25	-7.41	-18.20
Peru	8.09	-8.69	-11.58	-32.97	-37.08	-27.37
Philippines	1.12	-14.78	-11.40	-40.32	-41.04	n.a.
Poland	25.05	-6.36	-24.18	-25.76	n.a.	n.a.
Portugal	7.96	-11.10	-25.68	-20.90	-35.79	n.a.
Romania	22.57	6.94	-20.56	-22.07	-31.60	-37.36
Russian Federation	53.71	12.45	-16.08	-25.84	-47.91	-47.51
Singapore	15.07	-5.98	-15.68	-19.86	-41.56	-30.95
Slovenia	15.43	-6.48	-25.17	-21.09	-33.05	-35.10
South Africa	27.77	5.36	-24.69	-15.87	-32.34	-27.44
Spain	19.97	-6.56	-25.22	-14.54	-33.16	n.a.
Sri Lanka	-9.33	3.18	11.61	-20.63	-11.87	n.a.
Sweden	3.93	-16.02	-32.63	-24.92	-42.24	-47.99
Switzerland	19.00	3.45	-13.98	-2.54	-14.20	n.a.
Thailand	22.65	5.23	-18.60	-12.43	-26.47	-11.35
Turkey	41.51	-1.81	-17.11	-20.71	-25.95	-24.90
Ukraine	62.47	34.89	-18.60	-17.56	-33.28	n.a.
United Kingdom	8.97	-7.87	-29.32	-21.63	-35.30	n.a.
United States	9.11	4.50	-5.66	-11.75	-21.13	-23.84
Uruguay	10.96	39.11	2.73	-10.06	-7.41	n.a.
Venezuela	-84.17	-87.47	-81.62	n.a.	n.a.	n.a.
Average	17.73	-1.44	-18.33	-16.46	-30.38	-31.83
Balanced Average	18.07	-2.16	-16.22	-17.38	-31.48	-31.83

Source: Datastream. Note: Data reporter in national currency are converted to U.S. dollars using average monthly nominal exchange rates. n.a. indicates not available

MARCH TRADE WATCH

Table 2: Import Growth Relative to Same Month Previous Year
(Percentage Change for Data in \$U.S.)

Country	Imports					
	September	October	November	December	January	February
Argentina	34.01	16.59	-5.41	-10.87	-38.39	-36.72
Australia	30.01	-4.57	-11.90	-1.27	-22.15	-28.95
Austria	8.79	-4.03	-19.79	-12.70	-25.93	n.a.
Bangladesh	31.43	26.48	9.10	0.23	n.a.	n.a.
Belgium	18.74	-5.64	-23.44	-15.11	-32.14	n.a.
Bulgaria	17.16	-0.96	-23.79	-20.14	-42.41	n.a.
Canada	11.52	-3.67	-15.94	-11.46	-25.26	-26.84
Chile	47.37	21.96	-14.56	-4.40	-25.50	-32.64
China	21.30	15.60	-17.90	-21.30	-43.10	-24.10
Colombia	29.27	-2.61	-7.34	-2.97	-24.61	n.a.
Croatia	28.84	-9.24	-17.02	-6.48	-41.62	-37.13
Cyprus	26.76	-2.41	-12.32	-10.25	-30.51	-30.48
Czech Republic	23.83	-2.26	-19.98	-14.90	-32.17	-39.30
Denmark	18.74	-4.25	-21.47	-9.10	-18.73	-26.44
Ecuador	54.92	38.33	13.99	22.83	7.03	-4.71
Egypt	112.32	96.81	57.03	n.a.	36.76	n.a.
Estonia	8.51	-9.06	-29.33	-21.74	-42.55	n.a.
Finland	23.01	-8.33	-24.05	-21.88	-39.60	-40.03
France	16.01	-3.92	-20.62	-13.69	-29.23	-29.33
Germany	17.37	-2.11	-14.70	-11.47	-22.34	-27.50
Greece	7.99	-8.52	-25.15	-17.45	-36.83	-38.97
Hong Kong	3.79	11.21	-7.64	-15.70	-26.61	-17.06
Hungary	10.35	-14.68	-20.15	-20.86	-41.54	-43.07
Iceland	-2.18	-53.23	-45.05	-56.39	-47.88	n.a.
India	55.52	6.10	6.12	8.86	-18.22	-23.31
Indonesia	66.34	70.74	19.90	12.61	-31.30	-40.92
Ireland	-3.97	-23.11	-37.16	-25.07	-34.85	n.a.
Israel	28.46	-6.02	-6.46	-27.50	-33.93	-35.11
Italy	14.28	-5.54	-24.68	-17.12	-31.68	n.a.
Japan	38.89	24.39	-1.97	-3.40	-18.71	-34.19
Jordan	22.53	5.94	-6.82	-20.10	-14.81	n.a.
Kazakhstan	20.13	4.49	0.29	21.52	-21.83	n.a.
Korea, Republic of	45.36	10.25	-14.95	-21.60	-32.10	-30.87
Latvia	14.43	-11.13	-31.29	-22.05	-41.73	-47.57
Lithuania	31.93	3.65	-19.36	-16.24	-45.88	-49.45
Luxembourg	25.56	1.10	-10.13	-14.85	-24.81	n.a.
Malaysia	10.12	-11.16	-15.10	-26.57	-37.56	-37.19
Malta	21.17	-29.73	-27.23	-17.40	-25.08	-37.84
Mexico	17.84	0.26	-7.63	-12.79	-30.04	-30.72
Netherlands	21.01	-0.48	-19.25	-13.03	-29.70	n.a.
New Zealand	11.51	-11.27	-23.07	-12.75	-37.81	-46.24
Norway	16.55	-24.86	-24.72	-16.71	-29.63	-41.99
Pakistan	37.43	1.33	-12.33	-9.07	-28.02	-42.32
Peru	60.49	32.78	14.90	6.36	-19.01	-18.66
Philippines	2.52	-11.13	-31.52	-33.99	-34.51	n.a.
Poland	26.85	-1.79	-20.15	-23.00	n.a.	n.a.
Portugal	12.66	-5.85	-22.56	-16.40	-33.92	n.a.
Romania	32.89	-0.82	-27.24	-29.64	-42.76	-44.56
Russian Federation	44.83	23.48	-3.11	-3.32	-34.07	-36.47
Singapore	30.33	2.39	-13.19	-16.17	-37.33	-27.89
Slovenia	14.33	-1.95	-24.07	-18.38	-38.30	-38.53
South Africa	24.76	-15.27	-16.22	-15.38	-20.38	-34.60
Spain	9.66	-16.08	-30.55	-22.90	-41.76	n.a.
Sri Lanka	22.75	10.05	-3.14	-11.39	-40.75	n.a.
Sweden	0.93	-14.81	-30.40	-23.82	-41.56	-46.28
Switzerland	20.09	-2.01	-17.87	-4.96	-19.66	n.a.
Thailand	39.35	21.68	2.01	-6.49	-37.60	-40.33
Turkey	23.69	-4.38	-27.42	-29.25	-43.26	-47.60
Ukraine	74.76	30.22	-9.58	-27.93	-45.74	n.a.
United Kingdom	-0.73	-13.58	-28.02	-24.98	-33.80	n.a.
United States	11.59	2.61	-16.01	-14.57	-26.59	-34.14
Uruguay	44.17	78.51	-3.88	29.56	-33.20	-7.80
Venezuela	12.31	5.42	6.88	18.04	14.53	-13.09
Average	25.66	3.33	-14.21	-13.39	-30.62	-33.95
Balanced Average	27.10	4.68	-12.94	-10.63	-30.15	-33.44

Source: Datastream. Note: Data reporter in national currency are converted to U.S. dollars using average monthly nominal exchange rates. n.a. indicates not available

MARCH TRADE WATCH

Table 3: U.S. Import Growth by Industry

Industry	September	October	November	December	January	February
Animal & Animal Products	7.45	-2.47	-4.10	0.74	-7.87	-13.10
Vegetable Products	24.27	18.62	6.55	11.36	-1.22	-7.99
Foodstuffs	19.77	7.93	-3.15	4.60	-6.04	-9.44
Mineral Products	34.23	25.41	-27.92	-35.19	-49.94	-53.56
Chemicals & Allied Industries	26.31	14.02	-3.27	13.37	-11.17	-19.20
Plastics / Rubbers	13.82	7.67	-1.03	-6.02	-14.25	-30.92
Raw Hides, Raw Hides, Leather & Furs	8.20	-1.07	-9.53	-4.85	-3.62	-25.96
Wood & Wood Products	-5.31	-9.81	-15.53	-16.76	-25.69	-27.68
Textiles	2.27	-0.14	-10.17	-4.30	-9.11	-18.85
Footwear / Headgear	7.84	7.77	-3.20	0.34	7.54	-18.77
Stone / Glass	8.65	-14.91	-24.12	-20.18	-34.54	-41.53
Metals	25.51	15.33	1.20	-5.99	-12.98	-33.75
Machinery / Electrical	4.99	-3.88	-15.74	-12.60	-19.14	-26.25
Transportation	-10.98	-22.03	-26.61	-21.29	-43.04	-51.74
Miscellaneous	4.76	-1.79	-11.29	-5.91	-14.23	-26.28
Other	6.50	7.06	-3.67	-1.74	-11.12	-6.00
Total	11.86	2.79	-15.98	-14.49	-26.63	-34.23

Source: USITC and authors' calculations.

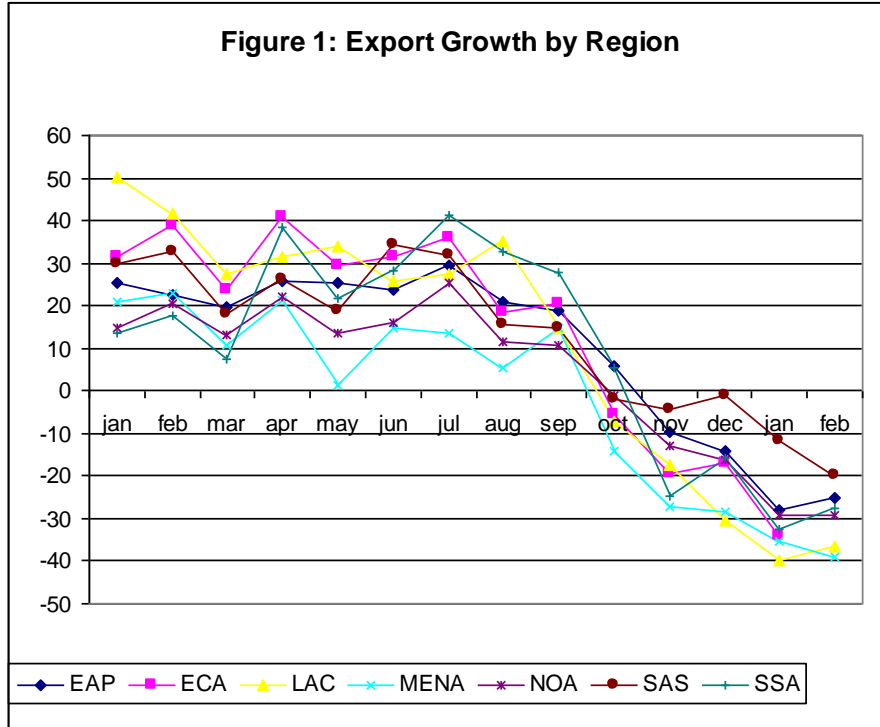
MARCH TRADE WATCH

Table 4: Japan's Import Growth by Industry

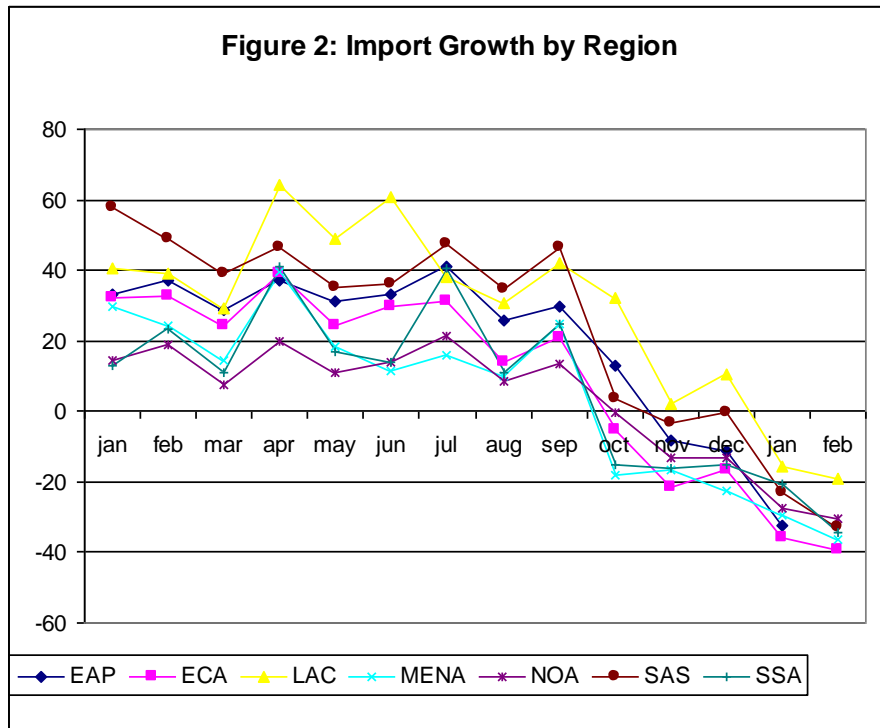
Industry	September	October	November	December	January	February
Animal & Animal Products	12.04	7.08	-7.73	-7.05	-9.00	-15.66
Vegetable Products	49.33	25.33	-5.71	-8.01	-25.68	-32.73
Foodstuffs	9.44	-2.34	-16.58	-3.38	-6.43	-18.17
Mineral Products	62.17	29.96	-12.55	-29.80	-42.38	-50.80
Chemicals & Allied Industries	24.09	3.96	-5.29	-3.96	-15.08	-27.65
Plastics / Rubbers	26.07	7.87	-0.53	-3.89	-18.11	-42.32
Raw Hides, Raw Hides, Leather & Furs	0.90	-14.41	-22.48	-16.52	-7.29	-33.25
Wood & Wood Products	13.93	2.54	-8.46	-7.73	-12.67	-20.36
Textiles	11.67	-1.69	-9.36	-1.96	3.29	-31.44
Footwear / Headgear	15.69	-0.09	-5.58	-2.21	-0.19	-24.21
Stone / Glass	16.77	4.36	-23.65	-38.91	-37.92	-58.48
Metals	13.81	5.16	-15.04	-22.78	-35.86	-56.40
Machinery / Electrical	5.78	-8.64	-20.37	-24.95	-34.56	-42.40
Transportation	3.73	-34.99	-36.25	-25.05	-49.08	-46.36
Miscellaneous	7.93	-7.26	-19.98	-16.21	-30.70	-35.97
Total	28.98	7.85	-14.80	-21.74	-31.92	-43.00

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

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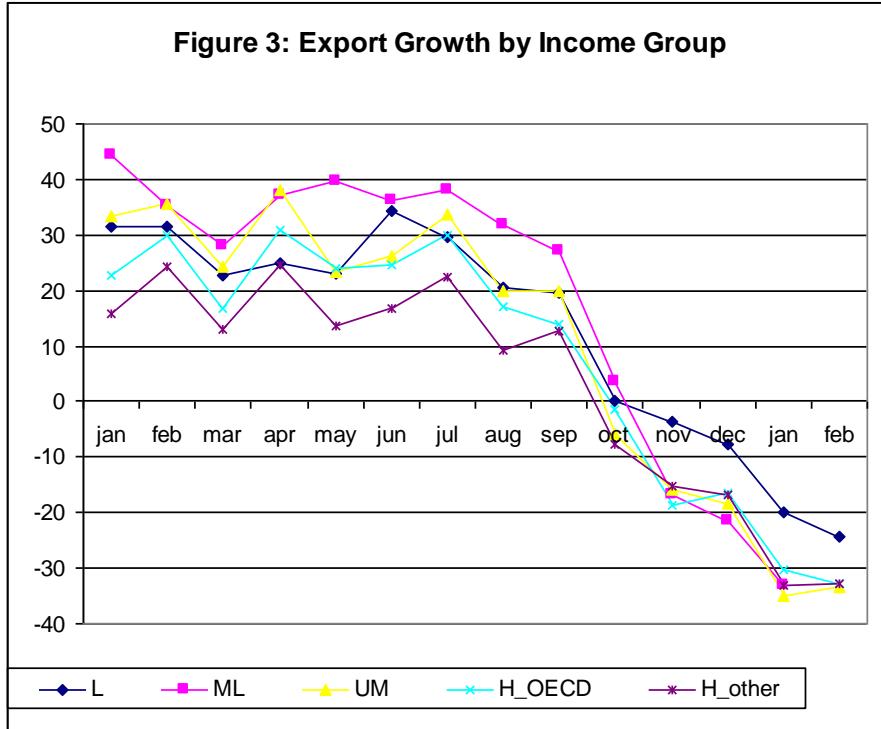


Source: Datastream, U.S. Commerce Department and authors' calculations. Simple average of growth rates across economies within regions for a balanced sample of 41 economies reporting data.

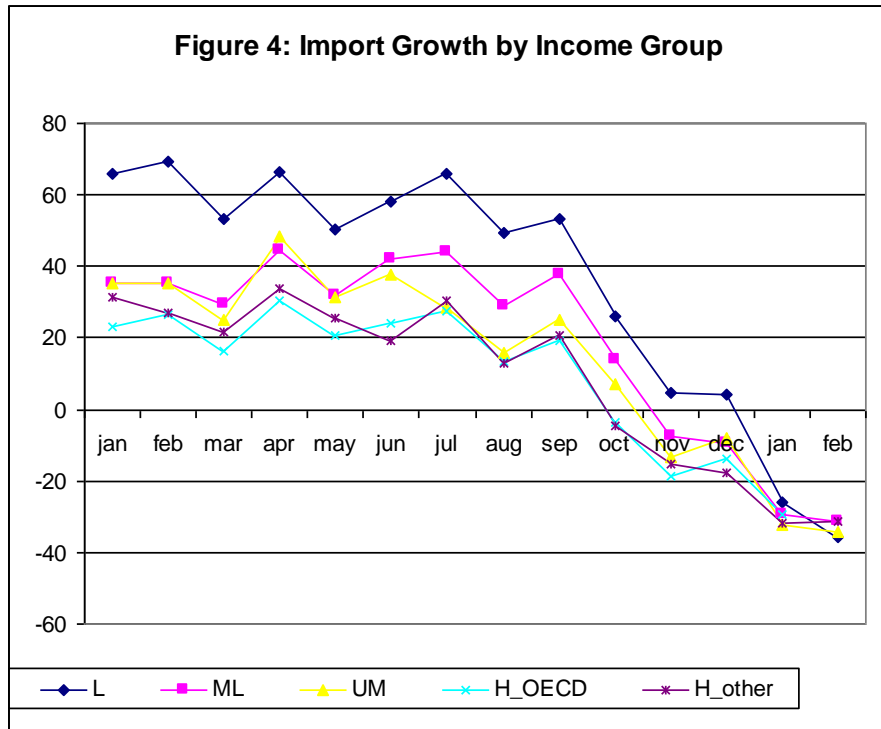


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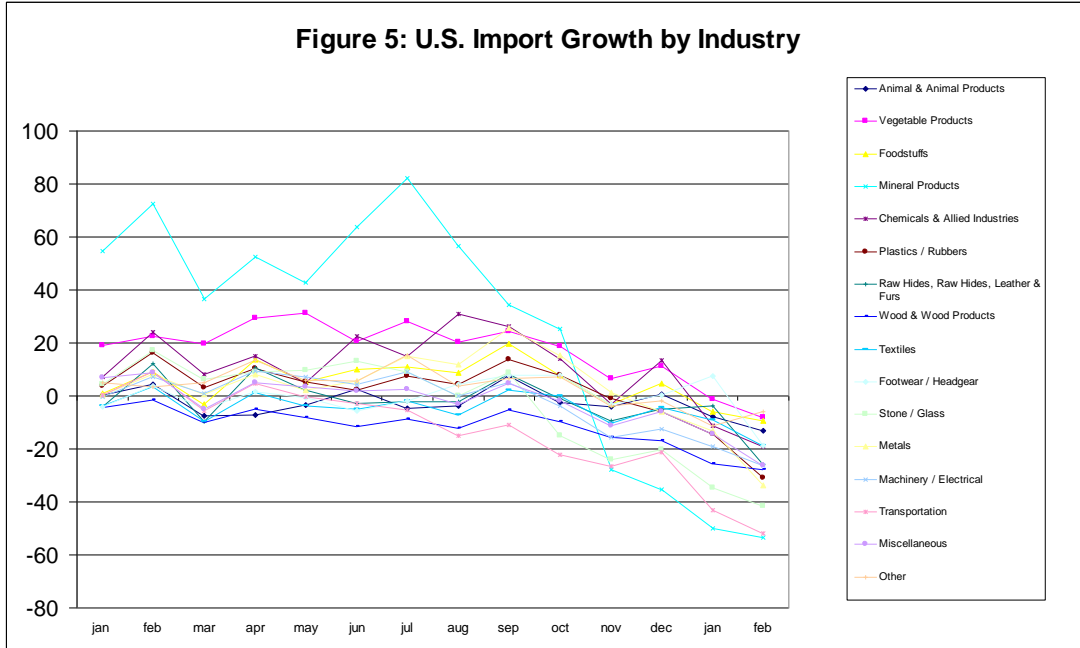


Source: Datastream, U.S. Commerce Department and authors' calculations. Simple average of growth rates of economies in income groups for a balanced sample of 45 economies reporting data.

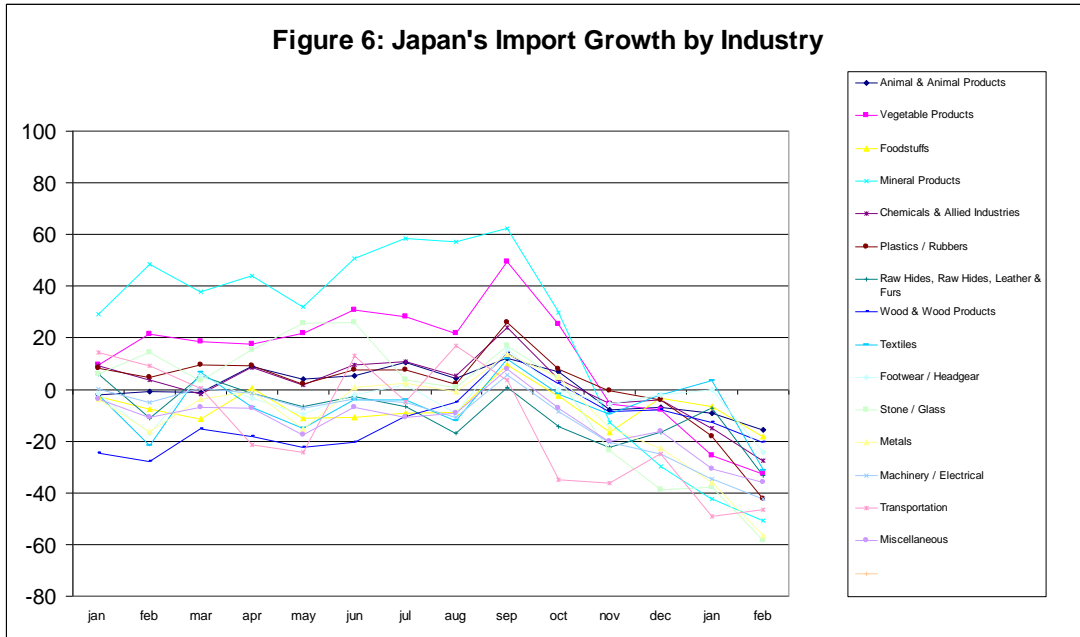


Source: Datastream, U.S. Commerce Department and authors' calculations. Simple average of growth rates of economies in income groups for a balanced sample of 45 economies reporting data.

MARCH TRADE WATCH



Source: USITC.



Source: Ministry of Finance, Japan.