

TRADE WATCH*

MARCH 2010

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*TRADE WATCH is a monthly 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 Matias David Horenstein, 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 analysis is supported by funding from PREM Trade and the governments of Norway, Sweden and the United Kingdom through the Multidonor Trust Fund for Trade and Development.

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MARCH TRADE UPDATE – RISKS REMAIN

- January ticked down relative to December.
- Global imbalances have improved.
- Sectoral evidence is mixed on recovery in the US and Japan.

Growth ticked down in January. Tables 1 and 2 show seasonally adjusted export and import growth, respectively,¹ using 8 years of monthly trade data in constant dollars for 47 countries. January data show a 2 percent decrease relative to December of both exports and imports. February data for a handful of countries indicate a further decline. These data highlight three key downside risks to the trade recovery. The first is that restocking is nearly complete and will not contribute to trade growth as it did in mid-late 2009; the second is that growth effects of the global stimulus are waning and we may see trade levels stabilize with little growth, and the third is that financial problems in Europe could spread leading to a decline in trade growth.

To reduce volatility in monthly figures, three-month average growth rates by region are shown in Figures 1 and 2.² The dark bars represent the most recent three-month growth rate, and the lighter bars show the previous three-month growth rate. East Asia and the Pacific show robust growth that has been on track for six months now. Latin America records improving growth, especially in recent months. Europe shows a sharp drop in export growth in recent months, as a second round of financial concerns have arisen. Highlighting this effect, Greece currently reports the weakest export growth of the sample countries (Figure 3). South Asia shows strong import growth, largely because of India. (Growth rates of individual countries are shown in Figures 3 and 4.)

Trade fell fast and furiously across countries since the onset of the financial crisis in the fall. 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 31 countries that report data from January 1960 through September 2009. Data are matched so that year zero is the lowest 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 shows a V-shaped recovery is well underway.

Figure 6 shows that trade has been recovering at twice the growth rate of the 2002-2008 period and increased almost 30 percent since its lowest point in February. While the recovery is impressive, trade value remains around 20 percent lower than the pre-crisis

¹ We converted nominal trade to year's 2000 constant dollars growth and deseasonalized using country-month fixed effects.

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

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level and 40 percent lower than what it would have been if the world economy would have continued to grow at the same rate of the 2002-2008 period.

Global imbalances have improved as a result of the sharp drop in trade, with some evidence of restructuring. Figures 7 and 8 show the merchandise trade balance as a share of GDP for China and the United States, respectively. In 2009, China's surplus shrank by over 3 percentage points and the US deficit improved by 2 percentage points. But, since trade fell more severely than income, the ratio of the trade balance to GDP should fall. The question is how much of the rebalancing that has occurred is due to adjustment between exports and imports and how much is simply a result of the global decline in trade. Specifically, the value of world trade declined by 23 percent from 2008 to 2009, while the value of world GDP declined by just 1 percent. This implies that, for an average country, the trade balance relative to GDP should fall in absolute value by roughly 22 percent. For the US this is 1.2 percentage points and for China it is 1.5 percentage points. This means that about half of the rebalancing that has occurred is due to the relatively large decline in trade. This can also be seen in figures 7 and 8, which show exports and imports for China and the United States, respectively. While the gap between exports and imports narrowed in both countries in 2009, the dominant picture is of a sharp decline in both exports and imports. Going forward, for a sustained improvement in global imbalances, we need to see more of the adjustment coming from a structural shift and less from scale effects. If not, as trade recovers, large global imbalances are bound to reemerge.

U.S. and Japanese data, available by industry, provide an indication of where trade is declining/recovering the fastest. Table 3 shows U.S. import growth by broad sector relative to the same quarter of the previous year and recent data for January. Similar data for Japan (measured in Yen) are shown in Table 4.³ In both countries, January (column 7) data show improvement across sectors as compared with Q4 2009, but this is largely due to the sharp decline in trade that occurred in January 2009. The last column shows January 2010 relative to January 2008, to examine how the pattern of trade now compares with its structure when trade was booming. In the United States, vegetables, food, chemicals, and footwear are now closest to their pre-crisis levels; while metals, wood, minerals, and transportation remain over 20 percent below 2008 levels. In Japan, all sectors remain quite depressed with chemicals doing relatively better. Thus, the results point to significant improvements from early 2009, but large deficits in important sectors highlight potential uncertainty in the recovery.

*If you wish to receive a monthly **Trade Watch**, email mhorenstein@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/>*

³ Aggregate figures for Japan in Table 6 are calculated from Yen values and therefore are different from Tables 1 and 2, which use data in \$US.

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

	2008												2009								2010	
	jul	aug	sep	oct	nov	dec	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	jan	feb		
Argentina	30.2	6.6	-1.8	-9.6	-17.9	-15.4	-1.2	8.4	-6.9	12.5	-9.2	8.0	-3.8	-9.4	8.1	6.4	2.8	-2.8	0.3	n.a.		
Australia	7.8	-2.9	2.3	-8.2	-8.1	-8.1	-3.1	1.3	0.2	-7.8	-3.7	3.9	-0.3	3.2	10.7	2.5	-3.3	3.5	5.2	n.a.		
Austria	4.4	-11.7	4.6	-9.4	-18.1	7.9	-13.8	-1.3	0.9	3.3	-1.2	4.6	8.2	-3.8	12.9	-1.0	0.4	0.0	n.a.	n.a.		
Bangladesh	9.3	-10.1	2.9	10.2	4.9	-14.1	16.5	0.4	-0.5	2.6	-5.8	-3.5	-1.7	1.8	-11.2	22.5	0.8	n.a.	n.a.	n.a.		
Belgium	9.2	-10.9	-1.8	-7.5	-17.3	5.3	-10.5	1.3	-4.2	8.1	-5.5	11.4	6.9	-2.7	7.6	-1.0	3.4	n.a.	n.a.	n.a.		
Brazil	0.1	-5.3	6.9	-6.3	-8.0	-8.3	-16.3	0.3	4.0	10.1	-11.4	21.2	-11.4	-4.6	5.4	1.9	0.5	5.7	n.a.	n.a.		
Bulgaria	8.3	-12.6	4.6	-15.7	-19.1	4.6	-14.7	4.3	-4.2	-4.3	12.7	0.2	0.5	4.1	10.4	13.8	-7.2	-5.6	-4.0	n.a.		
Canada	16.5	-19.4	1.7	-8.5	-12.5	-5.1	-18.8	6.1	-5.3	1.3	-8.4	8.8	14.7	-11.4	6.9	3.9	-1.8	5.3	-1.8	n.a.		
Chile	6.7	-11.5	-9.7	-4.6	-8.7	-10.9	-1.6	0.9	-6.2	15.0	-9.9	15.4	8.1	-7.9	23.7	-18.8	14.0	7.3	-2.9	-3.3		
China	10.8	-2.4	-1.0	1.0	-13.0	-3.6	-1.0	-17.8	12.7	-1.3	3.8	0.1	9.3	-3.7	9.7	1.4	-1.8	14.1	1.3	-2.8		
Croatia	24.7	-14.8	0.4	-21.5	7.0	-6.7	-13.2	22.0	-17.3	10.5	-4.9	-4.8	7.7	-4.7	20.0	-9.4	11.6	-9.1	10.7	n.a.		
Cyprus	5.6	-8.1	-22.0	-5.9	21.0	1.3	-25.7	3.5	-15.4	17.7	1.7	-4.1	16.1	-11.7	17.0	1.8	-9.2	11.1	-5.0	n.a.		
Czech Republic	12.6	-24.2	13.0	-14.3	-17.5	2.8	-13.1	-4.4	15.2	-0.8	-7.1	13.3	9.0	-4.0	13.8	-5.5	0.3	-1.9	-0.7	n.a.		
Denmark	12.5	-21.7	7.8	-9.2	-20.1	10.2	-7.1	-2.0	-3.4	5.2	-2.8	9.1	8.7	-13.9	12.7	-3.5	4.8	-5.3	-5.7	n.a.		
Ecuador	-4.5	-2.8	-16.2	-15.2	-11.0	-12.0	-7.9	-6.3	14.7	1.7	9.5	7.2	5.3	7.3	-11.6	13.8	-3.7	17.6	-15.4	n.a.		
Egypt	-9.8	-13.4	-14.7	-12.3	-4.9	-19.6	14.3	9.8	-13.3	17.7	-6.3	26.3	-13.6	17.2	-13.6	-3.9	6.8	31.8	n.a.	n.a.		
Estonia	18.1	-14.5	3.4	-4.2	-29.1	5.6	-15.4	1.7	-5.4	3.4	1.1	20.5	1.5	-8.9	15.6	-11.3	0.7	2.5	-2.4	n.a.		
Finland	6.1	-21.2	2.4	-11.3	-20.2	3.3	-15.3	4.3	-7.3	11.2	-13.6	13.7	4.8	-15.8	13.4	29.2	-23.7	-1.3	-1.4	n.a.		
France	12.0	-13.0	6.1	-10.4	-12.7	12.7	-15.0	1.3	-2.9	4.6	-0.2	4.6	13.4	-7.3	14.1	-0.4	-4.5	3.4	-3.7	n.a.		
Germany	2.3	-12.3	5.4	-7.2	-19.2	5.4	-12.2	-1.8	0.9	-0.3	-3.2	10.7	6.3	-7.2	14.7	1.9	-2.3	2.3	-12.3	n.a.		
Greece	3.5	-12.3	19.5	-0.4	-26.3	2.8	-17.0	18.1	-14.7	12.6	11.0	-8.9	6.5	-1.8	10.4	3.6	-13.6	5.2	-9.8	n.a.		
Hong Kong	9.6	-6.5	0.2	11.1	-7.5	-5.7	-3.9	-6.4	-1.3	15.4	-1.8	4.5	-8.1	0.0	5.8	4.0	4.4	0.5	3.8	n.a.		
Hungary	8.3	-13.9	4.9	-12.8	-12.9	-2.4	-8.1	-0.1	6.6	2.1	-4.9	9.3	9.0	-7.0	15.5	3.0	-1.9	-4.5	2.8	n.a.		
Iceland	-6.0	-7.3	31.6	-30.3	-21.6	64.3	-60.5	32.6	-2.2	-20.4	23.5	-0.6	12.4	13.1	6.3	-18.1	-3.4	9.1	-23.2	13.6		
India	6.2	-7.0	-14.5	-7.6	-11.1	17.1	-10.8	-4.9	-23.7	15.8	-7.2	20.9	6.1	4.0	-8.4	-0.9	7.9	4.8	-6.7	n.a.		
Indonesia	-3.5	0.1	-1.2	-12.6	1.1	-14.8	-11.7	-1.8	14.9	0.2	6.6	-2.3	4.1	8.8	-6.6	23.0	-2.4	16.3	-6.8	n.a.		
Ireland	12.8	-8.8	-4.6	0.9	-8.8	4.6	1.0	1.1	-5.0	14.4	-10.7	2.1	1.7	-7.1	16.0	-7.9	-3.9	-2.7	n.a.	n.a.		
Israel	3.7	-9.5	4.2	-24.4	10.1	-6.9	-10.3	-3.8	12.2	-3.6	10.0	6.5	4.6	0.8	5.0	11.2	-11.4	12.3	-5.5	-8.9		
Italy	16.7	-8.6	6.0	-5.0	-16.3	10.0	-18.1	8.2	-2.6	11.4	-5.7	6.6	15.1	-6.9	27.9	-7.7	3.7	6.8	n.a.	n.a.		
Japan	10.8	-7.1	-1.0	1.1	-15.2	-5.3	-9.7	-12.5	-3.5	8.5	8.2	0.9	11.2	-2.5	7.5	6.5	-2.8	5.3	7.1	n.a.		
Jordan	-2.2	27.4	-14.5	-0.1	-1.8	-15.3	3.9	-1.2	-19.5	18.3	-14.7	-6.7	-8.7	20.4	-4.7	23.7	-19.8	14.3	n.a.	n.a.		
Kazakhstan	1.7	18.0	-32.3	9.5	-32.5	-9.4	-28.9	9.7	-8.9	-0.6	4.5	7.9	20.3	17.9	-18.6	15.2	-15.1	38.7	n.a.	n.a.		
Korea, Republic of	14.5	-10.7	-0.3	-4.1	-21.7	-2.9	-14.9	22.6	-2.8	13.3	-11.0	14.8	4.4	-10.0	14.3	-4.1	-1.0	8.2	-6.7	10.3		
Average	7.8	-8.7	-0.9	-7.3	-12.7	-2.6	-9.7	3.3	-2.2	4.4	-0.6	5.8	6.1	-1.8	8.0	3.0	-1.7	3.5	-2.0	-1.8		
Balanced Average	8.2	-10.1	1.0	-8.8	-12.4	-1.7	-10.5	3.4	-1.8	3.1	-0.3	6.7	6.0	-3.0	9.2	2.6	-1.3	2.5	-2.0	-		

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. n.a. indicates not available.

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

	2008										2009										2010	
	jul	aug	sep	oct	nov	dec	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	jan	feb		
Latvia	15.0	-11.3	12.1	-16.6	-19.5	5.6	-13.6	-4.4	0.5	-1.8	0.0	9.5	-1.5	4.7	27.5	-4.0	-6.5	-0.4	-11.4	n.a.		
Lithuania	9.2	-14.4	-1.8	-15.6	-12.2	0.4	-15.4	-2.6	-10.8	4.6	-4.2	12.6	4.4	-0.4	9.2	-1.8	1.1	7.9	-19.1	n.a.		
Luxembourg	8.6	-11.0	-0.2	-12.6	-23.9	7.7	-14.2	2.3	2.6	-0.9	-2.1	7.0	11.9	-3.1	39.2	-19.6	-4.9	4.2	n.a.	n.a.		
Malaysia	8.6	-11.4	1.0	-15.2	1.3	-11.9	-11.7	9.9	-11.8	3.7	4.7	4.6	6.1	-3.4	-1.4	19.3	-3.4	5.5	4.1	n.a.		
Malta	8.6	-15.5	8.2	1.3	-25.8	14.6	-21.9	-4.2	14.8	4.5	-8.1	8.2	16.6	-10.3	8.2	4.7	-11.7	-9.7	17.0	n.a.		
Mexico	7.9	-13.6	2.6	-11.3	-7.9	-4.1	-11.0	1.4	6.2	-2.6	-6.7	13.4	-3.4	0.2	11.8	-3.7	8.8	5.8	-8.3	n.a.		
Netherlands	8.5	-12.7	0.3	-5.1	-17.5	3.8	-9.3	-0.8	-5.1	5.2	-1.6	5.6	10.5	-6.9	9.2	2.0	-0.2	-2.0	n.a.	n.a.		
New Zealand	2.4	-1.1	-14.6	7.7	-13.3	2.4	-7.9	-7.9	5.5	5.2	-0.2	1.8	5.0	-5.2	7.3	5.0	0.9	6.8	7.4	n.a.		
Norway	3.4	-11.6	-10.6	-8.1	-8.9	-6.9	-11.8	8.1	-3.3	-10.0	0.1	9.8	6.2	-5.5	5.6	4.4	4.0	-6.9	0.2	n.a.		
Pakistan	15.0	-27.4	10.9	-2.3	9.9	-25.9	12.8	-4.8	-4.4	3.0	6.0	-8.7	14.9	-8.6	4.7	12.3	0.8	-6.0	13.0	-6.8		
Peru	2.8	3.7	-3.4	-12.3	-6.6	-23.7	1.3	13.9	0.7	-1.6	9.2	-3.9	1.6	5.6	11.0	-0.7	13.0	-8.8	n.a.	n.a.		
Philippines	-2.4	-2.4	-2.4	-10.0	-5.1	-23.1	-1.0	1.0	5.7	6.3	4.7	5.9	-2.6	2.8	0.8	0.3	6.1	-10.7	13.1	n.a.		
Poland	10.8	-16.4	3.6	-12.3	-16.0	-3.9	-2.9	1.2	4.3	2.7	-1.2	4.1	8.2	-6.3	14.6	-0.8	0.4	-8.8	0.6	n.a.		
Portugal	12.7	-6.4	-2.7	-9.4	-11.7	5.5	-15.4	-1.7	0.6	5.3	-1.0	8.9	11.6	1.9	7.3	1.6	0.7	1.1	-11.6	n.a.		
Romania	5.3	-12.0	3.2	4.1	-26.9	-3.6	-7.2	-2.8	15.5	-0.9	1.7	8.5	7.5	-8.6	16.7	5.4	-1.9	-3.6	-3.3	n.a.		
Russian Federation	5.3	-7.9	2.1	-12.1	-21.0	-13.4	-16.1	-1.5	-1.9	3.8	7.5	8.9	5.5	-1.3	11.3	3.2	2.0	2.1	3.8	n.a.		
Singapore	8.7	-13.6	3.1	-13.9	-10.2	-9.1	-10.3	11.8	-5.6	8.2	-3.0	5.4	9.7	-4.4	5.0	1.0	4.0	2.8	1.1	n.a.		
Slovakia	2.8	-11.6	5.6	-5.5	-18.1	-3.8	-11.2	2.4	5.1	6.4	-13.1	8.2	0.8	8.6	10.8	7.0	-4.0	-3.8	-4.5	n.a.		
Slovenia	6.9	-7.2	4.6	-7.8	-16.4	-0.2	-7.9	2.0	-3.7	4.6	2.0	6.8	0.9	1.4	10.5	1.6	2.3	-3.3	-7.7	n.a.		
South Africa	10.0	-1.6	4.9	-16.3	-19.9	-14.4	-8.7	13.1	9.6	-7.9	0.5	9.7	4.8	-6.4	29.2	-10.9	3.3	-4.7	-2.6	n.a.		
Spain	21.3	-10.4	11.3	-17.2	-17.4	9.0	-14.2	3.4	3.0	7.0	-5.5	10.4	12.4	-5.4	14.3	-0.3	-5.1	4.0	n.a.	n.a.		
Sri Lanka	21.0	-14.5	-6.3	9.0	8.2	-17.5	-3.3	-0.8	10.3	-1.2	3.6	-3.3	7.8	4.2	-12.1	18.8	4.3	-4.6	n.a.	n.a.		
Sweden	12.0	-21.1	3.3	-9.8	-19.5	-0.7	-9.5	1.5	-3.9	2.6	-1.5	15.1	2.1	-0.3	9.0	-5.4	-0.1	2.1	-3.8	n.a.		
Switzerland	10.0	-11.8	-0.3	-3.3	-11.6	0.4	2.3	-5.3	-5.3	15.6	-11.8	4.6	11.8	-1.5	5.2	0.0	0.1	1.9	-0.6	n.a.		
Taiwan, Province of China	-8.7	9.8	-12.9	-9.6	-15.0	-16.6	-2.3	13.7	-0.3	-2.4	9.2	5.5	0.4	10.7	0.6	-2.2	3.2	0.3	17.6	-11.3		
Thailand	5.4	-11.3	0.3	-5.3	-20.1	5.4	-4.9	10.2	-14.0	5.0	-0.9	5.5	6.5	-2.7	12.1	-0.5	-5.6	12.0	-1.4	n.a.		
Turkey	6.8	-4.3	6.5	-25.4	-2.7	-18.1	15.0	6.0	-20.9	-1.2	-6.1	15.4	9.2	-6.2	-1.2	16.8	-13.1	12.0	-8.7	n.a.		
Ukraine	9.6	-9.0	-2.3	-13.8	-35.3	5.0	-20.5	4.3	4.0	-3.2	1.1	-0.9	8.1	2.1	14.0	9.6	-3.8	-1.4	n.a.	n.a.		
United Kingdom	8.7	-14.7	3.9	-6.8	-22.3	8.1	-13.6	1.3	-7.1	9.1	-6.8	14.2	8.1	-7.4	12.2	-1.2	0.5	2.8	n.a.	n.a.		
United States	7.0	-5.8	-6.7	-1.5	-7.2	-4.9	-7.3	0.4	-5.6	0.7	0.8	1.9	8.9	-6.3	6.9	2.8	-2.1	7.0	-1.0	n.a.		
Uruguay	7.7	-15.1	-17.8	20.9	-12.6	-15.3	2.2	7.9	-10.8	14.4	23.7	-8.0	7.6	-7.9	-6.6	7.9	-9.2	11.7	n.a.	n.a.		
Venezuela	-9.0	20.1	-46.3	-1.0	-9.7	-27.5	-17.4	-5.5	-11.8	28.2	9.7	-25.0	34.8	7.9	-13.8	14.6	-20.5	n.a.	n.a.	n.a.		
Viet Nam	12.5	-6.5	-12.5	1.6	-12.0	15.1	-21.6	51.2	-15.9	-20.7	3.9	2.9	1.1	-9.3	0.0	15.6	-4.2	14.6	-5.8	-5.6		
Average	7.8	-8.7	-0.9	-7.3	-12.7	-2.6	-9.7	3.3	-2.2	4.4	-0.6	5.8	6.1	-1.8	8.0	3.0	-1.7	3.5	-2.0	-1.8		
Balanced Average	8.2	-10.1	1.0	-8.8	-12.4	-1.7	-10.5	3.4	-1.8	3.1	-0.3	6.7	6.0	-3.0	9.2	2.6	-1.3	2.5	-2.0	-		

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. n.a. indicates not available.

MARCH TRADE WATCH

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

	2008						2009						2010							
	jul	aug	sep	oct	nov	dec	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	jan	feb
Argentina	13.4	-17.5	10.0	-8.6	-15.2	-7.1	-17.0	4.8	-5.6	-1.6	-16.5	37.2	-3.6	-12.7	19.3	-6.1	1.8	7.6	-7.7	n.a.
Australia	12.8	-21.2	11.1	-18.9	-4.6	5.3	-12.5	1.3	-4.4	6.4	-10.4	10.7	7.7	-8.1	21.5	0.8	0.6	4.1	-7.0	n.a.
Austria	2.5	-14.3	2.5	-2.1	-17.5	8.3	-16.3	0.0	-0.8	7.8	-7.3	6.3	7.0	-4.5	14.0	-2.8	-1.5	3.7	n.a.	n.a.
Bangladesh	10.2	8.4	-2.9	-2.5	-5.3	-16.2	32.7	-9.1	-8.2	-2.3	-9.2	-19.4	26.0	-1.8	7.5	12.4	-4.0	n.a.	n.a.	n.a.
Belgium	11.1	-14.7	1.5	-7.9	-19.2	2.7	-9.4	-3.1	-2.6	4.3	-5.1	9.8	7.7	-5.5	10.9	0.8	-3.4	n.a.	n.a.	n.a.
Brazil	-2.5	-1.0	6.2	-4.5	-16.9	-0.5	-13.3	-16.2	9.1	-5.6	0.7	9.9	4.2	-7.5	23.2	-3.6	-0.3	13.1	n.a.	n.a.
Bulgaria	-1.0	-13.8	5.7	-10.2	-24.2	-4.6	-11.7	6.6	1.1	-4.3	-1.5	1.7	-2.3	2.0	9.4	0.7	-10.6	-2.1	-0.8	n.a.
Canada	13.3	-21.1	8.1	-7.6	-10.0	2.5	-15.9	1.9	-9.1	6.6	-9.2	8.4	16.8	-10.3	6.4	-0.3	1.1	6.9	-6.4	n.a.
Chile	9.8	-5.7	2.1	-4.0	-23.7	11.7	-33.6	7.0	-13.8	15.7	-23.1	15.0	20.6	-17.7	5.6	10.4	8.0	8.1	-17.1	8.8
China	8.9	-4.9	-3.1	2.0	-27.4	-4.3	-14.6	25.3	-7.2	6.6	9.2	6.5	7.4	-7.8	12.6	-1.3	-0.7	17.2	-1.0	0.2
Croatia	3.0	-3.9	6.1	-17.3	-10.1	5.0	-9.7	-7.0	0.4	2.1	-11.6	9.6	-1.6	1.8	16.8	-6.3	3.4	-6.3	2.0	n.a.
Cyprus	27.3	-17.6	3.0	-15.1	-10.3	-3.7	-3.7	-0.3	-5.3	-8.9	12.0	-0.6	3.6	3.5	10.4	-9.5	-0.5	-1.1	6.0	n.a.
Czech Republic	8.9	-21.1	15.7	-13.3	-17.9	-1.0	-7.2	-7.4	6.3	-0.3	-5.9	10.9	6.6	-2.0	17.7	-11.0	1.9	-4.6	6.2	n.a.
Denmark	6.7	-16.7	6.2	-8.4	-16.3	7.6	-4.4	-9.4	-8.4	5.3	-6.7	7.6	4.5	-2.1	7.1	2.0	-5.4	-2.5	-1.7	n.a.
Ecuador	-5.6	2.8	12.4	-5.1	-14.6	9.6	-19.0	-4.8	-6.5	-7.9	4.1	-4.6	2.6	0.4	16.3	-6.7	4.1	20.1	-15.0	n.a.
Egypt	10.5	2.9	-6.9	5.5	-15.3	-21.0	8.4	7.2	-16.5	4.2	-1.1	5.4	22.6	1.5	-17.0	21.0	-21.9	20.8	n.a.	n.a.
Estonia	17.5	-20.0	4.8	-9.1	-20.0	4.6	-19.9	-6.5	-4.6	-1.6	-3.7	19.9	4.0	-2.8	7.2	-10.5	7.7	2.3	-8.8	n.a.
Finland	15.4	-19.7	6.5	-16.0	-16.5	3.0	-15.9	-0.8	-1.7	-3.2	-1.9	6.0	5.6	-4.7	21.8	-13.2	4.4	-6.1	-3.8	n.a.
France	8.4	-13.2	4.6	-7.7	-15.5	5.0	-13.0	1.1	-3.1	4.7	-4.2	10.2	2.6	-1.9	9.1	1.4	0.0	1.0	-8.6	n.a.
Germany	11.6	-13.6	3.4	-9.8	-14.4	4.5	-7.3	-3.7	-0.9	-2.7	-3.0	8.5	4.6	-3.0	15.1	-3.4	-9.7	4.0	0.5	n.a.
Greece	-0.2	-8.0	-9.9	-4.8	-28.6	-1.1	3.5	-6.2	-4.0	-2.7	2.2	28.0	-7.7	-5.2	0.9	-7.6	6.7	-10.3	5.7	n.a.
Hong Kong	8.3	-7.7	0.2	12.2	-10.2	-8.4	-5.7	1.4	-7.8	14.8	-2.2	6.9	-3.6	0.8	7.2	1.8	3.8	1.2	8.9	n.a.
Hungary	10.5	-17.7	7.4	-14.9	-12.7	-3.6	-3.8	-11.9	6.5	-2.8	-2.3	14.8	2.5	-4.9	19.7	-3.0	1.5	-9.1	7.7	n.a.
Iceland	47.6	-31.8	6.7	-30.3	-3.8	-7.6	9.8	-8.9	-34.5	16.6	-9.7	4.4	22.1	-11.0	23.7	-15.8	22.3	-12.4	2.3	n.a.
India	12.4	10.6	-8.9	-17.6	-3.6	-14.4	-7.4	0.2	-26.7	12.0	-10.0	26.5	0.7	17.7	-7.4	1.7	7.5	8.4	0.8	n.a.
Indonesia	3.6	-8.2	-5.3	0.0	-15.4	-14.8	-9.8	-9.7	5.5	3.9	13.0	4.4	7.5	7.2	-9.4	14.8	-7.8	15.5	-2.4	n.a.
Ireland	8.9	-20.0	2.2	-9.2	-13.9	2.8	-9.6	7.8	-0.7	-9.6	7.2	2.2	-2.6	-5.7	7.7	-7.0	4.0	-4.2	n.a.	n.a.
Israel	4.6	-9.7	1.9	-16.3	0.9	-20.6	-8.5	-5.3	7.4	-2.7	-8.4	18.8	5.3	4.8	-4.8	-3.5	17.4	-7.6	4.2	-8.1
Italy	16.0	-5.5	-6.1	-4.8	-17.5	6.1	-15.2	0.7	-3.6	9.1	-9.5	14.6	5.4	1.7	10.8	-0.5	0.4	2.3	n.a.	n.a.
Japan	6.1	-8.5	6.8	-4.4	-14.5	0.5	-11.5	-14.6	-3.0	3.9	-5.2	7.6	9.9	-5.0	13.3	-7.1	4.0	5.6	-0.4	n.a.
Jordan	-7.5	-11.2	7.3	-6.7	2.4	-24.3	16.6	-27.7	17.3	-3.1	-1.3	11.7	4.6	-8.9	-2.8	8.3	9.9	-11.0	n.a.	n.a.
Kazakhstan	18.1	-10.1	2.9	-6.6	-11.1	24.6	-31.2	10.4	0.1	-3.6	-9.3	4.7	5.2	-3.7	16.2	-8.8	-2.0	24.8	n.a.	n.a.
Korea, Republic of	11.4	-4.3	-2.0	-13.1	-19.1	-8.0	-2.0	-6.2	-6.4	9.2	-4.8	10.7	6.3	0.0	8.5	-3.2	-3.5	10.6	0.0	1.8
Average	8.2	-9.8	3.1	-9.3	-14.9	-1.1	-9.6	-0.9	-2.2	1.6	-3.7	10.2	5.6	-2.2	9.1	-1.7	2.0	1.9	-2.0	-4.9
Balanced Average	8.4	-10.2	3.2	-10.5	-15.1	-1.2	-10.0	-1.5	-3.3	2.9	-4.0	11.5	4.8	-1.6	9.2	-2.2	1.2	2.1	-2.0	-

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. n.a. indicates not available.

MARCH TRADE WATCH

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

	2008						2009						2010							
	jul	aug	sep	oct	nov	dec	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	jan	feb
Latvia	7.1	-14.0	11.3	-17.2	-20.7	6.9	-7.2	-11.2	-8.5	-6.9	-4.3	7.1	2.5	1.8	9.1	-4.5	-2.2	-4.4	8.5	n.a.
Lithuania	5.4	-12.8	-0.1	-21.2	-16.6	2.5	-14.3	-4.7	-4.6	-11.2	14.0	6.9	0.5	11.8	-2.0	-3.3	-2.2	-5.6	9.8	n.a.
Luxembourg	21.9	-22.3	4.9	-11.3	-12.0	-5.3	-9.5	-2.7	3.6	-4.1	-1.3	12.0	6.7	-11.7	24.7	0.2	-4.1	-1.1	n.a.	n.a.
Malaysia	6.4	-5.5	-3.2	-9.0	-3.6	-15.3	-8.0	-1.2	-9.9	14.6	-0.3	8.4	10.5	-4.0	-1.9	17.0	0.6	-0.4	0.3	n.a.
Malta	20.2	-16.1	20.9	-37.9	-9.8	27.7	-9.5	-22.4	-4.3	20.5	-9.5	-3.9	35.1	5.5	-17.4	-4.6	-5.4	1.2	-3.5	n.a.
Mexico	12.1	-9.8	5.6	-11.2	-10.5	-6.3	-7.2	-3.2	1.7	-4.9	-8.0	18.6	1.2	-3.0	13.4	-10.8	6.7	6.7	-3.4	n.a.
Netherlands	6.3	-10.5	0.8	-10.0	-14.3	1.8	-10.8	0.4	-2.6	2.6	-1.3	3.9	9.0	-3.5	6.1	-0.2	4.3	-0.7	n.a.	n.a.
New Zealand	8.6	-8.0	-4.3	-3.4	-18.9	6.8	-18.8	-8.4	13.0	2.0	-7.8	25.1	-9.0	5.0	1.7	2.2	-4.8	9.6	-8.2	n.a.
Norway	6.4	-16.7	16.7	-25.1	-12.4	11.2	-13.2	0.8	-5.5	5.3	-5.2	7.4	-0.3	8.0	10.2	-3.8	-2.3	-7.6	-4.1	n.a.
Pakistan	2.6	-12.1	-16.0	27.5	-17.1	-19.2	17.9	-9.6	-3.8	26.3	-18.0	26.1	-5.2	-11.0	1.3	17.2	-12.2	17.2	12.9	-17.9
Peru	-7.2	-10.1	15.7	-8.6	-17.8	-5.3	-6.3	-6.2	-5.5	4.9	-11.9	15.5	-1.5	-0.7	10.1	-2.1	8.5	-0.5	n.a.	n.a.
Philippines	8.6	-16.3	-0.8	-5.5	-18.0	1.1	-2.3	-1.2	-13.3	-6.9	23.2	11.1	-3.1	-12.7	3.4	3.7	-0.5	12.9	n.a.	n.a.
Poland	5.6	-12.5	2.7	-11.9	-15.0	-2.3	-9.5	-5.2	2.5	1.5	-5.7	10.3	5.3	-1.2	7.0	0.9	0.0	-9.5	5.9	n.a.
Portugal	17.0	-11.5	-4.3	-7.9	-10.0	5.1	-12.6	-10.2	4.8	-3.7	-1.2	13.3	12.1	-6.2	16.1	-3.9	5.4	-3.9	-11.1	n.a.
Romania	3.6	-9.0	14.3	-18.5	-25.8	-7.8	-10.1	3.2	-1.2	2.6	-8.0	10.2	1.9	1.9	24.9	-13.9	-4.2	-9.2	3.9	n.a.
Russian Federation	10.6	-3.3	5.1	-6.9	-19.1	-2.7	-18.2	13.4	-6.3	5.7	-4.7	7.1	3.3	-0.5	17.4	-0.3	0.5	-2.0	-8.4	n.a.
Singapore	9.6	-16.0	10.4	-13.4	-11.7	-9.4	-7.0	7.3	-14.0	9.2	1.8	2.6	6.9	-4.2	14.9	-5.6	2.1	5.3	4.1	n.a.
Slovakia	3.5	-15.0	7.6	-9.3	-14.4	-6.1	1.8	-10.6	4.6	-2.2	-8.9	14.2	-0.4	2.9	11.5	0.8	0.5	-6.9	7.4	n.a.
Slovenia	7.0	-7.5	-1.0	-5.5	-23.7	2.4	-10.0	-3.3	-2.0	3.2	-3.9	7.4	6.1	5.5	0.8	2.6	-1.5	-5.8	-2.2	n.a.
South Africa	23.4	-18.8	12.4	-24.0	-16.2	7.2	-5.1	-15.3	10.1	-9.1	-10.9	13.8	2.9	-2.3	14.5	6.0	-4.1	11.5	-16.1	n.a.
Spain	13.3	-11.3	0.8	-15.1	-16.8	12.1	-16.9	11.6	-14.4	5.0	-7.0	7.2	10.5	-0.4	15.0	-6.5	0.6	-4.2	n.a.	n.a.
Sri Lanka	9.5	2.7	-1.4	-9.2	-10.8	0.9	-20.6	-7.6	52.6	-33.9	14.8	19.5	11.4	-7.4	-3.9	19.5	79.8	-45.3	n.a.	n.a.
Sweden	6.4	-20.7	0.6	-11.0	-17.3	-5.9	-7.4	1.3	0.3	-0.2	-0.8	7.8	6.6	-3.3	16.7	-6.9	2.5	-1.0	-6.6	n.a.
Switzerland	9.6	-12.5	6.6	-8.8	-14.1	7.2	-6.7	0.8	-1.7	-1.8	-1.4	9.6	4.6	-6.9	17.8	-6.7	3.1	-0.7	-7.3	n.a.
Taiwan, Province of China	-3.6	14.4	-17.4	-17.9	-8.1	-23.0	-18.5	31.0	-12.1	5.1	4.5	16.9	-3.5	18.4	-3.8	-3.7	12.5	-0.1	12.4	-8.2
Thailand	11.7	-9.8	1.9	-3.2	-13.9	-6.5	-23.6	-7.9	3.9	11.7	-12.1	22.7	7.3	-10.8	22.6	-3.8	-0.3	19.6	-13.0	n.a.
Turkey	3.6	-3.7	-5.6	-15.5	-18.4	-13.8	1.5	-4.7	-1.2	-0.6	1.7	16.6	1.5	1.8	-1.4	2.2	-1.9	9.8	-3.1	n.a.
Ukraine	9.0	-4.7	5.8	-14.2	-25.8	-22.3	-23.3	70.0	-13.9	-3.1	-2.9	-5.3	20.4	0.6	6.7	2.7	7.3	-2.6	n.a.	n.a.
United Kingdom	4.8	-12.2	1.1	-7.3	-17.9	3.2	-10.5	-2.3	-3.9	9.6	-8.3	13.0	3.1	-5.0	13.0	-2.3	-1.0	2.7	n.a.	n.a.
United States	7.2	-7.6	-2.2	-3.2	-14.1	-0.3	-10.7	-7.3	-1.5	1.7	-3.8	6.1	7.5	-5.6	10.1	-3.7	3.1	6.8	-5.6	n.a.
Uruguay	-39.8	40.3	9.4	-15.7	-26.8	12.5	-24.2	10.2	-3.6	-1.5	-0.8	32.9	-2.7	-11.1	2.4	-9.2	2.1	20.2	-25.9	n.a.
Venezuela	-1.1	-8.7	18.4	10.5	-11.1	21.0	-18.1	-17.0	21.7	-10.0	-20.5	-3.1	3.2	4.1	6.6	-38.4	n.a.	n.a.	n.a.	n.a.
Viet Nam	7.4	-10.8	-9.6	4.9	-19.9	6.4	-19.6	35.4	3.9	3.6	-1.9	1.2	11.6	-7.9	11.4	4.2	-1.0	5.0	-4.3	-10.9
Average	8.2	-9.8	3.1	-9.3	-14.9	-1.1	-9.6	-0.9	-2.2	1.6	-3.7	10.2	5.6	-2.2	9.1	-1.7	2.0	1.9	-2.0	-4.9
Balanced Average	8.4	-10.2	3.2	-10.5	-15.1	-1.2	-10.0	-1.5	-3.3	2.9	-4.0	11.5	4.8	-1.6	9.2	-2.2	1.2	2.1	-2.0	-

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. n.a. indicates not available.

Table 3: U.S. Import Growth by Industry
(in U.S. dollars relative to same quarter previous year)

Industry	2008		2009				Jan2010 rel. to Jan2009	Jan2010 rel. to Jan2008
	Q3	Q4	Q1	Q2	Q3	Q4		
Animal & Animal Products	-0.42	-1.85	-8.04	-7.50	-15.23	-13.06	-7.99	-15.24
Vegetable Products	24.08	11.94	-6.36	-13.20	-13.94	-7.49	-1.59	-2.82
Foodstuffs	12.98	3.18	-5.00	-8.63	-11.33	-3.21	8.85	2.28
Mineral Products	57.57	-13.36	-51.40	-54.02	-48.72	-14.24	41.05	-29.49
Chemicals & Allied Industries	23.82	8.19	-13.32	-17.79	-17.08	-3.31	7.67	-4.27
Plastics / Rubbers	8.73	0.69	-22.48	-27.00	-23.31	-14.27	5.76	-9.59
Raw Hides, Raw Hides, Leather & Furs	1.27	-5.09	-14.64	-22.91	-27.33	-16.65	-10.42	-13.81
Wood & Wood Products	-8.86	-13.94	-26.51	-30.12	-27.08	-17.67	-2.41	-27.56
Textiles	-2.52	-4.83	-13.27	-16.37	-14.36	-8.74	-5.87	-14.73
Footwear / Headgear	3.05	0.98	-7.31	-13.98	-13.67	-8.08	-10.18	-5.69
Stone / Glass	6.05	-19.58	-36.80	-31.86	-25.78	9.27	31.93	-13.57
Metals	16.33	4.40	-26.57	-50.20	-51.83	-36.26	-17.41	-28.15
Machinery / Electrical	4.25	-11.04	-22.35	-24.24	-19.14	0.24	8.52	-12.60
Transportation	-10.33	-23.18	-46.68	-46.07	-24.16	-0.58	32.24	-24.23
Miscellaneous	1.36	-6.11	-18.38	-22.45	-16.22	-9.16	-0.73	-14.80
Total	14.56	-9.03	-29.88	-34.32	-28.87	-7.88	11.98	-18.34

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

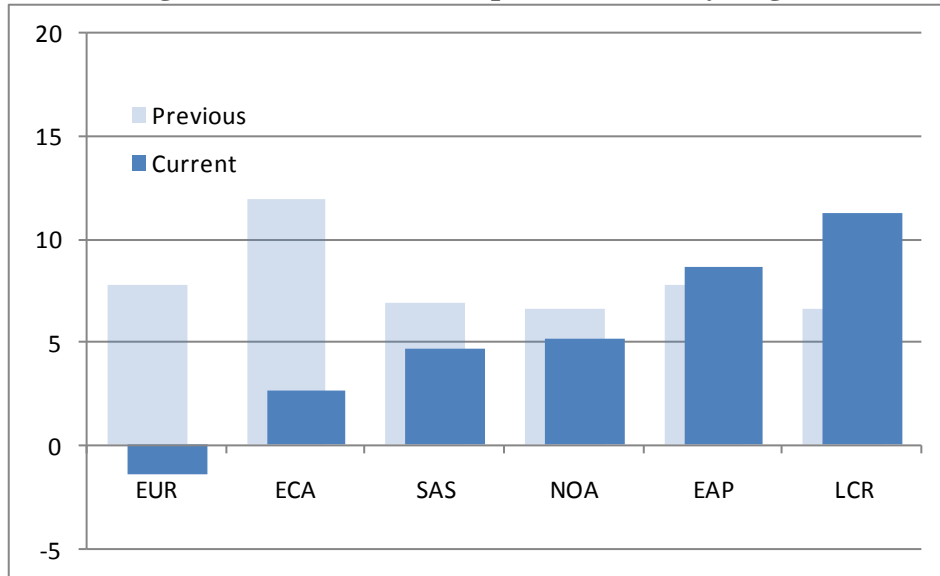
Table 4: Japan's Import Growth by Industry
(in Japanese Yen relative to same quarter previous year)

Industry	2008		2009				Jan2010 rel. to Jan2009	Jan2010 rel. to Jan2008
	Q3	Q4	Q1	Q2	Q3	Q4		
Animal & Animal Products	8.89	-2.69	-15.75	-18.17	-24.85	-20.24	-11.48	-19.45
Vegetable Products	32.26	3.80	-27.25	-32.01	-36.08	-27.33	2.05	-24.14
Foodstuffs	-3.71	-7.68	-7.86	-12.55	-11.63	-10.12	-9.16	-15.00
Mineral Products	59.13	-5.93	-47.90	-54.84	-54.19	-29.45	22.17	-29.60
Chemicals & Allied Industries	13.18	-1.55	-21.05	-22.02	-18.48	-8.95	8.46	-7.90
Plastics / Rubbers	11.46	1.49	-31.59	-37.42	-33.84	-24.58	-3.41	-20.90
Raw Hides, Raw Hides, Leather & Furs	-8.04	-17.81	-16.16	-23.52	-20.65	-15.14	-19.42	-25.29
Wood & Wood Products	-1.62	-4.31	-17.87	-25.33	-28.87	-20.28	-7.68	-19.38
Textiles	-1.52	-4.19	-6.72	-11.62	-14.42	-12.54	-19.84	-17.21
Footwear / Headgear	2.25	-2.45	-5.81	-6.77	-13.56	-18.94	-17.36	-17.51
Stone / Glass	6.63	-19.09	-47.89	-48.59	-43.74	-26.33	7.14	-33.49
Metals	4.70	-10.56	-47.95	-64.33	-56.51	-37.28	-1.22	-36.64
Machinery / Electrical	-3.59	-17.91	-37.26	-29.54	-26.86	-12.09	16.99	-23.45
Transportation	5.52	-32.51	-43.37	-45.80	-42.78	1.04	5.70	-46.18
Miscellaneous	-4.33	-14.57	-30.03	-26.06	-23.51	-13.28	4.93	-27.28
Total	21.30	-9.63	-37.07	-40.38	-39.93	-21.07	8.76	-25.96

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

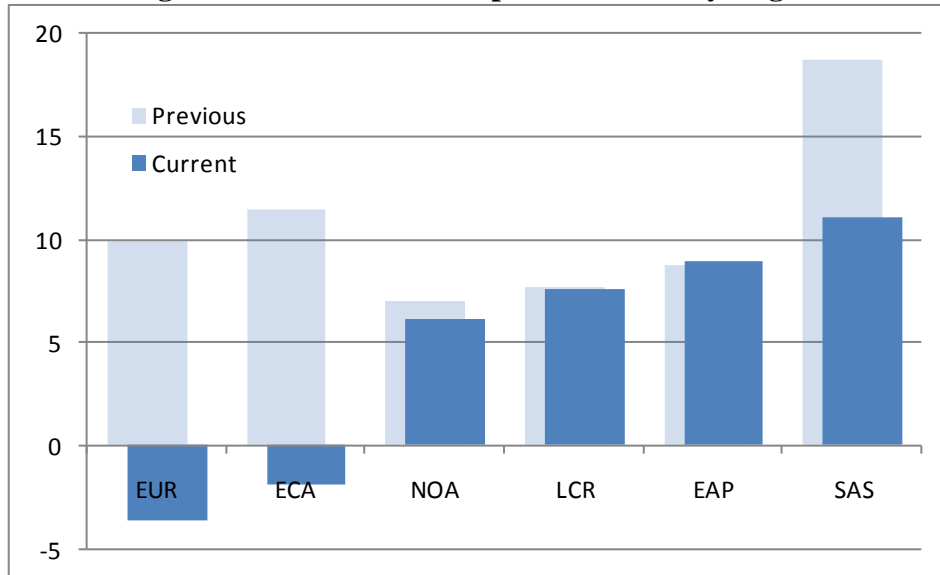
MARCH TRADE WATCH

Figure 1: Three Month Export Growth* by Region



Source: Datastream, U.S. Commerce Department, U.S. Bureau of Labor Statistics and authors' calculations. Seasonally adjusted growth from August-September-October to November-December-January in "Current" and May-June-July to August-September-October in "Previous"; *Seasonally adjusted using time-region fixed effects and deflated using U.S. consumer price index.

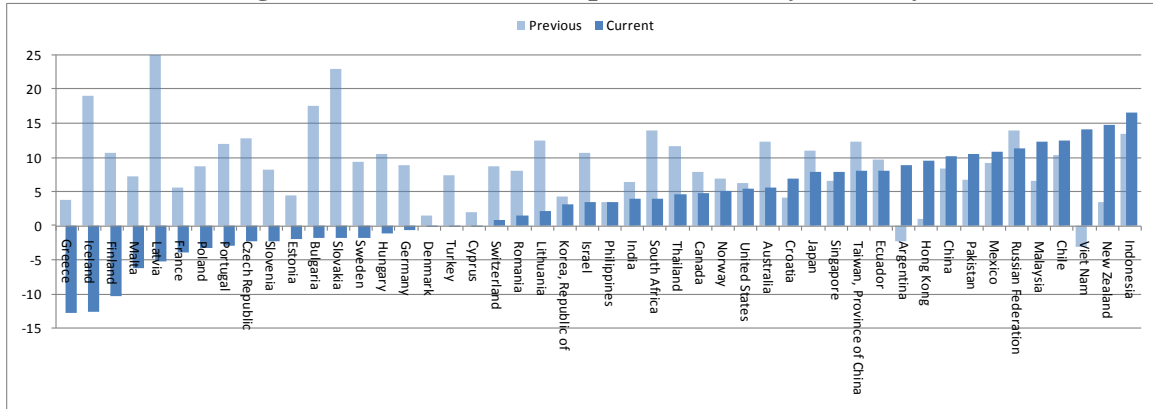
Figure 2: Three Month Import Growth* by Region



Source: Datastream, U.S. Commerce Department, U.S. Bureau of Labor Statistics and authors' calculations. Seasonally adjusted growth from August-September-October to November-December-January in "Current" and May-June-July to August-September-October in "Previous"; *Seasonally adjusted using time-region fixed effects and deflated using U.S. consumer price index.

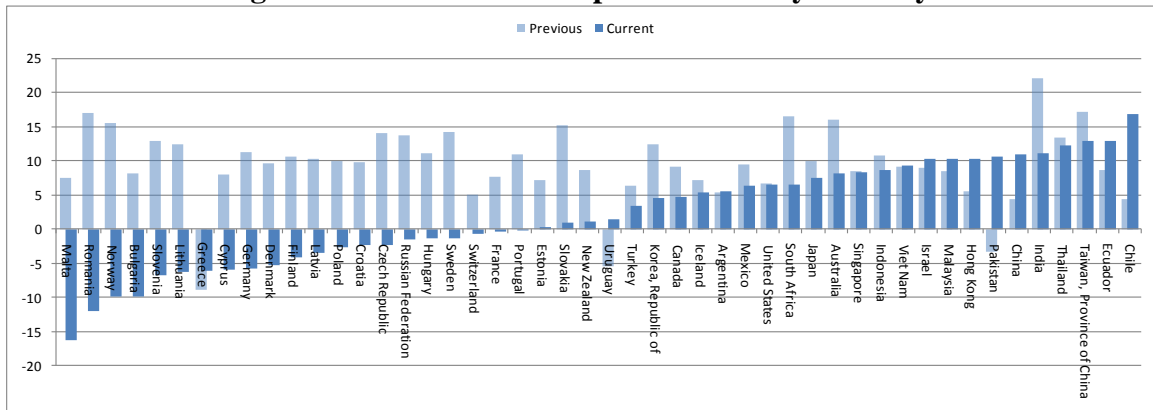
MARCH TRADE WATCH

Figure 3: Three Month Export Growth by Country



Source: Datastream, U.S. Commerce Department, U.S. Bureau of Labor Statistics and authors' calculations. Seasonally adjusted growth from August-September-October to November-December-January in "Current" and May-June-July to August-September-October in "Previous"; *Seasonally adjusted using time-region fixed effects and deflated using U.S. consumer price index.

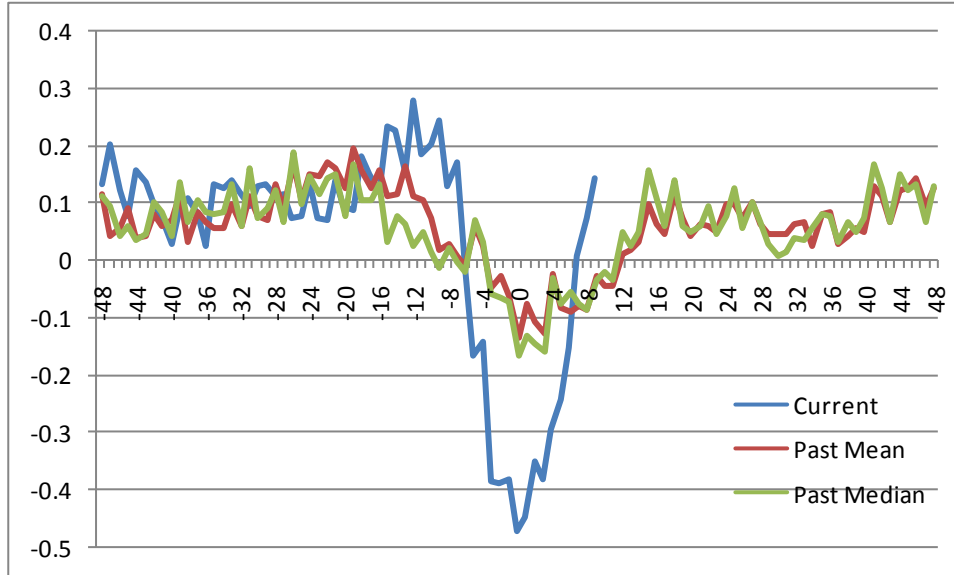
Figure 4: Three Month Import Growth by Country



Source: Datastream, U.S. Commerce Department, U.S. Bureau of Labor Statistics and authors' calculations. Seasonally adjusted growth from August-September-October to November-December-January in "Current" and May-June-July to August-September-October in "Previous"; *Seasonally adjusted using time-region fixed effects and deflated using U.S. consumer price index.

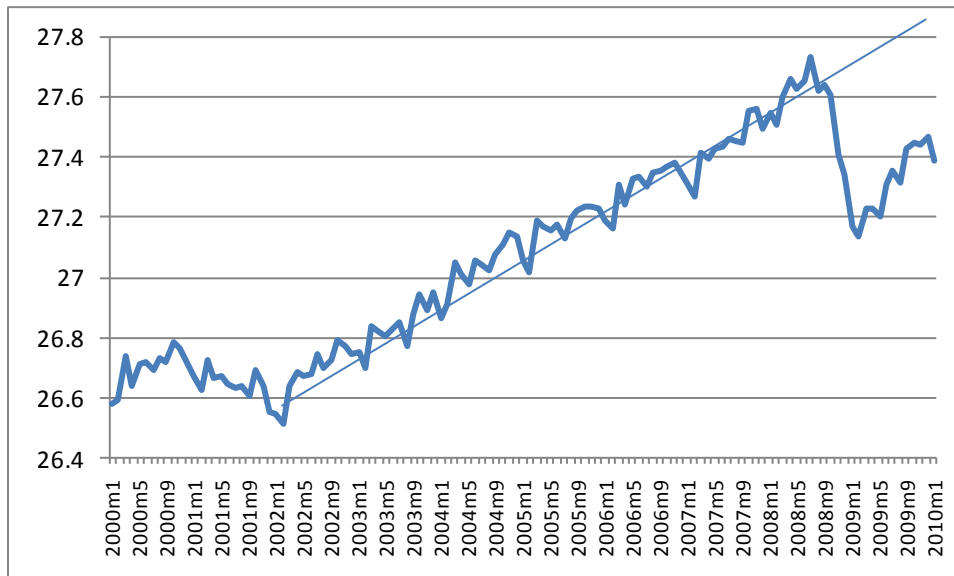
MARCH TRADE WATCH

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 for a balanced sample of 31 countries, deflated using U.S. consumer price index.

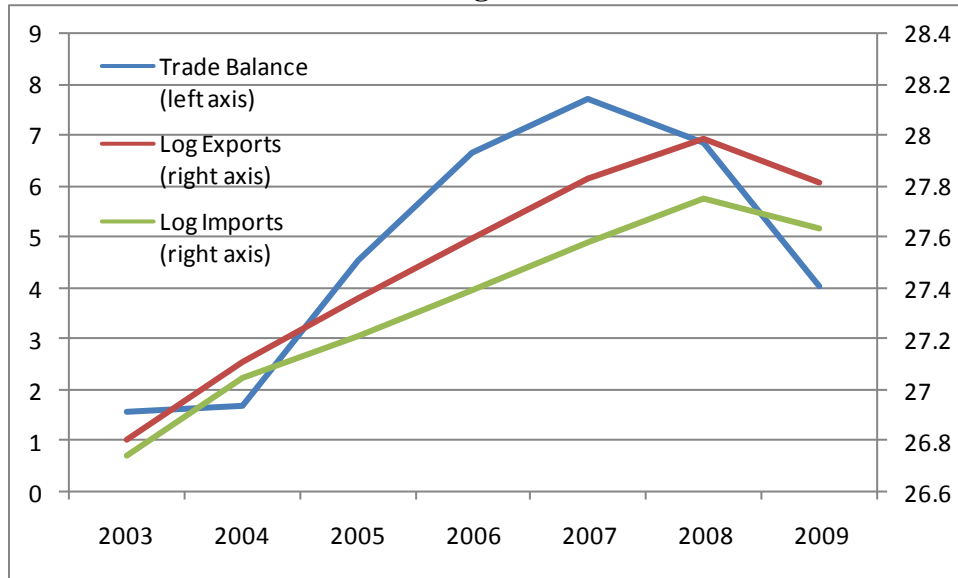
Figure 6: Natural Logarithm of World Imports



Source: Datastream, Bloomberg, U.S. Commerce Department and authors' calculations using a balanced sample of 47 economies reporting data. Imports are in current US dollars.

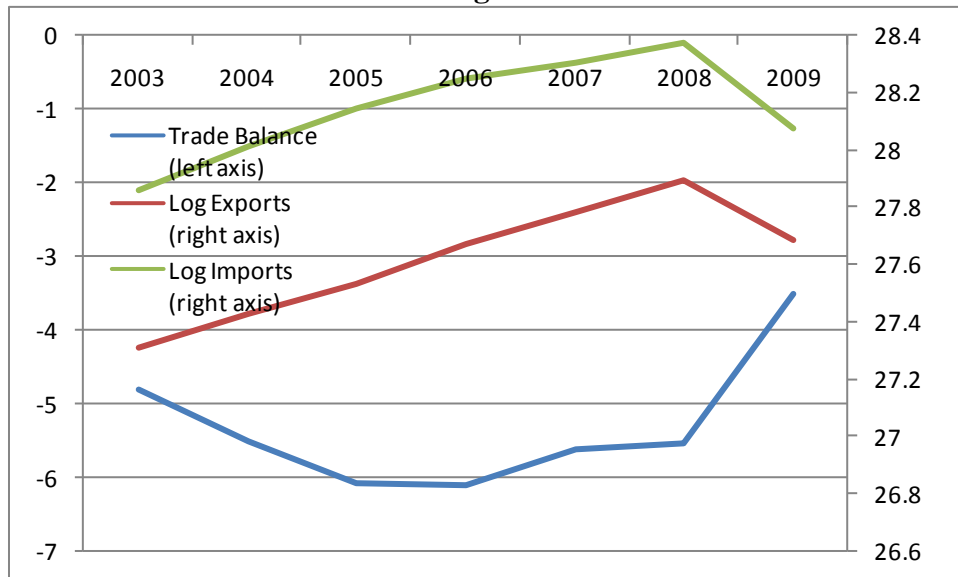
MARCH TRADE WATCH

Figure 7: China's Merchandise Trade Balance Over GDP and Natural Logarithm of Trade



Source: Datastream, Bloomberg, and authors' calculations.

Figure 8: United States' Merchandise Trade Balance over GDP and Natural Logarithm of Trade



Source: U.S. Commerce Department, U.S. Bureau of Economic Analysis, and authors' calculations.