

## UNCTAD Global Trade Update, February 2021

**Global trade fell by (-) 9% during 2020**  
**Merchandise Goods trade fell by (-) 6 % during 2020**  
**Services trade declined by (-) 16.5 % in 2020**

According to UNCTAD's Global Trade update, world trade recovered during Q4 of 2020 and fell by (-) 9 % in 2020. The merchandise goods trade has recovered faster than services trade as while merchandise goods trade fell by (-) 6% in 2020 services trade fell by (-) 16.5 % in 2020 due to severe economic and social disruptions brought upon by COVID-19 that had put a halt to global trade. The global trade fell by (-) 15 % in the first half of 2020 while it began to recover in Q3 and more strongly in Q4 2020. The Global trade recovery could be attributed to a rebound of merchandise goods trade which grew by 8 % in Q4 2020 on a quarter-to-quarter basis while trade in services stagnated at Q3 2020 levels.

### **Projected Global trade growth**

The trade in goods is projected to witness a drop of (-) 1.5 % in relative to Q4 2020 indicating a slowdown in the recovery of trade in goods while trade in services is projected to witness a (-) 7 % drop in relative to Q4 2020 mainly on account of continued disruptions in the travel sector. The projections remain imprecise and are subjected to change due to persisting concerns about COVID-19 and uncertainty of fiscal stimulus packages in major economies.

### **Trade trends for major economies**

- ➔ **USA:** The Export of goods fell by (-) 5 % while export in services fell by (-) 26 % in Q4 2020. The import of goods increased by (+)4% while import of services fell by (-) 21% in Q4 2020.
- ➔ **European Union:** The Export of goods increased by (+) 3 % while export in services fell by (-) 14% % in Q4 2020 .The import of goods fell by (-)2% while import of services fell by (-) 12% in Q4 2020.
- ➔ **India:** **The Export of goods fell by (-) 5 % while export in services fell by (-) 8 % in Q4 2020. The import of goods fell by (-)4% while import of services fell by (-) 11% in Q4 2020. India 's merchandise goods export and import witnessed a significant downturn in the first half of 2020. The imports of goods fell by (-) 32% while export of goods fell by (-) 25%**

in the first of 2020. However, import and export of merchandise goods recorded positive improvements in Q3 and Q4 and have fared relatively better than other major economies especially in trade of services.

#### Other Major Observations :

- ➔ The East Asian economies have been leading with the recovery process with strong export growth and gains in global market share
- ➔ Majority of the manufacturing sectors recorded positive trade growth in Q4 with exception to energy and transportation sectors.
- ➔ The recovery process has been uneven with many countries lagging. The South-South Trade remains well below average except East Asia

#### Imports and exports of major trading economies

Country		Imports			Exports		
		1 <sup>st</sup> Half	Q3	Q4	1 <sup>st</sup> Half	Q3	Q4
Brazil	Goods	↓5 %	↓30 %	↑2%	↓8%	↓8%	↓4%
	Services	↓26 %	↓35 %	↓33%	↓10%	↓31%	↓17%
Russian Federation	Goods	↓6 %	↓8%	↓5%*	↓22%	↓24%	↓19%*
	Services	↓27 %	↓49%	↓39%	↓20%	↓37%	↓34%
India	Goods	↓32 %	↓24%	↓4%	↓25%	↓6%	↓5%
	Services	↓12 %	↓10%	↓11%*	↓7%	↓5%	↓8%*
China	Goods	↓7%	↑3%	↑5%	↓6%	↑8%	↑17%
	Services	↓25 %	↓26%	↓23%	↓7%	↓4%	↑2%
South Africa	Goods	↓25 %	↓29%	↓10%	↓14%	↑1%	↑15%
	Services	↓33 %	↓45%	↓45%*	↓37%	↓64%	↓64%*
United States	Goods	↓13 %	↓5%	↑4%	↓17%	↓13%	↓5%
	Services	↓20 %	↓30%	↓21%	↓17%	↓27%	↓26%
Japan	Goods	↓10 %	↓19%	↓8%	↓14%	↓12%	↑3%
	Services	↓4%	↓16%	↓6%*	↓20%	↓31%	↓20%*
Republic of Korea	Goods	↓9 %	↓9%	↓2%	↓11%	↓3%	↑4%
	Services	↓19 %	↓22%	↓15%	↓16%	↓19%	↓2%
European Union	Goods	↓15 %	↓9%	↓2%*	↓14%	↓5%	↑3%*
	Services	↓14 %	↓12%	↓12%*	↓16%	↓14%	↓14%*

Source: UNCTAD calculations based on national statistics

Note: Year-over-year growth rates, in US\$. \* denotes estimates

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