

Trade Statistics & Outlook -April 2022

Volume of World Merchandise Trade is projected to increase by 3 % in 2022
World GDP at Market exchange rates is expected to increase by 2.8 % in 2022
Global Merchandise Trade in 2021 stood at US\$ 22.4 trillion

Projected Global Trade Growth -2022 & 2023

According to the WTO Trade Statistics & Outlook 2022, the merchandise trade volume is expected to grow by 3 % in 2022 and 3.4 % in 2023 owing to the outbreak of war in Ukraine on 24th February .

The most immediate economic impact of the crisis has been a sharp rise in commodity prices as despite their small shares in world trade and output, Russia and Ukraine are key suppliers of essential goods including food, energy, and fertilizers, supplies of which are now threatened by the war. Lockdowns in China to prevent the spread of COVID-19 are again disrupting seaborne trade at a time when supply chain pressures appeared to be easing which could lead to renewed shortages of manufacturing inputs and higher inflation.

Global Trade Growth -2021

The year 2021 saw a sharp rebound in trade volumes after the pandemic -induced slump of 2020, but growth might have been stronger without recurring waves of COVID-19 during the year. Every region had export growth below the world average of 9.8% except for Asia, which saw its exports increase by 13.8%. The situation was reversed on the import side, where North America, South America, the CIS and Asia all recorded above average growth.

Projected growth of World GDP at market exchange rate -2022

World GDP at market exchange rates is expected to increase by 2.8% in 2022 after rising 5.7% in 2021. Output growth should pick up to 3.2% in 2023, assuming persistent geopolitical and economic uncertainty. The CIS region should see a 12.0% decline in its imports and a 7.9% drop in GDP in 2022, but exports should grow by 4.9% as other countries continue to rely on Russian energy. Regional disparities may narrow due to weak import demand in Europe and Asia.

The WTO forecasts of the global economy captures a) The direct impact of the war in Ukraine, including destruction of infrastructure and increased trade costs b) The impact of sanctions on Russia , including the blocking of Russian Banks from SWIFT settlement systems c) Reduced aggregate demand in the rest of the world due to falling business/consumer confidence and rising uncertainty

Projected Global trade growth across regions

Export volumes for 2022 show slow growth in most regions, including the CIS, since Russia is still able to export fuels. However, there might be stronger export volume growth in other fuel producing regions if there is any change in the Russia -Ukraine war . The merchandise export growth will be diverse across regions with Middle East (11 %) and CIS (4.9 %) recording the highest growth in export volume in 2022 followed by North America (3.4 %) , Europe (2.9%) and Asia (2%). South America (-0.3 %) and Africa (1.4 %) are expected to register the weakest export performance in 2022

According to the WTO, merchandise imports should increase by 3.9 % in North America, 4.8 % in South America, 3.7 % in Europe, -12 % in CIS, 2.5 % in Africa, 11.7 % in the Middle East, and 2 % in Asia in 2022 .

Regional disparities in the forecasts persist, but Europe is now expected to underperform on the import side along with Africa and the CIS. The latter is mostly due to sanctions against Russia. Weakness in Europe is also partly due to the fact that Ukraine is included in this country group, dragging down the regional average. Meanwhile, Middle East import volumes are expected to pick up as higher oil prices boost export revenues, allowing countries in the region to import more. The low level of imports in Africa is partly due to unexpected declines in the second half of 2021, which are projected forward into the future.

LDCs should see their export and import volumes increase by 3.5% and 6.6% respectively in 2022. There was a downward revision in the forecasts in all regions for 2023 except for the Middle East. Trade costs should rise in the short run as a result of sanctions, export restrictions, energy costs and disruptions in transport due to COVID-19.

Other Major Observations

- The volume of merchandise trade rose by 9.8% in 2021. The US\$ value of this trade grew 26% to US\$ 22.4trillion. The value of commercial services trade was also up 15% in 2021 to US\$ 5.7 trillion.
- Services trade will also be affected by the conflict in Ukraine, including in the transport sector, which covers container shipping and passenger air transport.
- Risks to the forecast are mixed and difficult to assess objectively. There is some upside potential if the war in Ukraine ends sooner than expected, but substantial downside risks could emerge if fighting persists for a long time or if the conflict escalates.

Table
Merchandise Trade Volume and real GDP ,2017-22^a
Annual % Change

Particulars	2018	2019	2020	2021	2022P	2023P
Volume of world merchandise trade ^b	3	0.2	-5	9.8	3	3.4
Exports						
North America	3.8	0.3	-8.8	6.3	3.4	5.3
South America ^c	-0.9	-1.2	-4.6	6.8	-0.3	1.8
Europe	1.8	0.6	-7.8	7.9	2.9	2.7
CIS ^d	4	-0.3	-1.2	1.4	4.9	2.8
Africa	3.1	-0.3	-7.5	5.1	1.4	1.1
Middle East	4.6	-1.9	-9.3	7.3	11	2.9
Asia	3.7	0.9	0.5	13.8	2	3.5
Imports						
North America	5.1	-0.6	-6.1	12.6	3.9	2.5
South America	4.8	-1.7	-11.2	25.8	4.8	3.1
Europe	1.9	0.3	-7.3	8.1	3.7	3.3
CIS	4	8.3	-5.5	10.7	-12	-5.2
Africa	5.4	3	-11.8	4.2	2.5	3.9
Middle East	-4.1	5.2	-9.8	5.3	11.7	6.2
Asia	5	-0.4	-1	11.1	2	4.5
Real GDP at market exchange price	3.2	2.5	-3.4	5.7	2.8	3.2
North America	2.8	2.1	-3.8	5.5	2.9	2.1
South America	0.4	-0.5	-6.8	6.3	1.9	2.7
Europe	2	1.7	-5.9	5.8	2.3	2.5
CIS	3.1	2.4	-2.5	4.6	-7.9	-0.1
Africa	3.2	3	-2.5	4.6	3.2	3.9
Middle East	0.9	0.4	-4.5	2.8	3.4	3.8
Asia	4.9	4	-0.9	6.1	3.8	4.7

Source: WTO for trade, consensus estimates for GDP.

a) Figures for 2022 and 2023 are projections.

b) Average of exports and imports.

c) Refers to South and Central America and the Caribbean.

d) Refers to Commonwealth of Independent States (CIS), including certain associate and former member States.

Note: These projections incorporate mixed-data sampling (MIDAS) techniques for selected countries to take advantage of higher-frequency data such as container throughput and financial risk indices

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