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ASSOCIATION D'INSTITUTS EUROPEENS DE CONJONCTURE ECONOMIQUE

Working Group on Foreign Trade

World Trade in 2010 and 2011

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Executive Summary

Following the most severe contraction of the world economy since the Second World War, world trade and the world economy recovered remarkably quickly and vigorously owing to extra-ordinary fiscal and monetary stimulus authorities implemented worldwide. Emerging markets and particularly China were leading the recovery and have acted as a cushion for developed countries. The phasing out of fiscal and monetary stimulus, the ending of restocking, the fragility of the banking system, rising commodity prices augur for a moderation in the pace of the recovery now. Following a decline of 12.1% in 2009, world trade is hence expected to grow by 10.7% this year (which implies a substantial moderation from monthly growth rates seen in the second half of 2009) and by 7.6% in 2011. A big supplementary risk is that the sovereign debt crisis (confined to a few countries now) might get out of hand and result in a generalized rise in interest rates, a premature tightening of fiscal policy and hit business and consumer confidence which would imperil the recovery. Global imbalances have narrowed substantially in 2009, but risk increasing again this and next year without returning to pre-crisis levels.

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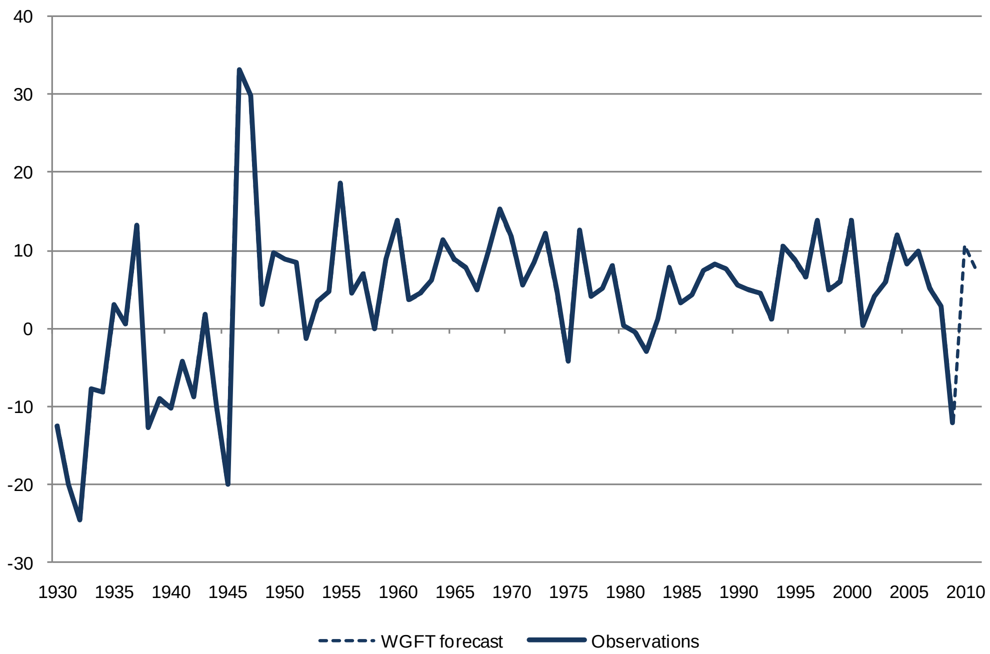
1. Overview and general assumptions

1.1. Recent events

Following the deepest recession since World War II (concentrated in 2008Q4 and 2009Q1), the *world economy* recovered remarkably quickly and vigorously. Several Asian economies already posted positive growth rates in 2009Q2, while economic growth in the US and the euro area turned positive in the next quarter. This rebound certainly owed much to the extra-ordinary fiscal and monetary stimulus authorities implemented worldwide. The outbreak of the banking crisis and the fear for a deflationary spiral led central bank to cut interest rates to near-0% levels, to provision almost limitless liquidity and to embark on a large-scale program of quantitative easing. Governments for their part prevented a systemic collapse of the financial system by recapitalising financial institutions and by providing them with loan guarantees. Furthermore, huge stimulus packages were launched to attenuate the economic downturn.

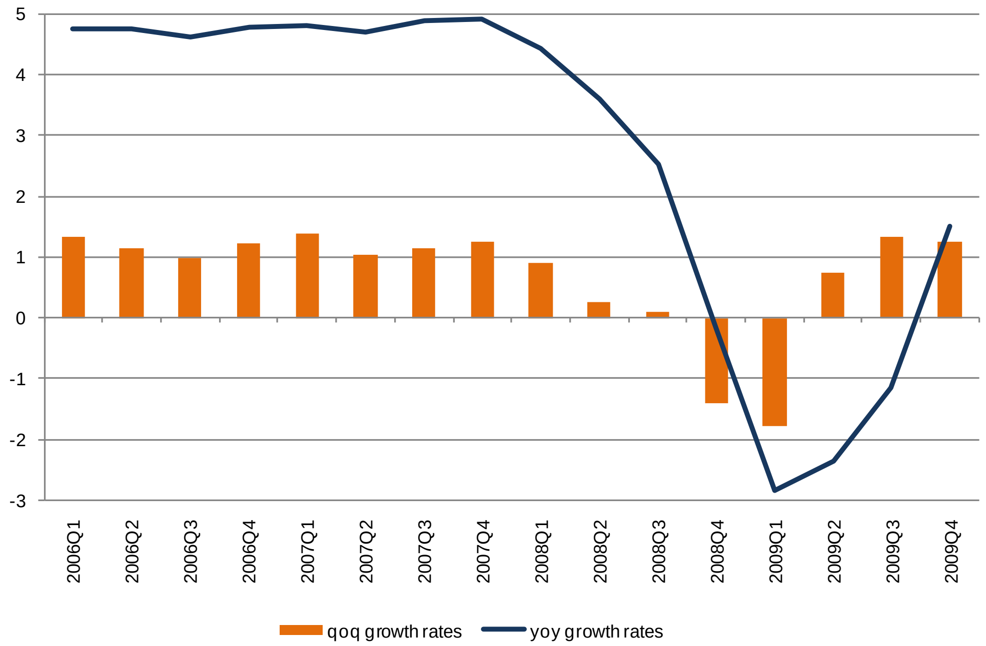
Graph 1. Historical development of world trade
Growth rates in %



Source: COE-Rexecode

These exceptional measures were quite successful, but an additional reason for the rapid acceleration in economic activity can be found in the fact that the worldwide depression and a systemic collapse that were feared did not materialise. The initial shock effect on confidence hence quickly wore off.

Graph 2. World GDP volume



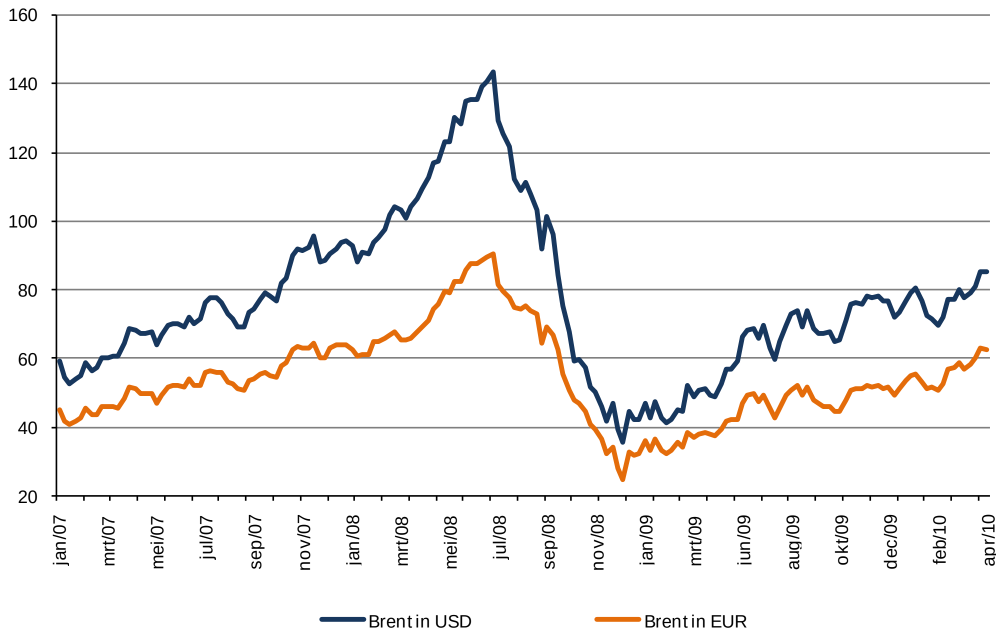
Source: COE-Rexecode

In terms of geographical orientation, the recovery is clearly led by Asian and other emerging economies. The Chinese economy reached its nadir in 2008Q4 and most emerging economies started to register positive growth rates already in the first half of 2009, at least one quarter earlier than the euro area or the US. Most emerging economies are growing at a rapid pace now, while the US and especially Europe (where growth came to a standstill in 2009Q4) continue to lag. An important reason behind this divergence is the fact that the financial crisis was largely confined to developed countries and the ensuing recoveries following such crises tend to be sluggish. Moreover the size of the fiscal stimulus was generally larger in emerging than developing countries as they had ample scope considering their low debt levels.

The receding fear for a worldwide depression and the surge in liquidity have also resulted in a rebound of *financial markets*. Since reaching their lows in March 2009, stock markets have risen tremendously, by some 70% in developed markets and by more in many emerging markets. Interbank rates have come down to levels close to policy rates, while corporate bond rates and spreads have continued to decline and are not so far off the extremely low levels seen in 2006. Financial market tensions have thus clearly eased, but it remains too early to speak of a normalisation. The asset-backed securities market for example remains at activity levels far below pre-crisis levels. More fundamentally, authorities have been a major player in the financial markets over the last two years (by swamping it with liquidity and by buying all kinds of securities) and their mere presence bars speak of normalisation.

In the wake of the acceleration of world economic growth, *oil and other commodity prices* have risen almost unabatedly since the start of last year. Recently, the Brent oil price burst through the 80USD/barrel threshold for the first time since the financial crisis erupted. This is all the more strange as OPEC's spare capacity and oil inventories are close to record levels, which in the past was often a harbinger for a decline in oil prices. Abundant liquidity and a renewed perceived attractiveness of oil as an asset class are at least partially responsible.

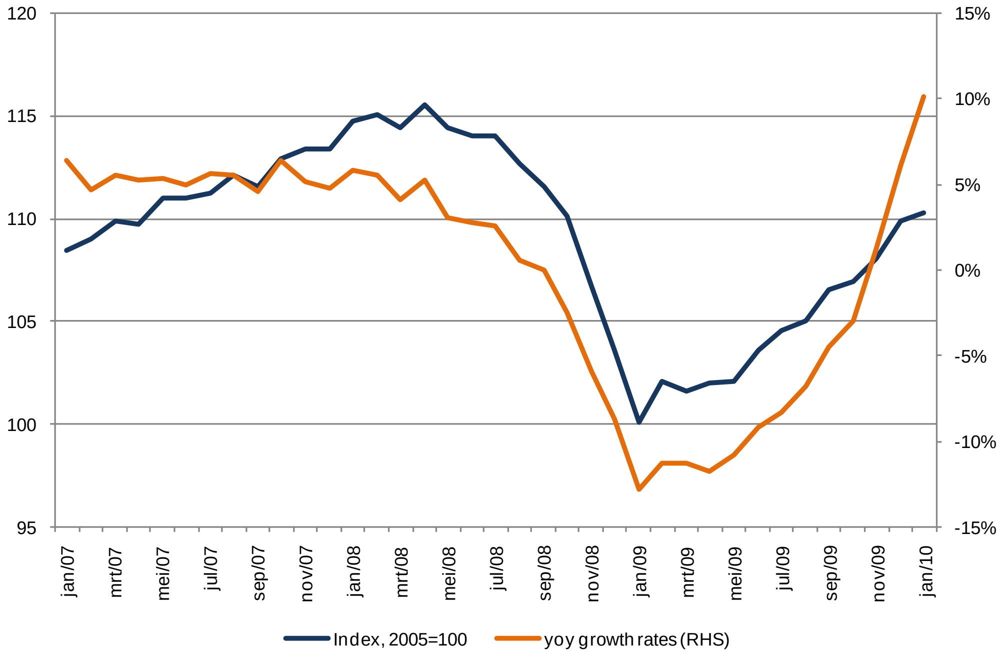
Graph 3. Brent oil price in USD and EUR



Source: Thomson Financial DataStream

After a decrease of 13.4% from the last peak (April 2008) to the trough (January 2009), *world industrial production* bounced back briskly, rising by more than 10% in the subsequent 12 months. This still does not imply that all the ground lost since the financial crisis has been recovered. A further 4% rise would be needed to achieve this feat.

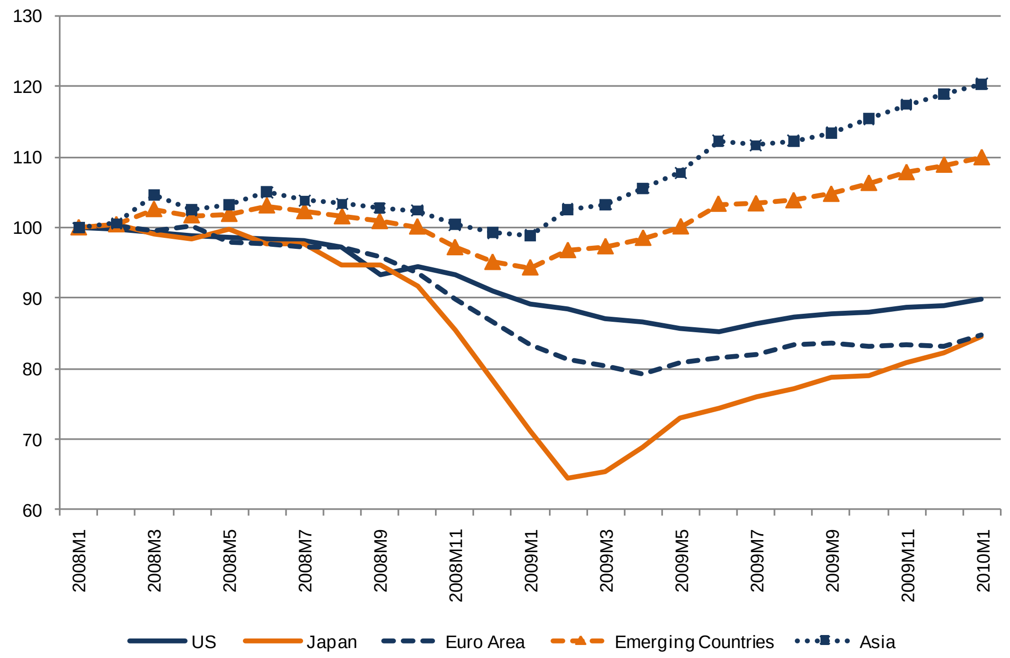
Graph 4. World industrial production



Source: COE-Rexecode, FPB

The pick-up in industrial production too is led by emerging markets and particularly by Asia, where the level of production prevailing before the crisis had already been reached by mid-2009 and where yoy growth rates recently surpassed 20%. The US and the euro area are clearly lagging, while Japan's industrial production has posted an impressive rebound, owing to surging economic activity in China and the rest of Asia. It should be borne in mind though, that trend growth of industrial production in emerging countries is higher than in developed economies. It should thus not come as a surprise that production in emerging economies has declined less during the crisis and that these losses were recovered more rapidly.

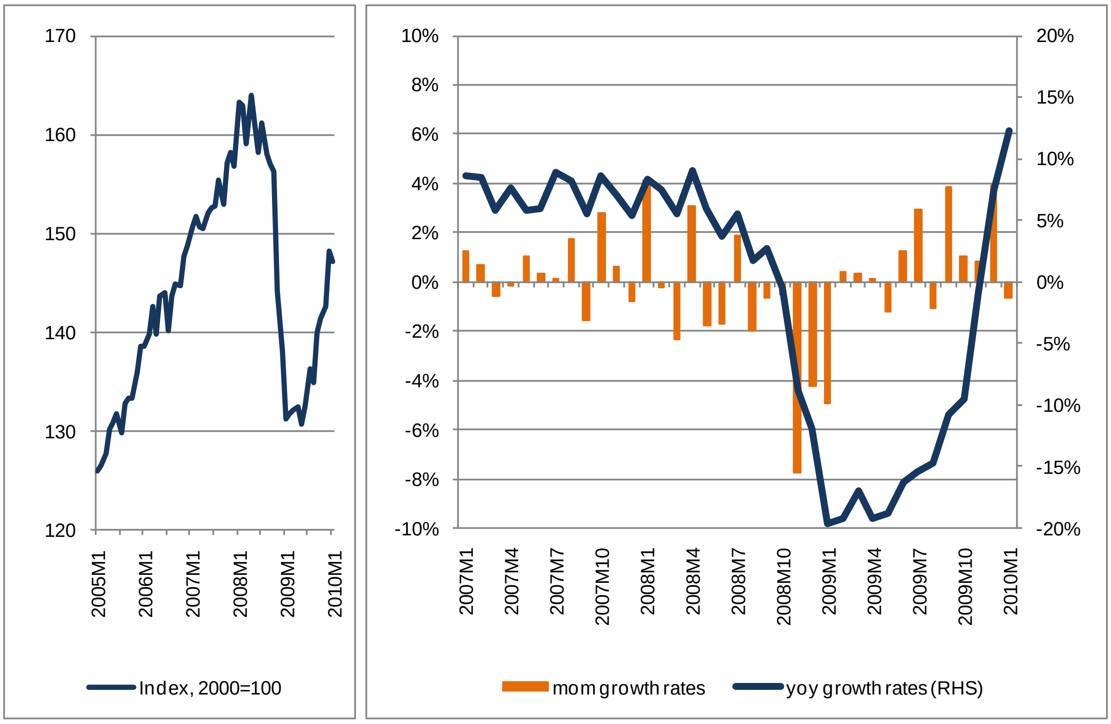
Graph 5. **Industrial production by region**
Indices, January 2008 = 100



Source: CPB

Although *world trade* was already declining before the financial crisis erupted in earnest, with the demise of Lehman Brothers, it plunged at an unprecedented pace between October 2008 and January 2009 (-16%). The reasons for the nose dive in world trade are numerous. First, there was a substantial fall in demand, originating especially from the US where the housing market collapsed and from the steep rise in oil and commodity prices, eroding households' purchasing power and raising firms' production costs. Second, during the recession households cut mostly back on consumer durables and firms on investment goods, which make up a large part of world trade, but a relatively small fraction of global output. Third weaknesses were transmitted very rapidly from region to region and resulted in a synchronized downturn. Fourth, although the evidence is inconclusive, less attractive credit conditions in general seem to have exacerbated the already dire situation as credit is particularly important for demand and trade of durable goods.

Graph 6. Development of world trade



Source: CPB

In the months following January 2009, world trade more or less stabilised. It was only in the second half of the year that world trade really started to recover, rising by about 4% in 2009Q3 and by some 5% in 2009Q4. The graph above left shows that it will take some time before world trade is back at the level seen before the crisis. The decline for the whole year 2009 amounted to 12.1%, the first decline since 2001. In January 2010, world trade fell back slightly, but was nevertheless running at more than 12% in yoy terms. As Asian economies are recovering faster, mainly thanks to developments in China, import growth principally accelerates in emerging economies, leading to a rise in export growth in developed economies. The latter still register relatively low import growth due to weak domestic demand growth.

Table 1. World trade by region
YoY growth rates in January 2010

World trade	**12.2**
Advanced Economies	**5.8**
United States	8.9
Japan	17.9
Euro Area	1.8
Emerging and Developing Countries	**19.7**
Asia	27.5
Central and Eastern Europe	7.9
Latin America	14.1
Africa and Middle East	4.1

Source: CPB

1.2. The outlook and the risks

Most economists expect some kind of weakening in economic growth after a remarkably quick recovery from the recession. There are several reasons for this *relative pessimism*. First fiscal and monetary stimulus will be ended going forth and will turn increasingly restrictive. Second decreasing destocking and/or restocking have contributed sizeably to the economic recovery in the second half of last year. This trend cannot continue. Third the level of credit supply by banks might be restricted due to insufficient amounts of banking capital as banks still have not written down enough for past losses and as capital buffers will need to be raised above pre-crisis levels anyway. Moreover, the provisioning of credit by shadow banks will remain below pre-crisis levels. Fourth commodity prices and especially oil prices are on the rise again. Fifth the effects of a full-blown sovereign debt crisis could be substantial. This would lead to higher interest rates and to a rapid and severe tightening of fiscal policy.

The sovereign debt crisis, the next phase in the global financial crisis

The current sovereign debt crisis can be considered as the next phase in the global financial crisis. The crisis started in the subprime borrower market in the US, which, via the steep fall in value of securitized mortgage products and other more complex structured products, turned into a banking solvency crisis as banks' capital was eroded by write-downs. Government capital injections into the banking system were needed to save the financial system, but resulted, together with the detrimental effects of the great recession on government revenues and expenditures, into huge government deficits and rapidly rising debt ratios. It is interesting to refer to the study of financial crises by Reinhart and Rogoff[1], which states that public debt soars in the wake of financial crises (by an average of 86% in real terms) and that defaults have often followed.

So far the market's lack of confidence in countries dealing with huge deficits and rapidly rising debt levels has remained confined to Greece and to a lesser extent to Portugal, Spain and Ireland. However, many (developed) countries worldwide have huge deficits and/or debts and a spread of the distrust to other countries cannot be excluded, especially if one or more of the weaker countries would default. Such a scenario would imply significantly higher interest rates, which would peril the still-fragile economic recovery.

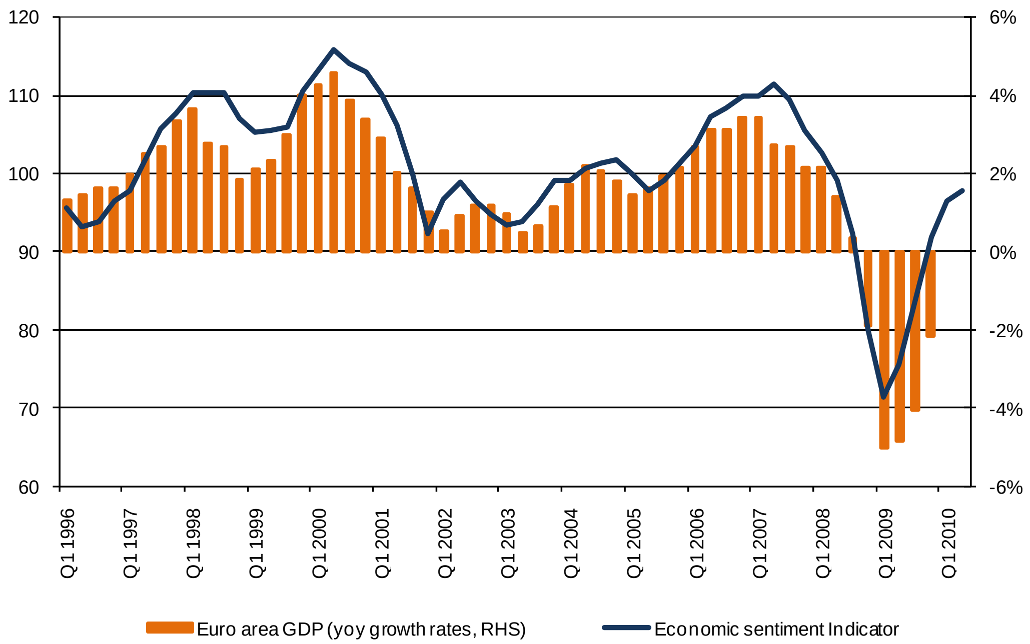
To avoid a similar scenario, governments should set up credible medium-term plans to re-store public finances to health. This does not imply that they should start to raise taxes and cut spending as soon as possible as the economic recovery is still fragile. The timing of the whole operation will hence be difficult but essential.

A growing number of economists however are becoming more *optimistic* about the future. They tend to focus on surging world trade and industrial production and point to the fact that many

[1] "This Time is Different: Eight Centuries of Financial Folly" by Carmen M. Reinhart and Kenneth Rogoff

leading indicators are often at levels that signal strong economic growth in the first half of 2010 (see example in the graph below).

Graph 7. Euro area GDP and economic sentiment indicator European Commission



Source: Thomson Financial DataStream

Although the working group on foreign trade was unanimous in settling on a *scenario* where economic growth declines from the fast pace seen in the second half of last year, opinions were divided on the timing and the gravity of the slowdown. The consensus reached by the working group can be found in the table below. There are both downside and upside risks to this scenario according to the importance attached to each of the risk factors cited above.

World trade prices registered a noticeable decline in 2009 that was mainly related to the downward impact of the recession on energy prices and output gaps. Although declining in average annual terms, energy prices were again on a rising path in the course of 2009, leading to strongly positive growth rates in 2010. Up to the end of 2011, commodity prices are assumed to remain around their current levels. Prices of manufactured goods should continue to decline this year and only increase slightly in 2011 as the ongoing strengthening of international competition and the large negative output gaps in the main economic areas should continue to exert downward pressure on world trade prices.

Table 2. Main assumptions and world trade forecasts

	Autumn 2009		Spring 2010		
	2009	2010	2009	2010	2011
GDP volume (yoy growth rates)					
United States	-2.7	2.0	-2.4	3.0	2.5
Japan	-5.4	2.0	-5.2	1.8	1.4
Euro Area	-3.7	1.5	-4.0	1.2	1.5
China	8.2	8.5	8.6	10.0	8.7
Exchange Rates (levels)					
USD/EUR	1.38	1.45	1.39	1.38	1.38
JPY/USD	95.0	90.0	93.6	92.0	92.0
World trade prices (USD)					
Crude oil (Brent, level, USD/barrel)	60.1	75.2	61.5	80.0	80.0
Non-energy primary commodities (yoy growth rates)	-23.0	12.0	-22.4	20.0	2.0
Manufactured goods (yoy growth rates)	-6.3	0.4	-7.5	-0.4	1.3
World trade volume (goods, yoy growth rates)	-13.5	7.4	-12.1	10.7	7.6

Source: WGFT

The decline in world trade for 2009 the working group expected in autumn 2009 turned out to be somewhat less pronounced than feared owing to strong growth in the four final months. The carry-over to 2010 is thus sizeable and the annual growth rate foreseen for 2010 (of 10.7%) implies a slowdown from the average monthly growth rate observed in the second half of last year due to the reasons cited above. Nobody knows what 2011 might bring and forecasts are even more uncertain than in normal times. How could our models capture what the aftermath of the biggest financial crisis in a century and the subsequent exit from extra-ordinary monetary and fiscal stimulus might bring about? Therefore the working group settled on a slightly above trend growth scenario for world trade in 2011 (7.6%).

Table 3. World trade: indicative quarterly profile

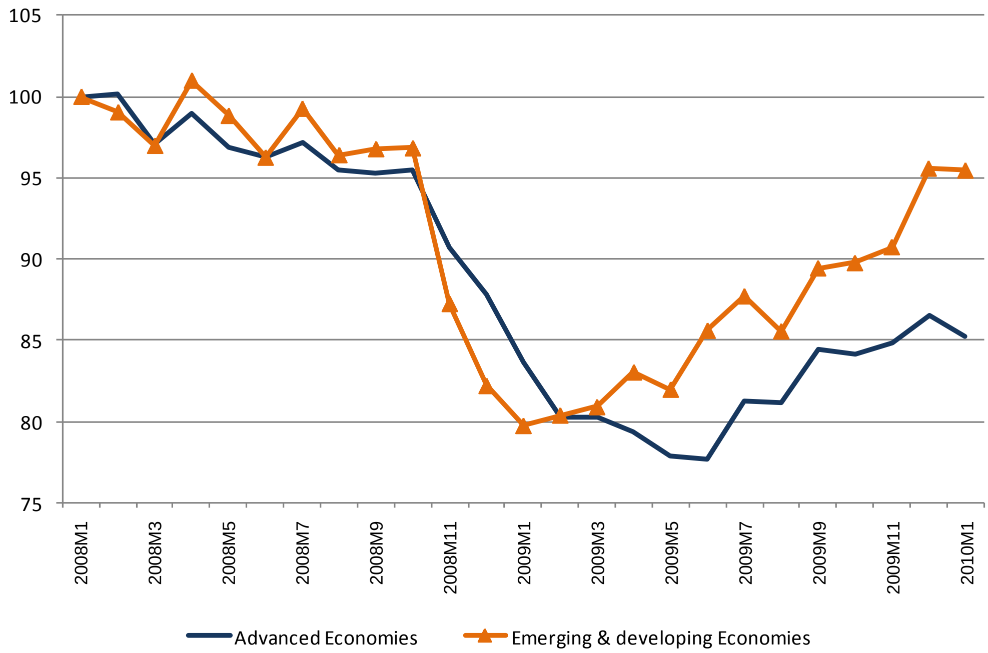
	Index, 2000=100	qoq growth rates	yoy growth rates
2009Q1	131.7	-9.9%	-18.6%
2009Q2	131.8	0.1%	-18.2%
2009Q3	137.0	3.9%	-13.7%
2009Q4	144.1	5.1%	-1.4%
2010Q1	147.7	2.5%	12.2%
2010Q2	149.5	1.2%	13.4%
2010Q3	151.4	1.3%	10.5%
2010Q4	154.0	1.7%	6.9%
2011Q1	157.0	2.0%	6.3%
2011Q2	160.3	2.1%	7.3%
2011Q3	163.7	2.1%	8.1%
2011Q4	167.2	2.1%	8.6%

Source: WGFT

2. Imports and domestic demand

Once again the first signs of a pick-up in domestic and import demand were seen in the emerging economies, where the bottom in import volumes was reached already in the January 2009, five months earlier than in the advanced economies.

Graph 8. Import volumes
Index, 2008M1=100

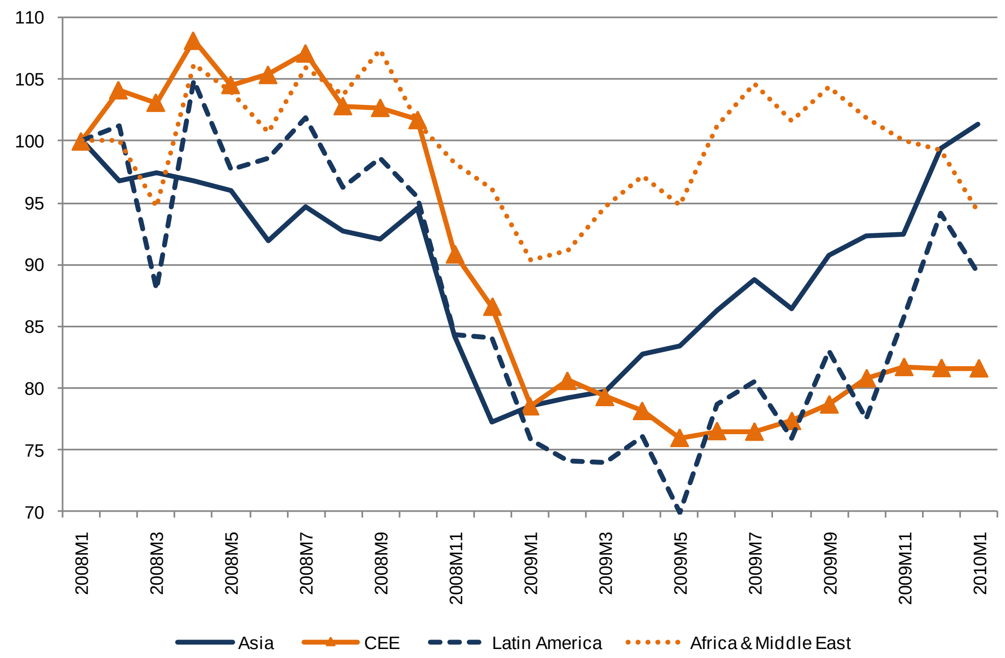


Source: CPB

A substantial divergence among emerging countries is however observable. Asia was the first to register a downturn in imports but was also the first to register a rise of its import growth. Although the region is very trade dependent and hence suffered heavily from the severe fall in demand from developed economies, it also implemented relatively large fiscal stimulus packages (especially compared to those in Europe) while monetary policy was also loosened strongly. This was especially the case in China, where credit demand surged tremendously last year. Going forward a big question surrounding our forecast and the fate of the world economy is what is happening in China at the moment as Chinese statistics are not abundant and often of doubtful quality. First readings for 2010Q1 revealed booming GDP growth (11.9% yoy) along with rising inflation and worries about accelerating asset price inflation. As a consequence the Chinese authorities embarked on a policy of monetary tightening, by raising bank reserve requirement and imposing lending restrictions. Also, the fiscal stimulus will be phased out, which is why we expect a substantial decrease of China's GDP and import growth in 2011.

Central and Eastern Europe and Latin America's imports started to rise a couple of months later than those in Asia. Especially Central and Eastern Europe is still far from returning to the pre-crisis level of imports. This does not really come as a surprise as the region suffered badly from the crisis, with the Baltic States registering double digit negative growth rates and other countries experiencing a deeper recession than the euro area countries (Poland was the notable exception). Emerging countries' imports as a whole are expected to rise by 14.8% this year following a decrease of 11.1% in 2009. Next year import growth should be slightly lower (9.1%).

Graph 9. Import volumes
Index, 2008M1=100

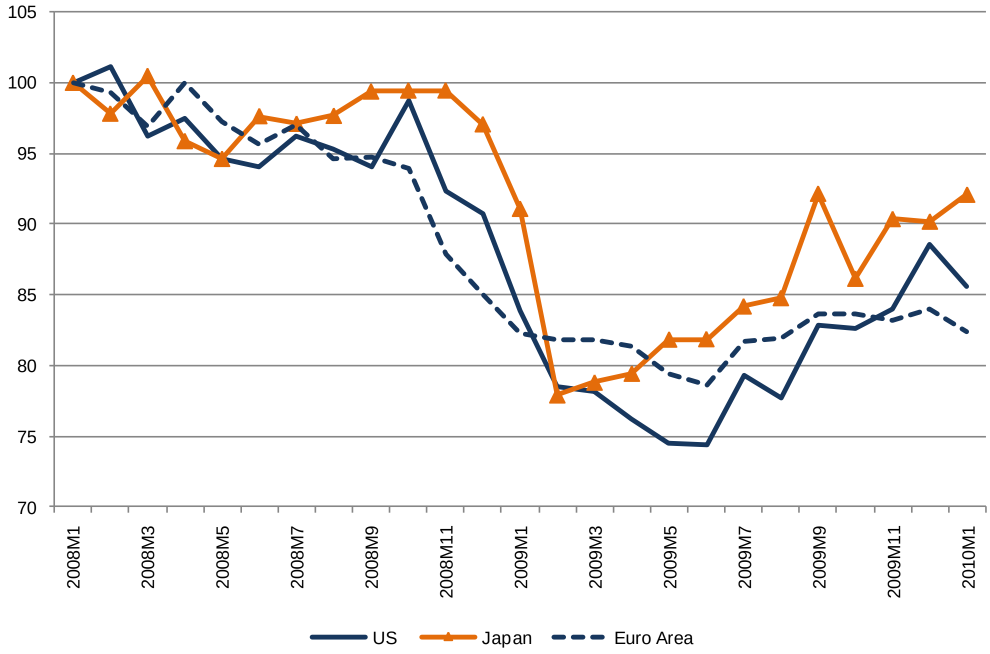


Source: CPB

Among the developed economic zones, Japan was the first to see their imports rises as they were buoyed by surging exports to the rest of Asia and the large fiscal stimulus plan. In the US, domestic demand and particularly private consumption recovered remarkably fast in 2009. While US imports remain below their pre-crisis level, it is already running ahead of euro area imports. This is clearly visible in the carry-over from the last month's observation (January 2010) into 2010 (about 6% for the US against some 1-2% for the euro area).

Within the euro area the lagging countries in terms of 2010 import growth are Greece (debt crisis and recession), Ireland (aftermath of housing and banking collapse), Italy (chronically weak demand) and Spain (housing collapse, soaring unemployment).

Graph 10. Import volumes
Index, 2008M1=100



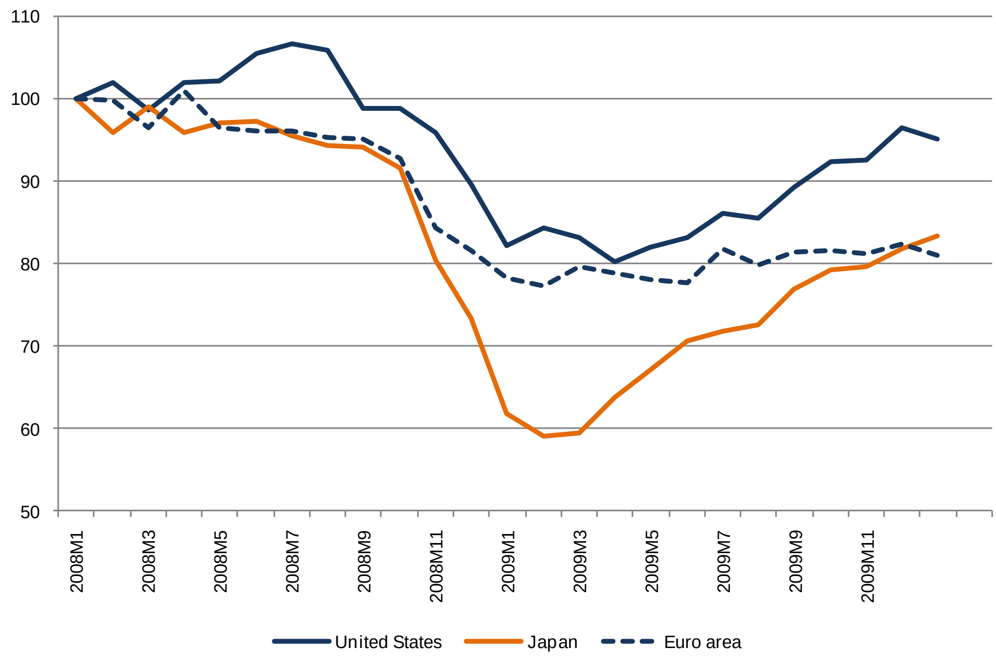
Source: CPB

The steep fall in oil and other commodity prices led to a 12% fall of advanced economies' import prices (in USD terms) in 2009. As the fall in export prices was not so deep, advanced economies registered a substantial gain in their terms of trade. This year import prices of advanced economies are expected to rise by 3.4% owing mostly to the bounce in commodity prices. A small loss in their terms of trade would result from this.

3. Exports and price competitiveness

Of the three major developed economies, Japanese export volumes plunged deepest owing to the huge share of machinery and equipment in its export, for which demand declined most during the recession. Also the past appreciation of the yen against the dollar was of detrimental influence. However, Japanese exports bounced back vigorously as did US exports, compared to the rather meagre recovery of export in the euro area. This has probably to do with the proximity of China, which is a much more important export destination for the US and Japan than for the EU.[2]

Graph 11. Export volumes
Index, 2008M1=100



Source: CPB

In 2009, the euro area suffered from considerable losses of market share, with Finland and Italy incurring the biggest losses and with the notable exception of the Netherlands which posted a sizeable gain. The latter does not really come as a surprise as the Netherlands has been increasing its market share at an average of 1.5 percentage points over the past 20 years (versus an average annual 1.5 percentage points loss for developed economies on average). This is not explained by intense wage moderation (as is the case for Germany), but with a host of labour market reforms and an extremely rapid expansion of Dutch re-exports, mainly between Europe

[2] The export share of China and Hong Kong in the zones' total exports amount to 24% for Japan, 8% for the US and only 3% for the EU.

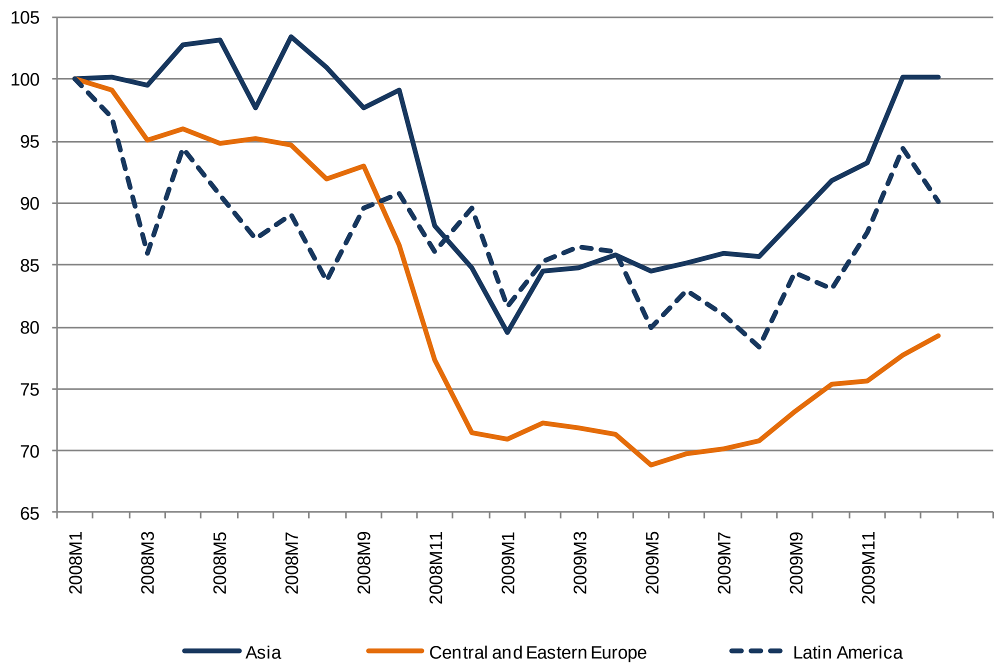
and Asia through the Port of Rotterdam. Italy's large market share loss is a structural phenomenon as well. Given its product mix, it has often to compete with Asian export products.

This and next year the euro area should be able to reduce its export market share losses thanks to the depreciation of the euro.

Japan should be able to mark a strong market share gain in 2010, following a tremendous loss in 2009.

Emerging markets exports recovered more quickly than developed markets', with the exception of Central and Eastern Europe where exports were dragged down by the lacklustre pickup in domestic demand in the euro area. Nevertheless Central and Eastern Europe gained strongly in market share last year. This also holds for emerging markets as a whole.

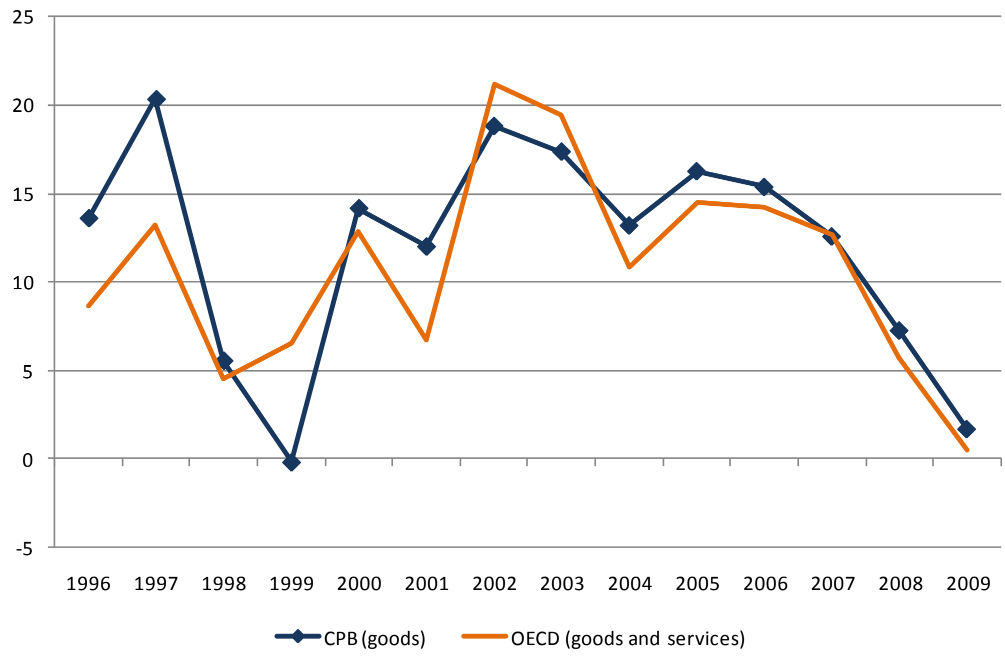
Graph 12. Export volumes
Index, 2008M1=100



Source: CPB

The export performance of China weakened considerably over the past four years. In 2009 hardly any market shares were gained. This could possibly be explained by the appreciation of the Yuan against the dollar between mid-2005 and mid-2008. Something similar happened in the aftermath of the Asian crisis in 1997, when China and Hong Kong were the only Asian countries to hold their currency stable vis-à-vis the US dollar, whereas all other Asian currencies depreciated by 40% on average.

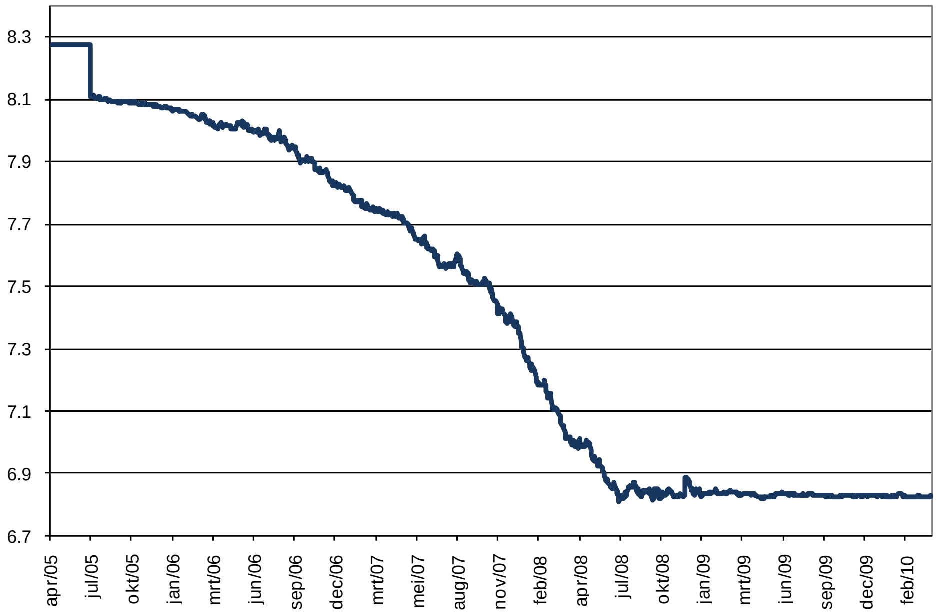
Graph 13. Export performance of China
Annual percentage changes



Source: OECD, Economic Outlook 86, December 2009 & CPB, World Trade Monitor, April 2010

However, from September 2008 onwards, China kept the Yuan firmly pegged to the dollar again. This explains why the WGFT forecasts a sizeable gain in market share again this year. Recently, the pressure on Chinese authorities to allow for a new appreciation of its currency is rising (not only from the US). The WGFT is convinced that soon China will allow for some appreciation comparable to the pace of appreciation seen between mid-2005 and mid-2008. This should result in a less robust market share gain in 2011.

Graph 14. Exchange rate Chinese Yuan/United States Dollar



Source: Thomson Financial DataStream

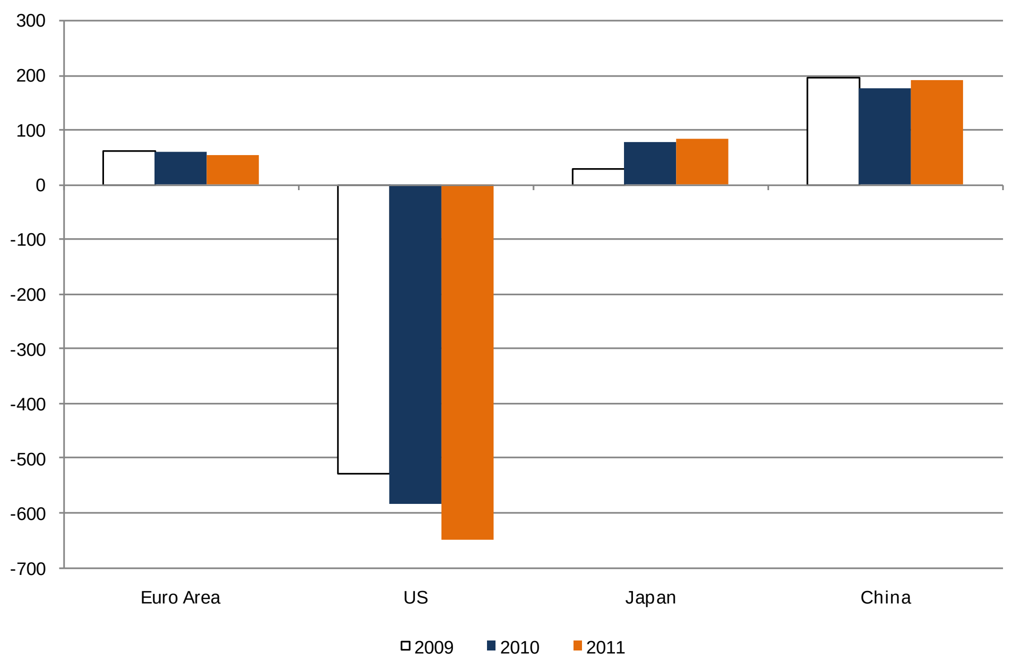
Going forth China will need to reassess its externally oriented growth model as its foundation, the US consumer (who needs to cut debt and increase saving), is likely to remain damaged for several years to come. The new growth model should be focused more on domestic consumption (private consumption currently amounts to just 35% of GDP) and on the services sector, which remains underdeveloped. To tempt the Chinese consumer away from precautionary saving an extended social safety net should be developed encompassing social security, private pensions, medical coverage and unemployment insurance.

4. Trade balances

Global imbalances have narrowed substantially during the crisis due to lower oil prices, asset price busts reducing demand in deficit countries and the reduced willingness of investors to finance large deficits.

The working group takes the view that the US trade deficit will rise again this and next year, while the Japanese trade surplus is expected to rise. The surpluses of China and the euro area as a whole should remain more or less stable.

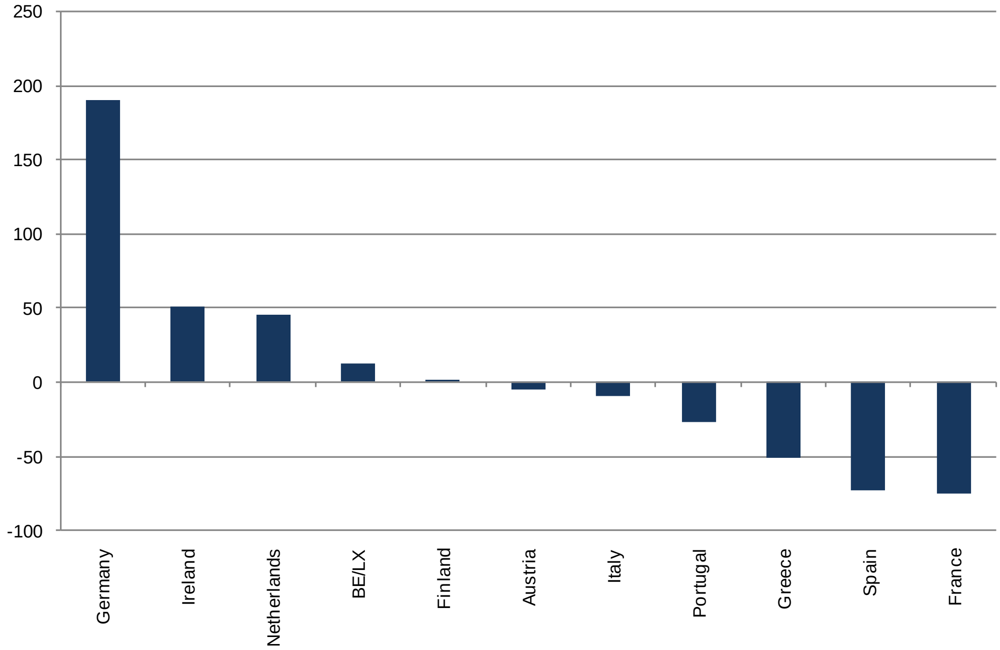
Graph 15. Merchandise trade balance
Billion USD



Source: WGFT

Within the euro area, the divergence between the surplus and the deficit countries is quite large. The working group expects this divergence to narrow only slightly in 2010 and 2011.

Graph 16. Euro area countries' 2009 merchandise trade balance
Billion USD



Source: WGFT

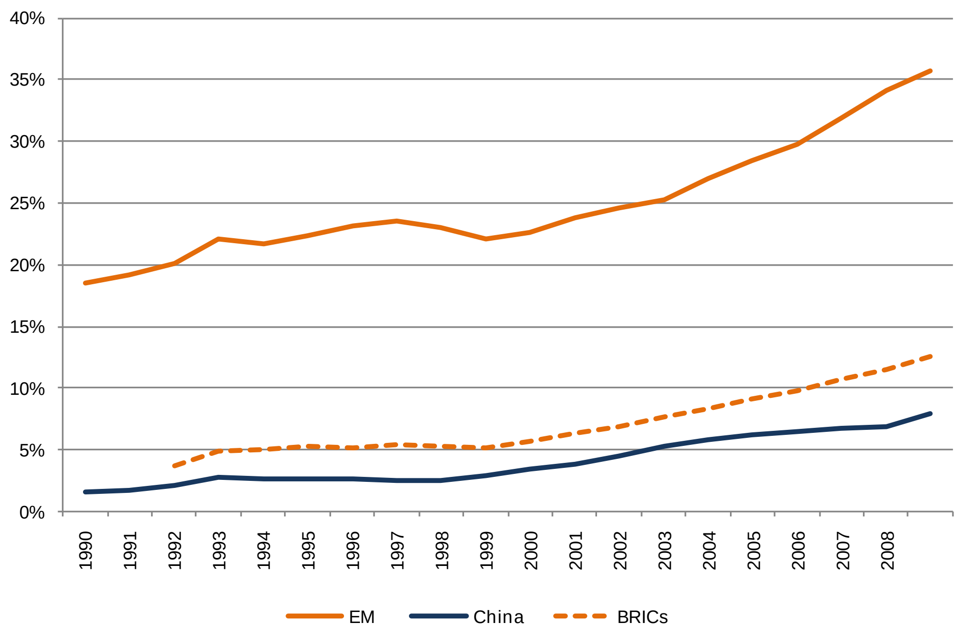
5. Special topic: The rising importance of emerging markets in world trade

5.1. General overview[3]

Due to the huge current account surpluses in emerging markets (EM)[4] we tend to focus on their export prowess. However, EM import growth has also surged in the past 20 years. This has to do with these countries' higher domestic demand growth rates and the progressive opening up of their economies. Between 2000 and 2008 EM imports in value terms have grown by 19.1% on average, against 9.8% for developed markets (DM). EM strong import growth was especially driven by surging growth in the BRIC countries (21.7%) of which China (25.1%) outperformed the others. Elsewhere in this report, we already mentioned that emerging markets and especially Asia and the BRICs are leading the current upturn.

EM surging export and import growth is clearly visible in the evolution of their share in world imports[5] that almost doubled over the last 20 years. The BRICs, for which data were not available before 1992, did even better seeing their share rise from 3.7% to 12.5%. China was the most noticeable among the BRICs, quintupling its share.

Graph 17. World import market shares of emerging markets, BRICs and China



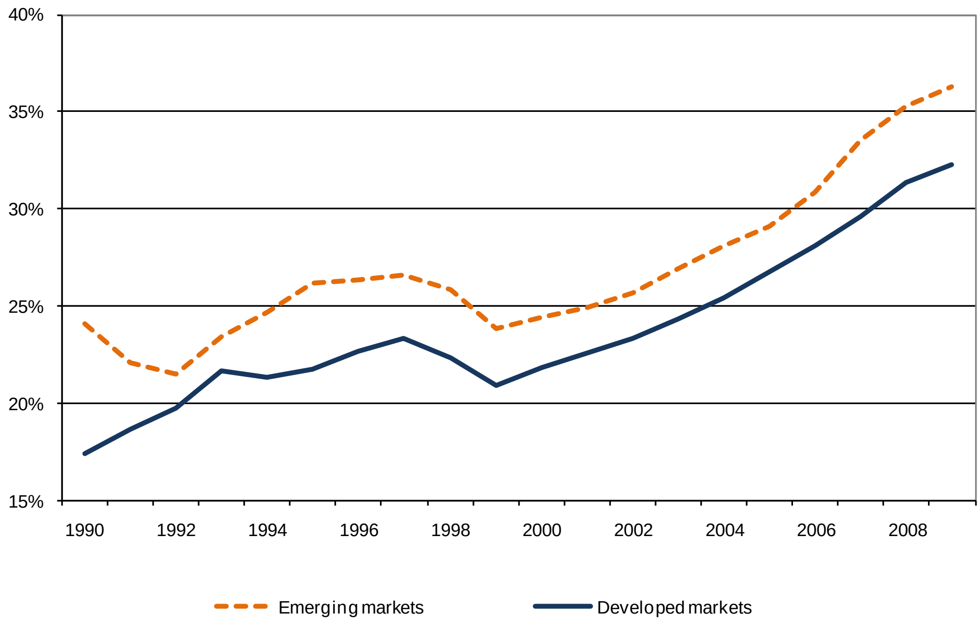
Source: IMF Direction of Trade Statistics, Thomson Financial DataStream

3 Based on Goldman Sachs, Global Economics Weekly, March 2010
4 IMF definition: emerging and developing countries.
5 Evolutions are comparable for shares of world exports

A key feature of this strong import growth was a shift in the trade structure towards intra-EM and intra-BRICs trade. Intra-EM imports grew by 19.5% on average between 1990 and 2008, way above EM imports coming from DM which only grew by 10.8%. This is even more marked for BRICs, whose trade with one another surged by 29.5% on average, greater also than BRICs imports from EM (23.1%) and from DM (15.9%).

The growing importance of EM trade is also visible when we look at the export orientation of individual countries. The share of exports going to EM is increasing in both developed and emerging countries. Again, the share of BRICs and Chinese exports in these countries is even rising more rapidly. This should not come as a surprise as EM, and more specifically BRIC countries, are among the fastest growing countries. This implies that their import needs to increase faster than those of other regions in the world.

Graph 18. Emerging markets' and developed markets' exports share going to emerging markets



Source: IMF Direction of Trade Statistics, Thomson Financial DataStream

Now turning to Europe it is interesting to see which countries have benefited most from EM strong import growth over the last decade (2000-2008). Some countries are clearly better than others in exporting to EM. The reasons for this divergence are numerous (competitiveness, the geographical proximity, the existence of large ports, the product mix, …) but are beyond the scope of this special topic.

The table below looks at which countries have known the fastest export growth to EM (countries are ordered according to this criterion). The EU-15 export growth to EM rose by 16.5% on average, below EM import growth (18.2%) as intra-EM imports rose much faster, but above DM export growth to EM (14.8%), which is primarily due to the low growth rate of US exports to EM (10.8%). In the EU-15, Portugal, Luxemburg and the Netherlands experienced the strongest export growth to EM, while Greece, France, the UK and Ireland clearly underperformed. EM have the highest export shares in Finland, Italy and Greece, all countries at the periphery of the EU-15.

Table 4. Exports of developed countries going to emerging markets (value, in USD)

	Average annual export growth to EM (period 2000-2008)	Weight of exports to EM in total (2008)
Portugal	22,0	17.8
Luxemburg	22,0	11.1
Netherlands	19,1	15.6
Austria	17,5	28.4
Germany	17,3	29.4
Finland	16,3	36.2
Belgium	16,3	15.4
Spain	15,7	22.2
Italy	15,7	31.5
Sweden	14,4	22.3
Denmark	14,2	17.0
Greece	13,3	38.1
France	11,4	24.4
UK	11,2	20.2
Ireland	9,6	10.4
EU-15	16,5	24.9
US	10,8	40.8
Developed markets	14,8	31,0

Source: IMF Direction of Trade Statistics, Thomson Financial DataStream

World trade is hence becoming more diversified and less concentrated in a few countries as can be seen in the tables below. The traditional top ten world exporters and importers have experienced a decline of their trade shares over the last 20 years. The next ten top importers and exporters, encompassing a host of emerging markets, on the other hand have registered a rise in their market share. Most remarkable is the strong rise of China in this list. Last year (not in the table) it became the world's largest exporter and it will not take long before it takes the second spot in the list of the top world importers.

Going forward, emerging markets, BRICs and China are bound to continue to raise their share of world trade as they are expected to catch up with DM.

Table 5. Top 20 of the world's biggest importers (shares in world imports)

	1990		2000		2008	
1	US	14.6%	US	18.8%	US	13.1%
2	Germany	9.8%	Germany	7.6%	Germany	7.2%
3	Japan	6.7%	Japan	5.8%	China	6.8%
4	France	6.6%	UK	5.1%	Japan	4.6%
5	UK	6.3%	France	5.0%	France	4.3%
6	Asia	5.7%	Canada	4.0%	UK	3.8%
7	Italy	5.2%	Italy	3.6%	Netherlands	3.5%
8	Canada	3.7%	China	3.4%	Italy	3.4%
9	Netherlands	3.5%	Netherlands	3.3%	Belgium	2.8%
10	Spain	2.5%	Hong Kong	3.2%	Canada	2.7%
	Top 10 Total	**64.6%**	**Top 10 Total**	**59.7%**	**Top 10 Total**	**52.2%**
11	Hong Kong	2.3%	Mexico	3.0%	South Korea	2.6%
12	South Korea	2.0%	Belgium	2.7%	Spain	2.6%
13	Switzerland	2.0%	South Korea	2.4%	Hong Kong	2.3%
14	Singapore	1.7%	Spain	2.2%	Mexico	2.1%
15	Sweden	1.5%	Singapore	2.0%	Singapore	1.9%
16	China	1.5%	Switzerland	1.3%	India	1.7%
17	Austria	1.4%	Malaysia	1.2%	Russia	1.6%
18	Australia	1.2%	Australia	1.1%	Brazil	1.4%
19	Thailand	0.9%	Sweden	1.1%	Australia	1.3%
20	Mexico	0.9%	Austria	1.1%	Poland	1.3%
	Next 10 Total	**15.5%**	**Next 10 Total**	**18.1%**	**Next 10 Total**	**18.8%**
	Top 20 Total	**80.2%**	**Top 20 Total**	**77.8%**	**Top 20 Total**	**71.0%**

Table 6. Top 20 of the world's biggest exporters (shares in world exports)

	1990		2000		2008	
1	Germany	12.0%	US	12.1%	Germany	9.0%
2	US	11.6%	Germany	8.6%	China	8.9%
3	Japan	8.5%	Japan	7.5%	US	8.1%
4	France	6.4%	France	5.1%	Japan	4.9%
5	UK	5.4%	UK	4.4%	Netherlands	4.0%
6	Italy	5.0%	Canada	4.3%	France	3.8%
7	Netherlands	3.8%	China	3.9%	Italy	3.4%
8	Canada	3.7%	Italy	3.7%	Belgium	3.0%
9	Hong Kong	2.4%	Netherlands	3.6%	UK	2.9%
10	South Korea	1.9%	Hong Kong	3.2%	Russia	2.9%
	Top 10 Total	**60.8%**	**Top 10 Total**	**56.4%**	**Top 10 Total**	**50.8%**
11	China	1.9%	Belgium	2.9%	Canada	2.8%
12	Switzerland	1.9%	South Korea	2.7%	South Korea	2.7%
13	Sweden	1.7%	Mexico	2.6%	Hong Kong	2.3%
14	Spain	1.6%	Singapore	2.2%	Singapore	2.1%
15	Singapore	1.6%	Spain	1.7%	Saudi Arabia	1.9%
16	Saudi Arabia	1.3%	Russia	1.6%	Mexico	1.8%
17	Austria	1.2%	Malaysia	1.5%	Spain	1.8%
18	Australia	1.1%	Sweden	1.4%	Brazil	1.3%
19	Denmark	1.0%	Switzerland	1.3%	Switzerland	1.2%
20	Norway	1.0%	Ireland	1.2%	Malaysia	1.2%
	Next 10 Total	**14.3%**	**Next 10 Total**	**19.1%**	**Next 10 Total**	**19.1%**
	Top 20 Total	**75.1%**	**Top 20 Total**	**75.5%**	**Top 20 Total**	**69.9%**

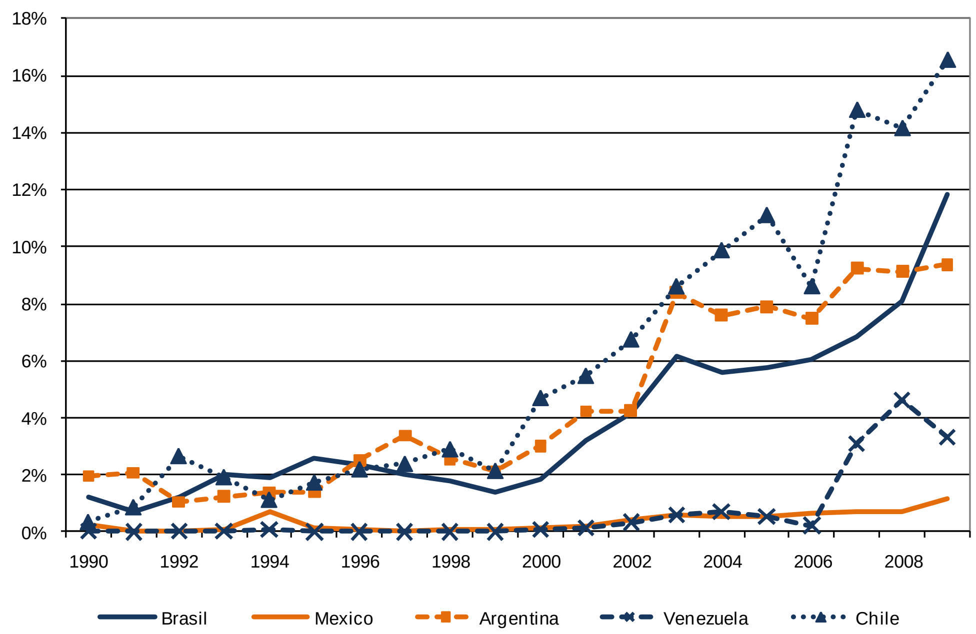
Source: IMF Direction of Trade Statistics, Thomson Financial DataStream

5.2. Importance of China in Latin-American foreign trade

In the previous section we explained how emerging markets, BRIC countries and China are taking an ever growing share of world trade. In this box we look at a particular case, namely how trade between China and the five biggest Latin-American economies (i.e. Brazil, Mexico, Argentina, Venezuela and Chile) evolved over the last 20 years.

The graph below shows that starting with very low initial levels in 1990, the share of exports to China has risen to 10% or above for Brazil, Argentina and Chile. Venezuela's share of exports to China only increased in 2007 and has remained rather modest since then, while Mexico's hardly rose at all.

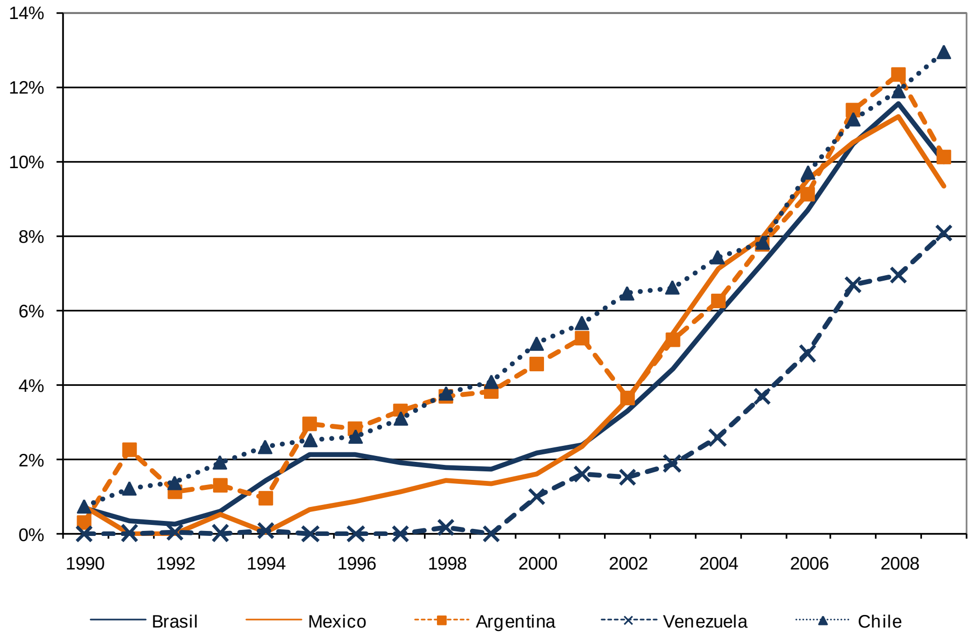
Graph 19. Share of exports to China in total exports



Source: IMF Direction of Trade Statistics, Thomson Financial DataStream

The region's imports from China, have also surged as can be seen in the graph below, increasing its percentage in total imports for the five countries from negligible levels to levels between 8 and 13%. Strikingly, while Venezuela and Mexico hardly seem to export to China, their imports from China rose in line with those of other Latin American countries. This is probably related to the very different product mix of Chinese imports and exports.

Graph 20. Share of imports from China in total imports



Source: IMF Direction of Trade Statistics, Thomson Financial DataStream

Annex: Detailed international trade tables

Summary of World Trade
Annual percentage changes

	2009	2010	2011
World trade volume of total goods	– 12.1	10.7	7.6
World trade price in US dollars			
Total goods	– 11.4	3.3	1.2
idem national currencies	– 8.5	2.2	0.8
of which			
Manufactures	– 7.5	– 0.4	1.3
idem national currencies (export weighted)	– 4.5	– 1.6	0.9
Oil (fob)	– 36.6	30.0	0.0
Non-fuel primary commodities (HWWI)	– 22.4	20.0	2.0
Effective exchange rate dollar			
export weighted	3.0	– 1.2	– 0.4
import weighted	3.2	– 1.0	– 0.3

A.1. Spot exchange rates

Table 1a. Spot exchange rates (in US dollar)
Units of national currency per US dollar

	2009	2010	2011
Germany	0.720	0.727	0.727
France	0.720	0.727	0.727
Italy	0.720	0.727	0.727
Spain	0.720	0.727	0.727
Netherlands	0.720	0.727	0.727
Belgium/Luxemburg	0.720	0.727	0.727
Austria	0.720	0.727	0.727
Finland	0.720	0.727	0.727
Greece	0.720	0.727	0.727
Portugal	0.720	0.727	0.727
Ireland	0.720	0.727	0.727
United Kingdom	0.641	0.650	0.650
Sweden	7.654	7.082	7.082
Denmark	5.360	5.409	5.409
Switzerland	1.087	1.067	1.067
Norway	6.289	5.849	5.849
United States	1.000	1.000	1.000
Canada	1.142	1.020	1.020
Japan	93.57	92.00	92.00
Czech Republic	19.071	18.710	18.710
Hungary	202.34	194.20	195.20
Poland	3.122	2.950	2.950
Slovak Republic	0.720	0.727	0.727
Slovenia	0.720	0.727	0.727
Other transition	1.000	1.000	1.000
Anies	1.023	0.977	0.977
Other Asia	1.000	1.000	1.000
China	6.831	6.630	6.360
Africa + Middle East	1.000	1.000	1.000
Latin America	1.000	1.000	1.000

Table 1b. Spot exchange rates (in euro)
Euros per unit of national currency

	2009	2010	2011
Germany	1.000	1.000	1.000
France	1.000	1.000	1.000
Italy	1.000	1.000	1.000
Spain	1.000	1.000	1.000
Netherlands	1.000	1.000	1.000
Belgium/Luxemburg	1.000	1.000	1.000
Austria	1.000	1.000	1.000
Finland	1.000	1.000	1.000
Greece	1.000	1.000	1.000
Portugal	1.000	1.000	1.000
Ireland	1.000	1.000	1.000
United Kingdom	1.122	1.118	1.118
Sweden	0.094	0.103	0.103
Denmark	0.134	0.134	0.134
Switzerland	0.662	0.681	0.681
Norway	0.114	0.124	0.124
United States	0.720	0.727	0.727
Canada	0.630	0.713	0.713
Japan (/ 100)	0.769	0.790	0.790
Czech Republic	0.038	0.039	0.039
Hungary	0.004	0.004	0.004
Poland	0.230	0.246	0.246
Slovak Republic	1.000	1.000	1.000
Slovenia	1.000	1.000	1.000
Other transition	0.720	0.727	0.727
Anies	0.704	0.744	0.744
Other Asia	0.720	0.727	0.727
China	0.105	0.110	0.114
Africa + Middle East	0.720	0.727	0.727
Latin America	0.720	0.727	0.727

A.2. Merchandise trade volumes and export market growth

Table 2a. Export volumes
Annual percentage changes

	2009	2010	2011
Total World	– 11.9	10.9	7.6
Advanced economies	– 14.9	9.1	6.1
European Union 15	– 14.3	6.8	5.5
Euro area	– 14.6	6.8	5.5
Germany	– 16.5	9.0	6.5
France	– 12.4	6.0	5.5
Italy	– 20.4	3.5	3.0
Spain	– 11.7	6.0	6.0
Netherlands	– 9.5	7.5	6.0
Belgium/Luxemburg	– 10.8	7.0	4.0
Austria	– 17.7	5.0	6.0
Finland	– 25.7	7.0	7.0
Greece	– 11.6	6.0	4.5
Portugal	– 14.1	5.0	4.0
Ireland	– 5.4	1.0	4.0
United Kingdom	– 11.7	7.5	6.0
Sweden	– 17.2	5.5	6.0
Denmark	– 10.0	4.0	4.5
Switzerland	– 14.2	6.0	5.5
Norway	– 4.3	5.5	2.0
United States	– 14.0	11.5	7.0
Canada	– 16.6	6.0	6.0
Japan	– 24.5	22.0	8.5
Emerging markets	– 8.7	12.9	9.2
Central + Eastern Europe	– 10.4	8.7	9.2
Czech Republic	– 13.6	10.5	10.0
Hungary	– 13.0	10.5	10.0
Poland	– 9.3	8.5	9.0
Slovak Republic	– 14.0	10.5	10.0
Slovenia	– 11.5	10.5	10.0
Other transition	– 10.0	8.0	9.0
Asia	– 8.5	15.5	9.7
Anies	– 7.8	15.0	7.0
China	– 10.6	18.0	11.5
Other Asia	– 7.0	13.5	10.5
Africa + Middle East	– 7.5	6.5	5.5
Latin America	– 8.0	12.0	10.0

Table 2b. Import volumes
Annual percentage changes

	2009	2010	2011
Total World	– 12.4	10.5	7.5
Advanced economies	– 13.4	7.2	6.2
European Union 15	– 12.6	5.5	5.4
Euro area	– 12.4	5.1	5.6
Germany	– 9.6	8.0	8.0
France	– 10.2	5.0	5.0
Italy	– 15.6	2.0	4.3
Spain	– 18.1	3.0	4.0
Netherlands	– 10.7	6.0	5.0
Belgium/Luxemburg	– 12.0	6.0	4.0
Austria	– 15.2	2.5	5.0
Finland	– 23.0	6.0	8.0
Greece	– 14.4	– 5.0	3.5
Portugal	– 11.1	5.0	5.0
Ireland	– 21.6	– 6.5	2.0
United Kingdom	– 12.5	7.5	4.0
Sweden	– 16.2	9.0	5.5
Denmark	– 14.0	3.0	4.0
Switzerland	– 9.1	6.0	5.4
Norway	– 9.7	7.0	3.5
United States	– 16.0	8.0	8.0
Canada	– 14.9	10.0	7.0
Japan	– 13.5	15.0	7.0
Emerging markets	– 11.1	14.8	9.1
Central + Eastern Europe	– 22.8	10.1	10.1
Czech Republic	– 14.1	8.5	10.0
Hungary	– 17.7	8.5	10.0
Poland	– 16.0	4.8	10.4
Slovak Republic	– 16.5	8.5	10.0
Slovenia	– 13.5	8.5	10.0
Other transition	– 30.0	13.5	10.0
Asia	– 5.7	18.1	8.8
Anies	– 8.8	17.0	7.0
China	2.4	22.0	13.0
Other Asia	– 8.8	16.0	7.0
Africa + Middle East	– 6.0	10.0	8.0
Latin America	– 18.0	14.0	10.0

Table 2c. Export market growth[a]
Annual percentage changes

	2009	2010	2011
Total World	– 12.4	10.5	7.5
Advanced economies	– 12.4	9.3	7.1
European Union 15	– 12.7	7.8	6.7
Euro area	– 12.7	7.8	6.7
Germany	– 13.2	7.9	6.7
France	– 12.4	7.8	6.6
Italy	– 12.6	8.5	7.2
Spain	– 11.9	7.5	6.6
Netherlands	– 12.2	7.3	6.4
Belgium/Luxemburg	– 11.7	7.4	6.4
Austria	– 13.1	8.0	7.6
Finland	– 14.2	9.4	7.2
Greece	– 14.9	8.4	7.4
Portugal	– 12.8	6.6	5.9
Ireland	– 12.4	7.6	6.0
United Kingdom	– 12.7	7.4	6.5
Sweden	– 12.5	8.4	6.7
Denmark	– 13.0	8.2	6.7
Switzerland	– 12.0	8.5	7.0
Norway	– 13.3	7.4	6.0
United States	– 12.6	12.0	7.8
Canada	– 14.7	9.1	8.0
Japan	– 9.8	13.3	8.3
Emerging markets	– 12.4	11.9	7.9
Central + Eastern Europe	– 16.0	9.6	8.4
Czech Republic	– 16.4	8.6	8.5
Hungary	– 15.9	7.8	7.6
Poland	– 15.2	8.4	7.5
Slovak Republic	– 15.0	8.2	8.8
Slovenia	– 16.1	7.7	7.5
Other transition	– 16.5	10.7	8.8
Asia	– 10.7	13.1	7.8
Anies	– 11.0	13.0	7.6
China	– 12.1	12.3	7.2
Other Asia	– 9.0	14.0	8.6
Africa + Middle East	– 11.8	10.3	7.2
Latin America	– 14.8	10.3	8.3

a. Export market growth is the weighted average of growth of import volumes in the geographical markets of each exporting country.

Table 2d. Export performance[a]
Annual percentage changes

	2009	2010	2011
Total World	0.6	0.3	0.1
Advanced economies	– 2.8	– 0.2	– 1.0
European Union 15	– 1.9	– 1.0	– 1.1
Euro area	– 2.2	– 0.9	– 1.1
Germany	– 3.8	1.1	– 0.2
France	0.0	– 1.7	– 1.0
Italy	– 9.0	– 4.6	– 3.9
Spain	0.3	– 1.4	– 0.5
Netherlands	3.1	0.2	– 0.4
Belgium/Luxemburg	1.0	– 0.3	– 2.3
Austria	– 5.3	– 2.8	– 1.5
Finland	– 13.4	– 2.2	– 0.2
Greece	3.9	– 2.2	– 2.7
Portugal	– 1.5	– 1.5	– 1.8
Ireland	8.1	– 6.2	– 1.9
United Kingdom	1.1	0.1	– 0.5
Sweden	– 5.4	– 2.7	– 0.7
Denmark	3.5	– 3.9	– 2.0
Switzerland	– 2.5	– 2.3	– 1.4
Norway	10.3	– 1.8	– 3.8
United States	– 1.6	– 0.5	– 0.8
Canada	– 2.3	– 2.9	– 1.9
Japan	– 16.3	7.7	0.1
Emerging markets	4.2	0.9	1.2
Central + Eastern Europe	6.7	– 0.8	0.7
Czech Republic	3.3	1.8	1.4
Hungary	3.4	2.5	2.2
Poland	7.0	0.1	1.4
Slovak Republic	1.1	2.1	1.1
Slovenia	5.5	2.6	2.3
Other transition	7.8	– 2.5	0.2
Asia	2.5	2.1	1.8
Anies	3.6	1.8	– 0.6
China	1.7	5.1	4.0
Other Asia	2.2	– 0.5	1.7
Africa + Middle East	4.9	– 3.4	– 1.6
Latin America	8.0	1.5	1.6

a. Export performance is the ratio of export volume to export markets for total goods.

A.3. Prices in US dollars, terms of trade and appreciation against the dollar

Table 3a. Export prices in dollars
Annual percentage changes

	2009	2010	2011
Total World	– 10.9	3.2	1.2
Advanced economies	– 8.6	2.3	1.1
European Union 15	– 9.5	0.7	1.2
Euro area	– 8.9	0.2	1.1
Germany	– 7.4	– 0.5	1.0
France	– 9.5	– 0.5	0.5
Italy	– 5.7	1.5	3.8
Spain	– 11.7	0.5	1.0
Netherlands	– 12.5	1.0	0.0
Belgium/Luxemburg	– 11.5	1.0	1.5
Austria	– 7.0	0.0	0.5
Finland	– 13.9	1.0	0.5
Greece	– 9.5	0.0	2.0
Portugal	– 10.0	0.5	1.0
Ireland	– 4.0	0.0	1.0
United Kingdom	– 13.4	2.6	2.0
Sweden	– 13.5	7.5	– 0.5
Denmark	– 11.1	3.1	2.0
Switzerland	2.2	3.9	1.0
Norway	– 26.9	15.0	2.5
United States	– 4.6	3.0	1.5
Canada	– 16.9	10.8	0.0
Japan	0.0	3.7	0.0
Emerging markets	– 13.2	4.2	1.3
Central + Eastern Europe	– 21.4	9.7	0.6
Czech Republic	– 10.3	3.5	0.8
Hungary	– 11.5	2.6	0.3
Poland	– 12.5	10.4	0.6
Slovak Republic	– 7.4	– 0.5	0.8
Slovenia	– 14.1	– 0.5	0.8
Other transition	– 28.0	14.0	0.5
Asia	– 7.6	0.4	1.2
Anies	– 9.0	– 0.3	0.2
China	– 6.0	2.0	2.0
Other Asia	– 7.7	– 0.5	1.3
Africa + Middle East	– 26.0	16.5	2.0
Latin America	– 12.0	5.0	2.0

Table 3b. Import prices in dollars
Annual percentage changes

	2009	2010	2011
Total World	– 11.8	3.4	1.2
Advanced economies	– 12.0	3.4	1.2
European Union 15	– 12.7	2.3	1.3
Euro area	– 12.5	2.1	1.2
Germany	– 13.4	2.0	1.3
France	– 12.5	1.5	1.3
Italy	– 12.4	3.9	1.3
Spain	– 15.3	2.4	1.3
Netherlands	– 12.2	2.0	0.8
Belgium/Luxemburg	– 12.1	1.5	1.3
Austria	– 7.9	1.5	1.3
Finland	– 14.1	1.5	1.8
Greece	– 6.8	2.4	1.3
Portugal	– 12.8	2.4	1.3
Ireland	– 4.8	2.0	1.3
United Kingdom	– 13.2	2.6	1.3
Sweden	– 14.8	7.0	1.3
Denmark	– 12.5	2.6	1.3
Switzerland	– 5.4	3.9	1.3
Norway	– 10.9	4.8	1.8
United States	– 11.4	5.0	1.3
Canada	– 5.9	7.5	0.3
Japan	– 14.9	3.7	1.3
Emerging markets	– 11.6	3.3	1.2
Central + Eastern Europe	– 12.3	4.9	1.2
Czech Republic	– 13.6	0.9	1.3
Hungary	– 12.8	0.5	0.8
Poland	– 15.9	12.0	1.4
Slovak Republic	– 11.3	0.5	1.3
Slovenia	– 16.4	0.5	1.3
Other transition	– 10.0	5.0	1.3
Asia	– 12.9	3.0	1.3
Anies	– 13.5	3.0	1.3
China	– 13.3	3.5	1.3
Other Asia	– 12.0	2.5	1.3
Africa + Middle East	– 8.5	3.5	1.3
Latin America	– 8.5	2.5	0.8

Table 3c. Terms of trade
Annual percentage changes

	2009	2010	2011
Total World	0.8	– 0.3	– 0.1
Advanced economies	4.1	– 1.3	– 0.1
European Union 15	3.3	– 1.6	– 0.1
Euro area	4.1	– 1.8	– 0.1
Germany	6.9	– 2.4	– 0.3
France	3.4	– 2.0	– 0.8
Italy	7.6	– 2.4	2.5
Spain	4.3	– 1.9	– 0.3
Netherlands	– 0.4	– 1.0	– 0.8
Belgium/Luxemburg	0.6	– 0.5	0.2
Austria	0.9	– 1.5	– 0.8
Finland	0.2	– 0.5	– 1.3
Greece	– 2.9	– 2.4	0.7
Portugal	3.3	– 1.9	– 0.3
Ireland	0.8	– 1.9	– 0.3
United Kingdom	– 0.2	0.0	0.7
Sweden	1.6	0.5	– 1.8
Denmark	1.6	0.5	0.7
Switzerland	8.0	0.0	– 0.3
Norway	– 17.9	9.7	0.7
United States	7.7	– 1.9	0.2
Canada	– 11.7	3.1	– 0.3
Japan	17.6	0.0	– 1.3
Emerging markets	– 2.3	0.8	– 0.1
Central + Eastern Europe	– 11.7	4.8	– 0.7
Czech Republic	3.8	2.5	– 0.5
Hungary	1.5	2.1	– 0.5
Poland	4.1	– 1.4	– 0.8
Slovak Republic	4.4	– 1.0	– 0.5
Slovenia	2.8	– 1.0	– 0.5
Other transition	– 20.0	8.6	– 0.8
Asia	5.9	– 2.4	– 0.2
Anies	5.2	– 3.2	– 1.1
China	8.4	– 1.4	0.7
Other Asia	4.9	– 2.9	0.0
Africa + Middle East	– 19.1	12.6	0.7
Latin America	– 3.8	2.4	1.2

Table 3d. Appreciation against US dollar, with export weighted totals
Annual percentage changes

	2009	2010	2011
Total World	– 3.0	1.2	0.4
Advanced economies	– 3.9	0.7	0.0
European Union 15	– 6.3	– 0.8	0.0
Euro area	– 5.0	– 1.0	0.0
Germany	– 5.0	– 1.0	0.0
France	– 5.0	– 1.0	0.0
Italy	– 5.0	– 1.0	0.0
Spain	– 5.0	– 1.0	0.0
Netherlands	– 5.0	– 1.0	0.0
Belgium/Luxemburg	– 5.0	– 1.0	0.0
Austria	– 5.0	– 1.0	0.0
Finland	– 5.0	– 1.0	0.0
Greece	– 5.0	– 1.0	0.0
Portugal	– 5.0	– 1.0	0.0
Ireland	– 5.0	– 1.0	0.0
United Kingdom	– 15.0	– 1.3	0.0
Sweden	– 13.9	8.1	0.0
Denmark	– 4.9	– 0.9	0.0
Switzerland	– 0.3	1.8	0.0
Norway	– 10.3	7.5	0.0
United States	0.0	0.0	0.0
Canada	– 6.6	11.9	0.0
Japan	10.5	1.7	0.0
Emerging markets	– 2.1	1.7	0.8
Central + Eastern Europe	– 7.4	1.3	0.0
Czech Republic	– 10.5	1.9	0.0
Hungary	– 14.8	4.2	– 0.5
Poland	– 22.8	5.8	0.0
Slovak Republic	– 1.5	– 1.0	0.0
Slovenia	– 5.0	– 1.0	0.0
Other transition	0.0	0.0	0.0
Asia	– 1.2	2.5	1.5
Anies	– 5.3	4.7	0.0
China	1.7	3.0	4.2
Other Asia	0.0	0.0	0.0
Africa + Middle East	0.0	0.0	0.0
Latin America	0.0	0.0	0.0

A.4. Relative import prices in national currencies and effective appreciation against supplying countries

Table 4a. Import prices in national currencies
Annual percentage changes

	2009	2010	2011
Total World	– 8.9	2.3	0.9
Advanced economies	– 8.6	2.9	1.2
European Union 15	– 6.5	3.1	1.3
Euro area	– 7.9	3.1	1.2
Germany	– 8.8	3.0	1.3
France	– 7.8	2.5	1.3
Italy	– 7.7	5.0	1.3
Spain	– 10.8	3.5	1.3
Netherlands	– 7.5	3.0	0.8
Belgium/Luxemburg	– 7.4	2.5	1.3
Austria	– 3.0	2.5	1.3
Finland	– 9.5	2.5	1.8
Greece	– 1.9	3.5	1.3
Portugal	– 8.2	3.5	1.3
Ireland	0.3	3.0	1.3
United Kingdom	2.1	4.0	1.3
Sweden	– 1.1	– 1.0	1.3
Denmark	– 8.0	3.5	1.3
Switzerland	– 5.1	2.0	1.3
Norway	– 0.7	– 2.5	1.8
United States	– 11.4	5.0	1.3
Canada	0.8	– 4.0	0.3
Japan	– 23.0	2.0	1.3
Emerging markets	– 9.3	1.7	0.5
Central + Eastern Europe	– 3.8	3.2	1.3
Czech Republic	– 3.5	– 1.0	1.3
Hungary	2.3	– 3.5	1.3
Poland	8.9	5.8	1.4
Slovak Republic	– 10.0	1.5	1.3
Slovenia	– 12.0	1.5	1.3
Other transition	– 10.0	5.0	1.3
Asia	– 11.6	0.4	0.0
Anies	– 8.6	– 1.6	1.3
China	– 14.8	0.5	– 2.8
Other Asia	– 12.0	2.5	1.3
Africa + Middle East	– 8.5	3.5	1.3
Latin America	– 8.5	2.5	0.8

Table 4b. Calculated import prices in national currencies[a]
Annual percentage changes

	2009	2010	2011
Total World	– 8.0	2.2	0.8
Advanced economies	– 7.5	2.8	1.2
European Union 15	– 5.3	3.9	1.2
Euro area	– 6.9	4.1	1.2
Germany	– 6.7	4.3	1.1
France	– 6.4	3.7	1.4
Italy	– 7.6	4.4	1.1
Spain	– 7.3	4.4	1.4
Netherlands	– 7.3	4.6	1.3
Belgium/Luxemburg	– 6.0	3.3	1.0
Austria	– 5.1	2.9	1.1
Finland	– 9.9	6.2	0.9
Greece	– 6.9	4.1	1.3
Portugal	– 6.9	3.6	1.3
Ireland	– 9.2	5.1	1.2
United Kingdom	4.6	4.4	1.2
Sweden	1.5	– 4.3	1.3
Denmark	– 7.3	4.4	1.0
Switzerland	– 11.0	0.8	1.2
Norway	– 1.0	– 3.7	0.9
United States	– 10.8	4.0	1.1
Canada	– 0.1	– 7.9	1.5
Japan	– 19.2	1.7	1.5
Emerging markets	– 8.5	1.5	0.4
Central + Eastern Europe	– 6.9	3.5	1.0
Czech Republic	– 1.8	1.1	0.9
Hungary	2.3	– 0.6	1.5
Poland	13.7	– 2.6	1.1
Slovak Republic	– 17.5	8.7	0.7
Slovenia	– 5.4	3.1	1.2
Other transition	– 17.0	6.4	0.9
Asia	– 7.8	– 0.2	– 0.2
Anies	– 2.3	– 2.7	1.3
China	– 11.9	– 0.2	– 3.1
Other Asia	– 9.8	2.2	0.9
Africa + Middle East	– 11.7	3.7	1.3
Latin America	– 9.3	3.5	1.4

a. Import price change calculated under the assumption that for each individual supplier the export price change to that country is the same as the total export price change of that supplier. This condition is satisfied if the suppliers charge all importers the same price.

Table 4c. Relative import prices in a common currency[a]
Annual percentage changes

	2009	2010	2011
Total World	– 1.0	0.1	0.0
Advanced economies	– 1.1	0.1	0.0
European Union 15	– 1.2	– 0.8	0.1
Euro area	– 1.1	– 1.0	0.1
Germany	– 2.3	– 1.2	0.2
France	– 1.5	– 1.2	– 0.1
Italy	– 0.1	0.6	0.2
Spain	– 3.8	– 0.9	– 0.1
Netherlands	– 0.3	– 1.5	– 0.5
Belgium/Luxemburg	– 1.4	– 0.8	0.3
Austria	2.2	– 0.4	0.2
Finland	0.4	– 3.5	0.9
Greece	5.3	– 0.6	0.0
Portugal	– 1.4	– 0.1	0.0
Ireland	10.4	– 2.0	0.1
United Kingdom	– 2.4	– 0.4	0.1
Sweden	– 2.6	3.4	0.0
Denmark	– 0.8	– 0.8	0.3
Switzerland	6.7	1.2	0.1
Norway	0.3	1.3	0.8
United States	– 0.7	1.0	0.2
Canada	0.9	4.2	– 1.1
Japan	– 4.6	0.3	– 0.2
Emerging markets	– 0.9	0.2	0.1
Central + Eastern Europe	3.4	– 0.3	0.2
Czech Republic	– 1.8	– 2.1	0.4
Hungary	0.0	– 2.9	– 0.2
Poland	– 4.2	8.6	0.3
Slovak Republic	9.2	– 6.6	0.6
Slovenia	– 7.0	– 1.6	0.1
Other transition	8.4	– 1.3	0.4
Asia	– 4.2	0.7	0.2
Anies	– 6.5	1.1	0.0
China	– 3.3	0.6	0.3
Other Asia	– 2.5	0.2	0.4
Africa + Middle East	3.6	– 0.1	0.0
Latin America	0.9	– 1.0	– 0.6

a. The relative import price is the ratio of import price to calculated import price.

Table 4d. Effective appreciation against supplying countries
Annual percentage changes

	2009	2010	2011
Total World	0.0	0.0	0.0
Advanced economies	– 0.2	– 0.4	– 0.4
European Union 15	– 1.4	– 1.1	– 0.2
Euro area	0.0	– 1.3	– 0.2
Germany	0.6	– 1.7	– 0.2
France	– 0.1	– 1.0	– 0.1
Italy	– 0.4	– 1.2	– 0.2
Spain	– 0.7	– 0.9	– 0.2
Netherlands	– 0.9	– 1.5	– 0.3
Belgium/Luxemburg	– 0.3	– 1.0	– 0.1
Austria	0.7	– 1.1	0.0
Finland	0.4	– 2.1	– 0.1
Greece	– 0.2	– 1.2	– 0.2
Portugal	– 0.3	– 0.7	– 0.1
Ireland	1.1	– 1.3	– 0.1
United Kingdom	– 11.5	– 2.1	– 0.2
Sweden	– 8.7	7.5	– 0.1
Denmark	2.2	– 2.1	– 0.1
Switzerland	4.3	2.0	– 0.1
Norway	– 3.8	6.0	– 0.2
United States	2.0	– 2.7	– 0.6
Canada	– 5.9	11.4	– 0.2
Japan	11.8	– 0.1	– 1.3
Emerging markets	0.0	0.4	0.4
Central + Eastern Europe	– 2.8	0.8	– 0.2
Czech Republic	– 5.5	1.9	– 0.1
Hungary	– 10.6	4.1	– 0.7
Poland	– 18.9	5.5	– 0.3
Slovak Republic	4.2	– 1.7	0.0
Slovenia	0.8	– 1.1	0.0
Other transition	5.2	– 0.8	– 0.2
Asia	– 0.1	0.7	0.8
Anies	– 5.1	2.7	– 1.4
China	2.4	2.1	4.2
Other Asia	2.3	– 2.3	– 0.5
Africa + Middle East	3.3	– 0.8	– 0.4
Latin America	1.2	– 0.7	– 0.2

A.5. Relative export prices in national currencies and effective appreciation against competing countries

Table 5a. Export prices in national currencies
Annual percentage changes

	2009	2010	2011
Total World	– 8.1	2.0	0.7
Advanced economies	– 4.8	1.6	1.1
European Union 15	– 3.4	1.5	1.2
Euro area	– 4.1	1.2	1.1
Germany	– 2.5	0.5	1.0
France	– 4.7	0.5	0.5
Italy	– 0.7	2.5	3.8
Spain	– 7.0	1.5	1.0
Netherlands	– 7.9	2.0	0.0
Belgium/Luxemburg	– 6.8	2.0	1.5
Austria	– 2.1	1.0	0.5
Finland	– 9.3	2.0	0.5
Greece	– 4.7	1.0	2.0
Portugal	– 5.2	1.5	1.0
Ireland	1.1	1.0	1.0
United Kingdom	1.9	4.0	2.0
Sweden	0.5	– 0.5	– 0.5
Denmark	– 6.5	4.0	2.0
Switzerland	2.5	2.0	1.0
Norway	– 18.5	7.0	2.5
United States	– 4.6	3.0	1.5
Canada	– 11.0	– 1.0	0.0
Japan	– 9.5	2.0	0.0
Emerging markets	– 11.4	2.5	0.4
Central + Eastern Europe	– 15.0	8.2	0.6
Czech Republic	0.2	1.5	0.8
Hungary	3.8	– 1.5	0.8
Poland	13.4	4.3	0.6
Slovak Republic	– 6.0	0.5	0.8
Slovenia	– 9.5	0.5	0.8
Other transition	– 28.0	14.0	0.5
Asia	– 6.4	– 2.0	– 0.2
Anies	– 3.9	– 4.8	0.2
China	– 7.6	– 1.0	– 2.2
Other Asia	– 7.7	– 0.5	1.3
Africa + Middle East	– 26.0	16.5	2.0
Latin America	– 12.0	5.0	2.0

Table 5b. Export prices of competitors[a]
Annual percentage changes

	2009	2010	2011
Total World	– 9.1	2.2	0.8
Advanced economies	– 8.1	2.6	1.2
European Union 15	– 6.0	3.8	1.2
Euro area	– 7.3	4.1	1.2
Germany	– 7.1	4.3	1.2
France	– 7.3	4.1	1.2
Italy	– 7.1	4.1	1.2
Spain	– 7.2	3.8	1.2
Netherlands	– 7.7	3.7	1.3
Belgium/Luxemburg	– 7.6	3.7	1.2
Austria	– 7.7	3.8	1.2
Finland	– 7.5	4.8	1.3
Greece	– 6.9	4.5	1.3
Portugal	– 7.8	3.7	1.3
Ireland	– 7.6	4.0	1.2
United Kingdom	4.1	4.5	1.2
Sweden	2.1	– 4.5	1.3
Denmark	– 8.0	4.5	1.3
Switzerland	– 11.9	1.1	1.2
Norway	– 2.3	– 3.9	1.2
United States	– 10.2	3.9	0.9
Canada	– 5.3	– 6.6	1.3
Japan	– 20.3	1.7	1.2
Emerging markets	– 10.1	1.7	0.4
Central + Eastern Europe	– 4.7	2.0	1.3
Czech Republic	– 1.7	1.2	1.3
Hungary	3.4	– 0.9	1.8
Poland	13.8	– 2.9	1.3
Slovak Republic	– 11.5	3.6	1.3
Slovenia	– 7.3	4.3	1.3
Other transition	– 11.6	3.6	1.3
Asia	– 11.2	0.9	– 0.2
Anies	– 7.0	– 1.3	1.2
China	– 13.9	0.5	– 2.9
Other Asia	– 12.4	3.5	1.2
Africa + Middle East	– 11.9	3.3	1.2
Latin America	– 10.9	3.8	1.1

a. Export prices of competitors is weighted average of import prices in the geographical export markets of each exporting country, measured in the currency of the exporting country.

Table 5c. Relative export prices in a common currency[a]
Annual percentage changes

	2009	2010	2011
‘ Total World	1.0	– 0.1	0.0
Advanced economies	3.5	– 1.0	– 0.1
European Union 15	2.8	– 2.3	– 0.1
Euro area	3.5	– 2.7	– 0.1
Germany	4.9	– 3.6	– 0.3
France	2.9	– 3.5	– 0.7
Italy	6.9	– 1.5	2.5
Spain	0.2	– 2.2	– 0.2
Netherlands	– 0.2	– 1.7	– 1.3
Belgium/Luxemburg	0.8	– 1.7	0.3
Austria	6.1	– 2.7	– 0.7
Finland	– 1.9	– 2.7	– 0.7
Greece	2.4	– 3.4	0.7
Portugal	2.9	– 2.1	– 0.3
Ireland	9.4	– 2.9	– 0.2
United Kingdom	– 2.1	– 0.5	0.8
Sweden	– 1.6	4.2	– 1.8
Denmark	1.6	– 0.5	0.7
Switzerland	16.3	0.8	– 0.2
Norway	– 16.6	11.4	1.3
United States	6.2	– 0.9	0.6
Canada	– 6.0	6.0	– 1.3
Japan	13.6	0.3	– 1.2
Emerging markets	– 1.4	0.8	0.0
Central + Eastern Europe	– 10.9	6.1	– 0.7
Czech Republic	1.9	0.3	– 0.5
Hungary	0.4	– 0.6	– 1.0
Poland	– 0.4	7.4	– 0.7
Slovak Republic	6.2	– 3.0	– 0.5
Slovenia	– 2.4	– 3.6	– 0.5
Other transition	– 18.5	10.1	– 0.8
Asia	5.3	– 2.9	0.0
Anies	3.3	– 3.5	– 1.0
China	7.3	– 1.5	0.8
Other Asia	5.3	– 3.8	0.1
Africa + Middle East	– 16.0	12.7	0.8
Latin America	– 1.2	1.1	0.9

a. The relative export price is the ratio of export price to export price of competitors.

Table 5d. Effective appreciation against competing countries
Annual percentage changes

	2009	2010	2011
Total World	0.0	0.0	0.0
Advanced economies	– 0.5	– 0.3	– 0.3
European Union 15	– 2.2	– 1.4	– 0.3
Euro area	– 0.9	– 1.7	– 0.3
Germany	– 1.1	– 1.7	– 0.3
France	– 1.1	– 1.7	– 0.3
Italy	– 1.1	– 1.7	– 0.3
Spain	– 0.9	– 1.5	– 0.2
Netherlands	– 0.5	– 1.6	– 0.2
Belgium/Luxemburg	– 0.7	– 1.7	– 0.3
Austria	– 0.4	– 1.6	– 0.2
Finland	– 1.0	– 1.9	– 0.3
Greece	– 0.8	– 1.7	– 0.3
Portugal	– 0.6	– 1.5	– 0.2
Ireland	– 1.0	– 1.8	– 0.3
United Kingdom	– 11.5	– 2.2	– 0.3
Sweden	– 10.1	7.0	– 0.3
Denmark	– 0.4	– 1.7	– 0.3
Switzerland	3.8	0.9	– 0.3
Norway	– 6.4	6.7	– 0.3
United States	2.1	– 0.9	– 0.4
Canada	– 4.6	9.4	– 0.6
Japan	12.7	0.1	– 0.5
Emerging markets	0.5	0.3	0.3
Central + Eastern Europe	– 3.2	0.6	– 0.3
Czech Republic	– 5.7	1.3	– 0.2
Hungary	– 10.3	3.6	– 0.7
Poland	– 18.8	5.1	– 0.2
Slovak Republic	3.7	– 1.4	– 0.2
Slovenia	– 0.1	– 1.6	– 0.2
Other transition	4.2	– 0.8	– 0.2
Asia	0.9	0.8	0.8
Anies	– 3.1	2.9	– 0.6
China	3.8	1.3	3.4
Other Asia	2.0	– 1.5	– 0.5
Africa + Middle East	3.1	– 1.1	– 0.4
Latin America	2.2	– 1.6	– 0.4

A.6. Merchandise trade balances (customs basis) in bln US dollars

Table 6a. Merchandise export, fob
Bln US dollars

	2009	2010	2011
Total World	12236	14038	15259
Advanced economies	6403	7135	7647
European Union 15	3983	4282	4570
Euro area	3406	3644	3887
Germany	1119	1213	1304
France	481	507	538
Italy	408	428	458
Spain	220	234	251
Netherlands	426	462	490
Belgium/Luxemburg	375	405	427
Austria	139	146	155
Finland	62	67	72
Greece	20	22	23
Portugal	43	46	48
Ireland	114	115	121
United Kingdom	353	389	421
Sweden	131	149	157
Denmark	92	99	106
Switzerland	167	184	196
Norway	121	146	153
United States	1048	1203	1306
Canada	317	372	394
Japan	584	739	802
Emerging markets	5833	6903	7611
Central + Eastern Europe	965	1145	1258
Czech Republic	113	130	144
Hungary	83	94	103
Poland	136	163	179
Slovak Republic	56	62	68
Slovenia	22	24	27
Other transition	555	673	737
Asia	3095	3604	3998
Anies	1156	1326	1421
China	1201	1445	1643
Other Asia	738	833	933
Africa + Middle East	1054	1307	1407
Latin America	720	846	949

Table 6b. Merchandise import, cif
Bln US dollars

	2009	2010	2011
Total World	12333	14102	15354
Advanced economies	6896	7637	8206
European Union 15	4029	4344	4633
Euro area	3345	3585	3831
Germany	929	1022	1119
France	556	592	630
Italy	417	442	467
Spain	292	309	325
Netherlands	381	412	436
Belgium/Luxemburg	361	389	409
Austria	144	150	159
Finland	60	65	71
Greece	71	69	73
Portugal	70	75	80
Ireland	63	60	62
United Kingdom	482	531	560
Sweden	121	141	150
Denmark	83	87	92
Switzerland	148	163	174
Norway	72	80	85
United States	1576	1787	1955
Canada	328	387	416
Japan	555	662	717
Emerging markets	5437	6465	7148
Central + Eastern Europe	935	1080	1203
Czech Republic	106	116	129
Hungary	76	83	92
Poland	149	174	195
Slovak Republic	55	60	67
Slovenia	25	27	30
Other transition	525	619	689
Asia	2902	3542	3917
Anies	1092	1316	1427
China	1005	1269	1453
Other Asia	805	957	1037
Africa + Middle East	906	1031	1128
Latin America	694	811	900

Table 6c. Trade balance
Bln US dollars

	2009	2010	2011
Total World	– 98	– 64	– 95
Advanced economies	– 493	– 502	– 559
European Union 15	– 46	– 62	– 62
Euro area	62	60	56
Germany	190	191	186
France	– 75	– 85	– 92
Italy	– 9	– 14	– 9
Spain	– 73	– 74	– 74
Netherlands	45	50	54
Belgium/Luxemburg	13	16	18
Austria	– 5	– 4	– 4
Finland	2	2	1
Greece	– 51	– 48	– 50
Portugal	– 27	– 29	– 32
Ireland	51	55	59
United Kingdom	– 129	– 142	– 139
Sweden	11	9	7
Denmark	10	12	14
Switzerland	19	21	22
Norway	49	66	68
United States	– 528	– 584	– 649
Canada	– 11	– 15	– 21
Japan	29	78	85
Emerging markets	395	438	464
Central + Eastern Europe	30	66	54
Czech Republic	8	14	15
Hungary	6	11	11
Poland	– 12	– 11	– 16
Slovak Republic	1	1	1
Slovenia	– 3	– 3	– 3
Other transition	30	54	46
Asia	193	62	81
Anies	64	10	– 5
China	195	176	191
Other Asia	– 67	– 123	– 104
Africa + Middle East	148	276	278
Latin America	25	35	50