World Trade outlook 2018

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Overview World trade outlook

- WTM and leading indicators
- International forecast (higher trade intensity)
- Relation between WTM and IMF WEO trade data
- Trade policy
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High world trade volume growth last months

LAST 3 MONTHS ON PRECEDING 3 MONTHS

per 3 months % change

2010 2012 2014 2016 2018

world
Will the acceleration in trade continue?
Leading indicators: mixed signal shipping index
Air freight volume growth slows down
While semiconductor growth stays high
PMI’s (global, US, Ger) signal relative slowdown
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International forecasts: World trade
Trade intensity (IMF WEO, 1980-2023)

- IMF trade intensity
- ave 1980-1989
- ave 1990-2008
- ave 2011-2017
Increase in investment growth

**G20 investment growth**
*Contributions by region, volume*

Source: OECD interim outlook, March 2018
Regional contributions

• Source: IMF, WEO, April 2018

• Acceleration in 2017 in:
  – USA, Japan
  – China, other emerging Asia
  – Imports commodity producers
Chinese import growth (%) and Keqaing index
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Relation between WTM and NR data (IMF; years)
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Trade policy

Source: ECB, 2018, box by Lucia Quaglietti
current plans and uncertain future

- US tariffs on Solar Panels and Washing machines
- **US tariffs on steel and aluminum**
  - Exemption Canada and Mexico
  - Exemption (until June 1st?) EU, Korea, Br, Arg, Aus
- **US tariffs on China (section 301/ IPR)**
  - $50 bln goods and retaliation by China
  - Another $ 100 bln goods and retaliation
- Brexit
- No TPP or TTIP
- Collapse of Doha round of multilateral negotiations
- NAFTA renegotiations
- Iran sanctions?
Current tariff increases still small uncertain future
Trade intensity China decreased since 2006

Source: China National Bureau of Statistics/State Administration of Foreign Exchange/Haver Analytics (bop)
Chinese net exports of goods and services
Bilateral trade US - China+HK (goods only)
Worldwide protectionism, (IMF, WEO oct 2016)

Scenario by IMF:
• 10% higher import prices in all countries (gradually)
• Half tariffs, half non-tariff barriers (tariff returned to households)
Questions?
IMF plaatjes

Figure 1.16. Global Current Account Balance
(Percent of world GDP)

Current account balances are expected to remain broadly at their 2017–18 levels over the medium term.
World trade volume per region: US
World trade volume per region: Eurozone

- World trade
- Euro imports
- Euro exports
World trade volume per region: Emerging Asia

![Chart showing world trade volume per region: Emerging Asia](chart.png)