

Latest trade indicator signals sustained momentum in second quarter

The WTO's latest World Trade Outlook Indicator (WTOI) suggests that global trade will continue to expand moderately in the second quarter of 2017. The latest reading of 102.2 is the highest since May 2011, but strength in the overall index is tempered by weakness in certain component indices.

World Trade Outlook Indicator 102.2

(Index, trend = 100)



Drivers of trade

	Level of Index	Direction of change
Merchandise trade volume (Q2)	98.6	→
Export orders	104.2	↑
International air freight (IATA)	104.4	↑
Container port throughput	104.1	↑
Automobile production and sales	99.7	↓
Electronic components	97.9	↓
Agricultural raw materials	98.6	→

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The WTOI is a leading indicator of world trade, designed to provide "real time" information on the trajectory of merchandise trade ahead of trade volume statistics. Combining a variety of trade-related measures, the WTOI provides an early signal of the current direction of world trade and where it is likely to go in the near future. A reading of 100 indicates trade growth in line with medium-term trends, while readings greater or less than 100 suggest above or below trend growth.

More

- ▣ [World Trade Outlook Indicator](https://www.wto.org/english/res_e/statis_e/wtoi_e.htm)
(https://www.wto.org/english/res_e/statis_e/wtoi_e.htm)
- ▣ [Economic research and analysis](#)

The main components of the WTOI, including export orders, container shipping and air freight, recorded strong gains in recent months, signalling above-trend growth in merchandise trade volumes for the second quarter. However, the upward trend is balanced by weak demand for automotive products, electronics and agriculture raw materials.

The latest reading is up slightly from the previous value of 102.0, which suggests that trade volume growth will be above trend in the first and second quarters of 2017 once data for these periods are available. These results are broadly in line with the [WTO trade forecast issued on 12 April \(https://www.wto.org/english/news_e/pres17_e/pr791_e.htm\)](https://www.wto.org/english/news_e/pres17_e/pr791_e.htm), which foresaw a return to moderate trade growth this year after sluggish expansion last year.

The WTOI is not intended as a short-term forecast, although it does provide a signal of trade growth in the near future. Its main contribution is to identify turning points and gauge momentum in global trade growth. It complements existing tools such as the WTO's longer-term trade forecasts, and other statistical releases.

The full World Trade Outlook Indicator is available [here \(https://www.wto.org/english/news_e/news17_e/wtoi_15may17_e.pdf\)](https://www.wto.org/english/news_e/news17_e/wtoi_15may17_e.pdf).

Further details on the methodology are contained in the technical note [here \(https://www.wto.org/english/news_e/news16_e/wtoimethondo72016_e.pdf\)](https://www.wto.org/english/news_e/news16_e/wtoimethondo72016_e.pdf).

https://www.wto.org/english/res_e/reser_e/reser_e.htm

- [International trade statistics \(https://www.wto.org/english/res_e/statis_e/statis_e.htm\)](https://www.wto.org/english/res_e/statis_e/statis_e.htm)

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