

Snap | 25 September 2017

## Slow demand from Asia sets back world trade

World trade figures are erratic but the minor setback comes from slowing import demand from emerging Asia but we expect the upward trend to continue



# -0.4%

## July world trade growth

following 0% in June

### The bigger picture

World trade figures are very erratic and one month decline is nothing out of the ordinary. However, the July setback was driven mainly by slowing import demand from emerging Asia, which has a large weight in global trade. Nonetheless, we expect the upward trend to continue.

For the first time, we see a broad-based global economic recovery, boosting demand for imports which has lacked in recent years. We expect economic growth to remain robust in Europe and China and no severe setback in the US.

**1.5%** Three-month to three-month world trade growth

## **No materialisation of protectionism: a boost for Trade**

World trade also benefits from the fact that protectionism has not materialised yet. What catches the eye is during the first months of Trump's presidency, trade facilitation has dominated trade restriction policies.

The estimated coverage of trade-facilitating measures implemented by G20 economies (US\$163 billion) significantly exceeded the estimated trade coverage of trade restrictive measures (US\$47 billion). The Trade Facilitation Agreement, ratified in February this year and the information technology agreement, extended in 2015 have been significant contributors.

Together with the positive economic cycle, this makes us expect a continuation of the upward trend.