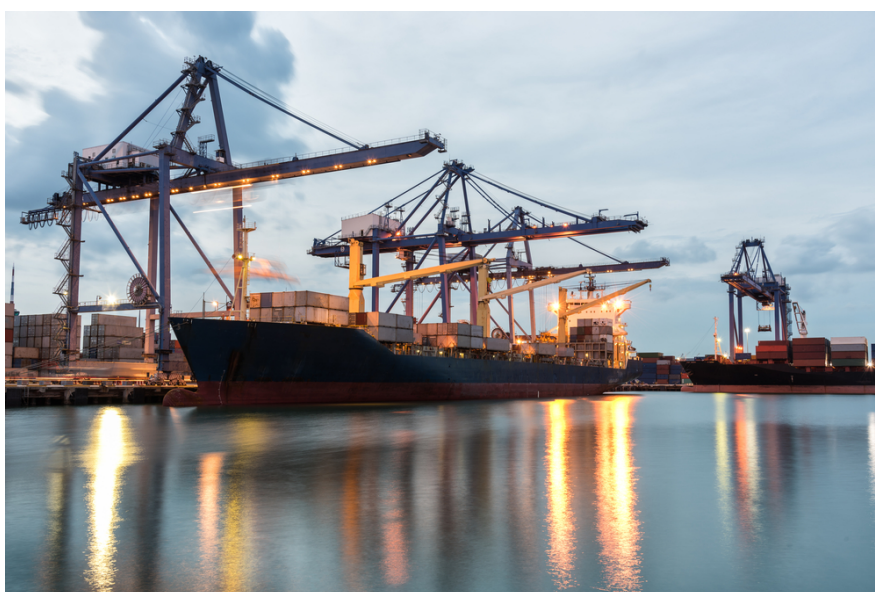


World trade disappoints

October's fall in volumes, following an unrevised rate of 0% for September, haven't caused us to change our forecast of 3.7% for next year's growth



This year's weak trade growth has resulted in declining trade openness after years of stabilisation, which we expect to persist over the coming year

World trade activity fell between September and October, according to data released today by the CPB Netherlands Bureau of Economic Policy Analysis. The fall in world trade volumes, of 1.2 percent, comes as a surprise, given demand indicators and the momentum in the world economy.

Emerging Asia contributed to lower import demand in emerging economies overall. China was one of the driving forces behind this, with weaker imports demand in October. Advanced economies excluding the US, Euro Area and Japan, also saw imports demand fall between September and October.

Monthly movements in world trade are volatile, but the fall in October contrasts with positive movements in the Baltic Dry Index and indicators of the international trade demand. Given these indicators and the broad-based momentum in the world economy, the possibility of upward revisions to October's data can't be ruled out.

Taking the monthly average growth from this year to project the remaining months of 2017 gives world trade growth of 4% for 2017 as a whole, but we continue to expect some

recovery in momentum, and a result closer to 4.5% for 2017. We continue to expect world trade growth of 3.7% in 2018.