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GLOBAL MERCHANDISE AND SERVICES TRADE NOWCAST MARCH 2022

Growth in global merchandise export values and volumes for the first quarter of 2022 is nowcast to be positive for the seventh consecutive quarter since the depths of the COVID crisis in the second quarter of 2020. In the case of values, a declining trend in growth is nowcast to stop, with growth seeming to level off around four per cent for three consecutive quarters. Merchandise volume's growth has tailed off much quicker than values' since 2020, registering three quarters of sub-one percent growth from the first

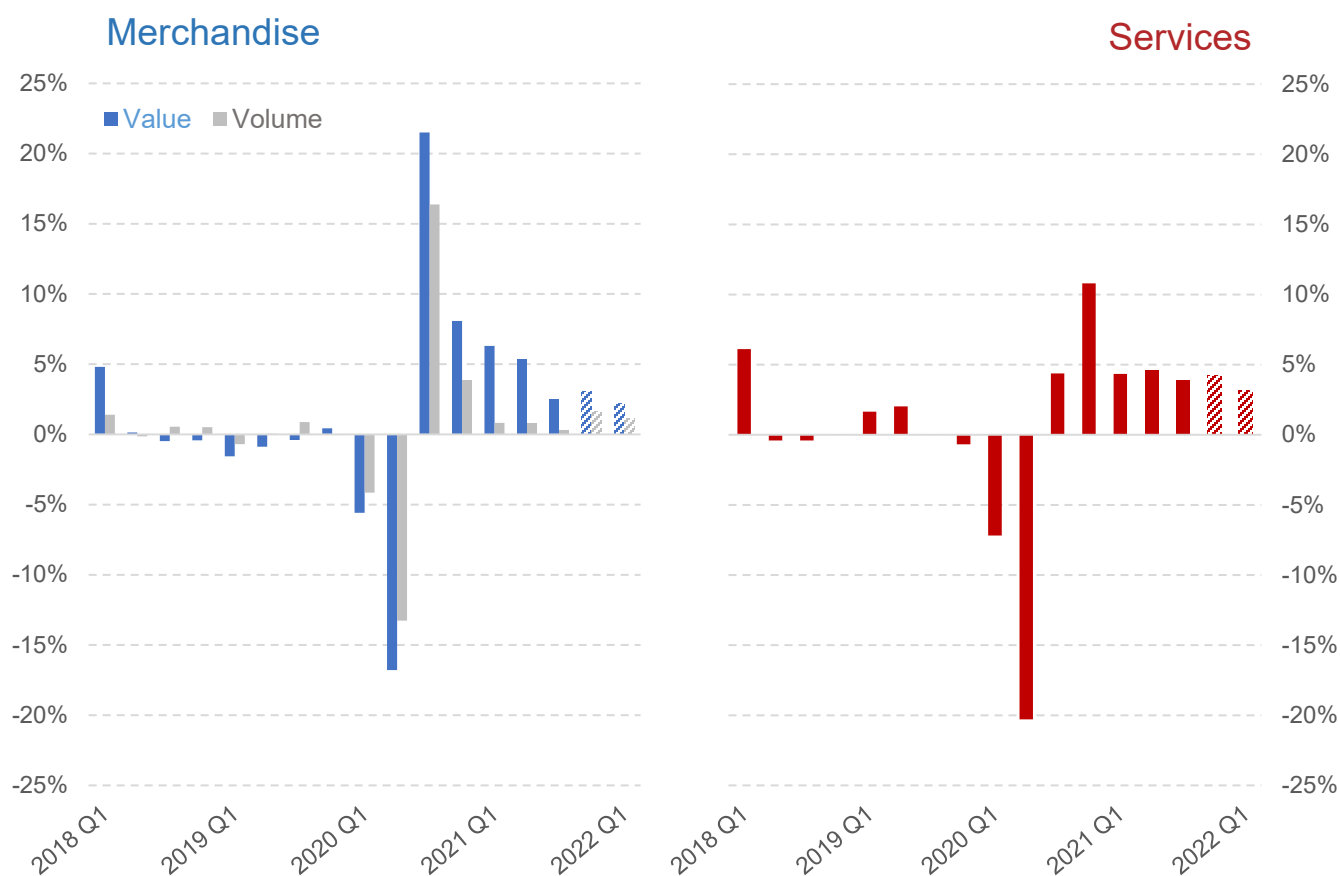
to the third quarter of 2021. Growth is nowcast to be slightly higher for the fourth quarter of 2021 and the first quarter of 2022, ranging from one to one and a half per cent. Growth in global services exports is nowcast to remain steady at around three to four per cent, where it has been since the first quarter of 2021. It appears as if supply chain issues and other factors dragging on merchandise trade volume growth coupled with a sustained relative easing of COVID restriction measures in much of the world, which frequently have outsized impacts on services trade rather than merchandise, have allowed services trade to catch up with merchandise trade volumes. Though merchandise volumes reached pre-pandemic levels already in the fourth quarter of 2020, a feat which services trade is nowcast to only have accomplished in the fourth quarter of 2021, the latter is nowcast to now stand four percent higher than pre-pandemic levels, while volumes are nowcast to stand only five per cent higher.

**Continued growth in
global trade nowcast
for first quarter of 2022**



Given the new challenges facing the world economy in the second quarter of 2022, including continued COVID challenges, especially in parts of Asia, and the impacts of the war in Ukraine, examined in depth by UNCTAD in a recent [trade and development report](#), the short-term outlook for global trade remains murky.

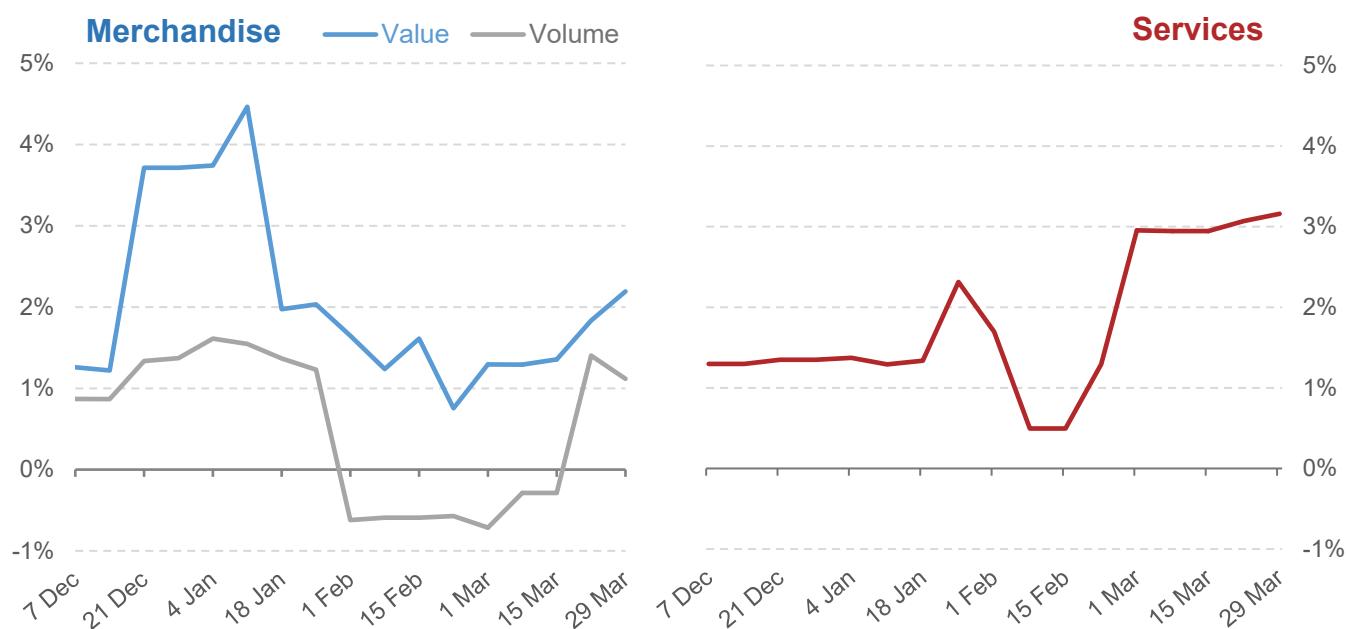
Figure 1 and 2. Global merchandise and services trade
(Growth rate over previous quarter, seasonally adjusted series)



Source: UNCTAD calculations.
The patterned filled bars indicate UNCTAD nowcasts.

UNCTAD nowcasts incorporate a wide variety of data sources, reflecting the diverse determinants and indicators of trade. They are updated weekly to capture the most recent data available. Figures 3 and 4 illustrate the evolutions of the nowcasts over time, as new data become available. All three nowcasts experienced downward revisions towards the end of January and the beginning of February, possibly as the effects of the omicron wave began to be reflected in the data. The dips proved to be temporary, however, with all three series later being revised upwards to settle at levels in line with the recent past, or even higher in the case of volumes.

Figure 3 and 4. Evolution of global merchandise and services trade nowcasts, first quarter of 2022
(Growth rate over previous quarter, seasonally adjusted series)



Source: UNCTAD calculations.

Definition and methodology

UNCTAD's global merchandise trade and global services trade nowcasts are real-time estimates of current trends in international trade based on timely information from many data sources. The nowcasts presented correspond to total merchandise trade in value and volumes and trade in services for the previous and current quarters. The preceding period is included to fill the publication gap: while the preceding quarter has elapsed, official figures will only be available after several months. Timely information is obtained from numerous official statistics and other country- and regional-level indicators of trade, industrial production, domestic trade, freight transportation, trade prices, and business and consumer surveys. UNCTAD updates its nowcast estimates once per week, reflecting new information releases and data revisions. All figures represent quarter-over-quarter growth rates of seasonally adjusted series. For more details on the methodology and underlying indicators, see [this working paper](#) and [this presentation](#).