



UNCTAD/GDS/DSI/MISC/2020/8

# GLOBAL MERCHANDISE TRADE NOWCAST

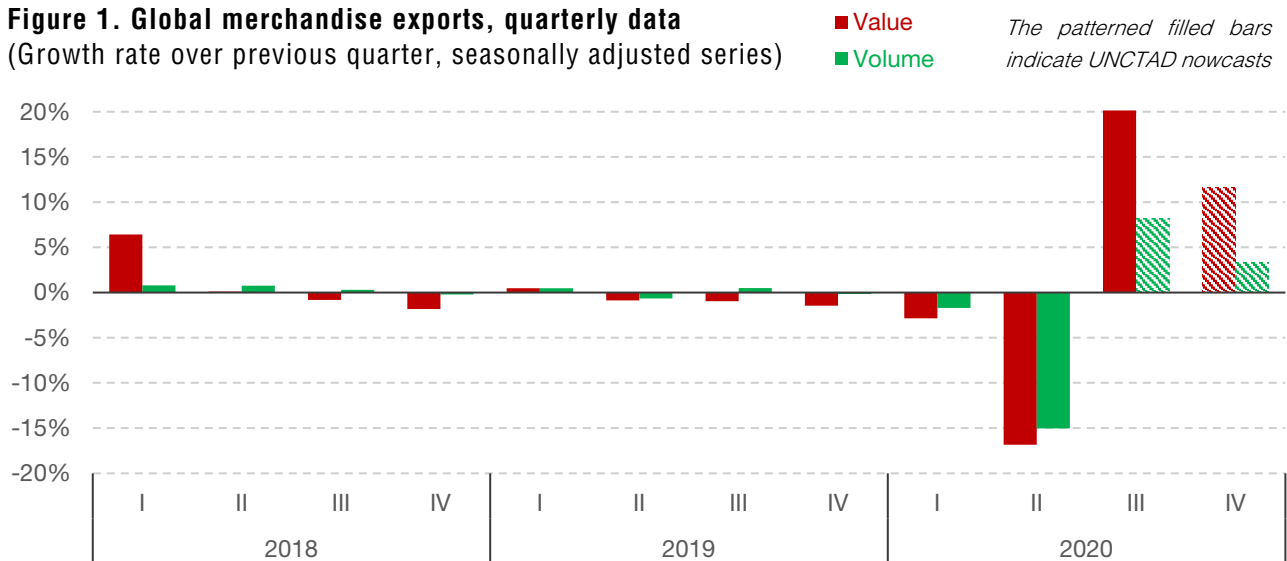
## DECEMBER 2020

The third quarter's recovery in global merchandise export values and volumes looks set to continue in the fourth quarter, though not at quite the same pace. Values and volumes are nowcast to grow in the fourth quarter by 11.6 and 3.3 per cent quarter-over-quarter, respectively. This nowcast growth comes despite the continuing spread of COVID-19, especially in the United States and Europe, which has necessitated the reinstatement of lockdown measures in many cases.

**Nowcasts signal continued, but slowing, recovery in global trade for the fourth quarter of 2020**

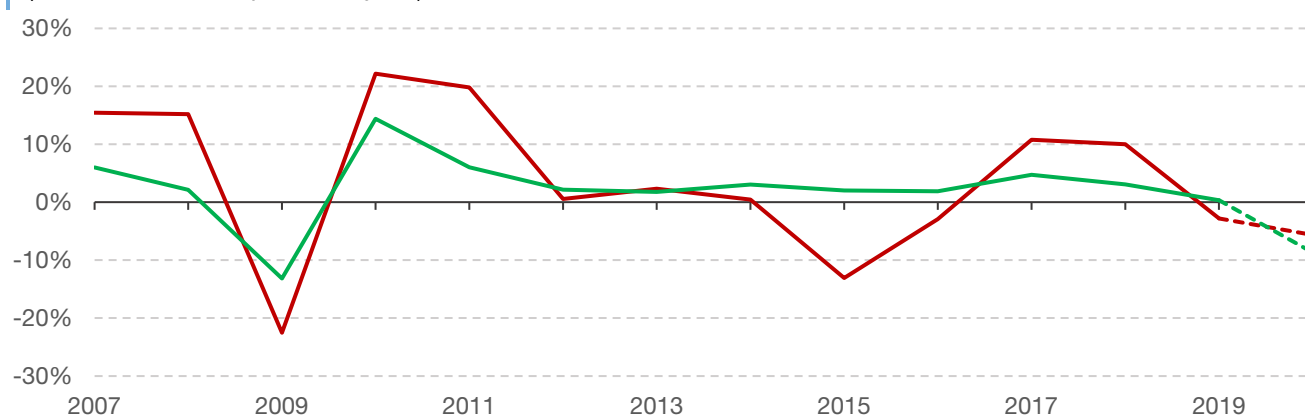
Global merchandise export values and volumes fell significantly in the first half of 2020 due to the COVID-19 pandemic. Quarter three saw a robust recovery in values, which grew by 20.1 per cent from the bleak second quarter. Third quarter official statistics have not yet been released for merchandise export volumes, for which growth is nowcast at 8.1 per cent quarter-over-quarter.

**Figure 1. Global merchandise exports, quarterly data**  
 (Growth rate over previous quarter, seasonally adjusted series)

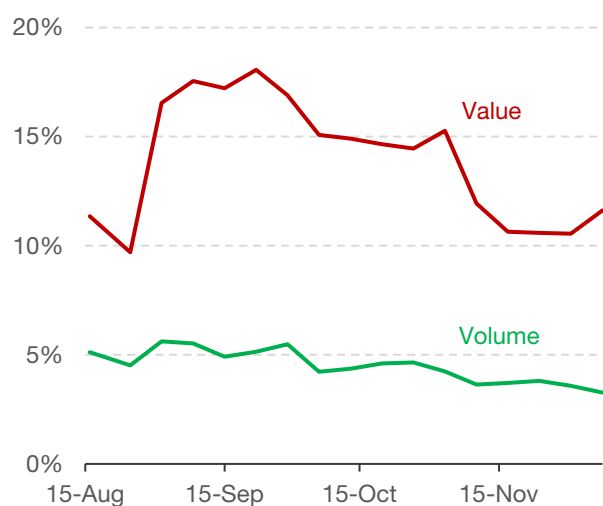


Third and fourth quarter growth will not, however, be sufficient to overcome the declines seen in the first half of the year. Global merchandise export values and volumes for 2020 are nowcast to be -5.6 and -8.7 per cent lower than levels seen in 2019, respectively. This would be the lowest growth for merchandise export volumes since the 2008 financial crisis, and the second lowest since then for merchandise export values.

**Figure 2. Global merchandise exports, annual data**  
(Growth rate over previous year)



**Figure 3. Evolution of global merchandise trade nowcast, 4th quarter of 2020**  
(Growth rate over previous quarter, seasonally adjusted series)



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. Nowcasts for the fourth quarter started off optimistic in September, as the strong growth seen in the third quarter was expected to continue. They began to be revised downwards as time passed, likely due to an uncertain situation regarding COVID-19 spikes in the northern hemisphere as autumn and winter approached. Even still, growth continues to be nowcast for the fourth quarter, though it remains to be seen if they maintain their current levels once the full effects of renewed lockdown and confinement measures are reflected in the data.

## Definition and methodology

UNCTAD's global merchandise trade nowcasts are real-time estimates of current trends in international trade in goods based on timely information from many data sources. The nowcasts presented correspond to total merchandise trade in value and volumes 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.

*Disclaimer: The publication has not been formally edited.*