




UNCTAD/GDS/DSI/MISC/2021/4

GLOBAL MERCHANDISE AND SERVICES TRADE NOWCAST JUNE 2021

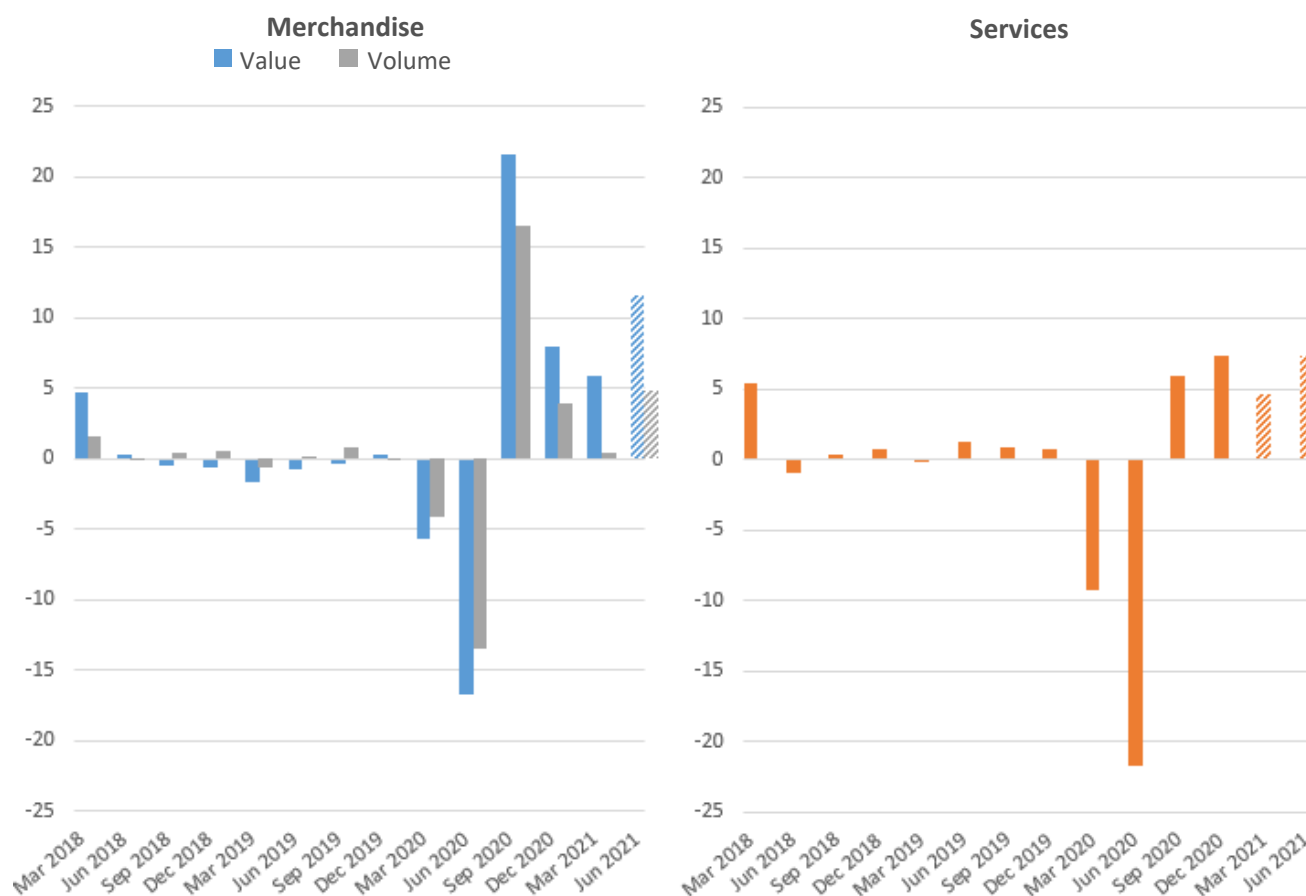
Global merchandise trade **values** and **volumes** and global services trade **values** look set to continue their recovery into the second quarter of 2021 after the sharp contractions experienced in the first half of 2020 due to the COVID-19 pandemic. Quarter over quarter growth in merchandise trade value is nowcast to continue outpacing trade in services in the second quarter of 2021, with nowcasted growth rates of 11.6 per cent for merchandise and 7.4 per cent for services. Merchandise trade volumes, however, are nowcast to continue lagging behind both series, with a second quarter nowcast of 4.7 per cent quarter over quarter growth. The deeper contraction and weaker rebound experienced in services trade in the second and third quarters of 2020, respectively, mean that services trade in the second quarter is nowcast to remain 9 per cent below pre-pandemic fourth quarter 2019 levels, while merchandise trade values and volumes are nowcast to be 22 and 6 per cent above pre-pandemic levels, respectively.

**Accelerating economic
recovery nowcast for the
second quarter of 2021**



All three series are nowcast to experience stronger growth in the second quarter of 2021 as compared with the first quarter as vaccination drives accelerate economic reopening and recovery. It remains to be seen in the second half of 2021 if the robust economic recovery can be sustained in the face of new variants and the return of colder weather in the northern hemisphere.

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

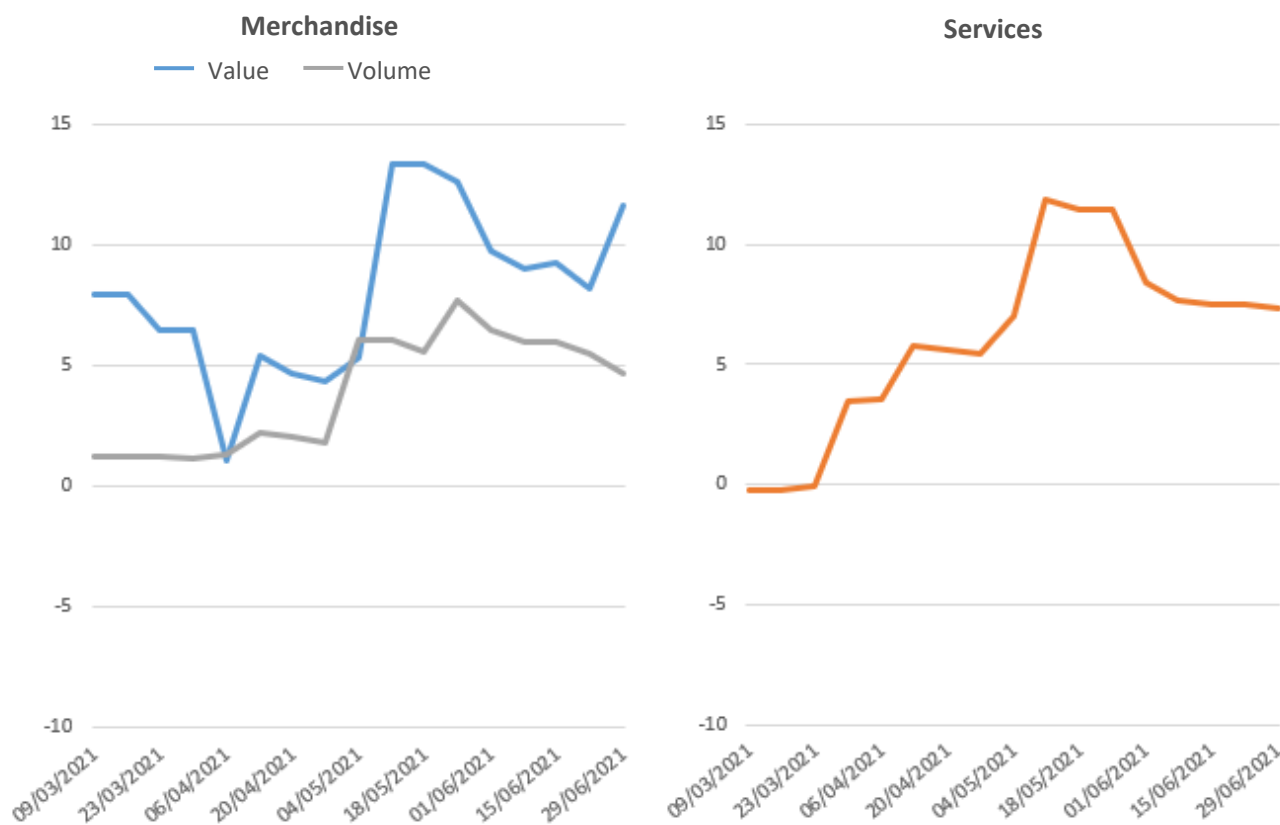


Source: UNCTAD calculations.

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. The services trade nowcast was revised upwards until mid-May, after which potentially overly optimistic forecasts were revised slightly downwards. Merchandise value and volume nowcasts followed largely the same pattern, with the value nowcast experiencing a strong upwards revision at the end of June due to the release of better than expected first quarter actuals.

Figure 3 and 4. Evolution of global merchandise and services trade nowcasts, second quarter of 2021
(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](#).