


*UNCTAD/GDS/DSI/MISC/2021/7*

## **GLOBAL MERCHANDISE AND SERVICES TRADE NOWCAST OCTOBER 2021**

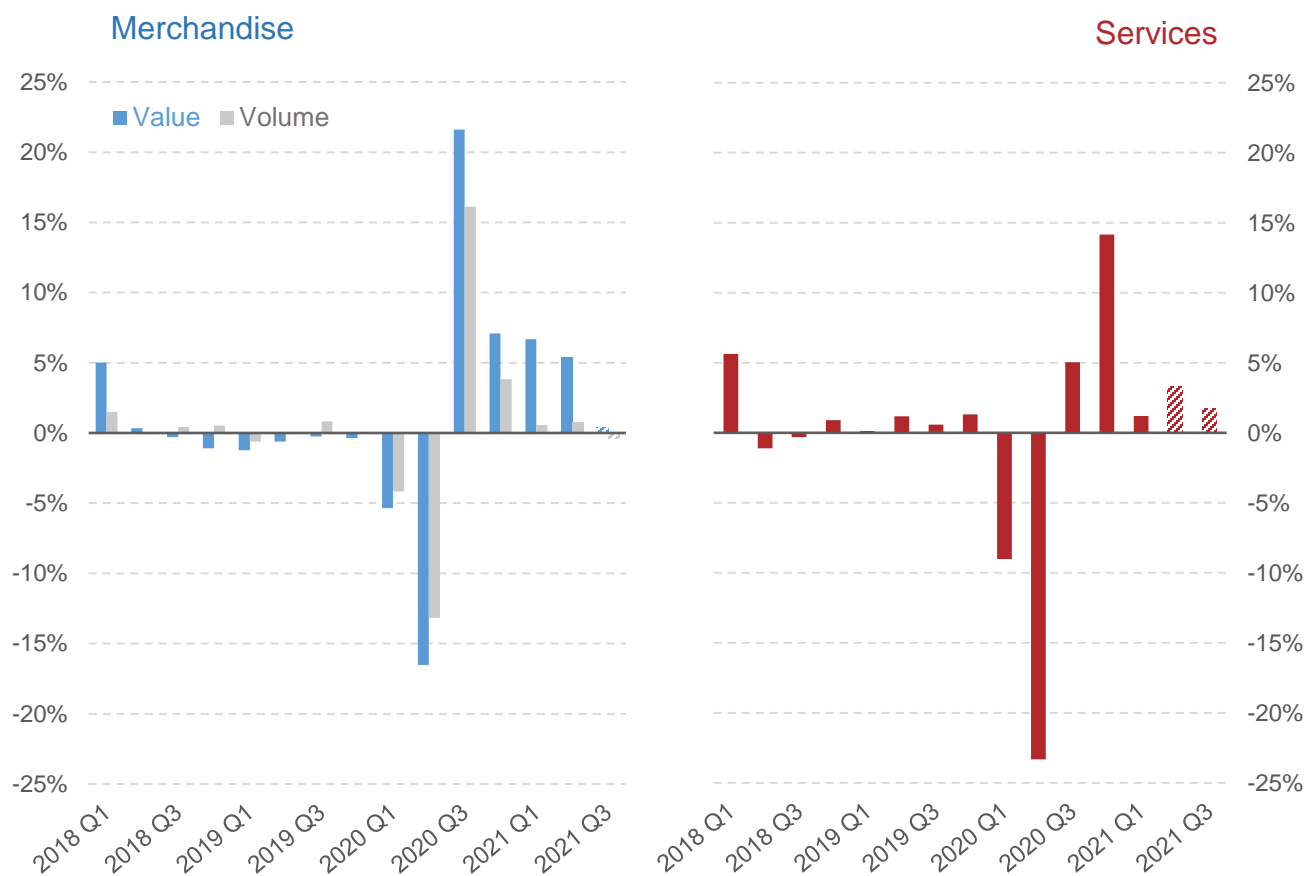
Growth in global merchandise export values and volumes and global services exports is nowcast to slow down in the third quarter of 2021 compared with both first and second quarter actuals in the case of merchandise exports and second quarter nowcasts in the case of services exports. Only services are nowcast to eclipse first quarter growth rates. Quarter over quarter growth in the value of merchandise trade is nowcast to lag behind growth in the value of trade in services in the third quarter of 2021, with nowcasted growth rates of 0.4 per cent for goods and 1.7 per cent for services. This would be the first time since the third quarter of 2020 that growth in services outpaced growth in merchandise trade. Merchandise trade volumes look set to stagnate or contract, with nowcasted growth of -0.4 per cent. This would leave services 11 per cent below pre-pandemic levels, i.e., as compared with the fourth quarter of 2019, highlighting the sector's difficult recovery. Merchandise trade value and volumes would be 16 and 1 per cent above fourth quarter 2019 levels, respectively.

**Potential slowdown in  
economic recovery nowcast  
for the third quarter of 2021**



The increased transmissibility of the delta variant in particular weighed heavily on the reopening efforts of many countries. The global economic recovery will face another test in the fourth quarter, as the northern hemisphere winter approaches.

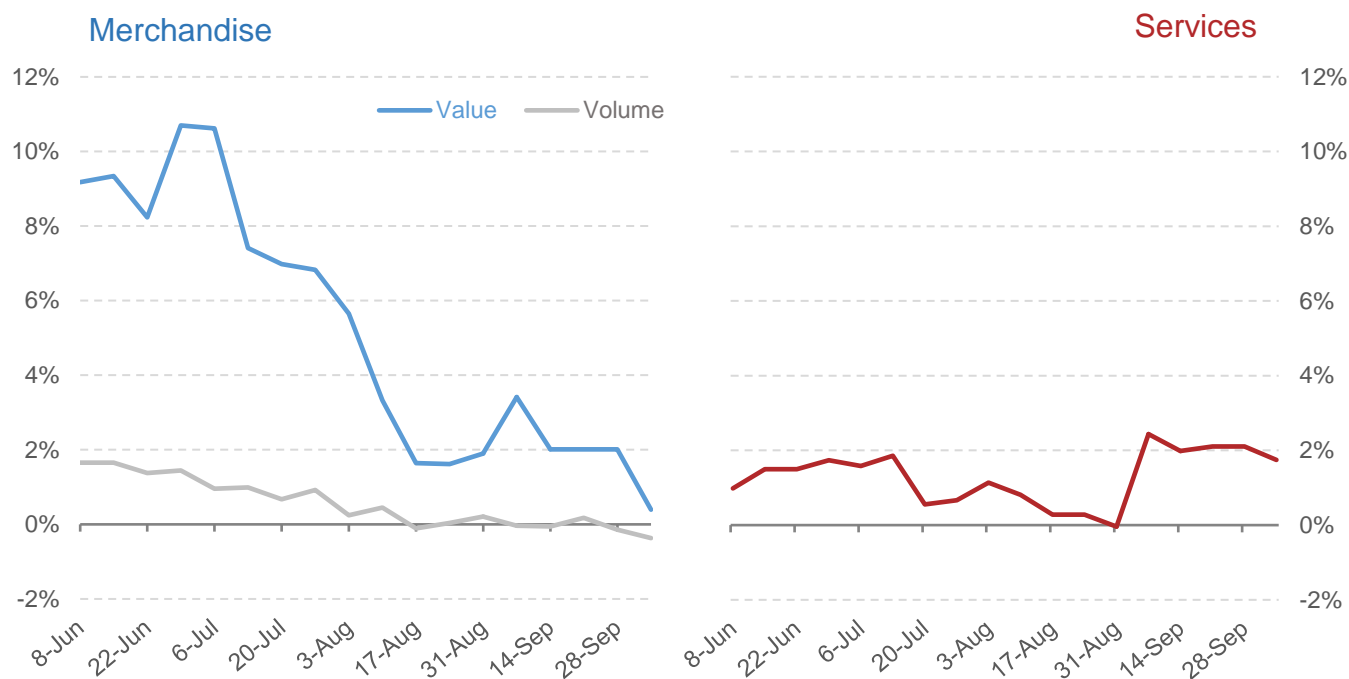
**Figure 1 and 2. Global merchandise and services trade**  
(Growth rate over previous quarter, seasonally adjusted series)



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 largely stable throughout the prediction period, hovering between 0 and 2 per cent. This is a tight range compared with the volatility of the quarters following the initial outbreak of the pandemic in the second quarter of 2020. Merchandise volumes nowcasts also remained roughly between 0 and 2 per cent for the duration of the prediction period, though with a slight downward trend as time went on, potentially due in part to the delta variant's spread over this time period. Merchandise values nowcasts began the period quite high, predicting growth of above 8 per cent, but declined as time went on. Nowcasted growth of 0.4 per cent would be the weakest since the second quarter of 2020, when the full effects of the COVID-19 pandemic were initially felt.

**Figure 3 and 4. Evolution of global merchandise and services trade nowcasts, third 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](#).