



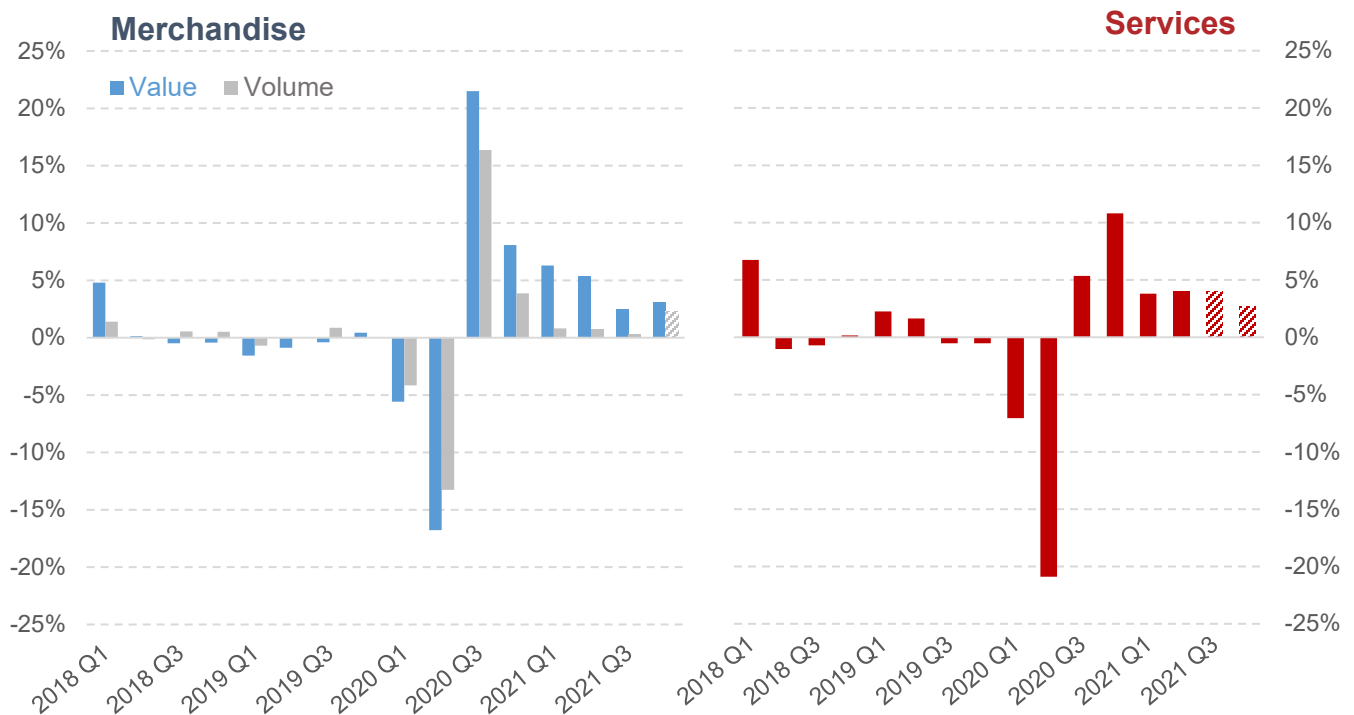
UNCTAD/GDS/DSI/MISC/2022/1

## GLOBAL MERCHANDISE AND SERVICES TRADE NOWCAST JANUARY 2022

Growth in global trade is nowcast to have continued in the fourth quarter of 2021. Merchandise trade increased with new momentum after a slowdown of quarter-on-quarter growth, seasonally adjusted, since the end of 2020. Merchandise exports in values are nowcast to have risen by 3.1 per cent from the third to the fourth quarter of 2021, after a rise of 2.5 per cent in the quarter before. The steady increase resulted in an ample growth of 25.3 per cent nowcast for the whole year 2021 from 2020. In terms of volumes, an increase of 2.2 per cent is nowcast, quarter-on-quarter, for the fourth quarter of 2021, after an increase of only 0.2 per cent in the third quarter, resulting in a growth of 9.1 per cent for merchandise trade volumes over the whole year.

**World merchandise trade growing with new momentum**

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



Source: UNCTAD calculations.

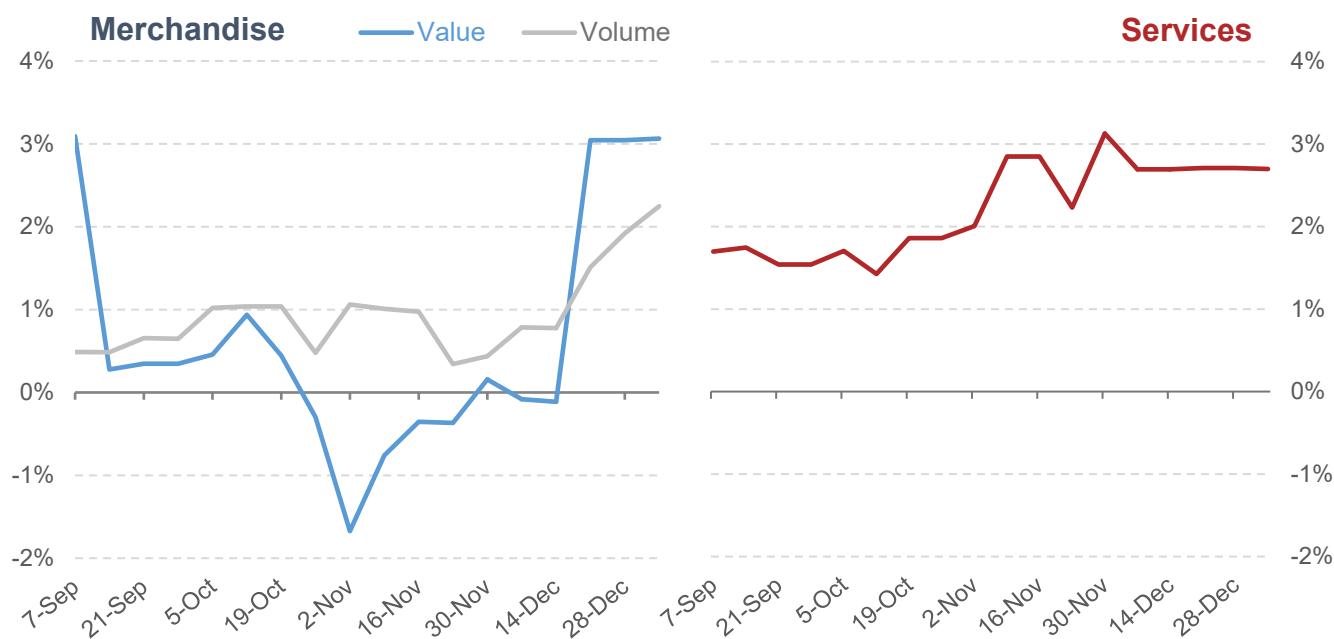
The patterned filled bars indicate UNCTAD nowcasts.

Unlike merchandise trade, global trade in services increased at a much slower pace in the fourth quarter of 2021 than the preceding five quarters. According to the nowcast, the quarterly growth of services exports was 2.7 per cent, after increases by around 4 per cent in the first three quarters of 2021. Over the whole year 2021, a growth of global trade in services of 14.4 per cent from 2020 is nowcast.

UNCTAD nowcasts incorporate a wide variety of data sources, reflecting the diverse determinants and indicators of trade, updated weekly to capture the most recent data available. Figures 3 and 4 illustrate how the nowcasts presented above have evolved over time, as new data became available.

The acceleration of growth in merchandise trade in the fourth quarter of 2021, reported above, has come rather unexpectedly, as it could not be seen in the source data until recently. Accordingly, from the middle of September until the middle of December 2021, the nowcast model predicted a continued slowdown of growth in merchandise exports values. In November, even a decline was predicted. However, the nowcast was revised upward a week before Christmas, based on new information. This prediction remained almost unchanged at 3.1 per cent for three weeks before the release of this bulletin. Likewise, the nowcast of merchandise export volumes gradually revised upward in December 2021, after growth rates of constantly below 1.1 per cent had been predicted the preceding three months.

**Figure 3 and 4. Evolution of global merchandise and services trade nowcasts, fourth quarter of 2021**  
(Growth rate over previous quarter, seasonally adjusted series)



Source: UNCTAD calculations.

The evolution of the trade in services nowcast shows a similar enhancement of expectations over time, in response to changes in the source data. Until October 2021, the model predicted a growth of less than 2 per cent from the third to the fourth quarter of 2021, suggesting an even more abrupt slowdown of growth than reported above. During weeks of November, however, that prediction was revised upward until, from the beginning of December onward, it remained constant at 2.7 per cent.

## 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](#).