I. The world economy and trade in 2014 and early 2015

World trade growth remained modest in the opening months of 2015 following three years of weak expansion. Annual increases in merchandise trade in volume terms were very small in that period, measuring just 2.5 per cent in 2014, 2.5 per cent in 2013, and 2.2 per cent in 2012. The exports of developing and emerging economies grew faster than those of developed countries in 2014, 3.1 per cent in the former and 2.0 per cent per cent in the latter. Meanwhile, imports of developing countries grew more slowly than those of developed economies, 1.8 per cent compared to 2.9 per cent. Seasonally adjusted quarterly trade volume indices for the first quarter of 2015 showed import demand accelerating in developed economies but slowing in developing countries.

Contents

1. Introduction

The modest 2.5 per cent rise in world merchandise trade volume in 2014 was again roughly equal to the 2.5 per cent increase in world GDP for the year (see Figure 1). It also marked the third consecutive year in which world trade volume grew less than 3 per cent. Trade growth averaged just 2.4 per cent between 2012 and 2014, the slowest rate on record for a three-year period when trade was expanding (excluding years like 1975 and 2009 when world trade actually declined).

Several factors contributed to the sluggishness of trade and output in 2014 and in the first half of 2015, including slowing GDP growth in emerging economies, an uneven economic recovery in developed countries, and rising geopolitical tensions, among others.

Strong exchange rate fluctuations, including an appreciation of roughly 15 per cent in the US dollar against a broad basket of currencies since the start of 2014, further complicated the trade situation and outlook.

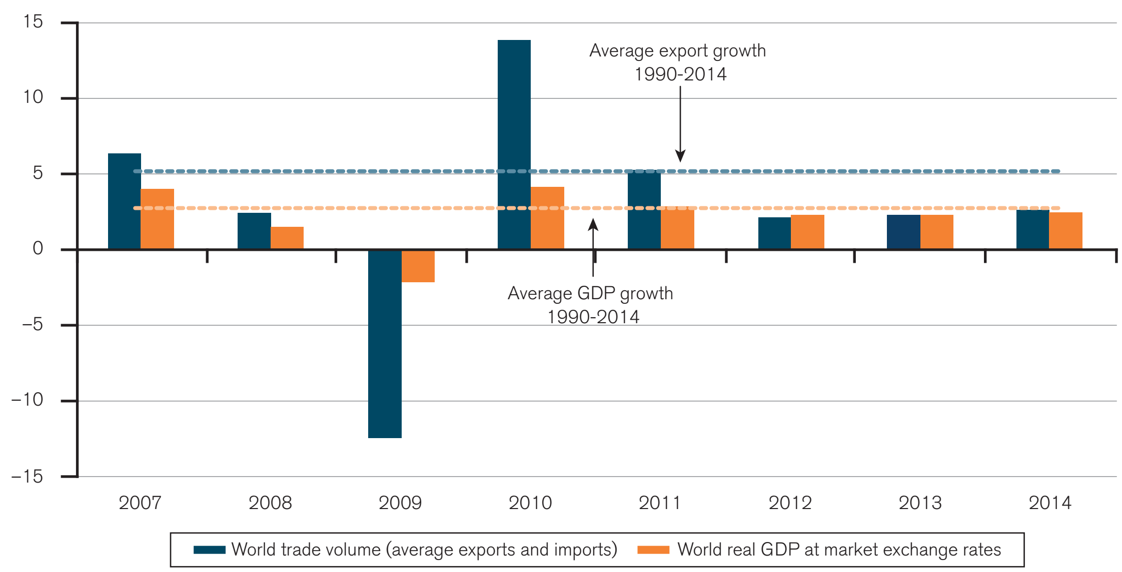
Collapsing world oil prices in 2014 (down 47 per cent between 15 July and 31 December) and weakness in other commodity classes hit export receipts and reduced import demand in exporting countries, but also boosted real incomes and imports in importing countries. Whether this development would turn out to be positive or negative on balance for world trade in 2015 was still unclear at the end of the second quarter. The 3.5 per cent year-on-year increase in the first quarter suggested that trade growth for the year would be slightly stronger than in 2014 (although still below average), but prospects for the second half of the year were clouded by several risk factors including the Greek sovereign debt crisis, slowing economic growth in emerging economies, and the possibility of rising interest rates in the United States

The 2.5 per cent growth rate for world trade in 2014 refers to the average of merchandise exports and imports in volume terms, i.e. adjusted to account for differences in inflation and exchange rates across countries. The pace of trade expansion last year ended up being well below analysts' predictions at the start of the year. A number of factors contributed to the initial overestimates, most of which could not have been anticipated.

The sharp declines in commodity prices since July 2014 were not foreseen and did not figure in early economic forecasts. The oil price drop was driven by surging production in North America, although falling demand in emerging markets also played a part.

At the start of 2014, most economic forecasters were predicting above-trend GDP growth in the United States and near-trend growth in the euro area. Both predictions promised to support increasing trade but neither materialized, as a mix of strong and weak quarterly GDP results in the United States only produced average growth for the year, while activity in the euro area was consistently mediocre.

Figure 1: Growth in volume of world merchandise trade and real GDP, 2007-14 (annual percentage change)



Source: WTO Secretariat for trade and consensus estimates for real GDP at market exchange rates.

Geopolitical tensions and natural phenomena also weighed on trade growth in 2014. The crisis in the Ukraine persisted throughout the year, straining trade relations between Russia on the one hand and the United States and European Union on the other. Conflict in the Middle East also stoked regional instability, as did an outbreak of Ebola haemorrhagic fever in West Africa. Finally, declines in first quarter trade and output in the United States were attributed to unusually harsh winter weather and a port strike.

In the opening months of 2015, a variety of economic data, including quarterly GDP statistics and surveys of business sentiment, pointed to a firming of the recovery in the European Union, an easing of output growth in the United States, and moderating activity in emerging economies. The euro area saw GDP increases of 1.6 per cent (annualized) in both the last quarter of 2014 and the first quarter of 2015 after recording growth of 0.7 per cent on average in the previous three quarters. Meanwhile, growth turned slightly negative in the United States in the first quarter after three quarters of solid growth. Similarly contrasting results were seen in emerging economies. China's GDP growth slowed for the third consecutive quarter in the first quarter of 2015, but remained strong compared to other countries at around 5.5 per cent (annualized). At the same time, India's growth accelerated to 8.7 per cent while Brazil's economy registered a decline of 0.8 per cent. Meanwhile, economic activity in Russia was weak throughout 2014 and in early 2015.

From the vantage point of the second quarter of 2015, the divergence of monetary policies in the United States and the euro area was seen as a significant risk to global trade and output in the second half of the year, as the Federal Reserve contemplated raising interest rates just as the European Central Bank was entering a phase of monetary easing. Rising interest rates in the United States could have unpredictable knock-on effects in developing economies, stoking volatility in financial markets, exchange rates and investment flows.

The rough two-to-one relationship that prevailed for many years between world trade volume growth and world GDP growth appears to have broken down, as illustrated by the fact that trade and output have grown at around the same rate for the last three years. Based on first quarter results in 2015, modest recoveries in both world trade and output appear to be underway in the first half of 2015, which suggests little change in this ratio for the year.

2. Trade developments in 2014

Annual data on merchandise and commercial services trade in current US dollar terms are presented in Appendix Tables 1 to 6. These tables show that the dollar value of world merchandise trade stagnated in 2014, as exports rose just 0.6 per cent to US$ 18.93 trillion. This growth rate is lower than the one for merchandise trade in volume terms mentioned above (2.5 per cent for the average of exports and imports), reflecting falling export and import prices from one year to the next, particularly for primary commodities.

By comparison, growth in the dollar value of world commercial services exports was stronger, increasing by 4 per cent in 2014 to US$ 4.85 trillion. It should be noted that the commercial services values are compiled using a new services classification in the balance of payments. Thus, figures are not directly comparable to those from earlier years.[1]

One striking feature of the merchandise trade values in 2014 is the weakness of trade flows in natural resource exporting regions. The dollar value of exports from South America, the Commonwealth of Independent States (CIS), Africa and the Middle East fell 5.8 per cent, 5.8 per cent, 7.6 per cent and 4.4 per cent, respectively, as lower commodity prices cut in to export revenues. A sharp drop in South America's imports (4.6 per cent) reflected recessionary conditions in leading regional economies, while an even steeper decline in CIS imports (11.4 per cent) stemmed from a combination of factors, including falling oil prices and regional conflict.

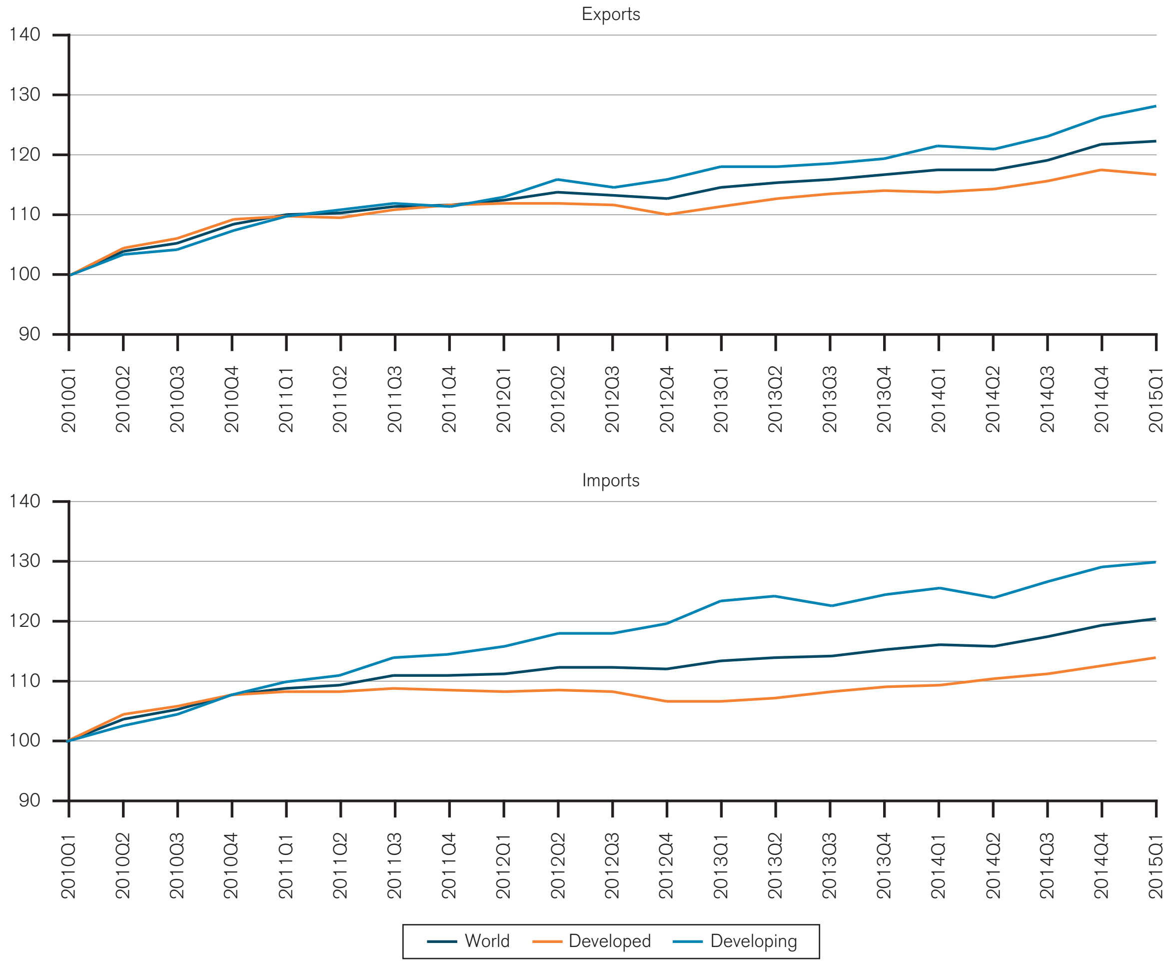
(a) Quarterly merchandise trade developments

For broad country aggregates and regions that do not export natural resources predominantly, trade statistics in volume terms provide a clearer picture of trade developments. The WTO and UNCTAD jointly produce a variety of short-term trade statistics, including seasonally adjusted quarterly merchandise trade volume indices. These are shown in Figure 2 by level of development.

World exports in volume terms only increased by 2.0 per cent in the first half of 2014 compared to the same period in 2013, but year-on-year growth in the second half rose to 3.4 per cent. Exports of developed and developing/emerging economies were both slow in the first half (1.7 per cent and 2.6 per cent, respectively) but shipments from developing/emerging countries grew faster in the second half (2.4 per cent for developed, 4.8 per cent for developing).

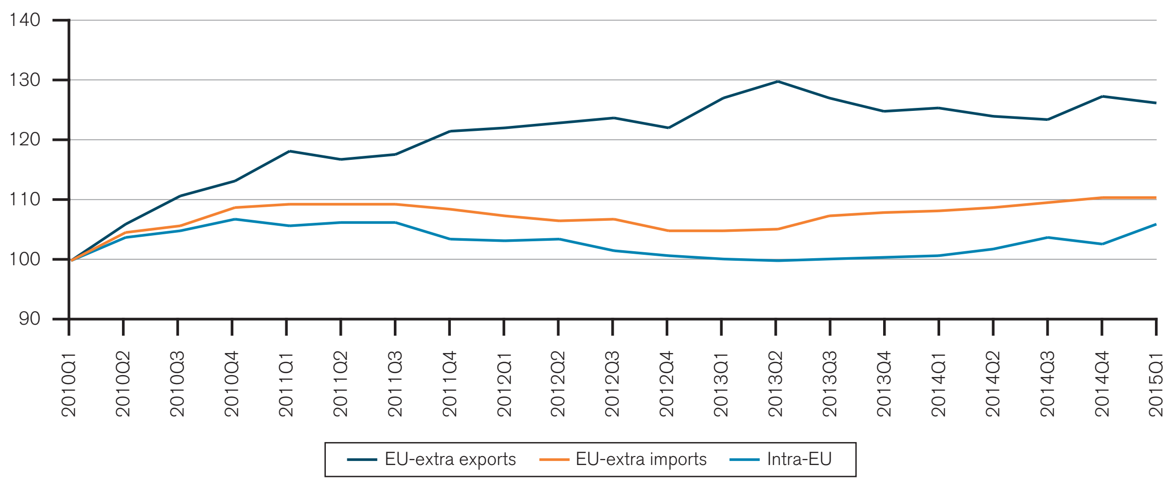
Weak import demand in the European Union has weighed heavily on world trade in recent years due to the large share of the EU in world imports (32 per cent in 2014 including trade between EU member countries,

Figure 2: Merchandise export and import volume by level of development, 2010Q1-2015Q1 (seasonally adjusted volume indices, 2010Q1=100)



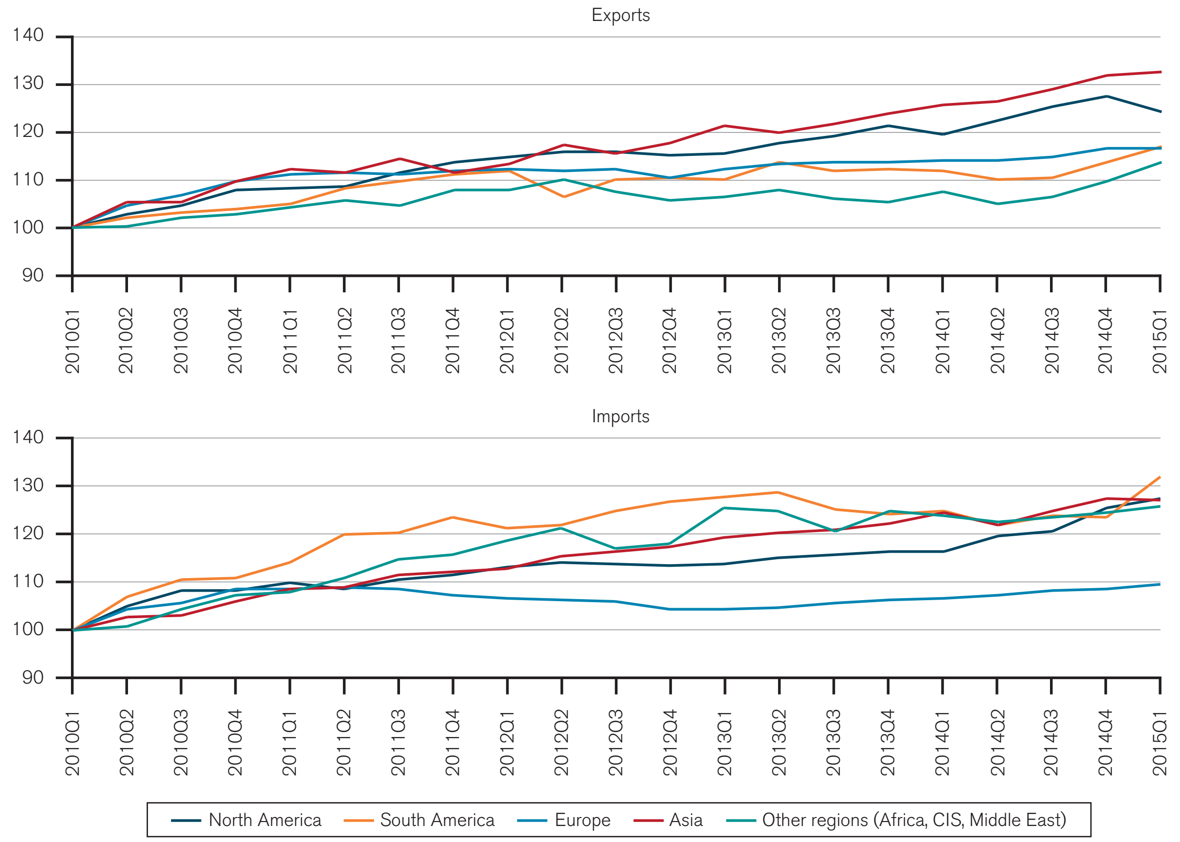
Source: WTO and UNCTAD Secretariats.

Figure 3: Merchandise export and import volume of the European Union, 2010Q1-2015Q1 (seasonally adjusted volume indices, 2010Q1=100)



Source: WTO and UNCTAD Secretariats.

Figure 4: Merchandise export and import volume by region, 2010Q1-2015Q1 (seasonally adjusted volume indices, 2010Q1=100)



Source: WTO and UNCTAD Secretariats.

15 per cent excluding it). Quarterly EU trade volume developments are shown in Figure 3.

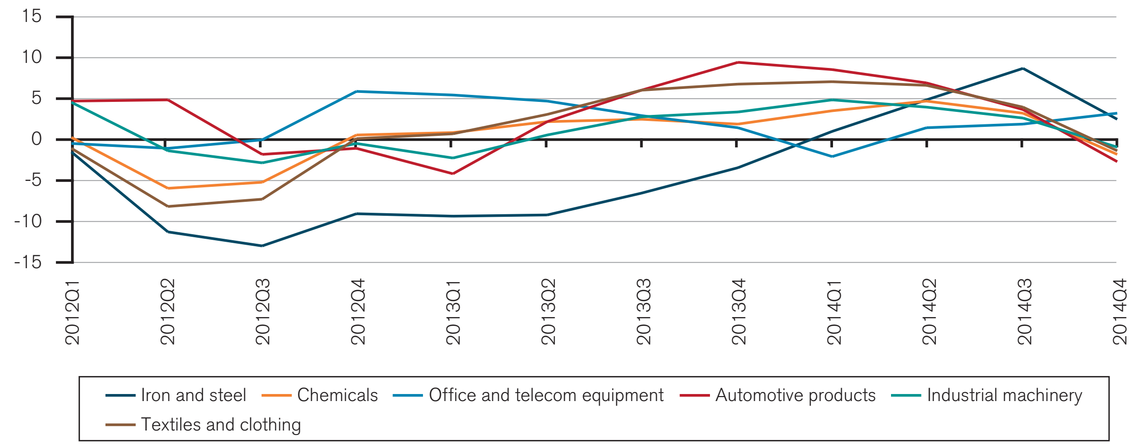
Extra-EU exports in volume terms were flat for most of 2014 as demand in trading partners faltered. Meanwhile, EU imports staged a recovery as total imports (i.e. intra plus extra) rose 3.2 per cent over the previous year. Imports stalled toward the end of the year, growing 0 per cent in the fourth quarter before resuming their upward trajectory. A strong economic recovery in Europe may be necessary before the world can expect to see higher rates of global trade growth.

Regional trade developments in volume terms are shown in Figure 4. Asia and North America had the fastest export growth in 2014. Shipments from South America and other regions (i.e. Africa, the CIS and the Middle East) were mostly flat, but this is to be expected since traded quantities of oil and other natural resources tend to be insensitive to price changes. European exports grew more slowly, held back by weak import demand in the region.

North American imports in volume terms grew steadily in 2014, as did Asian imports following a setback in the second quarter. Imports of other regions (i.e. Africa, the Middle East and the CIS) also grew in the second half of the year despite falling commodity prices, but South America's imports continued to trend downward after peaking in the second quarter of 2013. South American imports bounced back sharply in the first quarter of 2015, but whether this rebound is durable remains to be seen). Finally, European imports remained depressed, having only recently surpassed their level of 2011Q3.

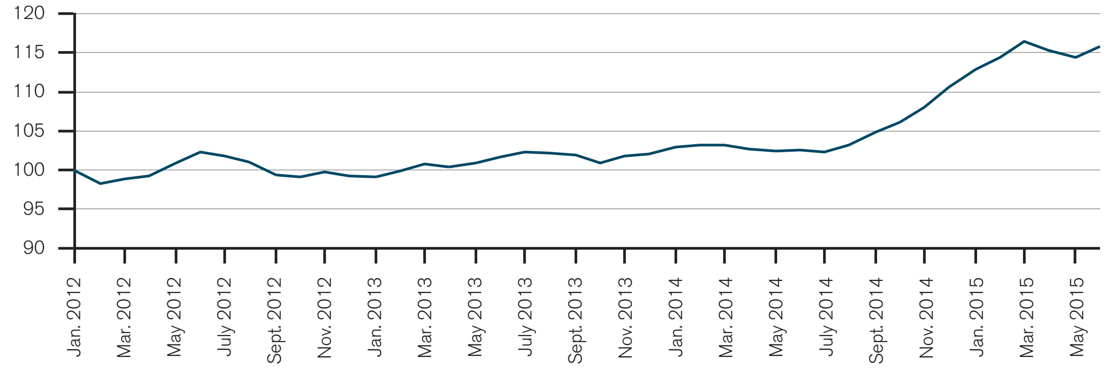
Figure 5 shows estimated year-on-year growth in the dollar value of world trade in selected categories of manufactured goods. By the fourth quarter of 2014, trade in iron and steel had risen by 2.4 per cent compared to the same quarter in 2013, while shipments of office and telecom equipment were up 3 per cent. However, year-on-year growth in the dollar value of trade in other manufactured goods turned negative in Q4, with declines of between 1 per cent and 3 per cent. Since the financial crisis of 2008-09, trade in automotive products has tended to be a leading indicator of world trade, while trade in iron and steel has been a lagging indicator. With demand for automobiles turning down, steel exporters like China may face reduced demand for the products overseas.

Figure 5: Quarterly world exports of manufactured goods by product, 2012Q1-2014Q4 (year-on-year percentage change in US$ values)



Source: WTO Secretariat estimates based on mirror data for available reporters in the Global Trade Atlas database, Global Trade Information Systems.

Figure 6: Trade-weighted US dollar index: broad, January 2012 – June 2015 (index, January 2012=100)



Source: Federal Reserve Bank of St. Louis.

Merchandise trade figures in dollar terms should be interpreted with caution since these data are strongly influenced by exchange rates, including the appreciation of the US dollar since the middle of last year (up around 12 per cent on average between July 2014 and June 2015 – see Figure 6).

(b) Trade developments in commercial services

Figure 7 provides a breakdown of commercial services exports by WTO geographic region. All regions saw modest increases in services exports of between 1 and 5 per cent in 2014, except the CIS, which registered a strong decline of 7 per cent that included drops in transport services (-2.3 per cent), travel (-12.1) and other business services (-6.3). Imports are not shown in Figure 6, but the story is similar, with all regions recording modest increases except the CIS, which declined by 2 per cent in the latest year.

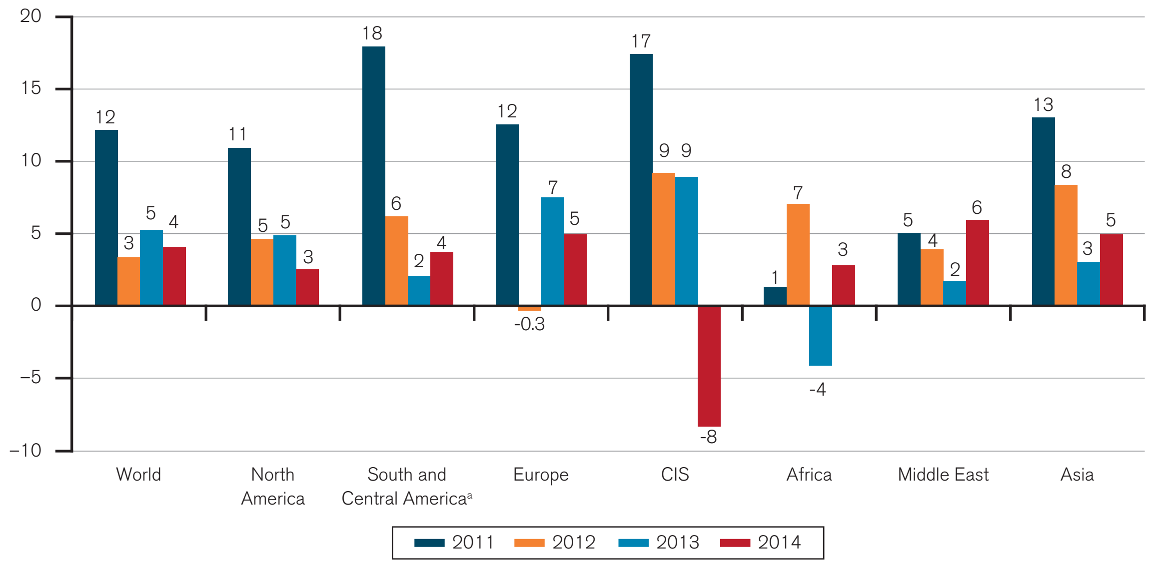
At the global level, the weakest component of services trade in 2014 was manufacturing services on physical inputs owned by others, which were down 7.6 per cent as measured by exports. Meanwhile, exports of other commercial services, which include financial services and account for more than half (52 per cent) of world commercial services trade, rose 5.1 per cent last year.

3. Trade in the first half of 2015

Monthly merchandise trade statistics in current dollar terms are timelier than quarterly statistics in volume terms, and are available for a larger number of countries. These are shown in Appendix Figure 1 for the period January 2010 to April 2015.

Trade flows in dollar terms turned down sharply in many countries in the first half of 2015. For example, the US

Figure 7: Growth in the value of commercial services exports by region, 2011-14 (annual percentage change)



Note: Data are compiled according to the sixth edition of the IMF Balance of Payments Manual (BPM6) and are not comparable to figures from earlier years.

[a] Includes the Caribbean.

Source: WTO and UNCTAD Secretariats.

dollar value of extra-EU exports dropped around 12 per cent year-on-year in April, while imports were down 19 per cent over the same period. In January, extra-EU exports hit their lowest level in dollar terms since April 2010, while imports for the month were down by the same 19 per cent as in April. However, much of this decline can be attributed to dollar appreciation, which undervalues trade denominated in other currencies, and by lower oil prices, which reduces the dollar value of any given quantity of oil exported or imported. By comparison, if trade values are expressed in euros, extra-EU exports were actually up 12 per cent in April compared to the same month in 2014, while extra-EU imports rose 4 per cent.

Exchange rates and oil prices do not explain all of the nominal downturns in the first quarter of 2015, and some countries did indeed enter a soft patch in the first half of the year. However, quarter-on-quarter growth in the volume of world trade was in fact slightly positive at 0.7 per cent in the first quarter, equivalent to an annual rate of 2.9 per cent. The discrepancy between trade statistics in value and volume terms highlights the need to interpret dollar-denominated trade data very carefully in light of the strong price fluctuations observed since the middle of 2014.

Returning to Figure 2, we see that import demand slowed in volume terms in developing economies in the first quarter of 2015 while import growth was steady in developed countries. On the export side, shipments from developed economies turned down while those from developing countries picked up. Overall, world trade growth slowed from 1.8 per cent in the fourth quarter of 2014 to 0.7 per cent in the first quarter of 2015, but remained positive. Some of the slowdown originated in Asia, where import growth decelerated from 2.1 per cent in the fourth quarter of 2014 to -0.3 per cent in the first quarter of 2015, but North America and other regions also saw import demand slowing (see Figure 4).

4. Additional perspectives on trade developments

World trade continued to grow at a moderate pace in the first quarter of 2015 but the outlook for the second half was clouded by numerous risk factors, many of which are on the downside. US GDP growth has swung from strongly negative to strongly positive and back since the beginning of 2014. Continued strength in the US economy could buttress global demand and reinforce the trade recovery. Conversely, any shortfall in the US performance would leave few alternative sources of rising import demand. US GDP growth could disappoint if tighter monetary conditions and lower oil prices choke off investment, including in the energy sector.

Economic conditions in the European Union were improving in early 2015 improving, but EU-wide unemployment remains high (9.7 per cent in April) while fallout from the Greek debt crisis threatens to revive financial instability.

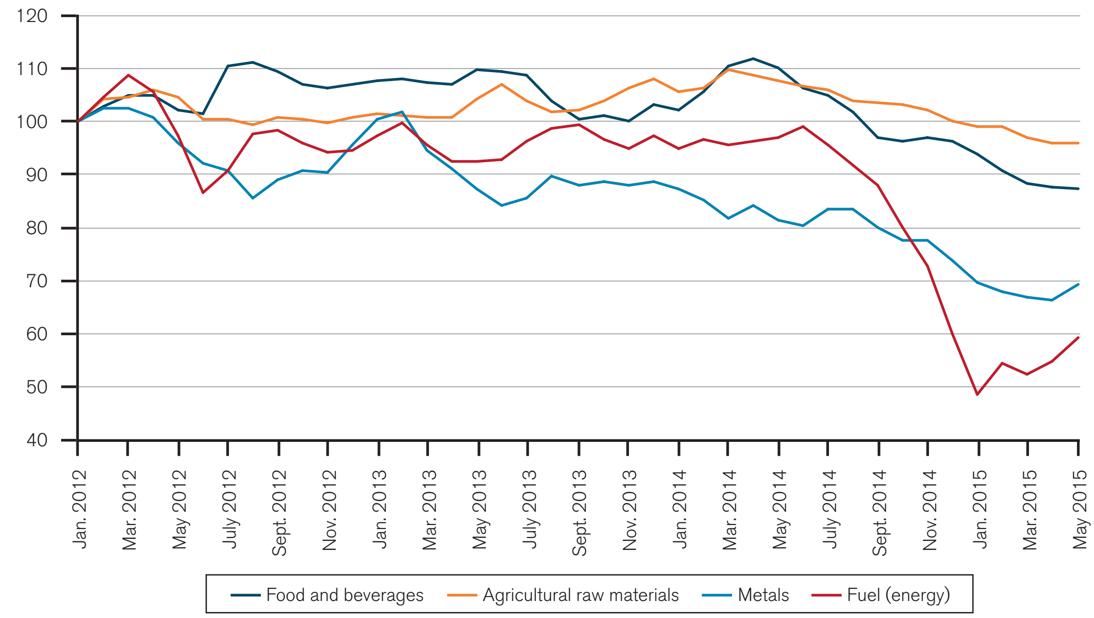
The outlook for China also looks less certain than before, as activity in the world's largest economy (measured at purchasing power parity) has eased over time. The 7.4 per cent increase in Chinese GDP in 2014 was the smallest such rise in 24 years, and Chinese officials have downgraded their output targets going forward. China's growth may continue to exceed that of other major economies for some time, but it is likely do so by smaller margins than in the past. This suggests slower rather than accelerating import demand in China.

Lower prices for oil and other primary commodities could boost global GDP and trade going forward if their positive impact on net importers of these products outweighs the negative impact on net exporters. The extent of the recent slide in commodity prices is illustrated by Figure 8. World trade could also grow faster than expected if a stronger economic recovery takes hold in the euro zone as a result of the European Central Bank's current programme of monetary easing. Any recovery in demand in the European Union would have a disproportionate impact on world trade statistics due to the fact that trade between EU members is counted in global totals.

WTO estimates of annual trade volume growth and consensus estimates of world real GDP at market exchange rates from 2010 to 2014 are shown in Table 1. Much attention has been paid to the fact that the rough two-to-one relationship that prevailed for many years between world trade growth and world GDP growth appears to have broken down, as illustrated by the fact that trade and output have grown at around the same rate for the last three years. A number of explanations have been offered for the slower rate of increase in trade recently, including adverse macroeconomic conditions, the maturation of global supply chains, and the accumulation of post-crisis protectionist measures, among others.

No definitive explanation has emerged, but some stylized facts can at least be discerned. First, the ratio of world trade growth to world GDP growth (referred to as the "income elasticity of world trade") peaked sometime in the 1990s, long before the financial crisis, but has fallen since then (see Figure 9). Second, it is normal for world trade to grow slowly for a time after a global economic shock before faster growth resumes (e.g. the oil crises of the 1970s and early 1980s). Finally, lower global trade elasticity does not imply a lower world trade/GDP ratio, which remains at or near record levels. These facts suggest a combination of cyclical and structural factors at work behind the trade slowdown.

Figure 8: Prices of primary commodities, January 2012 – May 2015 (indices, January 2012 = 100)



Source: IMF Primary Commodity Prices.

I. THE WORLD ECONOMY AND TRADE IN 2014 AND EARLY 2015

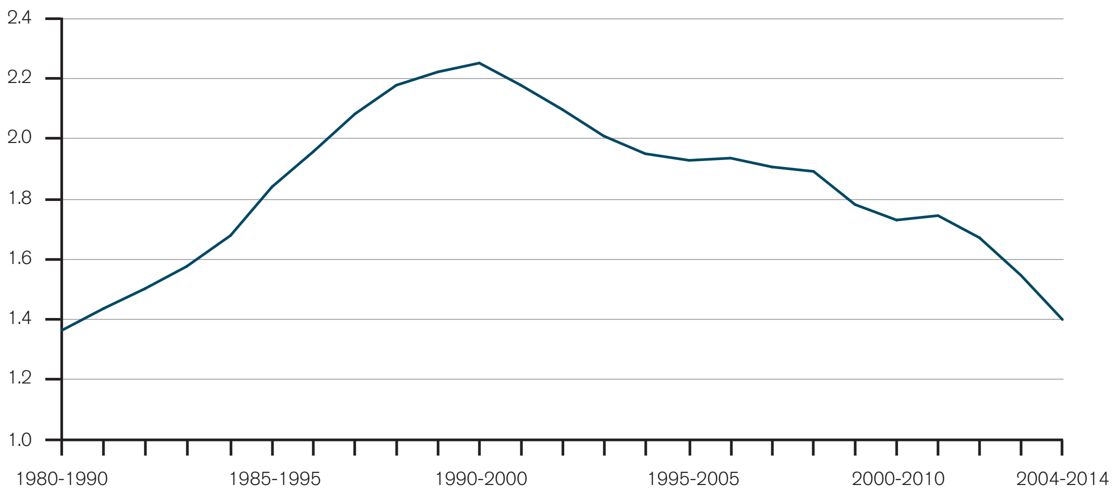
Table 1: Merchandise trade volume and real GDP at market exchange rates, 2010-14 (annual percentage change)

	2010	2011	2012	2013	2014
Volume of world merchandise trade	13.9	5.3	2.2	2.5	2.5
Exports					
Developed economies	13.4	5.1	1.1	2.2	2.0
Developing and emerging economies[a]	15.2	5.9	3.7	3.8	3.1
North America	14.9	6.6	4.4	2.7	4.2
South and Central America	4.5	6.4	0.9	1.9	-1.3
Europe	11.5	5.5	0.8	2.4	1.6
Commonwealth of Independent States (CIS)	6.3	1.6	0.8	1.1	0.0
Africa	6.5	-7.3	6.6	-2.0	-3.3
Middle East	5.3	7.9	4.8	1.7	0.7
Asia	22.8	6.4	2.7	5.0	4.7
Imports					
Developed economies	10.9	3.4	0.0	-0.1	2.9
Developing and emerging economies[a]	18.2	7.7	4.9	5.2	1.8
North America	15.8	4.3	3.2	1.2	4.6
South and Central America	21.8	12.1	2.3	3.4	-2.4
Europe	9.9	3.2	-1.8	-0.2	2.3
Commonwealth of Independent States (CIS)	18.2	16.9	6.5	-1.2	-9.8
Africa	8.0	4.0	13.3	5.0	4.2
Middle East	8.4	4.4	9.9	7.4	1.8
Asia	18.3	6.5	3.7	4.8	3.4
Real world GDP at market exchange rates	4.1	2.9	2.3	2.3	2.5
Developed economies	2.6	1.5	1.1	1.2	1.7
Developing and emerging economies[a]	7.5	5.9	4.7	4.6	4.2
North America	2.7	1.9	2.4	2.2	2.4
South and Central America	6.3	5.1	2.8	3.3	1.0
Europe	2.3	2.0	-0.2	0.3	1.4
Commonwealth of Independent States (CIS)	4.6	4.9	3.5	2.1	0.6
Africa	5.4	1.1	5.3	3.6	3.4
Middle East	5.2	6.4	3.2	2.8	3.1
Asia	7.2	4.2	4.4	4.5	4.0

[a] Includes all economies not classified as developed.

Source: WTO Secretariat.

Figure 9: Elasticity of world merchandise trade volume with respect to world GDP at market exchange rates, 1980-2014



Note: Elasticities calculated by regressing log of world merchandise trade volume on log of world GDP at market exchange rates over 10 years.

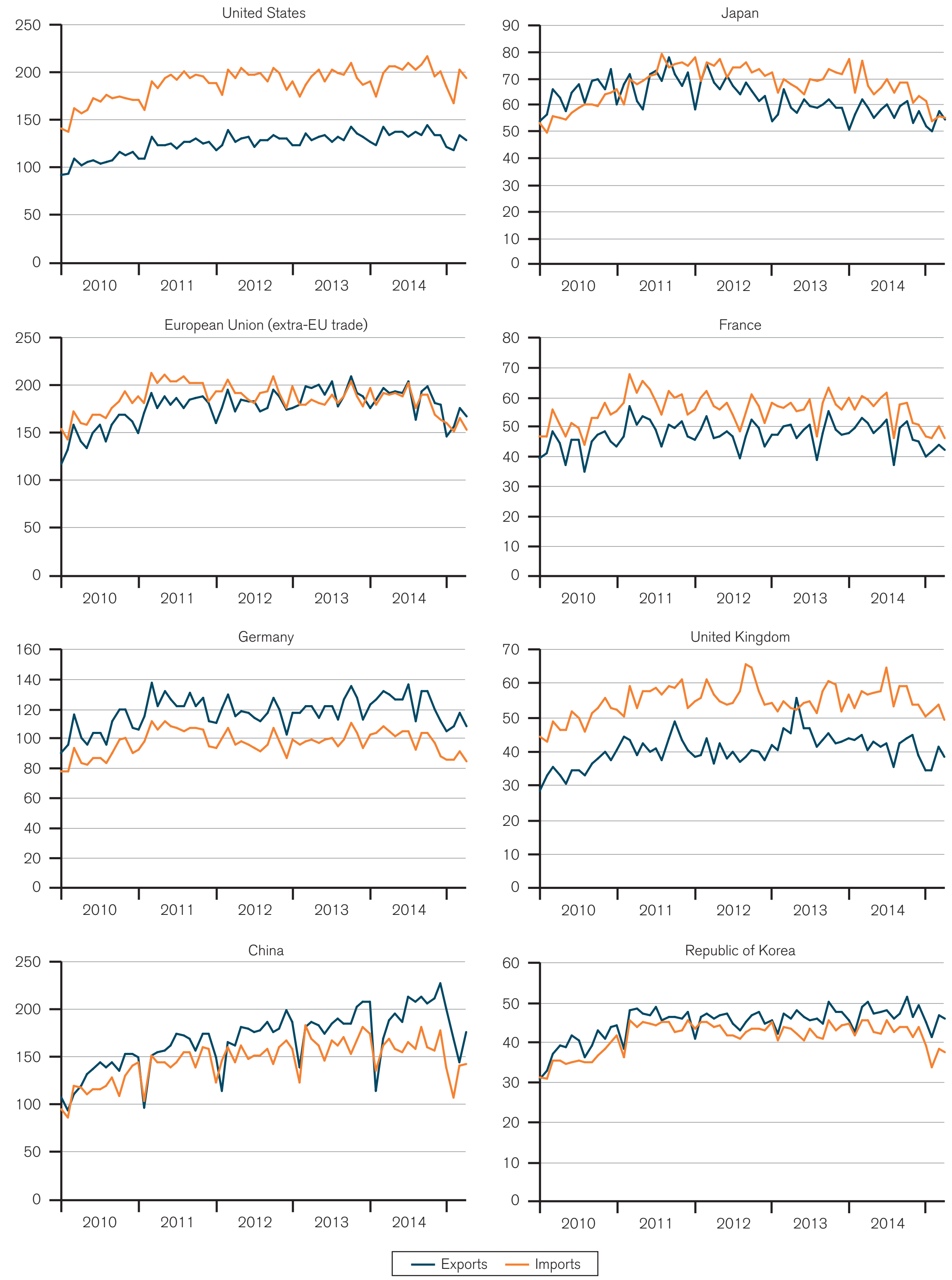
Source: WTO *International Trade Statistics* for trade, IMF *World Economic Outlook* database for GDP at market exchange rates.

Endnote

1 Comprehensive annual, quarterly and monthly data on merchandise and commercial services trade can be downloaded from the WTO's website at: http://www.wto.org/statistics

Appendix Figure

Appendix Figure 1: Merchandise exports and imports of selected economies, January 2010 – April 2015 (billion US$)



Source: IMF International Financial Statistics, Global Trade Information Services GTA database, national statistics.

Appendix Figure 1: Merchandise exports and imports of selected economies, January 2010 – April 2015 (billion US$) *(continued)*

Source: IMF International Financial Statistics, Global Trade Information Services GTA database, national statistics.

Appendix Tables

Appendix Table 1: World merchandise trade by region and selected economies, 2014 (billion US$ and per cent)

	Exports					Imports				
	Value	Annual per cent change				Value	Annual per cent change			
	2014	2005-14	2012	2013	2014	2014	2005-14	2012	2013	2014
World	18,422	7	0	2	1	18,569	6	0	1	1
North America	2,493	6	4	2	3	3,300	4	3	0	3
United States	1,621	7	4	2	3	2,413	4	3	0	4
Canada[a]	475	3	1	1	4	475	4	2	0	0
Mexico	398	7	6	3	5	412	7	5	3	5
South and Central America[b]	695	7	-1	-2	-6	739	10	3	3	-5
Brazil	225	7	-5	0	-7	239	13	-2	7	-5
Other South and Central America[b]	470	7	1	-3	-5	500	9	5	0	-5
Europe	6,739	5	-4	4	1	6,722	4	-6	1	2
European Union (28)	6,162	5	-5	5	1	6,133	4	-6	1	2
Germany	1,508	5	-5	3	4	1,216	5	-7	2	2
Netherlands	583	3	-5	2	0	678	3	-6	1	-1
France	672	6	-2	2	0	588	5	-1	0	0
United Kingdom	506	3	-7	14	-7	684	3	2	-5	4
Italy	529	4	-4	3	2	472	2	-13	-2	-2
Commonwealth of Independent States (CIS)	735	9	2	-2	-6	506	10	6	0	-11
Russian Federation[a]	498	8	1	-1	-5	308	10	4	2	-10
Africa	555	7	5	-6	-8	642	11	9	3	1
South Africa	91	7	-8	-4	-5	122	8	2	-1	-3
Africa less South Africa	464	7	8	-6	-8	520	12	11	4	2
Oil exporters[c]	286	5	11	-11	-13	202	12	10	10	0
Non oil exporters	178	9	1	3	0	318	11	11	0	3
Middle East	1,288	10	6	0	-4	784	10	8	6	0
Asia	6,426	9	2	3	2	6,325	9	4	2	0
China	2,342	13	8	8	6	1,959	13	4	7	0
Japan	684	2	-3	-10	-4	822	5	4	-6	-1
India	322	14	-2	6	2	463	14	5	-5	-1
Newly industrialized economies (4)[d]	1,312	7	-1	1	1	1,316	7	0	0	1
Memorandum										
MERCOSUR[e]	316	7	-5	1	-8	328	12	-3	7	-6
ASEAN[f]	1,295	8	1	2	2	1,235	8	6	2	-1
EU (28) extra-trade	2,262	6	0	7	-2	2,232	5	-4	-3	0
Least-developed countries (LDCs)	207	11	1	4	-2	266	13	11	9	5

[a] Imports are valued FOB (free on board).

[b] Includes the Caribbean.

[c] Algeria, Angola, Cameroon, Chad, Congo, Equatorial Guinea, Gabon, Libya, Nigeria, Sudan.

[d] Hong Kong, China; Republic of Korea; Singapore; and Chinese Taipei.

[e] Calculated on the basis of Argentina, Brazil, Paraguay and Uruguay.

[f] Association of Southeast Asian Nations: Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand, Viet Nam.

Source: WTO Secretariat.

Appendix Table 2: World commercial services trade by region and selected country, 2014 (billion US$ and per cent)

	Exports					Imports				
	Value	Annual per cent change				Value	Annual per cent change			
	2014	2005-14	2012	2013	2014	2014	2005-14	2012	2013	2014
World	4,860	7	3	5	4	4,740	7	4	6	5
North America	793	7	5	5	3	593	6	4	3	3
United States	686	8	4	5	3	454	6	4	3	4
South and Central America[a]	156	9	6	2	4	202	12	6	7	1
Brazil	40	12	5	-2	6	87	17	7	7	5
Europe	2,349	6	0	7	5	1,988	6	-1	8	5
European Union (28)	2,153	...	...	8	5	1,810	...	...	8	5
Germany	267	6	-3	8	5	327	5	-2	13	1
United Kingdom	329	4	1	3	4	189	1	2	4	-1
France	263	6	0	7	4	244	7	0	14	6
Netherlands	156	...	-4	8	11	165	10	-4	6	8
Spain	133	5	12	9	10	142	2	3	16	8
Commonwealth of Independent States (CIS)	110	10	9	9	-8	169	12	18	15	-4
Russian Federation	66	10	7	12	-5	119	13	19	18	-5
Ukraine	14	4	4	2	-35	12	6	10	11	-23
Africa	94	6	7	-4	3	169	10	2	1	5
Egypt[b]	19	3	12	-16	7	16	6	18	-4	11
South Africa	14	3	2	-6	0	15	3	-11	-7	-5
Nigeria	1	0	-10	-7	-22	22	15	0	-8	9
Middle East	124	...	4	2	6	271	...	5	5	9
United Arab Emirates[b, c]	17	...	18	15	...	72	...	12	12	...
Saudi Arabia, Kingdom of	12	...	-5	5	7	60	...	-9	4	17
Asia	1,236	10	8	3	5	1,349	9	8	4	6
China	222	11	17	-4	8	382	18	18	17	16
Japan	158	5	-3	1	19	190	4	5	-8	12
India	154	13	5	2	4	124	11	4	-3	-1
Singapore	133	12	7	4	2	130	10	9	4	0
Korea, Republic of	106	9	14	0	3	114	8	6	1	4
Hong Kong, China	107	9	8	7	2	78	4	3	0	2
Australia	52	6	3	0	0	62	8	6	3	-7
Memorandum										
EU (28) extra-trade	994	...	5	9	7	739	...	-2	7	6

[a] Includes the Caribbean.

[b] WTO Secretariat estimates.

[c] Data according to BPM5 (fifth edition of the IMF Balance of Payments Manual) methodology.

... indicates unavailable or non-comparable figures.

Note: While provisional full year data were available in mid-March for some 50 countries accounting for more than two-thirds of world commercial services trade, estimates for most other countries are based on data for the first three quarters.

Sources: WTO and UNCTAD Secretariats.

Appendix Table 3: Leading merchandise exporters and importers, 2014 (billion US$ and per cent)

Rank	Exporters	Value	Share	Annual per cent change	Rank	Importers	Value	Share	Annual per cent change
1	China	2,342	12.4	6	1	United States	2,413	12.7	4
2	United States	1,621	8.6	3	2	China	1,959	10.3	0
3	Germany	1,508	8.0	4	3	Germany	1,216	6.4	2
4	Japan	684	3.6	-4	4	Japan	822	4.3	-1
5	Netherlands	672	3.6	0	5	United Kingdom	684	3.6	4
6	France	583	3.1	0	6	France	678	3.6	-1
7	Korea, Republic of	573	3.0	2	7	Hong Kong, China	601	3.2	-3
8	Italy	529	2.8	2		– retained imports	151	0.8	6
9	Hong Kong, China	524	2.8	-2	8	Netherlands	588	3.1	0
	– domestic exports	16	0.1	-20	9	Korea, Republic of	526	2.8	2
	– re-exports	508	2.7	-1	10	Canada[a]	475	2.5	0
10	United Kingdom	506	2.7	-7	11	Italy	472	2.5	-2
11	Russian Federation	498	2.6	-5	12	India	463	2.4	-1
12	Canada	475	2.5	4	13	Belgium	452	2.4	0
13	Belgium	471	2.5	1	14	Mexico	412	2.2	5
14	Singapore	410	2.2	0	15	Singapore	366	1.9	-2
	– domestic exports	216	1.1	-1		– retained imports[b]	173	0.9	-5
	– re-exports	194	1.0	1	16	Spain	358	1.9	5
15	Mexico	398	2.1	5	17	Russian Federation[a]	308	1.6	-10
16	United Arab Emirates[c]	360	1.9	-5	18	Chinese Taipei	274	1.4	2
17	Saudi Arabia, Kingdom of[c]	354	1.9	-6	19	United Arab Emirates[c]	262	1.4	4
18	Spain	325	1.7	2	20	Turkey	242	1.3	-4
19	India	322	1.7	2	21	Brazil	239	1.3	-5
20	Chinese Taipei	314	1.7	3	22	Australia[c]	237	1.2	-2
21	Australia	241	1.3	-5	23	Thailand	228	1.2	-9
22	Switzerland	239	1.3	4	24	Poland	220	1.2	6
23	Malaysia	234	1.2	3	25	Malaysia	209	1.1	1
24	Thailand	228	1.2	0	26	Switzerland	203	1.1	1
25	Brazil	225	1.2	-7	27	Austria	182	1.0	-1
26	Poland	217	1.1	6	28	Indonesia	178	0.9	-5
27	Austria	178	0.9	2	29	Saudi Arabia, Kingdom of[c]	163	0.9	-3
28	Indonesia	176	0.9	-3	30	Sweden	163	0.9	1
29	Czech Republic	174	0.9	7					
30	Sweden	164	0.9	-2					
	Total of above[d]	15,542	82.1	-		Total of above[d]	15,592	82.0	-
	World[d]	18,930	100.0	1		World[d]	19,018	100.0	1

[a] Imports are valued FOB.

[b] Singapore's retained imports are defined as imports less re-exports.

[c] WTO Secretariat estimates.

[d] Includes significant re-exports or imports for re-export.

Source: WTO Secretariat.

Appendix Table 4: Leading merchandise exporters and importers excluding intra-EU(28) trade, 2014 (billion US$ and per cent)

Rank	Exporters	Value	Share	Annual per cent change	Rank	Importers	Value	Share	Annual per cent change
1	China	2,342	15.6	6	1	United States	2,413	16.0	4
2	Extra-EU(28) exports	2,262	15.1	-2	2	Extra-EU(28) imports	2,232	14.8	0
3	United States	1,621	10.8	3	3	China	1,959	13.0	0
4	Japan	684	4.5	-4	4	Japan	822	5.4	-1
5	Korea, Republic of	573	3.8	2	5	Hong Kong, China	601	4.0	-3
6	Hong Kong, China	524	3.5	-2		– retained imports	151	1.0	6
	– domestic exports	16	0.1	-20	6	Korea, Republic of	526	3.5	2
	– re-exports	508	3.4	-1	7	Canada[a]	475	3.1	0
7	Russian Federation	498	3.3	-5	8	India	463	3.1	-1
8	Canada	475	3.2	4	9	Mexico	412	2.7	5
9	Singapore	410	2.7	0	10	Singapore	366	2.4	-2
	– domestic exports	216	2.9	-1		– retained imports[b]	173	1.1	-5
	– re-exports	194	1.3	1	11	Russian Federation[a]	308	2.0	-10
10	Mexico	398	2.6	5	12	Chinese Taipei	274	1.8	2
11	United Arab Emirates[c]	360	2.4	-5	13	United Arab Emirates[c]	262	1.7	4
12	Saudi Arabia, Kingdom of[c]	354	2.4	-6	14	Turkey	242	1.6	-4
13	India	322	2.1	2	15	Brazil	239	1.6	-5
14	Chinese Taipei	314	2.1	3	16	Australia[c]	237	1.6	-2
15	Australia	241	1.6	-5	17	Thailand	228	1.5	-9
16	Switzerland	239	1.6	4	18	Malaysia	209	1.4	1
17	Malaysia	234	1.6	3	19	Switzerland	203	1.3	1
18	Thailand	228	1.5	0	20	Indonesia	178	1.2	-5
19	Brazil	225	1.5	-7	21	Saudi Arabia, Kingdom of[c]	163	1.1	-3
20	Indonesia	176	1.2	-3	22	Viet Nam	149	1.0	13
21	Turkey	158	1.0	4	23	South Africa[c]	122	0.8	-3
22	Viet Nam	150	1.0	14	24	Norway	89	0.6	-1
23	Norway	144	1.0	-7	25	Israel	75	0.5	1
24	Qatar[c]	132	0.9	-4	26	Chile	72	0.5	-9
25	Kuwait[c]	104	0.7	-9	27	Philippines	68	0.4	4
26	Nigeria[c]	97	0.6	-7	28	Egypt[c]	67	0.4	16
27	South Africa	91	0.6	-5	29	Argentina	65	0.4	-11
28	Iran[c]	89	0.6	8	30	Colombia	64	0.4	8
29	Iraq[c]	85	0.6	-6					
30	Venezuela, Bolivarian Rep. of[c]	80	0.5	-10					
	Total of above[d]	13,608	90.5	-		Total of above[d]	13,585	89.9	-
	World[d] (excl. intra-EU(28))	15,030	100.0	0		World[d] (excl. intra-EU(28))	15,118	100.0	0

[a] Imports are valued FOB.

[b] Singapore's retained imports are defined as imports less re-exports.

[c] WTO Secretariat estimates.

[d] Includes significant re-exports or imports for re-export.

Source: WTO Secretariat.

Appendix Table 5: Leading exporters and importers of commercial services, 2014 (billion US$ and per cent)

Rank	Exporters	Value	Share	Annual per cent change	Rank	Importers	Value	Share	Annual per cent change
1	United States	686	14.1	3	1	United States	454	9.6	4
2	United Kingdom	329	6.8	4	2	China	382	8.1	16
3	Germany	267	5.5	5	3	Germany	327	6.9	1
4	France	263	5.4	4	4	France	244	5.1	6
5	China	222	4.6	8	5	Japan	190	4.0	12
6	Japan	158	3.3	19	6	United Kingdom	189	4.0	-1
7	Netherlands	156	3.2	11	7	Netherlands	165	3.5	8
8	India	154	3.2	4	8	Ireland	142	3.0	16
9	Spain	135	2.8	5	9	Singapore	130	2.7	0
10	Ireland	133	2.7	9	10	India	124	2.6	-1
11	Singapore	133	2.7	2	11	Russian Federation	119	2.5	-5
12	Belgium	117	2.4	4	12	Korea, Republic of	114	2.4	4
13	Switzerland	114	2.3	2	13	Italy	112	2.4	4
14	Italy	114	2.3	2	14	Belgium	108	2.3	4
15	Hong Kong, China	107	2.2	2	15	Canada	106	2.2	-5
16	Korea, Republic of	106	2.2	3	16	Switzerland	93	2.0	2
17	Luxembourg	98	2.0	11	17	Brazil	87	1.8	5
18	Canada	85	1.7	-4	18	Hong Kong, China	78	1.6	2
19	Sweden	75	1.5	3	19	United Arab Emirates[a, b]	72	1.5	…
20	Denmark	72	1.5	2	20	Spain	72	1.5	11
21	Russian Federation	66	1.4	-5	21	Luxembourg	67	1.4	13
22	Austria	65	1.3	2	22	Sweden	65	1.4	8
23	Chinese Taipei[a]	57	1.2	12	23	Denmark	64	1.3	1
24	Thailand	55	1.1	-6	24	Australia	62	1.3	-7
25	Macao, China	53	1.1	-1	25	Saudi Arabia, Kingdom of	60	1.3	17
26	Australia	52	1.1	0	26	Thailand	53	1.1	-4
27	Turkey	50	1.0	9	27	Norway	53	1.1	-5
28	Norway	49	1.0	1	28	Austria	51	1.1	3
29	Poland	46	0.9	2	29	Chinese Taipei[a]	46	1.0	8
30	Greece	42	0.9	14	30	Malaysia	44	0.9	-2
	Total of above	4,058	83.5	-		Total of above	3,871	81.7	-
	World	4,860	100.0	4		World	4,740	100.0	5

[a] Data according to BPM5 (fifth edition of the IMF Balance of Payments Manual) methodology.

[b] WTO Scretariat estimate.

… indicates unavailable or non-comparable figures.

- indicates non-applicable.

Note: Figures for a number of countries and territories have been estimated by the Secretariat. Annual percentage changes and rankings are affected by continuity breaks in the series for a large number of economies, and by limitations in cross-country comparability.

Sources: WTO and UNCTAD Secretariats.

Appendix Table 6: Leading exporters and importers of commercial services excluding intra-EU(28) trade, 2014 (billion US$ and per cent)

Rank	Exporters	Value	Share	Annual per cent change	Rank	Importers	Value	Share	Annual per cent change
1	Extra-EU(28) exports	994	26.8	7	1	Extra-EU(28) imports	739	20.1	6
2	United States	686	18.5	3	2	United States	454	12.4	4
3	China	222	6.0	8	3	China	382	10.4	16
4	Japan	158	4.3	19	4	Japan	190	5.2	12
5	India	154	4.2	4	5	Singapore	130	3.5	0
6	Singapore	133	3.6	2	6	India	124	3.4	-1
7	Switzerland	114	3.1	2	7	Russian Federation	119	3.2	-5
8	Hong Kong, China	107	2.9	2	8	Korea, Republic of	114	3.1	4
9	Korea, Republic of	106	2.9	3	9	Canada	106	2.9	-5
10	Canada	85	2.3	-4	10	Switzerland	93	2.5	2
11	Russian Federation	66	1.8	-5	11	Brazil	87	2.4	5
12	Chinese Taipei[a]	57	1.5	12	12	Hong Kong, China	78	2.1	2
13	Thailand	55	1.5	-6	13	United Arab Emirates[a, b]	72	2.0	…
14	Macao, China	53	1.4	-1	14	Australia	62	1.7	-7
15	Australia	52	1.4	0	15	Saudi Arabia, Kingdom of	60	1.6	17
16	Turkey	50	1.4	9	16	Thailand	53	1.4	-4
17	Norway	49	1.3	1	17	Norway	53	1.4	-5
18	Brazil	40	1.1	6	18	Chinese Taipei[a]	46	1.2	8
19	Malaysia	38	1.0	-4	19	Malaysia	44	1.2	-2
20	Israel	34	0.9	1	20	Indonesia	33	0.9	-4
21	Philippines	24	0.7	7	21	Mexico	32	0.9	9
22	Indonesia	23	0.6	1	22	Qatar	31	0.8	24
23	Mexico	21	0.6	5	23	Turkey	23	0.6	3
24	Egypt	19	0.5	7	24	Nigeria	22	0.6	9
25	United Arab Emirates[a, b]	17	0.5	…	25	Angola[b]	22	0.6	…
26	Lebanese Republic	15	0.4	6	26	Israel	22	0.6	9
27	Morocco	15	0.4	11	27	Kuwait[b]	21	0.6	…
28	Ukraine	14	0.4	-35	28	Philippines	20	0.5	23
29	Argentina	14	0.4	-3	29	Argentina	17	0.5	-8
30	South Africa	14	0.4	0	30	Venezuela, Bolivarian Rep. of	17	0.5	-13
	Total of above	3,429	92.6	-		Total of above	3,266	89.0	-
	World (excl. intra-EU(28))	3,700	100.0	4		World (excl. intra-EU(28))	3,670	100.0	5

[a] Data according to BPM5 (fifth edition of the IMF Balance of Payments Manual) methodology.

[b] WTO Scretariat estimate.

… indicates unavailable or non-comparable figures.

- indicates non-applicable.

Note: Figures for a number of countries and territories have been estimated by the Secretariat. Annual percentage changes and rankings are affected by continuity breaks in the series for a large number of economies, and by limitations in cross-country comparability.

Sources: WTO and UNCTAD Secretariats.