

News Release

Trade flows weaken in third quarter 2008

A. Volumes of Merchandise Trade (customs-based data)

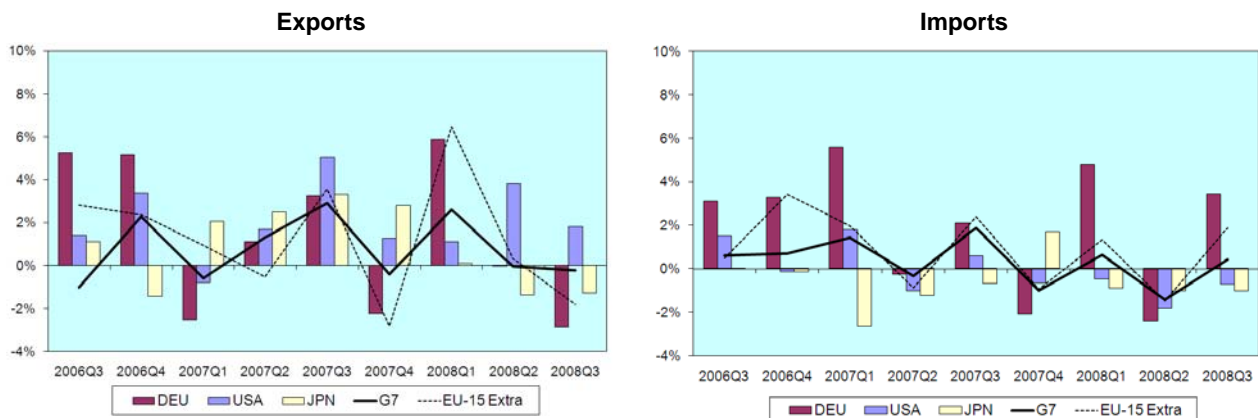
Merchandise export volumes of the **Group of Seven** countries fell 0.2% in the third quarter of 2008 compared with the previous quarter, while import volumes rose 0.4%. On a year-on-year basis, import volumes fell 1.4% in the third quarter, the first decline since the third quarter of 2006. Exports rose 1.9%, their lowest growth rate since the third quarter of 2006.

While **Germany's** exports fell by a marked 2.9% quarter-on-quarter, import volume growth picked up by 3.4%, the highest rate of the G7. On a year-on-year basis, exports stagnated at 0.5% and imports grew by 3.5%.

In the **United States**, export volume growth, at 1.8%, remained positive in the third quarter, while imports declined by 0.7%. Compared with the same quarter of the previous year, export growth in the US, at 8.3%, continued to be the highest of the G7, while import volumes continued to decline, falling 3.6%.

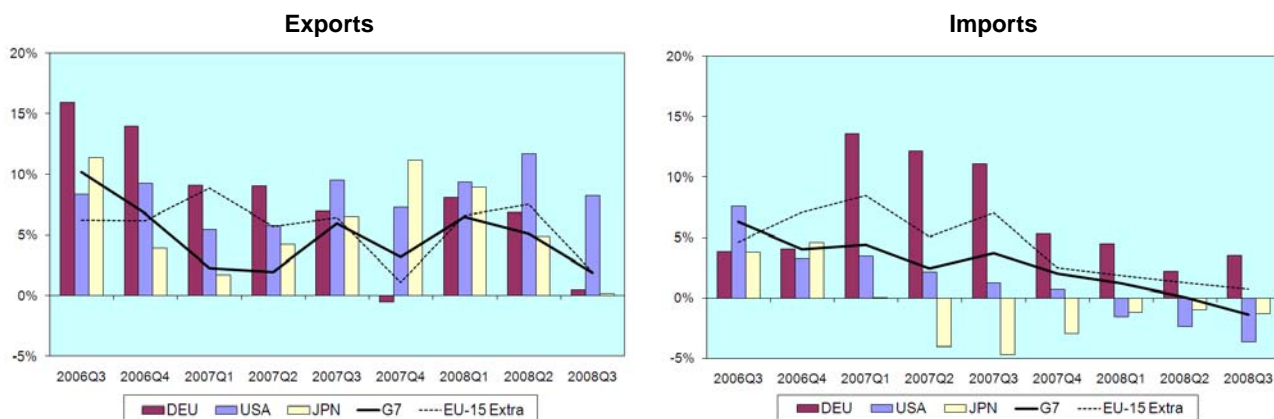
Falls continued in **Japan** where exports were down 1.3% and imports 1.0% lower in the third quarter compared with the previous quarter. Compared with the same quarter of 2007, merchandise exports stagnated at 0.2%, the lowest rate since the third quarter of 2006, while imports continued to decline, falling 1.3%.

Quarterly Volume Growth in Merchandise Trade¹
Percentage change on the previous quarter (seasonally adjusted)



¹ Data related to the graph can be found at the following address: <http://www.oecd.org/dataoecd/4/3/42081991.xls>

Annual Volume Growth in Merchandise Trade
Percentage change on the same quarter of the previous year

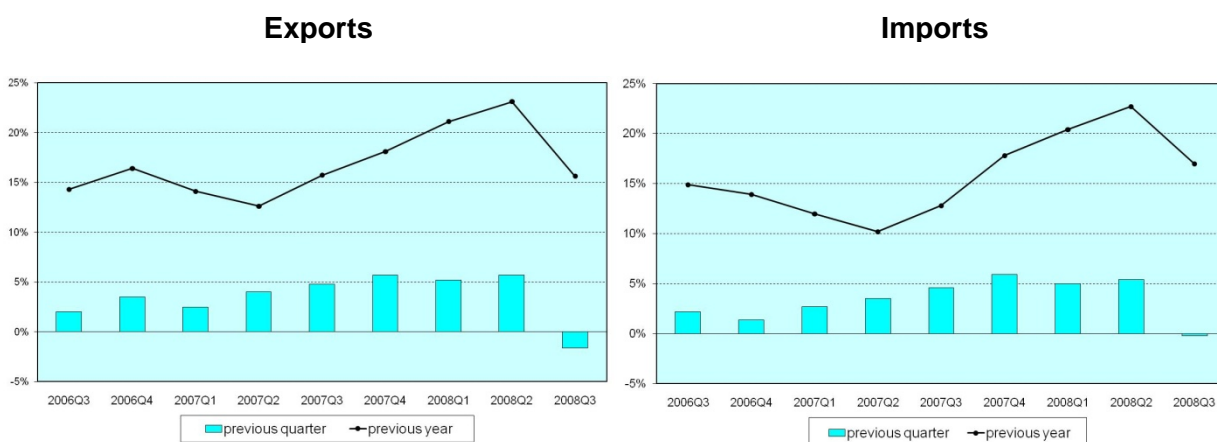


B. Values of Trade in Goods and Services (balance of payments data)

In the third quarter of 2008, the value of exports and imports of goods and services in OECD countries, measured in current US dollars, fell by a seasonally-adjusted 1.6% and 0.2% respectively compared with the previous quarter. These were the first declines since the third quarter of 2006.

On a year-on-year basis, the growth in the value of exports of goods and services in OECD countries slowed sharply to 15.6%, while import value growth fell to 17%.

Value Growth in OECD Trade in Goods and Services
Percentage change on the previous quarter and on the same quarter of the previous year



A. Merchandise Trade Volumes (customs-based data)

Merchandise Trade: Quarterly Export Volume Growth
Percentage change on the previous quarter (seasonally adjusted)

	2006		2007				2008		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Major Seven	-1.0	2.3	-0.6	1.3	2.9	-0.4	2.6	-0.1	-0.2
Canada	-0.3	0.7	0.6	0.6	-0.4	-1.5	-4.5	-0.7	0.9
France	-0.2	1.3	0.1	0.1	1.8	-2.3	8.4	-5.3	3.6
Germany	5.3	5.2	-2.5	1.1	3.2	-2.2	5.9	0.0	-2.9
Italy	-0.8	4.0	-1.2	2.5	1.5	-3.5	1.8	0.0	-2.9
Japan	1.1	-1.4	2.0	2.5	3.3	2.8	0.1	-1.4	-1.3
United Kingdom	-23.3	-0.3	-0.8	-0.4	0.3	-0.7	3.2	-2.3	-1.0
United States	1.4	3.4	-0.8	1.7	5.0	1.3	1.1	3.8	1.8
EU-15 Extra EU	2.8	2.4	0.9	-0.5	3.6	-2.8	6.5	0.3	-1.8

Merchandise Trade: Quarterly Import Volume Growth
Percentage change on the previous quarter (seasonally adjusted)

	2006		2007				2008		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Major Seven	0.6	0.7	1.4	-0.3	1.9	-1.0	0.6	-1.4	0.4
Canada	1.5	-0.4	1.7	0.5	4.2	1.6	-1.4	-1.0	0.9
France	-0.8	0.9	1.1	1.1	2.7	-2.1	4.1	0.3	2.5
Germany	3.1	3.3	5.6	-0.3	2.1	-2.1	4.8	-2.4	3.4
Italy	2.9	0.5	-0.7	0.6	4.1	-4.4	-2.3	-0.2	-0.3
Japan	0.0	-0.2	-2.7	-1.2	-0.7	1.7	-0.9	-1.0	-1.0
United Kingdom	-5.8	1.3	-0.5	0.5	5.0	-1.6	-0.9	-1.6	-1.3
United States	1.5	-0.1	1.8	-1.0	0.6	-0.7	-0.5	-1.8	-0.7
EU-15 Extra EU	0.5	3.4	2.0	-0.9	2.4	-0.9	1.3	-1.5	1.9

Merchandise Trade: Annual Export Volume Growth
Percentage change on the same quarter of the previous year

	2006		2007				2008		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Major Seven	10.2	6.8	2.3	2.0	6.0	3.2	6.5	5.1	1.9
Canada	4.3	-1.7	0.7	1.6	1.5	-0.7	-5.8	-7.0	-5.8
France	13.1	7.7	3.0	1.3	3.2	-0.4	7.9	2.1	3.9
Germany	15.9	14.0	9.1	9.1	7.0	-0.5	8.1	6.8	0.5
Italy	3.9	8.3	3.7	4.5	6.9	-0.8	2.2	-0.3	-4.6
Japan	11.4	3.9	1.7	4.2	6.5	11.1	9.0	4.8	0.2
United Kingdom	6.9	-6.3	-19.0	-24.4	-1.2	-1.6	2.3	0.3	-0.9
United States	8.4	9.3	5.5	5.8	9.6	7.3	9.4	11.7	8.3
EU-15 Extra EU	6.2	6.2	8.9	5.7	6.5	1.1	6.6	7.5	2.0

Merchandise Trade: Annual Import Volume Growth
Percentage change on the same quarter of the previous year

	2006		2007				2008		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Major Seven	6.3	4.0	4.4	2.4	3.7	2.0	1.2	0.1	-1.4
Canada	6.8	3.8	5.1	3.5	6.2	8.3	5.0	3.4	0.1
France	10.3	5.1	5.1	2.3	5.9	2.8	5.8	5.0	4.8
Germany	3.9	4.0	13.6	12.2	11.1	5.3	4.5	2.2	3.5
Italy	3.9	6.2	2.6	3.3	4.5	-0.7	-2.2	-3.0	-7.1
Japan	3.8	4.6	0.0	-4.0	-4.7	-2.9	-1.2	-1.0	-1.3
United Kingdom	5.0	4.2	-0.9	-4.6	6.4	3.3	2.9	0.9	-5.2
United States	7.6	3.2	3.5	2.1	1.2	0.7	-1.6	-2.4	-3.6
EU-15 Extra EU	4.6	7.1	8.5	5.1	7.0	2.5	1.9	1.3	0.7

B. Trade in goods and services values (balance of payments data)

OECD Quarterly Value Growth (current prices USD)
Percentage change on the previous quarter (seasonally adjusted)

		2006		2007				2008		
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
EXPORTS	Goods & Services	2.0	3.5	2.5	4.0	4.8	5.7	5.2	5.7	-1.6
	Goods	2.1	3.3	2.1	3.7	4.7	5.6	6.0	6.0	-1.7
	Services	1.7	4.4	4.0	4.9	4.9	6.1	2.2	4.7	-1.5
IMPORTS	Goods & Services	2.2	1.4	2.8	3.5	4.6	5.9	5.0	5.4	-0.2
	Goods	2.3	0.9	2.5	3.4	4.7	5.8	5.8	5.6	0.2
	Services	1.7	3.4	3.8	4.0	4.	6.1	1.6	4.7	-2.2

OECD Annual Value Growth (current prices USD)
Percentage change on the same quarter of the previous year

		2006		2007				2008		
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
EXPORTS	Goods & Services	14.3	16.4	14.1	12.6	15.7	18.1	21.1	23.1	15.6
	Goods	14.8	16.6	13.5	11.7	14.6	17.1	21.6	24.3	16.7
	Services	12.5	15.8	16.3	15.9	19.6	21.5	19.4	19.2	11.8
IMPORTS	Goods & Services	14.9	13.9	12.0	10.2	12.8	17.8	20.4	22.7	17.0
	Goods	16.0	13.8	11.4	9.4	12.0	17.4	21.2	23.8	18.5
	Services	10.2	14.2	14.4	13.6	16.6	19.5	17.2	18.0	10.6



Methodological Notes

A. Merchandise Trade Volumes (customs-based data)

All merchandise data contained in this press release are based on the OECD's Monthly Statistics of International Trade (MSIT) database. Merchandise trade covers trade in goods, excluding services.

Trade data for area aggregates OECD and Major Seven include intra-area flows. However, trade data for the EU-15 area exclude intra-area flows, based on information provided by Eurostat. Eurostat community statistics cover the European Union as a whole and include methodological differences that make precise comparison with OECD statistics impossible.

Seasonally adjusted data are calculated by the Secretariat using the X-12-Arima method. Aggregated annual and quarterly growth rates in volume terms are derived from series in constant 2000 US dollars. Please note that data show the variation of trade growth, not the variation of trade levels, first on a quarterly basis and then on a yearly basis.

The OECD's Monthly Statistics of International Trade (MSIT) cover aggregate indicators, trade unit value and volume indices and trade broken down by the Standard International Trade Classification (SITC) sections and by partner country. In addition to monthly and quarterly trade, OECD manages a comprehensive annual trade database by commodity and by partner country, called ITCS (International Trade by Commodity Statistics).

B. Trade in goods and services values (balance of payments data)

In principle, balance of payments trade data covers transactions involving goods and services between residents and non-residents for a specific time period in the reporting economy. Merchandise trade data are based mainly on customs declarations concerning physical movements of goods across international frontiers for a specific time-period. The main differences between the custom- and balance-of-payment data on trade are summarized in the italic script below.

Balance of payments data are compiled from national data reported to the OECD and included in the Main Economic Indicators database. Data for countries that have not reported data at the time of the release, have been estimated by the Secretariat.

Seasonal adjustment for trade in goods and services series in the balance of payments is provided by countries in the majority of cases, and is calculated by OECD Secretariat for the remainder.

In 2007 the total exports of goods and services of the 30 OECD member countries amounted to 11.0 trillion US Dollars, while imports reached 11.5 trillion USD. Goods accounted for 77% of OECD exports of goods and services and for 81% of imports. For G7 countries, exports of goods and services in 2007 were 6.5 trillion USD and G7 imports of goods and services 7.0 trillion USD.



The **OECD-Total** covers the 30 OECD Member countries: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States.

Necessary adjustments of merchandise trade data for the balance of payments

Whereas data collection on international merchandise trade is mainly based on customs declarations, the balance of payments statement for trade in goods systematically summarizes goods transactions for a specific time period, for the most part involving changes of ownership between residents and non-residents. These flows cover general merchandise (which includes moveable goods), the movement of goods for processing (when no change of ownership occurs), the value of repairs on goods (not the value of goods undergoing repair), and goods procured in ports by non-resident carriers.

Customs data need to be supplemented with additional information to help produce the data required for national accounts and balance of payments purposes. The additional information includes:

- *Certain goods (for example goods for repair) are excluded from the detailed official trade statistics. These goods need to be recorded separately so that adjustments can be made.*
- *A separate collection of data on freight and insurance charges, as for merchandise trade statistics imports are recorded c.i.f. (cost, insurance and freight), whereas in balance of payments they are valued f.o.b (free on board).*
- *Timing differences - according to balance of payments methodology, the change of ownership is the principle determining coverage and timing, whereas in merchandise trade statistics the timing principle is based on the movement of the goods.*

Useful links:

This Press Release, as well as previous releases, can be found on the OECD web page, see [OECD Internet Site](#)

More information about detailed OECD statistics on trade in goods, including detailed monthly trade statistics, trade in services, balance of payments statistics, trade indicators and trade expert meetings can be found at [International Trade and Balance of Payments Statistics](#)

For more information on measurement of international trade see OECD "Statistics Brief" No. 1 October 2001 available at [Statistics Portal Site](#)

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