

Trade flows collapse in Q4 2008 but signs of falls easing in early 2009

Merchandise trade volumes of the **Group of Seven (G7)** took an unprecedented drop in the last quarter of 2008 compared with the previous quarter. However, provisional monthly data for January and February 2009 measured in value terms suggest a slowing down of the rate of decline.

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

G7 exports fell 9.5% while imports were down 5.6% quarter-on-quarter in the final quarter of 2008. Year-on-year exports dropped 7.9% and imports fell 6.4% in the fourth quarter.

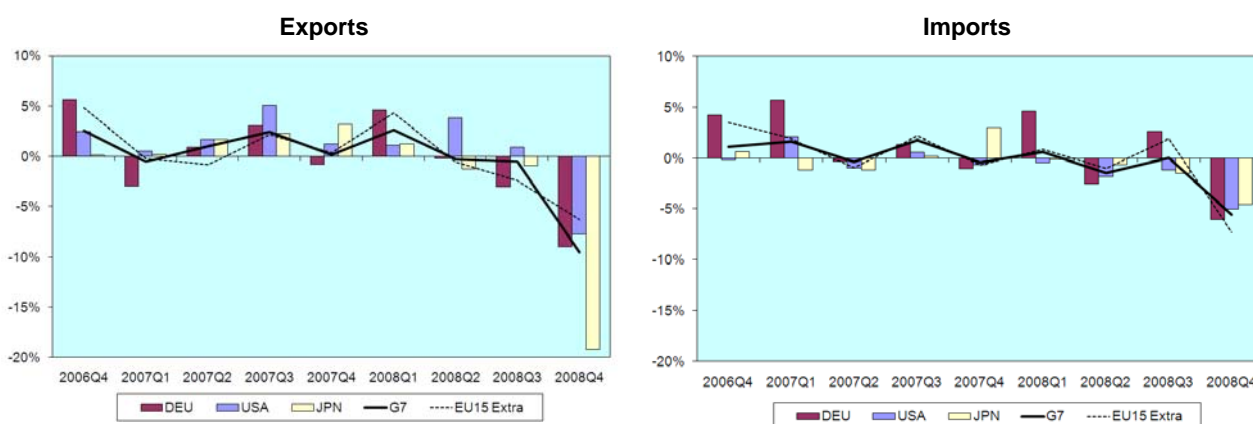
In the **United States**, export volume growth dropped 7.8% and imports fell 5.1%. Compared with the previous 12 months, exports declined by 2.3% for the first time since the last quarter of 2006. The 8.4% fall in import volumes accelerated the downward trend from the first quarter 2008.

Japan's exports plunged 19.3% in the fourth quarter 2008, about twice the rate of the G7, while imports fell 4.6%. This pattern was also reflected year-on-year with a 20.1% drop for exports and a 6.8% decline in imports.

German quarter-on-quarter exports dropped by 9.0% and imports by 6.1% in the fourth quarter. On a year-on-year basis exports fell 7.8% while imports were down 1.8%: the first falls for Germany since the fourth quarter 2006.

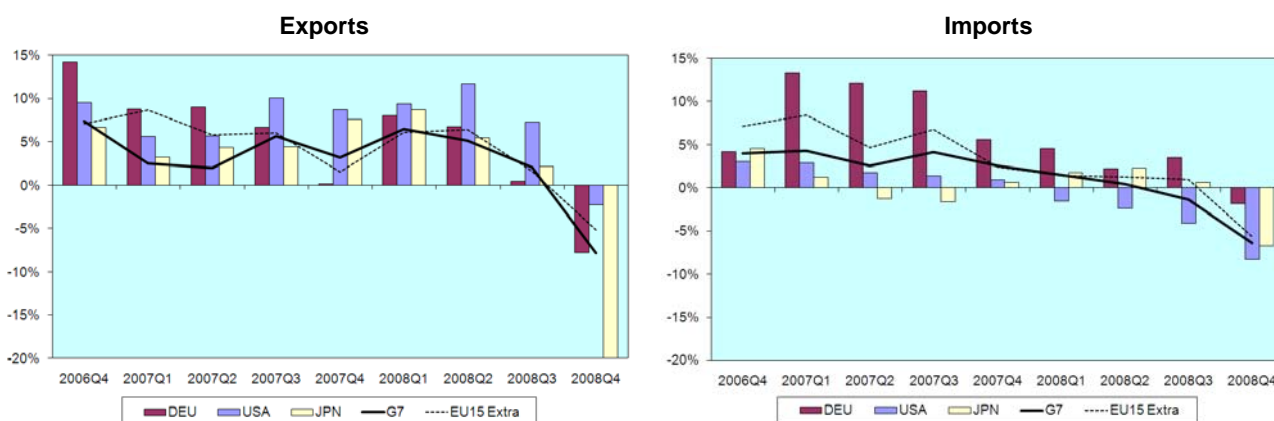
EU15 Extra-EU quarter-to-quarter exports dropped by 6.3% less sharply than G7 exports, while the fall in imports was more pronounced with 7.3%. This pattern was also reflected year-on-year with a 5.2% decline for exports, while imports were down by 5.7%.

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



¹ Data related to graphs 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

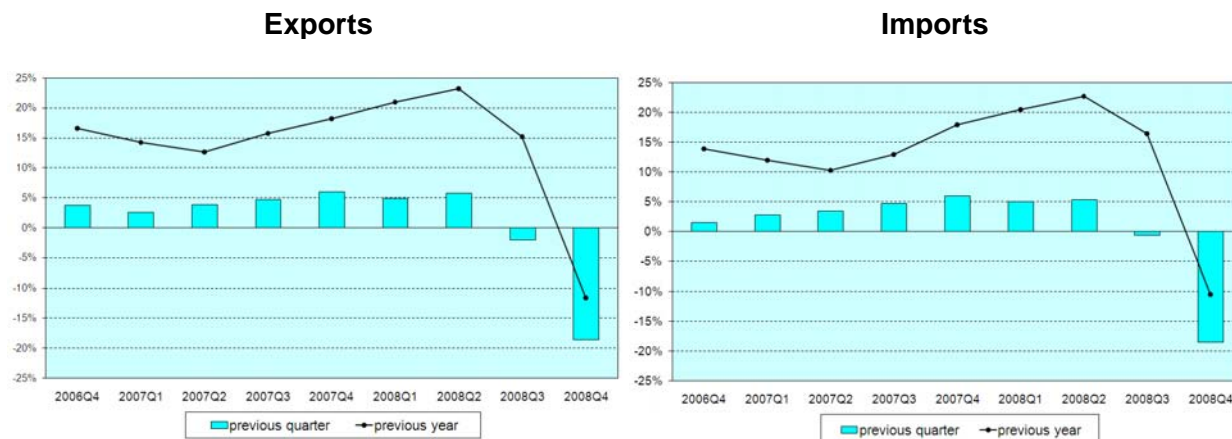


B. Values of Trade in Goods and Services (balance of payments data)

In the fourth quarter of 2008, the value of exports and imports of goods and services in OECD countries, measured in current US dollars, collapsed to an unprecedented low, falling by a seasonally adjusted 18.6% and 18.5% respectively compared with the previous quarter. However, provisional monthly data for January and February 2009 suggest a slowing down of the rate of decline (see Section C below).

On a year-on-year basis, growth in the value of exports and imports of goods and services plunged, by 11.6% for exports and by 10.4% for imports in the fourth quarter. In both comparisons, goods fell more sharply than services.

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



C. Merchandise trade values in the first two months of 2009 suggest decline is easing

According to provisional monthly data, **G7 total merchandise trade values** continued to fall in February 2009 but at a slower pace.

With exports picking up slightly in February 2009 and continuing declining imports, the **United States'** negative trade balance continued to shrink for the fourth consecutive month.

Japan's strong decline in imports continued, but exports recovered slightly in February 2009.

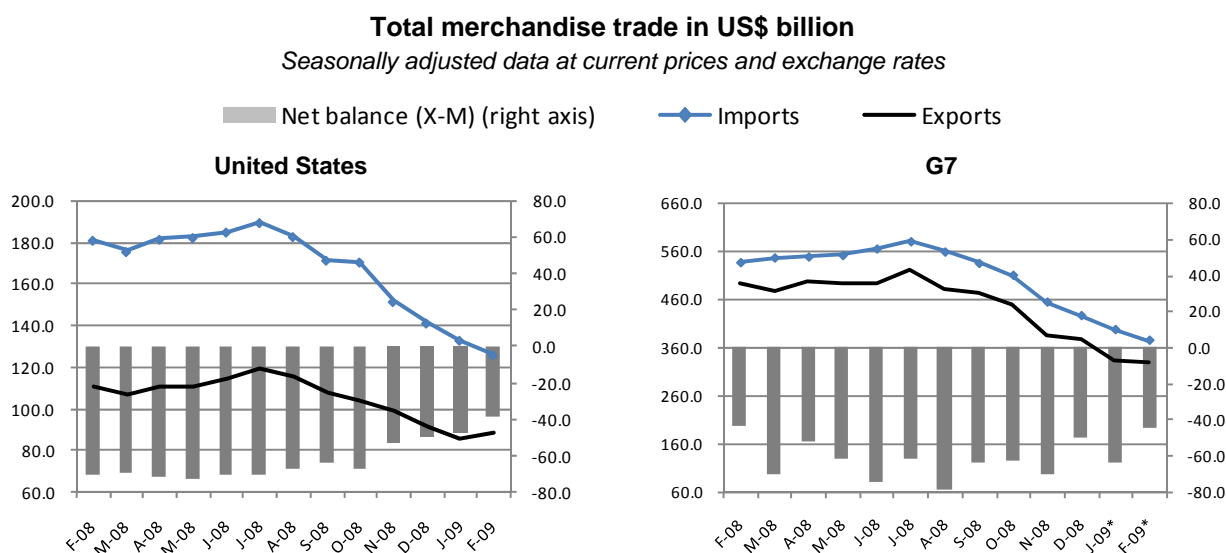
Germany's strong downward trend until end 2008 has eased somewhat since December 2008 and the positive trade balance increased slightly due to stable exports in January and February 2009.

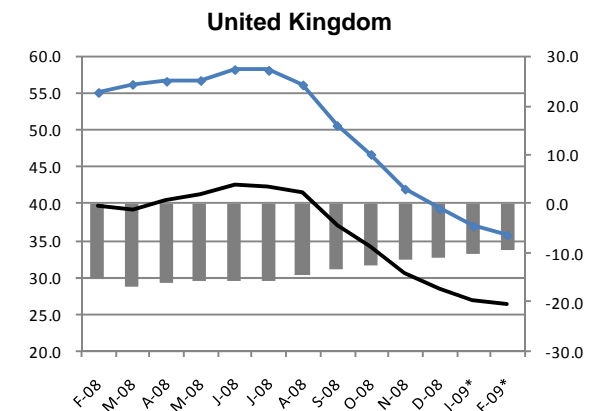
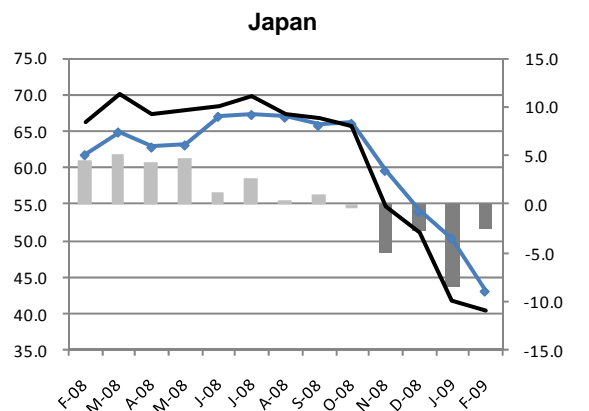
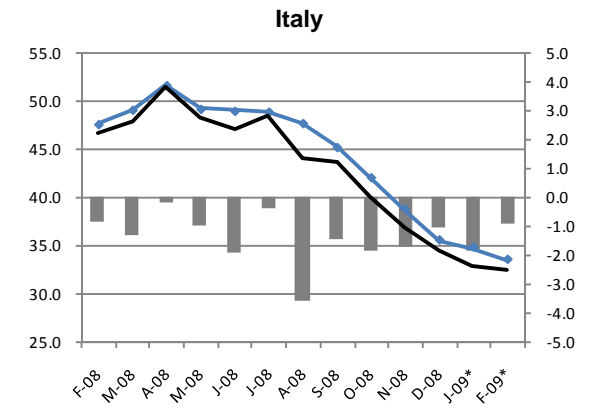
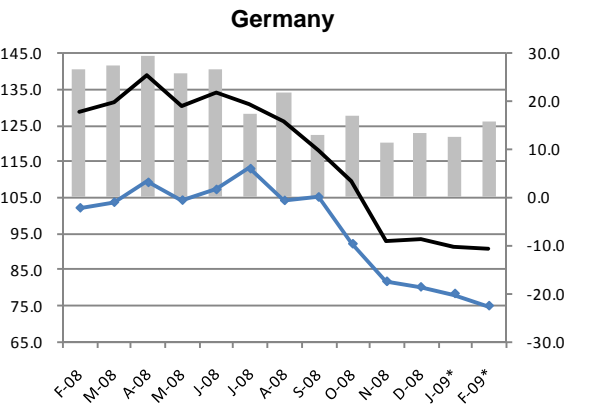
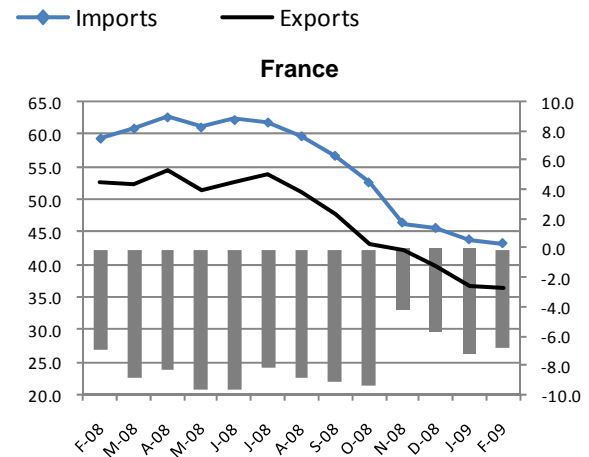
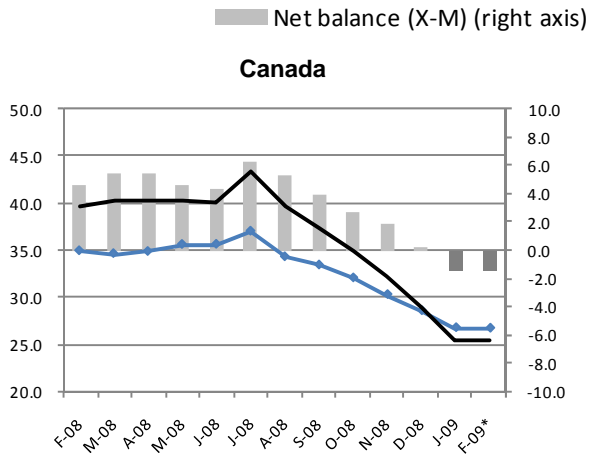
Italy's strong downward trend during the second half of 2008 levelled-off to some extent in early 2009, particularly for exports in February, resulting in a smaller trade deficit.

In **France**, after strongly declining trade over the second half of 2008, trade trends levelled-off in February 2009.

In the **United Kingdom**, the downward trend since August 2008 continued, but with a diminishing trade deficit.

Canada's trade balance turned negative in the first two months 2009, as exports values declines faster than imports.





* Preliminary data.

STATISTICAL TABLES

A. Merchandise Trade Volumes (customs-based data)

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

	2006	2007				2008			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Major Seven	2.6	-0.5	1.0	2.5	0.2	2.7	-0.3	-0.5	-9.5
Canada	1.5	2.5	-0.1	-2.5	-0.8	-2.2	-2.5	-0.3	-7.1
France	1.9	-0.1	-0.1	1.4	-1.4	8.0	-5.5	3.2	-4.2
Germany	5.6	-3.0	1.0	3.1	-0.8	4.6	-0.2	-3.0	-9.0
Italy	3.9	-1.2	2.4	1.4	-3.3	1.4	0.3	-3.2	-8.9
Japan	0.1	0.2	1.7	2.3	3.2	1.3	-1.3	-1.0	-19.3
United Kingdom	0.4	-1.0	-0.7	0.2	0.0	3.5	-3.2	-0.1	-7.2
United States	2.5	0.5	1.7	5.0	1.3	1.1	3.8	0.9	-7.8
EU-15 Extra EU	4.8	-0.2	-0.8	2.2	0.4	4.3	-0.6	-2.4	-6.3

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

	2006	2007				2008			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Major Seven	1.1	1.6	-0.4	1.8	-0.5	0.6	-1.5	0.0	-5.6
Canada	0.6	1.5	0.2	3.7	2.7	-1.5	-1.5	0.4	-7.2
France	1.4	0.8	1.1	2.5	-1.5	3.7	0.3	2.3	-2.6
Germany	4.2	5.7	-0.4	1.3	-1.0	4.6	-2.6	2.6	-6.1
Italy	0.7	-0.9	0.5	4.3	-4.5	-2.8	-0.3	-0.2	-8.9
Japan	0.6	-1.2	-1.2	0.1	3.0	-0.1	-0.7	-1.5	-4.6
United Kingdom	2.0	-0.7	0.2	4.8	-0.8	-0.9	-1.8	-1.2	-7.8
United States	-0.2	2.0	-1.0	0.6	-0.7	-0.5	-1.8	-1.2	-5.1
EU-15 Extra EU	3.5	1.9	-0.9	2.2	-0.7	0.9	-1.1	1.9	-7.3

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

	2006	2007				2008			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Major Seven	7.4	2.5	2.0	5.7	3.2	6.5	5.1	2.0	-7.9
Canada	-1.5	0.9	2.4	1.4	-0.9	-5.5	-7.8	-5.6	-11.7
France	7.9	3.1	1.1	3.1	-0.2	7.9	2.1	3.9	0.8
Germany	14.2	8.7	9.0	6.7	0.2	8.0	6.8	0.4	-7.8
Italy	8.3	3.9	4.4	6.6	-0.8	1.8	-0.2	-4.8	-10.3
Japan	6.7	3.2	4.4	4.4	7.6	8.7	5.5	2.1	-20.1
United Kingdom	-6.1	-19.0	-24.3	-1.2	-1.6	2.9	0.3	0.1	-7.1
United States	9.5	5.6	5.7	10.0	8.7	9.4	11.7	7.3	-2.3
EU-15 Extra EU	7.1	8.6	5.8	6.0	1.5	6.1	6.4	1.6	-5.2

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

	2006	2007				2008			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Major Seven	4.0	4.3	2.6	4.1	2.5	1.5	0.4	-1.3	-6.4
Canada	4.0	5.1	3.5	6.1	8.3	5.2	3.4	0.1	-9.6
France	5.2	5.2	2.2	5.9	2.8	5.8	5.0	4.8	3.6
Germany	4.1	13.3	12.1	11.2	5.6	4.5	2.2	3.4	-1.8
Italy	6.2	2.6	3.2	4.7	-0.8	-2.7	-3.5	-7.6	-11.8
Japan	4.6	1.2	-1.3	-1.6	0.6	1.7	2.3	0.6	-6.8
United Kingdom	4.3	-0.9	-4.6	6.3	3.4	3.2	1.2	-4.5	-11.3
United States	3.1	2.9	1.7	1.4	0.9	-1.6	-2.4	-4.1	-8.4
EU-15 Extra EU	7.1	8.5	4.7	6.8	2.4	1.4	1.3	1.0	-5.7

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			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EXPORTS	Goods & Services	3.8	2.5	3.8	4.8	6.0	4.9	5.7	-2.1	-18.6
	Goods	3.5	2.2	3.5	4.7	5.9	5.7	6.0	-2.0	-20.5
	Services	4.8	3.9	4.7	5.1	6.4	2.1	4.7	-2.3	-11.9
IMPORTS	Goods & Services	1.5	2.8	3.4	4.6	6.0	5.0	5.3	-0.7	-18.5
	Goods	1.1	2.7	3.2	4.5	6.0	5.7	5.6	-0.3	-20.2
	Services	3.5	3.2	4.2	5.1	5.7	2.1	4.4	-2.2	-11.0

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

		2006	2007				2008			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EXPORTS	Goods & Services	16.5	14.2	12.6	15.7	18.2	20.9	23.2	15.2	-11.6
	Goods	16.7	13.7	11.7	14.6	17.2	21.3	24.2	16.3	-12.7
	Services	15.9	16.2	15.6	19.7	21.6	19.6	19.6	11.2	-8.0
IMPORTS	Goods & Services	13.9	12.0	10.3	12.9	17.9	20.4	22.7	16.5	-10.4
	Goods	13.8	11.6	9.6	12.0	17.5	21.0	23.7	18.0	-11.2
	Services	14.2	13.6	13.2	17.0	19.4	18.1	18.3	10.1	-7.3

C. Most recent monthly merchandise trade values

Imports, Exports and Net balance (exports-imports)
USD Billion, seasonally adjusted data at current prices and exchange rates

		Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09
Canada	Imports	35.0	34.7	34.9	35.6	35.6	37.0	34.3	33.5	32.1	30.3	28.6	26.8	26.8
	Exports	39.5	40.2	40.3	40.3	40.1	43.4	39.6	37.4	34.8	32.1	28.8	25.4	25.3
	Net	4.6	5.5	5.5	4.7	4.4	6.3	5.3	3.9	2.8	1.8	0.2	-1.4	-1.4
France	Imports	59.5	61.0	62.8	61.2	62.4	62.0	59.9	56.8	52.7	46.5	45.7	43.9	43.4
	Exports	52.6	52.3	54.5	51.6	52.7	53.9	51.1	47.8	43.4	42.4	40.0	36.8	36.6
	Net	-6.9	-8.7	-8.2	-9.6	-9.6	-8.1	-8.8	-9.0	-9.4	-4.1	-5.7	-7.1	-6.8
Germany	Imports	102.2	103.7	109.3	104.3	107.3	113.1	104.2	105.2	92.1	81.7	80.1	78.3	74.9
	Exports	128.7	130.9	138.6	129.8	133.7	130.4	125.7	117.8	109.1	92.8	93.3	90.9	90.6
	Net	26.5	27.1	29.3	25.5	26.4	17.3	21.5	12.7	17.0	11.1	13.1	12.6	15.7
Italy	Imports	47.5	49.0	51.6	49.1	48.9	48.8	47.7	45.2	42.0	38.7	35.5	34.8	33.5
	Exports	46.7	47.7	51.4	48.1	47.0	48.4	44.1	43.7	40.1	37.0	34.5	32.9	32.5
	Net	-0.9	-1.3	-0.2	-1.0	-1.9	-0.4	-3.6	-1.5	-1.9	-1.7	-1.1	-1.8	-1.0
Japan	Imports	61.7	64.8	62.8	63.1	67.0	67.2	66.8	65.7	66.0	59.6	54.0	50.3	43.2
	Exports	66.2	70.0	67.1	67.9	68.2	69.8	67.2	66.7	65.5	54.7	51.3	42.0	40.6
	Net	4.5	5.2	4.4	4.8	1.3	2.6	0.4	1.0	-0.5	-4.9	-2.7	-8.4	-2.6
United Kingdom	Imports	55.0	56.1	56.5	56.7	58.1	58.0	56.1	50.6	46.7	42.0	39.3	37.0	35.8
	Exports	39.8	39.3	40.5	41.2	42.6	42.3	41.6	37.2	34.4	30.6	28.5	26.9	26.5
	Net	-15.2	-16.9	-16.0	-15.4	-15.6	-15.7	-14.5	-13.4	-12.3	-11.4	-10.8	-10.1	-9.3
United States	Imports	180.8	175.4	181.3	182.1	184.7	189.3	182.6	171.3	170.4	151.4	141.2	132.9	125.9
	Exports	110.6	106.3	110.5	110.2	114.4	119.0	115.3	107.5	103.8	98.7	91.7	85.6	88.0
	Net	-70.2	-69.1	-70.8	-71.9	-70.3	-70.2	-67.3	-63.8	-66.6	-52.8	-49.5	-47.4	-37.9
G7	Imports	536.3	546.2	548.2	551.2	565.0	580.3	558.6	534.8	509.9	453.4	425.2	395.7	373.5
	Exports	492.4	476.1	496.3	489.5	490.3	518.6	479.9	471.2	447.5	383.1	375.4	332.2	328.7
	Net	-43.9	-70.1	-51.9	-61.7	-74.7	-61.7	-78.7	-63.6	-62.4	-70.4	-49.8	-63.5	-44.8



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.



C. Merchandise trade values (customs-based data)

Monthly merchandise trade, based on OECDs MSIT (see (A) above), plus national data obtained through special request. Data were seasonally adjusted and converted into current USD by the Secretariat.

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](#)

Contacts:

For further information contact STD.Tradestats@OECD.org for merchandise trade and STD.Bopstat@OECD.org for balance of payments.

Next release: July 2009