Overview of World Trade Developments

After the sharpest contraction on record in 2009, the volume of world trade rebounded in 2010 to return to its 2008 peak level—the greatest expansion ever registered.

Global export volumes increased by 14.5 percent last year. Developed economies recorded export growth of 12.9 percent in volume terms over the course of the year while shipments from the rest of the world (including developing economies and the Commonwealth of Independent States [CIS]) rose by 16.7 percent.

Asia exhibited the fastest real export growth of all regions in 2010, with a jump of 23.1 percent, led by China and Japan, whose shipments to the rest of the world rose by 28.4 percent and 27.5 percent, respectively. Meanwhile, the United States and the European Union saw their exports growing more slowly at 15.4 percent and 11.4 percent, respectively. Imports were up 22.1 percent in real terms in China, 14.8 percent in the United States, 10.0 percent in Japan, and 9.2 percent in the European Union.

Regions that export significant quantities of natural resources (Africa, the CIS, the Middle East and South America) all experienced relatively low export volume growth in 2010, but stronger increases in the dollar value of their exports. For example, Africa's exports were up 6 percent in volume terms, and 28 percent in dollar terms.

In nominal terms, merchandise exports were US$15.2 trillion in 2010, but remained 5.4 percent below their 2008 peak level of US$16.1 trillion, largely due to the impact of relatively lower commodity prices in 2010 than in 2008.

Merchandise Trade

Trade values (nominal trade)

After falling by 23 percent in 2009, world merchandise exports were up 22 percent last year, rising from US$12.5 trillion to US$15.2 trillion (Table 2-1).

The factors that contributed to the large drop in world trade in 2009 may have also helped in the rebound of 2010, according to the WTO.[1] These include the spread of global supply chains and the product composition of trade compared to output. The use of global supply chains in goods production causes goods to cross national boundaries several times during the production process; this in turn raises measured world trade flows compared to more traditional trade flows where final goods constitute the bulk of trade. Additionally, the goods that were most affected by the downturn were consumer durables, industrial machinery, etc., which were affected by tight credit and sharp declines in business investment. Since these goods represent a larger share of world trade than of world GDP, the reduction in trade of these goods increased the magnitude of the trade slump relative to GDP in 2009, while the increase in trade of these goods during the recovery of 2010 produced an opposite (positive) effect.

1 WTO Press Release Press/628, "World Trade 2010, Prospects for 2011," April 7, 2011.