CPB Netherlands | Bureau for Economic Policy Analysis

AIECE

Trade outlook

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November 2022

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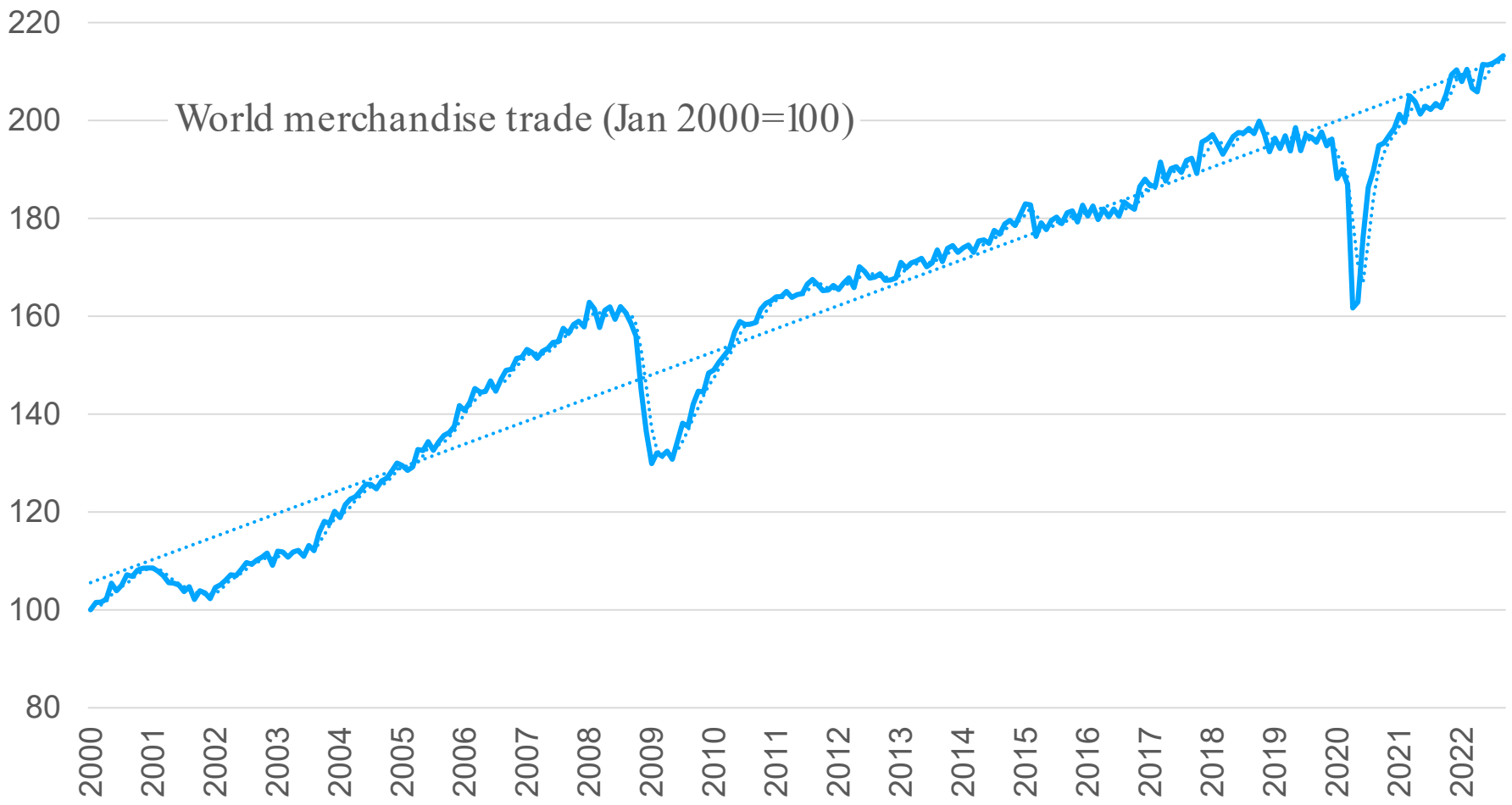
Key issues

- World Trade Monitor
  - World, EU
- Goods versus services
- Supply chain issues (solved?)
- Outlook

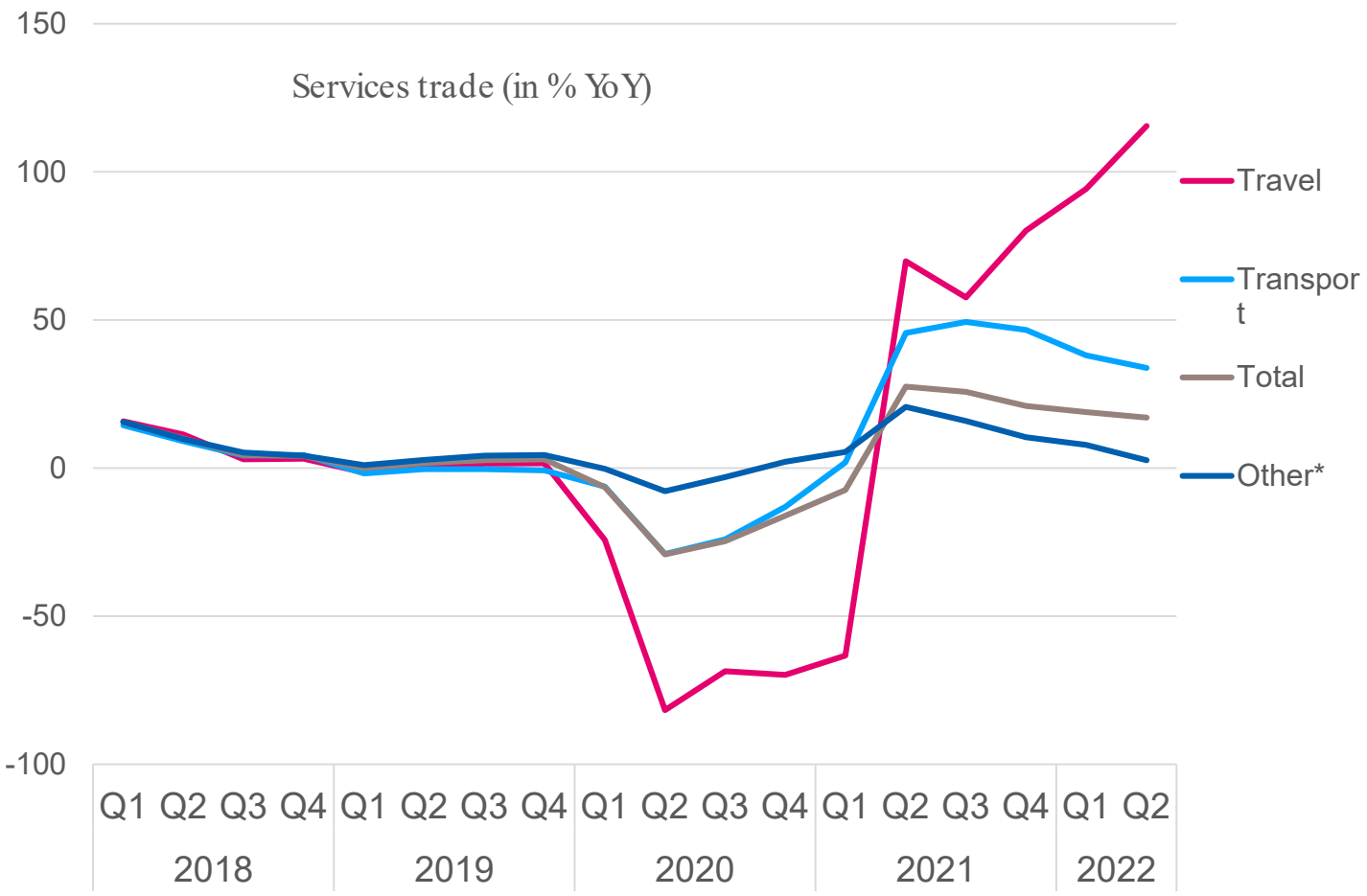
World trade has recovered from Covid dip

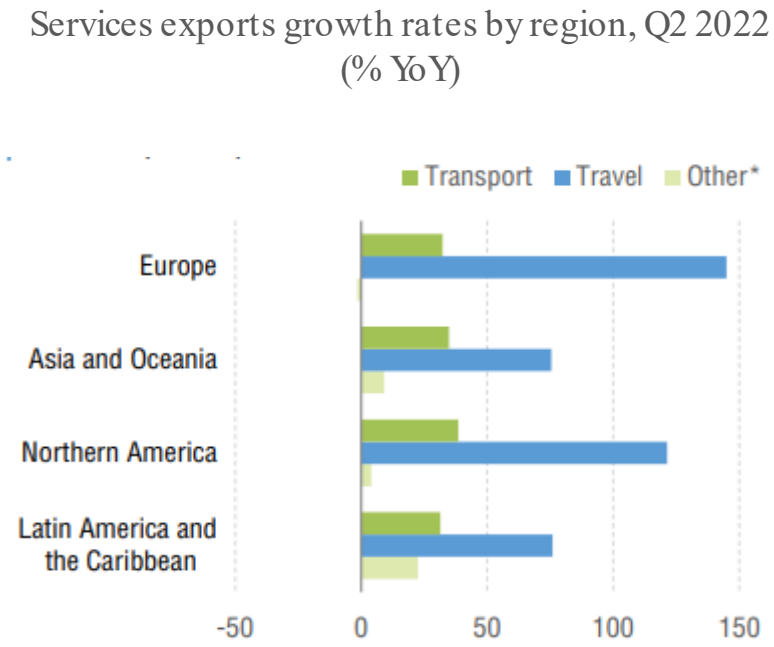


Q3 2022: +1.2%

WTM, Nov 2022

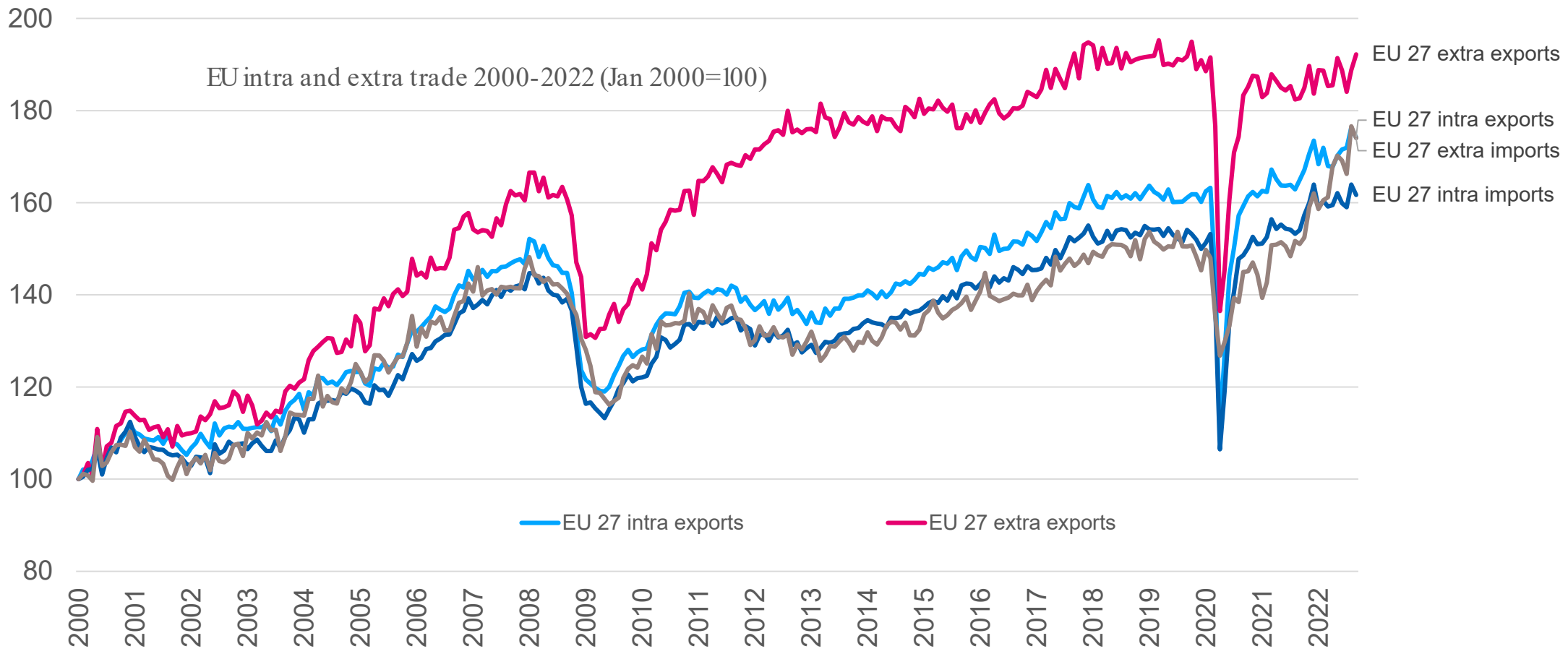
Services trade also recovered, after slow start





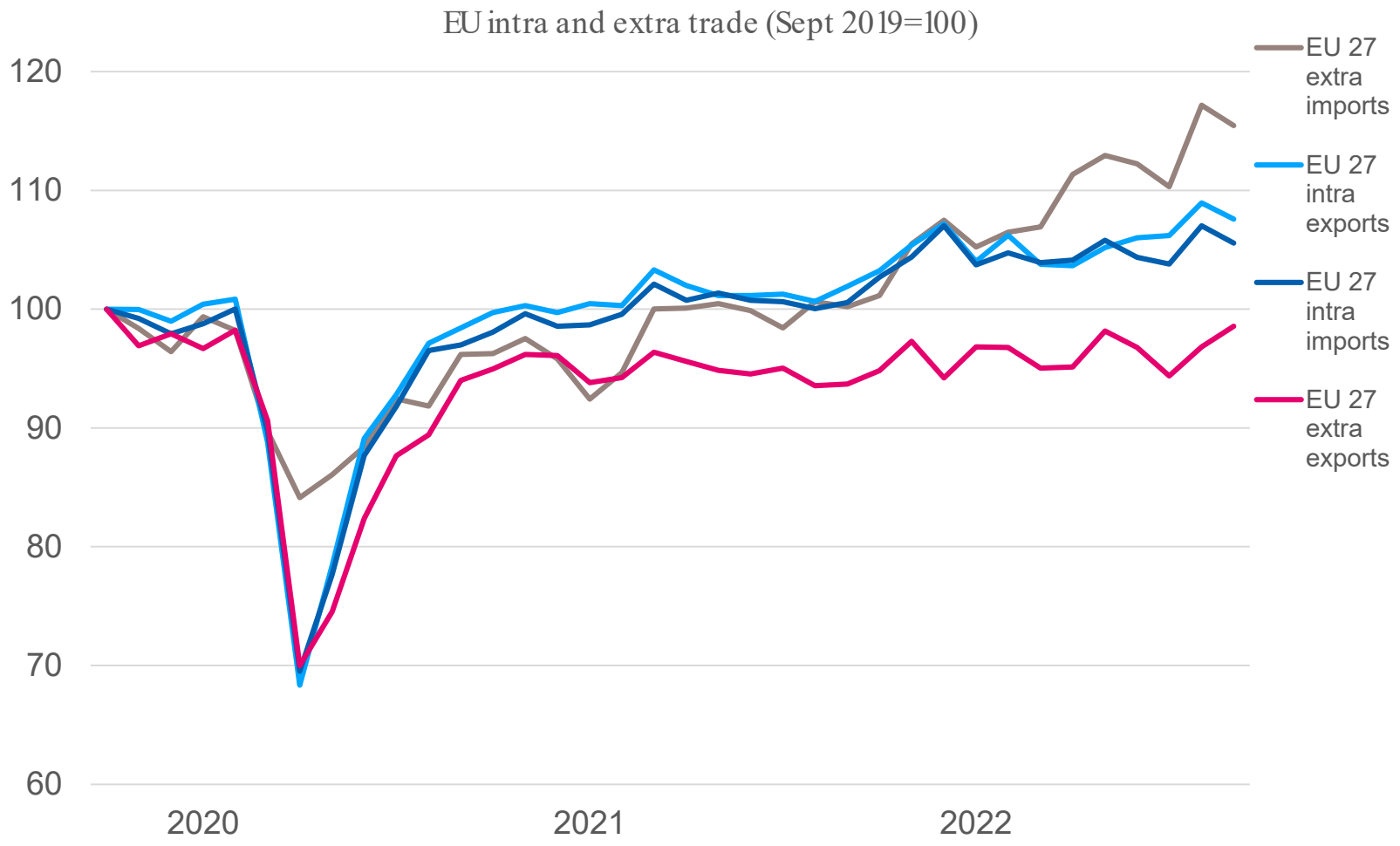
UNCTAD (2019, 2020, 2021, 2022)

Merchandise trade in the EU



WTM

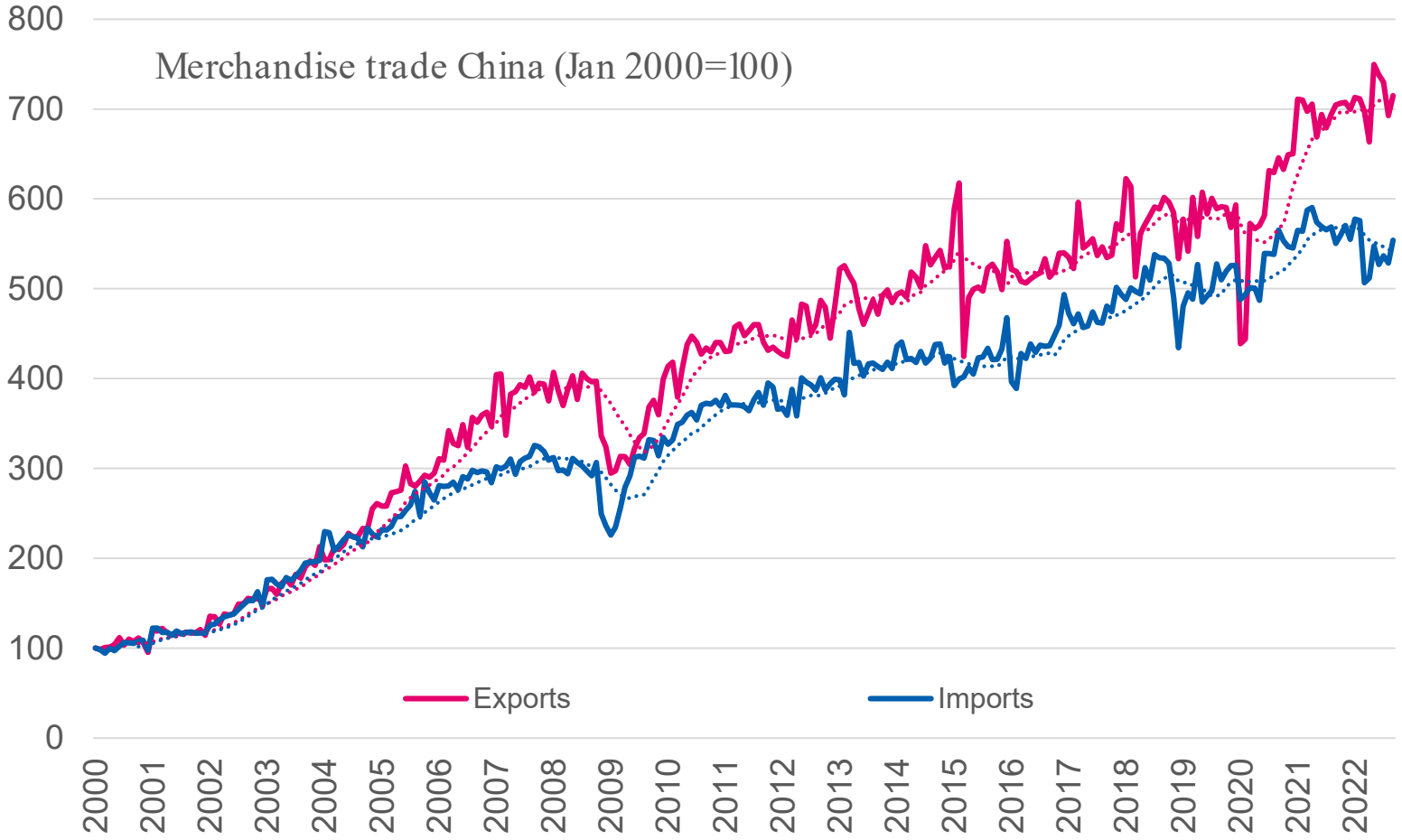
Post Covid EU merchandise growth



- Slow growth extra-EU exports
- High growth extra-EU imports

WTM

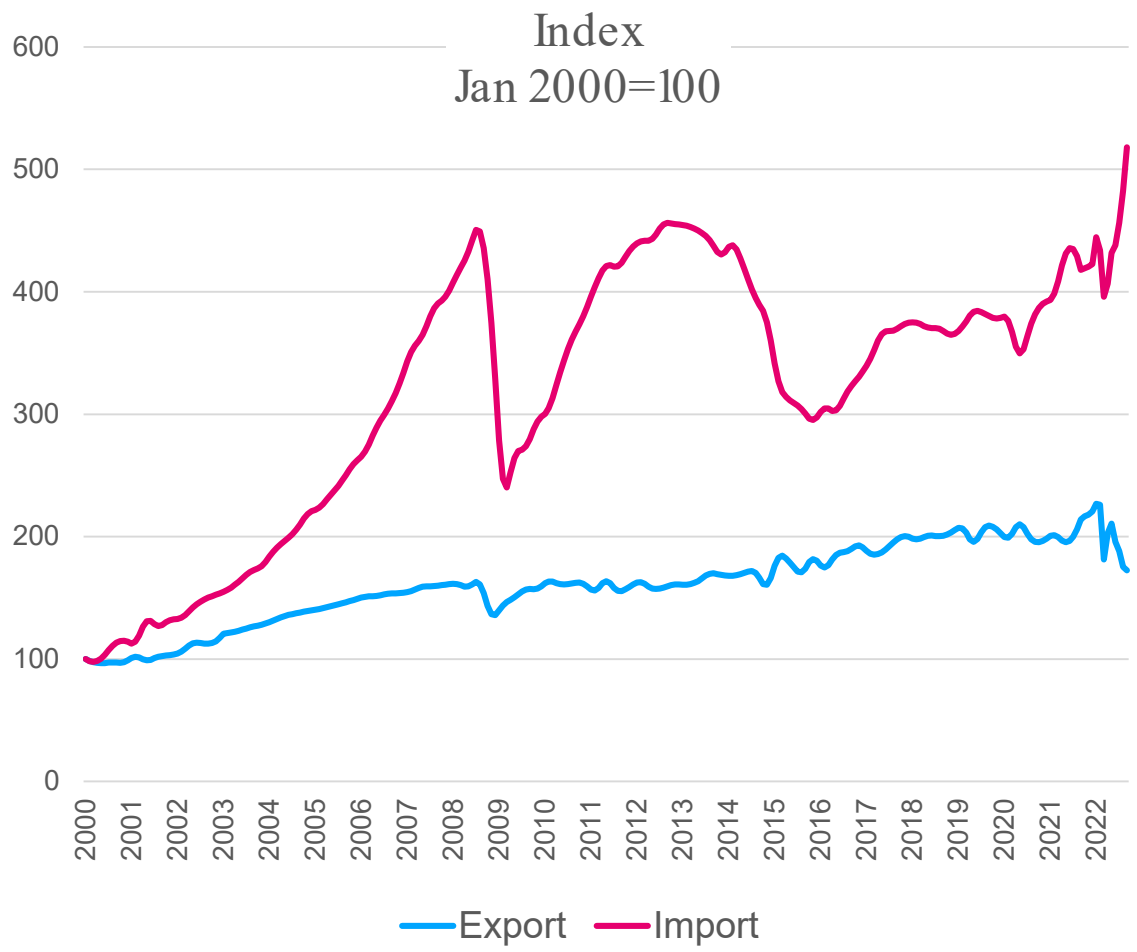
Trade growth in China

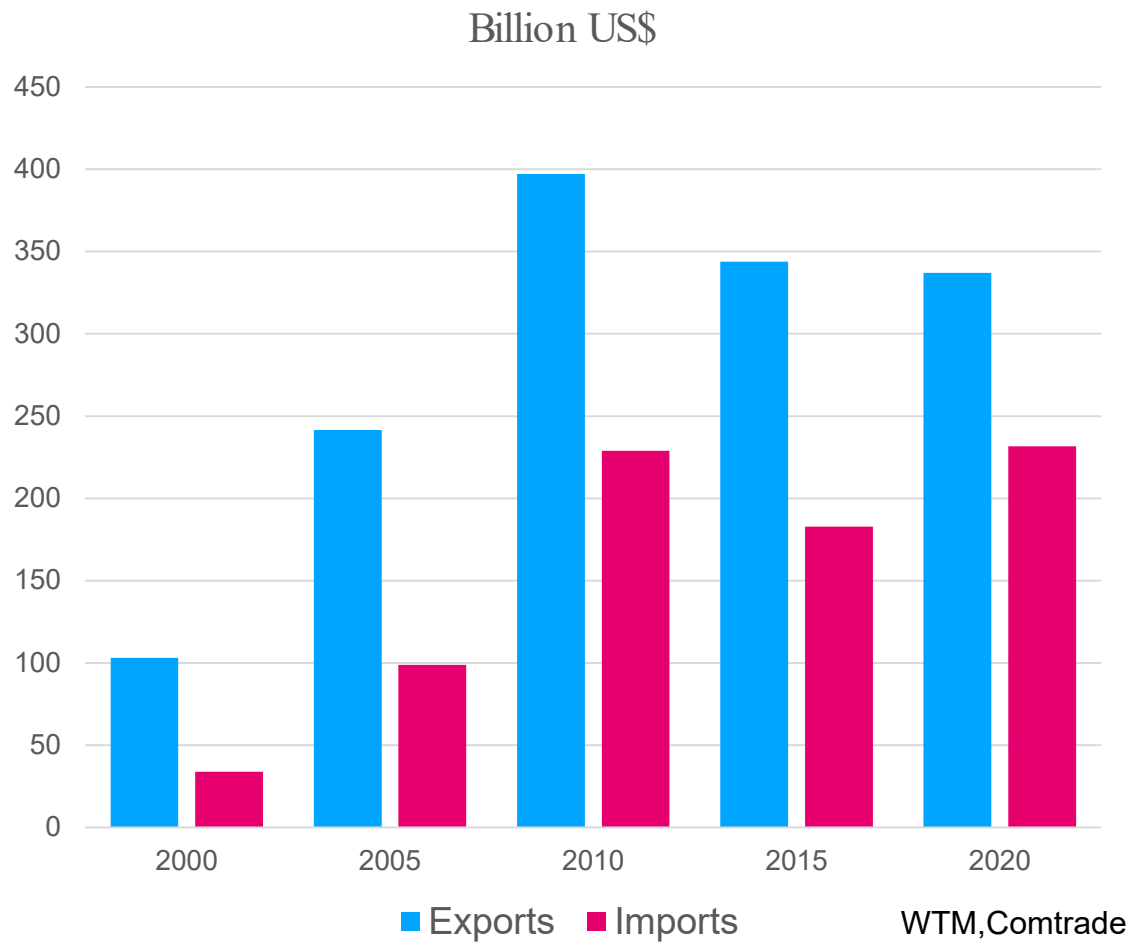


- Post-Covid trade:
- Exports have recovered well
- Imports are lagging behind (or even declining)

WTM

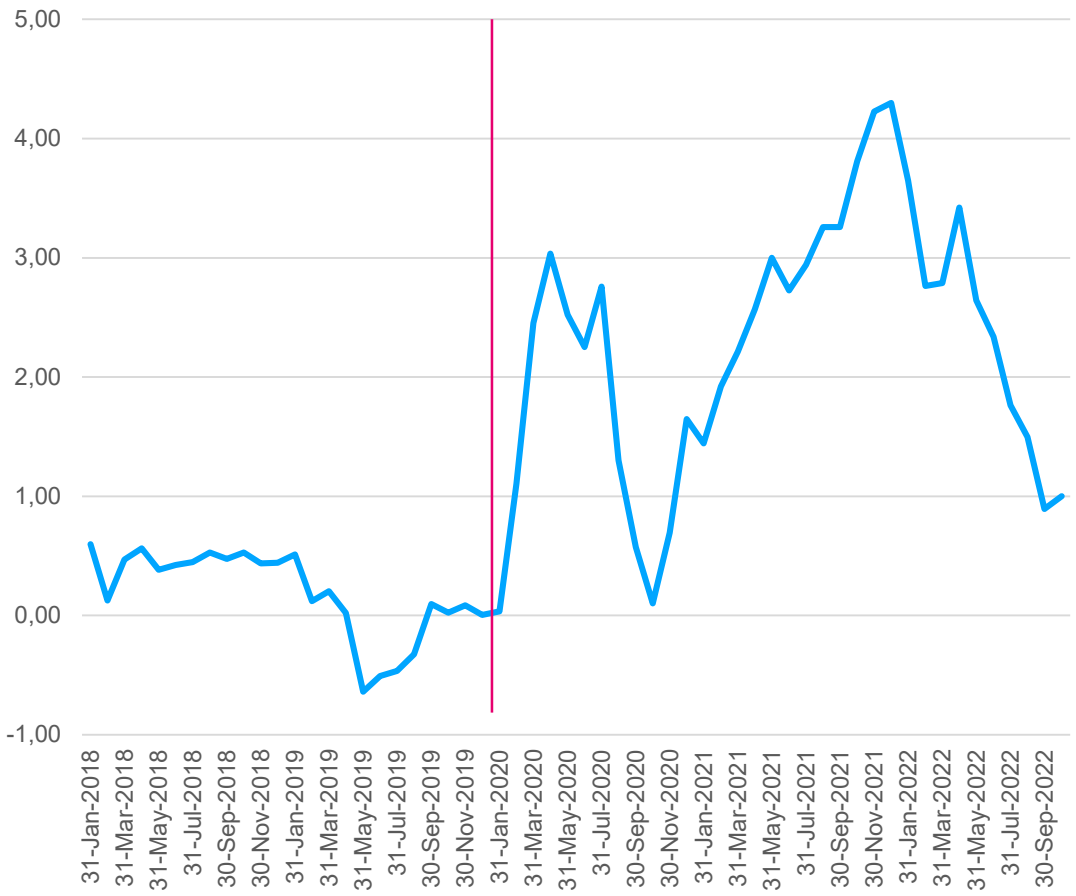
Trade developments in Russia





WTM,Comtrade

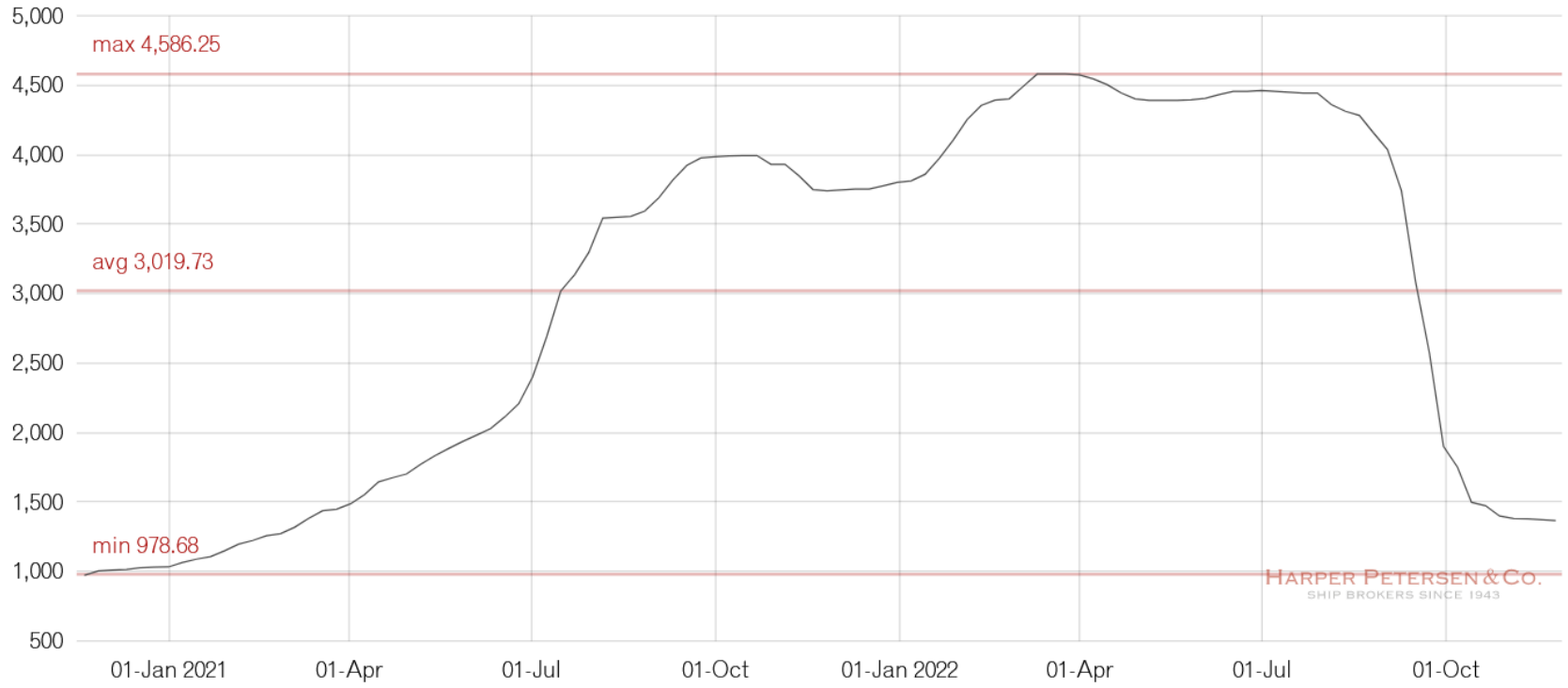
Outlook: Global Supply Chain Pressure Index



- Index integrates transportation cost data and manufacturing indicators to provide a gauge of global supply chain conditions

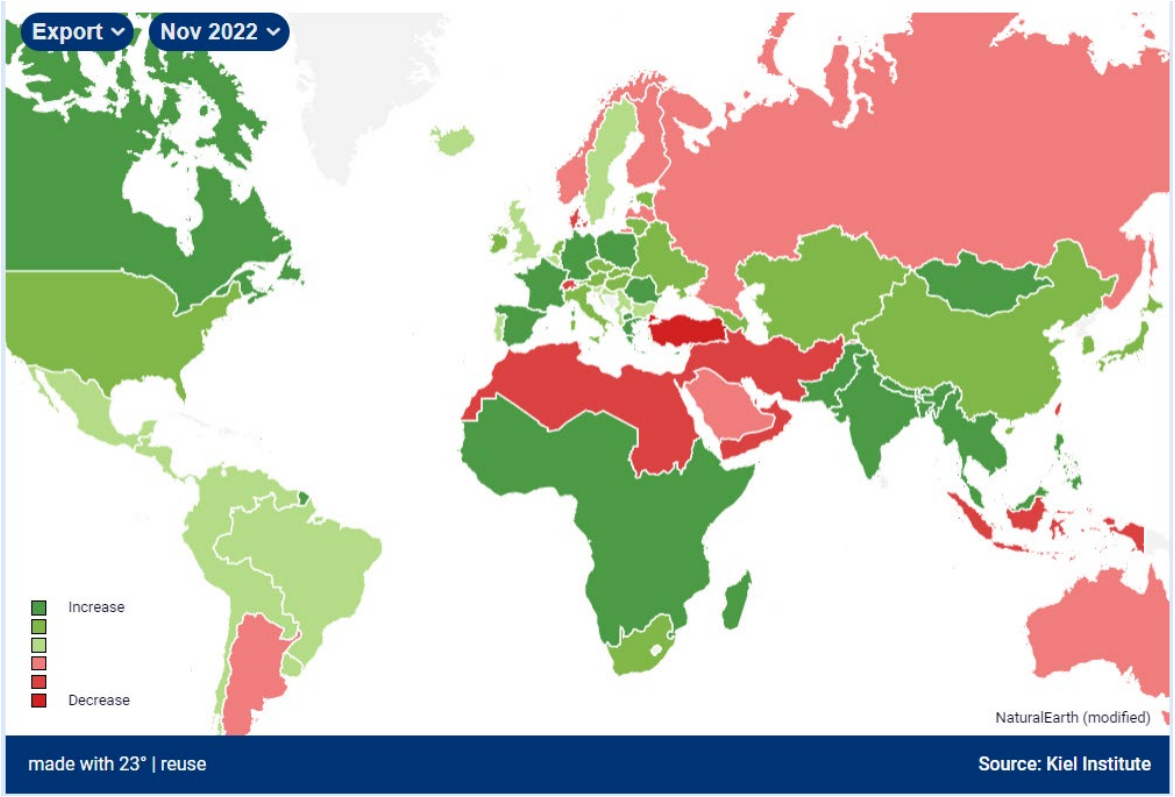
Federal Reserve Bank of New York

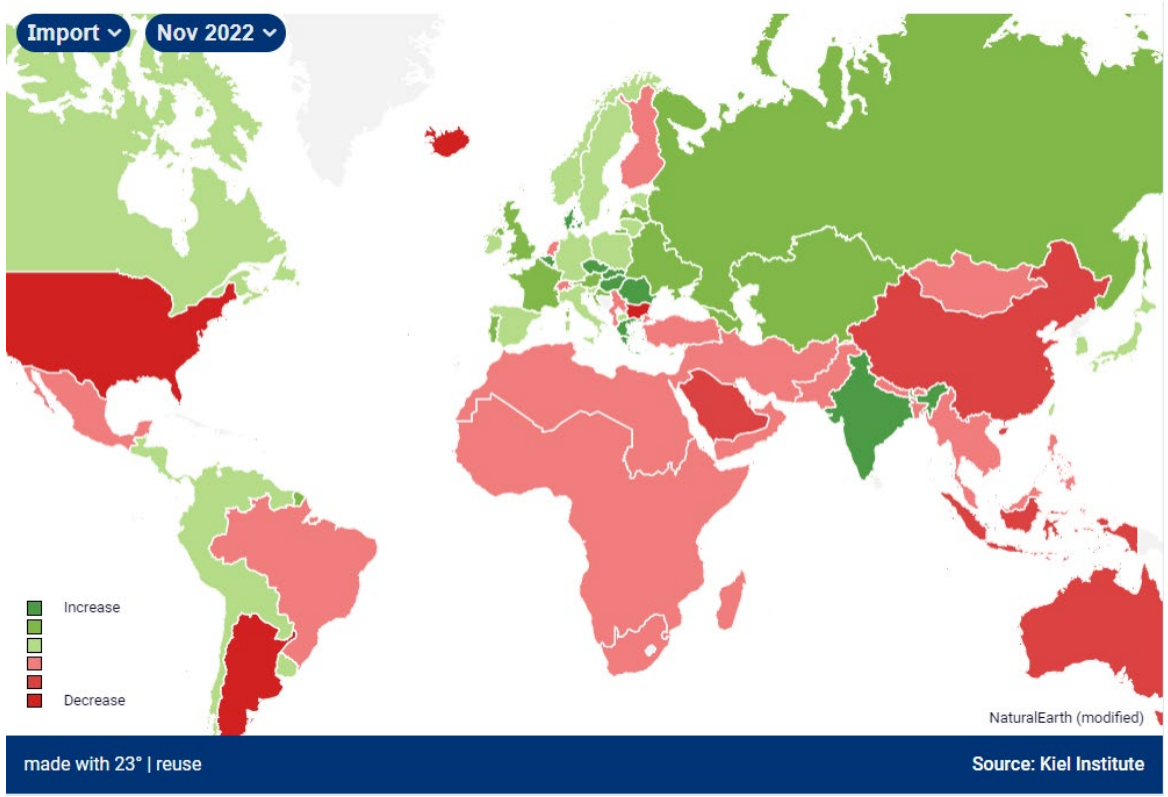
Harpex



worldwide price development on the charter market for container ships.

Kiel world trade indicator November: +0.5%



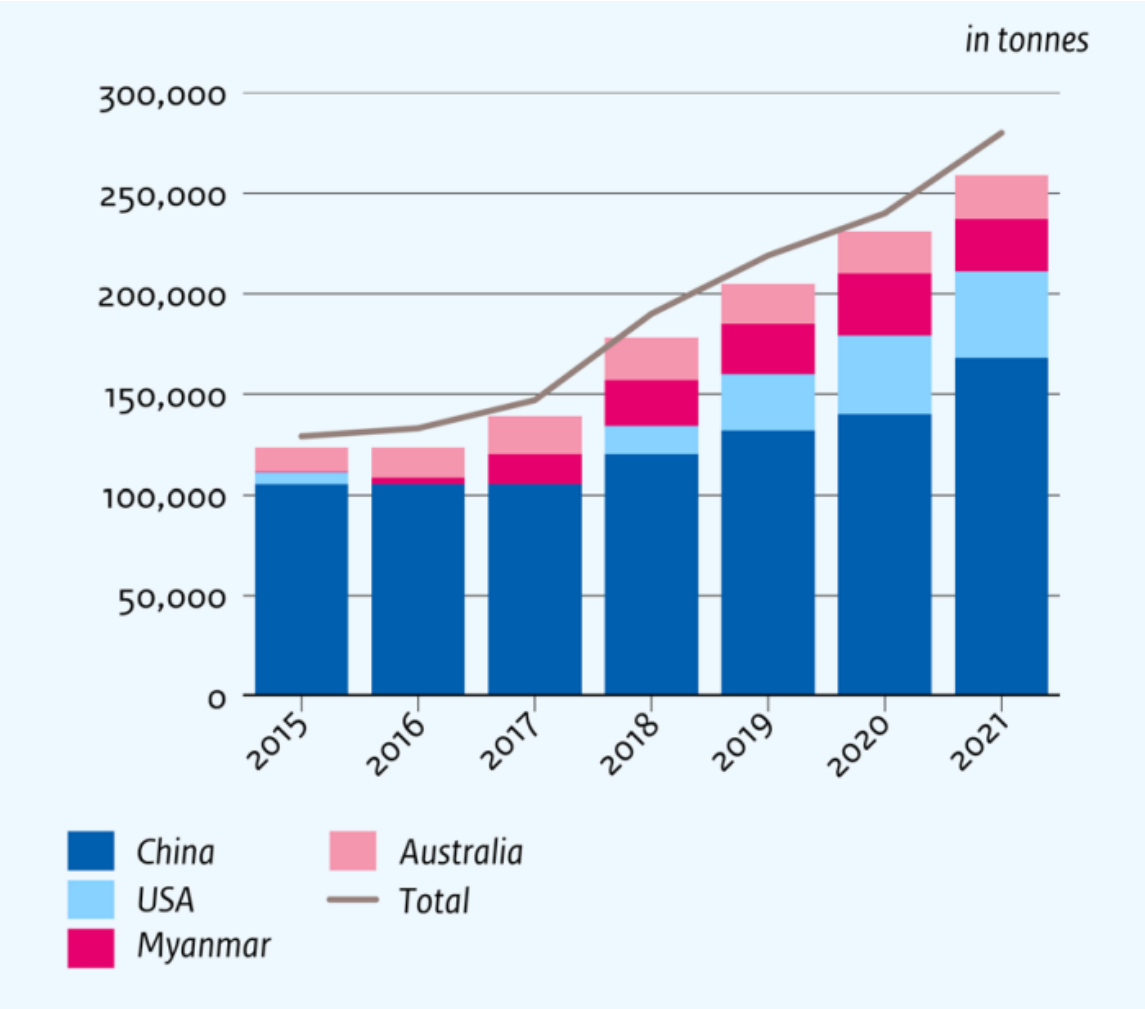


Kiel Institute November 2022

Decoupling & onshoring

- US
  - CHIPS act
    - tough controls on the export of American chip technology to China
    - Investments in semiconductor production
  - U.S.-proposed Chip 4 alliance: unite American chip supply chains with those of Taiwan, South Korea and Japan (at the exclusion of China)
  - Ban on products made using forced labor (proof with exporter)
  - Healthcare, climate and tax law: incentives for domestic manufacturing of clean-energy products such as batteries and solar panels
- EU
  - Ban on products made using forced labor (China)
  - Support domestic production, processing and recycling of raw materials (e.g. lithium) & semiconductor production

Dependence on China



- The production of rare earth metals takes place mainly in China
- One reason is environmental degradation linked to mining

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