

## THE 2013 RESULTS OF GLOBAL TRADE IN GOODS AND SERVICES

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*In mid-April, the Secretariat of the World Trade Organization published an annual analytical review – The Global Trade in 2013 and Forecasts for 2014. After a Two-Year Recession, Moderate Growth in Trade is Expected in 2014 and 2015 – on development of the international trade. Also, the above document includes the preliminary statistical data on the 2013 results of the global trade in goods and services by country and region<sup>1</sup>.*

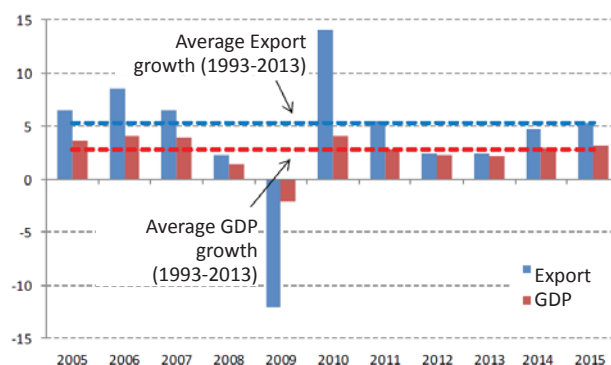
According to the estimates of the World Trade Organization, in 2013 growth in the volume of global trade in real terms amounted to the mere 2.1% (2.5% according to the WTO forecast which was made six months ago), which is roughly equal to the respective index of the year before. In 2014, growth of 4.7% is expected though it is below the overall average for the past 20 years (5.3%).

In 2013, moderate growth rates of the global trade can be explained by low demand on import in developed countries (0.2%) and moderate growth in import to countries with developing economy (4.4%). As regards export, in the above two groups of countries moderate growth of 1.5% and 3.3%, respectively, was registered.

In the past 20 years (from 1993 till 2013), except for the crisis 2009–2010 period the global export normally grew at a rate which was nearly twice as high than that of global GDP. However, the above gap in rates has almost disappeared of late. The above fact points to invariable correlation between global economic growth and the volumes of global export (Fig. 1).

“Within the past two years, there was slow growth in trade. In the long term, if GDP forecasts are true we can expect in 2014 a large-scale – but generally moderate – recovery of global trade volumes and further speed up of growth in 2015. In 2013, a number of factors, including a long recession in the EU ... and uncertainly over scaling down of the US Federal Reserve’s QE3 quantitative easing program contributed to weakening of trade and output. That uncertainty resulted in a financial volatility in developing economies in the second half of 2013” – said Roberto Azevedo, WTO General Director at presentation of the review<sup>2</sup>.

According to the estimates of the International Monetary Fund (IMF), in the short-term prospect an increase in the global economic growth rates from 3% in 2013 to 3.6% and 3.9% in 2014 and 2015, respec-



Source: World Trade 2013, Prospect for 2014. Modest trade growth anticipated for 2014 and 2015 following two year slump, WTO Secretariat, Geneva, PRESS/721, 14 April 2014, Chart 1: Growth in volume of world merchandise exports and GDP, 2005–15, p. 2.

Fig. 1. Dynamics of the volumes of global export and GDP in the 2005–2015 period, %

tively, is expected. In the euro area, positive dynamics is forecasted, but with differences by country with taking into account the level of a country’s public debt and financial instability as a factor behind restraint of domestic demand. On that basis, the IMF estimated international trade growth at 3.0% in 2013 and expects its further increase to 4.3% and 5.3% in 2014 and 2015, respectively<sup>3</sup>.

Also, the World Bank forecasts a number of positive trends in global trade. Strengthening of economies with a high income level will stimulate demand on export from developing countries, on the one side, while growth in interest rates weakens capital flow, on the other side. It is stated in the World Bank’s forecast that global trade growth rates will increase from 3.1% in 2013 to 4.6% and 5.1% in 2014 and 2015, respectively<sup>4</sup>.

Generally, minimum changes took place in the WTO rating of global exporters and importers (Table 1). So, according to the data of the WTO, on the basis of

1 World Trade 2013, Prospect for 2014. Modest trade growth anticipated for 2014 and 2015 following two year slump, WTO Secretariat, Geneva, PRESS/721, 14 April 2014, 29 p.

2 Finmarket Information Agency, April 15, 2014.

3 International Monetary Fund, «World Economic Outlook. Recovery Strengthens, Remains Uneven», Wash., April 2014, p. 16.

4 World Bank report «Global Economic Prospects. World Economic Situation and Prospects», Wash., 14 January 2014, p. 2.

Table 1

## LEADING EXPORTERS AND IMPORTERS IN THE WORLD TRADE IN GOODS IN 2013

	Exporter-country	Volume, billion USD	Share, %	Change on 2012, %		Importer-country	Volume, billion USD	Share, %	Change on 2012, %
1	China	2210	11.8	8	1	The US	2331	12.4	0
2	The US	1579	8.4	2	2	China	1950	10.3	7
3	Germany	1453	7.7	3	3	Germany	1187	6.3	2
4	Japan	715	3.8	-10	4	Japan	833	4.4	-6
5	The Netherlands	664	3.5	1	5	France	681	3.6	1
6	France	580	3.1	2	6	The UK	654	3.5	-5
7	The Republic of Korea	560	3.0	2	7	Hong Kong, China	622	3.3	12
						- import of domestic consumption	141	0.7	4
8	The UK	541	2.9	15	8	The Netherlands	590	3.1	0
9	Hong Kong, China	536	2.9	9	9	The Republic of Korea	516	2.7	-1
	- export of goods of own production	20	0.1	-11					
	- re-export	516	2.7	10					
10	The Russian Federation	523	2.8	-1	10	Italy	477	2.5	-2
11	Italy	518	2.8	3	11	Canada <sup>1</sup>	474	2.5	0
12	Belgium	469	2.5	5	12	India	466	2.5	-5
13	Canada	458	2.4	1	13	Belgium	450	2.4	3
14	Singapore	410	2.2		14	Mexico	391	2.1	3
	- export of goods of own production	219	1.2	-4					
	- re-export	191	1.0	6					
15	Mexico	380	2.0	3	15	Singapore	373	2.0	-2
						- import for domestic consumption <sup>2</sup>	182	1.0	-9
16	Saudi Arabia <sup>3</sup>	376	2.0	-3	16	The Russian Federation <sup>1</sup>	344	1.8	3
17	The United Arab Emirates <sup>3</sup>	365	1.9	4	17	Spain	339	1.8	0
18	Spain	316	1.7	7	18	Taiwan, China	270	1.4	0
19	India	312	1.7	5	19	Turkey	252	1.3	6
20	Taiwan, China	305	1.6	1	20	Thailand	251	1.3	0
21	Australia	253	1.3	-1	21	Brazil	250	1.3	7
22	Brazil	242	1.3	0	22	The United Arab Emirates <sup>3</sup>	245	1.3	7
23	Switzerland	229	1.2	1	23	Australia	242	1.3	-7
24	Thailand	229	1.2	0	24	Malaysia	206	1.1	5
25	Malaysia	228	1.2	0	25	Poland	204	1.1	2
26	Poland	202	1.1	9	26	Switzerland	200	1.1	1
27	Indonesia	184	1.0	-3	27	Indonesia	187	1.0	-2
28	Austria	174	0.9	5	28	Austria	182	1.0	2
29	Sweden	167	0.9	-3	29	Saudi Arabia	164	0.9	5
30	The Czech Republic	161	0.9	3	30	Sweden	158	0.8	-3
	Generally by 30 countries <sup>4</sup>	15339	81.7	-		Generally by 30 countries <sup>4</sup>	15492	82.1	-
	The world in general <sup>4</sup>	18784	100.0	2		The world in general <sup>4</sup>	18874	100.0	1

<sup>1</sup>Import at FOB price.

<sup>2</sup> Import for domestic consumption of Singapore is determined as the aggregate import less re-export.

<sup>3</sup> Estimate of the WTO Secretariate.

<sup>4</sup> Including considerable re-export or import for the purpose of re-export.

**Note.** The data on EU member-states is presented by the Eurostat and prepared in accordance with the concept of the community, so, it may differ from the national statistics.

Source: WTO Secretariat, Press release, PRESS/721, Geneva, April 14, 2014, p.21 (Appendix Table 3 "Merchandise Trade: Leading Exporters and Importers, 2013").

Table 2

## LEADING EXPORTERS AND IMPORTERS IN GLOBAL TRADE IN COMMERCIAL SERVICES IN 2013

	Exporter-country	Volume, billion USD	Share, %	Change on 2012, %		Importer-country	Volume, billion USD	Share, %	Change on 2012, %
1	The US	662	14.3	5	1	The US	427	9.8	3
2	The UK	290	6.3	1	2	China	329	7.6	17
3	Germany	287	6.2	8	3	Germany	315	7.2	7
4	France	233	5.0	4	4	France	188	4.3	8
5	China	207	4.5	9	5	The UK	173	4.0	-1
6	India	153	3.3	5	6	Japan	161	3.7	-8
7	Spain	144	3.1	5	7	India	127	2.9	-1
8	Japan	144	3.1	1	8	The Russian Federation	123	2.8	19
9	The Netherlands	142	3.1	8	9	Singapore	122	2.8	4
10	Hong Kong, China	135	2.9	7	10	The Netherlands	121	2.8	1
11	Ireland	124	2.7	7	11	Ireland	117	2.7	5
12	Singapore	117	2.5	4	12	Italy	107	2.5	3
13	The Republic of Korea	112	2.4	1	13	The Republic of Korea	106	2.4	1
14	Italy	110	2.4	6	14	Canada	105	2.4	0
15	Belgium	101	2.2	2	15	Belgium	96	2.2	5
16	Switzerland	94	2.0	5	16	Spain	91	2.1	1
17	Luxemburg	79	1.7	10	17	Brazil	84	1.9	7
18	Canada	78	1.7	0	18	The United Arab Emirates	65	1.5	...
19	Sweden	75	1.6	6	19	Australia	62	1.4	-2
20	Denmark	69	1.5	6	20	Denmark	60	1.4	3
21	The Russian Federation	66	1.4	13	21	Hong Kong, China	59	1.4	1
22	Austria	65	1.4	9	22	Sweden	57	1.3	6
23	Thailand	59	1.3	19	23	Thailand	55	1.3	4
24	Macao, China	53	1.1	16	24	Switzerland	52	1.2	12
25	Australia	52	1.1	0	25	Saudi Arabia	50	1.2	1
26	Taiwan, China	51	1.1	5	26	Luxemburg	48	1.1	14
27	Turkey	44	0.9	8	27	Austria	44	1.0	5
28	Poland	40	0.9	6	28	Malaysia	44	1.0	5
29	Malaysia	39	0.8	4	29	Norway	43	1.0	4
30	Norway	38	0.8	-2	30	Taiwan, China	42	1.0	-1
	Generally by 30 countries	3862	83,5	-		Generally by 30 countries	3474	80.0	-
	The world in general	4625	100	6		The world in general	4340	100	10

**Note.** The preliminary data. The data on a number of countries and territories is based on estimates of the WTO Secretariat. Gaps in sequences of the data on a large number of countries, as well as limitation of feasibility of cross comparison of the data affect the values of annual growth rates and ratings.

Source: WTO and UNCTAD Secretariats, Press release, PRESS/721, Geneva, April 14, 2014, p.23 (Appendix Table 5 "Leading Exporters and Importers in world trade in commercial services, 2013").

the results of 2013 China (\$2,210bn worth of export volume and the share of 11.8% in the global export) has taken again as in previous years the top position among the largest exporters leaving behind the USA (\$1,579bn and 8.4%) and Germany (\$1,453bn and 7.7%).

In its turn, the US (\$2,231bn worth of import and a share of 12.4% in the global import) has retained the top place in the list of leading importers with China (\$1,818bn and 9.8%) and Germany (\$1,167bn and

6.8%) taking the second and third places, respectively. So, China has become the leader as regards the volume of sales turnover (\$2.2bn).

The position of the Russian Federation in the rating of global exporters has changed for the worse a little as compared to the previous year (the 10<sup>th</sup> place and \$523bn worth of export volume as compared to the 8<sup>th</sup> place and \$529bn worth of export). The above situation is justified primarily by negative dynamics of domestic export due to a worsening situation on global

markets of ferrous and nonferrous metals and chemical produce with some process stage. As a result, the share of Russia in the global export decreased from 2.9% to 2.8%.

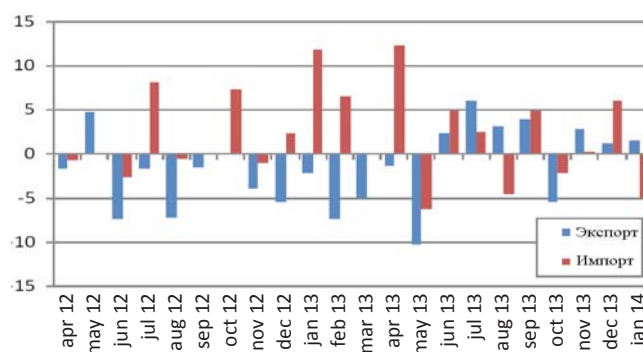
As regards import, Russia retained the same 16<sup>th</sup> place (\$344bn), while its unit weight remained at the level of 1.8%. Without taking into account the internal regional trade in goods of the EU countries, Russia took the world's 7<sup>th</sup> place and 8<sup>th</sup> place as regards export and import, respectively (the world's 11<sup>th</sup> place and 9<sup>th</sup> place, respectively).

In 2013, the global export of commercial services rose by 6% in nominal terms (with annual average growth of 8% in the 2005–2013 period) and amounted to \$4.6bn. So, the share of supply of services in the global trade amounted to 20%. The export of insurance services and computer services rose at the highest rate of 8%, while that of transportation services and communications services, at the lowest rate of 2%.

As regards supply of commercial services, leaders did not change (*Table 2*): the leading positions are held by the US (\$662bn and the share of 14.3% in the global export), the UK (\$290bn and 6.3%) and Germany (\$287bn and 6.2%).

As regards consumer services, the US is rated the first (\$427bn and the unit weight of 9.8% in the global import), China, the second (\$327bn and 7.6%) and Germany, the third (\$315bn and 7.2%). It is to be noted that in 2013 China moved one position upward and demonstrated growth of 17% on the previous year.

In 2013, in the rating of commercial services suppliers-countries the Russian Federation is rated the 21<sup>st</sup> (\$66bn and growth of 13%), while its share amounted to 1.4% (the 22<sup>nd</sup> place and the share of 1.3% in 2012). As regards the import of commercial services (\$123bn and growth of 19%), Russia moved six positions upward and took the 8<sup>th</sup> place in the world, while its unit weight increased to 2.8% as compared to 2.5% in 2012. Without taking into account the internal regional trade of the EU countries in services, Russia is rated 11<sup>th</sup> and 6<sup>th</sup> in the world as regards export and import, respectively (the 11<sup>th</sup> place and the 9<sup>th</sup> place, respectively in 2012).



Source: The IMF international financial statistics, international trade information: the database of the International Trade Atlas (GTA) and the national statistics.

Fig. 3. Monthly dynamics of export and import of goods to Russia, April 2012 – January 2014 (% in current prices)

So, in 2013 as compared to the previous year the Russian Federation's position moved somewhat downwards in the WTO rating as regards export of goods, but it rose considerably as regards import of commercial services (*Table 3*).

As seen from *Fig. 3*, in the past two years the monthly dynamics of Russia's export and import operations was highly volatile and unstable, which situation points to existing problems not only in the country's foreign economic sphere, but also in the economy in general.

Domination of energy goods (74.5%) in the export with the minimum share of industrial produce (5.5%) still remains a deep-rooted problem. On the contrary, supplies of machines, equipment and means of transportation (48.5%) prevail in the import. Russia's export and import operations are traditionally still aimed at markets of developed countries which situation reflects irrational geographic diversification of the country's foreign trade.

So, in the geographic pattern of Russia's foreign trade the European Union occupies a special place as the largest economic partner of Russia. In 2013, the EU accounted for 49.4% of Russia's trade (48.7% in 2012). In 2013, the unit weight of the CIS states kept decreasing and amounted to 13.6% of the foreign trade volume (14.7% in 2012), including that of the mem-

Table 3

**DYNAMICS OF POSITIONS OF RUSSIA IN THE WTO RATING AND ITS SHARE IN THE GLOBAL TRADE IN GOODS AND COMMERCIAL SERVICES IN THE 2000–2013 PERIOD**

	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013
Export of goods	17/1.7	13/2.4	13/2.5	12/2.5	9/2.9	13/2.4	12/2.6	9/2.9	8/2.9	10/2.8
Import of goods	29/0.7	19/1.2	18/1.3	16/1.6	16/1.8	17/1.5	18/1.6	17/1.8	16/1.8	16/1.8
Export of services	31/0.7	26/1.1	25/1.1	25/1.2	22/1.3	22/1.3	23/1.2	22/1.3	22/1.3	21/1.4
Import of services	22/1.2	17/1.6	18/1.7	16/1.9	16/2.2	16/1.9	16/2.0	15/2.3	14/2.5	8/2.8

\* The first digit is the place in the rating, while the second one, the share, %.

Source: calculated on the basis of the WTO statistics for respective years.

ber-states of the Customs Union (CU) – 7.1% (7.7%) – and the Eurasian Economic Community (EEC) – 7.5% (8.0%). On the contrary, the share of APEC countries increased somewhat to 24.7% (23.8%).

In 2013, Russia's main trade partners among far-abroad states were China with which the trade turnover amounted to \$88.8bn (101.7% in 2012), the Netherlands – \$76.0bn (91.7%), Germany – \$75.0bn (102.2%), Italy – \$53.9bn (117.8%), Japan – \$33.2bn (106.6%), Turkey – \$32.8bn (95.5%), Poland – \$27.9bn (102.0%), the US – \$27.7bn (98.4%), South Korea – \$25.2bn (101.5%) and the UK – \$24.6bn (105.8%)<sup>1</sup>.

Among countries of the near-abroad, Russia's leading counterparties were Ukraine (39.6bn), Belarus (33.6bn), Kazakhstan (26.5bn) and Uzbekistan (4.1bn).

In 2013, in Russia a trend of slowdown of export and reduction of import was observed which situation was largely justified by stagnation of the national economy. The preliminary data of the Federal Customs Service for the 1<sup>st</sup> quarter of 2014 points to the above trends which have now become of a sustainable nature<sup>2</sup>.

At present, the Ministry of Economic Development of the Russian Federation is preparing a new version of the mid-term forecast of the country's social and economic development for 2014–2016 period. According to the preliminary estimates, in 2014 Russia's positive

trade balance may amount to \$183bn–\$190bn, while current account positions, to \$36bn–\$48bn<sup>3</sup>.

The updated draft of the forecast was adjusted mainly due to a change in expectations of a decrease in import to Russia which was justified by the effect of depreciation and a general slump in the economy. The Ministry of Economic Development of the Russian Federation expects a drop of 3.2% to 5.1% in the import of goods to \$328bn–\$335bn in 2014 while earlier it forecasted growth in import to \$350bn. The Ministry of Economic Development of the Russian Federation forecasts that in 2014 Russian export may fall by 0.3% to \$518bn; earlier the forecasted index was at the level of \$505bn.

However, at present, in a situation of a looming crisis in the country's economy, as well as gradual introduction of political and, possibly, economic sanctions against Russia development of export and import will take place in a principally new situation. The above external challenges and internal limitations are to be taken into account in implementation and inevitable adjustment of the government's plans<sup>4</sup>.

1 The data of the Federal Customs Service of the Russian Federation, February 14, 2014.

2 According to the preliminary data of the customs statistics, in January–March 2014 the import and export of goods from far-abroad countries in money terms fell by 4.4% and 6.5%, respectively, against the same period of the previous year.

3 The forecast of last December envisaged in 2014 the surplus of the trade balance and the current account at the level of \$155bn and \$21bn, respectively. Prime, April 9, 2014.

4 See, for example: The State Program of the Russian Federation "Development of Foreign Economic Activities" approved by Resolution No. 378-r of March 18, 2013 of the Government of the Russian Federation; New version of the road map: "Support of Access to Markets of Foreign States and Support of Export". Instructions No.259-r of February 26, 2014 of the Government of the Russian Federation and other.