



## 6.2 Direction and growth of merchandise trade

### High-income importers

Direction of trade % of world trade, 1998	European Union	Japan	United States	Other industrial	All industrial	Other high income	All high income
<b>Source of exports</b>							
High-income economies	32.0	2.8	11.0	7.6	53.4	5.2	58.5
Industrial economies	30.6	2.1	9.1	7.3	49.1	4.0	53.1
European Union	24.7	0.6	3.2	3.4	32.0	1.4	33.4
Japan	1.3		2.2	0.4	3.9	1.3	5.1
United States	2.8	1.1		3.3	7.1	1.1	8.1
Other industrial economies	1.8	0.4	3.7	0.3	6.2	0.3	6.5
Other high-income economies	1.4	0.7	1.9	0.3	4.3	1.1	5.4
Low- and middle-income economies	6.1	1.9	5.6	0.9	14.4	2.6	17.0
East Asia & Pacific	1.6	1.4	2.0	0.5	5.5	2.2	7.6
Europe & Central Asia	2.3	0.1	0.2	0.1	2.7	0.1	2.8
Latin America & Caribbean	0.7	0.1	2.7	0.1	3.7	0.1	3.7
Middle East & N. Africa	0.7	0.2	0.2	0.0	1.1	0.1	1.2
South Asia	0.3	0.0	0.2	0.0	0.6	0.1	0.7
Sub-Saharan Africa	0.5	0.1	0.2	0.0	0.8	0.1	0.9
World	38.0	4.7	16.6	8.5	67.8	7.8	75.6

### Low- and middle-income importers

Direction of trade % of world trade, 1998	East Asia & Pacific	Europe & Central Asia	Latin America & Caribbean	Middle East & N. Africa	South Asia	Sub-Saharan Africa	All low & middle income	World
<b>Source of exports</b>								
High-income economies	5.8	3.8	4.4	1.7	0.7	0.9	17.3	75.8
Industrial economies	3.6	3.7	4.2	1.6	0.5	0.8	14.4	67.5
European Union	1.0	3.2	1.1	1.0	0.2	0.6	7.2	40.5
Japan	1.3	0.1	0.4	0.2	0.1	0.1	2.0	7.1
United States	1.0	0.2	2.6	0.3	0.1	0.1	4.3	12.5
Other industrial economies	0.4	0.1	0.1	0.1	0.1	0.0	0.9	7.3
Other high-income economies	2.2	0.1	0.2	0.1	0.2	0.1	2.9	8.3
Low- and middle-income economies	2.1	2.0	1.5	0.6	0.5	0.5	7.1	24.2
East Asia & Pacific	1.4	0.3	0.3	0.2	0.2	0.1	2.5	11.1
Europe & Central Asia	0.1	1.5	0.1	0.1	0.0	0.0	1.9	4.7
Latin America & Caribbean	0.1	0.1	1.1	0.1	0.0	0.0	1.4	5.1
Middle East & N. Africa	0.3	0.1	0.0	0.1	0.1	0.0	0.7	1.9
South Asia	0.1	0.0	0.0	0.0	0.1	0.0	0.2	1.0
Sub-Saharan Africa	0.1	0.0	0.0	0.0	0.0	0.2	0.4	1.3
World	7.9	5.8	5.9	2.3	1.1	1.4	24.4	100.0



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### High-income importers

Nominal growth of trade annual % growth, 1988–98	European Union	Japan	United States	Other industrial	All industrial	Other high income	All high income
<b>Source of exports</b>							
High-income economies	5.9	4.0	6.3	7.4	6.0	8.3	6.2
Industrial economies	5.8	3.7	6.1	7.4	6.0	7.4	6.1
European Union	6.0	5.0	6.8	8.0	6.2	9.1	6.3
Japan	3.2		2.9	0.8	2.8	6.3	3.5
United States	6.5	4.4		7.9	6.8	7.5	6.9
Other industrial economies	4.0	0.5	8.1	6.8	6.0	5.3	6.0
Other high-income economies	8.6	5.0	7.0	6.8	7.0	12.5	8.0
Low- and middle-income economies	8.2	5.5	11.6	9.9	9.0	10.5	9.2
East Asia & Pacific	13.1	7.1	11.2	13.9	10.7	11.6	10.9
Europe & Central Asia	10.4	-1.6	14.0	10.0	10.2	13.5	10.3
Latin America & Caribbean	4.5	1.6	14.0	7.3	10.4	6.2	10.2
Middle East & N. Africa	2.6	4.5	1.1	0.2	2.5	0.1	2.2
South Asia	10.3	1.6	12.9	9.1	10.0	13.1	10.5
Sub-Saharan Africa	3.6	1.3	4.3	2.1	3.5	12.3	3.9
World	6.2	4.6	7.8	7.6	6.6	9.0	6.8

### Low- and middle-income importers

Nominal growth of trade annual % growth, 1988–98	East Asia & Pacific	Europe & Central Asia	Latin America & Caribbean	Middle East & N. Africa	South Asia	Sub-Saharan Africa	All low & middle income	World
<b>Source of exports</b>								
High-income economies	8.8	12.3	11.4	3.9	4.0	2.8	8.7	6.7
Industrial economies	7.2	12.2	11.3	4.0	2.3	2.7	8.3	6.5
European Union	8.7	14.1	10.6	3.7	2.6	2.6	8.9	6.7
Japan	5.7	0.0	8.6	2.1	0.2	-0.6	4.9	3.9
United States	8.8	6.8	12.5	5.6	1.8	6.0	10.1	7.9
Other industrial economies	5.2	2.8	5.6	5.0	5.5	3.2	4.7	5.8
Other high-income economies	12.0	19.0	13.9	2.7	10.2	3.3	11.2	9.0
Low- and middle-income economies	15.3	6.0	14.1	2.8	10.2	10.2	9.7	9.4
East Asia & Pacific	19.0	11.8	23.2	7.0	12.7	10.0	15.8	11.9
Europe & Central Asia	3.8	6.8	14.1	-1.1	-2.2	4.7	5.7	8.2
Latin America & Caribbean	5.8	0.8	13.9	5.0	9.8	5.9	10.9	10.4
Middle East & N. Africa	16.5	-2.9	-3.2	0.5	8.8	10.2	5.1	3.1
South Asia	13.3	-3.1	28.6	7.3	13.7	15.9	8.4	9.9
Sub-Saharan Africa	11.9	3.6	11.0	11.5	25.0	11.6	11.6	5.8
World	10.1	9.7	12.0	3.6	6.1	4.7	9.0	7.3



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### About the data

This table provides estimates of the flow of trade in goods between groups of economies. Most high-income countries and about 22 developing countries report their trade data to the International Monetary Fund (IMF) each month. Together these countries account for about 80 percent of world exports. Trade by less timely reporters and by countries that do not report is estimated using reports of partner countries. Because the largest exporting and importing countries are reliable reporters, a large portion of the missing trade flows can be estimated from partner reports. Even so, a small amount of trade between developing countries, particularly in Africa, is not captured in partner data. Estimates of intra-European trade have been significantly affected by changes in reporting methods following the creation of a customs union.

Most countries report their trade data in national currencies, which are converted using the IMF's pub-

lished exchange rate series rf (official rate, period average) or rh (market rate, period average). Because imports are reported at c.i.f. (cost, insurance, and freight) valuations and exports at f.o.b. (free on board) valuations, the IMF divides partner country reports of import values by 1.10 to estimate equivalent export values. This approximation is more or less accurate, depending on the set of partners and the items traded. Other factors affecting the accuracy of trade data include lags in reporting, recording differences across countries, and whether the country reports trade according to the general or special system of trade. (See *About the data* for tables 4.5 and 4.6 for further discussion of the measurement of exports and imports.)

The regional trade flows shown in this table were calculated from current price values. Growth rates therefore include the effects of changes in both volumes and prices.

### Definitions

- **Merchandise trade** includes all trade in goods. Trade in services is excluded.
- **Regional groupings** are based on World Bank definitions and may differ from those used by other organizations.
- **European Union** comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.
- **Other industrial economies** include Australia, Canada, Iceland, New Zealand, Norway, and Switzerland.
- **Other high-income economies** include Cyprus, Hong Kong (China), Israel, Kuwait, Malta, Qatar, Singapore, Taiwan (China), and the United Arab Emirates. Some small high-income economies such as Aruba, the Bahamas, and Bermuda have been included in the Latin America and Caribbean group.

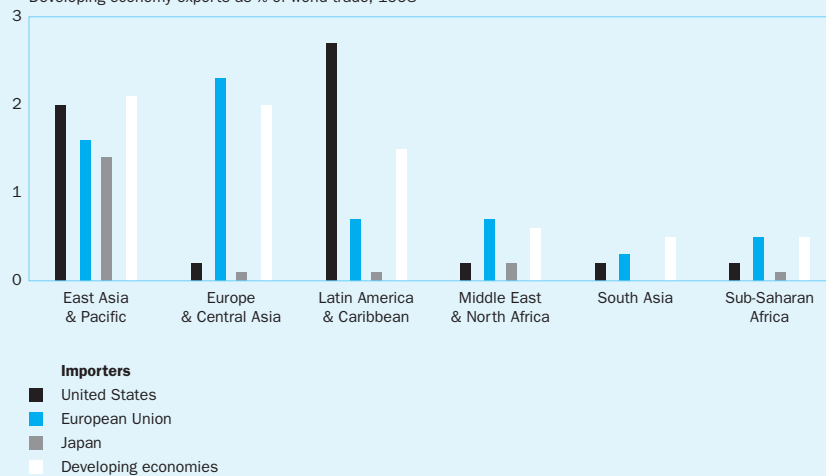
### Data sources

Intercountry trade flows are published in the IMF's *Direction of Trade Statistics Yearbook* and *Direction of Trade Statistics Quarterly*; the data in the table were calculated using the IMF's Direction of Trade database.

Figure 6.2

### Developing economies make their own market

Developing economy exports as % of world trade, 1998



Source: International Monetary Fund, Direction of Trade database.

**The United States, the European Union, and Japan are the principal trading partners of developing countries, together receiving 56 percent of developing country exports. But trade within and between developing regions has been growing. In 1998 that trade accounted for 29 percent of their exports.**