

Deals and disruption

Trade data and policy tracker

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Economics - Global

- ◆ We launch a new report to provide an overview of global trade trends and trade policy developments on a monthly basis
- ◆ International trade remains disrupted amid ongoing port congestion and surging shipping rates...
- ◆ ...while trade liberalisation continued to advance over the past month as a number of RCEP economies approved the deal

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A new report

The Trade data and policy tracker is a new monthly report that aims to provide an overview of global trade trends and trade policy developments. We look at various trade indicators, track progress on key trade deals, and set out important upcoming trade policy deadlines.

Tracking trade

Although global container shipping activity remains above trend and the recovery in world goods trade volumes continued into the early months of this year, international trade remains disrupted. Containerised trade volumes from Asia to North America continue to rise on the back of inventory re-stocking and strong consumer demand spurred by fiscal stimulus measures in the US, exacerbating congestion at US ports. Ongoing shipping disruption is also causing container freight rates from Asia to Western economies to remain elevated. And with vessels delayed by the Suez Canal blockage only now arriving at key ports around the world, international freight is likely to remain disrupted for some time to come.

In the UK, goods exports to the EU grew by over 46% m-o-m in February 2021 following a contraction of over 40% in January, which was largely due to Brexit disruption and stockpiling ahead of the end of the transition period last year. And speaking of Brexit, the EU finally ratified the UK-EU trade deal on 27 April 2021.

Good progress was made in various trade talks over the past month. The UK and Australia recently announced they had agreed the “vast majority” of elements of a bilateral trade deal, and are aiming to reach an agreement in principle by June this year (UK Government, 23 April 2021). If that deadline is met, this would make for one speedy trade negotiation by international standards.

Elsewhere, Singapore and mainland China ratified the Regional Comprehensive Economic Partnership (RCEP). Thailand and Japan have also approved the deal but still need to finalise their ratification processes. The pan-Asian deal will take effect once ratified by six ASEAN members and three non-ASEAN parties.

Looking ahead, the US will hold virtual hearings next month on digital services taxes implemented or under consideration by Austria, India, Italy, Spain, Turkey and the UK. The EU and India are also set to discuss relaunching bilateral trade talks, after an eight-year hiatus, at a virtual leaders’ meeting on 8 May.

This is an abridged version of a report by the same title published on 29-Apr-21. Please contact your HSBC representative or email AskResearch@hsbc.com for more information

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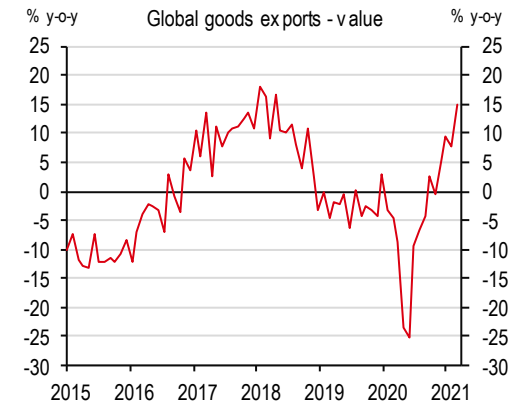
Monthly trade trends

1. The recovery in global goods trade volumes continued in February 2021...



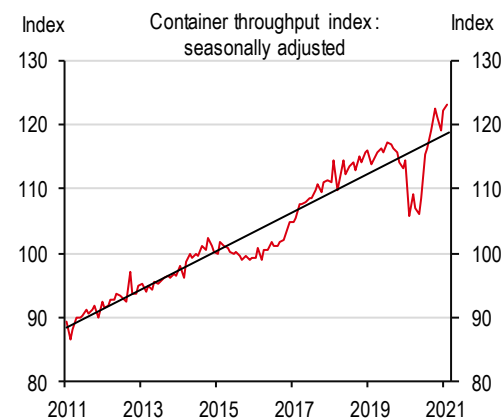
Source: CPB Netherlands Bureau for Economic Policy Analysis, HSBC. Note: Latest data point for February 2021.

2. ...and the value of world merchandise exports also increased y-o-y



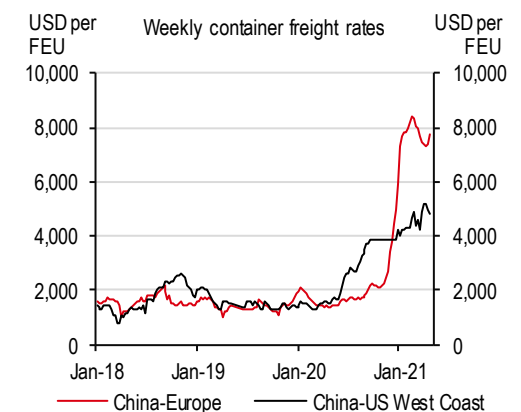
Source: WTO, HSBC. Note: Latest data point for February 2021.

3. Container shipping activity remains above trend...



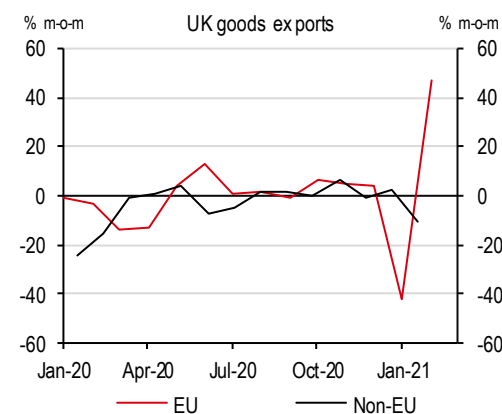
Source: RWI - Leibniz Institute for Economic Research and the Institute for Shipping Economics and Logistics, HSBC. 2015=100. Note: Latest data point for February 2021.

4. ...while freight rates remain elevated



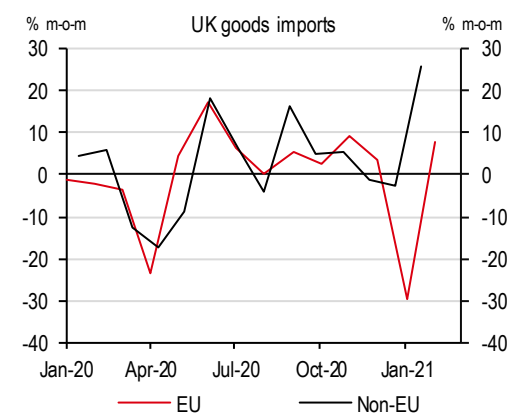
Source: Bloomberg. Note: Latest data point for 25 April 2021.

5. UK goods exports to the EU rebounded following Brexit disruption...



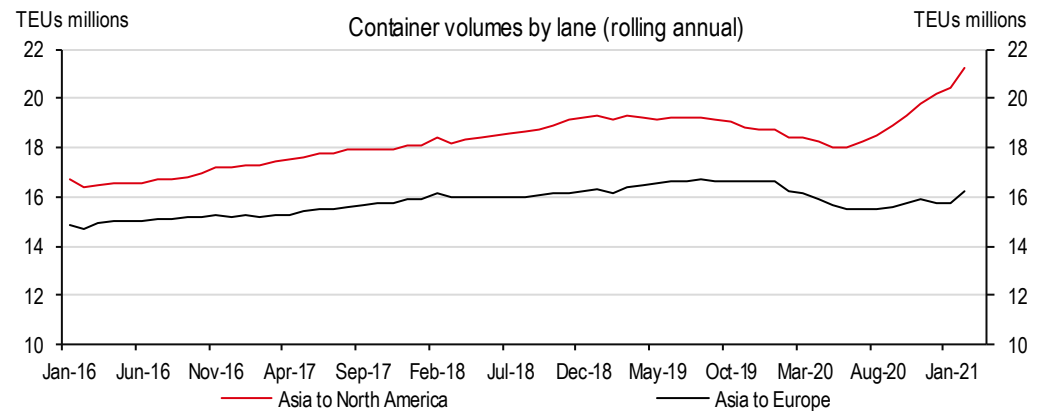
Source: ONS. Note: Seasonally adjusted. Note: Latest data point for February 2021.

6. ...while its imports from non-EU markets grew strongly



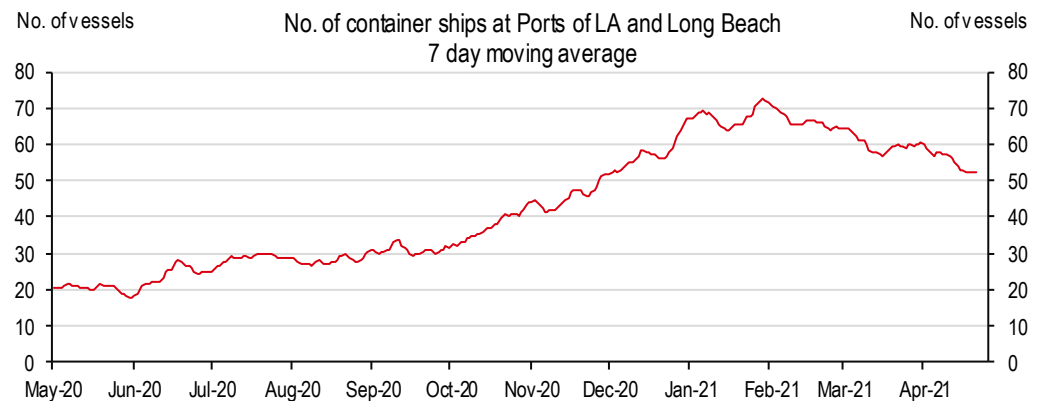
Source: ONS. Note: Seasonally adjusted. Note: Latest data point for February 2021.

7. Containerised trade volumes from Asia to North America continue to rise...



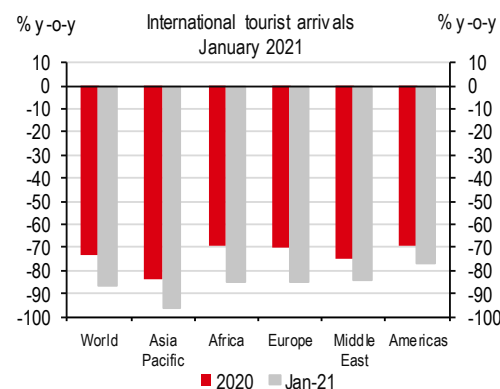
Source: Bloomberg, HSBC. Data are on a rolling annual basis. Note: Latest data point for February 2021.

8. ...resulting in ongoing congestion at US West Coast ports



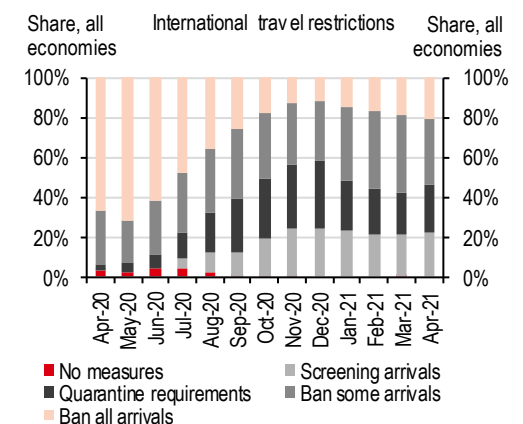
Source: Bloomberg. Note: Latest data point for 26 April 2021.

9. International tourism weakened further amid new virus outbreaks...



Source: UNWTO

10. ...as nearly all economies maintain travel restrictions



Source: University of Oxford, HSBC. Note: Data as at the 1st of each month. Total number of reporting economies varies slightly each month

Trade policy calendar

11. Key upcoming trade events

● Deadline ● Event ● Report

Date	Type	Details
4-11 May 2021	●	USTR to hold virtual hearings on digital services taxes imposed or under consideration in Austria, India, Italy, Spain, Turkey and the UK
8 May 2021	●	India and EU set to discuss relaunching bilateral trade talks after eight years, at the 16 th EU-India leaders' meeting
25-28 May 2021	●	Annual World Economic Forum summit to take place in Singapore
June 2021	●	UK-Australia set to agree trade deal in principle
1 June 2021	●	EU retaliatory tariffs on US whiskey set to double to 50%
4 June 2021	●	US review into supply chains for semiconductors, advanced batteries, critical minerals and pharmaceuticals due
11-13 June 2021	●	G7 summit to take place in the UK
mid-June 2021	●	President Biden to participate in a US-EU summit in Brussels that will focus on trade, among other issues
June/July 2021	●	Deadline to reach global solution on digital services taxes
1 July 2021	●	US Trade Promotion Authority expires
3 July 2021	●	Four-month suspension of US tariffs on UK exports over aircraft subsidies due to expire
10 July 2021	●	Four-month suspension of EU-US tariffs over aircraft subsidies due to expire
July 2021	●	WTO ministerial meeting on fisheries subsidies
16 September 2021	●	WTO workshop on the Information Technology Agreement (ITA)
1 October 2021	●	Grace period for customs formalities on certain GB food exports to NI due to expire. Extended from 1 April 2021
	●	Waiver on customs declarations for parcel deliveries from GB to NI due to expire. Extended from 1 April 2021
	●	Grace period for some customs formalities on EU exports of animal origin to the UK ends; these goods will require pre-notification and relevant health documentation. Extended from 1 April 2021
5 October 2021	●	G20 Trade Ministers' Meeting
15 October 2021	●	US semi-annual report on the currency practices of key trading partners due
30-31 October 2021	●	G20 Leaders' Summit
30 November to 3 December 2021	●	12th WTO Ministerial Conference (MC12) to take place
1 January 2022	●	Certain goods sold in GB will now require the UKCA (UK Conformity Assessed) marking, the EU's marking (the CE mark) will no longer be accepted
	●	Grace period for customs formalities on all remaining EU exports to the UK ends, nearly all EU goods will be subject to full import requirements in the UK. Extended from 1 July 2021.
	●	Regional Comprehensive Economic Partnership (RCEP) expected to take effect
March 2022	●	Checks on live animals and low-risk plant products from the EU to GB take effect

Source: HSBC, Inside US Trade, Politico, USTR, OECD, WTO, The Economic Times, Institute for Government

This is an abridged version of a report by the same title published on 29-Apr-21. For a full list of graphs and charts as well as a table highlighting the Status of key trade deals, including FTA members, date of entry into force and the most recent updates, please contact your HSBC representative or email askresearch@hsbc.com

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