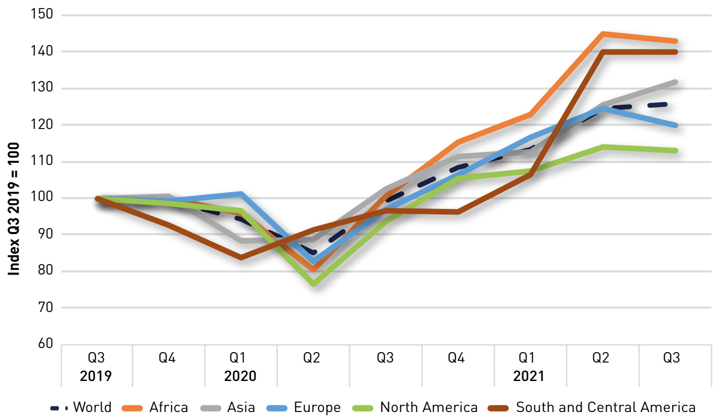
Information note on trade in intermediate goods: **third quarter 2021**

- Although at a slower pace than in the second quarter of 2021, exports of intermediate goods (IGs) kept on increasing in all regions in the third quarter, between 20 and 45 per cent year-on-year (YoY), with a world average of 27 per cent.
- The high level of export growth observed for other industrial supplies (e.g. raw and semi-manufactured materials, industrial components, agricultural commodities, semi-processed food products) was 38 per cent YoY and confirmed the dynamic activity taking place in global supply chains.
- Vaccine products[1] were more and more exchanged by producing countries across 2021, with high YoY export growth rates noted in the third quarter of 2021. They were the top exported inputs for other industrial supplies in the third quarter (US$ 40.5 billion), representing 1.6 per cent of total IG exports.
- Africa and South and Central America maintained an upward trend in their participation in global supply chains, mainly through the supply of primary food or mining products. Although with low levels, intra-regional IG trade continued to increase in South and Central America (56 per cent YoY in the third quarter of 2021, following 72 per cent in the second quarter).

IG exports by region, Q3 2021

World exports of other industrial supplies amounted to US$ 1,225 billion in Q3 2021, almost half of total IG exports. The high growth rate of 38 per cent, following 52 per cent in Q2 2021, outlined the rebound of activity within manufacturing supply chains and was supported by intensive exchanges of raw and semi-processed metals (copper, iron, steel, aluminum) as well as trade of inputs for medical goods. Vaccines were the top exported IGs in this category (US$ 40.5 billion), accounting for 1.6 per cent of total IG exports in Q3 2021.

The rise of South and Central America exchanges with global supply chains largely relates to iron and copper ores (73 per cent) and soybeans (41 per cent).



Source: Trade Data Monitor (99 reporting economies, including estimates for Africa).

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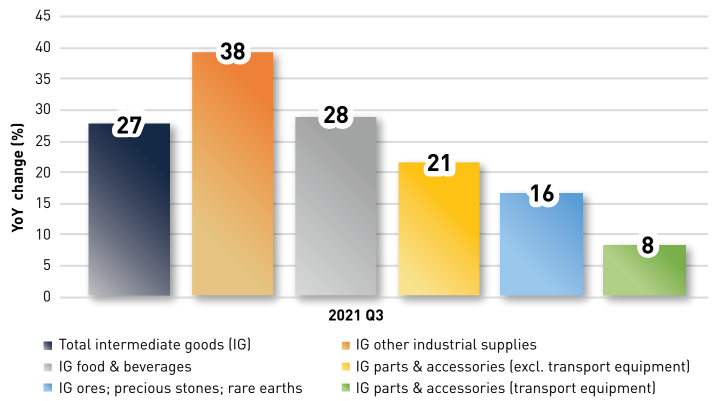
Having experienced a huge 69 per cent rise in Q2 2021, world exports of transport equipment marked a slowdown in Q3 2021 (8 per cent).

The rise in exports of ores and minerals also reduced in Q3 2021 (16 per cent) compared to an average growth of 47 per cent during the first half of the year. This was partly due to falling prices of iron ores in September 2021.

+27% (Q3 2021) vs -1% (Q3 2020)

IG trade within supply chains



Source: Trade Data Monitor.

IG are inputs used to produce a final product. They range from crops used in food production to textiles and metals needed to manufacture goods. Trade in IGs is an indicator of the activity in supply chains, which was severely impacted in the early stages of the COVID-19 crisis. The share of IGs in total trade (excl. fuels) in Q3 2021 was 53 per cent, a ratio that remained constant over the last decade.

(1) Vaccine products, covering all vaccines for human medicine, including COVID-related ones, are part of the IG definition used in this information note.

Top IG exporters, Q3 2021

China's IG exports grew by 36 per cent YoY in Q3 2021. The economy is a global supplier of IT components (memories, integrated circuits, processors), parts and accessories for telephone sets and high-tech machines, lithium-ion batteries, photovoltaic cells and electrical components.

IG exports from the United States rose by 22 per cent, of which 38 per cent went to regional partners in Canada (top exported IG product: vaccines, 597 per cent increase) and Mexico (top exported IG products: manufacturing parts and accessories, 76 per cent increase).

At 46 per cent, Belgium had the highest growth in Q3 2021 among the top IG exporters, following 64 per cent in Q2 2021, with vaccines as the most traded IG (356 per cent).

German IG exports, of which more than half were sent to European supply chains, grew by 18 per cent in Q3 2021. Motor vehicles parts and accessories remained the most exported IG; exports of vaccines grew the most since the beginning of 2021 (a x18 multiplier YoY, US$ 4.1 billion in Q3 2021).

Top IG exporters

Rank	Exporter	US$ bn	YoY change (%)
1	China	382	36
2	United States	197	22
3	Germany	180	18
4	Hong Kong, China	123	16
5	Korea, Rep. of	106	30
6	Japan	99	24
7	Chinese Taipei	88	31
8	Netherlands	80	34
9	Belgium	70	46
10	Singapore	67	16
11	Italy	61	19
12	France	60	25
13	Brazil	52	38
14	Australia	51	37
15	Canada	51	22

Source: Trade Data Monitor.

Inter- and intra-regional IG trade, Q3 2021

Intra-regional IG trade within South and Central America increased the most among all regions in Q3 2021 (56 per cent YoY), mostly relying on primary food commodities (corn, soybeans, wheat) as well as raw and semi-processed copper and iron ores.

South and Central America imported more industrial inputs from Africa (132 per cent YoY). Although traded amounts remained small, the rise could be attributed to phosphate, nitrogen fertilizers and derived products.

IG exports from Africa to Asia remained strong in Q3 2021: 53 per cent rise, further to 98 per cent in Q2 2021.

IG exports within Asian supply chains rose by 29 per cent in Q3 2021, dealing with the exchange of IT components (memories, integrated circuits, processors), parts and accessories for telephone sets and high-tech products as well as iron ore concentrates used in the production of steel.

Top IG importers, Q3 2021

For the third consecutive quarter, India had the highest growth of IG imports from supply chains (65 per cent YoY in Q3), mainly due to the upward momentum of non-monetary gold imports (161 per cent).

Conversely, UK imports of non-monetary gold fell by 57 per cent, an explanatory factor for the contraction observed for total IG imports (-7 per cent).

Japan's imports showed the second highest increase among the top IG importers (42 per cent). A rise that could be noted for a wide range of industrial inputs, reflecting the high level of industrial activity in the economy.

Top IG importers

Rank	Importer	US$ bn	YoY change (%)
1	China	443	25
2	United States	265	30
3	Germany	151	23
4	Hong Kong, China	123	31
5	India	81	65
6	Japan	80	42
7	Korea, Rep. of	76	36
8	United Kingdom	75	-7
9	Netherlands	74	32
10	Mexico	74	38
11	France	68	26
12	Italy	64	33
13	Chinese Taipei	60	38
14	Singapore	59	18
15	Belgium	58	35

Source: Trade Data Monitor.

YoY change (%)

Importer → / ↓ Exporter	Africa	Asia	Europe	North America	South & Central America
Africa	27	53	30	40	132
Asia	36	29	15	29	66
Europe	26	34	23	13	39
North America	14	17	20	20	43
South & Central America	29	45	35	47	56

Note: Diagonal represents intra-regional trade while off-diagonal percentages stand for inter-regional trade.

Source: Trade Data Monitor (including estimates for Africa).

APPENDIX TABLES

World merchandise exports of intermediate goods by region, Q1 2019 to Q3 2021
(US$ billion)

	2019				2020				2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
World	1,966	2,008	1,990	1,983	1,872	1,690	1,971	2,159	2,256	2,480	2,502
Africa	47	48	47	47	45	38	47	54	57	68	67
Asia	769	809	833	836	734	740	854	928	938	1,044	1,097
Europe	766	758	719	714	727	596	697	766	839	896	861
North America	264	269	262	259	253	201	246	276	282	299	296
South and Central America	71	79	80	74	67	73	78	77	85	113	113
Other regions	49	46	49	52	46	42	50	57	54	60	68

Source: WTO estimates based on data from Trade Data Monitor.

World merchandise exports of intermediate goods by category, Q1 2019 to Q3 2021
(US$ billion)

	2019				2020				2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Total intermediate goods	1,966	2,008	1,990	1,983	1,872	1,690	1,971	2,159	2,256	2,480	2,502
IG food and beverages	75	75	75	81	79	82	81	94	97	107	104
IG other industrial supplies	967	979	933	921	893	798	888	985	1,065	1,214	1,225
IG ores, precious stones, rare earths	154	167	179	174	164	173	210	216	238	259	243
IG parts and accessories (excl. transport equipment)	504	522	542	546	491	481	558	601	595	638	676
IG parts and accessories (transport equipment)	265	265	261	261	246	155	234	263	261	262	253

Source: WTO estimates based on data from Trade Data Monitor.

Inter- and intra-regional trade in intermediate goods, Q3 2021
(US$ billion)

↓ Exporter Importer →	Africa	Asia	Europe	North America	South and Central America
Africa	4	30	23	6	2
Asia	28	737	128	131	30
Europe	24	108	600	71	14
North America	3	71	49	148	19
South and Central America	2	54	17	16	15

Note: Diagonal represents intra-regional trade while off-diagonal figures stand for inter-regional trade.

Source: WTO estimates based on data from Trade Data Monitor.