

Global Trade Seen Staying Under Pressure Into Next Year

[Fergal O'Brien](#) November 27, 2019, 6:00 PM CST

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Global trade may shrink through the end of the year as countries around the world continue to grapple with a manufacturing-led slowdown.

An index by freight giant DHL fell to a four year-low in November, capturing the ongoing uncertainty for the global economy amid still-elusive negotiations on a U.S-China trade deal, a slowdown in China and an industrial slump in Germany.

The gauge slipped 2 points in November to 45, moving further below the 50 level that divides contraction and expansion. Of the seven countries in the index -- including the U.S., Japan, China and Germany -- all but one posted sub-50 readings.

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Global trade is set to record a weak end to 2019

Source: DHL

It's a "sobering picture of gloomy prospects for the world economy and global trade," said Eswar Prasad, a professor of trade policy and economics at Cornell University. "Persistent trade tensions, elevated political instability and geopolitical risks, and concerns about the limited efficacy of monetary stimulus continue to erode business and consumer sentiment."

Earlier this week, the [CPB World Trade Monitor](#) also highlighted weakness. While the CPB's trade momentum measure improved, there were year-on-

year declines for a fourth straight month.

President Donald Trump said this week that talks with China on the first phase of a trade deal were near completion. An agreement, along with a rollback of some existing tariffs, would partially help undo the damage inflicted on confidence and global trade this year.

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