South Korean trade expected to further decline

Key findings:

- The South Korean trade outlook decelerates further into negative growth at 46 index points, down -3 from March.
- The air trade outlook in South Korea is suffering mainly due to exports, which are expected to weaken as most contributing industries are expected to contract.
- South Korean ocean trade is negative mainly due to a slowdown in exports, as well.

The South Korean trade outlook decelerates further into negative growth at 46 index points, down -3 from March. With this, it has become the GTB country with the second weakest outlook of all constituents. The negative outlook is mainly attributed to diminishing air trade forecasts, which further dropped by -2 points to 43. Ocean trade dropped by -5 points, thus entering negative growth territory at an index of 48.

The air trade outlook is suffering primarily due to air exports, which are expected to weaken as all industries except Basic Raw Materials are expected to contract. On the other hand, air imports are predicted to grow modestly, driven by Temperature or Climate Controlled Goods and backed by the modest growth of Machinery Parts and Basic Raw Materials. High Technology is expected to weigh down on the air import outlook.

The ocean trade outlook is negative mainly due to the slowdown in ocean exports. Industrial and Base Raw Materials, Land Vehicles & Parts and Capital Equipment & Machinery exports continue to hinder growth, though Chemical & Products and Machinery Parts exports contribute positively to the outlook. Conversely, ocean imports benefit from a positive outlook for Basic Raw Materials and Personal & Household Goods, while Chemicals & Products, Industrial Raw Materials and Temperature or Climate Controlled Goods are expected to decelerate.

From a sector perspective, three sectors in the South Korean trade environment stand out: Chemicals & Products fell -14 points to 45 and Temperature or Climate Controlled goods fell -22 points to 39, while Personal & Household Goods rose by a significant +15 points to 89.
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About the DHL Global Trade Barometer:

The DHL Global Trade Barometer an early indicator for the current state and future development of global trade. It is based on import and export data for a number of intermediates and early-cycle commodities that serve as the basis for further industrial production. Sources for the index are aggregated market data from air and containerized ocean freight from seven countries (China, South Korea, Germany, India, Japan, UK, USA), which account for more than 75 percent of world trade. These data are evaluated using artificial intelligence and various statistical methods and compressed to a single index value that represents the weighted average of the current growth and the upcoming two months of trade. The index, which was designed in cooperation with Accenture, is published four times a year by DHL on a global scale as well as for each of the seven countries surveyed.

About DHL:

Being the world’s leading logistics provider, DHL is ideally equipped to derive a global trade outlook from logistics data. DHL has both, a deep understanding of the driving forces behind global trade volumes and the industry expertise to analyze and interpret occurring market data. With its family of divisions, DHL offers an unrivalled portfolio of logistics services ranging from national and international parcel delivery, e-commerce shipping and fulfillment solutions, international express, road, air and ocean transport to industrial supply chain management. DHL employs about 350,000 people in more than 220 countries and territories worldwide, reliably enabling global trade flows. With specialized solutions for growth markets and industries including technology, life sciences and healthcare, energy, automotive and retail, a proven commitment to corporate responsibility and an unrivalled presence in developing markets, DHL is decisively positioned as “The logistics company for the world”.

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