Weak air trade weighs on South Korean growth prospects – decline expected to continue

Key findings:

- GTB index for South Korea further declines by -1 point to 45, moving away from the threshold for a positive trade outlook.
- South Korean air trade declines by -3 points to 40, representing the lowest value of all GTB countries.
- Ocean trade is predicted to be sluggish, stagnating at 48 points.

The DHL Global Trade Barometer predicts that global trade in South Korea will continue to contract. The respective index has fallen by -1 point to 45 compared to the previous update in June. This is attributed to the waning air trade, which has dropped by -3 points to 40. This is the lowest air trade value of all seven GTB countries surveyed. Ocean trade is predicted to be sluggish as it is unchanged at 48 points.

The air trade outlook is afflicted by air exports as all industries are expected to decelerate or extend their slowdown. Conversely, robust growth is forecasted for imports of Temperature or Climate Controlled goods and Basic Raw Materials. High Technology and Industrial Raw Materials are expected to weigh down on air import outlook.

The outlook for ocean trade is stable. Ocean import of Temperature or Climate Controlled goods is stable, while Industrial Raw Materials and Personal & Household Goods are expected to grow moderately, offsetting the slowdown in Basic Raw Materials and Chemicals & Products. The outlook on ocean exports however is slightly more negative, as Chemicals & Products, Industry Raw Materials and Land Vehicles & Parts are expected to contract.
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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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