

Statistics Brief

▶ Global Trade and Transport

Brazil: Second Quarter 2012 Shows Trade Slowing Down

This Statistics Brief focuses for the first time on Brazil, the sixth-biggest economy in the world. The latest freight data for Brazil collected by the International Transport Forum at the OECD through August 2012 highlights continuing economic uncertainty:

- ▶ **Brazil's external trade by sea, measured in tonnes of goods moved, remains strong. However, trade by air, a lead indicator, has fallen below the pre-crisis peak raising concerns over future performance;**
- ▶ **Dependency on Asia-led growth is exposed. Asia as a trade partner shows resilience as exports by sea continue to grow. Asia accounted for half of Brazil's external trade in 2012, measured in tonnes of goods moved, compared with 25% in 2000;**
- ▶ **Trade by road and rail with neighbouring countries remains stagnant, below pre-crisis levels.**

Total external trade by sea, measured in freight tonnes moved, recovered to pre-crisis levels by the 4th quarter of 2009 and remains robust at 13% above the pre-crisis peak in August 2012. However, air freight cargo, considered to be a lead indicator, reveals uncertainties over future growth. External trade transported by air fell to 5% below pre-crisis levels in August 2012. Both imports and exports by air weakened to 4% and 11% below pre-crisis peak of June 2008, reflecting weak domestic and international market demand (Figure 1).

External trade by sea and air with North America remains strong, 10% and 11% above June 2008 levels respectively. In contrast, external trade with Europe has fallen to 13% below pre-crisis levels. The on-going "Euro-crisis" reflects continuous weakening of domestic consumption in Europe. Exports from Brazil to Europe by sea and by air declined to 21% and 19% below pre-crisis levels. External trade by sea with Asia continues to expand with exports reaching 41% above the pre-crisis peak. However, trade with other Latin American countries stagnated. Even though air cargo movements with Asia and Latin America remain strong (10%, 16% above pre-crisis levels), overall air freight trends, measured in tonnes of goods moved, show signs of a slowing down across all continents (Figures 2 and 3).

Brazil's external trade has shifted during the past decade as demand for raw materials soar in Asia. According to our preliminary year to date data (Jan-Aug 2012), Asia now accounts for 50% of total external trade by sea, up from 26% in 2000. The share of exports by sea to Asia has doubled from 31% in year 2000 to

▶ **Slowdown in air freight volumes**

▶ **Exports to Europe decline further**

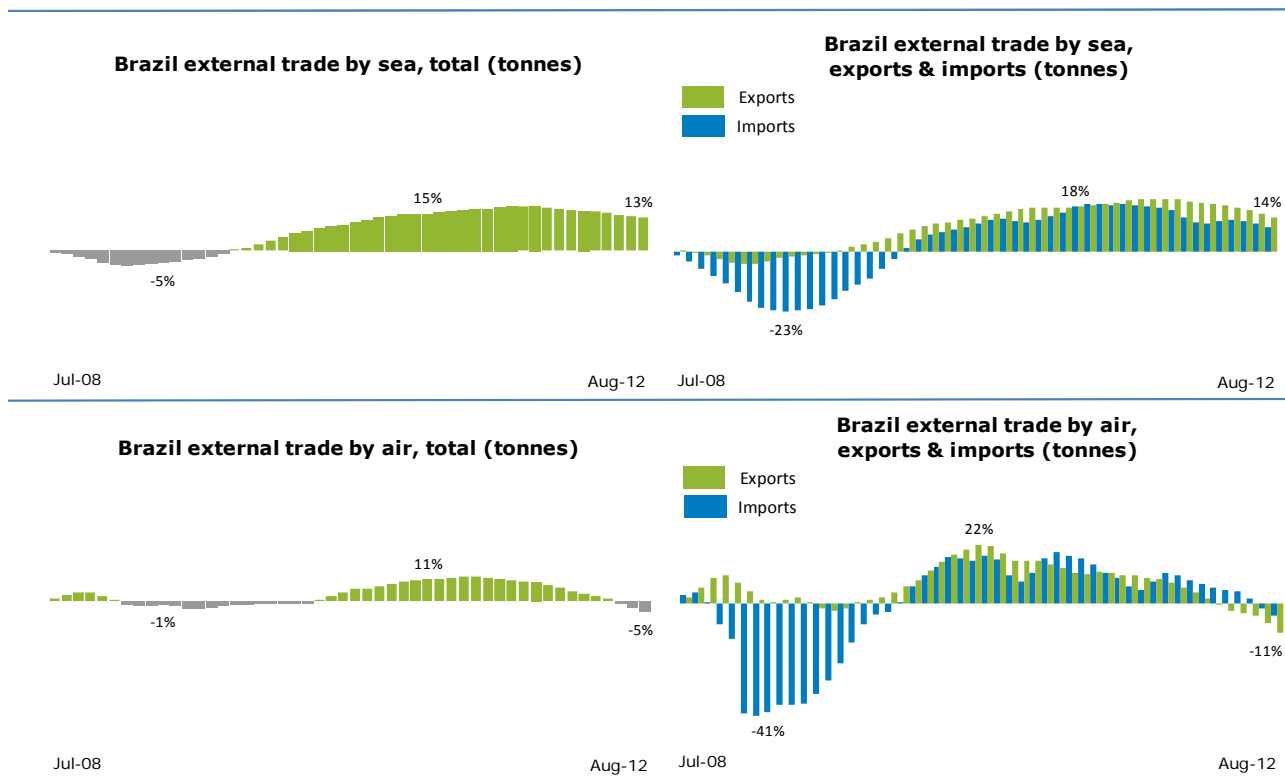
▶ **Asia: increasingly important trade partner**

almost 60% in year 2012, fuelled by Chinese demand for minerals, pulp and foodstuff. In contrast, exports by air remain insignificant. Imports from Asia accounts for 38% of Brazil's total imports by air, followed by Europe (30%) and North America (21%). The imbalance is mainly due to Brazil's exports of heavy and bulky commodities to Asia, normally transported by sea and imports of lighter and higher value-per-unit manufactured goods from Asia, more likely to be transported by air (Figures 4 – 7).

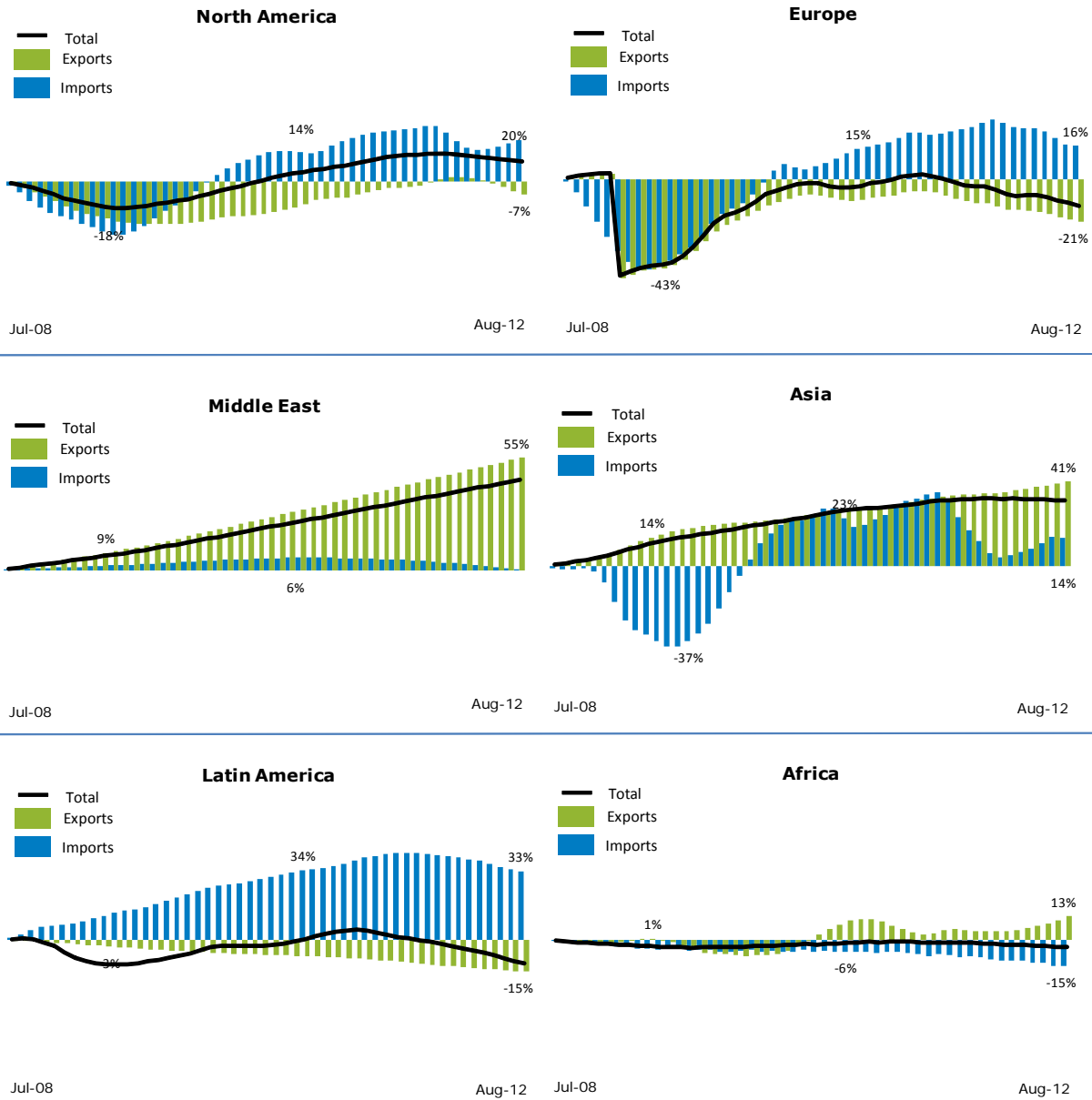
Trade by road and rail with neighboring countries continues to stagnate below pre-crisis levels. Total external trade transported by road declined to 15% below the pre-crisis peak. Both imports and exports remain weak. External trade by rail, a minor mode of transport in Brazil, declined to 38% below pre-crisis levels in August 2012, according to our preliminary seasonally adjusted data (Figure 8).

► **Weak performance in road and rail freight**

Figure 1. **Brazil total external trade, % change from pre-crisis peak Jun-08**
(Tonnes, monthly trend, seasonally adjusted)



**Figure 2. Brazil's external trade by sea,
% change from pre-crisis peak Jun-08**
(Tonnes, monthly trend, seasonally adjusted)



**Figure 3. Brazil's external trade by air,
% change from pre-crisis peak Jun-08**
(Tonnes, monthly trend, seasonally adjusted)

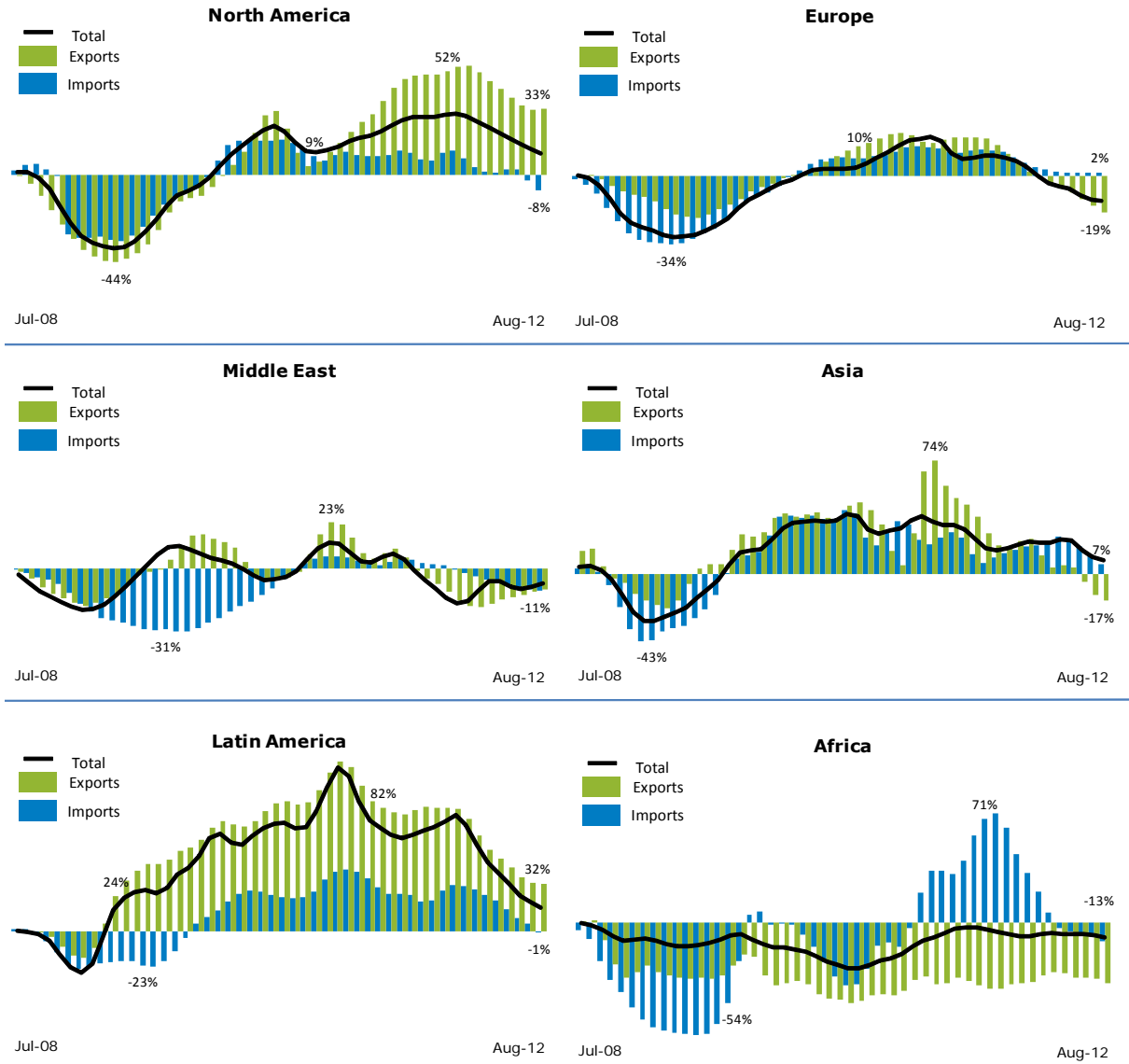


Figure 4. **Brazil external trade with major economies by sea**
(Tonnes, monthly trend, seasonally adjusted)

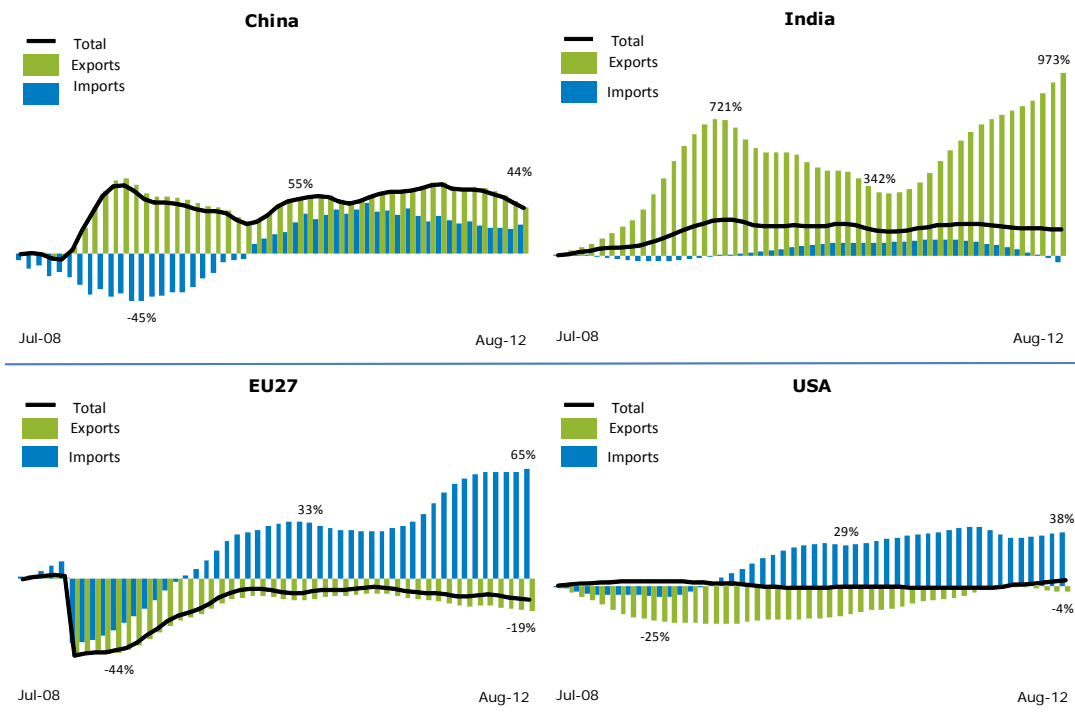
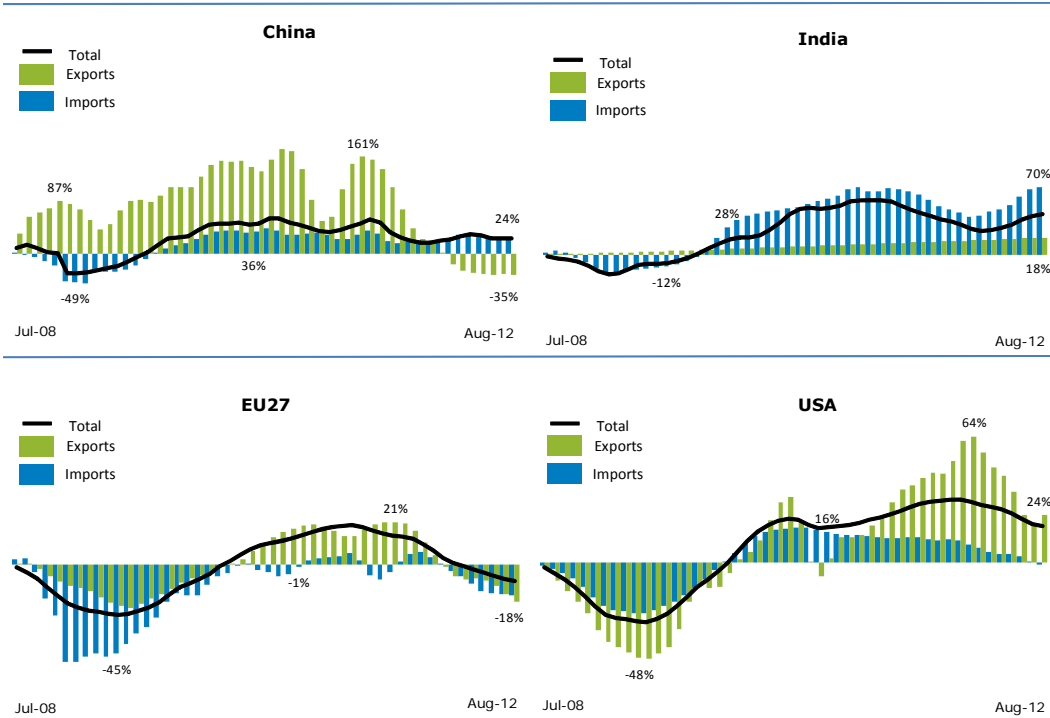
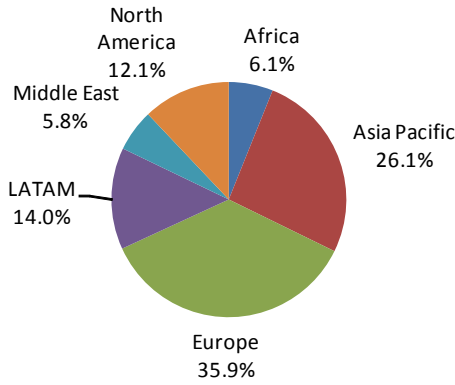


Figure 5. **Brazil external trade with major economies by air**
(Tonnes, monthly trend, seasonally adjusted)

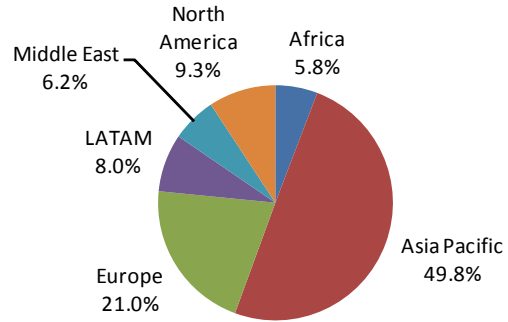


**Figure 6. Brazil external trade by sea,
Year 2000 vs. 2012 Market Change**
(Tonnes, Jan-Aug 2000 vs. Jan-Aug 2012)

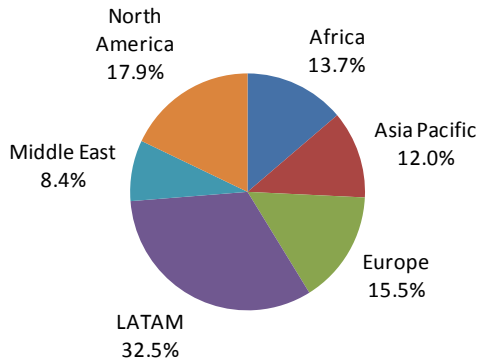
Year 2000, total external trade



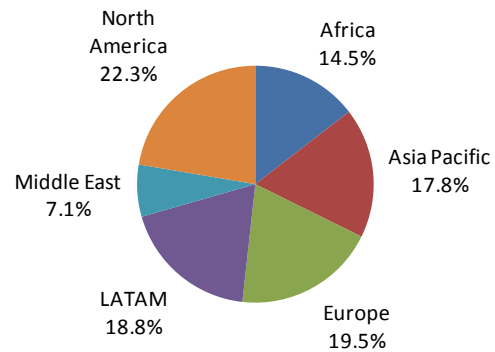
Year 2012, total external trade



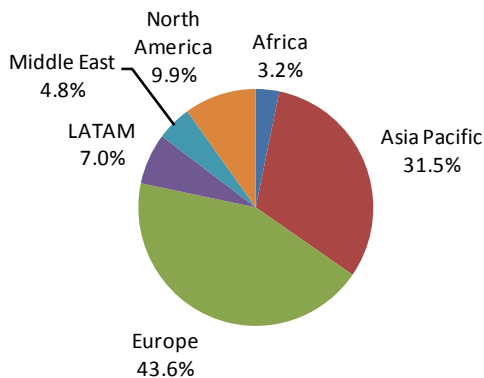
Year 2000, imports



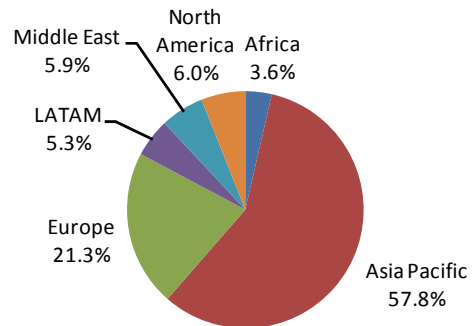
Year 2012, imports



Year 2000, exports

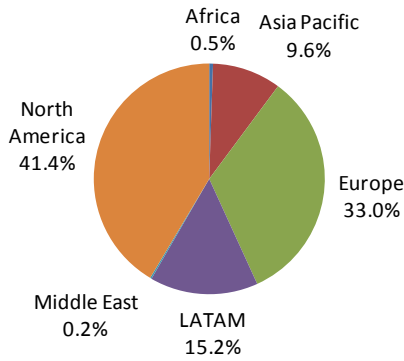


Year 2012, exports

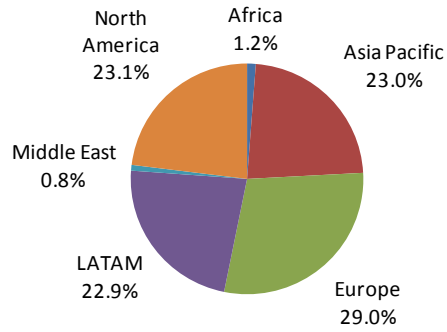


**Figure 7. Brazil external trade by air,
Year 2000 vs. 2012 Market Change**
(Tonnes, Jan-Aug 2000 vs. Jan-Aug 2012)

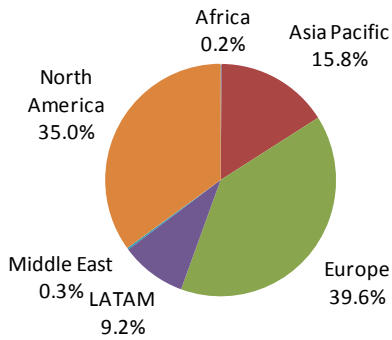
Year 2000, total external trade



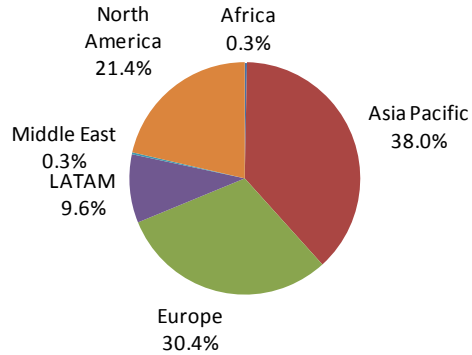
Year 2012, total external trade



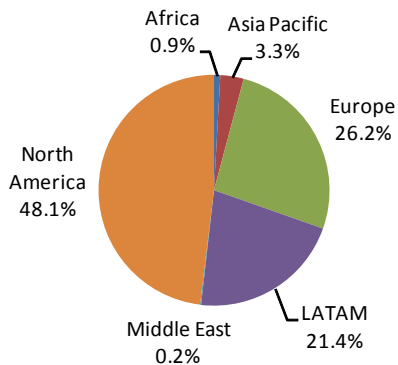
Year 2000, imports



Year 2012, imports



Year 2000, exports



Year 2012, exports

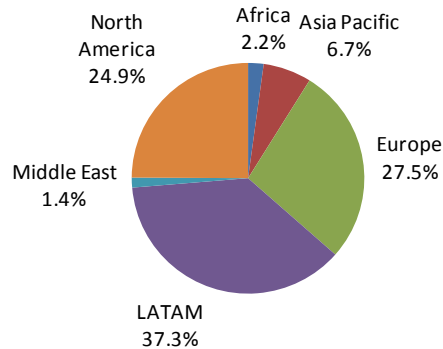
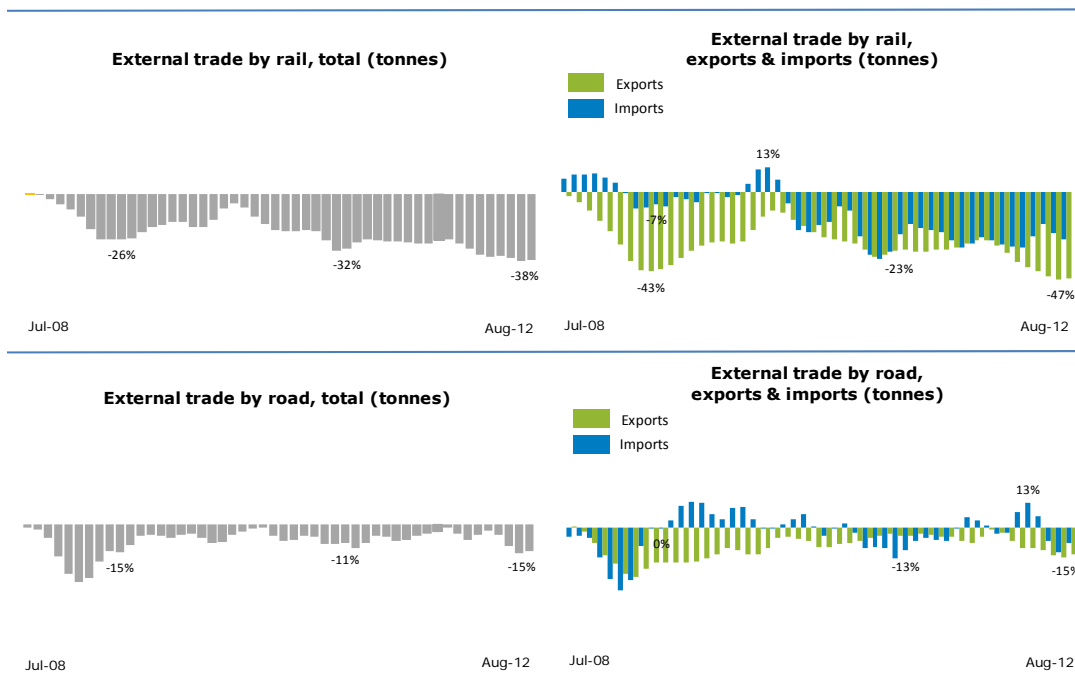


Figure 8. **Brazil external trade by surface transport**
(Tonnes, monthly trend, seasonally adjusted)



Surface transport trade data includes Brazil's external trade in tonnes with the following countries: Argentina, Bolivia, Chile, Colombia, Guyana, Paraguay, Peru, Uruguay, Venezuela.

Data source:
Brazil MDIC / Secex - General Coordination of Statistic Production

Methodological note

The International Transport Forum Statistics Brief on Global Trade and Transport presents the latest global freight transport trends based on the Global Trade and Transport Database and the ITF Quarterly Transport Statistics. These data are collected by the Secretariat through a questionnaire and from external sources, including Eurostat, US Census, Brazil MDIC/Secex and Japan Customs. National data are seasonally adjusted by the International Transport Forum Secretariat for analytical purposes.

Short-term data is normally compiled to allow timely identification of changes in any indicator and especially to identify possible turning points. However, monthly or quarterly transport statistics are often characterised by seasonal patterns. Seasonal adjustment filters out usual seasonal fluctuations that recur with similar intensity in the same season every year. Trend, in turn, excludes also other irregular factors (such as strikes and impact of weather) from a time series. A time series from which the seasonal variations have been eliminated basically allows for the comparison of data between two quarters for which seasonal patterns are different, also helping to identify turning points and the underlying direction of the change.

Seasonal adjustment is carried out with the Demetra program using the TRAMO/SEATS adjustment method. Seasonally adjusted estimates may differ from those produced by national authorities due to differences in the adjustment methodology.

For more detailed description of methodology, [click here](#).

If you would like to receive further issues of the Statistics Brief or more information, please contact: Mr Edouard Chong (edouard.chong@oecd.org) or Mr Jari Kauppila (jari.kauppila@oecd.org).

For additional information on our transport statistics, go to www.internationaltransportforum.org/statistics/shortterm/index.html