

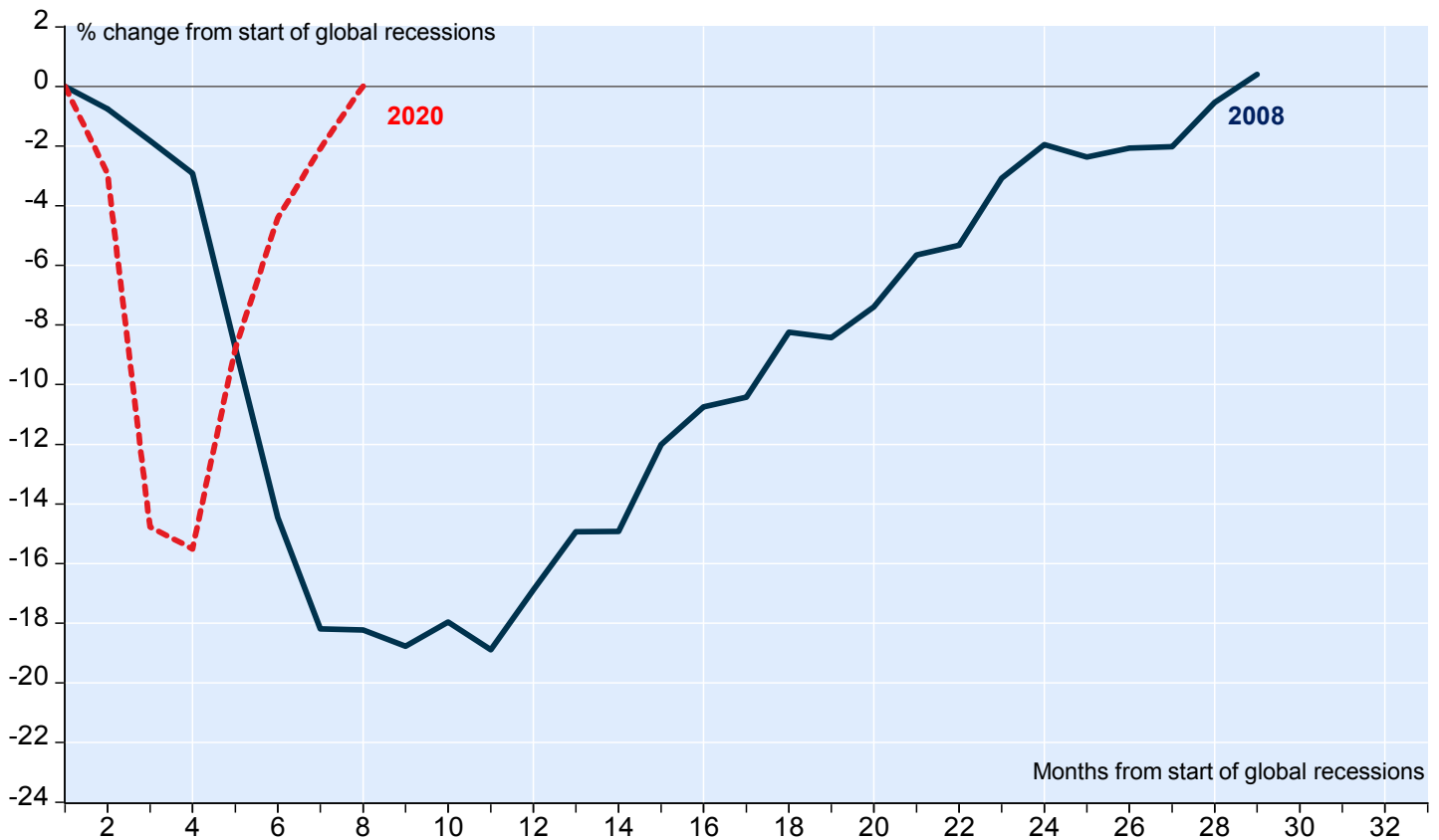
World Watch

By Matthieu Arseneau and Alexandra Ducharme

The atypical nature of this recession has been repeatedly emphasized. As discussed in our latest monthly economic monitor, one particularity of this recession is the unusual behavior of personal consumption expenditure on goods and services in advanced economies. In a "normal" recession, consumers tend to reduce their consumption of goods more than their consumption of services. In the current downturn, however, it is consumption of services that has in many cases taken a hit from shutdown measures, leaving a larger share of spending to goods. The U.S. example is unequivocal. According to data released this morning by the Bureau of Economic Analysis, real household spending on services was still down 6.8% in October compared to February level, while spending on goods was up a massive 8.4%. This spending pattern comes as positive news for economies reliant on the manufacturing sector as was suggested by data released this morning by the CPB. As today's Hot Chart shows, global trade volume in September had fully recovered from the pandemic and that only 7 months after the start of the recession. This is four times faster than the 29 months it took for commerce to recover in the wake of the 2008–2009 financial crisis.

World : Global trade has fully recovered from the pandemic

World trade volume since beginning of the recession* (2020 last observation : September)



*July 2008 and February 2020

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