

WTO warns of threat to global economy due to slowdown in China's growth

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Geneva: The World Trade Organization on Thursday revised its 2016 global trade forecast downward by more than one percentage point, warning that a slowdown in China and broad market volatility continued to threaten growth.

In September, the WTO estimated that global trade would rise by 3.9% this year, but lowered that projection to 2.8%, in an updated forecast.

"Trade is still registering positive growth, albeit at a disappointing rate," WTO director general Robert Azevedo said in a statement.

Various factors were continuing to apply downward pressure on global commerce, the Geneva-based body said.

The rout on commodities prices has shown few signs of reversing, while the full extent of the slowdown in China -- the world's top commodities consumer -- remains uncertain.

The WTO listed "a sharper-than-expected slowing in China (and) worsening financial market volatility" as factors that could further suppress global trade this year.

Â Â Â **But, the 2.8% growth forecast could prove to be an underestimate if efforts by the European Central Bank to stimulate eurozone growth are successful, the WTO said.**

The organisation predicted that global trade would tick upwards by 3.6% in 2017, on the back of increased demand for imported goods in Asia. Azevedo issued a broad warning on "the threat of creeping protectionism, as many countries continue to apply trade restrictions."

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