

16 Jun 2021 (No. of pages: 3)

Japanese report: 16 Jun 2021

May 2021 Trade Statistics

Export volume to China declines, but maintains favorability to US and EU

Economic Research Dept.
Kazuma Kishikawa

Summary

- According to May 2021 trade statistics, export value grew by +49.6% y/y, registering its second highest growth rate in the history of current statistics. Exports of motor vehicles and parts of motor vehicles, as well as iron & steel products helped push up overall performance. However, this is partly due to the fact that the same month of the previous year is right when the coronavirus crisis hit, causing a sharp decline in exports. The seasonally adjusted figure for export value shows month-to-month performance to be merely marking time. Exports to China did not move much, but whatever was lacking there was supplemented by growth in exports to the US and Europe, which had been marking time previously.
- Export volume (seasonally adjusted by DIR) suffered a decline for the first time in three months at -2.0% m/m. Looking at export volume by source of demand, overall performance suffered major downward pressure from the decline in export volume to China (-8.2%), which experienced a reactionary decline after the previous month's growth. Meanwhile, the US and EU shifted into a growth trend with the US up by +5.0%, and the EU up by +5.5%.
- As for the future of exports, the growth trend is expected to continue. Overall exports will continue to be led by China, where a high level of infrastructure investment is expected. Meanwhile, the recovery in exports to Europe is expected to pick up speed with measures restricting behavior gradually relaxing. However, the worldwide shortage in semiconductors is holding down domestic automobile production, so we must keep in mind that this could be a drag on exports.

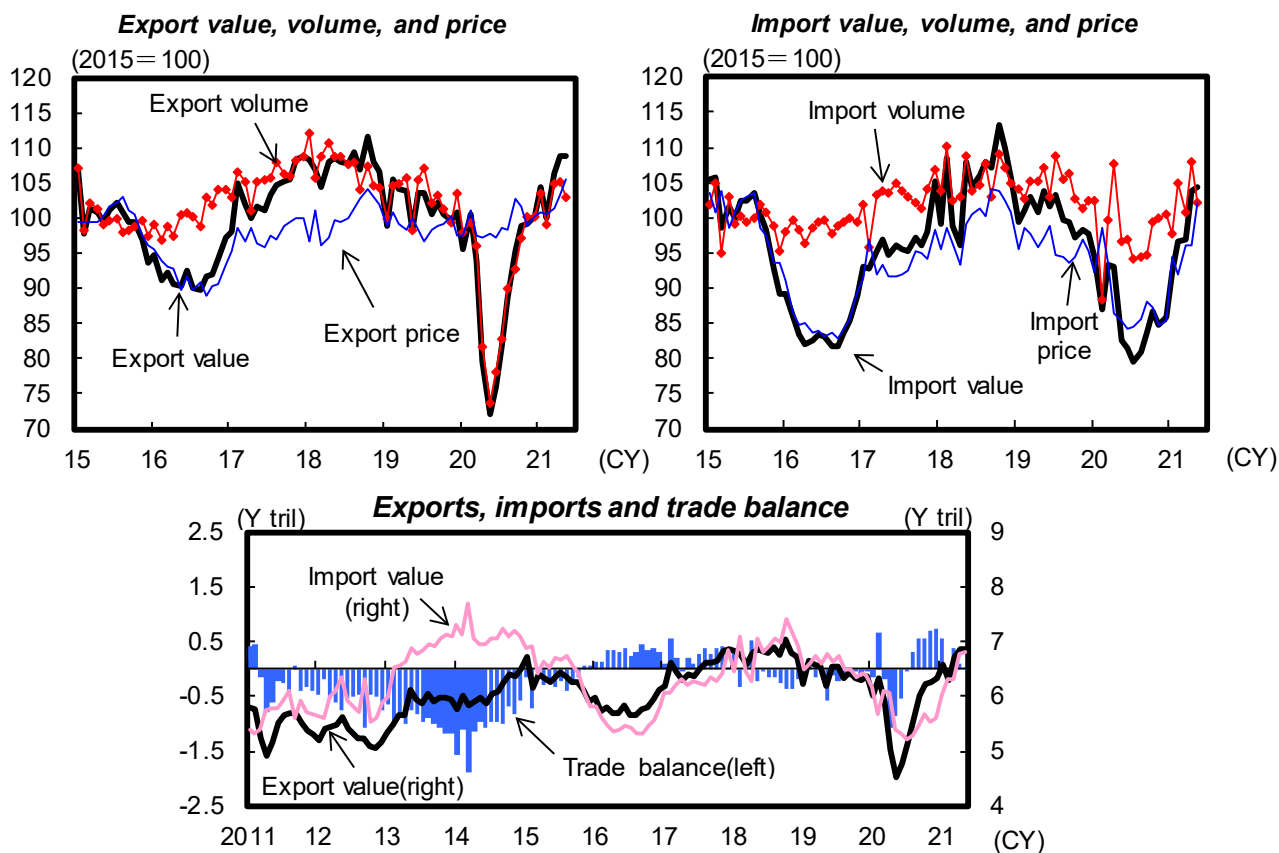
Trade Statistics **Chart 1**

	2020				2021					
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
Export value (y/y %)	-4.9	-0.2	-4.2	2.0	6.4	-4.5	16.1	38.0	49.6	
Market consensus (Bloomberg)									50.9	
DIR estimate									53.3	
Import value (y/y %)	-17.1	-13.1	-11.0	-11.5	-9.4	11.9	5.8	12.8	27.9	
Export volume (y/y %)	-7.7	-1.6	-3.9	-0.1	5.3	-4.3	12.6	28.4	38.6	
Export price (y/y %)	3.0	1.5	-0.2	2.1	1.0	-0.1	3.1	7.4	8.0	
Import volume (y/y %)	-8.1	-5.5	-2.1	-2.0	-4.1	22.0	3.9	1.2	6.9	
Import price (y/y %)	-0.0	-0.0	-9.1	-9.7	-0.0	-8.3	1.9	11.4	19.6	
Trade balance (Y100 mil)	6,674	8,582	3,558	7,447	-3,272	2,117	6,578	2,531	-1,871	
Export value (SA, m/m %)	7.5	3.7	0.3	1.3	4.1	-4.4	6.5	2.2	0.0	
Export volume (SA, m/m %)	3.0	4.8	3.0	0.0	3.4	-4.2	5.7	0.2	-2.0	
Export price (SA, m/m %)	4.4	-1.1	-2.6	1.3	0.7	-0.3	0.7	2.1	2.0	
Import value (SA, m/m %)	3.4	3.7	-2.2	1.2	7.5	4.7	0.3	7.0	0.7	
Import volume (SA, m/m %)	0.6	4.7	0.8	0.5	-2.7	7.4	-4.0	7.1	-5.3	
Import price (SA, m/m %)	2.8	-0.9	-2.9	0.8	10.5	-2.5	4.6	-0.1	6.3	
Trade balance (SA, Y100 mil)	5,512	5,688	7,104	7,228	5,619	-128	3,765	844	431	
The Japan Customs rate (yen/dlr)	105.96	105.51	104.68	104.11	103.57	104.50	107.13	109.56	108.80	

Source: Ministry of Finance, Bloomberg; compiled by DIR.

Note: Volume and price seasonally adjusted by DIR.

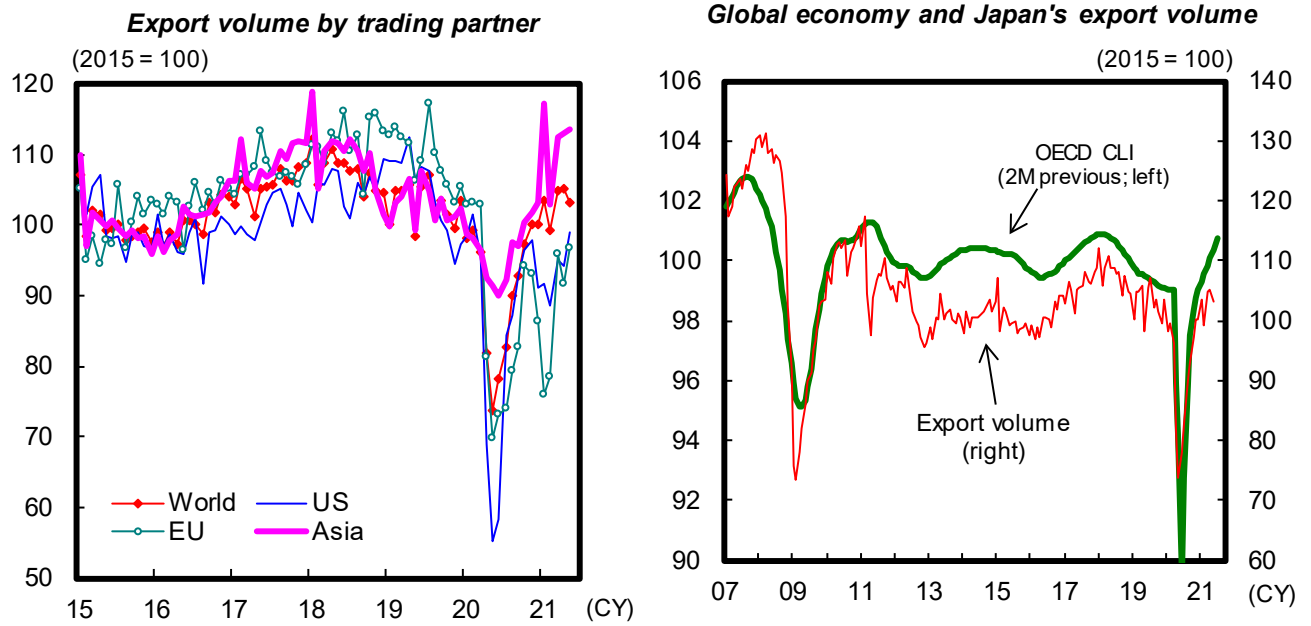
Export (Value, Volume and Price), Import (Value, Volume and Price) and Trade Balance **Chart 2**



Source: Ministry of Finance; compiled by DIR.

Note: Export volume and export price seasonally adjusted by DIR.

Export Volume by Trade Partner; Global Economy and Japan's Export Volume Chart 3



Source: Ministry of Finance; OECD; compiled by DIR.
 Notes: 1) OECD CLI (Composite Leading Indicator): OECD member and six non-member countries.
 2) Export volume seasonally adjusted by DIR.