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June 2021 Trade Statistics

Net exports suffer q/q decline in Apr-Jun period despite favorable exports to US

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Summary

- According to June 2021 trade statistics, export value grew considerably by +48.6% y/y. Despite negative factors such as weak exports to Asia, which had led overall results until now, as well as weak exports to the EU, which had been showing signs of making a comeback, overall performance was buoyed by exports to the US, where economic recovery is already on track. On the other hand, the 2021 Apr-Jun period trade balance was only a bit into the black with supply constraints in the background at +11.4 bil yen (seasonally adjusted). This is a major setback in comparison to the Jan-Mar period when the trade balance was at +911.3 bil yen.
- Export volume (seasonally adjusted by DIR) grew for the first time in two months at +2.8% m/m. Looking at export volume by source of demand, EU activity suffered a decline at -4.9%, while export volume to Asia also declined by -1.4%. Meanwhile, export volume to the US boosted overall performance, growing by +3.7%.
- As for the future of exports, the growth trend is expected to continue. Exports to China will remain at a high level against the backdrop of strong demand for infrastructure investment, and exports to Europe and the US, which had been at a standstill, will also increase. On the whole, exports are expected to maintain good performance, but it should be noted that there are risk factors here and there unique to each region, as well as the expansion of highly infectious mutant strains of COVID-19 (especially the Delta strain) and supply constraints due to the semiconductor shortage.

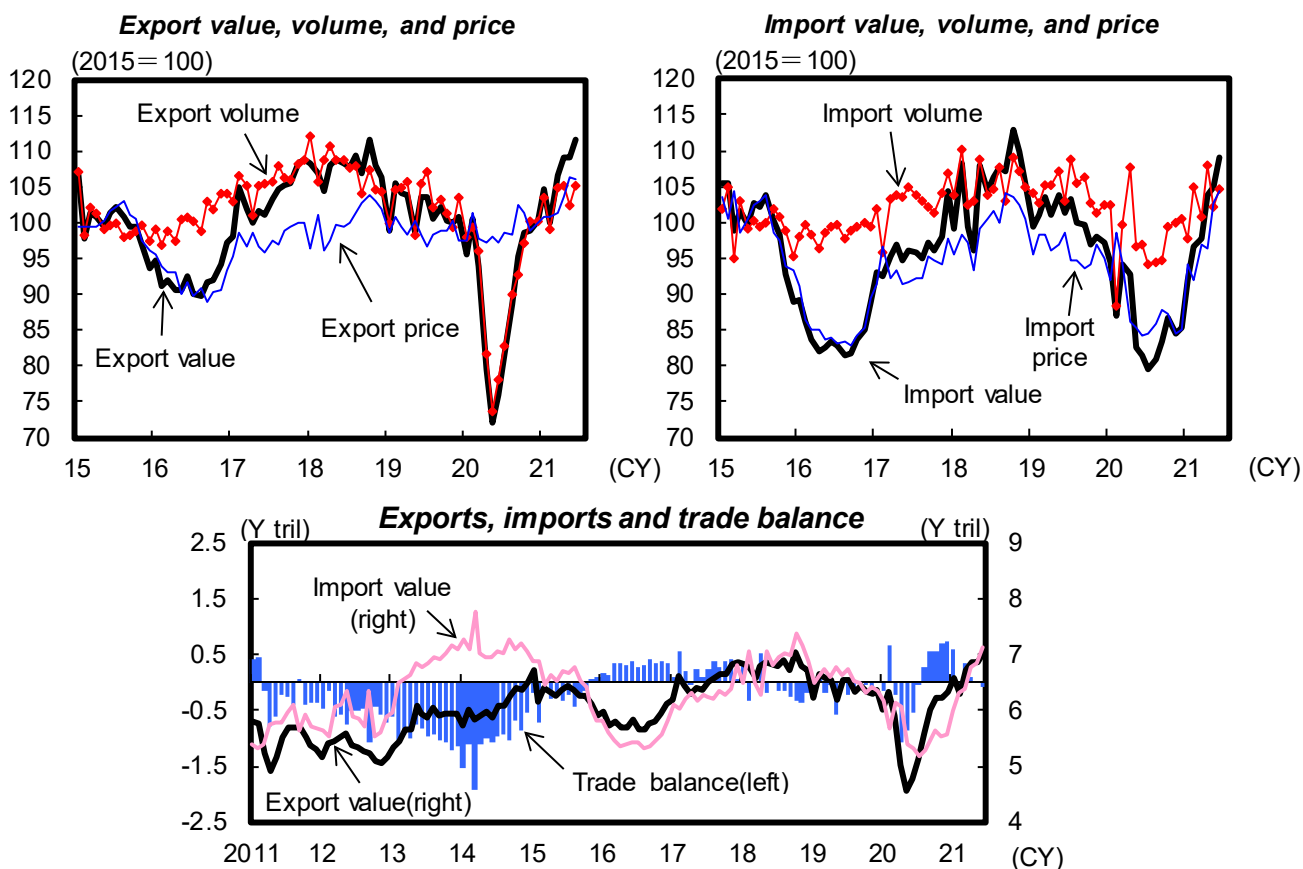
Trade Statistics **Chart 1**

	2020			2021						
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Export value (y/y %)	-0.2	-4.2	2.0	6.4	-4.5	16.1	38.0	49.6	48.6	
Market consensus (Bloomberg)									46.2	
DIR estimate									47.4	
Import value (y/y %)	-13.1	-11.0	-11.5	-9.4	11.9	5.8	12.9	27.9	32.7	
Export volume (y/y %)	-1.6	-3.9	-0.1	5.3	-4.3	12.6	28.4	38.5	37.2	
Export price (y/y %)	1.5	-0.2	2.1	1.0	-0.1	3.1	7.4	8.0	8.3	
Import volume (y/y %)	-5.5	-2.1	-2.0	-4.1	22.0	3.9	1.2	6.9	8.2	
Import price (y/y %)	-0.0	-0.0	-9.7	-5.5	-0.0	1.9	11.5	19.6	22.6	
Trade balance (Y100 mil)	8,582	3,558	7,447	-3,272	2,117	6,578	2,488	-1,894	3,832	
Export value (SA, m/m %)	3.7	0.3	1.3	4.3	-4.4	6.5	2.4	0.1	2.4	
Export volume (SA, m/m %)	4.8	3.0	0.0	3.4	-4.2	5.7	0.2	-2.6	2.8	
Export price (SA, m/m %)	-1.1	-2.6	1.3	0.8	-0.3	0.7	2.2	2.7	-0.4	
Import value (SA, m/m %)	3.9	-2.3	0.9	7.8	5.0	1.0	6.5	1.0	4.0	
Import volume (SA, m/m %)	4.7	0.8	0.5	-2.7	7.4	-4.0	7.0	-5.3	2.4	
Import price (SA, m/m %)	-0.7	-3.1	0.4	10.8	-2.2	5.3	-0.5	6.6	1.5	
Trade balance (SA, Y100 mil)	5,684	7,148	7,466	5,826	-84	3,371	819	196	-902	
The Japan Customs rate (yen/dlr)	105.51	104.68	104.11	103.57	104.50	107.13	109.56	108.80	109.50	

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

Note: Volume and price seasonally adjusted by DIR.

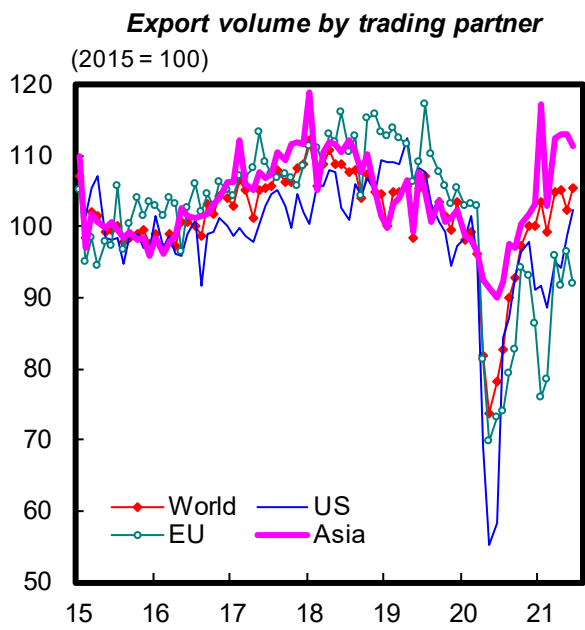
Export (Value, Volume and Price), Import (Value, Volume and Price) and Trade Balance **Chart 2**



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.