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# August 2021 Trade Statistics

## Export volume declines for second consecutive month due to supply constraints holding down motor vehicle exports

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### Summary

- According to August 2021 trade statistics, export value grew considerably by +26.2% y/y. This was due to the lagging effect of the previous year, which had begun to recover from the coronavirus crisis. Looking at August performance on a seasonally adjusted basis, export value was up just a bit in comparison to the previous month at +0.8%. While export volume declined somewhat, growth in export prices due to the rising price of materials provided an upward push to export value. Meanwhile, import value also increased growing by +44.7% y/y, with the seasonally adjusted figure at +4.6% m/m. This put the trade balance further into the red in comparison to the previous month on a seasonally adjusted basis at -271.8 bil yen.
- Export volume (seasonally adjusted by DIR) declined for the second consecutive month at -0.5% m/m. This is the first time that export volume has experienced two consecutive months of decline since April and May of 2020 when Japan's economy was hit hard by the coronavirus crisis. Looking at export volume by source of demand, the US was down by -0.2%, with the EU down by -0.5% and Asia by -1.0%.
- As for the future of exports, the moderate growth trend is expected to continue. Exports to the US and Europe will likely lead overall performance due to continued economic recovery in those regions. Meanwhile, the pace of growth in exports to China is expected to mark time in the short-term due to signs of the economic slowdown in that country. At present, the suppression of economic activity due to the spread of COVID-19 is hitting the supply chain directly. For the time being, it is necessary to pay close attention to the risk that production adjustments may cause a slowdown in exports of automobile-related goods.

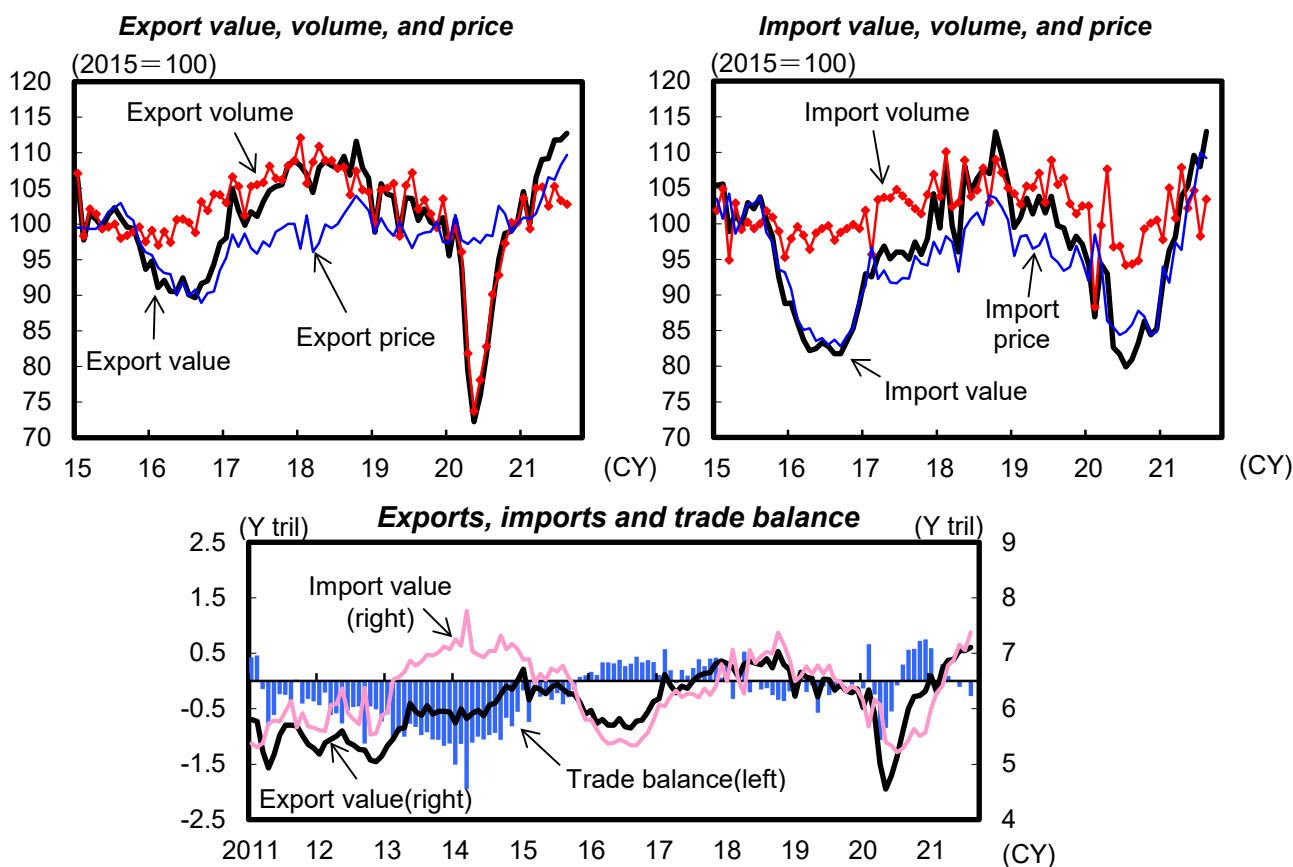
**Trade Statistics** **Chart 1**

	2020	2021							
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Export value (y/y %)	2.0	6.4	-4.5	16.1	38.0	49.6	48.6	37.0	26.2
Market consensus (Bloomberg)									34.1
DIR estimate									35.8
Import value (y/y %)	-11.5	-9.4	11.9	5.8	12.9	28.0	32.8	28.5	44.7
Export volume (y/y %)	-0.1	5.3	-4.3	12.6	28.4	38.5	37.2	25.2	13.7
Export price (y/y %)	2.1	1.0	-0.1	3.1	7.4	8.0	8.3	9.5	11.1
Import volume (y/y %)	-2.0	-4.1	22.0	3.9	1.2	6.9	8.2	2.1	14.4
Import price (y/y %)	-0.0	-0.0	-8.3	1.9	-0.0	19.7	22.7	25.9	26.4
Trade balance (Y100 mil)	7,447	-3,272	2,117	6,578	2,488	-1,934	3,789	4,394	-6,354
Export value (SA, m/m %)	1.3	4.3	-4.3	6.5	2.4	0.1	2.4	-0.0	0.8
Export volume (SA, m/m %)	0.0	3.4	-4.2	5.7	0.2	-2.6	2.7	-1.9	-0.5
Export price (SA, m/m %)	1.3	0.9	-0.2	0.7	2.2	2.8	-0.3	1.9	1.3
Import value (SA, m/m %)	1.0	7.7	4.8	1.9	5.9	1.4	4.1	-1.4	4.6
Import volume (SA, m/m %)	0.5	-2.7	7.4	-4.0	7.0	-5.3	2.4	-6.1	5.3
Import price (SA, m/m %)	0.5	10.8	-2.4	6.2	-1.1	7.0	1.6	5.0	-0.7
Trade balance (SA, Y100 mil)	7,501	5,889	131	3,060	896	48	-1,092	-59	-2,718
The Japan Customs rate (yen/dlr)	104.11	103.57	104.50	107.13	109.56	108.80	109.50	110.55	109.89

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

Note: Volume and price seasonally adjusted by DIR.

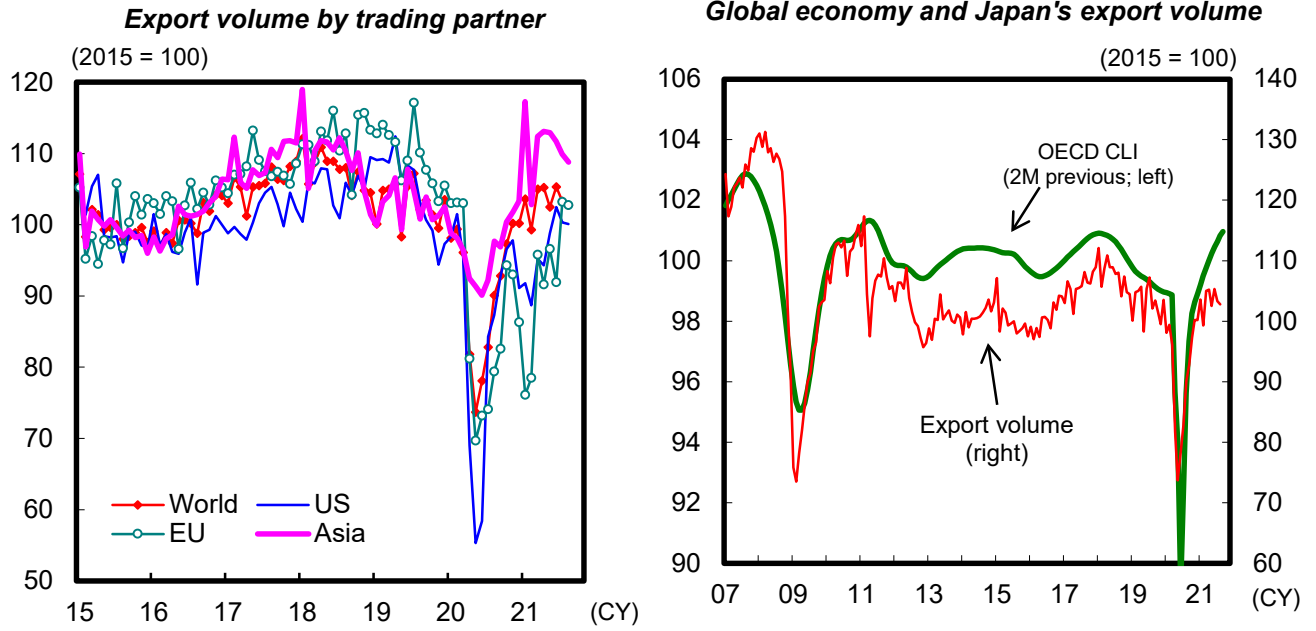
**Export (Value, Volume and Price), Import (Value, Volume and Price) and Trade Balance** **Chart 2**



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.