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October 2021 Trade Statistics

Motor vehicle exports show signs of recovery, but growth trend is weak due to semiconductor shortage

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Summary

- According to October 2021 trade statistics, export value grew for the eighth consecutive month by +9.4% y/y. However, the pace of growth continues to be dull. Motor vehicle exports have gotten back on their feet, growing for the second consecutive month at +2.7% m/m in seasonally adjusted terms. However, growth in motor vehicle exports in October did not quite make up for the sharp decline experienced in September. Meanwhile, import value continued major growth at +26.7% y/y, buoyed by the rising price of energy components. Growth was +0.3% m/m in seasonally adjusted terms, and import value continues at a high level. In response, the trade balance was in the red to the tune of -67.4 bil yen, with the seasonally adjusted value at -444.7 bil yen, its sixth consecutive month of negative results.
- Export volume (seasonally adjusted by DIR) grew for the first time in four months at +2.5% m/m. Looking at export volume by source of demand, the US shifted into a growth trend at +10.1%, along with the EU at +4.5%, while Asia declined for the sixth consecutive month at -1.7%.
- As for the future of exports, moderate growth is expected. Lockdowns such as in Vietnam and Malaysia continuing until September caused difficulties in procuring parts for industrial products, as well as a shortage in semiconductors, becoming a factor in the decline in exports from Japan. The situation has been improving recently, and recovery exports are expected in the future centering on motor vehicles. However, the worldwide shortage in semiconductors continues, hence it is difficult to expect a sharp recovery in production. Export value is expected to recover gradually as supply constraints are moderated.

Trade Statistics

Chart 1

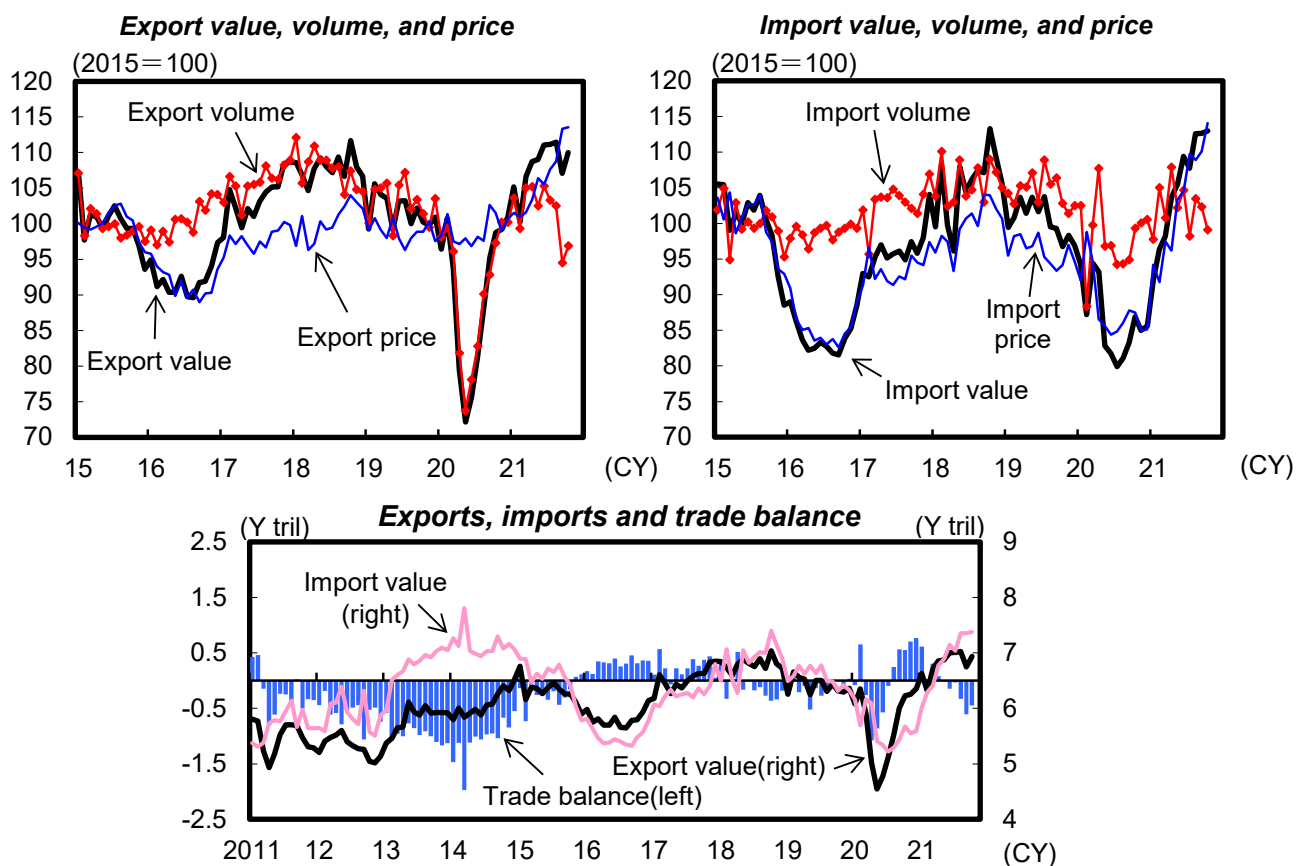
	2021								
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Export value (y/y %)	-4.5	16.1	38.0	49.6	48.6	37.0	26.2	13.0	9.4
Market consensus (Bloomberg)									10.3
DIR estimate									8.7
Import value (y/y %)	11.8	5.7	12.7	27.7	32.5	28.1	44.5	38.2	26.7
Export volume (y/y %)	-4.4	12.6	28.4	38.5	37.1	25.2	13.7	3.2	-2.6
Export price (y/y %)	-0.1	3.1	7.4	8.0	8.4	9.5	11.0	9.5	12.3
Import volume (y/y %)	22.0	3.9	1.2	6.8	8.2	2.0	14.5	7.5	-3.0
Import price (y/y %)	-0.0	-0.0	11.4	19.5	-0.0	25.6	26.2	28.6	30.6
Trade balance (Y100 mil)	2,117	6,578	2,488	-1,934	3,789	4,358	-6,431	-6,241	-674
Export value (SA, m/m %)	-4.7	6.4	2.0	0.3	1.9	0.1	0.3	-3.9	2.7
Export volume (SA, m/m %)	-4.2	5.7	0.2	-2.6	2.7	-1.9	-0.8	-7.8	2.5
Export price (SA, m/m %)	-0.5	0.6	1.8	2.9	-0.8	2.0	1.1	4.2	0.2
Import value (SA, m/m %)	4.7	1.9	5.6	1.7	3.7	-1.5	4.5	0.0	0.3
Import volume (SA, m/m %)	7.4	-4.0	7.0	-5.3	2.4	-6.2	5.3	-1.1	-3.2
Import price (SA, m/m %)	-2.6	6.2	-1.3	7.4	1.2	4.9	-0.8	1.1	3.6
Trade balance (SA, Y100 mil)	264	3,080	797	-185	-1,454	-302	-3,290	-6,055	-4,447
The Japan Customs rate (yen/dlr)	104.50	107.13	109.56	108.80	109.50	110.55	109.89	109.87	111.42

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

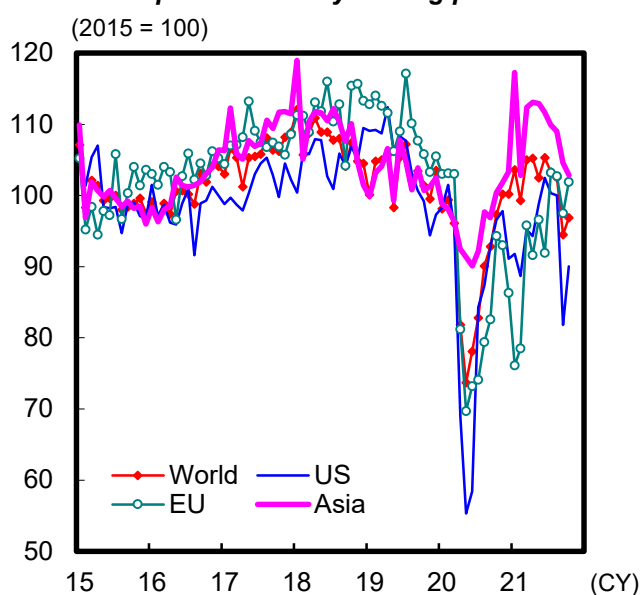
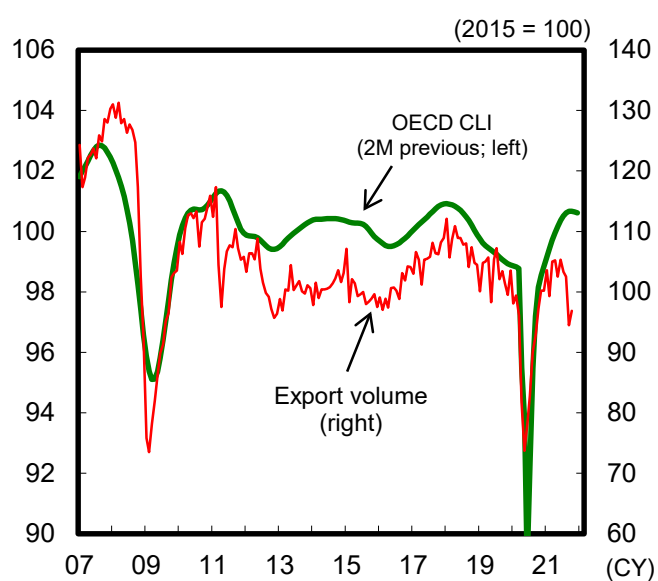


Source: Ministry of Finance; compiled by DIR.

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

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

Chart 3

Export volume by trading partner**Global economy and Japan's export volume**

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.