

20 January 2022 (No. of pages: 3)

Japanese report: 20 Jan 2022

# December 2021 Trade Statistics

**With slow recovery in export volume, contribution of overseas demand during Oct-Dec period of 2021 hovers around zero**

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## Summary

- According to December 2021 trade statistics, export value grew for the tenth consecutive month at +17.5% y/y. Meanwhile, in seasonally adjusted terms, export value declined for the first time in three months at -0.2% m/m. Growth in export prices provided underlying support for export value, but the decline in export volume exceeded that amount. As for import value, major growth continued at +41.1% y/y. The trade balance (seasonally adjusted value) was in the red for the eighth consecutive month at -435.3 bil yen. Meanwhile, the trade balance for the Oct-Dec period of 2021 grew substantially at -1,327 bil yen in comparison to the -927.8 bil yen recorded during the Jul-Sep period. However, on a volume basis, both exports and imports exhibited similar growth rates, hence contribution of overseas demand to the real GDP growth rate during the Oct-Dec period is expected to be at around zero.
- Export volume (seasonally adjusted by DIR) declined for the first time in three months at -2.2% m/m. Looking at export volume by source of demand, exports to the US maintained favorable performance at +2.2%, while the EU at -4.6% and Asia at -3.3% shifted into a decline, bringing overall performance down.
- As for the future of exports, moderate growth is expected. Recovery export is expected to continue to progress in motor vehicles, a major component, centering on exports to the US. However, it is important to note that the worldwide spread of the Omicron variant of COVID-19 is likely to reduce consumption opportunities in many countries, posing a downside risk to exports from Japan.

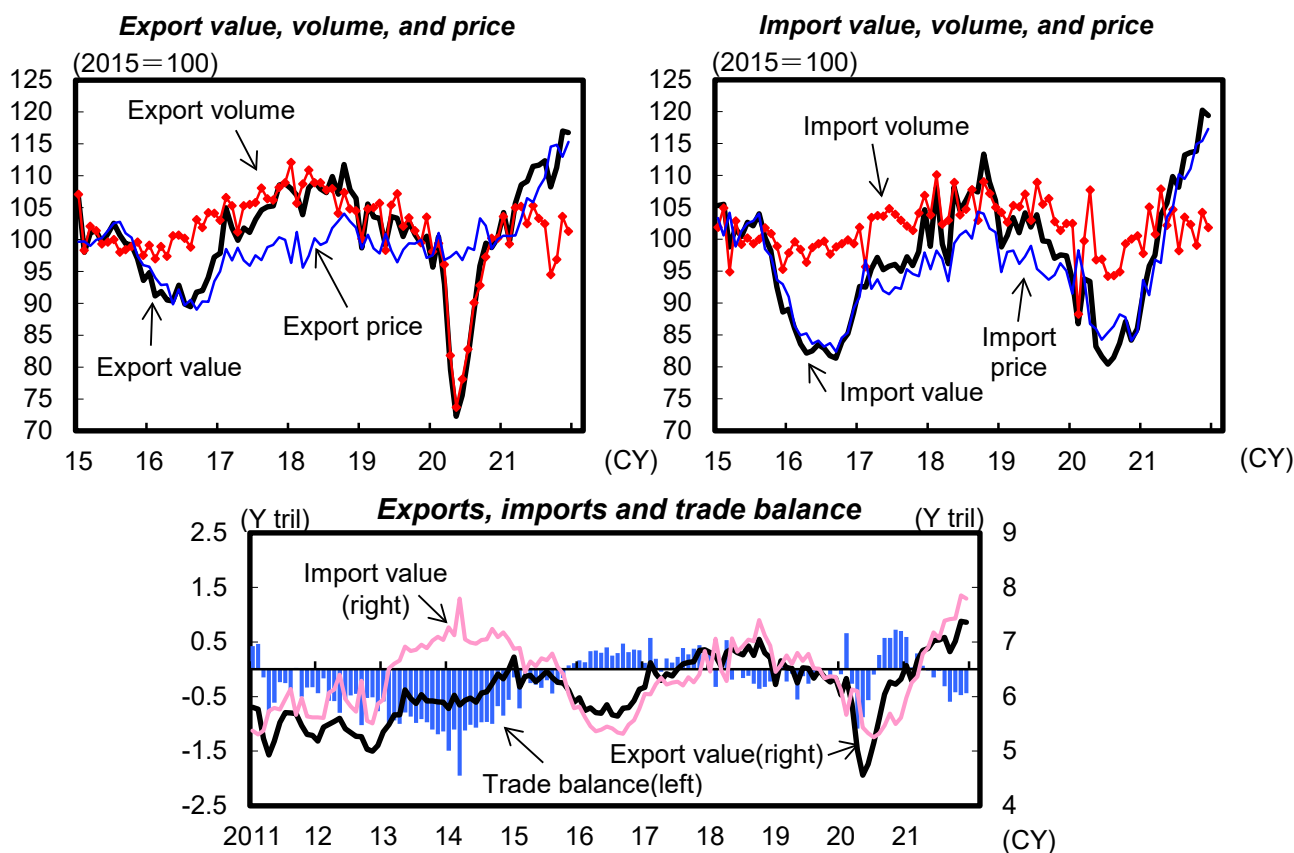
**Trade Statistics** **Chart 1**

	2021									
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Export value (y/y %)	38.0	49.6	48.6	37.0	26.2	13.0	9.4	20.5	17.5	
Market consensus (Bloomberg)									15.9	
DIR estimate									16.2	
Import value (y/y %)	12.7	27.7	32.5	28.1	44.5	38.3	26.8	43.8	41.1	
Export volume (y/y %)	28.4	38.5	37.1	25.2	13.7	3.2	-2.6	4.7	2.0	
Export price (y/y %)	7.4	8.0	8.4	9.5	11.0	9.5	12.3	15.1	15.2	
Import volume (y/y %)	1.2	6.8	8.2	2.0	14.5	7.5	-3.0	6.1	1.0	
Import price (y/y %)	-0.0	-0.0	22.5	25.6	-0.0	28.7	30.8	35.6	39.7	
Trade balance (Y100 mil)	2,488	-1,934	3,789	4,358	-6,431	-6,296	-739	-9,556	-5,824	
Export value (SA, m/m %)	2.8	0.5	2.1	0.2	0.7	-3.7	2.8	5.2	-0.2	
Export volume (SA, m/m %)	0.2	-2.6	2.7	-1.9	-0.8	-7.8	2.5	6.9	-2.2	
Export price (SA, m/m %)	2.6	3.2	-0.6	2.1	1.4	4.5	0.3	-1.6	2.0	
Import value (SA, m/m %)	6.5	1.8	4.0	-1.5	4.7	0.3	0.2	5.6	-0.7	
Import volume (SA, m/m %)	7.0	-5.3	2.4	-6.2	5.3	-1.1	-3.2	5.2	-2.3	
Import price (SA, m/m %)	-0.5	7.4	1.5	4.9	-0.6	1.4	3.5	0.4	1.6	
Trade balance (SA, Y100 mil)	653	-199	-1,474	-251	-3,081	-5,946	-4,178	-4,739	-4,353	
The Japan Customs rate (yen/dlr)	109.56	108.80	109.50	110.55	109.89	109.87	111.42	113.95	113.95	

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**

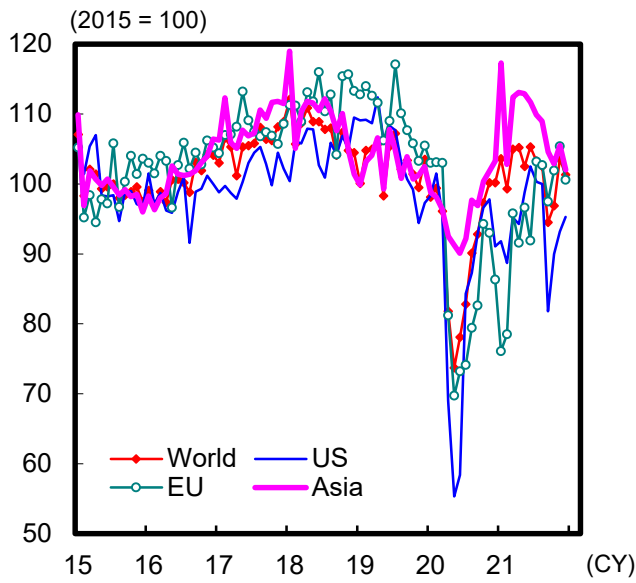


Source: Ministry of Finance; compiled by DIR.

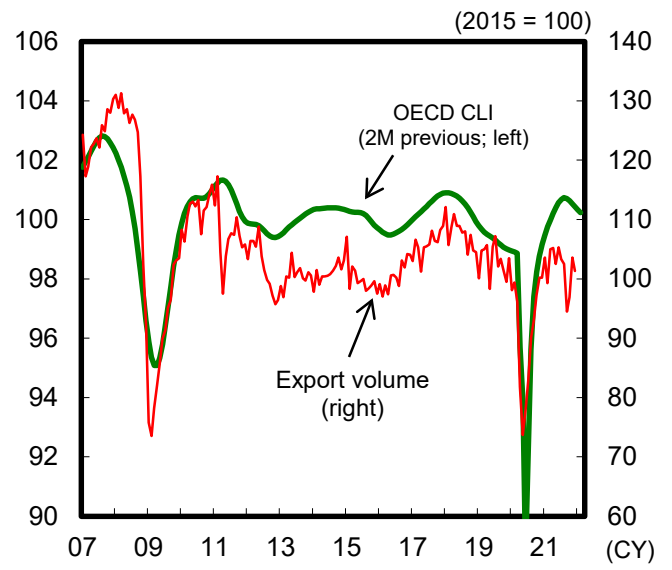
Note: Export volume and export price seasonally adjusted by DIR.

**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.