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# January 2022 Trade Statistics

## Trade deficit sees sharp rise due to growth in imports of vaccines

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### Summary

- According to January 2022 trade statistics, export value grew for the eleventh consecutive month at +9.6% y/y, while at the same time falling below market consensus at +17.1%. It is thought that this was due to domestic production cuts on the part of multiple motor vehicle manufacturers during the latter part of January. As for import value, major growth continued at +39.6% y/y due to highs in energy prices and other resources. Meanwhile, growth in imports of COVID-19 vaccines brought major upward pressure on import volume. As a result, the trade balance fell more deeply in the red than it has for eight years, at -2191.1 bil yen. In seasonally adjusted terms as well, the extent of the trade deficit was larger than it has been since exports fell sharply due to the Corona Crisis in April 2020, hitting -932.6 bil yen.
- Export volume (seasonally adjusted by DIR) declined for the second consecutive month at -0.4% m/m. Looking at export volume by source of demand, exports to the US brought overall performance down at -4.1% due to auto-related goods, while the EU was at +8.6% and Asia at +4.9%, both shifting into growth. Exports to Asia may have experienced front-loading in preparation for the February Chinese New Year celebrations.
- As for the future of exports, moderate growth is expected. The number of new infections per day in the US and Europe appears about to peak out, the opportunity to consume is expected to grow as consumer turn-out recovers. However, the semiconductor shortage is expected to continue through the second half of 2022, holding down growth in production of motor vehicles and other goods. The pace of growth in exports is therefore expected to be moderate.

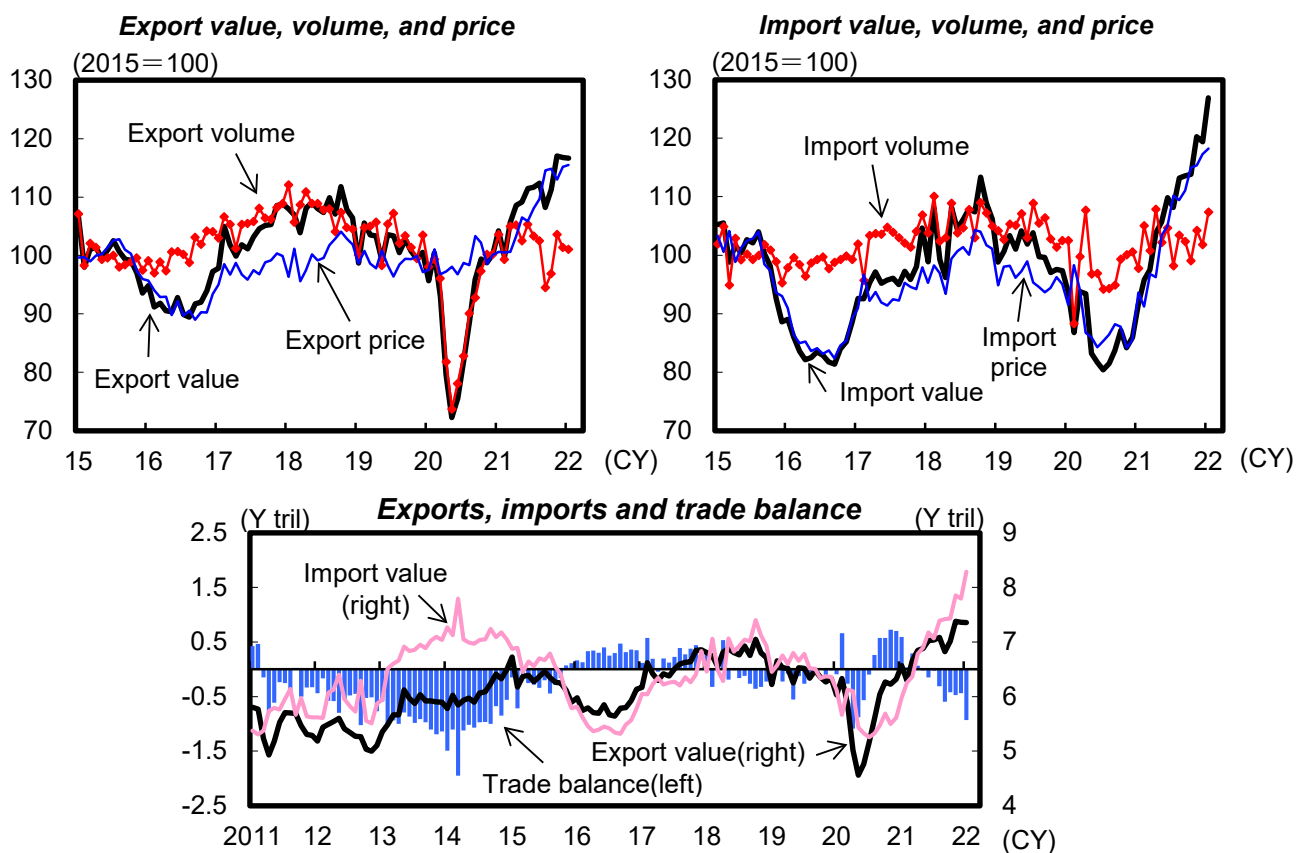
**Trade Statistics** **Chart 1**

	2021									2022
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Export value (y/y %)	49.6	48.6	37.0	26.2	13.0	9.4	20.5	17.5	9.6	
Market consensus (Bloomberg)									17.1	
DIR estimate									17.9	
Import value (y/y %)	27.7	32.5	28.1	44.5	38.3	26.8	43.9	41.1	39.6	
Export volume (y/y %)	38.5	37.1	25.2	13.7	3.2	-2.6	4.7	2.0	-3.9	
Export price (y/y %)	8.0	8.4	9.5	11.0	9.5	12.3	15.1	15.2	14.0	
Import volume (y/y %)	6.8	8.2	2.0	14.5	7.5	-3.0	6.1	1.0	4.9	
Import price (y/y %)	-0.0	-0.0	25.6	26.2	-0.0	30.8	35.6	39.7	33.1	
Trade balance (Y100 mil)	-1,934	3,789	4,358	-6,431	-6,296	-739	-9,584	-5,833	-21,911	
Export value (SA, m/m %)	0.5	2.1	0.2	0.7	-3.7	2.8	5.2	-0.2	-0.1	
Export volume (SA, m/m %)	-2.6	2.7	-1.9	-0.8	-7.8	2.5	6.9	-2.1	-0.4	
Export price (SA, m/m %)	3.2	-0.6	2.1	1.4	4.5	0.3	-1.6	1.9	0.2	
Import value (SA, m/m %)	1.8	4.0	-1.5	4.7	0.3	0.2	5.6	-0.7	6.3	
Import volume (SA, m/m %)	-5.3	2.4	-6.2	5.3	-1.1	-3.2	5.2	-2.3	5.4	
Import price (SA, m/m %)	7.4	1.5	4.9	-0.6	1.4	3.5	0.4	1.6	0.8	
Trade balance (SA, Y100 mil)	-199	-1,474	-251	-3,081	-5,946	-4,178	-4,739	-4,353	-9,326	
The Japan Customs rate (yen/dlr)	108.80	109.50	110.55	109.89	109.87	111.42	113.95	113.95	114.82	

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**

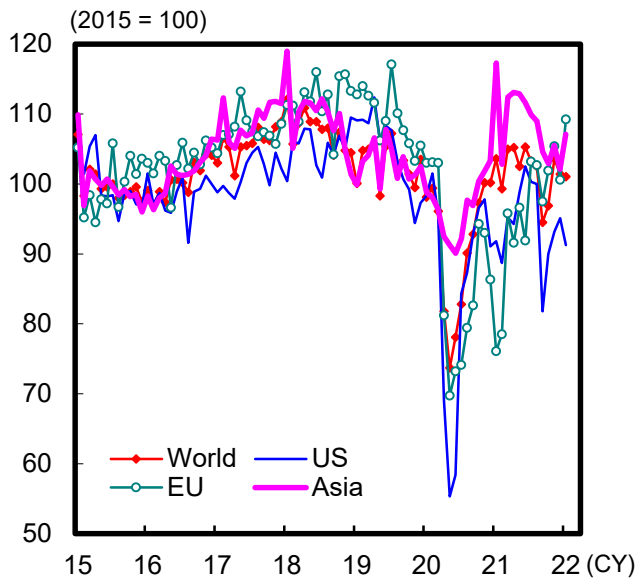


Source: Ministry of Finance; compiled by DIR.

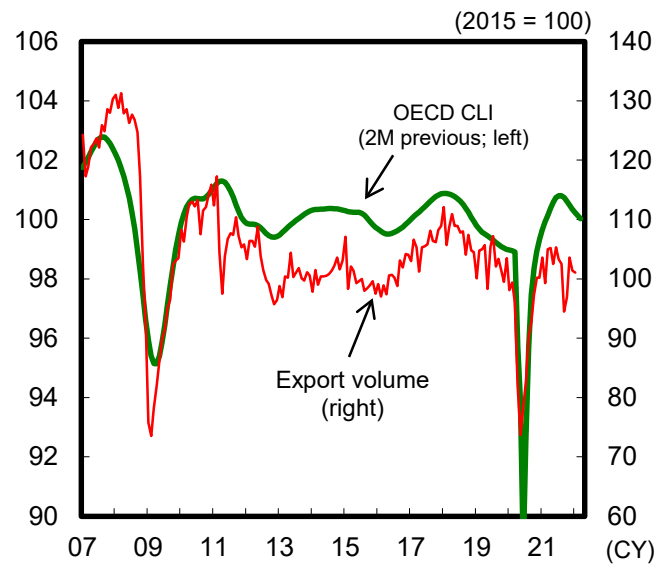
Note: Export volume and export price seasonally adjusted by DIR.

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.