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March 2022 Trade Statistics

Exports continue to mark time due to semiconductor shortage and other factors

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Summary

- According to March 2022 trade statistics, export value grew for the thirteenth consecutive month at +14.7% y/y, while at the same time falling below market consensus at +17.3%. As for import value, major growth continued at +31.2% y/y due to highs in energy prices and other imports. As a result, the trade balance was in the red at -412.4 bil yen (-899.8 bil yen in seasonally adjusted terms). The contribution of overseas demand to real GDP growth during the Jan-Mar period of 2022 is seen as having shifted into the negative due to growth of imports, including COVID-19 vaccines and other goods.
- Export volume in March (seasonally adjusted by DIR) grew by a small margin for the second consecutive month at +0.8% m/m. Looking at export volume by source of demand, exports to the US grew by +14.7%, with the EU growing sharply at +20.8%, but Asia suffered a decline at -5.7%.
- Exports are expected to continue marking time in the future. Growth in the number of new COVID-19 infections in China is expected to continue, while there is growth in the sense of uncertainty regarding high inflation in the US and Europe, and the effects of Russia's invasion of Ukraine. All regions of the world face uncertainties, and situations which make it difficult for Japanese imports to achieve growth are likely to continue. As for the Ukraine crisis, rather than the decline in exports to Russia, the decline in imports with a high level of dependency on Russia are more likely to cause problems. Therefore, the possibility of indirect impact on the supply chains of key domestic industries should be closely watched.

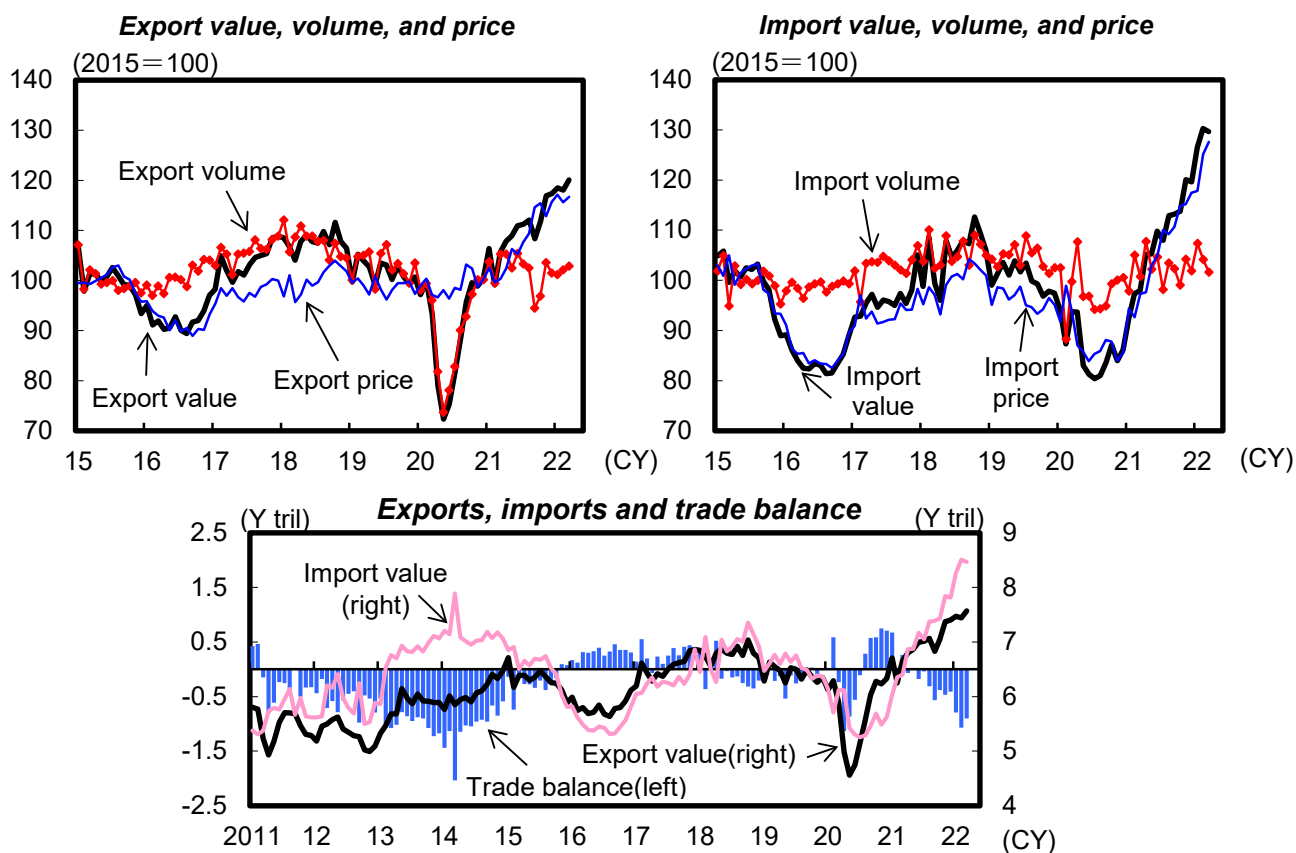
Trade Statistics **Chart 1**

	2021						2022		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Export value (y/y %)	37.0	26.2	13.0	9.4	20.5	17.5	9.6	19.1	14.7
Market consensus (Bloomberg)									17.3
DIR estimate									18.3
Import value (y/y %)	28.1	44.7	38.4	26.8	43.8	41.2	38.8	34.1	31.2
Export volume (y/y %)	25.2	13.7	3.2	-2.6	4.7	2.0	-4.0	2.7	-1.5
Export price (y/y %)	9.5	11.0	9.5	12.3	15.1	15.2	14.1	15.9	16.4
Import volume (y/y %)	2.0	14.5	7.5	-3.0	6.1	1.0	4.8	-0.9	0.0
Import price (y/y %)	-0.0	-0.0	28.8	30.8	-0.0	39.8	32.4	35.2	31.2
Trade balance (Y100 mil)	4,345	-6,534	-6,369	-750	-9,569	-5,889	-21,994	-6,697	-4,124
Export value (SA, m/m %)	0.2	0.8	-3.4	3.2	4.5	0.4	0.9	-0.4	1.7
Export volume (SA, m/m %)	-2.0	-0.8	-7.8	2.5	6.9	-2.0	-0.3	0.9	0.8
Export price (SA, m/m %)	2.3	1.6	4.8	0.7	-2.2	2.5	1.2	-1.3	0.9
Import value (SA, m/m %)	-1.6	4.6	0.2	0.5	5.5	-0.4	5.8	3.0	-0.5
Import volume (SA, m/m %)	-6.3	5.4	-1.1	-3.2	5.2	-2.3	5.4	-3.0	-2.4
Import price (SA, m/m %)	4.9	-0.8	1.3	3.8	0.3	1.9	0.4	6.1	2.0
Trade balance (SA, Y100 mil)	-394	-3,083	-5,642	-3,783	-4,689	-4,105	-7,921	-10,666	-8,998
The Japan Customs rate (yen/dlr)	110.55	109.89	109.87	111.42	113.95	113.95	114.82	114.84	115.86

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**

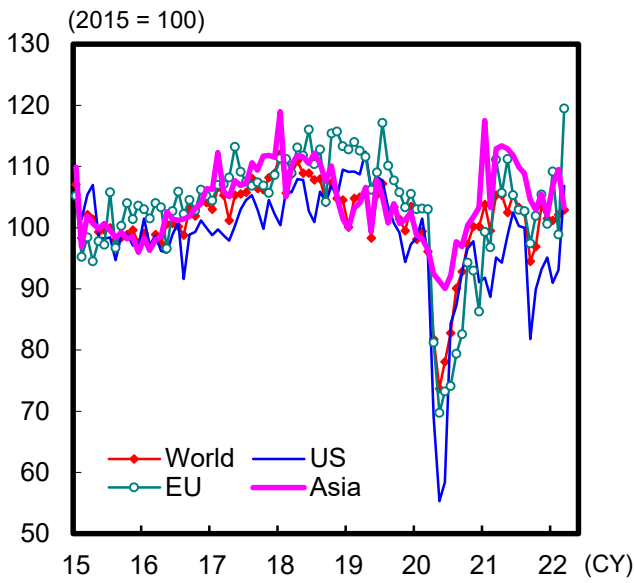


Source: Ministry of Finance; compiled by DIR.

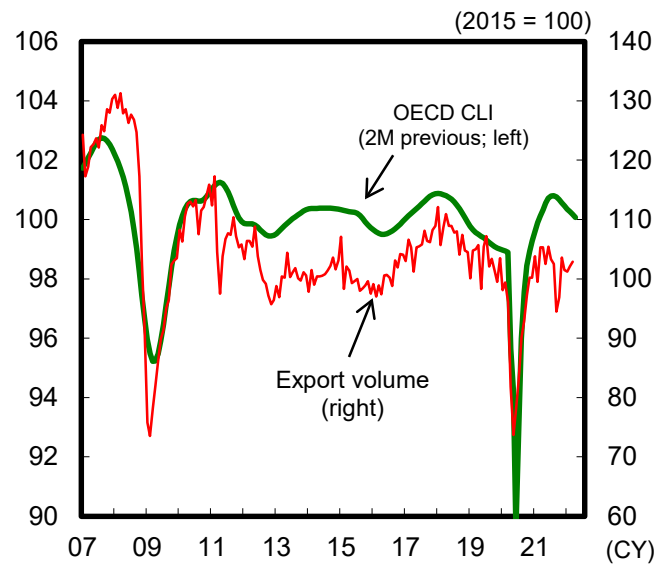
Note: Export volume and export price seasonally adjusted by DIR.

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.