

19 May 2022 (No. of pages: 3)

Japanese report: 19 May 2022

April 2022 Trade Statistics

China exports a drag on export value and export volume

Economic Research Dept.
Kazuma Kishikawa

Summary

- According to April 2022 trade statistics, export value grew for the fourteenth consecutive month at +12.5% y/y, while at the same time falling below market consensus at +13.9%. As for import value, major growth continued at +28.2% y/y due to highs in energy prices and other imports. As a result, the trade balance hit -839.2 bil yen, or -1,618.9 bil yen in seasonally adjusted terms. This is the second largest trade deficit Japan has experienced since May 2012.
- Export volume in April (seasonally adjusted by DIR) suffered a decline for the first time in three months at -2.5% m/m. Looking at export volume by source of demand, exports to the US were down by -4.4%, with the EU down by -4.0%. This may be partly due to a reactionary decline in comparison to the sharp growth seen recently. In contrast, export volume to Asia shifted into growth at +0.8%. However, the exception was in exports to China, which suffered a major decline for the first time in two months.
- Export volume is expected to continue marking time in the future. The strict Zero-COVID policy in China is expected to continue for the time being, and this will cause Japan's exports to China to continue to be sluggish. Recovery in Japan's exports will depend on how China does in holding down infections in the future. We also need to be wary of the possibility that the slowdown in the Chinese economy, as well as the Ukraine crisis, could put pressure on the global economy and indirectly bring downward pressure on Japanese exports.

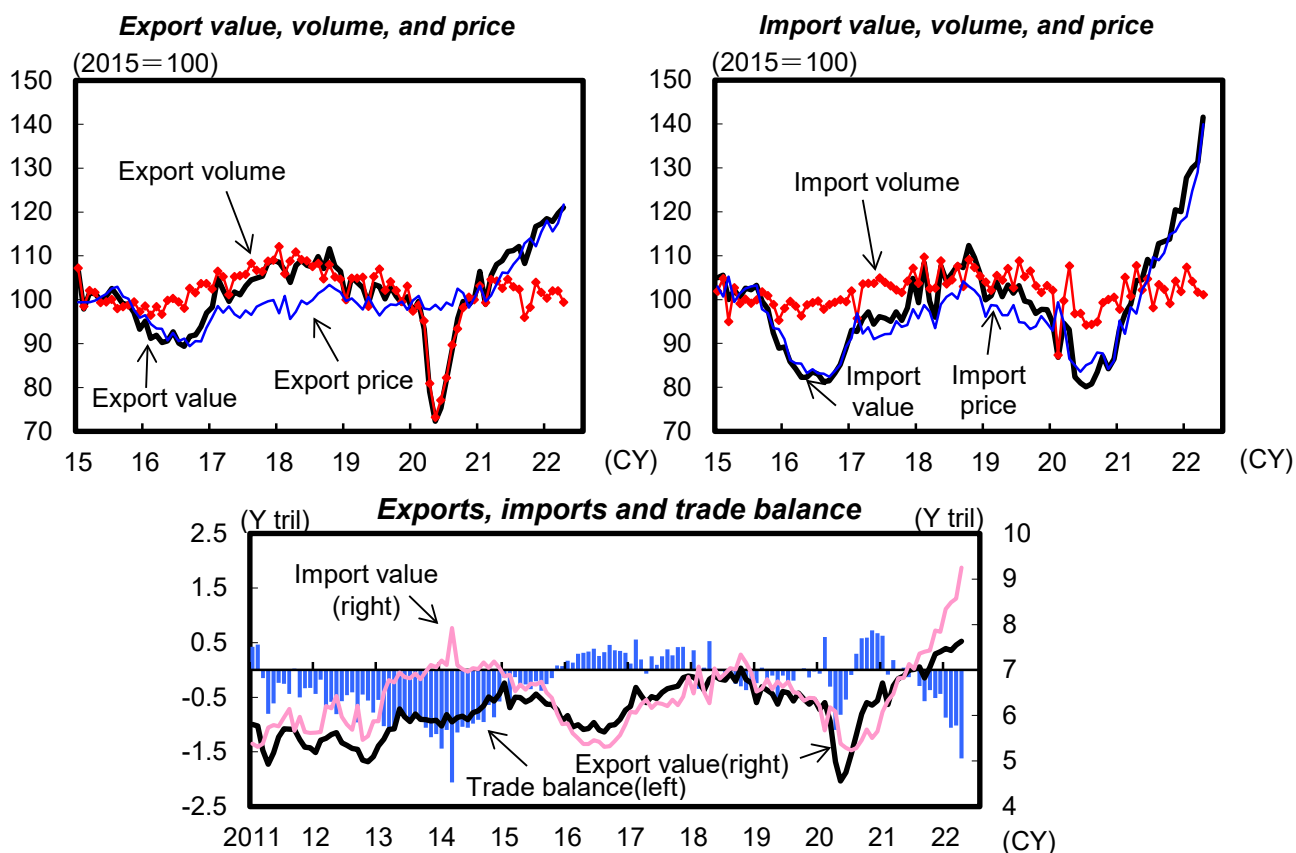
Trade Statistics **Chart 1**

	2021					2022				
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
Export value (y/y %)	26.2	13.0	9.4	20.5	17.5	9.6	19.1	14.7	12.5	
Market consensus (Bloomberg)									13.9	
DIR estimate									13.8	
Import value (y/y %)	44.7	38.4	26.8	43.8	41.2	38.8	34.2	31.2	28.2	
Export volume (y/y %)	13.7	3.2	-2.6	4.7	2.0	-4.0	2.7	-1.4	-4.4	
Export price (y/y %)	11.0	9.5	12.3	15.1	15.2	14.1	15.9	16.3	17.7	
Import volume (y/y %)	14.5	7.5	-3.0	6.1	1.0	4.8	-0.9	0.0	-9.0	
Import price (y/y %)	-0.0	-0.0	30.8	35.6	-0.0	32.4	35.3	31.2	40.9	
Trade balance (Y100 mil)	-6,534	-6,369	-750	-9,569	-5,889	-21,994	-6,772	-4,141	-8,392	
Export value (SA, m/m %)	0.8	-3.4	3.4	4.2	0.6	1.0	-0.5	1.6	1.0	
Export volume (SA, m/m %)	-0.6	-6.3	2.4	5.8	-2.2	-1.3	1.6	0.0	-2.5	
Export price (SA, m/m %)	1.4	3.0	1.0	-1.5	2.9	2.3	-2.1	1.6	3.6	
Import value (SA, m/m %)	4.7	0.5	0.4	5.9	-0.3	6.4	1.7	1.0	7.9	
Import volume (SA, m/m %)	5.4	-1.1	-3.2	5.2	-2.3	5.4	-3.0	-2.4	-0.5	
Import price (SA, m/m %)	-0.6	1.6	3.7	0.7	2.0	1.0	4.9	3.4	8.5	
Trade balance (SA, Y100 mil)	-2,917	-5,716	-3,670	-5,102	-4,404	-8,729	-10,568	-10,194	-16,189	
The Japan Customs rate (yen/dlr)	109.89	109.87	111.42	113.95	113.95	114.82	114.84	115.86	122.84	

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**

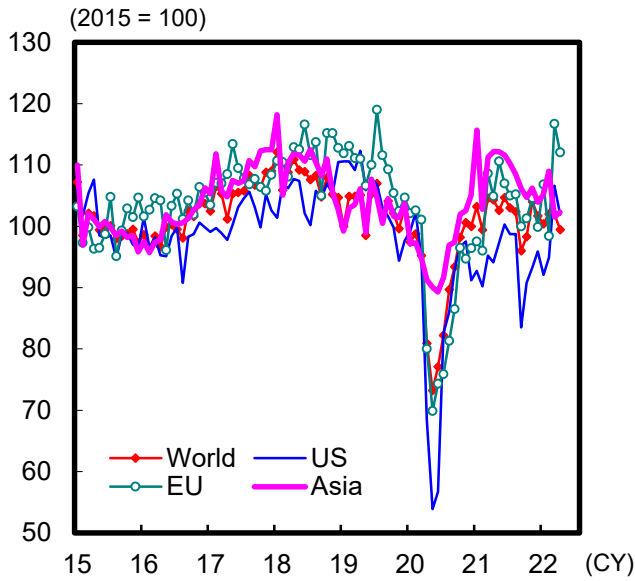


Source: Ministry of Finance; compiled by DIR.

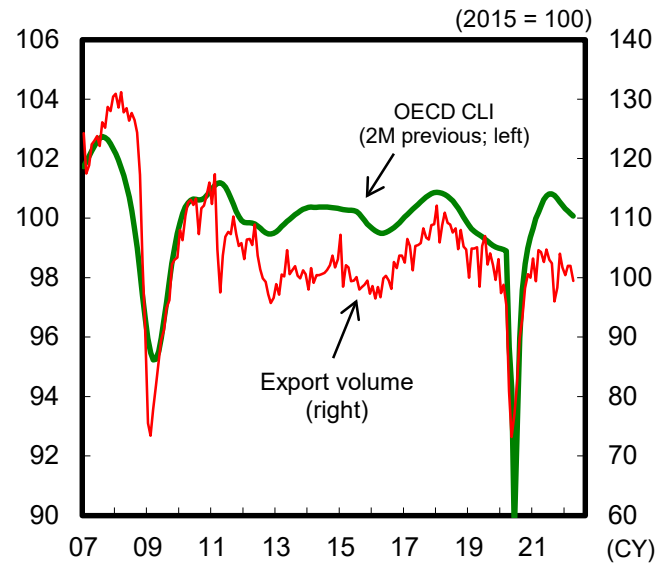
Note: Export volume and export price seasonally adjusted by DIR.

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.