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# May 2022 Trade Statistics

**Import value reaches historic highs due to weak yen and high resource prices, while export volume gains small margin of growth**

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## Summary

- According to May 2022 trade statistics, export value grew for the fifteenth consecutive month at +15.8% y/y, in agreement with market consensus at +16.1%. However, export volume (seasonally adjusted by DIR) maintained only a small margin of growth due to the influence of production cuts in motor vehicles. On the other hand, import value reached a historic high at +48.9% y/y due to the rapid weakening of the yen and highs in resource prices. As a result, the trade balance was at -2,384.7 bil yen, or -1,931.4 bil yen in seasonally adjusted terms.
- Export volume in May (seasonally adjusted by DIR) grew for the first time in two months at +1.7% m/m. Looking at export volume by source of demand, exports to the US were down by -4.4%, with the EU down by -3.6% due to downward pressure on overall performance from production cuts in motor vehicles. On the other hand, export volume to Asia grew at +7.7%, giving a boost to overall performance. The decline in exports to China shrank somewhat at -1.9%.
- Export volume is expected to shift into a growth trend in the future. The normalization of China's economy is expected to provide a tailwind for the global economy, and mitigation of the difficulty of procuring parts will likely encourage exports of motor vehicles to get back on track. That said, we also need to be wary of downside risk which remains, including the possibility of reintroduction of lockdowns in China, resource highs due to the Ukraine crisis, and the possibility of an economic slowdown due to monetary tightening in the US and Europe.

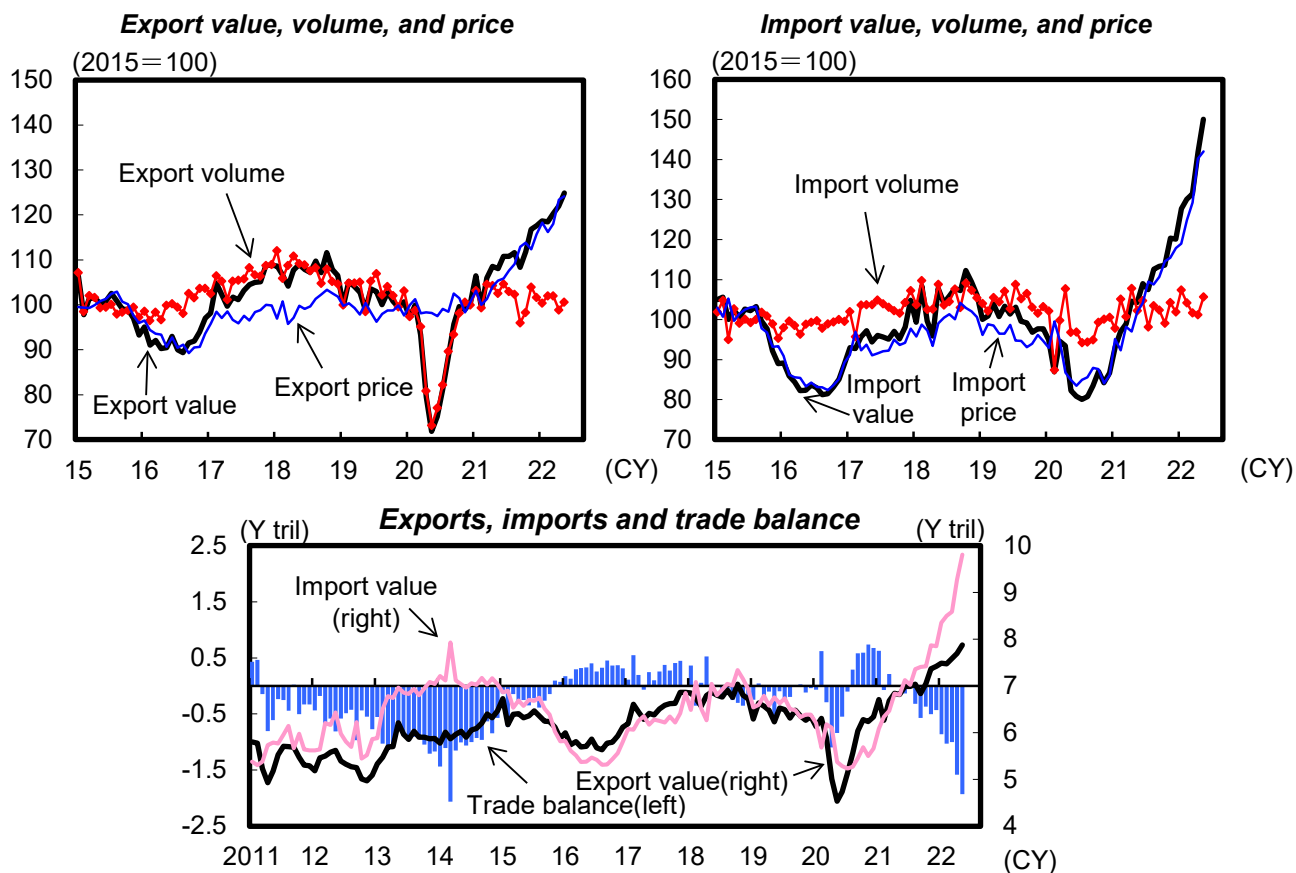
**Trade Statistics** **Chart 1**

	2021				2022				
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Export value (y/y %)	13.0	9.4	20.5	17.5	9.6	19.1	14.7	12.5	15.8
Market consensus (Bloomberg)									16.1
DIR estimate									16.1
Import value (y/y %)	38.4	26.8	43.8	41.2	38.8	34.2	31.4	28.3	48.9
Export volume (y/y %)	3.2	-2.6	4.7	2.0	-4.0	2.7	-1.4	-4.4	-3.5
Export price (y/y %)	9.5	12.3	15.1	15.2	14.1	15.9	16.3	17.7	20.0
Import volume (y/y %)	7.5	-3.0	6.1	1.0	4.8	-0.9	0.0	-9.0	4.7
Import price (y/y %)	-0.0	-0.0	35.6	39.8	-0.0	35.3	31.4	40.9	42.2
Trade balance (Y100 mil)	-6,369	-750	-9,569	-5,889	-21,994	-6,772	-4,240	-8,428	-23,847
Export value (SA, m/m %)	-2.9	3.2	4.5	0.7	0.9	-0.2	1.6	1.3	2.4
Export volume (SA, m/m %)	-6.3	2.4	5.8	-2.2	-1.3	1.6	0.0	-3.0	1.7
Export price (SA, m/m %)	3.5	0.8	-1.2	3.0	2.2	-1.8	1.6	4.5	0.6
Import value (SA, m/m %)	0.6	0.3	6.0	-0.2	6.4	1.8	1.0	8.0	5.8
Import volume (SA, m/m %)	-1.1	-3.2	5.2	-2.3	5.4	-3.0	-2.4	-0.5	4.4
Import price (SA, m/m %)	1.7	3.6	0.8	2.1	0.9	5.0	3.5	8.5	1.3
Trade balance (SA, Y100 mil)	-5,704	-3,718	-5,007	-4,314	-8,628	-10,308	-9,988	-15,805	-19,314
The Japan Customs rate (yen/dlr)	109.87	111.42	113.95	113.95	114.82	114.84	115.86	122.84	129.17

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**

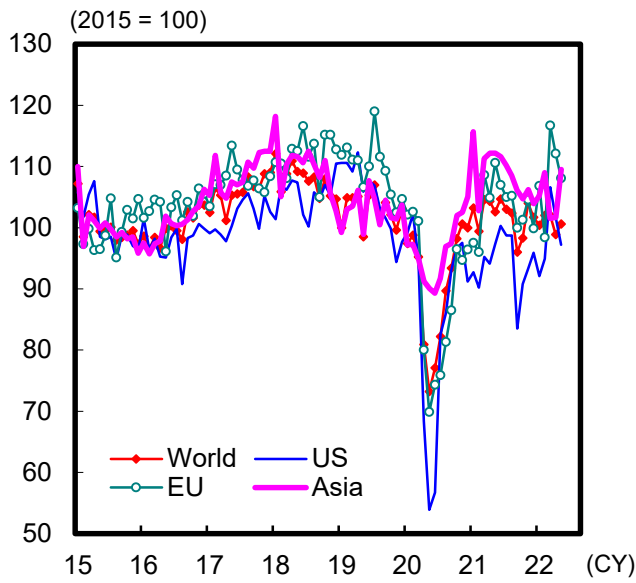


Source: Ministry of Finance; compiled by DIR.

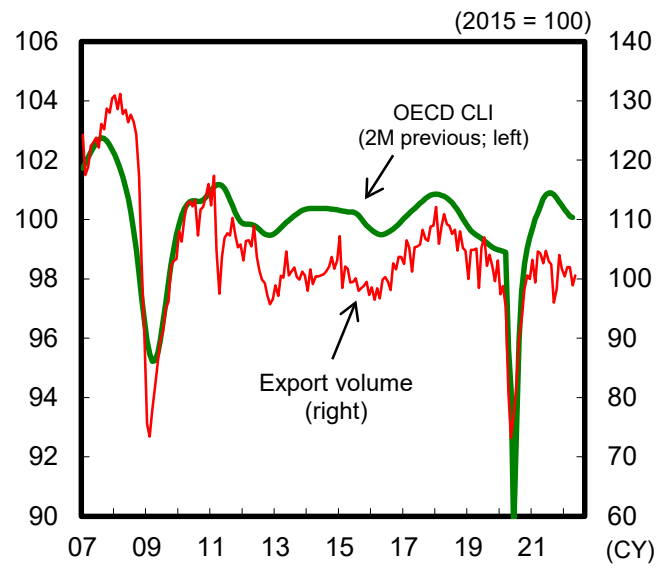
Note: Export volume and export price seasonally adjusted by DIR.

**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.