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# August 2022 Trade Statistics

## Trade deficit hits historic high with sluggish recovery in exports to China

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### Summary

- According to August 2022 trade statistics, export value grew for the eighteenth consecutive month at +22.1% y/y. Meanwhile, export value on a seasonally adjusted basis suffered a decline for the first time in eleven months at -0.7%. While exports of motor vehicles are recovering, the pause in growth of exports to Europe and the sluggish recovery in exports to China weighed heavily. Meanwhile, import value achieved major growth at +49.9% y/y. As a result, the trade balance was in the red at -2,817.3 bil yen, or -2,371.3 bil yen in seasonally adjusted terms, both figures representing the largest deficits in the history of these statistics.
- Export volume in August (seasonally adjusted by DIR) suffered a decline for the first time in four months at -2.3% m/m. Manufacturing equipment such as semicon machinery etc., and integrated circuits, which had maintained a high level as of this point, experienced a pause in their performance. Looking at export volume by source of demand, exports to the EU were down by -15.5%, with Asia down by -6.6%, while export volume to the US shifted into growth at +13.3%.
- Export volume is expected to move toward growth in the future. The normalization of China's economy and mitigation of the shortage in semiconductors are positive factors, plus container freight rates are falling and there are signs that the turmoil in logistics is on the way to being brought under control. Going forward, the easing of supply constraints is likely to boost exports. On the other hand, the slowdown in the US and European economies, and China's Zero Covid policy remain cause for concern.

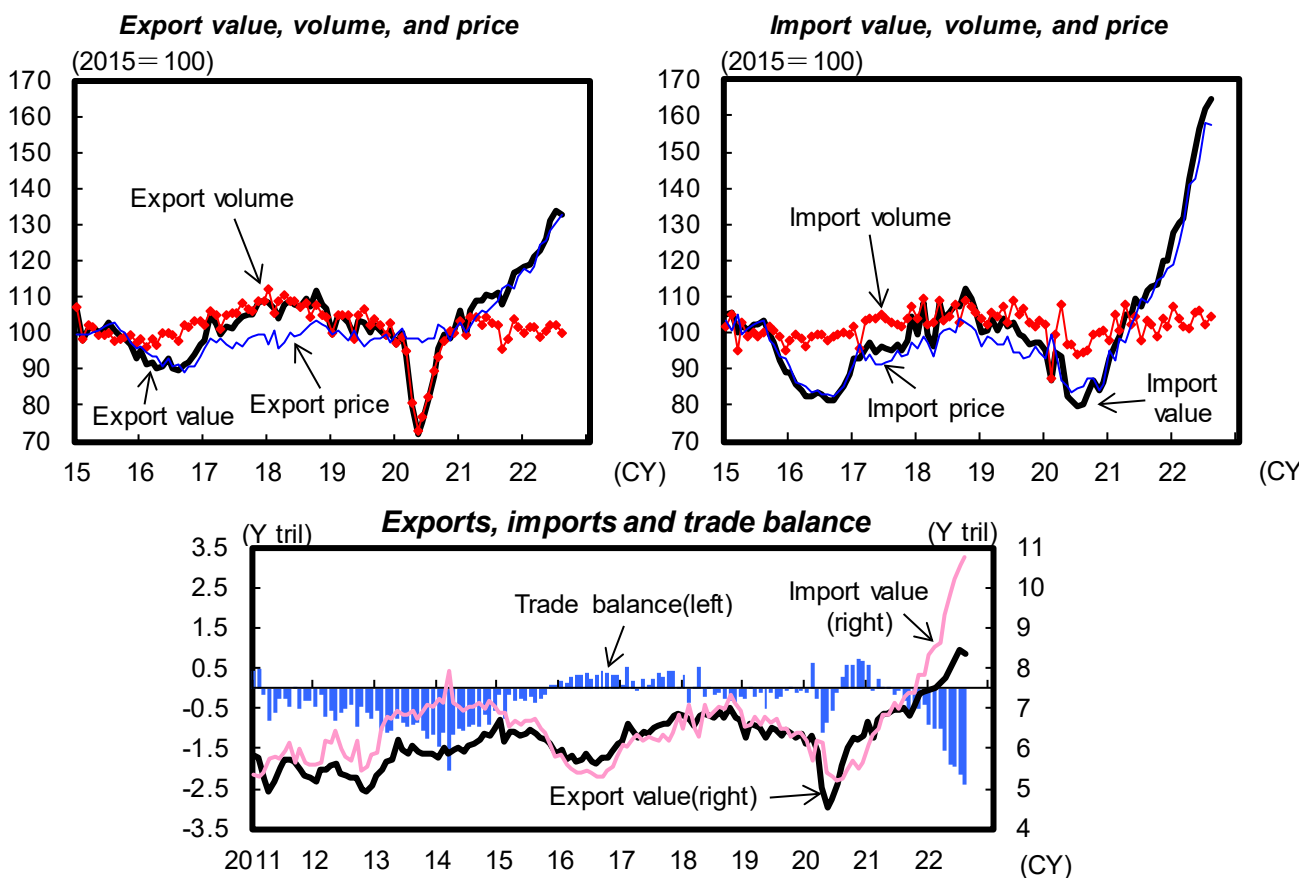
**Trade Statistics** **Chart 1**

	2021	2022							
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Export value (y/y %)	17.5	9.6	19.1	14.7	12.5	15.8	19.3	19.0	22.1
Market consensus (Bloomberg)									24.1
DIR estimate									25.6
Import value (y/y %)	41.2	38.8	34.2	31.4	28.4	49.0	46.2	47.2	49.9
Export volume (y/y %)	2.0	-4.0	2.7	-1.4	-4.4	-3.5	-1.5	-1.9	-1.2
Export price (y/y %)	15.2	14.1	15.9	16.3	17.7	20.0	21.1	21.3	23.5
Import volume (y/y %)	1.0	4.8	-0.9	0.0	-9.0	4.7	1.3	2.3	2.8
Import price (y/y %)	-0.0	-0.0	35.3	31.4	-0.0	42.3	44.3	44.0	45.9
Trade balance (Y100 mil)	-5,889	-21,994	-6,772	-4,240	-8,538	-23,906	-14,042	-14,339	-28,173
Export value (SA, m/m %)	0.7	0.7	0.4	1.8	1.6	2.6	3.9	2.1	-0.7
Export volume (SA, m/m %)	-2.2	-1.3	1.6	0.0	-3.0	1.7	1.5	0.3	-2.3
Export price (SA, m/m %)	3.0	2.0	-1.2	1.8	4.8	0.8	2.4	1.8	1.7
Import value (SA, m/m %)	-0.2	6.6	1.9	1.2	8.2	5.8	3.8	3.5	1.5
Import volume (SA, m/m %)	-2.3	5.4	-3.0	-2.4	-0.5	4.4	0.3	-3.2	1.7
Import price (SA, m/m %)	2.1	1.1	5.0	3.7	8.7	1.3	3.5	7.0	-0.2
Trade balance (SA, Y100 mil)	-4,281	-8,949	-10,206	-9,858	-15,685	-19,102	-19,690	-21,556	-23,713
The Japan Customs rate (yen/dlr)	113.95	114.82	114.84	115.86	122.84	129.17	130.35	136.05	135.08

Source: Ministry of Finance, Bloomberg; compiled by DIR.

Note: Volume and price seasonally adjusted by DIR.

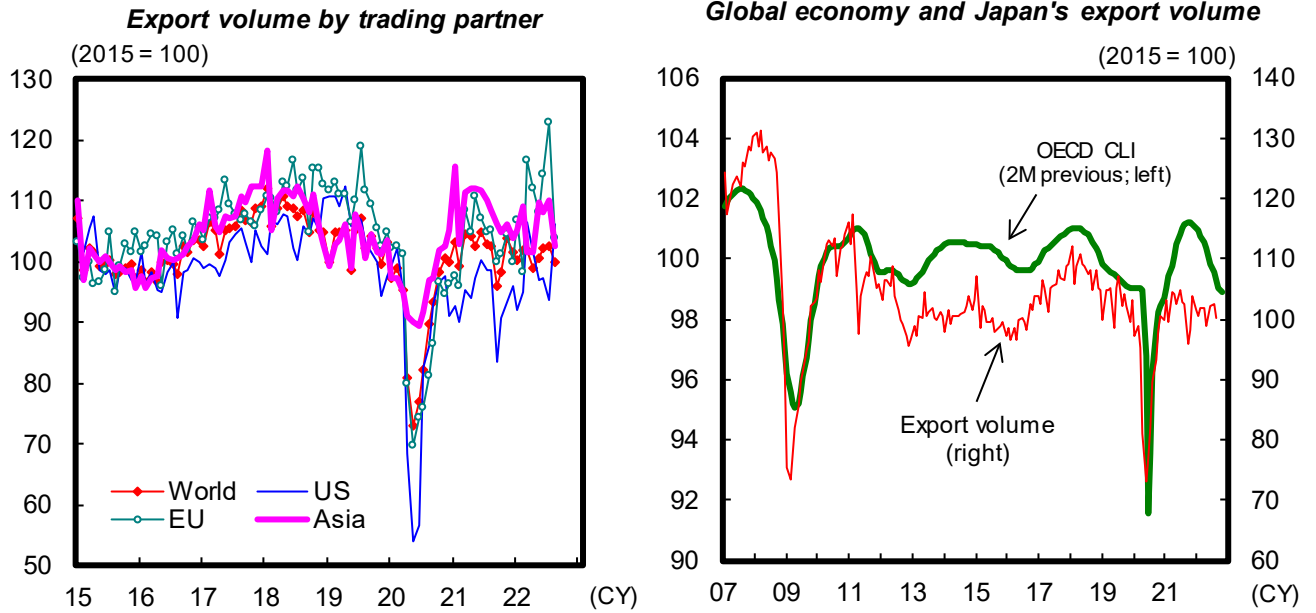
**Export (Value, Volume and Price), Import (Value, Volume and Price) and Trade Balance** **Chart 2**



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



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.