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# October 2022 Trade Statistics

## Trade deficit expands due to decline in exports to China and growth in import value

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### Summary

- According to October 2022 trade statistics, export value grew for the twentieth consecutive month at +25.3% y/y. However, export volume (seasonally adjusted by DIR), which indicates the actual situation of exports, achieved only moderate growth from the previous month due to the decline of exports to China, and a pause in the rapid recovery in exports of motor vehicles. Meanwhile, import value achieved a sharp increase in growth rate in comparison to the previous month at +53.5% y/y. As a result, the trade deficit remained large at -2,162.3 bil yen (or -2,299.2 bil yen in seasonally adjusted terms).
- Export volume in October (seasonally adjusted by DIR) grew a small amount for the second consecutive month at +0.5% m/m. Motor vehicle exports, which had been registering rapid growth up to this point, paused briefly. Looking at export volume by source of demand, exports to the US were up by +0.1%, while the EU suffered a decline of -0.7% and Asia declined by -2.5%. Exports to Asia were influenced by the sharp decline in exports to China, which fell by -10.1%.
- Export volume is expected to move toward extremely moderate growth in the future. The mitigation of supply constraints and progress in the normalization of China's economy, and the weak yen, will likely be positive factors. On the other hand, the external environment is worsening centering on the US and Europe. A shift into a declining trend in exports to Europe is likely in the future with this area headed for recession.

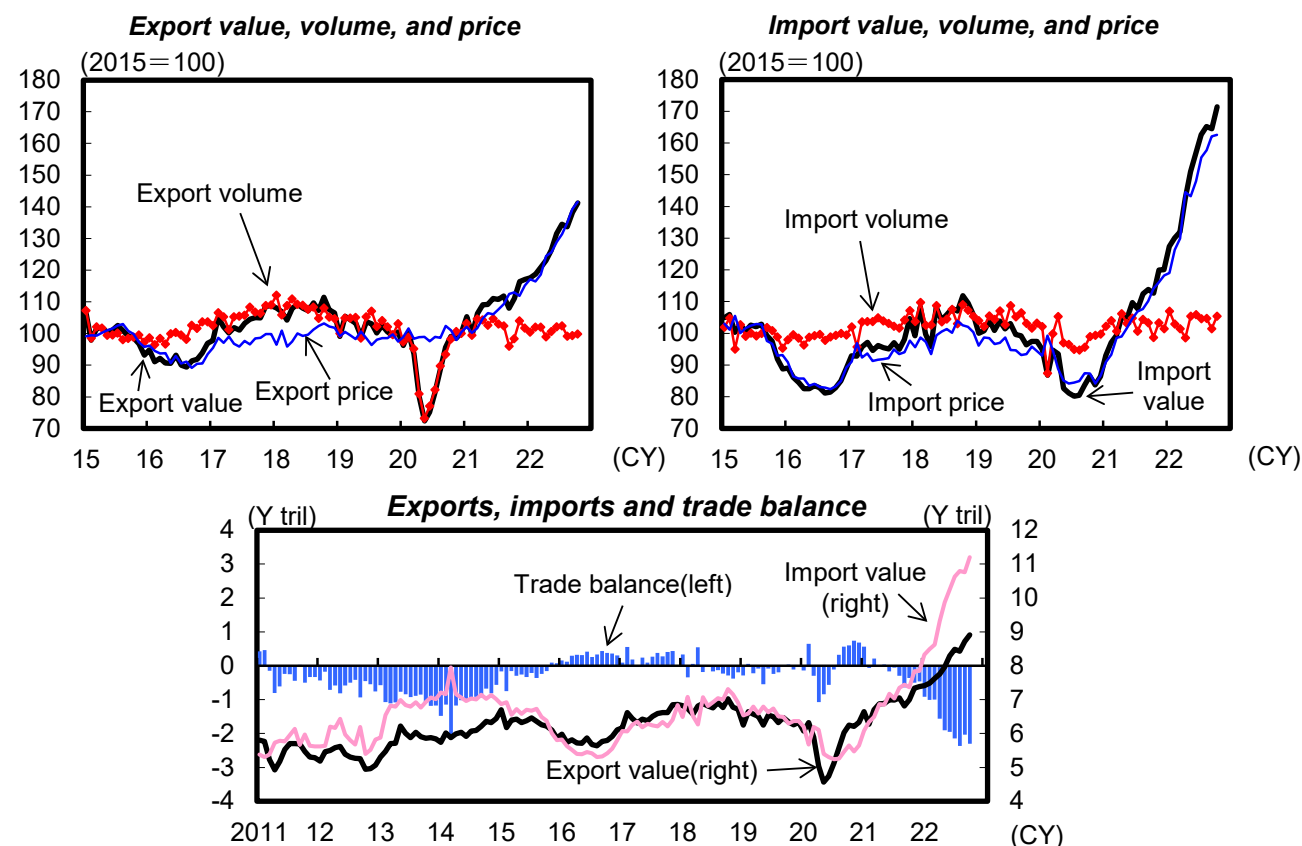
**Trade Statistics** **Chart 1**

	2022									
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	
Export value (y/y %)	19.1	14.7	12.5	15.8	19.3	19.0	22.0	28.9	25.3	
Market consensus (Bloomberg)										29.3
DIR estimate										27.4
Import value (y/y %)	34.0	31.3	28.3	48.8	46.0	47.3	49.8	45.7	53.5	
Export volume (y/y %)	2.7	-1.4	-4.4	-3.5	-1.5	-1.9	-1.1	3.8	-0.3	
Export price (y/y %)	15.9	16.3	17.7	20.0	21.1	21.3	23.4	24.2	25.8	
Import volume (y/y %)	-0.9	-0.1	-9.0	4.7	1.3	2.2	2.7	-1.7	5.6	
Import price (y/y %)	-0.0	-0.0	40.9	42.2	-0.0	44.0	45.8	48.2	45.3	
Trade balance (Y100 mil)	-6,772	-4,240	-8,538	-23,906	-14,042	-14,449	-28,248	-20,943	-21,623	
Export value (SA, m/m %)	1.0	1.8	1.7	2.7	4.1	2.3	-0.6	3.4	2.2	
Export volume (SA, m/m %)	1.6	0.0	-3.0	1.7	1.5	0.3	-3.2	0.2	0.5	
Export price (SA, m/m %)	-0.6	1.8	4.9	0.9	2.6	2.0	2.7	3.2	1.6	
Import value (SA, m/m %)	2.1	1.5	8.0	6.0	3.8	3.7	1.6	-0.4	4.2	
Import volume (SA, m/m %)	-3.8	-1.4	-2.9	6.9	0.5	-1.2	0.1	-3.1	3.8	
Import price (SA, m/m %)	6.2	2.9	11.2	-0.9	3.3	5.0	1.5	2.8	0.3	
Trade balance (SA, Y100 mil)	-10,092	-9,962	-15,578	-19,060	-19,539	-21,480	-23,634	-20,368	-22,992	
The Japan Customs rate (yen/dlr)	114.84	115.86	122.84	129.17	130.35	136.05	135.08	139.81	145.09	

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**

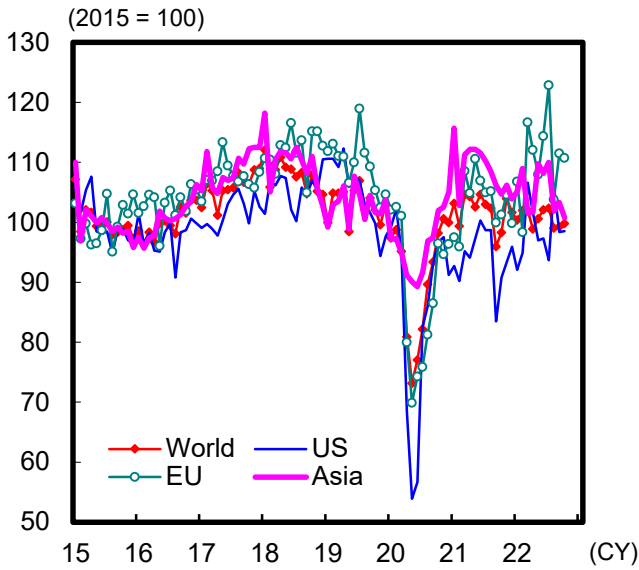


Source: Ministry of Finance; compiled by DIR.

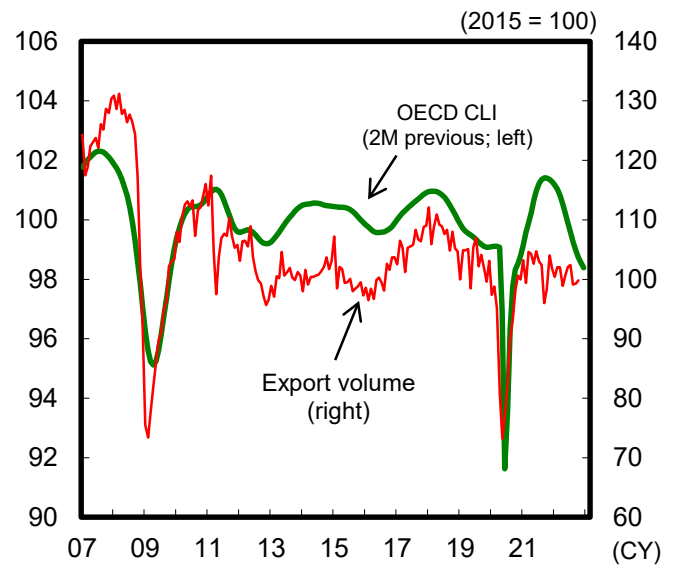
Note: Export volume and export price seasonally adjusted by DIR.

**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.