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November 2022 Trade Statistics

Exports sluggish, but pace of growth in import value also slow, leading to improved trade balance

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Summary

- According to November 2022 trade statistics, export value grew for the twenty-first consecutive month at +20.0% y/y, while export volume (seasonally adjusted by DIR) declined for the first time in three months. Import value grew by +30.3%, but this represents a sharp slowdown in growth rate in comparison to the previous month. As a result, terms of trade improved slightly, and the trade was in the red for the 16th consecutive month at -2,027.4 bil yen. On the other hand, the trade deficit was -1,732.3 bil yen in seasonally adjusted terms, which peaked in August.
- Export volume in November (seasonally adjusted by DIR) declined for the first time in three months at -1.6% m/m. Motor vehicle exports, a major export item, are recovering, but are being held back by the downturn in semiconductor related goods and the decline in exports of capital goods and intermediate goods due to the shrinking of overseas demand. On the other hand, the recovery in exports of motor vehicles has been progressing further, centering on Europe. Looking at export volume by source of demand, exports to the US were down by -5.3%, while Asia also declined by -4.8%, and the EU shifted into growth at +2.8%.
- Export volume is expected to mark time, then shift into a growth trend due to progress in economic normalization in China. The mitigation of supply constraints and the easing up of China's zero-Covid policy will provide positive factors, but continued interest rate hikes in the US and Europe are expected to be a drag on exports.

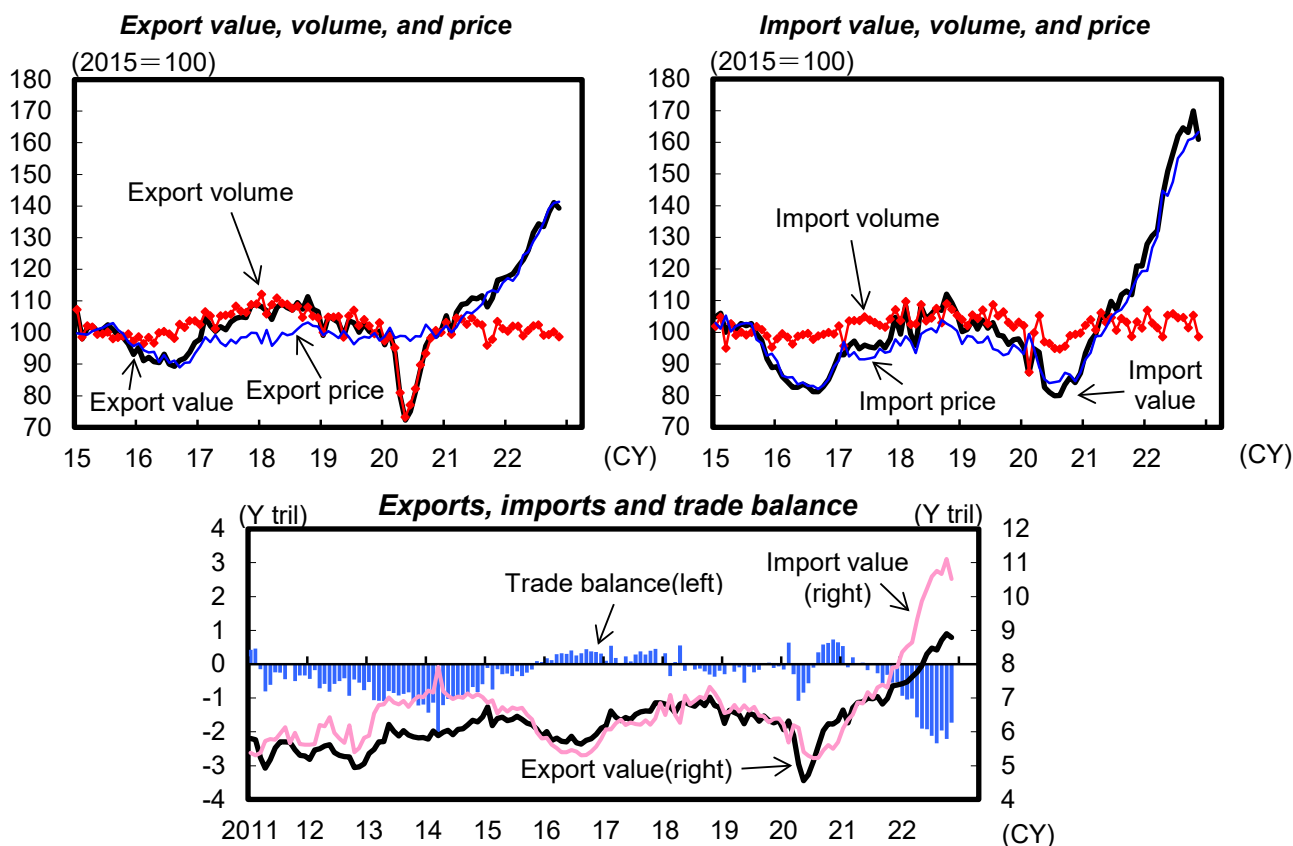
Trade Statistics **Chart 1**

	2022									
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	
Export value (y/y %)	14.7	12.5	15.8	19.3	19.0	22.0	28.9	25.3	20.0	
Market consensus (Bloomberg)									19.7	
DIR estimate									20.8	
Import value (y/y %)	31.3	28.3	48.8	46.0	47.3	49.8	45.8	53.5	30.3	
Export volume (y/y %)	-1.4	-4.4	-3.5	-1.5	-1.9	-1.1	3.8	-0.3	-3.6	
Export price (y/y %)	16.3	17.7	20.0	21.1	21.3	23.4	24.2	25.7	24.4	
Import volume (y/y %)	-0.1	-9.0	4.7	1.3	2.2	2.7	-1.7	5.7	-4.6	
Import price (y/y %)	-0.0	-0.0	42.2	44.1	-0.0	45.8	48.3	45.3	36.6	
Trade balance (Y100 mil)	-4,240	-8,538	-23,906	-14,042	-14,449	-28,248	-20,998	-21,662	-20,274	
Export value (SA, m/m %)	1.9	1.8	2.5	4.3	2.2	-0.7	3.4	2.2	-1.3	
Export volume (SA, m/m %)	0.0	-3.0	1.7	1.5	0.3	-3.2	0.2	0.9	-1.6	
Export price (SA, m/m %)	1.9	5.0	0.8	2.8	1.9	2.6	3.2	1.3	0.3	
Import value (SA, m/m %)	1.3	8.0	5.7	3.6	3.7	1.5	-0.9	4.2	-5.3	
Import volume (SA, m/m %)	-1.4	-2.9	6.9	0.5	-1.2	0.1	-3.1	3.8	-6.5	
Import price (SA, m/m %)	2.7	11.2	-1.1	3.2	5.0	1.4	2.3	0.3	1.3	
Trade balance (SA, Y100 mil)	-10,134	-15,669	-19,041	-19,219	-21,146	-23,338	-19,554	-22,076	-17,323	
The Japan Customs rate (yen/dlr)	115.86	122.84	129.17	130.35	136.05	135.08	139.81	145.09	146.43	

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**

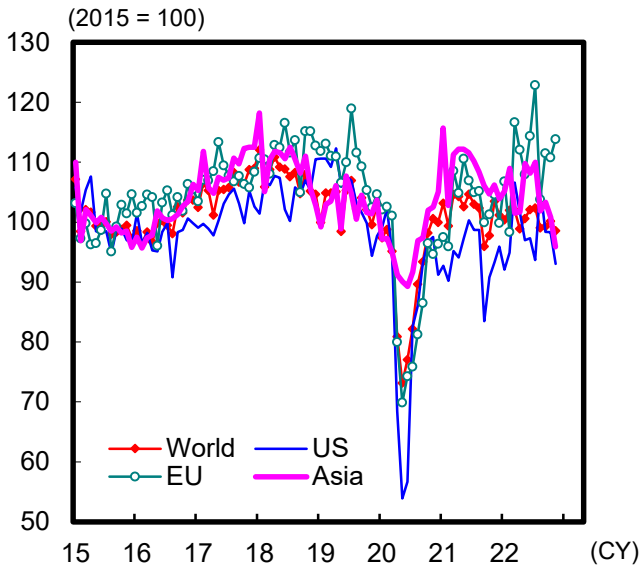


Source: Ministry of Finance; compiled by DIR.

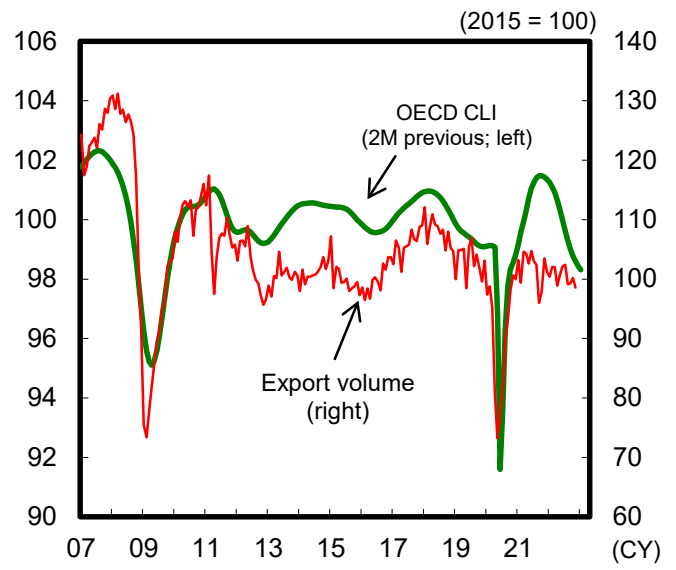
Note: Export volume and export price seasonally adjusted by DIR.

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.