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February 2023 Trade Statistics

Exports achieve growth as Chinese New Year factor recedes, but results have something to be desired

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Summary

- According to February 2023 trade statistics, export value grew by +6.5% y/y, (+4.4% m/m in seasonally adjusted terms). Performance was on the up side as the influence of the Chinese New Year receded, but the average of exports to China during the months of January and February still fell below December 2022, giving the impression that overall exports had something to be desired. Meanwhile, import value suffered a sharp downturn in growth rate at +8.8% y/y (-3.0% m/m in seasonally adjusted terms). As a result, the trade deficit was at -897.7 bil yen (-1,190.7 bil yen in seasonally adjusted terms).
- Export volume in February (seasonally adjusted by DIR) grew for the first time in four months at +4.0% m/m. Exports of motor vehicles fared well as the shortage in semiconductors eased up further. Looking at export volume by source of demand, exports to the US were up by +1.7%, with Asia recovering to +4.3% with the help of exports to China (+15.0%). Exports to the EU suffered a decline at -2.0%, but there were signs of bottoming out.
- Export volume is expected to see a declining trend in the future due mainly to the economic slowdown in the US associated with further interest rate hikes, but export volume is expected to shift into growth, due to the recovery in the Chinese economy and the easing of supply constraints. Currently, personal consumption in China is picking up. In addition, the easing of the semiconductor shortage has accelerated motor vehicle sales in Japan. As the backlog of orders accumulated overseas is dissolved, exports are expected to increase with respect to motor vehicles and other products.

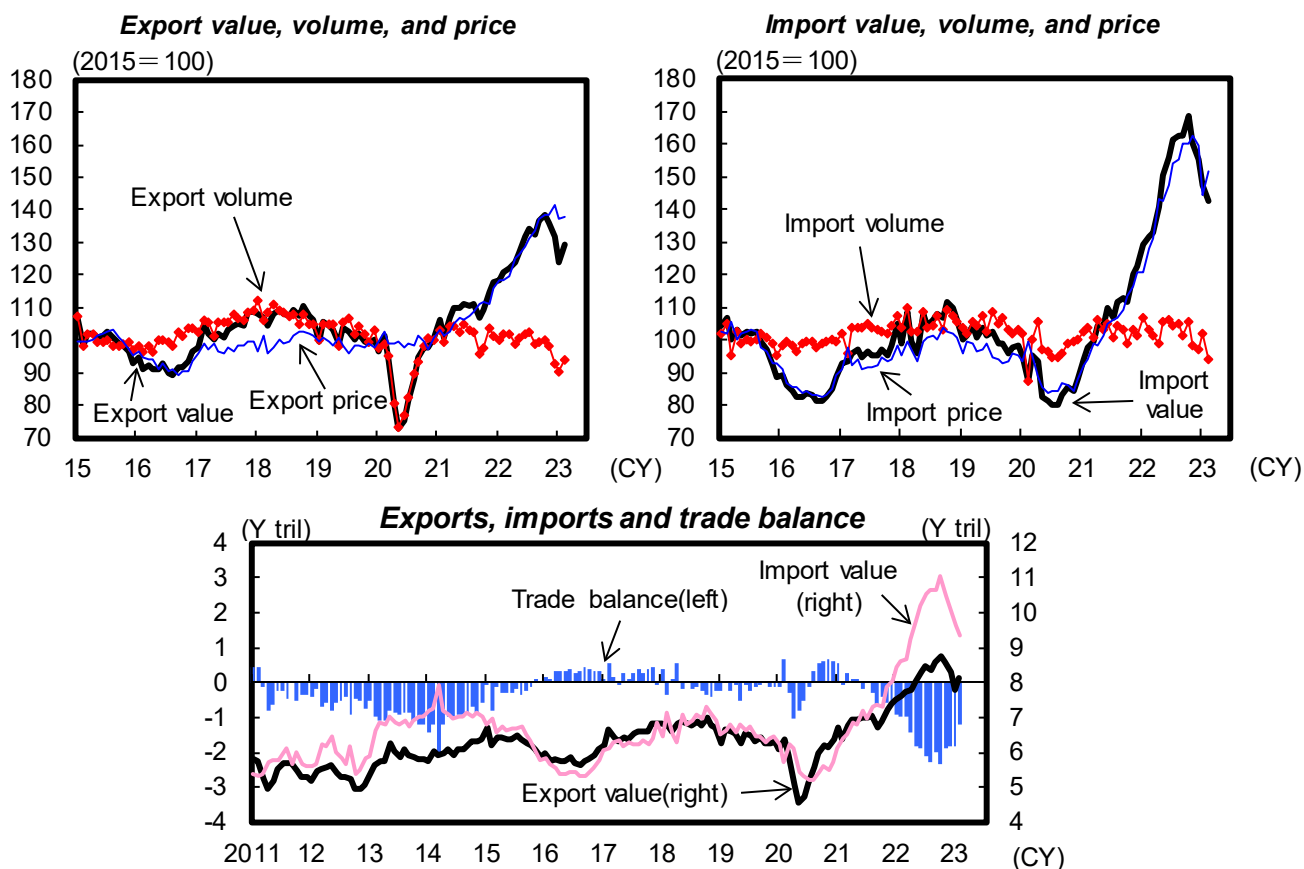
Trade Statistics **Chart 1**

	2022							2023	
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Export value (y/y %)	19.2	19.0	22.0	28.9	25.3	20.0	11.5	3.5	6.5
Market consensus (Bloomberg)									7.0
DIR estimate									8.3
Import value (y/y %)	45.6	46.9	49.3	45.8	53.6	30.3	20.8	17.5	8.3
Export volume (y/y %)	-1.5	-1.9	-1.1	3.8	-0.3	-3.6	-7.0	-10.9	-7.9
Export price (y/y %)	21.1	21.4	23.4	24.2	25.7	24.4	19.9	16.1	15.6
Import volume (y/y %)	1.3	2.3	2.8	-1.6	5.7	-4.7	-6.4	-2.3	-7.8
Import price (y/y %)	-0.0	-0.0	45.3	48.2	-0.0	36.7	29.0	20.3	17.4
Trade balance (Y100 mil)	-13,750	-14,219	-27,904	-20,992	-21,715	-20,319	-14,586	-34,986	-8,977
Export value (SA, m/m %)	3.5	1.9	-1.0	2.9	1.4	-1.6	-3.2	-6.1	4.4
Export volume (SA, m/m %)	1.5	0.3	-3.2	0.2	0.9	-2.0	-5.3	-2.9	4.0
Export price (SA, m/m %)	2.0	1.6	2.2	2.7	0.5	0.4	2.2	-3.3	0.4
Import value (SA, m/m %)	3.9	3.5	0.8	-0.1	3.8	-5.3	-3.1	-5.1	-3.0
Import volume (SA, m/m %)	0.5	-1.2	0.1	-3.1	3.8	-6.6	-1.1	4.8	-7.8
Import price (SA, m/m %)	3.4	4.8	0.8	3.0	-0.0	1.5	-2.0	-9.4	5.2
Trade balance (SA, Y100 mil)	-19,081	-21,085	-22,866	-20,266	-23,160	-18,730	-18,320	-18,233	-11,907
The Japan Customs rate (yen/dlr)	130.35	136.05	135.08	139.81	145.09	146.43	137.90	132.08	130.38

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**

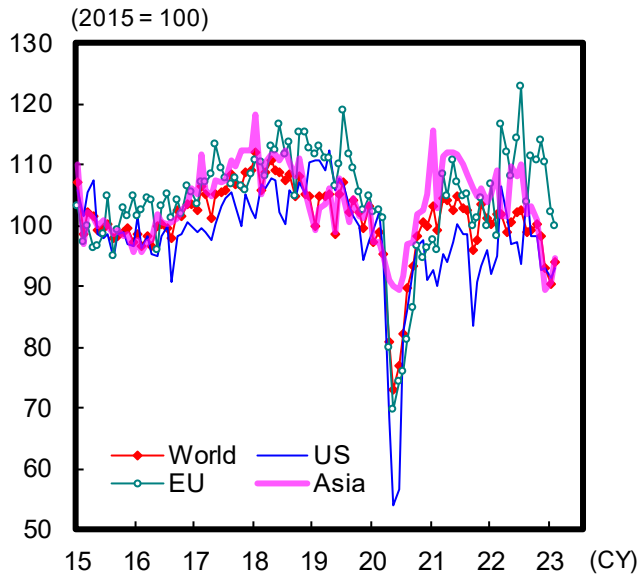


Source: Ministry of Finance; compiled by DIR.

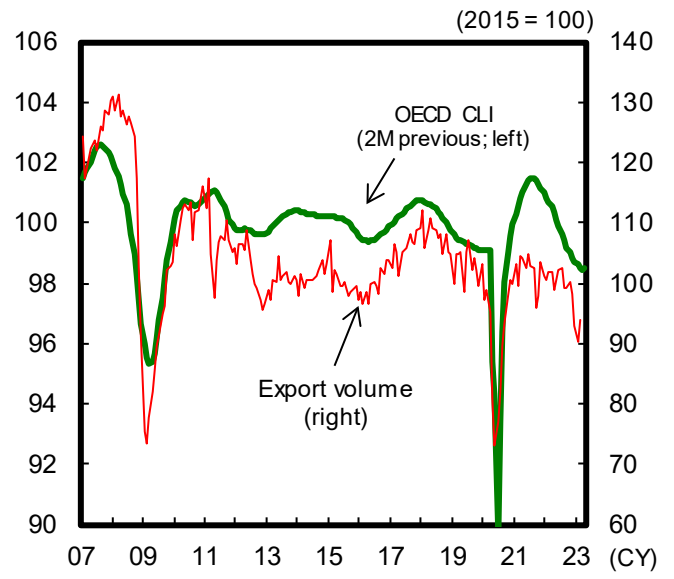
Note: Export volume and export price seasonally adjusted by DIR.

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): G20 countries.
 2) Export volume seasonally adjusted by DIR.