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# August 2023 Trade Statistics

## Export value declined due to overall impact of stricter export controls on semiconductor manufacturing equipment

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### Summary

- According to August 2023 trade statistics, export value declined for the second consecutive month by -0.8% y/y. This was due to the effects of a major decline in exports of semicon machinery etc. associated with stricter export controls as of July 23. On a seasonally adjusted basis, it was down by -1.7% m/m, primarily due to a decline in export volume for the first time in three months. Meanwhile, import value was down for the fifth consecutive month by -17.8%. On a seasonally adjusted basis, it was down for the first time in three months by -2.1% m/m. As a result, the trade balance was in the red for the second consecutive month at -930.5 bil yen. On a seasonally adjusted basis it was at -555.7 bil yen. Reduction in the trade deficit appears to have slowed somewhat.
- Export volume in August declined for the first time in three months at -6.6% m/m. While overseas demand as seen in the OECD Business Leaders Index was not bad, exports were down, partly due to tighter export controls. Even so, on average, export volume increased moderately. Looking at export volume by source of demand, all regions suffered declines, with exports to the US down by -1.0%, exports to the EU down by -12.0%, and exports to Asia down by -8.6%.
- Export volume is expected to continue in a moderate growth tone. Exports will likely be driven by motor vehicles and related parts as recovery production continues due to the easing of the semiconductor shortage. However, capital investment in the U.S. and Europe could easily slow due to the tight financial environment, and exports of capital goods from Japan may be sluggish. In particular, exports of semicon machinery etc. are likely to be weak due to the impact of export restrictions on this equipment. Finally, once recovery exports of motor vehicles have completed their cycle, there is a strong possibility that the driving force behind exports will be absent.

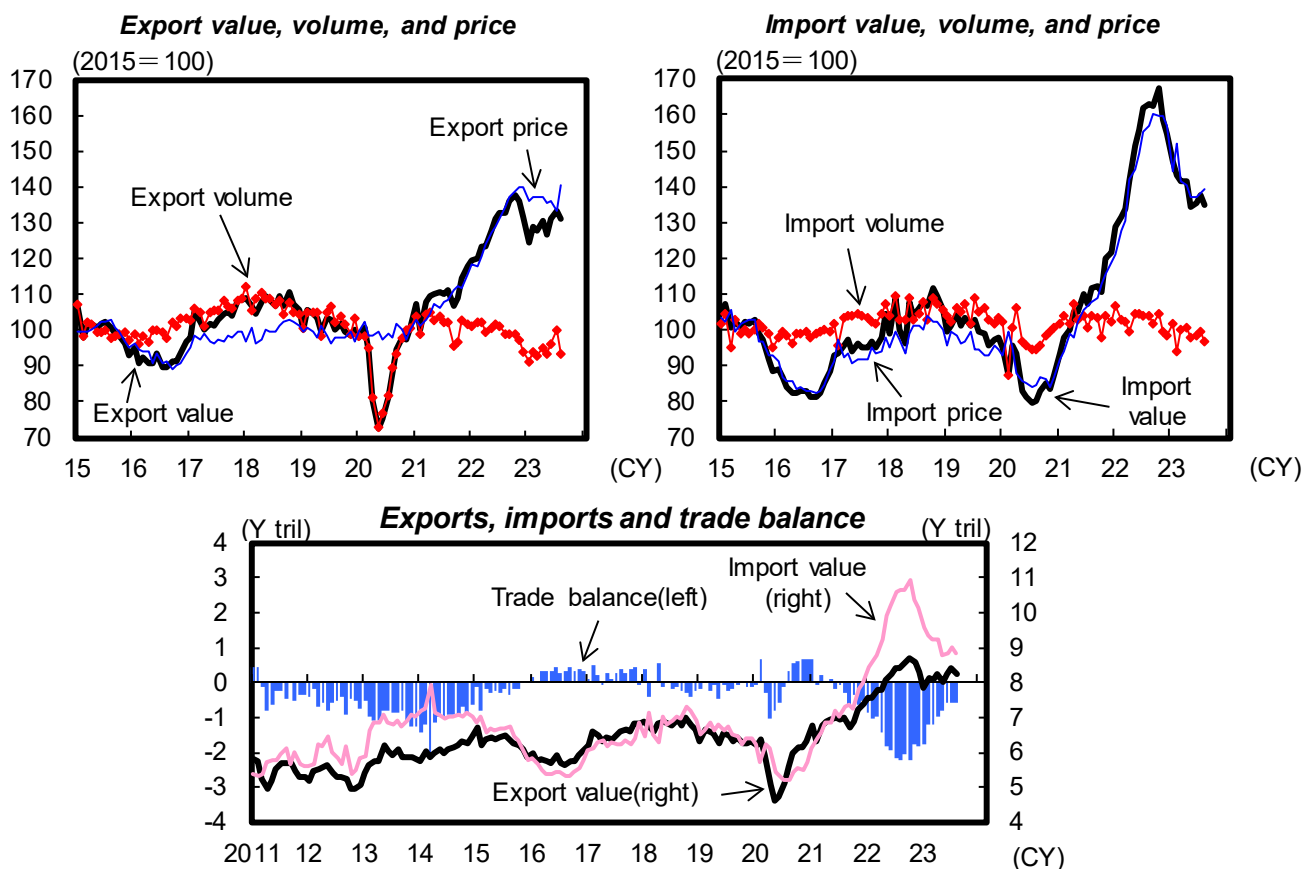
**Trade Statistics** **Chart 1**

	2022	2023							
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Export value (y/y %)	11.5	3.5	6.5	4.3	2.6	0.6	1.5	-0.3	-0.8
Market consensus (Bloomberg)									-2.1
DIR estimate									-2.3
Import value (y/y %)	20.8	17.6	8.5	7.4	-2.3	-9.8	-12.9	-13.6	-17.8
Export volume (y/y %)	-7.0	-10.9	-7.8	-8.1	-6.0	-6.4	-4.8	-3.2	-5.3
Export price (y/y %)	19.9	16.1	15.5	13.6	9.2	7.4	6.6	3.0	4.7
Import volume (y/y %)	-6.4	-2.3	-7.9	-2.6	-0.4	-5.2	-6.0	-4.4	-7.3
Import price (y/y %)	-0.0	-0.0	17.8	10.2	-0.0	-4.9	-7.3	-9.6	-11.2
Trade balance (Y100 mil)	-14,586	-35,064	-9,199	-7,588	-4,364	-13,821	392	-663	-9,305
Export value (SA, m/m %)	-3.6	-5.5	3.7	-0.9	2.4	-3.1	3.4	1.7	-1.7
Export volume (SA, m/m %)	-3.5	-2.7	2.6	-0.7	2.3	-2.0	3.3	3.5	-6.6
Export price (SA, m/m %)	-0.1	-2.9	1.1	-0.1	0.1	-1.1	0.1	-1.7	5.2
Import value (SA, m/m %)	-2.5	-5.2	-2.5	-1.0	-0.1	-5.1	0.7	1.9	-2.1
Import volume (SA, m/m %)	-0.8	3.2	-7.4	6.3	0.6	-2.8	0.6	1.1	-2.6
Import price (SA, m/m %)	-1.7	-8.2	5.2	-6.8	-0.7	-2.4	0.1	0.7	0.6
Trade balance (SA, Y100 mil)	-18,345	-17,581	-12,247	-12,011	-10,052	-7,905	-5,777	-6,002	-5,557
The Japan Customs rate (yen/dlr)	137.90	132.08	130.38	134.97	132.23	135.31	139.24	142.32	142.23

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**

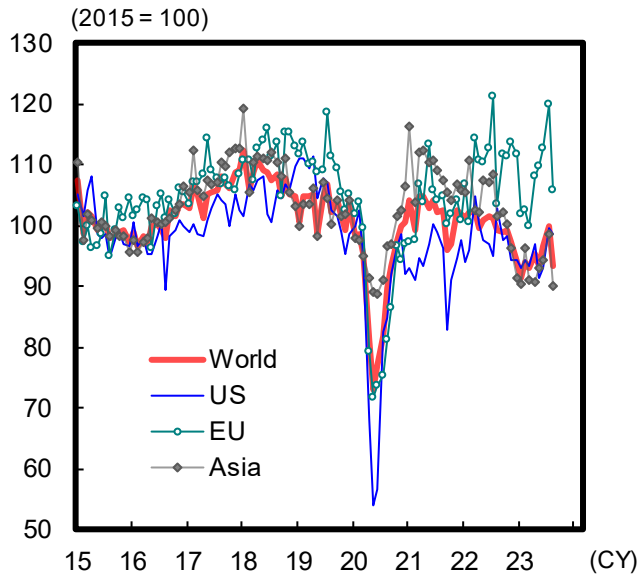


Source: Ministry of Finance; compiled by DIR.

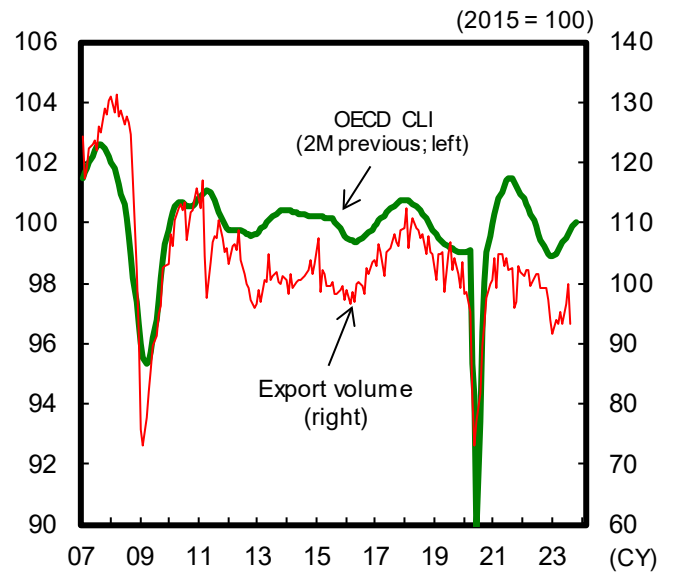
Note: Export volume and export price seasonally adjusted by DIR.

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.