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November 2023 Trade Statistics

Export value sluggish overall with decline in export volume of motor vehicles due to the shutdown of factories

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Summary

- According to November 2023 trade statistics, export value declined for the first time in three months by -0.2% y/y. On a seasonally adjusted basis, export value fell for the second consecutive month by -1.8% m/m. The volume index, which represents the actual status of exports, was weak, mainly due to a decrease in motor vehicle exports caused by the shutdown of some factories of Toyota Motor Corporation. Meanwhile, import value was down for the eighth consecutive month by -11.9%. However, the extent of decline is narrowing, partly due to the surge in crude oil prices caused by heightened geopolitical risks. On a seasonally adjusted basis, imports were down by -2.7% m/m. As a result, the trade balance posted a deficit of -776.9 bil yen. The deficit was at -408.9 bil yen on a seasonally adjusted basis, suggesting that the pace of the narrowing deficit is slowing down.
- Export volume in November declined for the second consecutive month by -5.6% m/m. Exports of motor vehicles to a broad range of regions declined. Looking at export volume by source of demand, performance was down overall, with exports to the US down by -8.9%, the EU down by -8.9%, and exports to Asia down by -4.9%.
- Export volume is expected to mark time in the future on average. Recovery production of motor vehicles is experiencing a pause, while in addition, exports overall are becoming sluggish due to the downturn in the global economy. We expect the slowdown in personal consumption in the US and the decline in the European economy will offset the impact of China's economic recovery, and that external demand from Japan's perspective will be sluggish.

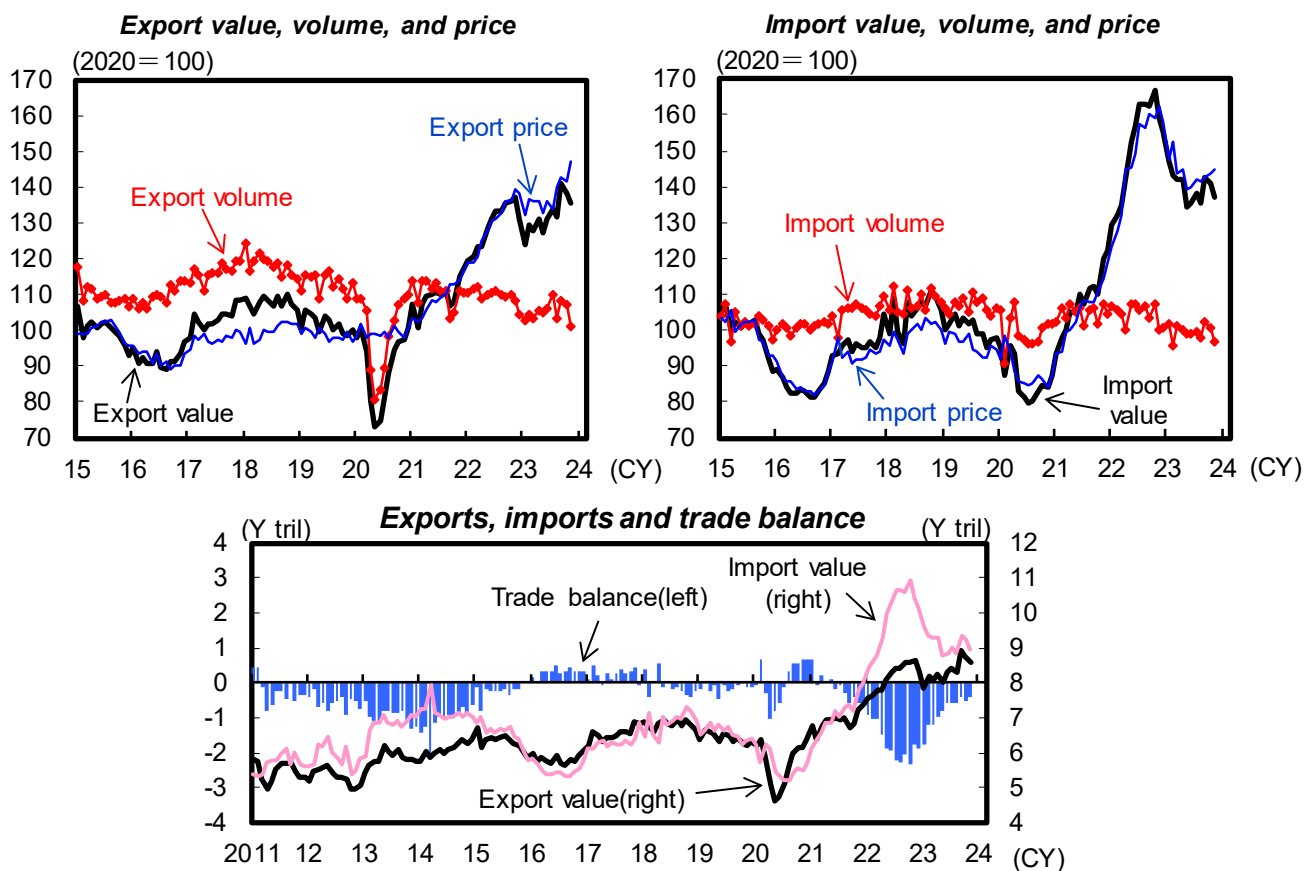
Trade Statistics **Chart 1**

	2023									
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	
Export value (y/y %)	4.3	2.6	0.6	1.5	-0.3	-0.8	4.3	1.6	-0.2	
Market consensus (Bloomberg)									1.4	
DIR estimate									-0.2	
Import value (y/y %)	7.1	-2.7	-10.2	-13.1	-14.1	-17.6	-16.5	-12.5	-11.9	
Export volume (y/y %)	-7.5	-4.4	-3.6	-4.0	-2.8	-5.3	0.2	-3.4	-5.6	
Export price (y/y %)	12.8	7.4	4.4	5.7	2.5	4.8	4.1	5.2	5.7	
Import volume (y/y %)	-3.5	-1.6	-6.6	-7.6	-6.2	-9.0	-3.9	-3.2	-3.5	
Import price (y/y %)	-0.0	-0.0	-3.8	-5.9	-0.0	-9.4	-13.2	-9.6	-8.7	
Trade balance (Y100 mil)	-7,588	-4,364	-13,821	392	-637	-9,432	654	-6,610	-7,769	
Export value (SA, m/m %)	-1.2	2.5	-3.1	3.4	1.9	-1.6	7.4	-2.1	-1.8	
Export volume (SA, m/m %)	-0.9	2.3	-0.7	1.0	3.5	-5.9	5.1	-1.1	-5.6	
Export price (SA, m/m %)	-0.4	0.2	-2.4	2.3	-1.5	4.5	2.1	-1.0	4.0	
Import value (SA, m/m %)	-0.9	-0.1	-5.1	0.7	1.8	-1.8	5.2	-1.0	-2.7	
Import volume (SA, m/m %)	5.3	-0.8	-1.4	0.2	0.4	-1.7	4.5	-1.6	-3.5	
Import price (SA, m/m %)	-5.9	0.7	-3.8	0.5	1.4	-0.1	0.7	0.6	0.8	
Trade balance (SA, Y100 mil)	-12,138	-10,054	-7,873	-5,807	-5,881	-5,630	-4,114	-5,013	-4,089	
The Japan Customs rate (yen/dlr)	134.97	132.23	135.31	139.24	142.32	142.23	146.44	148.88	150.34	

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

Note: Volume and price seasonally adjusted by DIR.

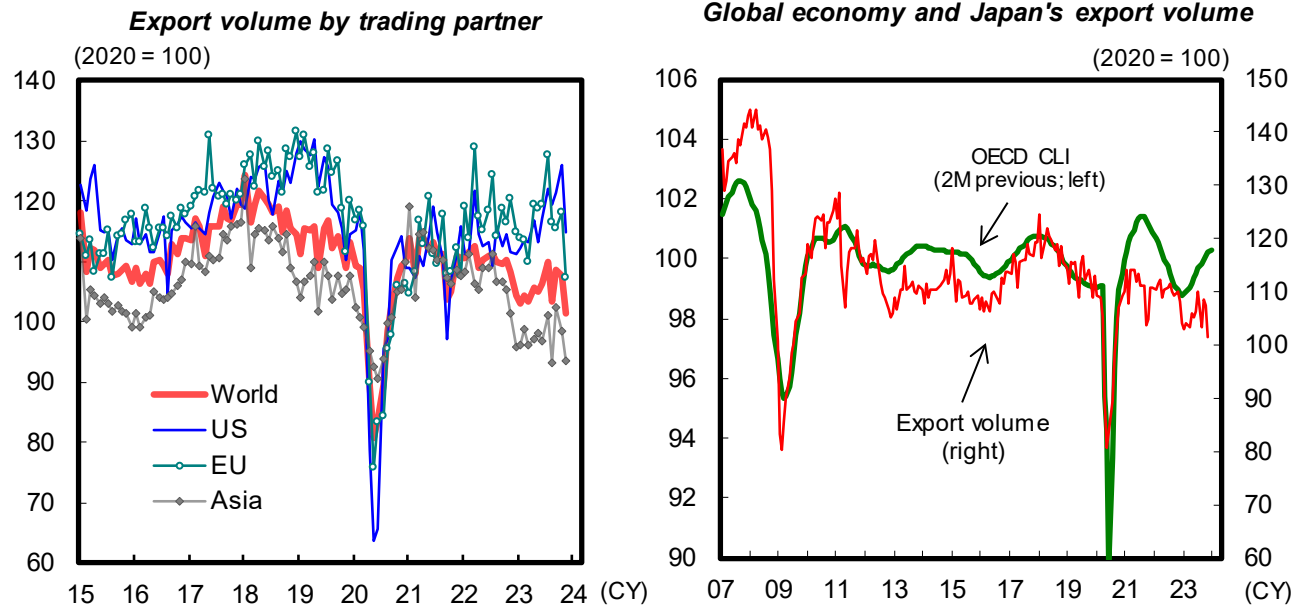
Export (Value, Volume and Price), Import (Value, Volume and Price) and Trade Balance **Chart 2**



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