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February 2024 Trade Statistics

Export value grows for third consecutive month as progress in price pass-through continues

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Summary

- According to February 2024 trade statistics, export value grew for the third consecutive month by +7.8% y/y. In addition to further progress in price pass-through which brought high growth in the price of exports, there was also a steady undertone in exports to China while the number of business days declined due to the influence of the Chinese New Year season. On the other hand, export value declined on a seasonally adjusted basis for the second consecutive month by -1.5%. The main cause was a decline in export volume, which indicates the actual export situation. This indicates that overseas demand was soft. Meanwhile, import value was up for the first time in eleven months by +0.5%, while at the same time, winning growth of +3.8% m/m on a seasonally adjusted basis. As a result, the trade balance was in the red for the second consecutive month at -379.4 bil yen, while on a seasonally adjusted basis it was in the red for the second consecutive month at -451.6 bil yen.
- Export volume in February 2024 (seasonally adjusted by DIR) declined for the second consecutive month by -4.5% m/m. At this point in time, semicon machinery etc., which had been providing underlying support for export volume, has turned toward decline. Meanwhile, motor vehicles, a major component in trade statistics, achieved growth, but has dropped below the average level seen in 2023, giving the strong sense that recovery exports have run out of breath. Looking at export volume by source of demand, a return to growth was seen in exports to the US (+3.0%) and the EU (+4.2%). On the other hand, exports to Asia declined by -10.0%, due mostly to a major decline in exports to China (-8.6%).
- Export volume is expected to continue marking time, but should shift into a growth trend in the latter part of the year. Worldwide sales of semiconductors in January (3-month moving average) grew by +15.2% y/y, indicating that the silicon cycle has entered a recovery phase. For the time being we expect to see growth in exports of semiconductor related goods, which will offset the pause in recovery exports of motor vehicles and the economic slowdown in the US and Europe.

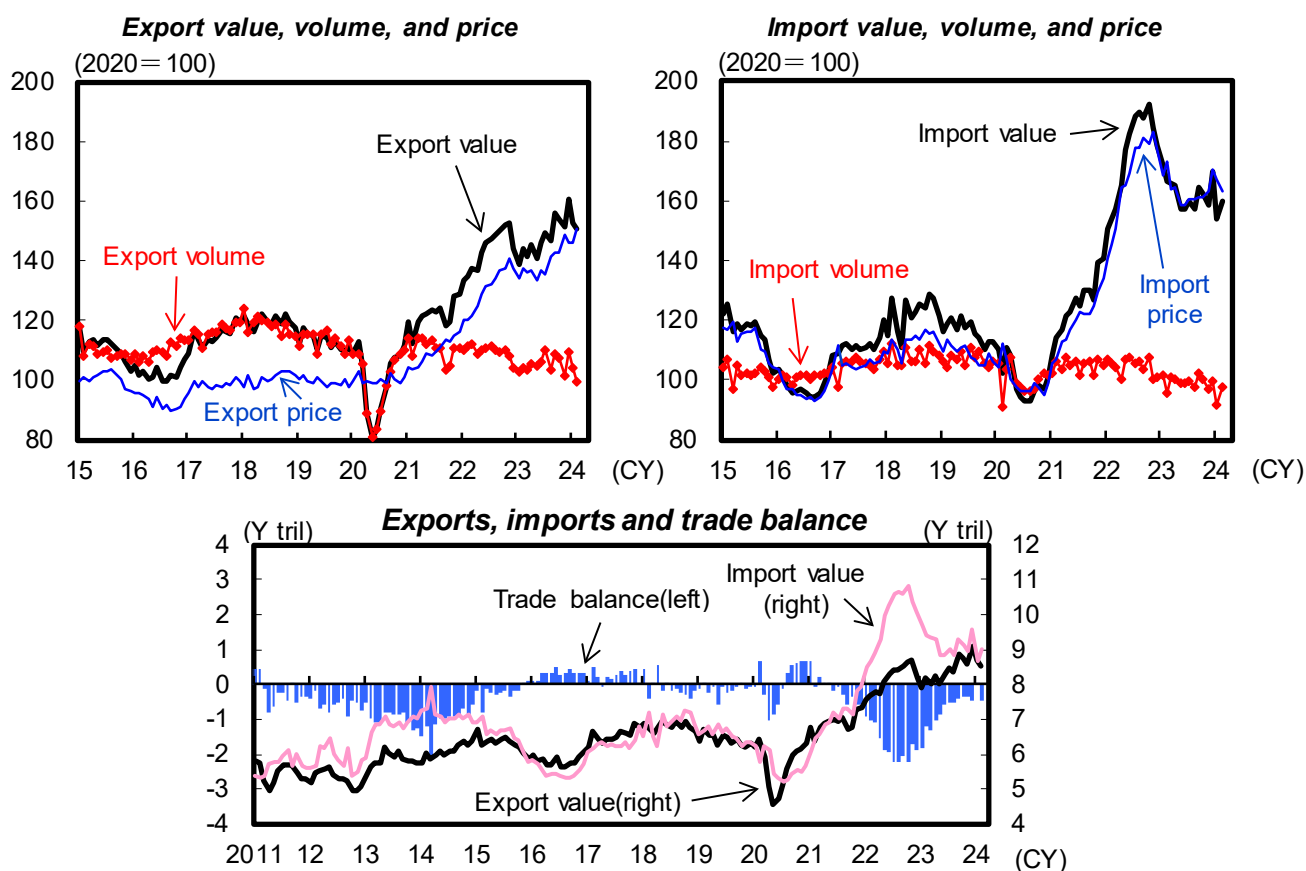
Trade Statistics **Chart 1**

	2023							2024	
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Export value (y/y %)	1.5	-0.3	-0.8	4.3	1.6	-0.2	9.7	11.9	7.8
Market consensus (Bloomberg)									5.1
DIR estimate									0.8
Import value (y/y %)	-13.1	-14.1	-17.7	-16.5	-12.4	-11.8	-6.8	-9.8	0.5
Export volume (y/y %)	-4.0	-2.8	-5.3	0.2	-3.4	-5.6	2.9	2.3	-1.5
Export price (y/y %)	5.7	2.5	4.8	4.1	5.2	5.8	6.6	9.4	9.5
Import volume (y/y %)	-7.4	-6.1	-9.1	-3.9	-3.2	-3.4	-3.1	-8.4	1.5
Import price (y/y %)	-0.0	-0.0	-9.5	-13.1	-0.0	-8.8	-3.8	-1.5	-0.9
Trade balance (Y100 mil)	365	-613	-9,401	606	-6,682	-7,883	589	-17,603	-3,794
Export value (SA, m/m %)	3.5	2.2	-1.6	6.3	-1.2	-1.7	5.8	-4.6	-1.5
Export volume (SA, m/m %)	1.0	3.5	-5.9	5.1	-1.1	-5.6	7.7	-4.8	-4.5
Export price (SA, m/m %)	2.5	-1.3	4.6	1.1	-0.1	4.1	-1.8	0.1	3.1
Import value (SA, m/m %)	0.1	1.8	-1.7	4.7	-1.4	-2.1	6.9	-9.3	3.8
Import volume (SA, m/m %)	0.2	0.4	-1.7	4.5	-1.6	-3.4	2.3	-7.5	6.3
Import price (SA, m/m %)	-0.1	1.4	0.0	0.1	0.1	1.3	4.5	-2.0	-2.4
Trade balance (SA, Y100 mil)	-5,623	-5,412	-5,229	-4,111	-3,799	-3,387	-4,579	126	-4,516
The Japan Customs rate (yen/dlr)	139.24	142.32	142.23	146.44	148.88	150.34	146.92	143.95	148.18

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**

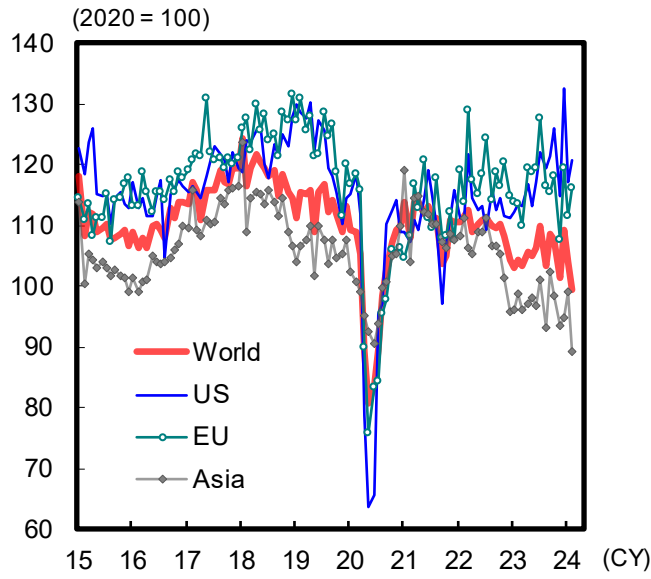


Source: Ministry of Finance; compiled by DIR.

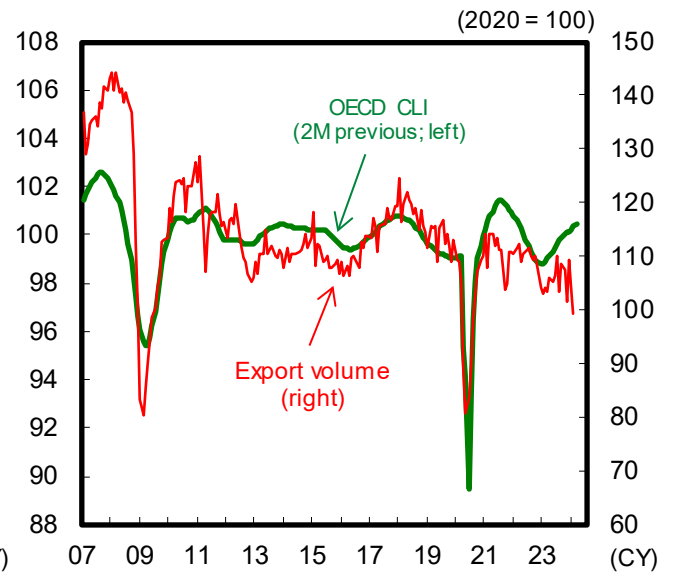
Note: Export volume and export price seasonally adjusted by DIR.

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.