May 2024 Trade Statistics

Export value shifts into decline due to downturn for motor vehicle exports to Europe

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Summary

■ According to May 2024 trade statistics, export value grew for the sixth consecutive month by +13.5% y/y, while at the same time slightly exceeding market consensus (+12.7% according to Bloomberg survey). On a seasonally adjusted basis export value grew for the third consecutive month at +1.2% m/m. On the other hand, export volume (seasonally adjusted by DIR), which represents the actual export situation, declined mainly due to a downturn in motor vehicle exports. Import value grew for the second consecutive month by +9.5% y/y, while on a seasonally adjusted basis it grew for the first time in two months at +1.5% m/m. As a result, the trade balance was in the red for the second consecutive month at -1,221.3 bil yen, while on a seasonally adjusted basis it was in the red for the 36th consecutive month at -618.2 bil yen.

■ Export volume in May declined for the first time in three months by -4.1% m/m. Exports of motor vehicles to Europe declined, bringing downward pressure on overall performance. Motor vehicle exports exhibit a high growth rate on a y/y basis at +13.6% due to the resolution of the semiconductor shortage, but on an m/m basis, they have again shifted into decline. Looking at export volume by source of demand, exports to all regions declined, with the US at -0.1% m/m, the EU at -9.9%, and Asia at -3.0%.

■ Export volume is expected to return to a moderate growth trend. Private sector demand remains firm in the US, and Europe's GDP growth rate is expected to pick up speed between the second half of 2024 and the Jan-Mar period of 2025. Meanwhile, exports of semiconductor related goods are also expected to grow thanks to the recovery of the silicon cycle. Moreover, the issue of procedural irregularities in certification applications caused by some motor vehicle manufacturers is not expected to have much of a direct effect on export volume.

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Trade Statistics — Chart 1

	2023 Sep	Oct	Nov	Dec	2024 Jan	Feb	Mar	Apr	May
Export value (y/y %)	4.3	1.6	-0.2	9.7	11.9	7.8	7.3	8.3	13.5
Market consensus (Bloomberg)									12.7
DIR estimate									13.0
Import value (y/y %)	-16.5	-12.4	-11.8	-6.8	-9.7	0.6	-5.1	8.3	9.5
Export volume (y/y %)	0.2	-3.4	-5.6	2.9	2.3	-1.5	-2.1	-3.2	-0.9
Export price (y/y %)	4.1	5.2	5.8	6.6	9.4	9.5	9.6	11.9	14.5
Import volume (y/y %)	-3.9	-3.2	-3.4	-3.1	-8.4	1.3	-9.7	0.7	-1.9
Import price (y/y %)	-0.0	-0.0	-8.8	-3.8	-0.0	-0.8	5.1	7.6	11.6
Trade balance (Y100 mil)	606	-6,682	-7,883	589	-17,665	-3,830	3,824	-4,656	-12,213
Export value (SA, m/m %)	6.4	-1.2	-1.8	5.7	-4.4	-1.7	2.7	0.9	1.2
Export volume (SA, m/m %)	4.6	-0.6	-5.0	6.7	-4.1	-4.3	3.3	0.8	-4.1
Export price (SA, m/m %)	1.7	-0.6	3.4	-1.0	-0.3	2.7	-0.6	0.1	5.5
Import value (SA, m/m %)	4.9	-1.4	-1.9	7.1	-9.0	4.3	3.9	-0.4	1.5
Import volume (SA, m/m %)	3.4	-1.7	-1.9	1.3	-7.0	6.5	-1.8	0.5	-2.6
Import price (SA, m/m %)	1.5	0.3	0.0	5.7	-2.1	-2.1	5.8	-0.9	4.2
Trade balance (SA, Y100 mil)	-3,965	-3,771	-3,600	-5,081	-445	-5,704	-6,953	-5,813	-6,182
The Japan Customs rate (yen/dlr)	146.44	148.88	150.34	146.92	143.95	148.18	149.45	151.66	155.48

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

Note: Volume and price seasonally adjusted by DIR.

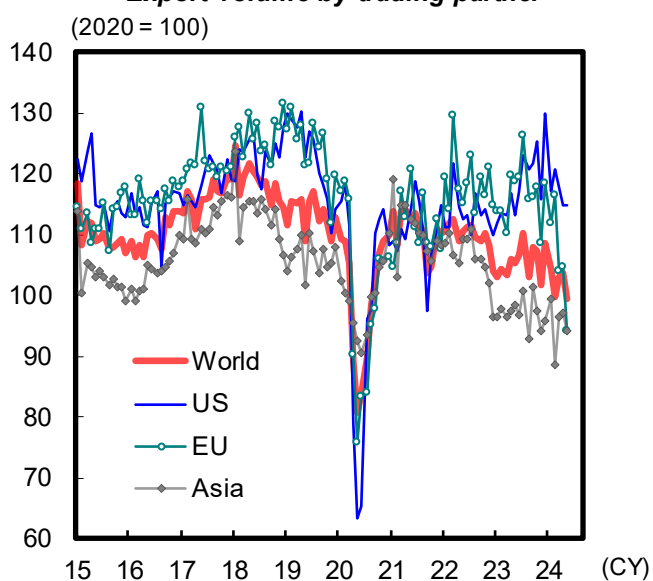## Export (Value, Volume and Price), Import (Value, Volume and Price) and Trade Balance — Chart 2

Export value, volume, and price

Import value, volume, and price

Exports, imports and trade balance
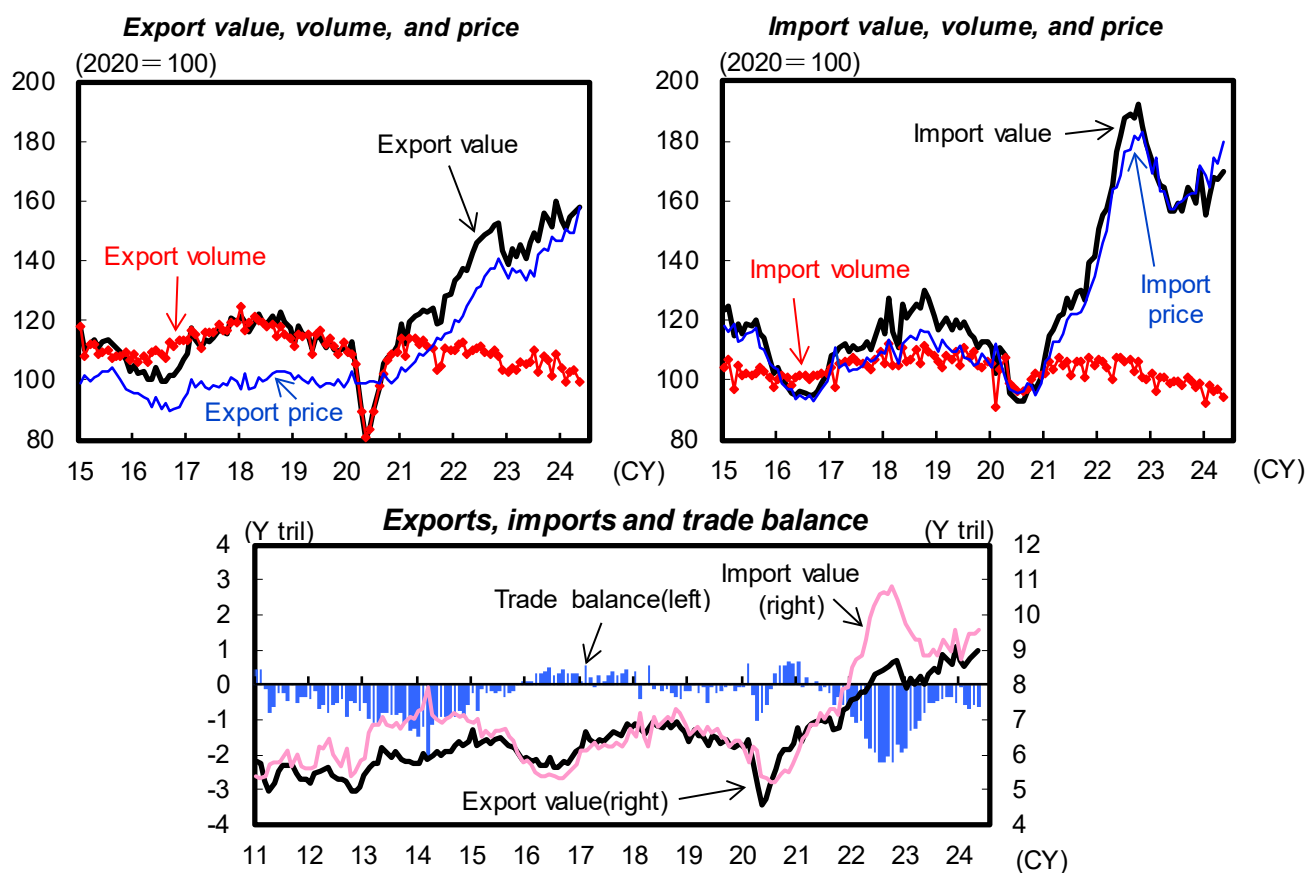
Source: Ministry of Finance; compiled by DIR.
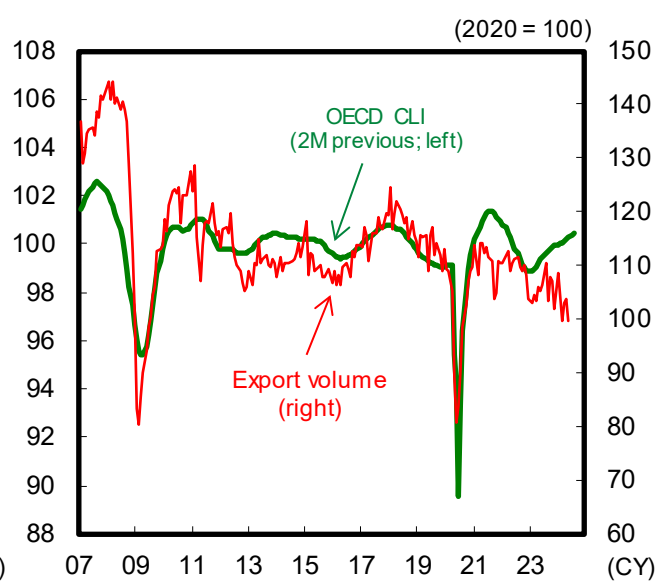Note: Volume and price seasonally adjusted by DIR.

Export volume by trading partner

(2020 = 100)

World
US
EU
Asia

Global economy and Japan's export volume

(2020 = 100)

OECD CLI
(2M previous; left)

Export volume
(right)

Source: Ministry of Finance; OECD; compiled by DIR.
Notes: 1) OECD CLI (Composite Leading Indicator): G20 countries.
     2) Export volume seasonally adjusted by DIR.