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# July 2024 Trade Statistics

## Growth in export volume unsatisfactory, leads to poor results

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### Summary

- According to July 2024 trade statistics, export value grew for the eighth consecutive month by +10.3% y/y, while at the same time falling below market consensus (+11.5% according to Bloomberg survey). Growth in export volume was lackluster, and the increase was largely due to an upturn in the single month, so the actual situation is not as strong as figures suggest. Export value grew on a seasonally adjusted basis for the first time in two months by +1.7% m/m. Import value grew for the fourth consecutive month by +16.6% y/y, with the growth rate moving into the double-digit range for the first time in 18 months. Import prices were observed to have risen in a broad range of components due to the weak yen. On a seasonally adjusted basis, growth was at +0.9% m/m. As a result, the trade balance was in the red for the first time in two months at -621.8 bil yen y/y. On a seasonally adjusted basis, it was in the red for the 38th consecutive month at -755.2 bil yen m/m.
- Export volume grew for the second consecutive month at +1.2% m/m. However, the main reason was growth in iron and steel products exports to Europe and ships exports to Asia – components which tend to fluctuate widely. In comparison, major components such as motor vehicles and semicon machinery etc. suffered declines for the third consecutive month, resulting in a generally weak tone for exports. Looking at export volume by source of demand, exports to the EU were up by +10.2%, with Asia up by +2.0%, and exports to the US down by -2.2%.
- Export volume is expected to move toward a moderate growth trend. Export value of goods according to the Apr-June 2024 real GDP results grew for the first time in a year by +0.6% q/q. The Jan-Mar period was marked by a significant drop in exports due to the motor vehicle certification fraud issue, but this situation appears to have already been resolved. Going forward, the environment should be favorable for an increase in exports from Japan, driven by firm external demand, interest rate cuts in the U.S. and Europe, and economic stimulus measures by the Chinese government. In the U.S., a bird's-eye view of the major economic indicators to date indicates that the risk of recession is limited, and a significant decline in Japanese exports to the U.S. is not likely in the short term.

## Trade Statistics

## Chart 1

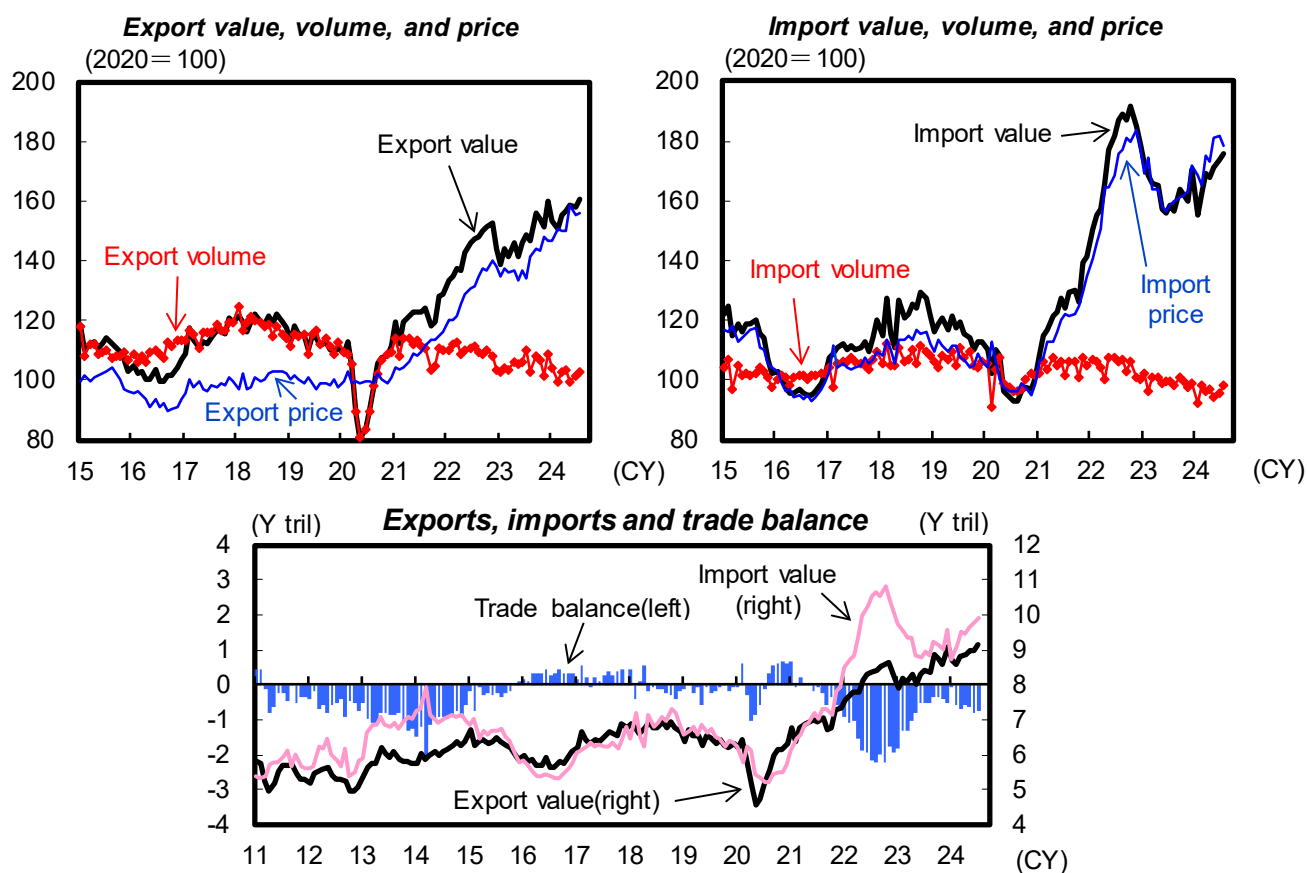
	2023 Nov	2023 Dec	2024 Jan	2024 Feb	2024 Mar	2024 Apr	2024 May	2024 Jun	2024 Jul
Export value (y/y %)	-0.2	9.7	11.9	7.8	7.3	8.3	13.5	5.4	10.3
Market consensus (Bloomberg)									11.5
DIR estimate									12.1
Import value (y/y %)	-11.8	-6.8	-9.7	0.6	-5.1	8.4	9.5	3.2	16.6
Export volume (y/y %)	-5.6	2.9	2.3	-1.5	-2.1	-3.2	-0.9	-6.2	-5.2
Export price (y/y %)	5.8	6.6	9.4	9.5	9.6	11.9	14.5	12.3	16.3
Import volume (y/y %)	-3.4	-3.1	-8.4	1.3	-9.7	0.7	-2.0	-8.9	4.4
Import price (y/y %)	-0.0	-0.0	-1.4	-0.8	-0.0	7.7	11.7	13.3	11.6
Trade balance (Y100 mil)	-7,883	589	-17,665	-3,830	3,824	-4,713	-12,230	2,240	-6,218
Export value (SA, m/m %)	-1.8	5.7	-4.2	-1.4	2.7	0.9	1.3	-0.2	1.7
Export volume (SA, m/m %)	-5.0	6.7	-4.1	-4.3	3.3	0.8	-4.1	2.1	1.2
Export price (SA, m/m %)	3.4	-0.9	-0.2	3.0	-0.6	0.2	5.7	-2.3	0.5
Import value (SA, m/m %)	-1.3	6.7	-8.9	4.6	4.2	-0.6	1.8	1.7	0.9
Import volume (SA, m/m %)	-1.9	1.3	-7.0	6.5	-1.8	0.5	-2.7	1.6	2.7
Import price (SA, m/m %)	0.7	5.3	-2.1	-1.8	6.1	-1.1	4.6	0.1	-1.7
Trade balance (SA, Y100 mil)	-4,049	-5,150	-418	-5,656	-7,173	-5,820	-6,361	-8,196	-7,552
The Japan Customs rate (yen/dir)	150.34	146.92	143.95	148.18	149.45	151.66	155.48	156.64	159.77

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: Volume and price seasonally adjusted by DIR.

## Export Volume by Trade Partner; Global Economy and Japan's Export Volume

Chart 3

