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August 2024 Trade Statistics

Downturn in export value centering on motor vehicles due to effects of typhoon and progressive yen appreciation

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Summary

- According to August 2024 trade statistics, export value grew for the ninth consecutive month by +5.6% y/y, while at the same time falling significantly below the level achieved during the first 20 days of August (+12.3%). The impact of plant shutdowns caused by the typhoon in late August is believed to have been felt mainly in motor vehicles, and the growth in export unit prices also slowed due to the ongoing appreciation of the yen. On a seasonally adjusted basis, export value declined for the first time in two months by -3.9% m/m. Import value grew for the fifth consecutive month by +2.3% y/y, while, as in the case of export value, falling significantly below the performance seen in the first 20 days of August (+19.5%). It is believed that the yen's appreciation made it easier for the value of yen-denominated imports to swing downward. On a seasonally adjusted basis, import value declined for the first time in four months by -4.4% m/m. As a result, the trade balance was in the red for the second consecutive month at -695.3 bil yen y/y. On a seasonally adjusted basis, it was in the red for the 39th consecutive month at -595.9 bil yen m/m.
- Export volume declined for the first time in three months at -2.7% m/m. Intermediate goods suffered declines, including parts of motor vehicles, plastic materials, iron and steel products and other materials. Meanwhile, the recovery in semicon machinery etc. and cars, which suffered reactionary declines during the previous month, was unremarkable. Looking at export volume by source of demand, exports to the US were down by -3.0%, with the EU down by -5.3%, and Asia down by -1.0%.
- Export volume is expected to move toward a moderate growth trend. Going forward, the environment should be favorable for an increase in exports from Japan with the US economy showing a firm undertone, interest rate cuts in the US and Europe, economic stimulus measures by the Chinese government, and the recovery in the silicon cycle.

Trade Statistics

Chart 1

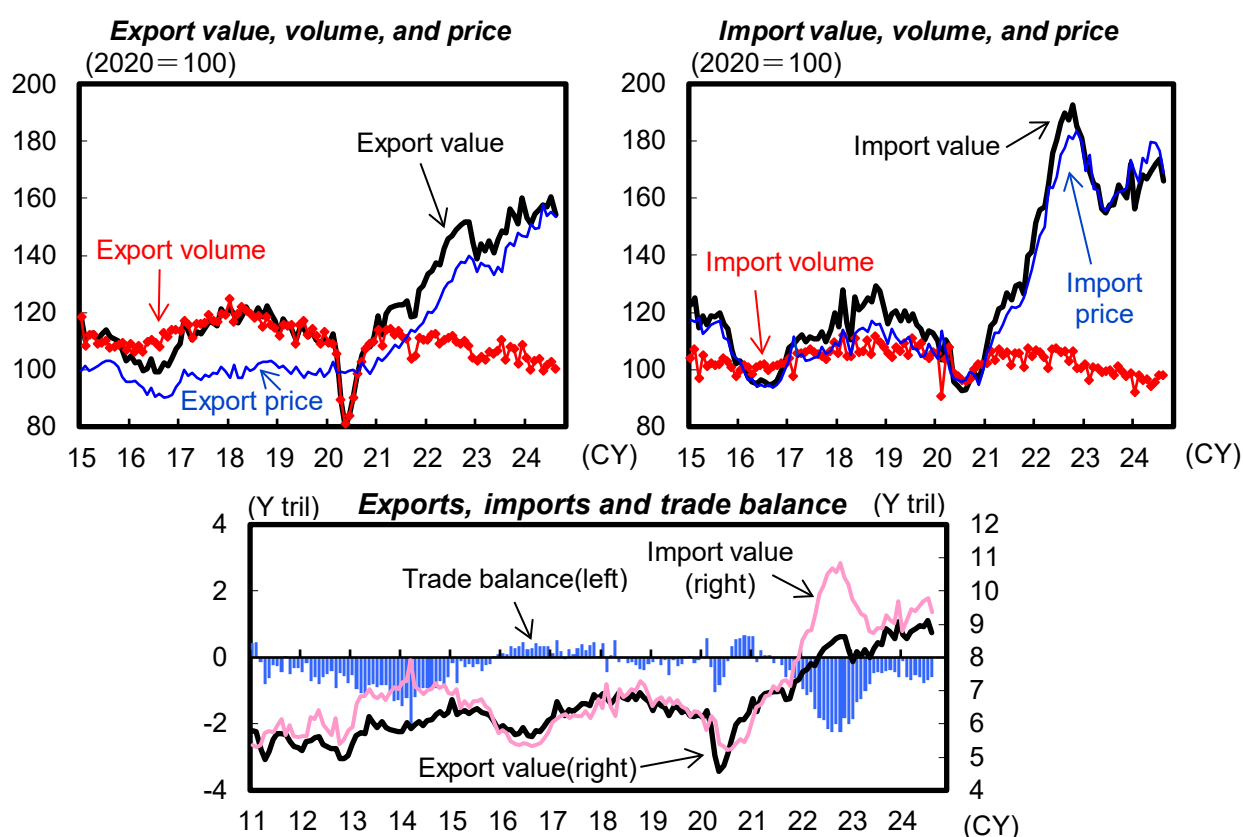
	2023 Dec	2024 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Export value (y/y %)	9.7	11.9	7.8	7.3	8.3	13.5	5.4	10.2	5.6
Market consensus (Bloomberg)									10.6
DIR estimate									9.5
Import value (y/y %)	-6.8	-9.7	0.6	-5.1	8.4	9.5	3.3	16.6	2.3
Export volume (y/y %)	2.9	2.3	-1.5	-2.1	-3.2	-0.9	-6.2	-5.2	-2.7
Export price (y/y %)	6.6	9.4	9.5	9.6	11.9	14.5	12.3	16.3	8.6
Import volume (y/y %)	-3.1	-8.4	1.3	-9.7	0.7	-2.0	-8.9	4.4	-3.8
Import price (y/y %)	-0.0	-0.0	-0.8	5.1	-0.0	11.7	13.3	11.6	6.3
Trade balance (Y100 mil)	589	-17,665	-3,830	3,824	-4,713	-12,230	2,194	-6,287	-6,953
Export value (SA, m/m %)	6.0	-4.4	-1.3	2.2	1.0	1.1	-0.5	2.2	-3.9
Export volume (SA, m/m %)	6.7	-4.1	-4.3	3.3	0.8	-4.1	2.1	1.2	-2.7
Export price (SA, m/m %)	-0.7	-0.3	3.1	-1.0	0.2	5.4	-2.5	1.0	-1.2
Import value (SA, m/m %)	7.3	-9.2	4.2	3.2	-0.7	1.5	1.5	1.1	-4.4
Import volume (SA, m/m %)	1.3	-7.0	6.5	-1.8	0.5	-2.7	1.6	2.7	-0.1
Import price (SA, m/m %)	5.9	-2.3	-2.2	5.1	-1.2	4.3	-0.1	-1.6	-4.3
Trade balance (SA, Y100 mil)	-5,918	-1,007	-5,854	-6,876	-5,369	-5,800	-7,684	-6,773	-5,959
The Japan Customs rate (yen/dlr)	146.92	143.95	148.18	149.45	151.66	155.48	156.64	159.77	150.89

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

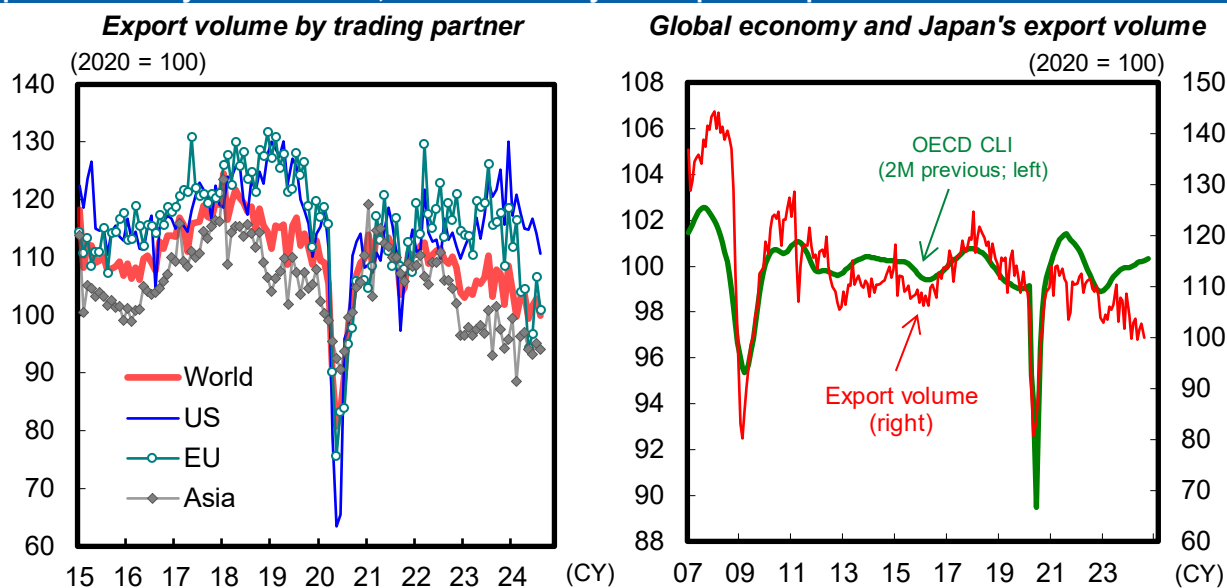


Source: Ministry of Finance; compiled by DIR.

Note: Volume and price seasonally adjusted by DIR.

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

Chart 3



Source: Ministry of Finance; OECD; compiled by DIR.

Notes: 1) OECD CLI (Composite Leading Indicator): G20 countries.

2) Export volume seasonally adjusted by DIR.