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September 2024 Trade Statistics

Export value suffers y/y decline for first time in ten months with export prices weakening due to yen appreciation

Economic Research Dept.
Kazuma Kishikawa

Summary

- According to September 2024 trade statistics, export value declined for the first time in ten months by -1.7% y/y. The Japan Customs rate (yen/dollar) rose from the previous year for the first time in three and a half years, and growth in export prices slowed. On a seasonally adjusted basis, export value grew for the first time in two months by +2.0% m/m due to an upswing in export volume. Import value grew for the sixth consecutive month by +2.1% y/y, but the growth rate is slowing down as yen appreciation progresses. On a seasonally adjusted basis, import value declined for the second consecutive month by -1.2% m/m. As a result, the trade balance was in the red for the third consecutive month at -294.3 bil yen. On a seasonally adjusted basis, it was in the red for the 40th consecutive month at -187.2 bil yen. The deficit has been reduced significantly since August.
- The contribution of overseas demand to real GDP growth in the Jul-Sep period is expected to be close to zero. Growth in the volume of export and import of goods was roughly equal, and the average of the service balance for July and August was only slightly higher than the average for the Apr-Jun period.
- Export volume in September grew for the first time in two months at +5.1% m/m. The recovery of motor vehicle exports is accelerating, and semiconductor related goods such as semicon machinery etc. and ICs provided a boost to overall performance. Looking at export volume by source of demand, exports to the US were up by +16.3%, with the EU up by +7.4%, and Asia up by +3.3%.
- Export volume is expected to mark time on average. While recovery production can be expected due to the easing of supply constraints, exports are expected to be sluggish overall due mainly to the moderate slowdown in the US economy. As for exports to China, economic stimulus measures by the Chinese government are expected to have the effect of providing support for exports from Japan. The recovery in the silicon cycle is expected to continue providing underlying support for exports.

Trade Statistics

Chart 1

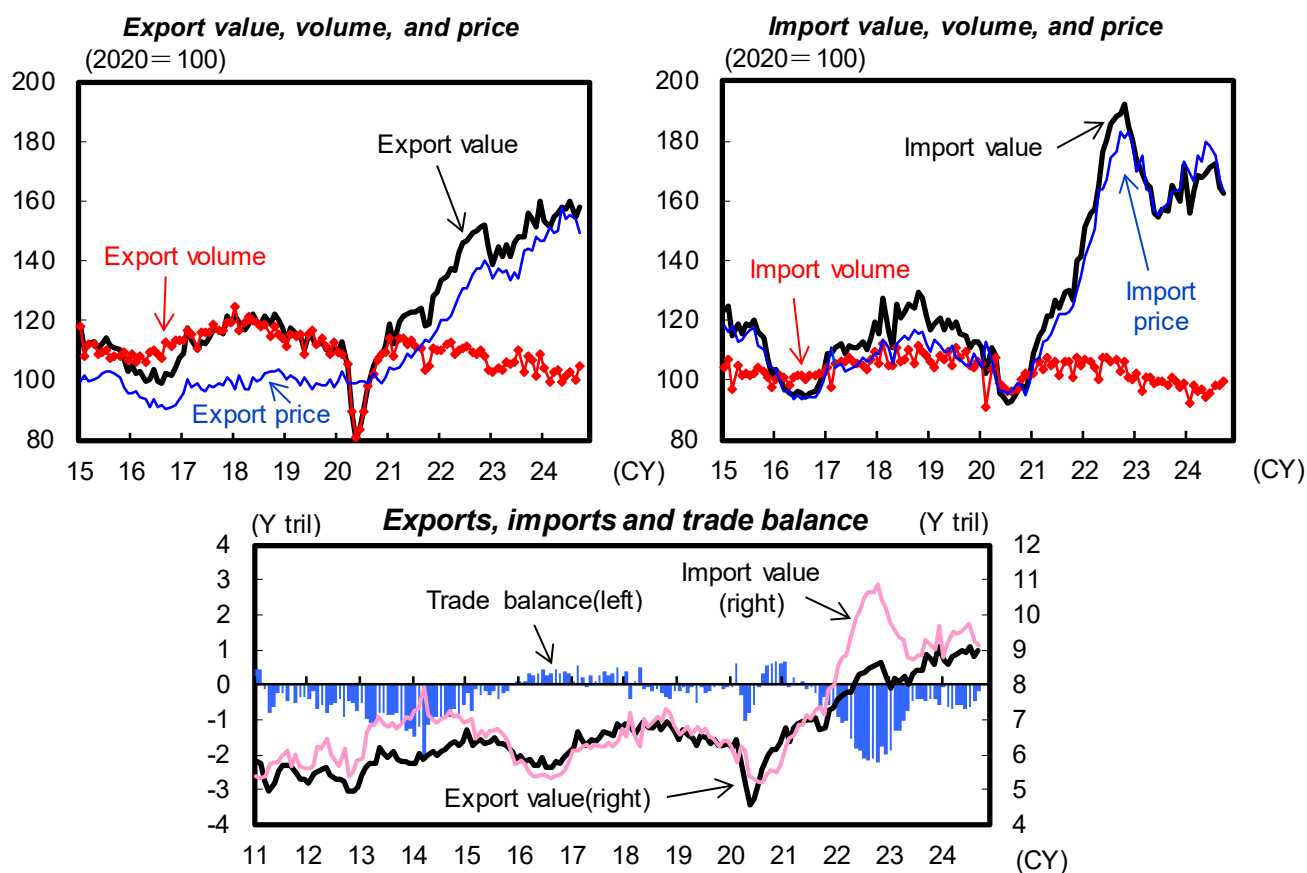
| | 2024 | | | | | | | | |
|----------------------------------|---------|--------|--------|--------|---------|--------|--------|--------|--------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
| Export value (y/y %) | 11.9 | 7.8 | 7.3 | 8.3 | 13.5 | 5.4 | 10.2 | 5.5 | -1.7 |
| Market consensus (Bloomberg) | | | | | | | | | 0.9 |
| DIR estimate | | | | | | | | | 2.1 |
| Import value (y/y %) | -9.7 | 0.6 | -5.1 | 8.4 | 9.5 | 3.3 | 16.6 | 2.3 | 2.1 |
| Export volume (y/y %) | 2.3 | -1.5 | -2.1 | -3.2 | -0.9 | -6.2 | -5.2 | -2.7 | -6.9 |
| Export price (y/y %) | 9.4 | 9.5 | 9.6 | 11.9 | 14.5 | 12.3 | 16.3 | 8.5 | 5.5 |
| Import volume (y/y %) | -8.4 | 1.3 | -9.7 | 0.7 | -2.0 | -8.9 | 4.4 | -3.8 | -1.3 |
| Import price (y/y %) | -0.0 | -0.0 | 5.1 | 7.7 | -0.0 | 13.3 | 11.7 | 6.4 | 3.4 |
| Trade balance (Y100 mil) | -17,665 | -3,830 | 3,824 | -4,713 | -12,230 | 2,194 | -6,343 | -7,032 | -2,943 |
| Export value (SA, m/m %) | -4.2 | -1.3 | 2.2 | 1.0 | 1.1 | -0.5 | 1.8 | -3.5 | 2.0 |
| Export volume (SA, m/m %) | -4.1 | -4.3 | 3.3 | 0.8 | -4.1 | 2.1 | 1.2 | -2.7 | 5.1 |
| Export price (SA, m/m %) | -0.2 | 3.2 | -1.0 | 0.2 | 5.5 | -2.5 | 0.6 | -0.8 | -2.9 |
| Import value (SA, m/m %) | -9.1 | 4.7 | 3.2 | -0.6 | 1.0 | 1.1 | 0.8 | -4.8 | -1.2 |
| Import volume (SA, m/m %) | -7.0 | 6.5 | -1.8 | 0.5 | -2.7 | 1.6 | 2.7 | -0.1 | 1.3 |
| Import price (SA, m/m %) | -2.2 | -1.7 | 5.2 | -1.1 | 3.8 | -0.5 | -1.9 | -4.7 | -2.5 |
| Trade balance (SA, Y100 mil) | -869 | -6,125 | -7,193 | -5,702 | -5,623 | -7,086 | -6,194 | -4,720 | -1,872 |
| The Japan Customs rate (yen/dlr) | 143.95 | 148.18 | 149.45 | 151.66 | 155.48 | 156.64 | 159.77 | 150.89 | 144.27 |

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

