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December 2024 Trade Statistics

Trade balance back in black for first time in six months backed by growth in export prices due to weak yen

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Summary

- According to December 2024 trade statistics, export value grew for the third consecutive month by +2.8% y/y. The main reason was the yen continued to be weak against the dollar following on the previous month, pushing export prices up. On a seasonally adjusted basis, export value grew for the first time in three months by +6.3% m/m. Import value grew for the first time in two months by +1.8% y/y, while on a seasonally adjusted basis, import value grew for the second consecutive month by +2.2% m/m. As a result, the trade balance was back in the black for the first time in six months at +130.9 bil yen. On a seasonally adjusted basis, it was in the red for the 43rd consecutive month at -33.0 bil yen, but the extent of the deficit shrank considerably.
- Export volume of goods during the Oct-Dec period of 2024 grew by +1.7% q/q, while import volume is estimated to have declined by -1.1%. The contribution of overseas demand, including net exports of services, to real GDP growth is expected to be positive, although this will depend on the results of the December balance of payments statistics.
- Export volume in December grew for the first time in three months at +8.6% m/m. In addition to passenger cars, which were slow during the previous month, motor vehicle related intermediate goods (automobile parts and motors), as well as steel and computer parts were strong. Looking at export volume by source of demand, exports were up overall, with the US up by +22.1%, the EU up by +33.2%, and Asia up by +3.8%.
- Export volume is expected to continue marking time on average. Semiconductor related goods continue to be promising due to the recovery of the silicon cycle, but on the other hand, exports are expected to be sluggish overall due mainly to the moderate slowdown in the US and European economies. Moreover, if the US implements additional tariff measures as was suggested by president Trump before taking office, there is the risk that trade and economies worldwide will suffer a standstill, causing overseas demand to shrink.

Trade Statistics

Chart 1

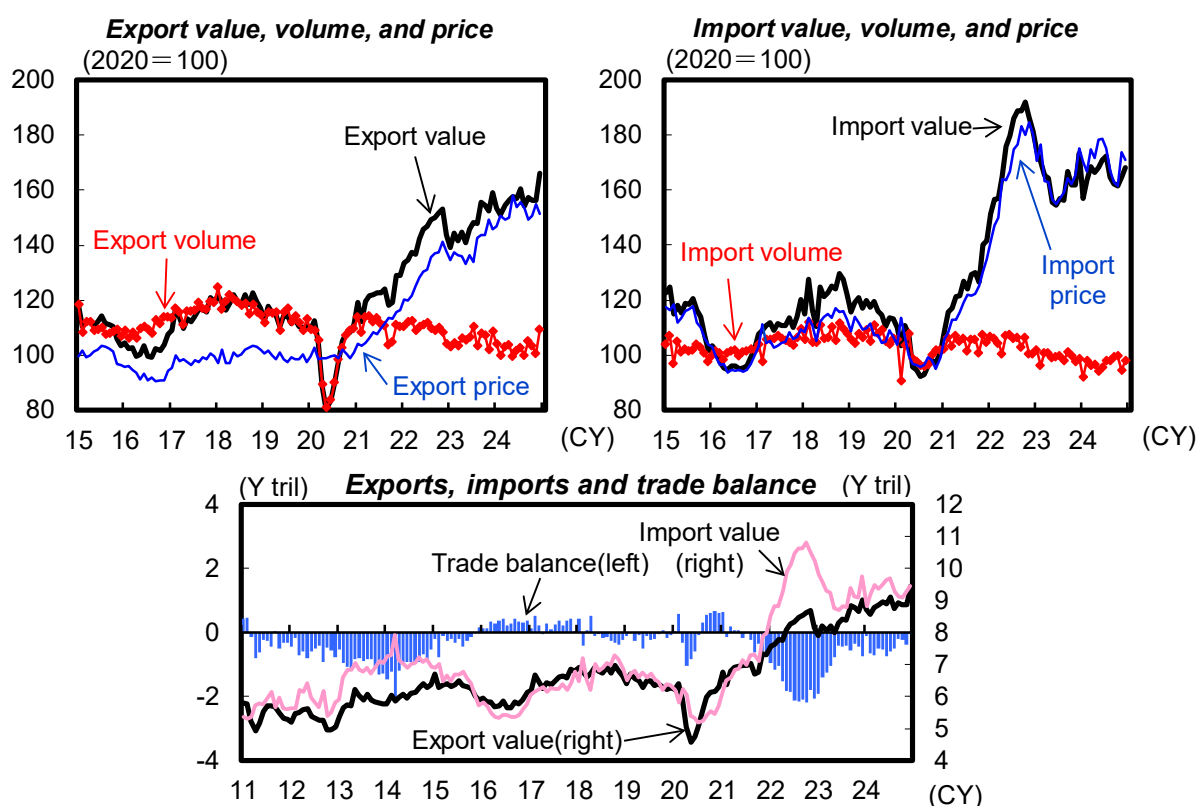
	2024									
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Export value (y/y %)	8.3	13.5	5.4	10.2	5.5	-1.7	3.1	3.8	2.8	
Market consensus (Bloomberg)									2.4	
DIR estimate									2.7	
Import value (y/y %)	8.0	9.4	3.3	16.5	2.2	1.9	0.5	-3.8	1.8	
Export volume (y/y %)	-3.2	-0.9	-6.2	-5.2	-2.7	-6.9	0.1	-0.1	-2.6	
Export price (y/y %)	11.9	14.5	12.3	16.3	8.5	5.5	3.0	3.9	5.6	
Import volume (y/y %)	0.6	-2.0	-8.9	4.4	-3.8	-1.3	2.5	-5.5	1.9	
Import price (y/y %)	-0.0	-0.0	13.3	11.6	-0.0	3.2	-2.0	1.8	-0.2	
Trade balance (Y100 mil)	-4,713	-12,230	2,194	-6,343	-7,092	-2,995	-4,682	-1,103	1,309	
Export value (SA, m/m %)	1.2	1.0	-0.6	2.3	-3.9	2.0	-0.6	-0.1	6.3	
Export volume (SA, m/m %)	0.8	-4.1	2.1	1.2	-2.7	5.1	-1.6	-2.8	8.6	
Export price (SA, m/m %)	0.4	5.4	-2.7	1.1	-1.2	-2.9	1.0	2.8	-2.2	
Import value (SA, m/m %)	-1.3	1.1	1.7	0.8	-4.6	-1.4	-0.4	1.9	2.2	
Import volume (SA, m/m %)	0.5	-2.7	1.6	2.6	0.0	1.3	0.3	-5.3	4.0	
Import price (SA, m/m %)	-1.8	3.9	0.1	-1.8	-4.6	-2.6	-0.7	7.6	-1.7	
Trade balance (SA, Y100 mil)	-4,993	-5,144	-7,275	-5,921	-5,013	-1,962	-2,145	-3,887	-330	
The Japan Customs rate (yen/dlr)	151.66	155.48	156.64	159.77	150.89	144.27	145.87	152.83	152.48	

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

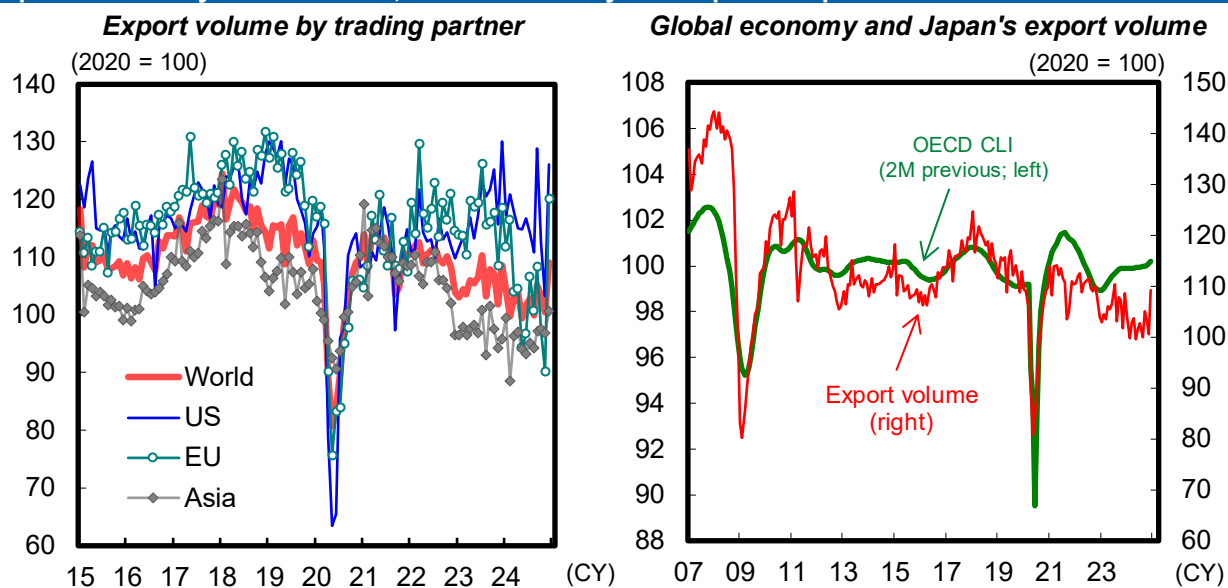


Source: Ministry of Finance; compiled by DIR.

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.