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January 2025 Trade Statistics

Export volume suffers y/y decline for three consecutive months, trade balance moves back into red

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Summary

- According to January 2025 trade statistics, export value grew for the fourth consecutive month by +7.2% y/y. The main reason was the yen continued to be weak against the dollar on a y/y basis for three consecutive months, pushing export prices up, while on a volume basis, there was a decline for the third consecutive month by -1.7%. Hence in reality the numbers were not good. Meanwhile, import value grew sharply by +16.7% due partly to special factors. On a seasonally adjusted basis, import value grew for the third consecutive month by +4.7% m/m. As a result, the trade balance was in the red for the first time in two months at -2,758.8 bil yen. On a seasonally adjusted basis, it was in the red for the 44th consecutive month at -856.6 bil yen.
- Export volume in January 2025 declined for the first time in two months by -8.4% m/m. Looking at the three-month moving average export volume shifted into decline for the first time in five months at -1.1%, weak performance even considering the factor of reactionary decline in comparison to the sharp upturn of the previous month. Exports of motor vehicles and parts of motor vehicles were weak, dragging down the overall index. Looking at export volume by source of demand, exports were down overall for the first time in two months, with the EU down by -24.9%, the US down by -12.9%, and Asia down by -5.2%. Of this, China was down for the first time in two months by -9.6%.
- 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, while exports are expected to be sluggish overall due mainly to the moderate slowdown in the US economy. Furthermore, if the new Trump administration's tariff increase measures escalate, there is a risk that trade and the economy will stagnate worldwide, and external demand will shrink.

Trade Statistics

Chart 1

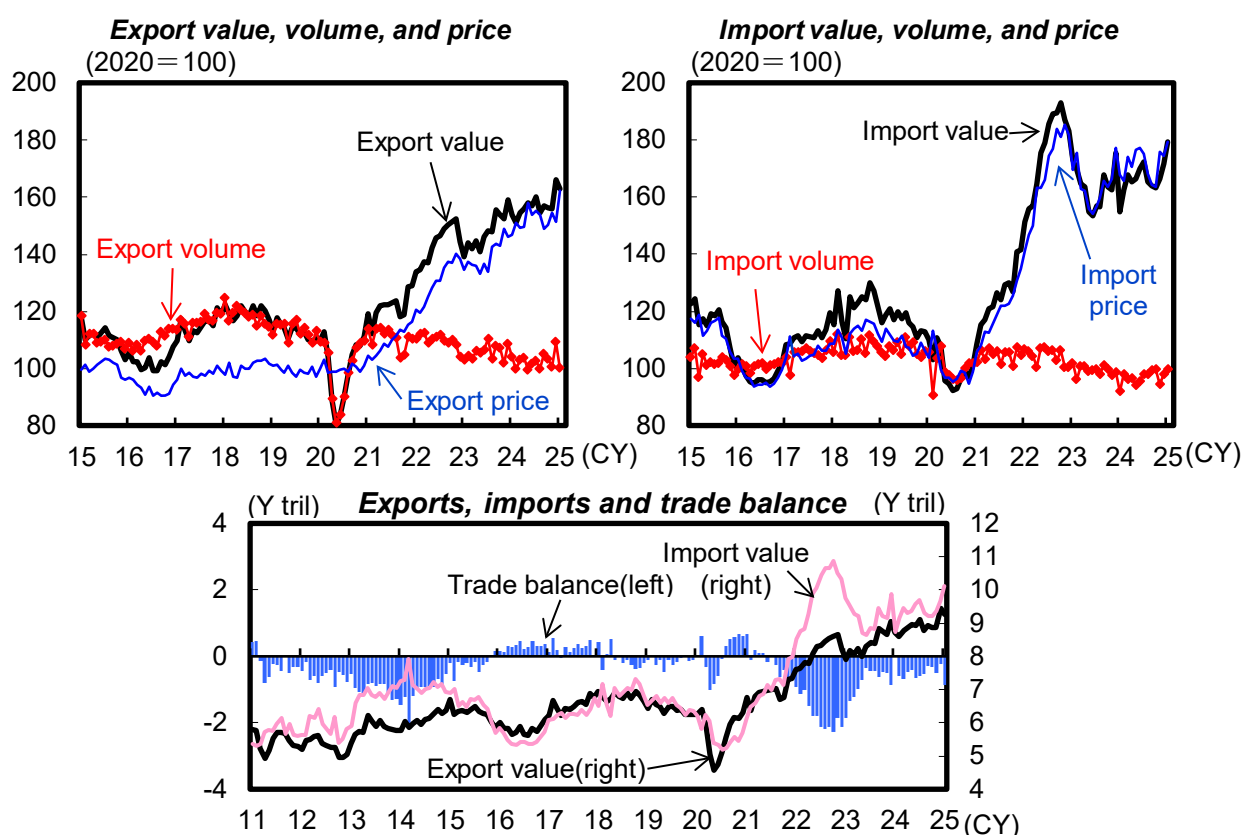
	2024 May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2025 Jan
Export value (y/y %)	13.5	5.4	10.2	5.5	-1.7	3.1	3.8	2.8	7.2
Market consensus (Bloomberg)									7.7
DIR estimate									9.8
Import value (y/y %)	9.4	3.3	16.5	2.2	1.9	0.5	-3.8	1.7	16.7
Export volume (y/y %)	-0.9	-6.2	-5.2	-2.7	-6.9	0.1	-0.1	-2.6	-1.7
Export price (y/y %)	14.5	12.3	16.3	8.5	5.5	3.0	3.9	5.6	9.1
Import volume (y/y %)	-2.0	-8.9	4.4	-3.8	-1.3	2.5	-5.5	1.8	8.7
Import price (y/y %)	-0.0	-0.0	11.6	6.3	-0.0	-2.0	1.9	-0.1	7.4
Trade balance (Y100 mil)	-12,230	2,194	-6,343	-7,092	-2,995	-4,682	-1,145	1,325	-27,588
Export value (SA, m/m %)	1.2	-0.6	2.1	-3.6	1.7	-0.6	-0.1	6.5	-2.0
Export volume (SA, m/m %)	-4.1	2.1	1.2	-2.7	5.1	-1.6	-2.8	8.6	-8.4
Export price (SA, m/m %)	5.6	-2.7	0.9	-0.9	-3.2	1.0	2.8	-2.0	7.0
Import value (SA, m/m %)	0.6	2.0	1.5	-4.1	-0.9	-0.2	1.7	3.1	4.7
Import volume (SA, m/m %)	-2.7	1.6	2.6	0.0	1.3	0.3	-5.3	3.9	1.8
Import price (SA, m/m %)	3.4	0.4	-1.1	-4.1	-2.2	-0.5	7.5	-0.7	2.8
Trade balance (SA, Y100 mil)	-4,021	-6,486	-6,017	-5,306	-2,969	-3,302	-5,011	-2,210	-8,566
The Japan Customs rate (yen/dlr)	155.48	156.64	159.77	150.89	144.27	145.87	152.83	152.48	157.20

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

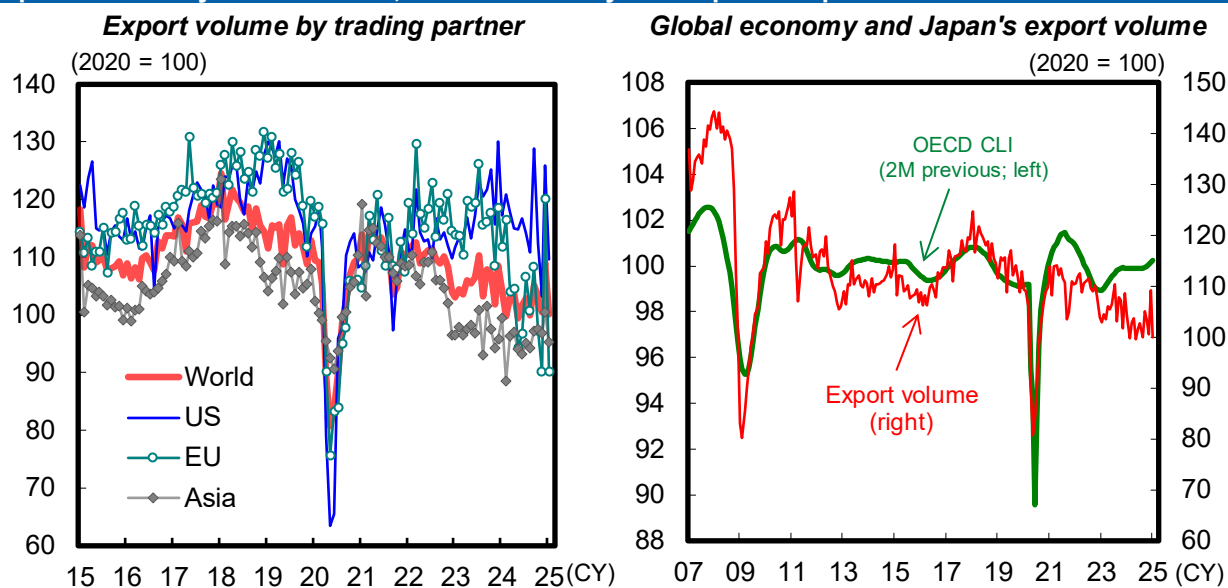


Source: Ministry of Finance; compiled by DIR.

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.