



November 2018

Japanese trade growth declining, remaining dynamic mostly driven by strong air trade

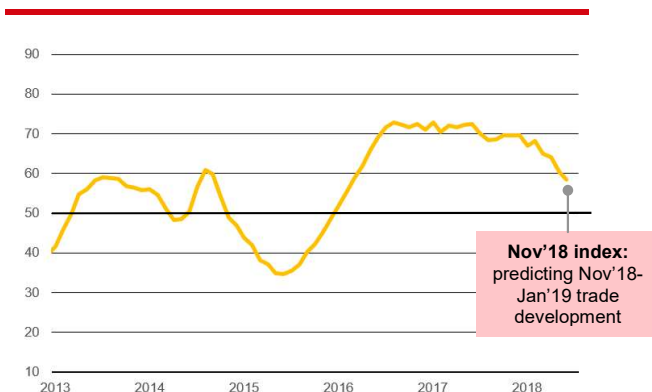
Key findings:

- With a -6 points loss, Japan's speed of trade growth declines markedly and reaches an index value of 58 points.
- Japan's air trade remains particularly strong with 68 points, despite its hefty -11 points loss. Its dynamic is mainly fueled by exports of Land Vehicles & Parts and Machinery Parts.
- As in the previous forecast, growth of Japanese ocean trade remains weak with 53 points, which marks a loss of -2 points. Imports of Industrial Raw Materials and Personal & Household Goods remain one of its few growth drivers.

losing considerable momentum compared to the September update (-11 points). Growth in ocean trade is expected to almost come to a standstill with 53 points, dropping -2 points compared to the previous outlook in September.

Air exports of Land Vehicles & Parts, as well as Machinery Parts, are the biggest contributors to the positive air trade growth. High Technology air exports however show no signs of the recovery in September, with a negative growth expected for the upcoming quarter. High Technology, Machinery Parts and Industrial Raw Materials growth figures are key for the positive expectations of air imports, while on the downside, air import growth of Temperature or Climate Controlled goods is predicted to slow down compared to the high value reached in September.

DHL Global Trade Barometer – Japan Index 2013 – present, 50 = no change



Ocean trade shows few examples of growth drivers, continuing to indicate only a modest positive growth outlook for the next three months. Export growth of Land Vehicles & Parts is expected to slow down, maintaining though a positive prediction. On the import side, the Industrial Raw Materials industry, along with the import of Personal & Household Goods, are expected to positively contribute to the overall growth of ocean imports, in contrast to the predicted decline expected for industries such as Machinery Parts and Basic Raw Materials.

DHL Global Trade Barometer – Japan Sector development – latest three months

DHL Global Trade Barometer – Japan Indexes – latest three months

	Sep'18	Oct'18	Nov'18
Japan Trade	64	61	58
Air Trade	79	71	68
Ocean Trade	55	54	53

	Sep	Oct	Nov
Basic Raw Materials	39	43	44
Capital Equip. & Machinery	81	71	77
Chemicals & Products	55	56	58
Consumer Fashion Goods	76	77	67
High Technology	65	55	49
Industrial Raw Materials	71	66	66
Land Vehicles & Parts	70	64	60
Machinery Parts	76	79	71
Personal & Household Goods	64	66	66
Temperature or Climate Control	44	54	54

The 58 points for Japan's DHL Global Trade Barometer index indicate a prediction of solid trade growth for the upcoming three months. However, the index is showing a downward trend, with an additional decline of -6 points compared to September. Air trade growth is still forecasted to remain as the major growth driver for Japanese trade (68 points), although



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About the DHL Global Trade Barometer:

The DHL Global Trade Barometer is an early indicator for the current state and future development of global trade. It is based on import and export data for a number of intermediates and early-cycle commodities that serve as the basis for further industrial production. Sources for the index are aggregated market data from air and containerized ocean freight from seven countries (China, South Korea, Germany, India, Japan, UK, USA), which account for more than 75 percent of world trade. These data are evaluated using artificial intelligence and various statistical methods and compressed to a single index value that represents the weighted average of the current growth and the upcoming two months of trade. The index, which was designed in cooperation with Accenture, is published four times a year by DHL on a global scale as well as for each of the seven countries surveyed.

About DHL:

Being the world's leading logistics provider, DHL is ideally equipped to derive a global trade outlook from logistics data. DHL has both, a deep understanding of the driving forces behind global trade volumes and the industry expertise to analyze and interpret occurring market data. With its family of divisions, DHL offers an unrivalled portfolio of logistics services ranging from national and international parcel delivery, e-commerce shipping and fulfillment solutions, international express, road, air and ocean transport to industrial supply chain management. DHL employs about 350,000 people in more than 220 countries and territories worldwide, reliably enabling global trade flows. With specialized solutions for growth markets and industries including technology, life sciences and healthcare, energy, automotive and retail, a proven commitment to corporate responsibility and an unrivalled presence in developing markets, DHL is decisively positioned as "The logistics company for the world".

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