

# **Sino-Japan Conventional Market Report (March 2025)**

Released on April 1<sup>st</sup>., 2025

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# 1. Summary

## 1.1 Global Economy and Merchandise Trade

The Global economic environment has been slightly improved. The J.P.Morgan Global Manufacturing PMI rose to an eight-month high of 50.6 in February, up from 50.1 in January. February saw the global manufacturing sector move further into expansion territory.

India, Indonesia, Brazil and the US registered the highest PMI readings in February. The level of the China PMI improved, while contractions were signaled in the euro area and Japan. Although the downturn in international trade volumes extended into its ninth consecutive month, the pace of contraction was only mild and the weakest during that sequence.

J.P.Morgan Global Manufacturing PMI™ Index Summary

Manufacturing PMI

| Index   | Jan-25 | Feb-25 | Interpretation                    | Country       | Jan-25 | Feb-25 |
|---|--------|--------|-----------------------------------|---------------|--------|--------|
| PMI   | 50.1   | 50.6   | Improvement, faster rate          | Japan         | 48.7   | 49.0   |
| Output  | 50.6   | 51.5   | Growth, faster rate               | Korea         | 50.3   | 49.9   |
| New Orders  | 50.8   | 51.3   | Growth, faster rate               | India         | 57.7   | 56.3   |
| New Export Orders   | 49.4   | 49.6   | Decline, slower rate              | Vietnam       | 48.9   | 49.2   |
| Future Output   | 61.7   | 62.0   | Growth expected, better sentiment | Indonesia     | 51.9   | 53.6   |
| Employment  | 48.5   | 49.2   | Decline, slower rate              | Malaysia      | 48.7   | 49.7   |
| Input Prices  | 54.5   | 55.6   | Inflation, faster rate            | Thailand      | 49.6   | 50.6   |
| Output Prices   | 51.5   | 52.2   | Inflation, faster rate            | ASEAN         | 50.4   | 51.5   |
| Remark: sa, 50 = no change over previous month, *50 = no change over next 12 months |        |        |                                   | United States | 51.2   | 52.7   |
|   |        |        |                                   | Eurozone      | 46.6   | 47.6   |

Data Source from S&P Global.

# 1. Executive Summary

The economic policies of the current US government have significantly increased the uncertainty of global economic development. In fact, the direction of US economic policy is clear, which is to put the United States first. However, its economic policy goals and measures have deviated in some aspects, which has made investors to hesitate to make decisions and thus increased the uncertainty of economic development.

In China, the PMI in February reached a new high in nearly a year, and both the Production Index and the New Order Index continued to rise in the expansion range. Although the New Export Order index is still below the critical line, it has also increased. The only concern is that the import index has declined.

Regarding Sino-Japanese trade, the trade amount announced by the Chinese Customs in US dollar decreased by 2.09%, while the same announced by the Japanese Ministry of Finance in Japanese yen increased by about 7%. Considering the fluctuation of exchange rates, the difference between the two sides is not too big and can be acceptable. At the same time, the trade data of both sides in the eastbound of exports from China and the westbound of exports from Japan are basically consistent, indicating that Japan's exports to China have increased more compared to China's exports to Japan in February. Combined with the container freight index in February on Sino-Japanese routes, Sino Japanese trade is still in a relatively stable and sustainable stage.

**Specifically in conventional transportation, steel and steel products is still a base cargo in**

# 1. Executive Summary

The Sino-Japan conventional transport market.

In February 2025, the China steel industry PMI was 50, an increase of 6.3 points. The average operating rate of steel mills' capacity in February is about 79.47%. The New Export Order Index of China steel industry in February was 53.3, 16.2 points upward than last month. Foreign demand has increased compared to January, and China's price advantage in exports still exists.

In February, 74,500 tons of steel were exported from China to Japan, with a cumulative total of 180,000 tons in the first two months, an increase of 21% year-on-year.

In the same month, 208,000 tons of steel were exported from Japan to China, with a cumulative total of 369,000 tons from January to February, a year-on-year decrease of 15.1%.

Meanwhile, the February order data released by the Japan Machine Tool Builders' Association showed that orders from China increased by 16.9% year-on-year, with a cumulative increase of 19.3% from January to February. Although the growth rate is lower than that of India, the absolute value of order volume is still four times that of India, indicating that there is still a considerable amount of high-end equipment exported to China.

## 2. Appendix

### 2.1 GDP Statistics

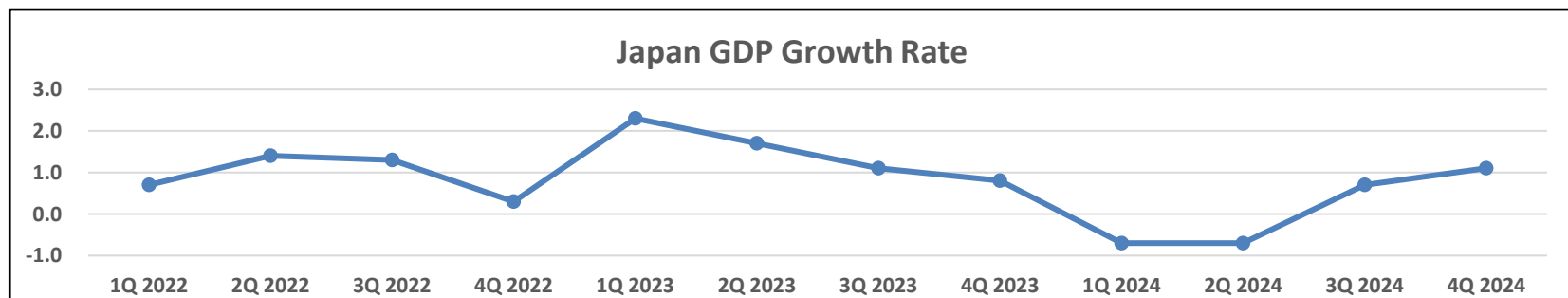
| Indicator                 | 1Q<br>2022 | 2Q<br>2022 | 3Q<br>2022 | 4Q<br>2022 | 1Q<br>2023 | 2Q<br>2023 | 3Q<br>2023 | 4Q<br>2023 | 1Q<br>2024 | 2Q<br>2024 | 3Q<br>2024 | 4Q<br>2024 |
|---------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| China GDP Growth Rate (%) | 4.8        | 0.8        | 4.0        | 3.0        | 4.7        | 6.5        | 5.0        | 5.3        | 5.3        | 4.7        | 4.6        | 5.4        |

Data Source: National Bureau of Statistics (Growth Rate with year-on-year basis)



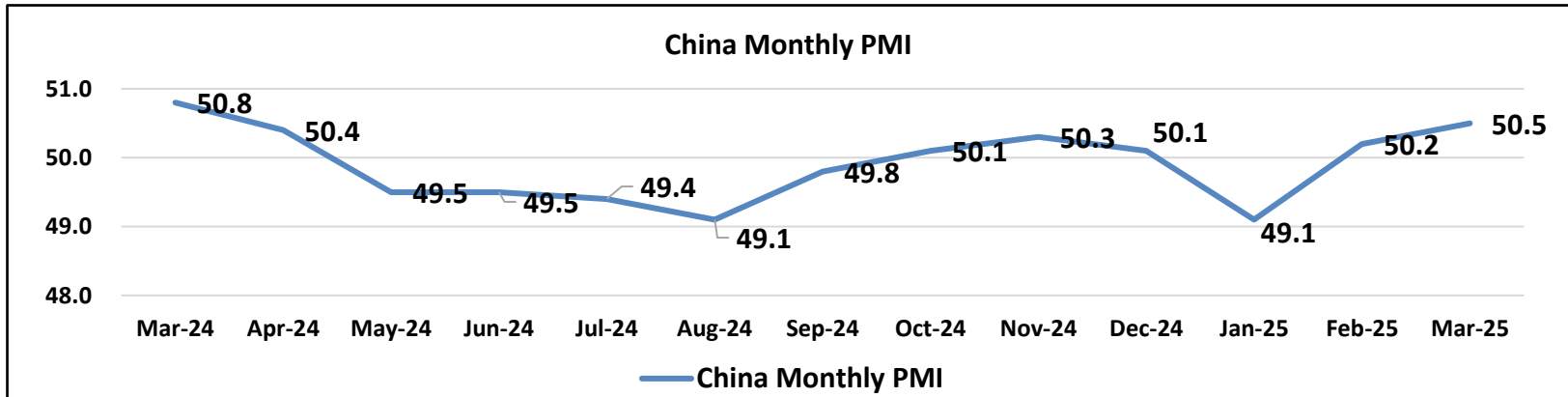
| Indicator                 | 1Q<br>2022 | 2Q<br>2022 | 3Q<br>2022 | 4Q<br>2022 | 1Q<br>2023 | 2Q<br>2023 | 3Q<br>2023 | 4Q<br>2023 | 1Q<br>2024 | 2Q<br>2024 | 3Q<br>2024 | 4Q<br>2024 |
|---------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Japan GDP Growth Rate (%) | 0.7        | 1.4        | 1.3        | 0.3        | 2.3        | 1.7        | 1.1        | 0.8        | -0.7       | -0.7       | 0.7        | 1.1        |

Data Source: Cabinet Office, Government of Japan (Growth Rate with year-on-year basis)

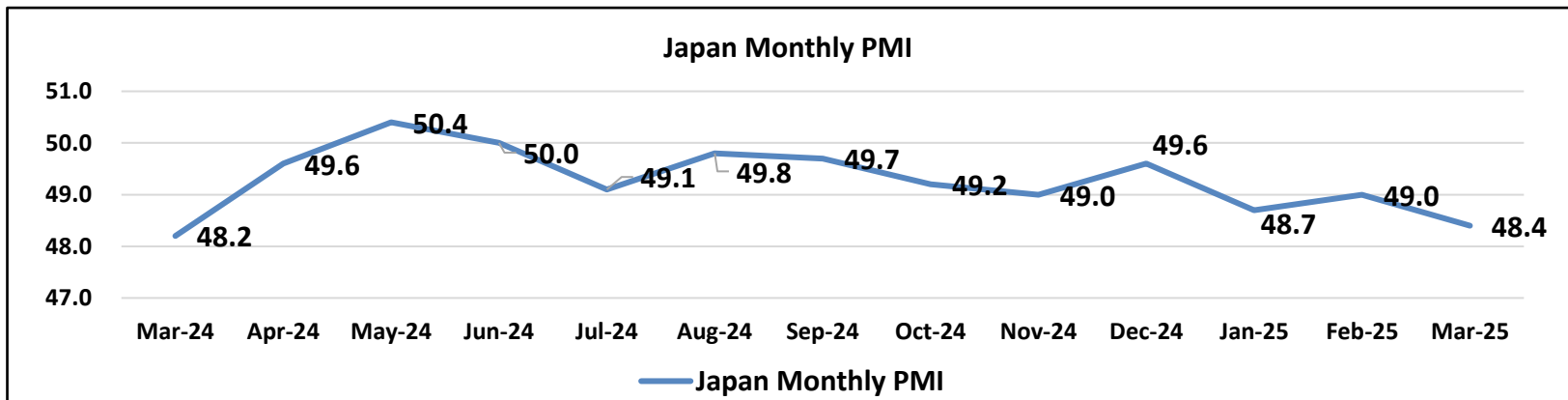


## 2. Appendix

### 2.2 Monthly PMI



Data Source: National Bureau of Statistics, China



Data Source: S & P Global Manufacturing PMI

# **End of China Market Report March 2025**