



Sino-Japan Trade Report April 2025

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1. Summary

1.1 Global Economy and Merchandise Trade

The J.P.Morgan Global Manufacturing PMI dropped to 50.3 in March from 50.6 in February and signaled only a slight improvement in overall operating conditions for the third month in a row.

There was better news from the euro area and the Asia (excluding Japan) region. Eurozone factory output rose for the first time in two years as companies reported improving domestic demand. Production growth in mainland China hit a four-month high, while expansions were also seen in India, Vietnam, Thailand and Taiwan.

J.P.Morgan Global Manufacturing PMI™ Index Summary

Index	Feb-25	Mar-25	Interpretation
PMI	50.6	50.3	Improvement, slower rate
Output	51.5	50.5	Growth, slower rate
New Orders	51.3	50.8	Growth, slower rate
New Export Orders	49.6	50.1	Growth, from decreasing
Future Output	62.0	60.9	Growth expected, weaker sentiment
Employment	49.2	49.7	Decline, slower rate
Input Prices	55.6	55.2	Inflation, slower rate
Output Prices	52.2	52.3	Inflation, faster rate

Remark: sa, 50 = no change over previous month, *50 = no change over next 12 months

Manufacturing PMI

Country	Feb-25	Mar-25
Japan	49.0	48.4
Korea	49.9	49.1
India	56.3	58.1
Vietnam	49.2	50.5
Indonesia	53.6	52.4
Malaysia	49.7	48.8
Thailand	50.6	49.9
ASEAN	51.5	50.8
United States	52.7	50.2
Eurozone	47.6	48.6

Data Source from S&P Global.

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The World Economic Outlook released by IMF in April also indicated a series of new tariff measures by the United States and counter measures by its trading partners announced and implemented from April 2nd have brought effective tariff rates to the highest level in a century.

These measures and its unpredictability with which these measures have been released have a negative shock on the economic activities and the outlook on the economic development. IMF has adjusted the global output growth rate downward respectively.

	2024	Projections		Difference from January 2025 WEO Projections	
		2025	2026	2025	2026
World Output	3.3	2.8	3.0	-0.5	-0.3
Advanced Economies	1.8	1.4	1.5	-0.5	-0.3
United State	2.8	1.8	1.7	-0.9	-0.4
Euro Area	0.9	0.8	1.2	-0.2	-0.2
Japan	0.1	0.6	0.6	-0.5	-0.2
EMDE	4.3	3.7	3.9	-0.4	-0.4
China	5.0	4.0	4.0	-0.6	-0.5
India	6.5	6.2	6.3	-0.3	-0.2
Russia	4.1	1.5	0.9	-0.1	-0.3
Brazil	3.4	2.0	2.0	-0.2	-0.2
Mexico	1.5	-0.3	1.4	-1.7	-0.6

Remark: Data from IMF World Economic Outlook April 2025. EMDE indicates Emerging Market and Developing Economies.

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1.2 China's Macro Economy

In China, the PMI in March remarked 49.0%, 1.5 percentage points lower than the same in February, which is the lowest level since January 2024. Both the Production Index and the New Order Index dropped more than 2.6 percentage points m-o-m into the contraction range. The New Export Order Index was 4.3 percentage points lower m-o-m to 44.7% while Import Index became 43.4%, 4.1 percentage points lower m-o-m.

The major commodities import volume dropped except pulp and machine tools, indicating current demand is shrinking. However, the domestic and export sales of excavator and loader increased, especially domestic sales volume sharply went upward, indicating the investment is improving.

In March 2025, the China steel industry PMI was 50.6, an increase of 4.6 points m-o-m which has kept upward for consecutively three months. It is also the first time within five months to return to the expansion range which indicates recovery trend in the steel industry.

1.3 Japan's Macro Economy

Demand for Japanese manufactured goods continued to decline in April. Overall new work fell at a solid pace that was the quickest since Feb 2024, with firms often noting subdued

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client spending at home and abroad. New export orders fell at a similarly marked pace, and one that was the most pronounced in six months. Mainland China, Europe and the US were among the export markets cited as having lower demand.

Concerns over the global economic outlook and US tariffs weighed on business confidence in April. Although companies generally anticipate output to increase over the next 12 months, the degree of optimism was the weakest recorded since the initial wave of the COVID-19 pandemic in June 2020.

1.4 Sino-Japan Merchandise Trade

Regarding Sino-Japanese merchandise trade, the trade amount of March in USD announced by the Chinese Customs decreased by 1.67% y-o-y, while the same data in JPY announced by the Japanese Ministry of Finance increased by about 6.68% y-o-y. Considering recent appreciation of Japanese yen, the data difference between the two sides can be acceptable. At the same time, the trade data indicated that China's export to Japan increased more than Japan's export to China in March.

Meanwhile, the container freight index of Sino-Japan route in March kept stable and recorded only 1.7% lower m-o-m. One of Japanese major stevedoring company, Kamigumi also said that the Sino-Japan cargo volume in the first quarter was slightly more than the same in the year. Generally, Sino Japanese trade is still in a relatively stable and sustainable

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stage.

However, the conventional market between China and Japan was a little bit quiet in March. The steel trade, whatever eastbound and westbound, decreased sharply while there was few machinery and equipment booking.

In March, 118,000 tons of steel were exported from China to Japan, with a cumulative total of 300,000 tons in the first quarter, an increase of 17.8% year-on-year. In the same month, 220,000 tons of steel were exported from Japan to China, with a cumulative total of 586,000 tons, a year-on-year decrease of 14.8%.

Meanwhile, the order data of March 2025 released by the Japan Machine Tool Builders' Association showed that orders from China increased by 42.2% y-o-y, with a cumulative increase of 27.5% in the first quarter. The top ten countries of the aggregated order is listed in the page 14th. China and the United States occupy about 75% of the overseas order. Though the growth rate of India is quite higher, the absolute order value is still one-fourth of the China's. The machinery and equipment export to China is still the main direction in the near future.

2. Appendix

2.1 GDP Statistics

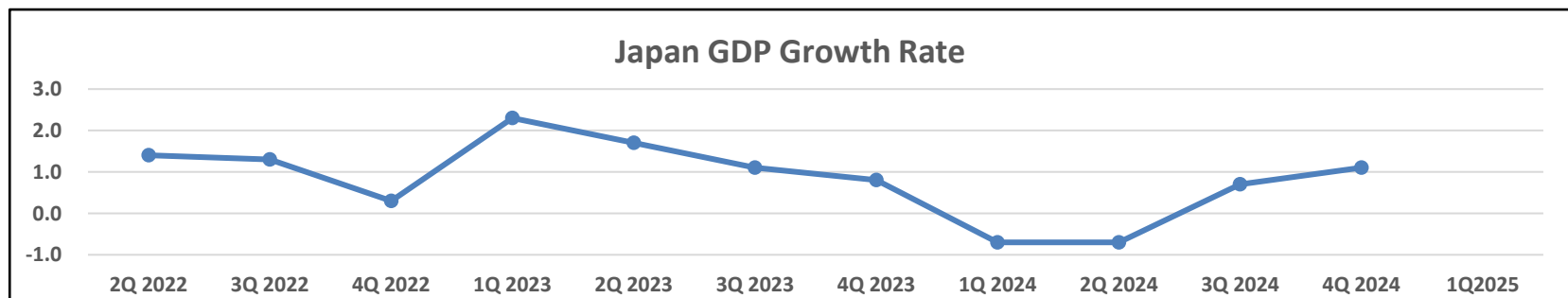
Indicator	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025
China GDP Growth Rate (%)	0.8	4.0	3.0	4.7	6.5	5.0	5.3	5.3	4.7	4.6	5.4	5.4

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



Indicator	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025
Japan GDP Growth Rate (%)	1.4	1.3	0.3	2.3	1.7	1.1	0.8	-0.7	-0.7	0.7	1.1	Not yet

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

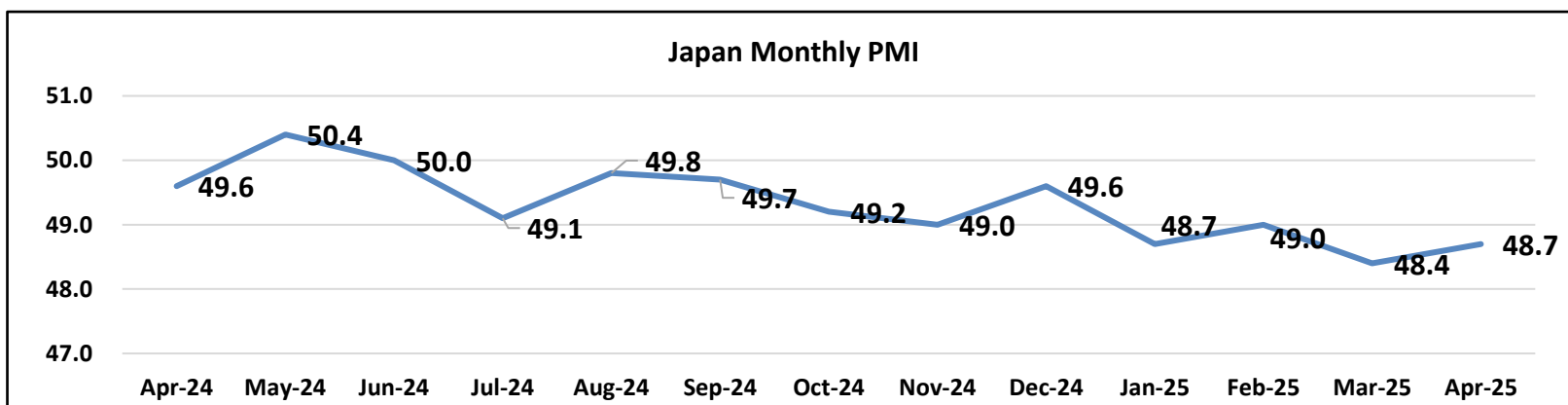


2. Appendix

2.2 Monthly PMI



Data Source: National Bureau of Statistics, China



Data Source: S & P Global Manufacturing PMI

**End of
Sino-Japan Trade Report
April 2025**