

# **Sino-Japan Trade Report December 2025**

**Released on Jan. 1<sup>st</sup>, 2026**

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# 1. Summary

## 1.1 Global Economy and Merchandise Trade

The J.P.Morgan Global Manufacturing PMI posted 50.5 in November, down from 50.9 in October, its lowest reading during the current four-month sequence of expansion. Manufacturing production and new orders both expanded for the fourth successive month in November. For each measure, growth was registered in the consumer and intermediate goods industries, in contrast to contractions in the investment goods category.

Thailand, India, Vietnam, Colombia, Pakistan and the US were the top-ranked nations in terms of PMI Output Index in November. The euro area (on average) and the UK also saw output rise, in contrast to a contraction in Japan while the output volumes stagnated in China.

New export business declined on average across developed nations, including decreases in the US, Japan and the euro area. In contrast, new export work rose in emerging markets, as solid expansion in nations such as mainland China and India offset declines in Brazil, Russia and Turkey.

### Manufacturing PMI

Country	Oct-25	Nov-25
China	49.0	49.2
Japan	48.2	48.7
Korea	49.4	49.4
India	59.2	56.6
Vietnam	54.5	53.8
Indonesia	51.2	53.3
Malaysia	49.5	50.1
Thailand	56.6	56.8
ASEAN	52.7	53.0
United States	52.5	52.2
Eurozone	50.0	49.6

Data Source from S&P Global.

# 1. Summary

## 1.2 China's Macro Economy

In China, the PMI in December rose to 50.1% with 0.9 percentage point higher m-o-m to signal a renewed improvement in manufacturing sector conditions. The Output Index and the New Order Index climbed 1.7 and 1.6 percentage point m-o-m to 51.7 and 50.8 respectively. The New Export Order Index went up 1.4 percentage points m-o-m to 49.0% while Import Index kept the same 47.0% as November's.

However, as the commentator pointed out, the improvement was marginal, with the impact of promotions and new products appearing impulse-driven and their sustainability requiring observation. Looking ahead, while firms remain confident for 2026, optimism has eased and remains below the historical average. With the Central Economic Work Conference emphasizing "seeking progress while maintaining stability" and addressing "Involutionary" competition, policy support is expected to facilitate a continued moderate recovery in 2026.

The major export commodities volume fluctuated individually. Fertilizer kept strong demand and unit price climbed about 10%. Meanwhile, the construction machinery and vehicle export kept strong growth rate, especially the new energy vehicle export amount remarked double. The sensitive steel products export growth rate has been gone down to 6.7%, almost the lowest level in 2025. The monthly growth rate of crude steel and pig iron have been always minus from May 2025.

# 1. Summary

In December, PMI of the steel Industry was 46.3%, 1.7 percentage points lower m-o-m. The sub-index of new export decreased 6.1 percentage points to 41.1% due to long holiday in the end of year and trade barriers higher and higher.

As per the data from Ministry of Transport, China's international port throughput and container throughput increased 4.1% and 6.6% in 2025. It indicated the scale of China's international merchandise trade was still stable. However, the port throughput of Dalian decreased 6.5 percent y-o-y while its international throughput also dropped 7.5% which indicates the weak demand in Northeast China.

## 1.3 Japan's Macro Economy

S&P Flash Japan Manufacturing PMI rose to 49.7 in December from 48.7 in November. The downturn in manufacturing sales did ease, however, with demand for goods falling at the slowest rate in a year-and a-half. Composite new export orders meanwhile declined again, which reflected a solid reduction in external demand for manufactured goods, as service providers registered a fractional improvement in overseas sales.

The official statistics of Machinery Orders m-o-m indicated that the value of total order in October dropped 6.8% after 3.9% increase in September. Private sector reported 2.3% growth in October. The government expense climbed by 22.9%, while external demand, the biggest sector decreased by 21.8% and led to total order's slide in October.

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Order Statistics from Japan Machine Tool Builders' Association indicated that the order's value in November recorded 23.6% growth rate while the accumulated growth rate in 2025 was 11.1%. The order from Mexico remarked plus 34.3% while the growth rates of India and Vietnam have dropped sharply y-o-y. The top ten export destination countries keep comparatively stable. China and the United States still jointly occupy 60% share of the total overseas order.

## 1.4 Sino-Japan Merchandise Trade

Regarding Sino-Japanese merchandise trade, the trade value of November in terms of USD announced by the GACC marked 29.4 billions with 7.4% m-o-m and 5.54% y-o-y. The aggregated trade value indicated plus 4.57% in 2025. The same data released in JPY by the Japanese Ministry of Finance increased by 0.39% y-o-y in November while the aggregated growth rate was still 2.30% in 2025. In consideration of recent exchange rate's fluctuation of Japanese yen, the gap between two countries' statistics is still accepted.

Overall, Sino-Japan trade has remained stable in November while the container freight index released by Shanghai Shipping Exchange did not have much fluctuation.

Meanwhile, the conventional market between China and Japan was still weaker than expected. In November, 131,549 tons of steel were exported from China to Japan, with a cumulative 1,248,271 tons in 2025 and increased 3.91% y-o-y. In the same month, 188,185

## 1. Summary

tons of steel were exported from Japan to China, with a cumulative 2,165,313 tons in 2025, a y-o-y decrease of 11.30%. The total bilateral steel trade volume in terms of weight decreased 6.28%. However, the westbound shipment volume keeps 74% higher than the volume of the eastbound shipment.

With the re-implementation of China's steel export license system, the total amount of steel exports from China will be adjusted in 2026, which will have an impact on the general cargo shipping service from China to developing countries since the infrastructure-oriented steel products are the base cargo in these routes. However, it is not expected to have a significant impact on the Sino-Japan routes because the steel exported from China to Japan are relatively high-ended products, and the impact of the export license system may be relatively small. On the contrary, it is worth paying attention to whether Japanese government will strengthen its anti-dumping measures on Chinese steel in 2026.

Besides steel and steel products, other general cargo, such as ship's main engines, propellers, steel structures, and plant equipment, still constitutes a significant portion of the conventional business between China and Japan. However, individual shipments are relatively small in volume, and distributed in many different local ports in Japan, with most concentrate-ing near factories or terminals owned by factories. It is difficult for the current conventional liner service to cover these local ports. Therefore, route designing and vessel type's choice will be an important challenge for the carriers in the near future.

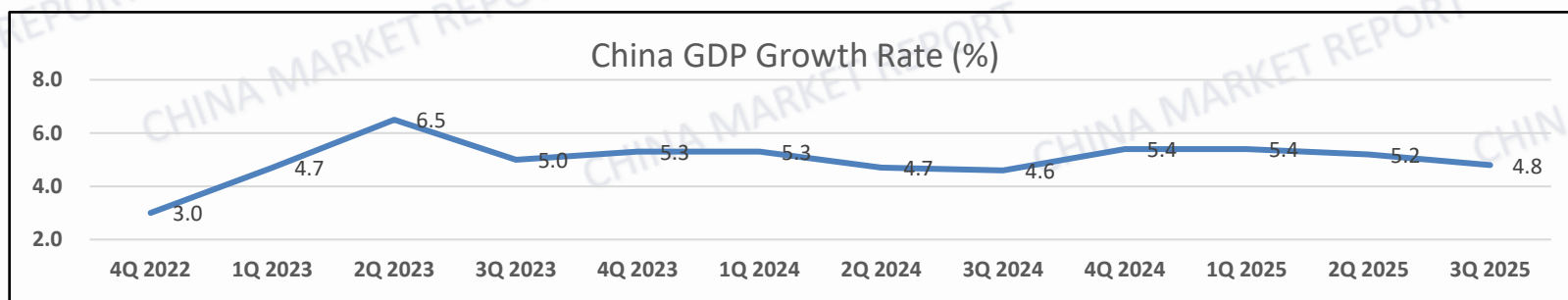


## 2. Appendix I

### 2.1 GDP

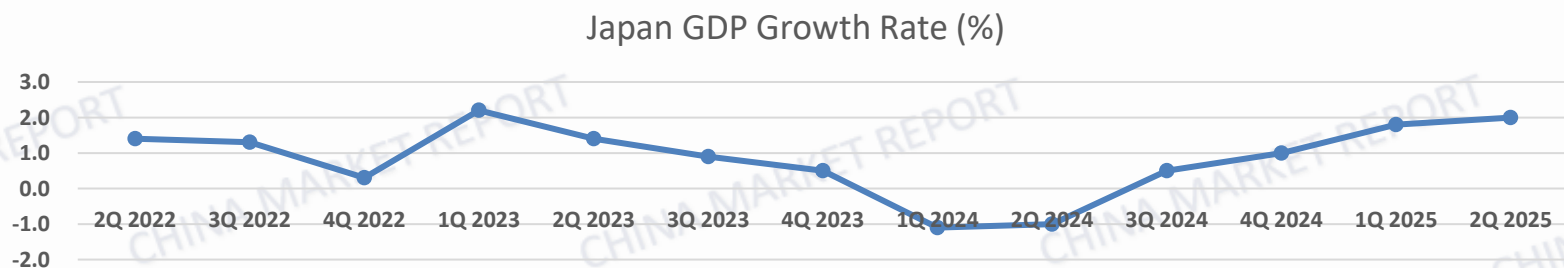
Indicator	4Q 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025
China GDP Growth Rate (%)	3.0	4.7	6.5	5.0	5.3	5.3	4.7	4.6	5.4	5.4	5.2	4.8

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



Indicator	4Q 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025
Japan GDP Growth Rate (%)	0.3	2.2	1.4	0.9	0.5	-1.1	-1.0	0.5	1.0	1.8	2.0	1.1

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



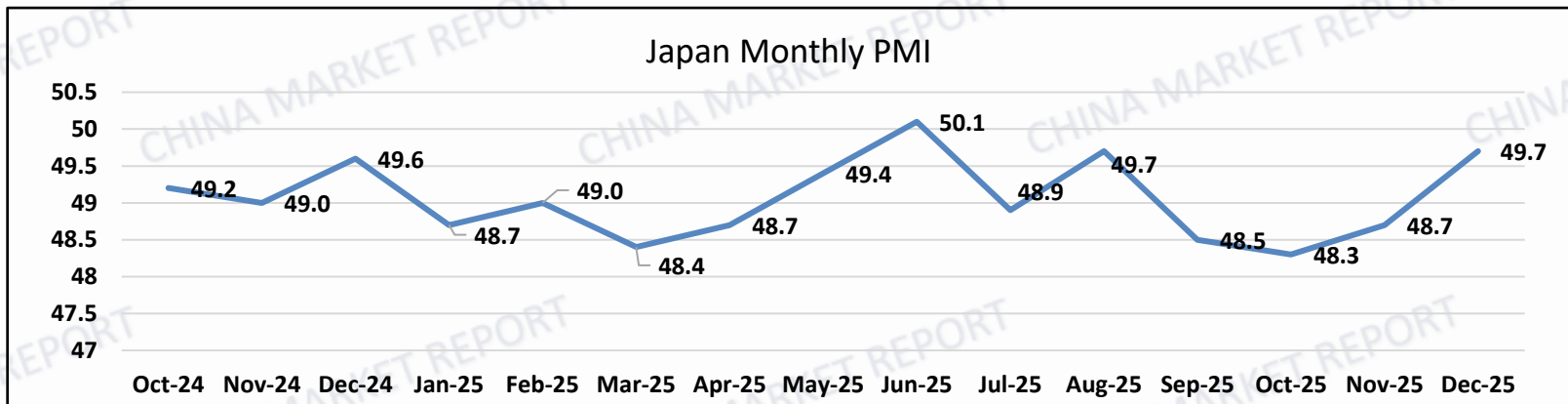


## 2. Appendix I

### 2.2 PMI



Data Source: National Bureau of Statistics, China



Data Source: S & P Global Manufacturing PMI

**End of  
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