



Japan Trade Report May 2026

Released on June 6th., 2026

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1. Summary

1.1 Global Economy and Merchandise Trade

The J.P.Morgan Global Manufacturing PMI posted 52.6 in May, unchanged from April, to remain above its neutral 50.0 mark for the tenth successive month.

Manufacturing production increased for the tenth month running in May, with the rate of expansion the fastest since July 2021. Output rose across the consumer, intermediate and investment goods industries, hitting 58-month and 53-month highs in the latter two respectively (growth slowed slightly in the consumer category). The steepest expansion overall was at investment goods producers.

The headline Japan Manufacturing PMI slipped from April's 51-month high of 55.1 to 54.5 in May. Nevertheless, the reading was still consistent with a marked improvement in overall business conditions. The health of the sector has now strengthened in each of the past five months.

Similarly, overall new business expanded at a softer but still solid pace in May 2026. There were reports of clients placing orders as part of efforts to build up their safety stocks due to disruptions caused by the Middle East war. Greater demand

Manufacturing PMI

Country	Apr-26	May-26
Japan	55.1	54.5
China	50.3	50.0
United States	54.5	55.1
Australia	51.3	50.7
Taiwan	55.3	56.1
Korea	53.6	54.8
Thailand	52.7	52.6
UAE	52.1	52.6
Vietnam	50.5	52.8
Germany	51.4	51.0
Saudi Arab	51.5	52.8

Data Source from S&P Global.

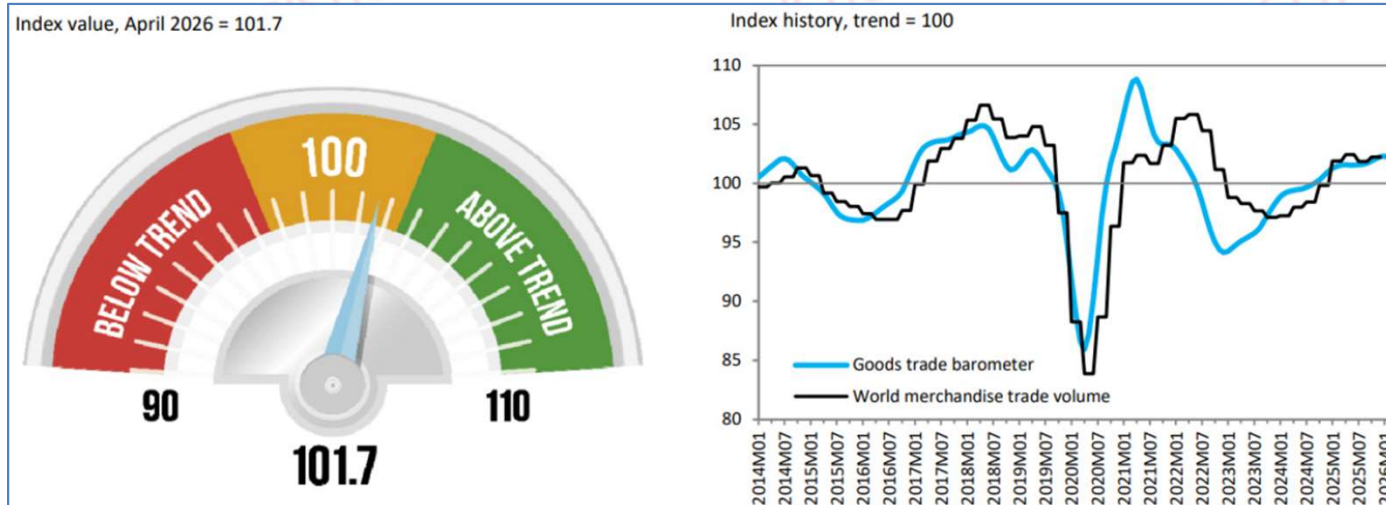
1. Summary

1.1 Global Economy and Merchandise Trade

for semiconductors and oil-based products were mentioned in particular. The slight slowdown in total new order growth occurred despite a stronger rise in foreign demand, with new export business increasing at the fastest pace in five years.

The latest WTO Trade Barometers release indicated goods trade holding up despite the Middle East conflict and high energy prices. Global merchandise trade appears to have remained resilient in the first half of 2026 despite headwinds from the ongoing conflict in the Middle East, which seem to have been partly offset by rising demand for electronic components related to investment in artificial intelligence.

Good Trade Barometer



Data source from World Trade Organization

1. Summary

1.2 Macro Economy of Japan

The assessment released by the Cabinet Office, Japan on May 26th in its Monthly Economic Report kept almost the same remarks on April's Japanese economy. The report mentioned that the private consumption and business investment were picking up, export and industrial production were stable, corporate profits and employment were improvement and consumer prices had been rising moderately.

In general, the report indicated that Japanese economy was recovering at a moderate pace, while attention should be given to the effects caused by the war in the Middle East, including the weak movements of consumer sentiment recently.

The only difference from the previous assessment is that the report advised to pay more attention to the fluctuations in the financial and capital market

Secondly, latest "OECD Economic Surveys: Japan 2026" released in this May addressed that Japan's economy has remained resilient in the face of several shocks in recent years and is projected to grow at a moderate pace, supported by domestic demand, despite strong external headwinds. As Japan shifts towards a new equilibrium in terms of higher prices and wages, macroeconomic policies should be calibrated carefully. Policies need to balance keeping inflation around the 2% target, ensuring fiscal sustainability and boosting potential

1. Summary

1.2 Macro Economy of Japan

growth notwithstanding an ageing population.

Table Domestic demand will be the main driver of growth

Annual growth rates, %, unless specified

	2024	2025	2026	2027
Real GDP	-0.2	1.2	0.7	0.9
Total domestic demand	-0.2	1.5	1.0	0.9
Unemployment rate	2.5	2.5	2.7	2.7
Headline consumer price inflation	2.7	3.2	2.0	1.9
General government financial balance (% of GDP)	-1.7	-1.0	-1.8	-1.1
Gross public debt (% of GDP)	205.6	197.4	194.2	189.7

Source: OECD, Economic Outlook database.

Thirdly, the statistics on machinery order released by Japanese government illustrated that the leading indicator of private capital investment, "private demand excluding ships and electric power projects," decreased by 19.4% in March m-o-m, marking the first decline in two months.. In consideration of the higher base in the last month and the three-month moving average change is only 0.9% decrease m-o-m, the overall business scenario remains unchanged and requires more observation.

1. Summary

1.3 Merchandise Trade of Japan

The export trade value released in terms of JPY by the Ministry of Finance, Japan increased by 14.8% y-o-y while the import trade value increased by 10.9% in this April. Both export and import trade are ranked the top one in April in the history. However, weak Japanese yen has generated imported inflation. The import trade value increased by 10.9% but the volume index decreased by 3.4% in this April.

From Japan Machine Tool Builders' Association, overseas orders climbed by 30.5% from February to 142.99 billion yen in March and showed an increase of 40.4% y-o-y, and this marked the eighteenth consecutive month of y-o-y growth.

Overall, Japan's merchandise trade with overseas countries remained stable or even a little bit active. However, It is worth noting that Japan's total steel export volume fell by 9.32% year-on-year in April. While shipments to North America and Africa saw some growth, exports to mainland China, Taiwan, and Southeast Asia experienced a substantial decline. Additionally, steel imports dropped by 9.88% year-on-year in April, largely driven by a sharp decrease from mainland China and Taiwan."

2. Appendix

2.1 GDP Growth Rate, quarterly

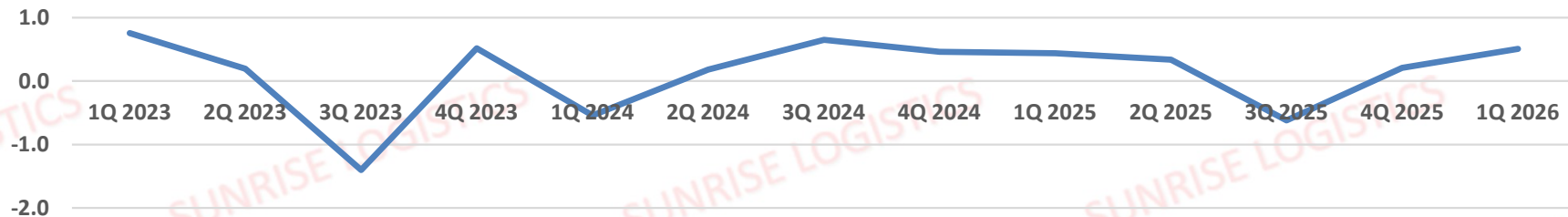
Growth Rate	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026
Japan	0.2	-1.4	0.5	-0.5	0.2	0.7	0.5	0.4	0.3	-0.6	0.2	0.5
China	1.2	1.6	0.9	1.3	1.0	1.4	1.6	1.2	1.0	1.1	1.2	1.3
United States	0.6	1.2	0.8	0.2	0.9	0.8	0.5	-0.2	0.9	1.1	0.2	0.5
EU	0.1	0.1	0.1	0.4	0.3	0.4	0.5	0.5	0.3	0.4	0.2	0.1
Australia	0.4	0.4	-0.1	0.4	0.2	0.3	0.3	0.4	0.8	0.5	0.8	0.3
Taiwan	2.5	2.0	2.6	0.1	0.6	1.5	1.8	0.9	3.8	1.6	6.5	1.7
Korea	0.7	0.8	0.5	P 1.2	P -0.2	P 0.1	P 0.1	P -0.2	P 0.7	P 1.3	P -0.2	P 1.7
Germany	P -0.1	P 0.0	P -0.3	P -0.1	P -0.3	P 0.0	P 0.2	P 0.4	P -0.2	P -0.0	P 0.3	P 0.3
Saudi Arabia	-0.4	-2.6	0.3	2.4	1.1	0.8	1.0	0.6	1.9	1.2	1.4	-1.5
India	1.2	1.9	1.8	1.8	1.8	1.3	1.9	1.8	1.8	2.1	1.8	P 1.8
Mexico	P 0.7	P 0.8	P 0.1	P 0.2	P -0.1	P 1.2	P -1.0	P 0.3	P 0.5	P 0.1	P 0.9	-0.8
Brazil	0.8	0.1	0.3	0.8	1.7	0.8	0.0	1.3	0.3	0.1	0.3	1.1

Data source: Quarterly real GDP growth - OECD countries

Note 1: % with quarter on quarter

Note 2: P indicates provisional value.

Japan GDP Quarterly Growth Rate (%)



2. Appendix

2.2 Indexes of Business Conditions

Indexes of Business Conditions January 2026 Revised Release (May 26th, 2026)							
	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Leading Indexes	108.6	109.8	109.9	111.0	112.1	113.3	114.5
Coincident Indexes	114.6	115.9	114.9	114.3	117.9	116.3	116.5
Lagging Indexes	112.4	112.2	112.9	110.3	112.2	113.1	113.4

Data source: Cabinet Office, Japan

Note: 2020 = 100

Business survey index, Business Conditions, Business Outlook Survey (March 12th, 2026)				
	4Q 2025 (previous)	1Q 2026 (present)	2Q 2026 (outlook)	3Q 2026 (outlook)
Corporations with capital of 1 billion yen or over				
All industries	4.9	4.4	2	5.6
Manufacturing	4.7	3.8	0.7	6.3
Non-manufacturing	5.1	4.6	2.5	5.3
Corporations with capital of 100 million to 1 billion yen				
All industries	4.7	0.2	1.7	6.8
Corporations with capital of 10 to 100 million yen				
All industries	-3.7	-12.9	-2.9	-1.6

Data source: Business Outlook Survey, Policy Research Institute, Ministry of Finance, Japan

Note: % with quarter on quarter.

2. Appendix

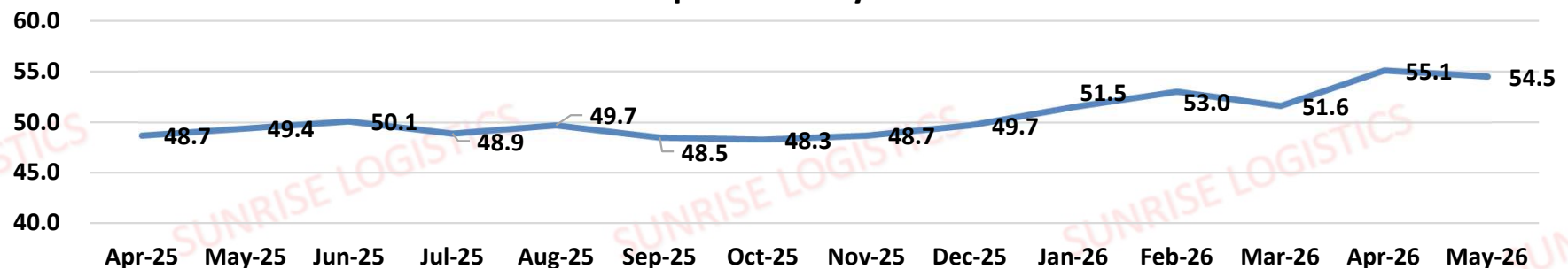
2.3 Manufacturing PMI

Country	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026
Japan	50.0	51.5	53.0	51.6	55.1	54.5
China	50.1	49.3	49.0	50.4	50.3	50.0
USA	51.8	52.4	51.6	52.3	54.5	55.1
Australia	51.6	52.3	51.0	49.8	51.3	50.7
Taiwan	50.9	51.7	55.2	53.3	55.3	56.1
Korea	50.1	51.2	51.1	52.6	53.6	54.8
Thailand	57.4	52.7	53.5	54.1	52.7	52.6
UAE	54.2	54.9	55.0	52.9	52.1	52.6
Vietnam	53.0	52.5	54.3	51.2	50.5	52.8
Germany	47.0	49.1	50.9	52.2	51.4	51.0
S. Arabia	57.4	56.3	56.1	48.8	51.5	52.8
India	55.0	55.4	56.9	53.9	54.7	55.0
Mexico	46.1	46.3	47.1	48.9	47.7	49.6
Brazil	47.6	47.0	47.3	49.0	52.6	49.1
ASEAN	52.7	52.8	53.8	51.8	50.7	51.5
Eurozone	48.8	49.5	50.8	51.6	52.2	51.6

Data source: S & P Global Manufacturing PMI

Note: Top ten merchandise trade partner countries in 2023 are selected.

Japan Monthly PMI



Data Source: S & P Global Manufacturing PMI

2. Appendix

2.4 Merchandise Trade, with major partners

Trade Partner	Export		Import		Export 2026		Import 2026		Total 2026	
	April	Growth Rate	April	Growth Rate	Jan-Apr	Growth Rate	Jan-Apr	Growth Rate	Jan-Apr	Growth Rate
China	1,822,916	15.5%	2,595,110	14.9%	6,700,089	12.5%	6,700,089	13.2%	13,400,178	12.9%
United States	1,931,824	9.5%	1,234,595	23.3%	7,086,457	0.0%	7,086,457	-3.1%	14,172,914	4.8%
Australia	217,072	25.6%	545,622	0.6%	838,341	17.3%	838,341	14.6%	1,676,682	2.2%
Taiwan	884,121	27.6%	547,582	47.0%	3,149,616	23.6%	3,149,616	22.2%	6,299,231	26.9%
Korea	641,785	12.0%	555,393	60.2%	2,574,078	5.5%	2,574,078	3.5%	5,148,155	10.8%
Thailand	400,509	20.3%	356,168	19.3%	1,568,424	16.1%	1,568,424	14.7%	3,136,848	13.6%
UAE	76,593	-40.1%	205,010	-56.7%	601,198	-3.2%	601,198	6.3%	1,202,396	-25.7%
Vietnam	305,140	30.1%	443,790	28.1%	1,049,860	17.8%	1,049,860	13.5%	2,099,721	15.7%
Germany	267,449	19.5%	297,791	17.0%	1,018,642	20.1%	1,018,642	20.3%	2,037,284	10.5%
Saudi Arabia	34,070	-50.8%	214,497	-36.4%	248,089	-27.4%	248,089	-21.5%	496,178	-2.4%
India	281,645	8.9%	116,151	17.0%	1,064,565	11.9%	1,064,565	13.0%	2,129,129	8.3%
Mexico	195,596	28.0%	95,849	18.0%	685,399	12.3%	685,399	7.0%	1,370,798	11.3%
Brazil	67,309	-2.1%	131,196	15.3%	248,069	-5.2%	248,069	-6.3%	496,137	3.1%
Total	10,506,425	14.8%	10,207,153	9.8%	40,232,481	11.6%	40,232,481	10.5%	80,464,962	9.1%

Remark: in million JPY

Note 1: Growth rate is percentage y-o-y.

Note 2: Top ten merchandise trade partner countries in 2023 are selected.

2. Appendix

2.4.1 Steel Trade, export by countries

Year	Grand Total	Thailand	Korea	China	Mexico	Indonesia	Vietnm	USA	India	Taiwan	Kenya
2021	34,400,494	5,928,950	4,896,877	5,124,340	1,944,302	2,310,961	1,956,828	1,178,478	757,496	2,340,610	320,277
2022	32,302,968	5,037,906	5,430,549	3,949,049	1,244,229	2,299,768	1,895,808	1,268,218	847,788	1,808,536	384,242
2023	32,689,507	4,675,719	5,637,409	2,848,622	1,860,280	2,280,535	1,952,373	1,228,514	1,174,818	1,585,177	482,390
2024	31,711,382	4,284,449	4,783,404	2,672,789	1,870,010	2,181,927	2,262,264	1,209,810	2,081,806	1,762,638	508,095
2025	30,394,009	4,346,223	3,842,735	2,335,917	1,640,470	2,019,146	2,195,066	1,096,801	1,566,550	1,833,007	610,482
Q1 2025	7,772,962	1,025,412	1,019,401	584,984	462,484	559,440	639,437	276,621	340,715	583,074	127,520
Apr-2025	2,446,699	334,612	304,094	181,724	110,879	270,907	171,692	67,297	54,585	139,899	59,680
May	2,525,802	370,465	298,907	197,154	126,248	137,969	227,112	97,810	60,272	178,053	48,100
Jun	2,520,146	387,398	306,422	212,257	145,907	156,974	189,496	89,957	120,233	166,997	38,239
Jul	2,630,219	396,203	336,722	191,925	131,131	135,009	136,716	125,401	168,559	118,277	105,700
Aug	2,464,722	370,497	266,210	199,976	127,651	155,565	162,257	82,440	167,726	120,788	51,624
Sep	2,500,407	367,706	328,706	181,242	128,797	152,416	139,240	93,381	220,711	134,248	59,832
Oct	2,543,265	408,635	306,321	215,606	130,793	180,103	160,739	74,501	155,870	150,458	8,967
Nov	2,397,951	333,588	351,876	189,625	105,793	156,156	179,597	83,298	127,346	114,191	85,679
Dec	2,591,835	351,708	324,076	181,425	170,789	114,606	188,780	106,096	150,533	127,022	25,141
Jan-2026	2,283,789	316,489	310,290	185,259	149,248	162,572	129,485	89,978	111,277	107,796	69,148
Feb-2026	2,180,529	334,290	337,632	141,220	117,803	133,201	130,870	107,442	100,097	60,749	33,743
Mar-2026	2,519,789	356,578	351,588	185,706	204,886	166,147	181,733	117,588	99,614	128,861	71,294
Apr-2026	2,282,746	350,545	302,492	190,604	151,992	165,335	185,696	97,815	120,852	128,988	59,428
2026	9,266,852	1,357,902	1,302,002	702,789	623,930	627,254	627,783	412,824	431,840	426,394	233,613
2026/2025	-9.32%	-0.16%	-1.62%	-8.34%	8.82%	-24.46%	-22.60%	20.04%	9.24%	-41.02%	24.79%

Source: Ministry of Finance, "Trade Statistics of Japan"

Note: figures for calendar year do not add up to total of cumulative monthly figures because of rounding.

2. Appendix

2.4.2 Steel Trade, import by countries

Year	Grand Total	Korea	China	Taiwan	Others
2021	4,190,766	2,715,996	500,845	743,041	230,884
2022	4,228,895	2,634,547	650,795	795,103	148,449
2023	4,698,356	2,945,624	793,690	855,125	103,917
2024	5,050,046	3,110,530	943,786	885,287	110,444
2025	4,679,011	2,887,326	935,366	814,899	41,421
Q1 2025	395,677	252,847	65,006	73,827	3,997
Apr-2025	402,046	255,840	66,919	75,201	4,086
May	414,379	239,412	98,667	72,572	3,728
Jun	363,425	241,800	66,095	52,017	3,513
Jul	459,139	277,059	100,737	78,548	2,796
Aug	359,389	233,906	72,387	49,830	3,266
Sep	394,168	234,891	89,257	65,895	4,126
Oct	372,830	237,360	61,920	69,737	3,814
Nov	377,887	221,109	100,914	52,675	3,188
Dec	387,409	227,173	74,998	81,865	3,372
Jan-2026	351,003	240,722	47,681	59,566	3,035
Feb-2026	355,238	221,150	68,751	62,387	2,950
Mar-2026	365,712	237,909	58,106	66,243	3,454
Apr-2026	325,315	225,193	39,200	58,202	2,721
2026	1,397,268	924,974	213,738	246,397	12,160
2026/2025	-9.88%	-5.09%	-20.95%	-15.55%	-10.72%

Source: Ministry of Finance, "Trade Statistics of Japan"

Note: Figures for calendar year do not add up to total of cumulative monthly figures because of rounding.

2. Appendix

2.4.3 Other Import Trade, mainly by breakbulk

Commodity	PKS	Wood Pellet	Fertilizer	Copper Concentrate	BESS	Windmill
	HS code 1404.90	HS Code 4401.31	HS code 3101.00	HS code 2603.00	HS code 8507.60	HS code 8502.31
From	Indonesia Malaysia	Vietnam Canada USA Malaysia & etc.	China Indonesia Korea Vietnam & etc.	Chile, Peru, Canada, Australia, Indonesia, USA, Papua New Guinea & etc.	China Korea Taiwan USA & etc.	China Great Britain Germany Korea, USA & etc.
Unit	Metric Ton	Metric Ton	Metric Ton	Metric Ton	Metric Ton	Number
2023	3,001,729	5,803,374	38,310	4,802,114	71,330	579
2024	3,581,761	6,381,027	32,553	5,208,369	77,706	318
2025	3,894,540	8,637,757	31,827	4,639,553	106,105	291
Jan-Apr 2025	1,283,462	2,473,455	12,912	1,639,288	7,267	57
Jan-2026	444,732	800,426	3,109	455,329	12,885	20
Feb-2026	363,727	706,766	2,643	354,785	14,418	11
Mar-2026	451,360	743,388	4,456	359,805	16,192	60
Apr-2026	319,687	818,258	3,067	452,048	17,162	19
Jan - Apr 2026	1,579,505	3,068,838	13,275	1,621,967	60,657	110
2026/2025	23.1%	24.1%	2.8%	-1.1%	734.6%	93.0%

Data source: Ministry of Finance, "Trade Statistics of Japan".

2. Appendix

2.5 Machinery Order

Order from	2Q 2025	3Q 2025	4Q 2025	1Q 2026	2Q 2026*	Dec-25	Jan-26	Feb-26	Mar-26
Total	-4.0	3.5	10.2	10.3	-1.8	19.8	-2.0	-5.0	4.3
Private sector	4.3	-1.3	6.2	2.6	3.0	21.8	-5.5	-1.8	-5.3
(excluding volatile orders)	0.6	-1.0	6.6	6.4	0.3	16.1	-5.5	13.6	-9.4
Manufacturing	-0.4	5.3	-0.8	10.0	-0.9	20.6	-12.5	30.7	-14.2
Governments	-26.4	-14.7	57.7	-21.3	9.0	-4.7	-13.1	-19.0	-14.5
Overseas	-2.3	14.5	3.6	31.0	-8.1	35.5	0.2	-5.1	31.0

Data source: Economic and Social Research Institute, Cabinet Office, Japan

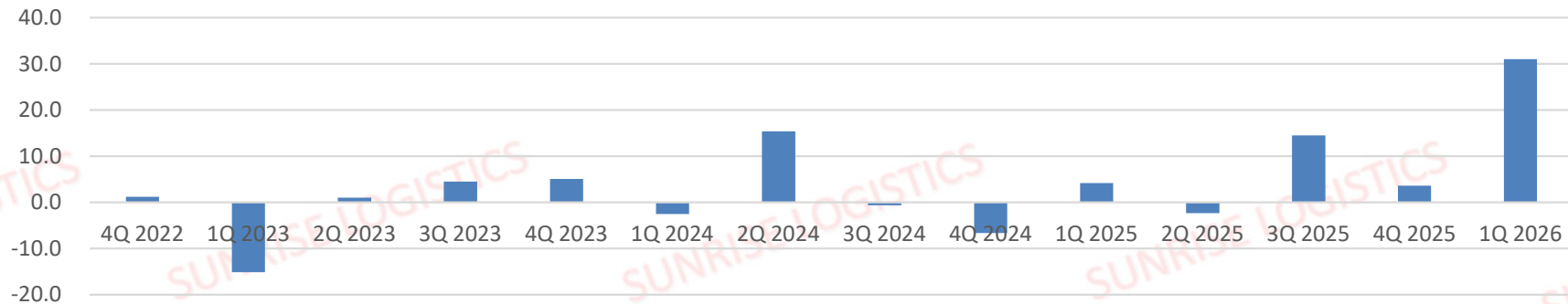
Note 1: * indicates forecast data.

Note 2: volatile order indicates orders for ships and electric power projects.

Note 3: growth rate by m-o-m or q-o-q.

Indicator	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026
Overseas order Growth Rate (q-o-q)	-15.1	1.0	4.5	5.1	-2.5	15.4	-0.6	-6.6	4.2	-2.3	14.5	3.6	31.0

Overseas Order Growth Rate (%)



2. Appendix

2.6 Machine Tool Order

The growth rate of India dropped sharply in the recent months while the order from China and USA occupied 63.93% of the total amount until March 2026 with about totally 47.09% growth y-o-y. The top ten export destination occupied about 85.34% of the total orders.

Rank	Country	March 2026 (in million JPY)	Growth Rate % (m-o-m)	Growth Rate % (y-o-y)	2026 Aggregated (in million JPY)	Aggregated Growth Rate %
1	China	51,353	37.1	42.3	132,107	46.2
2	USA	39,265	25.8	58.9	101,570	48.3
3	India	11,663	48.1	18.8	25,379	7.6
4	Germany	4,291	8.7	23.2	12,047	16.8
5	Korea	2,655	-11.4	2.6	8,486	2.8
6	Italia	3,498	61.1	27.7	7,842	33.1
7	China Taiwan	2,199	15.9	0.8	7,453	44.7
8	Canada	2,259	-7.0	280.9	6,537	57.5
9	France	2,735	149.8	41.1	5,349	-2.7
10	Mexico	1,540	-27.7	-22.3	5,280	16.6
Total		142,997	30.5	40.4	365,532	35.2

Data source: Japan Machine Tool Builders' Association

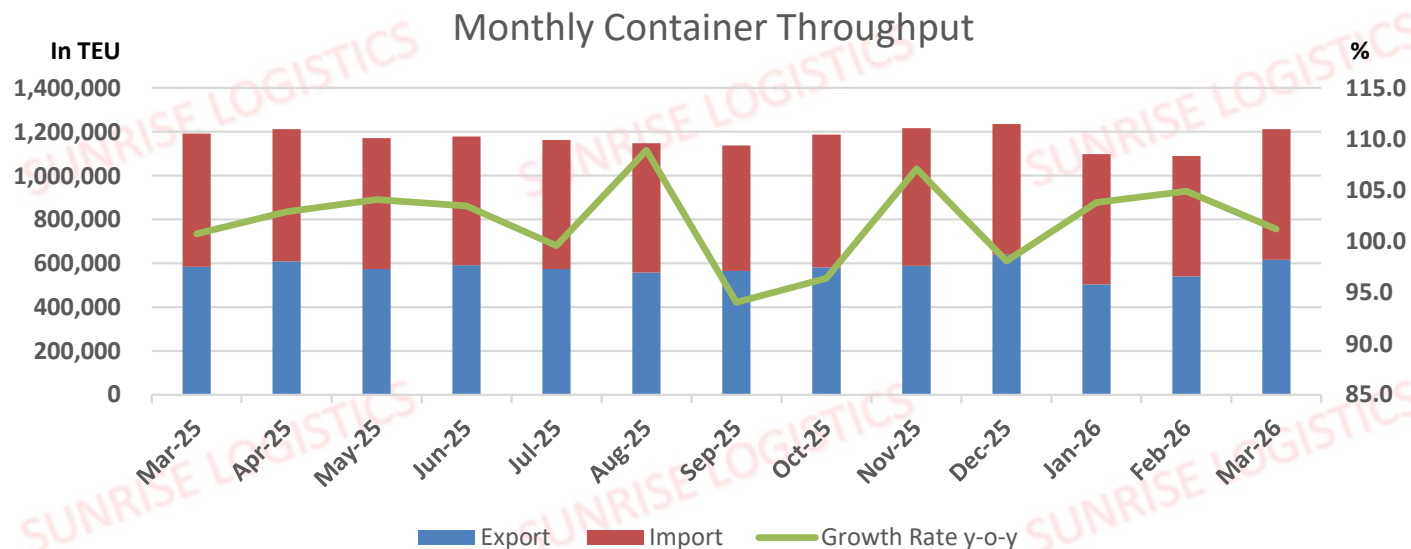
2. Appendix

2.7 Container Throughput

Container Throughput in March 2026	Total		Export		Import	
	TEU	Growth Rate	TEU	Growth Rate	TEU	Growth Rate
Total	1,211,504	101.2	616,578	104.8	594,926	97.8
Tokyo	353,753	99.2	167,458	109.4	186,295	91.6
Kawasaki	7,225	79.6	3,755	85.8	3,470	73.9
Yokohama	252,648	106.3	138,387	106.2	114,261	106.3
Nagoya	223,498	97.8	116,463	98.3	107,035	97.2
Osaka	183,288	101.8	88,395	111.6	94,893	94.2
Kobe	191,092	103.4	102,120	99.1	88,972	108.8

Data source: Ministry of land, Infrastructure, Transport and Tourism, Japan

Note: Container Throughput in TEU and Growth Rate in % y-o-y.



3. Reference

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10. Website of Organization for Economic Co-operation and Development) (OECD)
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