Japan Trade Report
July 2026

Released on August 5th., 2026

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1. Summary

1.1 Global Economy and Merchandise Trade

The J.P.Morgan Global Manufacturing PMI posted 52.1 in July, down from 52.2 in June, falling for the second successive month and to its lowest level since March. The PMI has remained above its neutral mark of 50.0 –signalling expansion – for 12 consecutive months.

Production volumes rose in mainland China, the US, Japan and the euro area (among others), with rates of expansion easing in the first two and gaining momentum in the latter two.

The trend in new export business stabilised following back-to-back contractions in May and June. Increases in the inter-mediate and investment goods sectors were offset by a decline in the consumer goods category.

Employment rose again in the past three months in July, back to growth following a mild decrease in June. Higher staffing levels reflected expansions in output and new orders and Also a further increase in backlogs of work (the sixth in as many months). Job creation was signalled in mainland China, the US and Japan, in contrast to further cuts (on average) across the euro area.

Manufacturing PMI

Country	Jun-26	Jul-26
Japan	54.8	54.5 ↓
China	50.3	49.2 ↓
United States	53.9	53.9 →
Australia	51.5	52.0 ↑
Taiwan	55.2	55.1 ↓
Korea	52.1	53.1 ↑
Thailand	53.6	54.2 ↑
UAE	50.8	52.7 ↑
Vietnam	51.8	52.9 ↑
Germany	50.3	52.2 ↑
Saudi Arab	53.3	53.1 ↓

Data Source from S&P Global.

1. Summary

1.2 Macro Economy of Japan

The assessment released by the Cabinet Office, Japan on July 29th in its Monthly Economic Report kept almost the same remarks on June'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 improved, 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. The report remained the same advice on paying more attention to the fluctuations in the financial and capital market.

Meanwhile, the S&P Global Japan PMI posted 54.5 in July, only slightly lower than the reading of 54.8 in June and therefore signalling a further marked improvement in the health of the sector at the start of the third quarter. Business conditions have now strengthened in each of the past seven months.

Central to the latest improvement in operating conditions was the sharpest rise in manufacturing production for nearly 12-and-a-half years as firms responded to greater volumes of new orders. The rate of growth in new orders also quickened in July and was the

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1.2 Macro Economy of Japan

fastest since January 2022. A number of respondents indicated that demand for semiconductors and other products related to AI development had driven the latest expansion.

Growth of total new orders was supported by a solid increase in new business from abroad, with the rate of growth the fastest in just over five years. Panellists reportedly received new orders from Asia and the US in particular. In some cases, firms reported that they had purchased items in advance to guard against ongoing supply chain disruption again in July.

Manufacturers were more confident in the 12-month outlook for production in July as business sentiment rose to a four month high. Expected improvements in demand, particularly regarding semiconductors, were central to positive expectations.

Thirdly, the statistics on machinery order released by Japanese government illustrated that the leading indicator of private equipment investment, "Private demand excluding ship and electricity" dropped 12.4% in June m-o-m. In consideration of the Three-month Moving Average Index is 4.8% decrease m-o-m and the leading indicator changed from positive 8.7% in April to minus 12.4% in May, the overall business scenario is worth watching.

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 19.3% y-o-y while the import trade value increased by 25.4% in this June. Both export and import trade ranks the top one in June in the history. However, weak Japanese yen has generated imported inflation. The import trade value quite increased but the volume index only climbed 1.1% in this June which was the first positive figure in last three months.

Overall, Japan’s merchandise trade with overseas countries remained stable or even a little bit active. From Japan Machine Tool Builders’ Association, overseas orders dropped by 5.7% from April to 131.68 billion yens in May and showed an increase of 37.6% y-o-y, and this marked the twentieth consecutive month of y-o-y growth.

However, it is remarkable that the PKS and wood pellet import increased more than 10% y-o-y until the end of June while the trade with UAE and Saudi Arabia decreased 21.1% and 5.8%. The is the direct influence from the war in the Middle East since most of Japanese energy product are imported from there.

Meanwhile, It was remarkable that Japan's total steel export volume fell by 6.92% in June y-o-y. While steel export shipments to mainland China, Taiwan, and Southeast Asia experienced a substantial decline, steel imports dropped 12.32% in June y-o-y, 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.

2. Appendix

2.2 Indexes of Business Conditions

Indexes of Business Conditions January 2026 Revised Release (May 26th, 2026)							
	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Leading Indexes	109.9	111.0	112.1	113.3	114.5	116.1	116.5
Coincident Indexes	114.9	114.3	117.9	116.3	116.5	118.1	117.9
Lagging Indexes	112.9	110.3	112.2	113.1	113.4	111.9	111.4

Data source: Cabinet Office, Japan
Note: 2020 = 100

Business survey index, Business Conditions, Business Outlook Survey (June 11th, 2026)					
	Oct.-Dec. 2025 (previous)	Jan.-Mar. 2026 (previous)	Apr.-Jun. 2026 (present)	Jul.-Sep. 2026 (outlook)	Oct. - Dec. 2026 (outlook)
Corporations with capital of 1 billion yen or over					
All industries	4.9	4.4	-0.5	4.3	4.5
Manufacturing	4.7	3.8	-1.8	4.4	5.8
Non-manufacturing	5.1	4.6	0	4.2	4.0
Corporations with capital of 100 million to 1 billion yen					
All industries	4.7	0.2	-3.9	1.8	6.4
Corporations with capital of 10 to 100 million yen					
All industries	-3.7	-12.9	-17.6	-10.6	-3.4

Data source: Business Outlook Survey, Policy Research Institute, Ministry of Finance, Japan
Note: % with by quarter on quarter.

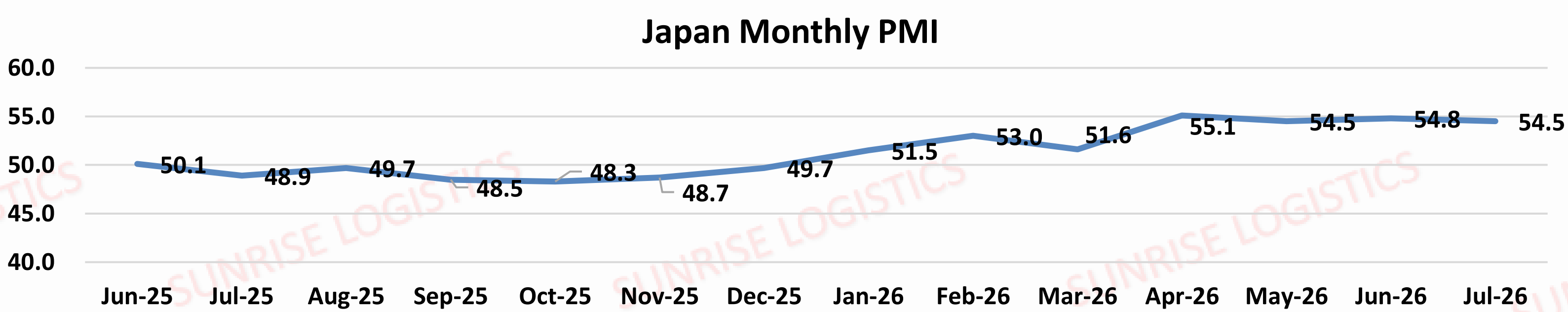
2. Appendix

2.3 Manufacturing PMI

Country	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026
Japan	53.0	51.6	55.1	54.5	54.8	54.5
China	49.0	50.4	50.3	50.0	50.3	49.2
USA	51.6	52.3	54.5	55.1	53.9	53.9
Australia	51.0	49.8	51.3	50.7	51.5	52.0
Taiwan	55.2	53.3	55.3	56.1	55.2	55.1
Korea	51.1	52.6	53.6	54.8	52.1	53.1
Thailand	53.5	54.1	52.7	52.6	53.6	54.2
UAE	55.0	52.9	52.1	52.6	50.8	
Vietnam	54.3	51.2	50.5	52.8	51.8	52.9
Germany	50.9	52.2	51.4	51.0	50.3	52.2
S. Arabia	56.1	48.8	51.5	52.8	53.3	53.1
India	56.9	53.9	54.7	55.0	55.0	53.5
Mexico	47.1	48.9	47.7	49.6	51.3	51.3
Brazil	47.3	49.0	52.6	49.1	50.8	47.5
ASEAN	53.8	51.8	50.7	51.5	50.5	52.8
Eurozone	50.8	51.6	52.2	51.6	51.4	51.9

Data source: S & P Global Manufacturing PMI

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



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	
	June	Growth Rate	June	Growth Rate	Jan-Jun	Growth Rate	Jan-Jun	Growth Rate	Jan-Jun	Growth Rate
China	1,824,449	17.6%	2,645,034	27.9%	10,224,351	14.3%	14,867,573	15.7%	25,091,924	15.1%
United States	1,927,863	12.9%	1,588,543	52.7%	10,709,550	4.0%	7,549,766	22.0%	18,259,316	10.7%
Australia	270,234	45.9%	637,751	28.1%	1,328,615	26.1%	3,558,582	4.7%	4,887,197	9.7%
Taiwan	929,454	46.4%	630,107	49.1%	4,913,318	29.7%	3,252,445	36.9%	8,165,763	32.5%
Korea	682,223	23.5%	507,326	32.1%	3,854,771	10.7%	2,732,978	22.7%	6,587,749	15.4%
Thailand	426,806	21.1%	420,703	32.3%	2,367,610	16.4%	2,180,691	16.5%	4,548,301	16.4%
UAE	158,021	8.2%	362,438	8.6%	859,910	-4.3%	1,842,465	-27.1%	2,702,375	-21.1%
Vietnam	291,562	32.6%	484,958	31.8%	1,608,993	22.6%	2,621,279	19.0%	4,230,271	20.3%
Germany	268,697	20.5%	301,467	-9.7%	1,510,015	18.3%	1,763,803	-0.5%	3,273,818	7.4%
Saudi Arabia	93,667	-8.9%	297,136	12.1%	394,403	-20.5%	1,970,613	-2.2%	2,365,016	-5.8%
India	276,898	20.7%	109,845	30.1%	1,573,924	12.1%	595,594	5.3%	2,169,519	10.1%
Mexico	187,233	30.1%	104,454	-19.9%	1,029,192	16.7%	519,142	0.3%	1,548,334	10.6%
Brazil	69,649	14.6%	135,233	15.6%	373,345	-2.3%	728,327	7.1%	1,101,672	3.7%
Total	7,406,757	21.2%	8,224,996	29.2%	57,138,331	13.6%	58,547,086	10.4%	115,685,417	12.0%

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	Vietnam	Mexico	Indonesia	Taiwan	India	USA	Kenya
2021	34,400,494	5,928,950	4,896,877	5,124,340	1,956,828	1,944,302	2,310,961	2,340,610	757,496	1,178,478	320,277
2022	32,302,968	5,037,906	5,430,549	3,949,049	1,895,808	1,244,229	2,299,768	1,808,536	847,788	1,268,218	384,242
2023	32,689,507	4,675,719	5,637,409	2,848,622	1,952,373	1,860,280	2,280,535	1,585,177	1,174,818	1,228,514	482,390
2024	31,711,382	4,284,449	4,783,404	2,672,789	2,262,264	1,870,010	2,181,927	1,762,638	2,081,806	1,209,810	508,095
2025	30,394,009	4,346,223	3,842,735	2,335,917	2,195,066	1,640,470	2,019,146	1,833,007	1,566,550	1,096,801	610,482
Q1 2025	7,772,962	1,025,412	1,019,401	584,984	639,437	462,484	559,440	583,074	340,715	276,621	127,520
Q2 2025	7,492,648	1,092,475	909,423	591,135	588,300	383,034	565,850	484,949	235,090	255,064	146,019
Jul	2,630,219	396,203	336,722	191,925	136,716	131,131	135,009	118,277	168,559	125,401	105,700
Aug	2,464,722	370,497	266,210	199,976	162,257	127,651	155,565	120,788	167,726	82,440	51,624
Sep	2,500,407	367,706	328,706	181,242	139,240	128,797	152,416	134,248	220,711	93,381	59,832
Oct	2,543,265	408,635	306,321	215,606	160,739	130,793	180,103	150,458	155,870	74,501	8,967
Nov	2,397,951	333,588	351,876	189,625	179,597	105,793	156,156	114,191	127,346	83,298	85,679
Dec	2,591,835	351,708	324,076	181,425	188,780	170,789	114,606	127,022	150,533	106,096	25,141
Jan-2026	2,283,789	316,489	310,290	185,259	129,485	149,248	162,572	107,796	111,277	89,978	69,148
Feb	2,180,529	334,290	337,632	141,220	130,870	117,803	133,201	60,749	100,097	107,442	33,743
Mar	2,519,789	356,578	351,588	185,706	181,733	204,886	166,147	128,861	99,614	117,588	71,294
Apr	2,282,746	350,545	302,492	190,604	185,696	151,992	165,335	128,988	120,852	97,815	59,428
May	2,381,176	326,831	386,402	153,141	160,679	159,273	131,408	136,326	158,750	139,820	51,051
Jun	2,561,071	416,725	326,459	168,694	175,556	166,450	138,675	212,757	78,798	88,486	75,143
2026	14,209,099	2,101,458	2,014,863	1,024,623	964,018	949,653	897,337	775,477	669,388	641,130	359,808
2026/2025	-6.92%	-0.78%	4.46%	-12.88%	-21.48%	12.32%	-20.26%	-27.39%	16.25%	20.58%	31.54%

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	1,148,338	718,775	203,472	216,558	9,533
Q2 2025	1,179,850	737,052	231,681	199,790	11,327
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
May-2026	312,319	211,926	44,807	52,083	3,503
Jun-2026	331,712	236,255	39,478	52,923	3,056
2026	2041299	1373154	298023	351402	18720
2026/2025	-12.32%	-5.68%	-31.51%	-15.60%	-10.26%

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	Set
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-Jun 2025	1,889,854	4,101,037	17,269	2,544,229	44,905	215
Jan-2026	444,732	800,426	3,109	455,329	12,885	20
Feb	363,727	706,766	2,643	354,785	14,418	11
Mar	451,360	743,388	4,456	359,805	16,192	60
Apr	319,687	818,258	3,067	452,048	17,162	19
May	268,953	643,849	2,231	401,308	17,028	1
Jun	348,174	811,466	2,528	407,658	20,933	10
2026	2,197,367	4,524,153	18,034	2,430,991	98,618	121
2026/2025 y-o-y	16.3%	10.3%	4.4%	-4.5%	119.6%	58.0%

Data source: Ministry of Finance, “Trade Statistics of Japan”.

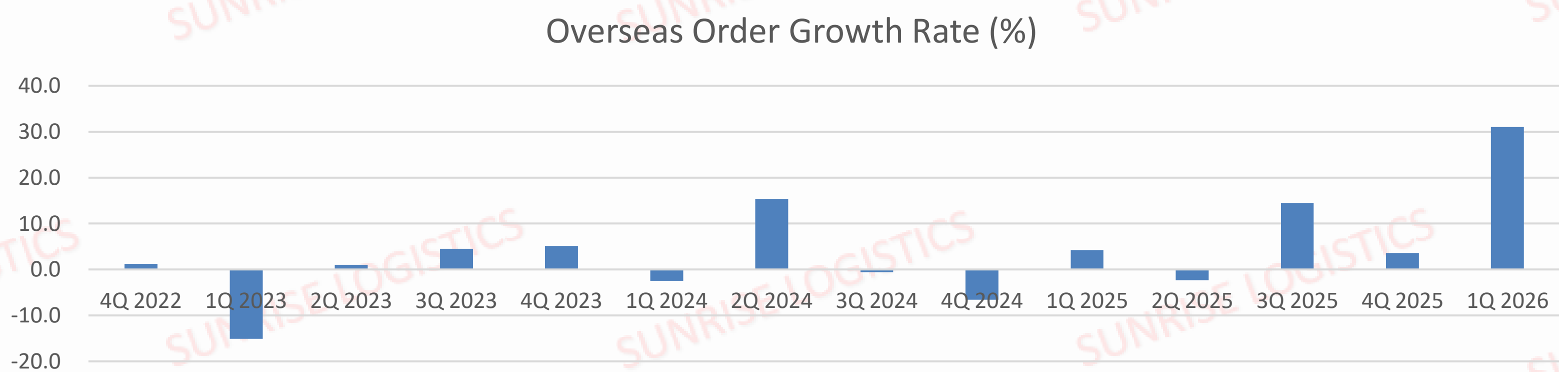
2. Appendix

2.5 Machinery Order

Order from	3Q 2025	4Q 2025	1Q 2026	2Q 2026*	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Total	3.5	10.2	10.3	-1.8	-2.0	-5.0	4.3	3.4	9.5
Private sector	-1.3	6.2	2.6	3.0	-5.5	-1.8	-5.3	5.8	37.4
(excluding volatile orders)	-1.0	6.6	6.4	0.3	-5.5	13.6	-9.4	8.7	-12.4
Manufacturing	5.3	-0.8	10.0	-0.9	-12.5	30.7	-14.2	5.1	-14.9
Governments	-14.7	57.7	-21.3	9.0	-13.1	-19.0	-14.5	-0.9	-5.0
Overseas	14.5	3.6	31.0	-8.1	0.2	-5.1	31.0	-8.6	-4.4

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



2. Appendix

2.6 Machine Tool Order

The growth rate of the order from China and USA occupied 63.50% of the total amount until May 2026. The top ten export destination occupied about 84.59% of the total orders, among which China Taiwan, Canada and Vietnam recorded higher growth rates.

Rank	Country	May 2026 (in million JPY)	Growth Rate % (m-o-m)	Growth Rate % (y-o-y)	2026 Aggregated (in million JPY)	Aggregated Growth Rate %
1	China	51,246	-3.9	65.6	236,686	52.4
2	USA	30,350	-15.2	4.7	167,725	34.5
3	India	5,773	-24.6	27.5	38,809	18.1
4	Germany	3,221	-27.9	-11.2	19,737	14.0
5	China Taiwan	4,940	46.0	205.1	15,777	83.6
6	Korea	1,975	-47.3	-17.6	14,212	2.3
7	Italia	3,078	12.8	-5.5	13,649	18.6
8	Canada	3,220	-1.3	155.6	13,021	108.6
9	France	1,809	-41.9	-15.4	10,271	14.1
10	Vietnam	5,250	218.2	407.7	10,157	57.8
Total		131,677	-5.7	37.6	636,890	37.9

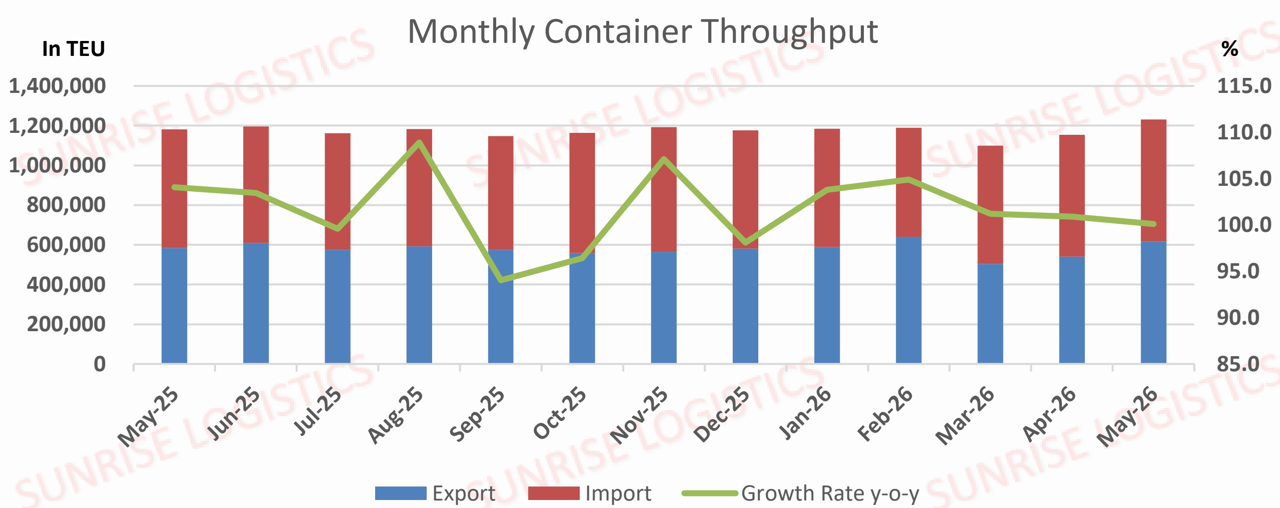
Data source: Japan Machine Tool Builders' Association

2. Appendix

2.7 Container Throughput

Container Throughput in May 2026	Total		Export		Import	
	TEU	Growth Rate	TEU	Growth Rate	TEU	Growth Rate
Total	1,177,717	100.1	562,219	97.1	615,498	103.0
Tokyo	367,332	100.1	160,049	97.1	207,283	102.5
Kawasaki	6,935	92.9	3,755	94.1	3,180	91.5
Yokohama	235,939	103.0	119,510	96.1	116,429	111.3
Nagoya	219,152	99.2	111,697	99.9	107,455	98.5
Osaka	173,631	97.4	77,754	94.8	95,877	99.5
Kobe	174,728	100.7	89,454	97.2	85,274	104.6

Data source: Ministry of land, Infrastructure, Transport and Tourism, Japan
Note: Container Throughput in TEU and Growth Rate in % y-o-y.



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