



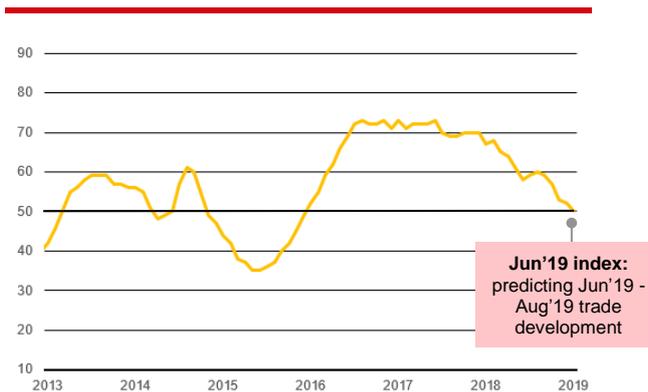
June 2019

Japanese trade growth stagnating for the first time since 2015

Key findings:

- Japanese trade is expected to slow, falling -7 points to 50 since March, indicating stale growth.
- Weakening can be attributed to the contraction of air and ocean trade, which are expected to decelerate in Japan to nearly zero growth in the next quarter.
- The air trade outlook in Japan is boosted by air exports, though the air imports outlook is negative. Air trade fell -11 points to 50.
- The Japanese ocean trade outlook is mainly driven down by imports, but exports are also forecasted to decline.

DHL Global Trade Barometer – Japan Index 2013 – present, 50 = no change



DHL Global Trade Barometer – Japan Indexes – latest four months

	Mar'19	Apr'19	May'19	Jun'19
Japan Trade	57	53	52	50
Air Trade	62	55	53	51
Ocean Trade	55	52	51	49

Overall Japanese trade is expected to slow, declining -7 points to 50, which indicates stagnation. After a first contraction in 2015 – measured by historical GTB data – this is the second time that Japanese trade stops expanding in the GTB's timescale.

This is attributed to the contraction of air and ocean trade, both of which are expected to decelerate to nearly zero growth for the next quarter. The air trade

outlook fell rapidly by -11 points to 50, while the ocean trade outlook dropped -6 points to 49.

The air trade outlook is boosted by air exports, driven by Capital Equipment & Machinery, High Technology, Chemicals & Products and Machinery Parts exports, though Land Vehicles & Parts air exports are expected to contract. The air imports outlook is negative, and although air imports of Machinery Parts, Temperature or Climate Control Goods and Land Vehicles & Parts contribute positively, air imports are mainly driven by a contracting outlook for High Technology, Consumer Fashion Goods and Chemicals & Products during the next quarter.

Ocean trade is mainly driven down by imports, but exports are also forecasted to decline. Machinery Parts and Personal & Household Goods imports are expected to increase, while Industrial and Basic Raw Materials and Temperature or Climate Controlled imported goods have a weaker outlook. The moderate growth of Industrial Raw Materials and Land Vehicles & Parts exports are negated by the contraction of Basic Raw Materials and Chemicals & Products ocean exports.

With respect to overall Japanese sectors, the following trends were particularly strong: Chemicals & Products fell -13 points to 41, Consumer Fashion Goods declined -35 to 28, Industrial Raw Materials fell -14 points to 51, and Personal & Household Goods fell -17 to 52 points.

DHL Global Trade Barometer – Japan Sector development – latest four months

	Mar	Apr	May	Jun
Basic Raw Materials	59	56	50	47
Capital Equip. & Machinery	78	80	83	86
Chemicals & Products	54	49	41	41
Consumer Fashion Goods	63	46	36	28
High Technology	49	41	42	43
Industrial Raw Materials	65	55	52	51
Land Vehicles & Parts	44	48	50	52
Machinery Parts	63	60	58	56
Personal & Household Goods	69	62	57	52
Temperature or Climate Control	47	42	48	42



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About the DHL Global Trade Barometer:

The DHL Global Trade Barometer is an early indicator for the current state and future development of global trade. It is based on import and export data for a number of intermediates and early-cycle commodities that serve as the basis for further industrial production. Sources for the index are aggregated market data from air and containerized ocean freight from seven countries (China, South Korea, Germany, India, Japan, UK, USA), which account for more than 75 percent of world trade. These data are evaluated using artificial intelligence and various statistical methods and compressed to a single index value that represents the weighted average of the current growth and the upcoming two months of trade. The index, which was designed in cooperation with Accenture, is published four times a year by DHL on a global scale as well as for each of the seven countries surveyed.

About DHL:

Being the world's leading logistics provider, DHL is ideally equipped to derive a global trade outlook from logistics data. DHL has both, a deep understanding of the driving forces behind global trade volumes and the industry expertise to analyze and interpret occurring market data. With its family of divisions, DHL offers an unrivalled portfolio of logistics services ranging from national and international parcel delivery, e-commerce shipping and fulfillment solutions, international express, road, air and ocean transport to industrial supply chain management. DHL employs about 350,000 people in more than 220 countries and territories worldwide, reliably enabling global trade flows. With specialized solutions for growth markets and industries including technology, life sciences and healthcare, energy, automotive and retail, a proven commitment to corporate responsibility and an unrivalled presence in developing markets, DHL is decisively positioned as "The logistics company for the world".

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