

EU – Japan Summit

EU trade in goods with Japan almost in balance in 2014

€10 bn surplus in trade in services

After a significant decrease in 2009 following the financial crisis, the value of **European Union** (EU) imports of goods from **Japan** recovered until 2011 and then fell continuously to stand in 2014 at €54.6 bn, the lowest level recorded over the last ten years. Exports, which declined only slightly in 2009, then recovered more strongly to reach a peak of €55.7 bn in 2012, and then slightly decreased over the following years to €53.3 bn in 2014. As a result, the **EU** trade deficit with **Japan**, which had constantly been above €20.0 bn between 2004 and 2011, has considerably reduced during the last three years to be almost in balance in 2014 at -€1.3 bn.

While it was among the top 5 trading partners of the **EU** in 2004, **Japan** is now the seventh most important **EU** trading partner, accounting for just over 3% of total extra-EU trade in goods in 2014. Over this 10-year time period, the share of **Japan** in extra-EU imports dropped from 4.6% in 2004 to 3.1% in 2014, while its share in exports more than halved (7.3% in 2004 vs. 3.2% in 2014).

Evolution of EU exports and imports of goods with Japan, 2004-2014
(in € billion)



On the occasion of the **European Union – Japan** summit, which will take place on 29 May in Tokyo, **Eurostat**, the statistical office of the European Union, issues data on trade and investments between **Japan** and the **EU**.

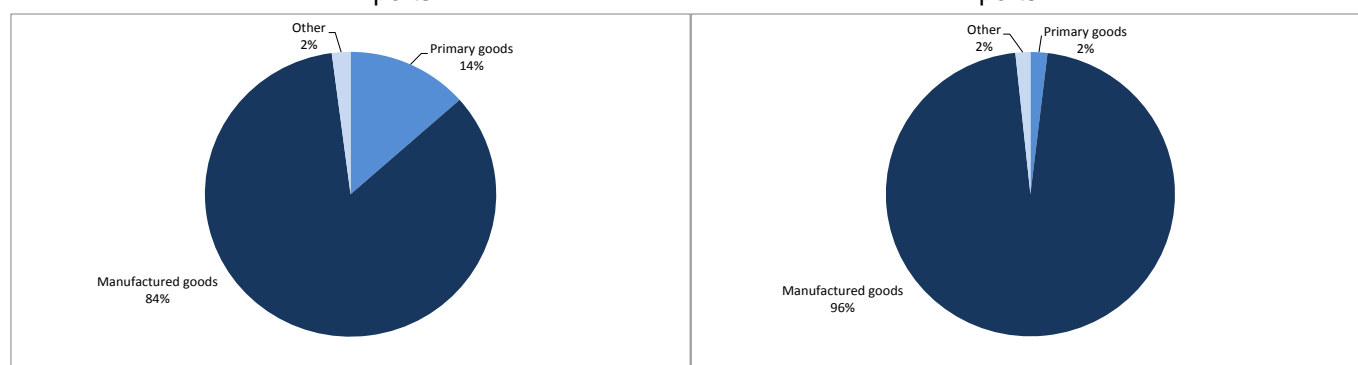
Manufactured goods dominate both imports and exports

EU trade in goods with **Japan** is clearly dominated by manufactured goods, which accounted in 2014 for 97% of total **EU** imports from **Japan** and 84% of **EU** exports to **Japan**. The €7.6 bn deficit recorded by the **EU** for its trade of manufactured goods with **Japan** is partially offset by an **EU** surplus in primary goods (+€6.1 bn), in particular for food and drink (+€4.7 bn).

EU international trade in goods with Japan and the world
(in € billion)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Japan											
Exports	43.5	43.7	44.8	43.7	42.4	36.0	44.0	49.1	55.7	54.0	53.3
Imports	74.9	74.4	78.4	79.3	76.5	58.4	67.3	70.6	65.0	56.6	54.6
Balance	-31.5	-30.6	-33.7	-35.5	-34.1	-22.5	-23.3	-21.5	-9.3	-2.6	-1.3
Total Extra-EU											
Exports	945.2	1 049.5	1 152.4	1 234.5	1 309.1	1 094.0	1 353.2	1 554.2	1 684.2	1 736.6	1 702.9
Imports	1 027.4	1 183.9	1 364.6	1 450.3	1 585.2	1 235.6	1 529.4	1 725.1	1 796.6	1 684.9	1 680.5
Balance	-82.2	-134.5	-212.2	-215.9	-276.1	-141.7	-176.2	-170.9	-112.3	51.7	22.3
Japan / Total											
Exports	4.6%	4.2%	3.9%	3.5%	3.2%	3.3%	3.3%	3.2%	3.3%	3.1%	3.1%
Imports	7.3%	6.3%	5.7%	5.5%	4.8%	4.7%	4.4%	4.1%	3.6%	3.4%	3.2%

EU international trade in goods with Japan by main product, 2014



EU international trade in goods with Japan by product
(in € million)

	Exports		Imports		Balance	
	2013	2014	2013	2014	2013	2014
Total	54 016	53 303	56 602	54 569	-2 586	-1 266
Primary goods:	7 008	7 178	1 180	1 035	5 828	6 144
<i>Food & drink</i>	4 737	4 883	152	175	4 585	4 708
<i>Raw materials</i>	1 784	1 551	758	670	1 026	881
<i>Energy</i>	488	744	271	190	217	554
Manufactured goods:	45 895	45 022	54 689	52 622	-8 794	-7 600
<i>Chemicals</i>	13 474	12 069	5 948	5 772	7 527	6 296
<i>Machinery & vehicles¹</i>	19 754	20 182	37 347	35 440	-17 594	-15 258
<i>Other manuf'd goods¹</i>	12 666	12 771	11 394	11 409	1 273	1 362
Other	1 114	1 103	733	912	381	191

Germany, main EU trading partner with Japan for both exports and imports

Among the EU Member States, **Germany** (€17.1 bn or 32% of EU exports of goods to Japan) was by far the largest exporter to **Japan** in 2014, followed by **France** (€6.8 bn or 13%), **Italy** (€5.4 bn or 10%) and the **United Kingdom** (€5.2 bn or 10%). Compared with 2013, exports to **Japan** decreased in each of these four largest partners, except the **United Kingdom**. At EU level, exports of goods to **Japan** slightly decreased by 1% in 2014.

Germany (€14.5 bn or 27% of EU imports of goods from Japan) was also the largest importer from **Japan** in 2014, ahead of the **Netherlands**² (€9.5 bn or 17%), the **United Kingdom** (€7.7 bn or 14%), **Belgium**² (€5.5 bn or 10%) and **France** (€4.2 bn or 8%). Among these top 5 EU importers from **Japan**, imports decreased in 2014 in all except **Germany**. EU imports of goods from **Japan** dropped by 4% in 2014.

Half of the EU Member States recorded a surplus in trade with **Japan** in 2014, with the highest being recorded in **Italy**, **France** and **Germany** (all around +€2.6 bn). In contrast, the largest deficits were observed in the **Netherlands**² (-€6.0 bn), the **United Kingdom** and **Belgium**² (both -€2.4 bn).

EU Member States' international trade in goods with Japan (in € million)

	Exports		Imports		Balance	
	2013	2014	2013	2014	2013	2014
EU	54 016	53 303	56 602	54 569	-2 586	-1 266
Belgium ²	3 479	3 060	7 138	5 487	-3 659	-2 428
Bulgaria	28	28	66	84	-38	-55
Czech Republic	656	767	1 028	900	-371	-134
Denmark	1 461	1 523	271	291	1 190	1 232
Germany	17 221	17 095	14 481	14 520	2 740	2 575
Estonia	65	60	27	31	38	29
Ireland	1 684	1 750	773	1 406	911	344
Greece	46	45	120	200	-74	-156
Spain	2 253	2 624	1 815	1 983	439	641
France	6 878	6 845	4 817	4 215	2 062	2 629
Croatia	44	35	91	20	-47	16
Italy	6 023	5 364	2 566	2 705	3 457	2 659
Cyprus	1	1	26	38	-25	-38
Latvia	45	34	12	14	33	20
Lithuania	35	37	26	27	10	10
Luxembourg	56	56	170	192	-114	-135
Hungary	376	407	924	889	-547	-482
Malta	128	106	47	49	81	57
Netherlands ²	3 380	3 451	10 006	9 490	-6 626	-6 039
Austria	1 230	1 246	745	806	485	440
Poland	506	492	975	1 073	-469	-581
Portugal	139	125	238	251	-99	-126
Romania	233	211	218	230	15	-19
Slovenia	40	36	109	72	-68	-36
Slovakia	135	102	302	294	-166	-192
Finland	994	1 019	287	278	708	741
Sweden	1 702	1 543	1 296	1 343	406	200
United Kingdom	5 176	5 242	8 033	7 681	-2 856	-2 439

Financial and communication services boost EU surplus in trade in services with Japan

EU exports of services to **Japan** slightly increased between 2012 and 2014, from €24.0 bn to €25.6 bn. In the meantime, imports remained almost stable (€15.7 bn in 2012 vs. €15.3 bn in 2014). As a result, the **EU** surplus in trade in services with **Japan** grew by €2.0 bn over the last three years, from €8.3 bn in 2012 to €10.3 bn. The surplus in 2014 was mainly due to surpluses in financial services (+€4.0 bn), telecommunications, computer, and information services (+€3.1 bn) and travel (+€1.7 bn). **Japan** accounted in 2014 for just over 3% of total extra-EU trade in services.

EU international trade in services with Japan

(in € million)

	Exports			Imports			Balance		
	2012	2013	2014*	2012	2013	2014*	2012	2013	2014*
Total	24 013	24 738	25 636	15 693	14 600	15 289	8 320	10 138	10 347
of which:									
Transport	4 927	4 791	4 493	4 890	4 585	4 771	37	206	-279
Travel	2 362	2 665	2 801	910	894	1 093	1 453	1 772	1 707
Telecommunications, computer and information services	3 432	3 091	3 551	612	562	459	2 820	2 529	3 092
Financial services	2 828	4 750	5 872	1 628	1 866	1 880	1 200	2 884	3 992
Insurance & pensions services	931	870	664	244	142	270	687	728	394
Intellectual property	2 334	1 898	1 983	2 452	1 575	1 947	-118	323	36
Other business services ³	5 623	4 833	4 618	4 621	4 382	4 134	1 002	451	484
Other	1 575	1 840	1 655	335	595	735	1 240	1 245	920
Total extra-EU	675 783	709 695	734 777	514 872	531 603	583 376	160 911	178 092	151 402
Japan / total extra-EU	3.6%	3.5%	3.5%	3.0%	2.7%	2.6%			

* 2014 data come from annualised quarterly Balance of Payments data

EU disinvestments in Japan in 2014

Foreign Direct Investment (FDI) flows between the **EU** and **Japan** showed large variations in 2014, compared with previous years. After three consecutive years of investment between 2011 and 2013, the **EU** disinvested in **Japan** in 2014 by €18.9 bn. 2014 also marked a break in **Japanese** investment flows into the **EU**, with investments close to zero, while significant investments were recorded the previous three years.

EU FDI flows⁴ with Japan

(in € million)

	2011	2012	2013	2014
EU FDI flows to Japan	3 397	2 224	3 107	-18 862
Japanese FDI flows to the EU	9 966	4 962	8 643	22

- Machinery and vehicles** includes power generating and industrial machinery, computers, electric and electronic parts and equipment, road vehicles and parts, ships, airplanes and railway equipment.
Other manufactured goods includes articles made of leather, rubber and wood, paper, textiles, metals, building fixtures and fittings, furniture, clothes, shoes and accessories, scientific instruments, clocks, watches and cameras.
- Dutch imports are over-estimated because of the "Rotterdam effect" where goods destined for the rest of the EU arrive and are recorded in harmonised EU external trade statistics in Dutch ports. This then has a positive effect on the external trade balances with Japan of those Member States to which the goods are re-exported as these shipments would be recorded as intra-EU trade with the Netherlands rather than extra-EU trade with Japan. To a lesser extent, Belgian trade figures are similarly over-estimated.
- Other business comprises services in the following domains: research and development, professional and management consulting services, technical, trade-related and other business services.
- The FDI figures are based on annualised EU quarterly balance of payments data. Data for 2013 and 2014 are compiled according to new international standards set out in the sixth edition of IMF Manual on Balance of Payments and International Investment Position (BPM6), while data for 2011 and 2012 were compiled according to the previous, fifth edition (BPM5). For this reason, data for 2013-2014 are not directly comparable with previous years. FDI data according to BPM6 for years before 2013 are planned to be disseminated as part of the EU balance of payments in July 2015.

Issued by: **Eurostat Press Office**


Vincent BOURGEAIS

Tel: +352-4301-33 444

eurostat-pressoffice@ec.europa.eu

 **ec.europa.eu/eurostat**

 **[@EU_Eurostat](https://twitter.com/EU_Eurostat)**

 **Media requests:** Eurostat media support / Tel: +352-4301-33 408 / eurostat-mediasupport@ec.europa.eu