

Trade between the European Union and Japan

Tim Allen

Statistics in focus

EXTERNAL TRADE

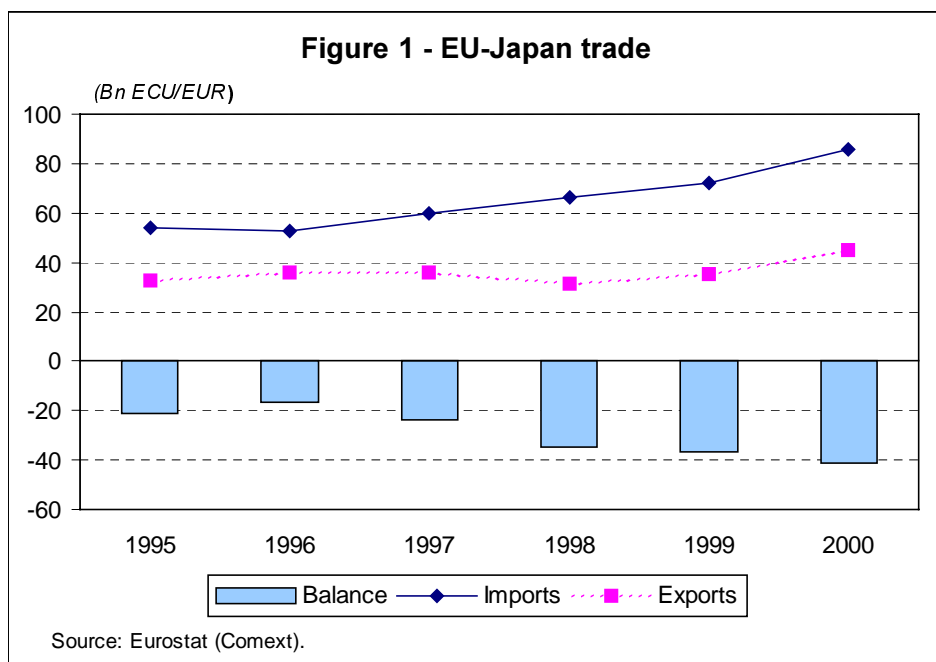
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Still major trading partners

During the second half of the 1990s, trade between the EU and Japan grew more slowly than world trade. Between 1995 and 2000, world trade grew by an average of 13.3%¹ a year - close to the 12% growth in total EU external trade - whilst trade between the EU and Japan grew by only 8.4%, giving a total value of EUR 44.8 billion for imports and EUR 86 billion for exports, according to European figures. Consequently, Japan's share of EU external trade fell, from 7.8% in 1995 to only 6.6% in 2000. EU trade with Japan continued to run at a deficit, which doubled between 1995 and 2000, from ECU 21.4 billion at the start of the period to EUR 41.1 billion at the end (Figure 1).

Throughout the period, the EU was Japan's second largest trading partner. With 14.5% of the country's foreign trade, it trailed the United States' share of one-quarter. The most striking development in Japan's foreign trade over the past few years has been the rise of China, particularly as the source of many of Japan's imports. In 2000, China squeezed the EU out of second place in terms of import flows.

EU – Japan trade, by Member State

The three largest economies of the fifteen in the European Union - Germany, the United Kingdom and France - also head the list when it comes to trade with Japan. Germany, which was responsible for over 25% of total bilateral trade, remained Japan's principal partner, although its importance, particularly as a



¹ Calculated as half of exports and imports.

country of destination for Japanese exports, was tending to decline. In 1995, Germany took 29.4% of EU imports from Japan, but in 2000 only 27.4%. Over the same period, its share of EU exports to Japan fell from 30.6% to 29.4% (Tables 2a and 2b). A look at the Member States' trade balances with Japan shows that past tendencies generally continued in 1995 to 2000, and even became more pronounced (Table 2c). France's deficit tripled, while the deficits of Spain, the Netherlands, Greece and Portugal doubled and the gap widened for Germany and the United Kingdom.

Denmark followed a similar pattern, but in the opposite direction, being the only Member State to have a trade surplus with Japan throughout the period. Italy and Sweden were the only two countries to buck the general trend, moving from positive figures at the start of the period to a deficit in the most recent years.

Three dominant product categories

The overall pattern of trade in the various product categories remained stable in the years in question. Agricultural products² accounted for a minimal share - under 0.2% of EU imports from Japan, as against around 10% of exports to Japan. Two product categories alone made up half of EU agricultural exports to Japan: beverages and spirits on the one hand and meat and edible offal on the other. Next came fish and crustaceans, then eggs and dairy products.

² In this context, the first 24 chapters of the Harmonised System.

Table 1a - Geographical distribution of Japan's imports (%)

	1995	1996	1997	1998	1999	2000
Asia <i>of which</i>	42.2	42.6	42.3	42.7	44.6	46.8
<i>China</i>	10.7	11.6	12.4	13.2	13.8	14.5
<i>Korea</i>	5.1	4.6	4.3	4.3	5.2	5.4
USA	22.6	22.8	22.4	24.0	21.8	19.3
EU-15	14.5	14.1	13.3	13.9	13.8	12.4
MED countries	9.5	10.1	11.3	9.1	9.8	13.1
Other America	3.4	3.2	3.3	3.2	3.0	2.8
Canada	3.2	2.9	2.9	2.7	2.6	2.3
Other Europe	1.8	1.6	1.7	1.8	1.8	1.5
NIS	1.5	1.2	1.3	1.1	1.3	1.3
Africa	1.4	1.4	1.4	1.4	1.3	0.5

Source: United Nations (Comtrade).

Table 1b - Geographical distribution of Japan's exports (%)

	1995	1996	1997	1998	1999	2000
Asia <i>of which</i>	45.9	46.4	44.4	37.2	39.7	43.5
<i>China</i>	5.0	5.3	5.2	5.2	5.6	6.3
<i>Korea</i>	7.0	7.1	6.2	4.0	5.5	6.4
USA	27.5	27.5	28.1	30.9	31.1	30.2
EU-15	15.9	15.4	15.6	18.5	17.9	16.4
Other America	4.2	4.1	4.7	5.0	4.3	4.1
MED countries	2.2	2.7	2.9	3.7	2.7	2.3
Canada	1.3	1.2	1.4	1.6	1.7	1.6
Other Europe	1.0	1.0	1.2	1.3	1.3	1.2
Africa	1.7	1.4	1.3	1.5	1.3	0.6
NIS	0.3	0.3	0.3	0.3	0.2	0.2

Source: United Nations (Comtrade).

Table 2a - EU imports by Member State from Japan (%)

	1995	1996	1997	1998	1999	2000
Belg.-Luxbg	6.6	6.3	5.9	6.0	6.9	6.1
Denmark	1.5	1.3	1.3	1.2	1.1	0.8
Germany	29.4	29.5	27.6	27.2	26.4	27.4
Greece	1.0	1.4	1.4	1.3	1.7	1.1
Spain	4.0	3.8	3.9	4.4	4.8	4.5
France	9.5	8.9	8.9	8.6	9.2	9.9
Ireland	2.2	2.3	3.3	3.2	2.9	2.6
Italy	6.3	6.0	6.2	6.4	7.2	7.5
Netherland	10.3	12.0	12.1	12.9	12.8	13.1
Austria	1.6	1.6	1.3	1.3	1.4	1.4
Portugal	1.0	1.1	1.2	1.4	1.4	1.2
Finland	2.1	1.9	1.9	1.9	1.9	1.6
Sweden	3.2	2.9	3.1	2.6	3.0	3.2
Utd. Kingdom	21.4	21.0	22.0	21.4	19.2	19.7

Source: Eurostat (Comext).

Most trade between these two partners was in only a few items. Three product categories - electrical machinery and equipment followed by machinery and mechanical appliances and then vehicles - were the main EU imports from Japan. Throughout the period under observation, these products together made up almost three-quarters of the total. The same three categories also constituted the largest share of EU exports to Japan - around 37% of the total. The size of the bilateral flows in these categories suggests important intra-industry trade exists between the two zones.

The particular importance of these products for EU/Japan trade is also reflected in their share of total EU imports of the products in question. That share may be going down, but vehicles from Japan still accounted for over one-third of total EU imports in this category in 2000 (36.3% as against 49.6% in 1995). To a lesser extent, the same would apply to EU imports of electrical machinery and equipment, machinery and mechanical appliances and vehicles: Japan alone accounted for around 15% of total EU imports of these products.

Table 2b - EU exports by Member State to Japan (%)

	1995	1996	1997	1998	1999	2000
Belg.-Luxbg	5.0	5.4	5.1	4.9	5.7	5.3
Denmark	4.2	3.7	3.9	3.8	4.3	4.3
Germany	30.6	31.0	28.9	29.5	29.3	29.4
Greece	0.2	0.2	0.2	0.2	0.2	0.2
Spain	2.8	2.5	2.7	2.9	3.0	2.7
France	13.2	12.0	12.1	13.4	12.2	12.2
Ireland	3.0	3.0	4.0	4.6	5.4	7.1
Italy	12.4	12.2	11.5	11.4	9.9	9.7
Netherland	4.8	4.8	4.9	5.3	5.8	5.3
Austria	1.8	2.0	1.8	1.7	2.1	2.1
Portugal	0.4	0.4	0.4	0.4	0.3	0.3
Finland	2.4	2.3	1.9	1.8	1.9	1.9
Sweden	5.5	6.0	5.9	5.0	5.4	5.9
Utd. Kingdom	13.7	14.5	16.8	15.2	14.4	13.5

Source: Eurostat (Comext).

Table 2c - Bilateral trade balance Japan-EU (Mio ECU/EUR)

	1995	1996	1997	1998	1999	2000
EU-15	-21 403	-16 787	-23 779	-34 475	-36 537	-41 121
Belg.-Luxbg	-1 909	-1 384	-1 683	-2 395	-2 939	-2 867
Denmark	592	616	652	445	725	1 219
Germany	-5 920	-4 428	-6 076	-8 667	-8 646	-10 348
Greece	-455	-652	-750	-817	-1 160	-883
Spain	-1 270	-1 120	-1 347	-2 006	-2 397	-2 628
France	-843	-407	-957	-1 480	-2 293	-3 003
Ireland	-184	-108	-542	-674	-192	985
Italy	640	1 245	439	-624	-1 649	-2 083
Netherland	-4 005	-4 566	-5 499	-6 873	-7 172	-8 855
Austria	-274	-108	-137	-354	-229	-246
Portugal	-425	-458	-607	-825	-912	-941
Finland	-335	-164	-454	-677	-675	-525
Sweden	87	598	300	-160	-237	-98
Utd. Kingdom	-7 100	-5 853	-7 118	-9 367	-8 758	-10 848

Source: Eurostat (Comext).

Table 3 - Main European imports from Japan

Product description (HS)	1995	1996	1997	1998	1999	2000	1995	1996	1997	1998	1999	2000
	(Mio ECU/EUR)						(%)					
Agricultural products	107	108	121	126	123	158	0.20	0.21	0.20	0.19	0.17	0.19
Misc. edible preparations	17	11	18	14	16	20	0.03	0.02	0.03	0.02	0.02	0.02
Oil seeds, oleaginous fruits	15	13	13	13	15	18	0.03	0.03	0.02	0.02	0.02	0.02
Industrial products	53 926	52 084	59 427	65 542	71 435	85 349	99.80	99.79	99.80	99.81	99.83	99.81
Electrical machinery	13 967	12 588	13 789	14 655	16 603	23 475	25.72	23.95	23.03	22.19	23.09	27.31
Machinery, mechanical appliances	13 966	13 345	15 163	17 220	18 200	21 670	25.72	25.39	25.32	26.07	25.31	25.21
Road vehicles	11 310	11 714	14 251	15 797	17 558	17 822	20.83	22.29	23.80	23.92	24.42	20.74
Precision apparatus	4 235	4 226	4 508	4 632	5 589	6 855	7.80	8.04	7.53	7.01	7.77	7.97
Organic chemicals	1 676	1 599	1 795	1 952	2 153	2 321	3.09	3.04	3.00	2.96	2.99	2.70
Toys, games and sport requisites	593	619	1 348	1 595	1 279	1 571	1.09	1.18	2.25	2.42	1.78	1.83

Source: Eurostat (Comext).

Further information:

➤ Reference publications

Title External and intra-EU trade - monthly statistics
 Catalogue No KS-AR-02-001-EN-C Price EUR 20

➤ Databases

Comext, domain EC special trade, Comtrade

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Tim Allen, Eurostat/C4, L-2920 Luxembourg, Tel. (352) 4301 35098, Fax (352) 4301 34339, E-mail: timothy.allen@cec.eu.int

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