

Sino-Japan Conventional Market Research December 2024

Released on January 1st., 2025

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Remark: This market research mainly focuses on the Sino-Japan conventional market.

1. Executive Summary

Recently, the hottest topic is what kind of impact the second term of US elected President Trump will have on the world economy. Various media and research institutions have made a lot of reports on this, and even scholars have conducted various research by use of mathematical models. It is obvious that there is a kind of Trump anxiety neurosis just arrived.

However, the title of the report recently released by Asian Development Bank (ADB) is “Steady Growth AMID A SHIFTING GLOBAL POLICY LANDSCAPE” while the same released by OECD is “Resilience in uncertain times”. Both of them indicate a cautious but optimistic attitude towards the global economy and trade.

The report from ADB indicates the scenario as “The growth impacts in the rest of developing Asia are mixed and smaller in magnitude. Due to their stronger trade linkages with the PRC, economies in East Asia also see a decline in GDP growth. South Asian and Southeast Asian economies benefit from the US-PRC trade disputes as trade diversion and production relocation open new opportunities. Reflecting these heterogeneous effects across economies, the overall cumulative impact on growth in developing Asia excluding the PRC is marginally positive”. That means, overall, the economy and trade in the Asian region will remain stable. For logistics operators, there will be more raw materials and intermediate products exported from China to Southeast Asia, which actually increases the demand for international logistics and is not a bad thing.

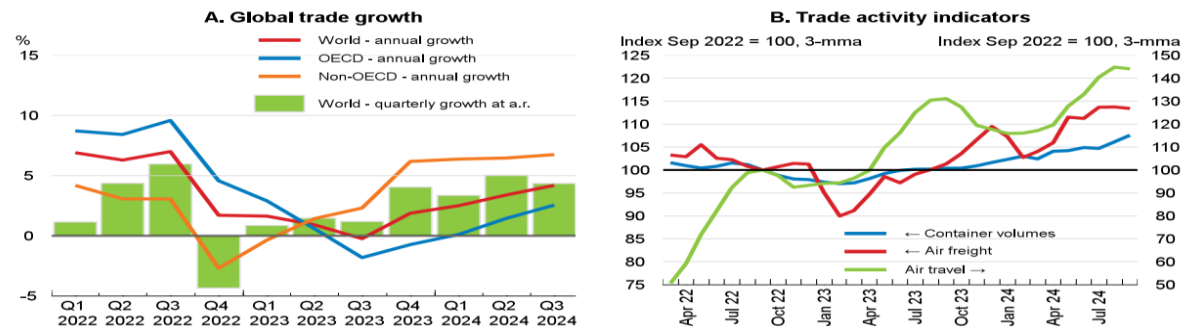
1. Executive Summary

The report of OECD Economic Outlook December 2024 has the similar evaluation as:

Trade growth has picked up.

Global trade volumes continued to recover steadily in 2024, with quarterly growth estimated to have reached 4.3% (at an annualised rate) by the third quarter of 2024 (Figure 1.11, Panel A), helped by the recovery in US goods consumption. Export volume growth also strengthened in China and the Dynamic Asian economies, amidst strong demand for technology-related products. Services trade has remained relatively buoyant in 2024, with solid growth in business services and tourism.

Figure 1.11. Trade has steadily recovered from the weakness in 2023

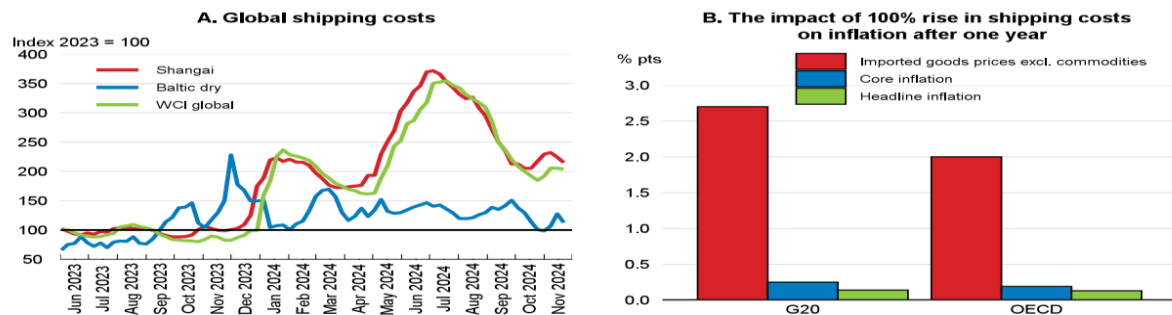


Note: Panel A: trade based on average exports and imports volumes. Panel B: Air freight represents global volumes for international air freight. Air travel is global air passenger kilometres on international flights. Container volumes are based on world volumes from RWI/ISL. Source: OECD Economic Outlook 116 database; IATA; RWI/ISL container throughput index; and OECD calculations.

Meanwhile, the report also points out that still-high shipping costs will continue to be gradually passed through into manufacturing import prices though it may only have a modest impact of inflation.

1. Executive Summary

Figure 1.13. Still-high shipping costs may only have a modest impact on inflation



Note: Panel B shows the percentage point change in year-on-year core and headline inflation resulting from a container shipping cost shock. Container shipping prices are assumed to rise by 100% in the first quarter and to remain permanently higher throughout the whole simulation horizon.

Source: WCI Drewry; Rusticelli and MacLeod (2024); and OECD calculations.

Essentially, we think that President Trump is not opposed to globalization. What he wants is the globalization led or dominated by the United States, because the economic influence of the United States continues to decline in the process of globalization. In fact, this is an inevitable result of globalization. Meanwhile, the financial oligarchs who endorse the elected President strive to secure the super profits from developing countries by more and more globalization. Their goals have overlapping parts and different parts, and financial oligarchs will not allow Trump to go too far. Therefore, we need not worry too much about the development of globalization and international trade. Of course, we have to make full preparation to fight with deglobalization.

1. Executive Summary

For China's international trade, it continues to maintain growth, with a slight decrease in export growth rate and negative import growth in both October and November, indicating weak export growth in the future. Combining New Export Order index and Import index under the PMI index, we can see that the PMI index is basically consistent with the international trade situation.

However, PMI data shows that the Chinese economy has gradually recovered from the fourth quarter with the domestic economic stimulus policies. We hope that by 2025, the Chinese economy can recover gradually and lead China's international trade to steadily grow.

2. Industry Focus

2.1 Automobile Industry

The produced and sold vehicle's y-o-y growth rate kept positive in November from the last time. However, the vehicle exported decreased in November y-o-y while the new energy vehicle exported decreased rapidly both m-o-m and y-o-y. Owners are still enjoying the car carrier spot market, but new fleet quickly expands, and the challenge will come soon.

Item	Nov 2024 (10,000 unit)	Growth Rate (m-o-m)	Growth Rate (y-o-y)	Jan-Nov 2024 (10,000 unit)	Aggregated Growth Rate
Vehicle produced	343.7	14.7%	11.1%	2,790.3	2.9%
Vehicle sold	331.6	8.6%	11.7%	2,794.0	3.7%
New energy vehicle produced	156.6	6.6%	45.8%	1,134.5	34.6%
New energy vehicle sold	151.2	5.4%	47.4%	1,126.2	35.6%
Vehicle exported	49.0	-9.5%	1.6%	534.5	21.2%
New energy vehicle exported	8.3	-35.2%	-14.1%	114.1	4.5%

2.2 Steel Industry

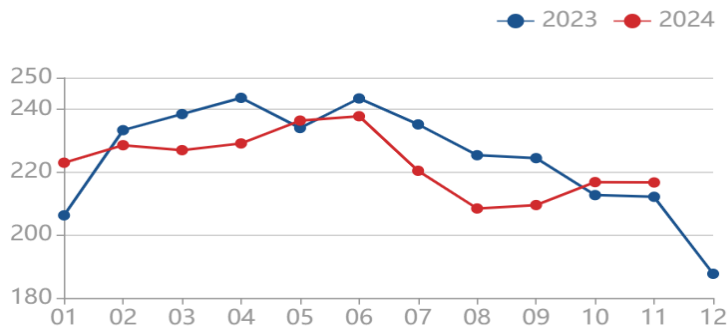
PMI of steel industry In December was 47.5%, a decrease of 3.1 percentage points m-o-m. After two consecutive months in an expansion range, it fell into a contraction range, indicating that the steel industry has entered a traditional slack season. The new order index of the steel industry was 48.7%, 1.8 percentage points lower m-o-m, indicating that the demand in the steel market has declined after two consecutive months of growth.

2. Industry Focus

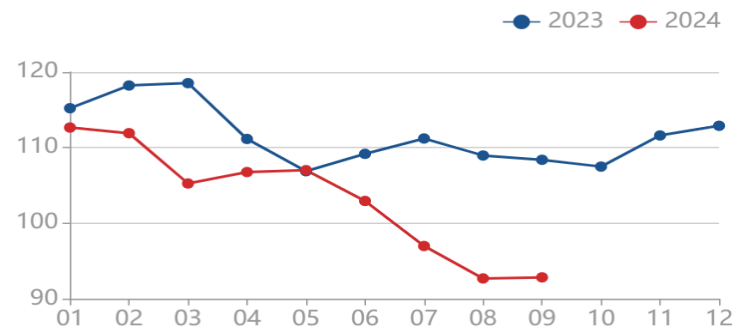
As per the data from the GACC, China exported 101 million tons of steel products up to the end of November, a y-o-y increase of 22.6%; the cumulative import of steel reached 6.19 million tons in 2024, a y-o-y decrease of 11.3%. It is expected that China's steel exports will be over 110 million tons for the whole year of 2024.

Item	Nov 2024 (10,000 MT)	Growth Rate (y-o-y)	Jan-Nov 2024 (10,000 MT)	Aggregated Growth Rate
Crude steel	7,840	2.50%	92,900	-2.70%
Pig iron	6,748	3.90%	78,300	-3.50%
Steel product	11,881	5.10%	128,300	0.90%

2023-2024 CISA Member's
Daily Crude Steel Product



2023-2024 CISA
Steel Product Price Index



2.3 Construction Machinery Industry

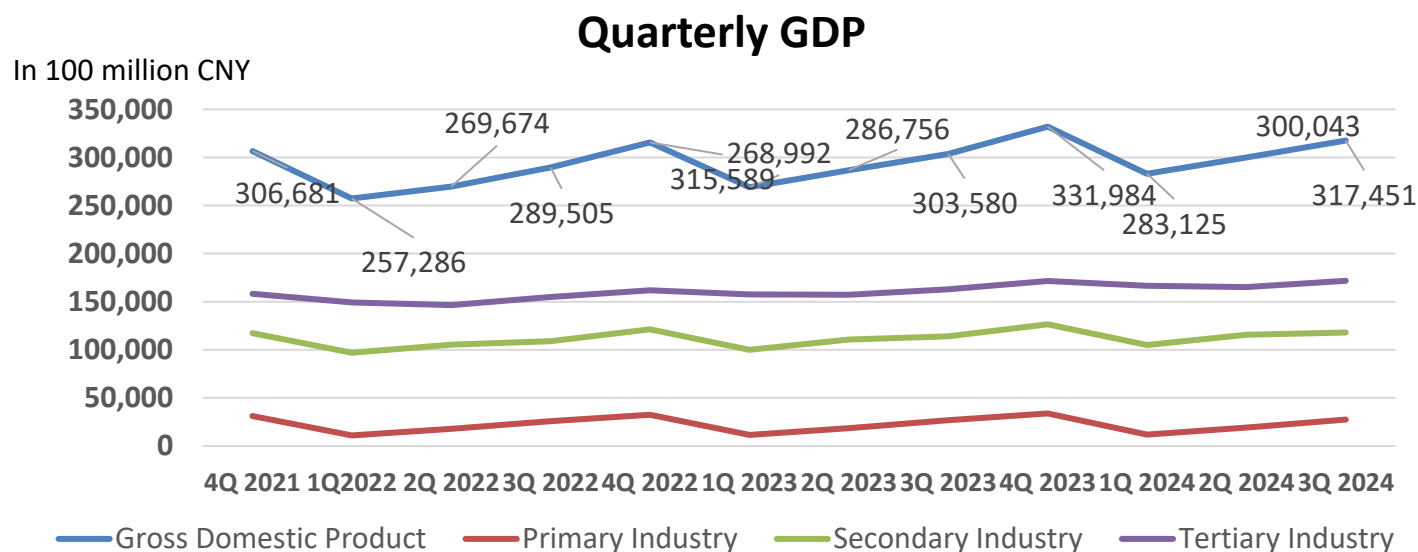
2. Industry Focus

The sales of construction machinery kept stable, especially export sales continuously improved, which is connected with the domestic and overseas increased infrastructure Investment.

Item	Nov 2024 (unit)	Growth Rate (m-o-m)	Growth Rate (y-o-y)	Jan-Nov 2024 (unit)	Aggregated Growth Rate
Excavator sales	17,590	4.8%	17.9%	181,762	1.9%
Excavator domestic sales	9,020	9.1%	20.5%	91,231	10.8%
Excavator export sales	8,570	0.5%	15.2%	90,531	-5.7%
Loader sales	8,646	3.5%	2.6%	98,799	4.6%
Loader domestic sales	4,383	8.7%	-15.7%	49,825	-2.2%
Loader export sales	4,263	-1.4%	16.1%	48,974	12.5%

3. Appendix

3.1 Macro Economy Statistics



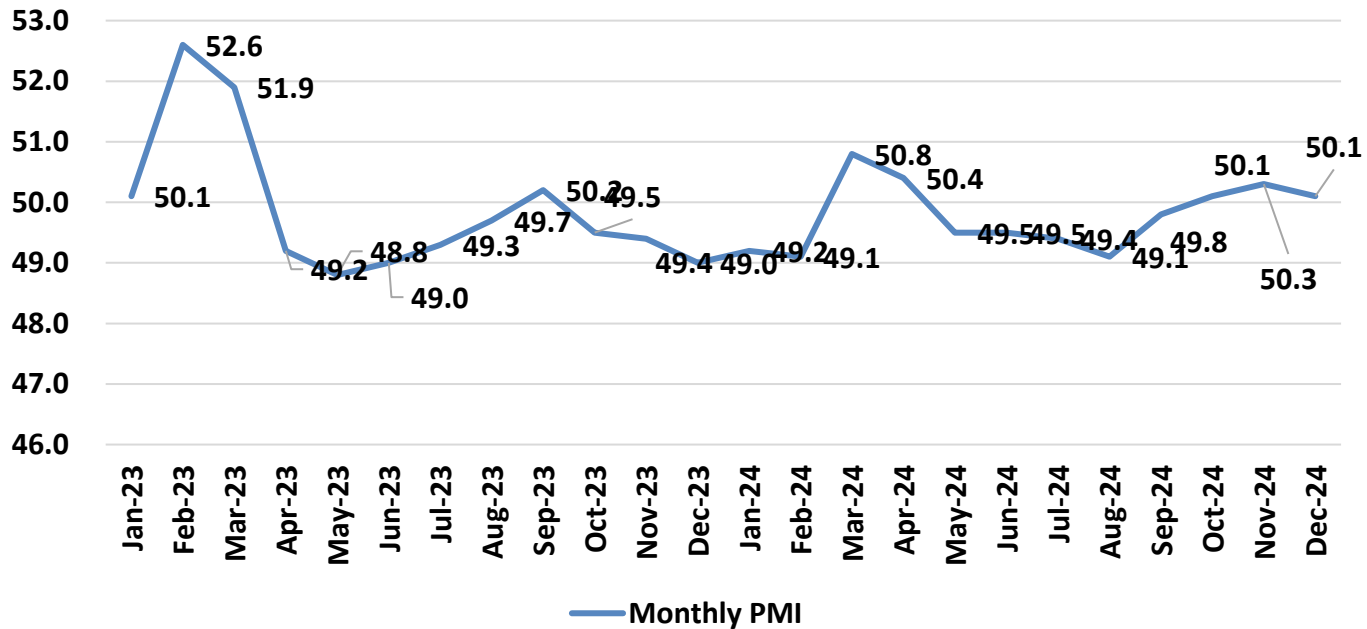
Indicator	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024
Gross Domestic Product	286,756	303,580	331,984	283,125	300,043	317,451
Value-added of the Primary Industry	18,632	26,746	33,813	11,744	19,314	27,626
Value-added of the Secondary Industry	110,746	114,097	126,500	104,962	115,630	118,100
Value-added of the Tertiary Industry	157,377	162,737	171,671	166,419	165,098	171,726

Data Source: National Bureau of Statistics (at Constant Prices and in 100 million CNY)

3. Appendix

3.1 Macro Economy Statistics

Monthly PMI



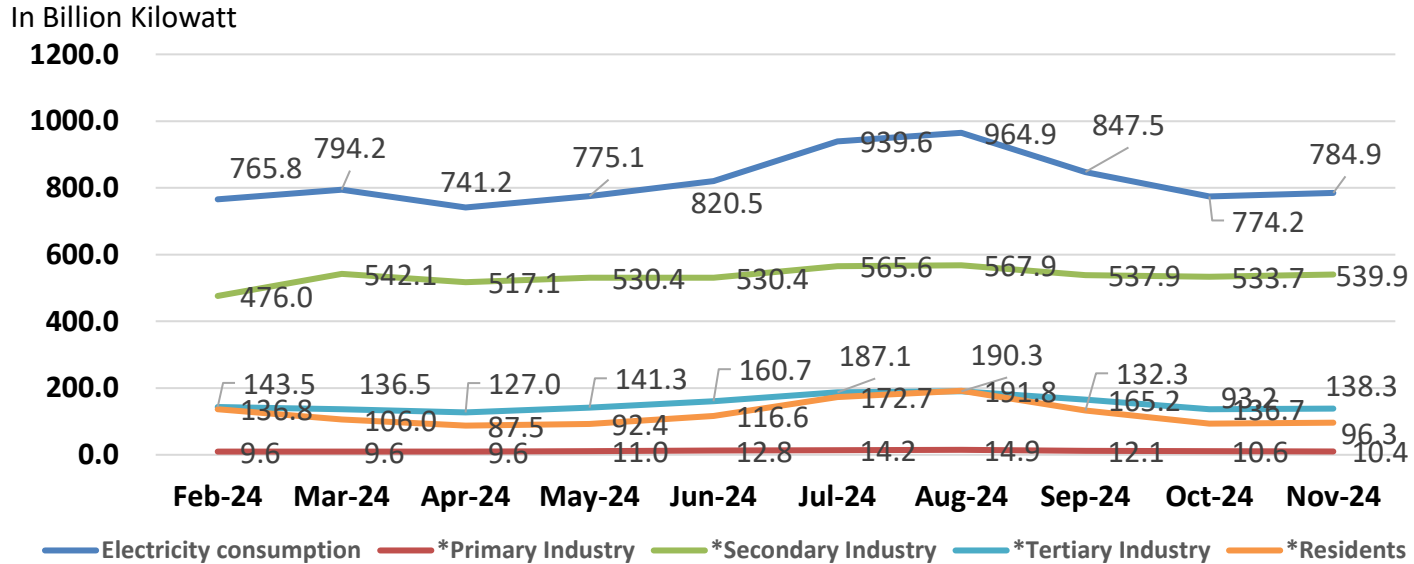
Indicator	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
PMI	49.2	49.1	50.8	50.4	49.5	49.5
Indicator	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
PMI	49.4	49.1	49.8	50.1	50.3	50.1

Data Source: National Bureau of Statistics

3. Appendix

3.1 Macro Economy Statistics

National Electricity Consumption



Item	Unit	Jun-24	Jui-24	Aug-24	Sep-24	Oct-24	Nov-24
Electricity consumption	billion kilowatt	820.5	939.6	964.9	847.5	774.2	784.9
*Primary Industry	billion kilowatt	12.8	14.2	14.9	12.1	10.6	10.4
*Secondary Industry	billion kilowatt	530.4	565.6	567.9	537.9	533.7	539.9
*Tertiary Industry	billion kilowatt	160.7	187.1	190.3	165.2	136.7	138.3
*Residents	billion kilowatt	116.6	172.7	191.8	132.3	93.2	96.3

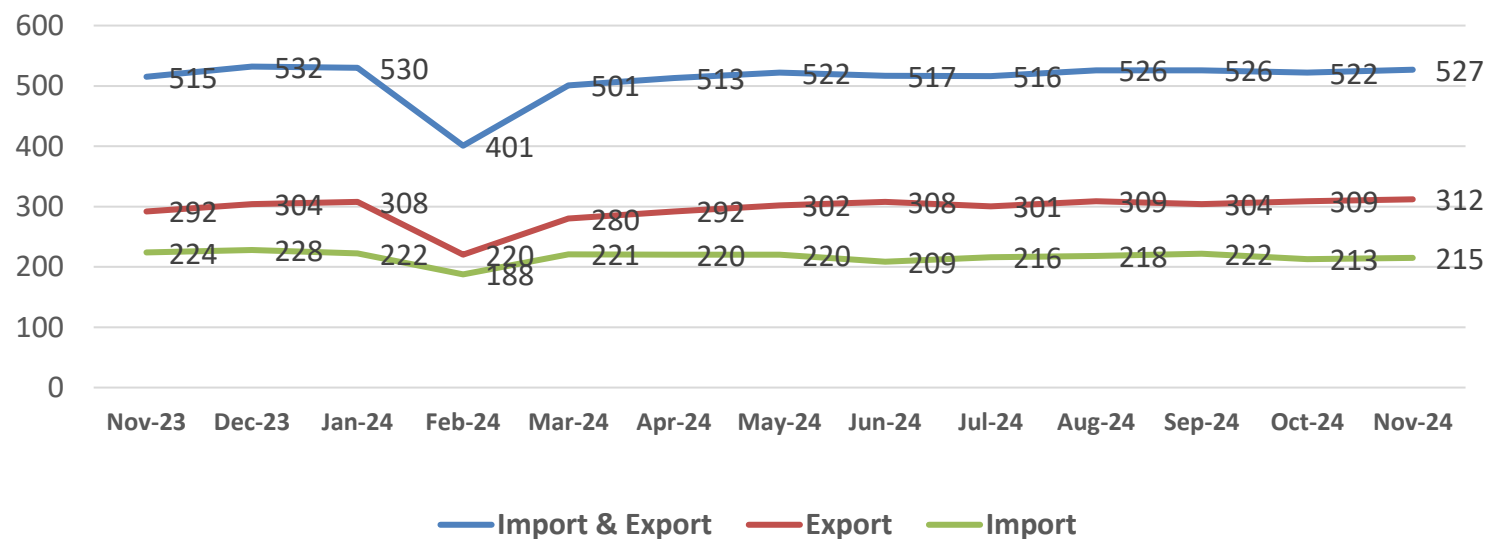
Data Source: National Energy Administration.

3. Appendix

3.2 International Trade Statistics

Merchandise Export & Import

In billion USD



Indicator	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Imp. & Exp.	515	532	530	401	501	513	522	517	516	526	526	522	527
Export	292	304	308	220	280	292	302	308	301	309	304	309	312
Import	224	228	222	188	221	220	220	209	216	218	222	213	215
Imp. & Exp., Accumulated	5,407	5,937	530	931	1,431	1,943	2,464	2,980	3,495	4,021	4,546	5,068	5,597
Accumulated Growth Rate	-5.60%	-5.00%	11.10%	5.50%	1.50%	2.20%	2.80%	2.90%	3.50%	3.70%	3.40%	3.70%	3.60%

Data Source: General Administration of Customs, PRC and value in US\$ billion.

3. Appendix

3.2 International Trade Statistics

Major Export Commodities' Volume and Value

Commodity	Unit	Nov-24		Jan-Nov 2024		Growth Rate*	
		Volume	Value	Volume	Value	Volume	Value
Crops	10,000 ton	24	142	208	1,324	-9.9%	-15.2%
Refined Oil	10,000 ton	523	3,643	5,439	39,449	-6.3%	-11.8%
Fertilizer	10,000 ton	337	990	2,927	8,011	0.4%	-12.3%
Steel Product	10,000 ton	928	6,660	10,115	76,621	22.6%	-2.0%
Aluminum	10,000 ton	67	2,226	616	20,362	18.8%	15.9%
Vehicles & Chassis	10,000 unit	55	9,069	583	107,368	22.6%	15.8%
Vessel	Ship	537	3,506	5,267	39,824	22.9%	63.6%

Data Source: General Administration of Customs, PRC and value in million US Dollar

*Growth Rate indicates percentage fluctuation compared by accumulated volume and value between this year and last year.

3. Appendix

3.2 International Trade Statistics

Major Import Commodities' Volume and Value

Commodity	Unit	Nov-24		Jan-Nov 2024		Growth Rate*	
		Volume	Value	Volume	Value	Volume	Value
Crops	10,000 ton	947	4,282	14,731	64,489	3.1%	-12.1%
Soybean	10,000 ton	715	3,529	9,709	49,056	9.4%	-8.5%
Iron Ore	10,000 ton	10,186	9,677	112,424	121,457	4.3%	-1.1%
Copper Concentrate	10,000 ton	224	5,428	2,560	61,747	2.2%	13.1%
Coal	10,000 ton	5,498	4,957	49,035	47,504	14.8%	-0.9%
Crude Oil	10,000 ton	4,852	26,275	50,559	299,341	-1.9%	-2.9%
Refined Oil	10,000 ton	408	2,319	4,494	27,340	4.5%	8.0%
Rubber	10,000 ton	71	1,390	650	11,284	-10.1%	6.3%
Log & Timber	10,000 cbm	468	915	5,764	11,989	-4.2%	-1.5%
Pulp	10,000 ton	280	1,829	3,111	20,386	-6.0%	-5.9%
Steel Product	10,000 ton	47	863	619	10,486	-11.3%	-9.9%
Copper	10,000 ton	53	5,118	513	48,846	1.7%	11.8%
Machine Tool	Unit	5,258	492	61,654	5,292	-7.7%	-11.2%
Vehicles & Chassis	10,000 unit	6	3,264	64	36,100	-11.3%	-15.5%

Data Source: General Administration of Customs, PRC and value in million US Dollar

*Growth Rate indicates percentage fluctuation compared by accumulated volume and value between this year and last year.

3. Appendix

3.2 International Trade Statistics

Sino-Japan Merchandise Trade Value

Item	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Monthly Trade Value	24,922,453	24,760,173	24,921,104	24,707,923	26,493,953	27,349,315	27,869,693
Growth Rate	0.02%	-5.12%	-5.45%	-0.40%	-7.11%	3.70%	1.79%
Aggregated Trade Value	123,869,768	148,591,395	173,470,737	198,166,204	224,599,135	251,922,060	279,828,521
Aggregated Growth Rate	-5.63%	-5.36%	-5.38%	-4.71%	-5.02%	-4.14%	-3.52%

Major Export Commodities from China to Japan

Category/Chapter	Nov 2024	Jan-Nov 2024	Aggregated Growth Rate
Total	14,106,916	139,476,301	-3.4%
Category 5 Minerals	553,528	4,126,673	6.4%
Chapter 26 Ore, Slag and Ash	97,839	1,577,297	-1.5%
Category 15 Base Metals and Products	829,285	8,617,786	-1.7%
Chapter 72 Steel	136,261	1,351,955	-0.9%
Chapter 73 Steel products	318,859	3,488,005	-2.5%
Category 16 Mechanical, Electrical, Audio Products and Parts	6,121,366	57,155,974	-3.4%
Chapter 84 Nuclear Reactors, Boilers, Mechanical Appliances and Accessories	2,211,314	23,381,305	1.1%
Chapter 85 Motor, Electrical, Audio Equipment and accessories	3,910,053	33,774,669	-6.3%

Data Source: General Administration of Customs, PRC and in 1,000 US Dollars. Growth Rate is aggregated growth rate.

3. Appendix

3.2 International Trade Statistics

Major Import Commodities from Japan to China

Category/Chapter	Nov 2024	Jan-Nov 2024	Aggregated Growth Rate
Total	13,762,777	140,352,220	-3.6%
Category 15 Base Metals and Products	1,119,255	12,174,096	-0.9%
Chapter 72 Steel	215,526	2,900,769	-13.3%
Chapter 73 Steel Products	174,633	1,687,503	-8.4%
Chapter 74 Copper and Products	518,911	5,284,629	14.8%
Category 16 Mechanical, Electrical, Audio Products and Parts	6,951,227	68,521,795	-3.0%
Chapter 84 Nuclear Reactors, Boilers, Mechanical Appliances and Accessories	3,124,672	30,968,811	0.8%
Chapter 85 Motor, Electrical, Audio Equipment and Accessories	3,826,554	37,552,984	-5.9%

Data Source: General Administration of Customs, PRC and in 1,000 US Dollars. Growth Rate is aggregated growth rate.

3. Appendix

3.3 Port Throughput

Port Throughput and Container Throughput

Province	Throughput		International Throughput		Container Throughput	
	(in 10,000 MT)		(in 10,000 MT)		(in 10,000 TEU)	
	Jan-Nov 2024	Growth Rate	Jan-Nov 2024	Growth Rate	Jan-Nov 2024	Growth Rate
National total	1,604,130	3.4%	495,639	7.3%	30,455	7.3%
Coastal subtotal	1,026,740	3.4%	444,666	7.3%	26,753	7.6%
Dalian	29,402	2.4%	12,098	-1.7%	493	8.2%
Tianjin	53,690	3.7%	32,641	8.9%	2,210	4.8%
Qingdao	66,148	4.3%	46,456	2.9%	2,838	7.6%
Shanghai	72,264	5.6%	41,095	6.8%	4,739	6.7%
Ningbo Zhoushan	126,791	3.3%	58,269	4.8%	3,614	10.2%
Xiamen	19,128	-5.5%	10,464	-2.0%	1,104	-3.6%
Guangzhou	60,059	2.1%	16,113	17.8%	2,390	4.2%
Shenzhen	29,039	11.5%	22,897	17.3%	3,041	13.1%
Inner river subtotal	577,390	3.5%	50,973	7.5%	3,702	5.2%
Jiangsu Province	276,412	1.6%	42,362	7.7%	1,864	9.1%

Data Source: Ministry of Transport.

**End of
China Market Report
December 2024**