

Sino-Japan Conventional Market Research January 2025

Released on February 1st., 2025

Outline

- 1. Executive Summary**
- 2. Industry Focus**
- 3. Appendix**
 - 3.1 Macro Economic Statistics**
 - 3.2 International Trade Statistics**
 - 3.3 Port Throughput**

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

1. Executive Summary

In December 2024, China's economic performance is stronger than expected, with the value-added of scaled industrial enterprises increasing by 6.2% and the profit of scaled industrial enterprises significantly increasing by 11%, both of which were the best levels of the year; The export merchandise trade in terms of US dollar increased by 10.7% y-o-y in December while the import increased by 1.1% y-o-y, ending the two consecutive months of y-o-y decline.

In our market report of January 2024, it indicated that Sino-Japan trade would not recover quickly but remain relatively stable. The statistics is Sino-Japan goods trade in 2024 decreased by 3.06% in US dollar terms, which is a quite improvement compared to the significant decrease of 11.03% y-o-y in 2023. In fact, the decline in Sino-Japan goods trade in 2024 is mainly due to a decrease of 5.36% y-o-y in the first half of 2024, and the absolute amount of Sino-Japan goods trade in the second half has recovered to the same level in 2023.

The report “Global Investment Trends Monitor” just released by the UNCTAD shows that global foreign direct investment (FDI) declined 8% in 2024, excluding financial flows through European conduit economies. FDI flows to developing Asia – by far the largest recipient region – were 7% lower while FDI in China fell for a second year, by 29%; FDI flows to China are now about 40% lower than at their peak in 2022. Obviously, the Chinese economy still faces many challenges in 2025.

1. Executive Summary

In 2025, China's export trade of goods will not only be attacked by trade policies of developed countries such as the United States and the European Union but also may be affected by trade restriction policies from developing countries such as India and Brazil. In the near future, China will face great challenges, but China's advantages in the entire industry chain and the technological level of its labor force will still support China's manufacturing industry's dominant position in global competition, even an irreplaceable position in global value chain. Currently, China's mechanical and electrical products accounts for about 60% of its export trade, which does not only indicate the increase of the unit price but also the achievement in the technical level. The report "Global Economic Outlook" just released by World Bank has also raised China's economic growth rate 0.4 percentage point to 4.5% in 2025.

Due to the slow recovery of domestic consumption, there will not be a significant increase in China's merchandise import in 2025, and not a significant decrease, either. Because some industries must maintain their production capacity to avoid excessive restart costs, they must maintain basic import volumes.

As the "Global Economic Outlook" forecasted that global economy would keep 2.7% growth rate in the next years while global trade had about 3% growth in the same periods. The globalization will still provide a big platform for China's merchandise trade.

In January 2025, China's manufacturing PMI was 49.1%, a significant decrease of 1 percent

1. Executive Summary

-age point m-o-m. This is mainly influenced by the New Year's Day and Spring Festival holidays, especially the long Spring Festival holidays. It is estimated that the manufacturing PMI in February will not improve because some workers from the rural areas will enjoy the holidays until the 15th day of the first lunar month. Therefore, the full resumption of production may not begin until the 8th week (from February 17th) of this year. Of course, the poor PMI data of China's manufacturing industry in January was also influenced by the trade policies of the newly elected US president.

The merchandise trade between China and Japan will also remain stable, and even there may be a slight growth. Both China and Japan have the needs to strengthen economic cooperation with each other, and there are indeed opportunities to do so. If the external environment has not big change, the cargo trade between China and Japan will remain stable.

Regarding the specific conventional transport between Japan and China, steel product and equipment are still the main types of goods in both eastbound and westbound transport. By 2025, there will not be many windmill construction projects in Japan. However, container battery may be a new business topic. With the widespread construction of windmill and solar energy projects, container battery has received increasing attention as an important supporting facility.

2. Industry Focus

2.1 Automobile Industry

The produced and sold vehicle's y-o-y growth rate kept the positive. Both vehicle export and new energy vehicle exported increased m-o-m and y-o-y this month. As Nikkei News reported that Japan has dropped to the second largest automobile export country for two years. There were about 4.21 million automobiles exported from Japan in 2024 while China exported about 5.86 million automobiles. China is still the largest export country even we exclude 1.16 million automobiles exported to Russia. The roro space is still tight in China export market. However, the fleet is also expanding rapidly as more and more manufactures also invested or chartered the roro vessel to develop their own new services.

Item	Dec 2024 (10,000 unit)	Growth Rate (m-o-m)	Growth Rate (y-o-y)	Jan-Dec 2024 (10,000 unit)	Aggregated Growth Rate
Vehicle produced	336.6	-2.0%	9.3%	3,128.2	3.7%
Vehicle sold	348.9	5.2%	10.5%	3,143.6	4.5%
New energy vehicle produced	153.0	-2.3%	30.5%	1,288.8	34.4%
New energy vehicle sold	159.6	5.6%	34.0%	1,286.6	35.5%
Vehicle exported	50.4	2.9%	1.1%	585.9	19.3%
New energy vehicle exported	13.4	60.7%	19.8%	128.4	6.7%

2.2 Steel Industry

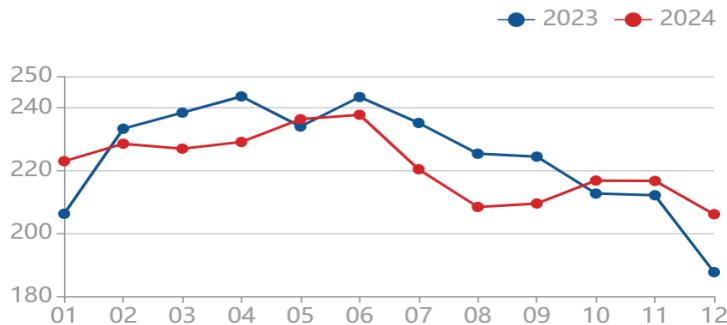
PMI of steel industry In January was 43.3%, a decrease of 4.2 percentage points m-o-m. The

2. Industry Focus

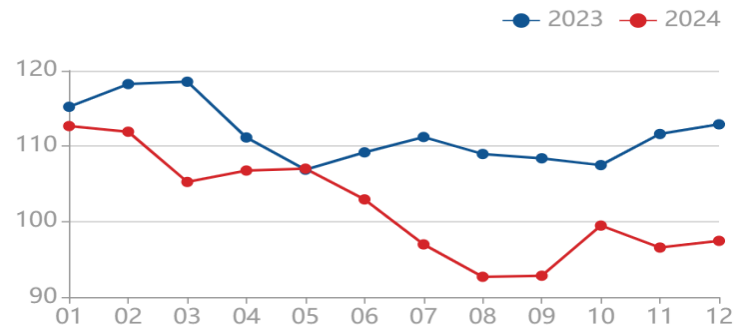
sub-indices show that due to seasonal factors, demand in the steel market has further contracted, steel production continues to slow down, raw material prices remain dropping, and steel prices have fluctuated slightly downward. It is expected that the demand in February will continue to be weak, and there will be no significant rebound in the market.

Item	Dec 2024 (10,000 MT)	Growth Rate (y-o-y)	Jan-Dec 2024 (10,000 MT)	Aggregated Growth Rate
Crude steel	7,597	11.80%	105,000	-1.70%
Pig iron	6,670	9.40%	85,200	-2.30%
Steel product	11,910	7.10%	140,000	1.10%

2023-2024 CISA Member's
Daily Crude Steel Product



2023-2024 CISA
Steel Product Price Index



As per the data from the GACC, China exported 110.7 million tons of steel products in 2024, a y-o-y increase of 22.7%; the cumulative import of steel reached 6.81 million tons in 2024,

2. Industry Focus

a y-o-y decrease of 10.9%. However, the value of export steel products decreased about 1.1% which indicated the unit price decreased sharply in 2024.

2.3 Construction Machinery Industry

The sales of construction machinery kept stable, especially export sales was improving. However, the loader's domestic sales has continuously decreased y-o-y for several months while the excavator's domestic sales has kept more than 20% growth from July 2024.

Item	Dec 2024 (unit)	Growth Rate (m-o-m)	Growth Rate (y-o-y)	Jan-Dec 2024 (unit)	Aggregated Growth Rate
Excavator sales	19,369	10.1%	16.0%	201,131	3.1%
Excavator domestic sales	9,312	3.2%	22.1%	100,543	11.7%
Excavator export sales	10,057	17.4%	10.8%	100,588	-4.2%
Loader sales	9,410	8.8%	-0.1%	108,209	4.1%
Loader domestic sales	4,501	2.7%	-19.6%	54,326	-3.9%
Loader export sales	4,909	15.2%	28.5%	53,883	13.8%

2.4 Shipbuilding Industry

In 2024, China's shipbuilding industry maintained a health development, with substantial

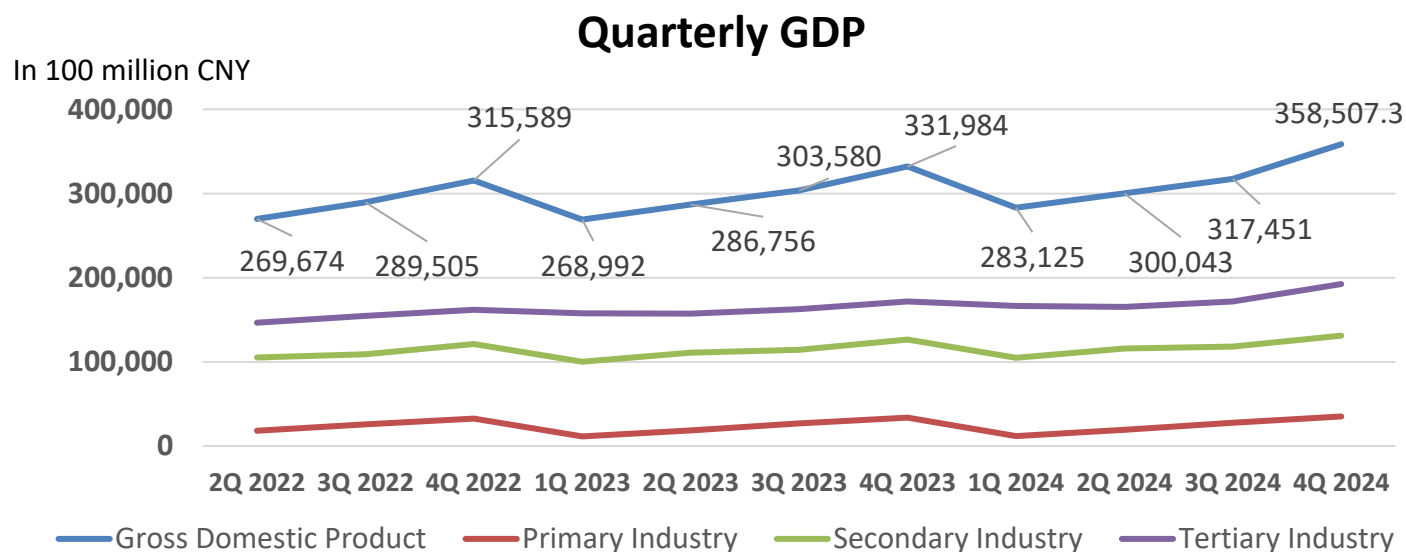
2. Industry Focus

growth in the three major indicators and continues to lead in the global market.

Item	Jan-Dec 2024 in 10,000 DWT	Growth Rate (y-o-y)	Global Share in DWT	Global Share in CGT
Completed	4,818	13.8%	55.7%	50.3%
New Order	11,305	58.5%	74.1%	68.2%
Holding Order	20,872	49.7%	63.1%	55.4%

3. Appendix

3.1 Macro Economy Statistics



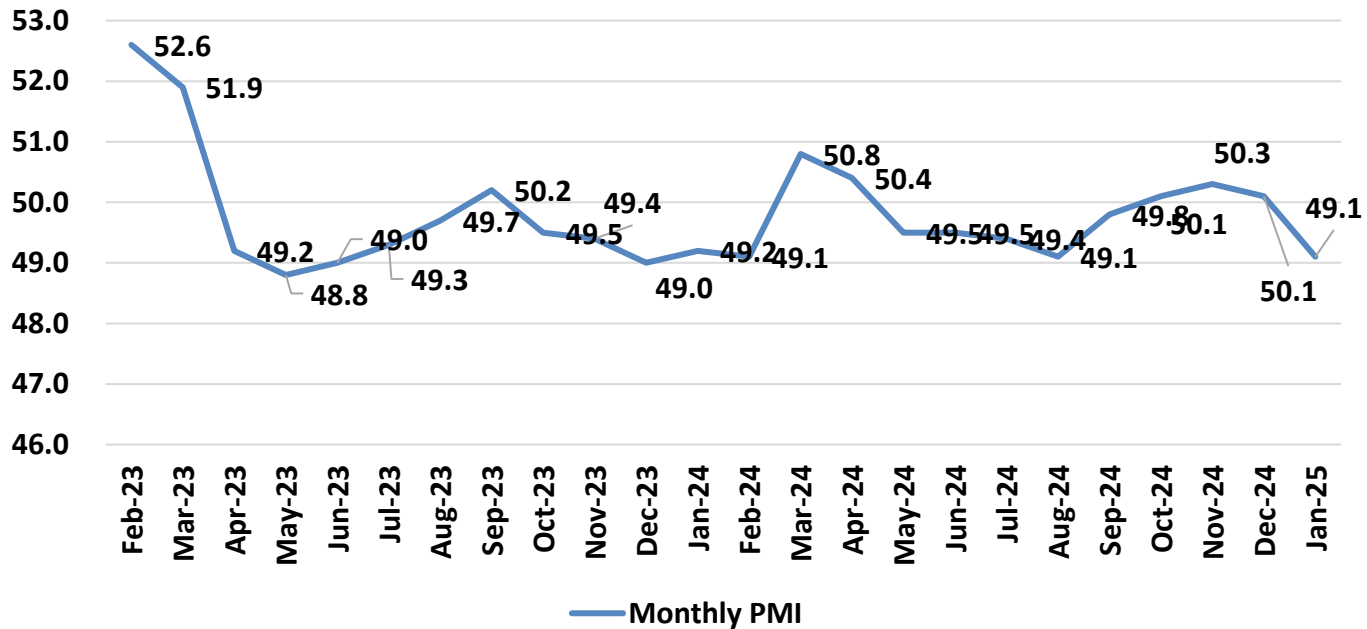
Indicator	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024
Gross Domestic Product	303,580	331,984	283,125	300,043	317,451	358,507
Value-added of the Primary Industry	26,746	33,813	11,744	19,314	27,626	35,054
Value-added of the Secondary Industry	114,097	126,500	104,962	115,630	118,100	131,063
Value-added of the Tertiary Industry	162,737	171,671	166,419	165,098	171,726	192,390

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

3. Appendix

3.1 Macro Economy Statistics

Monthly PMI



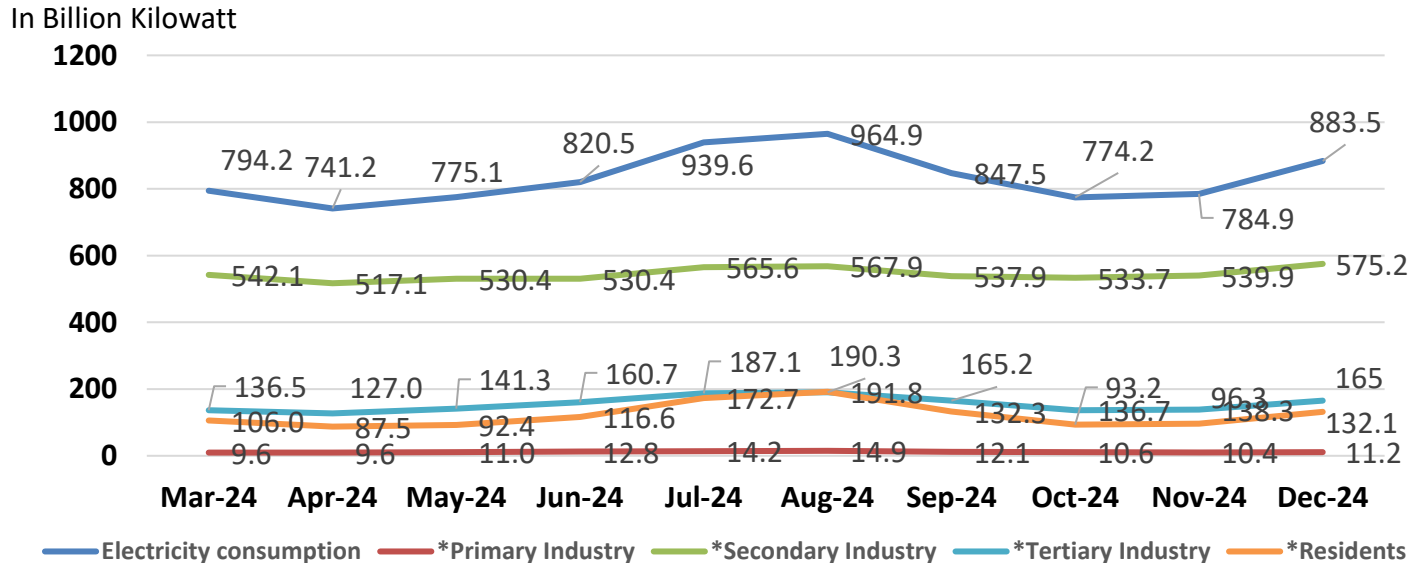
Indicator	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
PMI	49.1	50.8	50.4	49.5	49.5	49.4
Indicator	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
PMI	49.1	49.8	50.1	50.3	50.1	49.1

Data Source: National Bureau of Statistics

3. Appendix

3.1 Macro Economy Statistics

National Electricity Consumption



Item	Unit	Jui-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Electricity consumption	billion kilowatt	939.6	964.9	847.5	774.2	784.9	883.5
*Primary Industry	billion kilowatt	14.2	14.9	12.1	10.6	10.4	11.2
*Secondary Industry	billion kilowatt	565.6	567.9	537.9	533.7	539.9	575.2
*Tertiary Industry	billion kilowatt	187.1	190.3	165.2	136.7	138.3	165.0
*Residents	billion kilowatt	172.7	191.8	132.3	93.2	96.3	132.1

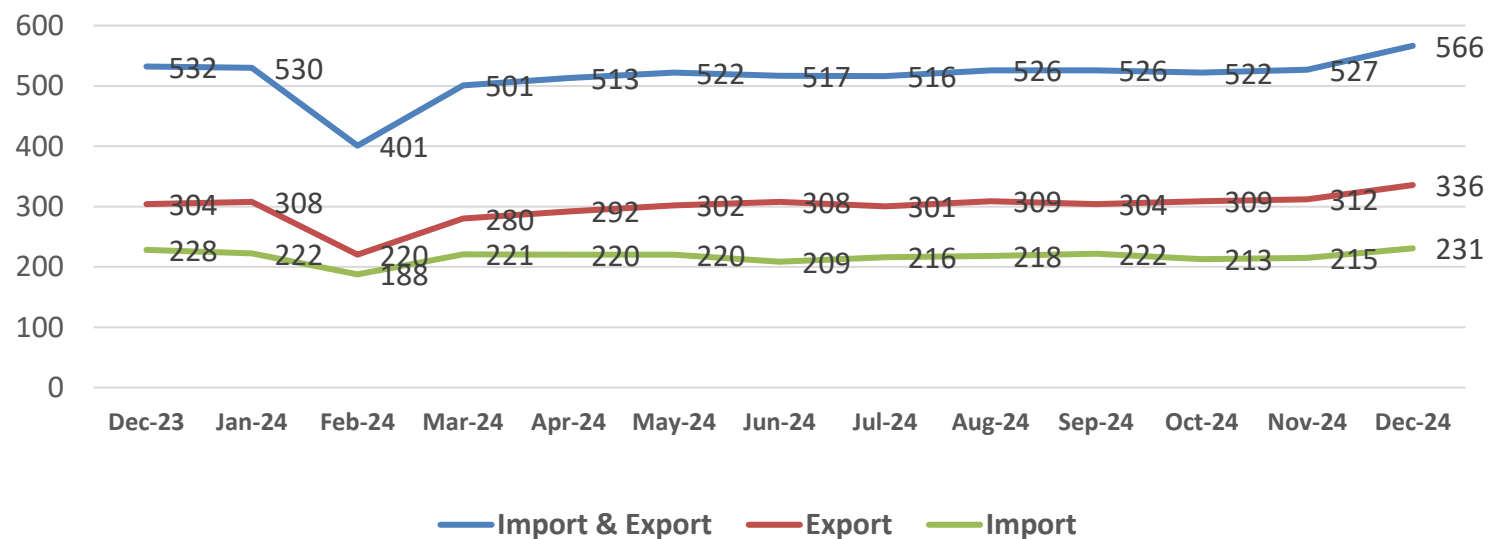
Data Source: National Energy Administration.

3. Appendix

3.2 International Trade Statistics

Merchandise Export & Import

In billion USD



Indicator	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Imp. & Exp.	532	530	401	501	513	522	517	516	526	526	522	527	566
Export	304	308	220	280	292	302	308	301	309	304	309	312	336
Import	228	222	188	221	220	220	209	216	218	222	213	215	231
Imp. & Exp., Accumulated	5,937	530	931	1,431	1,943	2,464	2,980	3,495	4,021	4,546	5,068	5,597	6,162
Accumulated Growth Rate	-5.00%	11.10%	5.50%	1.50%	2.20%	2.80%	2.90%	3.50%	3.70%	3.40%	3.70%	3.60%	3.80%

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	Dec-24		Jan-Dec 2024		Growth Rate in 2024	
		Volume	Value	Volume	Value	Volume	Value
Crops	10,000 ton	18	106	226	1,431	-13.7%	-18.9%
Refined Oil	10,000 ton	374	2,549	5,814	41,877	-7.2%	-13.3%
Fertilizer	10,000 ton	286	700	3,213	8,709	2.0%	-11.5%
Steel Product	10,000 ton	973	7,129	11,072	83,631	22.7%	-1.1%
Aluminum	10,000 ton	51	1,711	666	22,071	17.4%	15.2%
Vehicles & Chassis	10,000 unit	57	9,985	641	117,353	22.8%	15.5%
Vessel	Ship	555	3,572	5,804	43,380	25.1%	57.3%

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

3. Appendix

3.2 International Trade Statistics

Major Import Commodities' Volume and Value

Commodity	Unit	Dec-24		Jan-Dec 2024		Growth Rate in 2024	
		Volume	Value	Volume	Value	Volume	Value
Crops	10,000 ton	1,025	4,561	15,753	69,020	-2.3%	-15.6%
Soybean	10,000 ton	794	3,718	10,503	52,750	6.5%	-10.9%
Iron Ore	10,000 ton	11,249	10,993	123,655	132,220	4.9%	-2.5%
Copper Concentrate	10,000 ton	252	6,150	2,811	67,749	2.1%	13.1%
Coal	10,000 ton	5,235	4,587	54,270	52,099	14.4%	-1.8%
Crude Oil	10,000 ton	4,784	25,425	55,342	324,798	-1.9%	-3.8%
Refined Oil	10,000 ton	329	1,969	4,823	29,291	1.0%	4.6%
Rubber	10,000 ton	80	1,581	730	12,865	-8.2%	10.0%
Log & Timber	10,000 cbm	519	1,032	6,283	13,022	-4.4%	-1.5%
Pulp	10,000 ton	324	2,008	3,435	22,394	-6.3%	-5.6%
Steel Product	10,000 ton	62	1,021	681	11,507	-10.9%	-9.2%
Copper	10,000 ton	56	5,287	568	54,093	3.4%	13.5%
Machine Tool	Unit	8,195	567	69,836	5,859	-4.1%	-10.3%
Vehicles & Chassis	10,000 unit	7	3,091	71	39,192	-11.7%	-16.7%

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

3. Appendix

3.2 International Trade Statistics

Sino-Japan Merchandise Trade Value

Item	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Monthly Trade Value	24,760,173	24,921,104	24,707,923	26,493,953	27,349,315	27,869,693	28,448,891
Growth Rate	-5.12%	-5.45%	-0.40%	-7.11%	3.70%	1.79%	1.41%
Aggregated Trade Value	148,591,395	173,470,737	198,166,204	224,599,135	251,922,060	279,828,521	308,273,720
Aggregated Growth Rate	-5.36%	-5.38%	-4.71%	-5.02%	-4.14%	-3.52%	-3.06%

Major Export Commodities from China to Japan

Category/Chapter	Dec 2024	Jan-Dec 2024	Growth Rate in 2024
Total	12,528,191	152,019,437	-3.5%
Category 5 Minerals	415,777	4,528,400	7.0%
Chapter 26 Ore, Slag and Ash	140,243	1,717,540	-1.3%
Category 15 Base Metals and Products	770,549	9,387,829	-0.9%
Chapter 72 Steel	123,676	1,475,600	1.7%
Chapter 73 Steel products	311,613	3,799,330	-2.2%
Category 16 Mechanical, Electrical, Audio Products and Parts	5,375,298	62,527,894	-3.1%
Chapter 84 Nuclear Reactors, Boilers, Mechanical Appliances and Accessories	2,236,927	25,616,165	1.7%
Chapter 85 Motor, Electrical, Audio Equipment and accessories	3,138,370	36,911,729	-6.2%

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	Dec 2024	Jan-Dec 2024	Growth Rate in 2024
Total	15,920,700	156,254,283	-2.6%
Category 15 Base Metals and Products	1,281,238	13,452,642	-0.5%
Chapter 72 Steel	269,210	3,170,039	-13.4%
Chapter 73 Steel Products	172,321	1,859,155	-8.5%
Chapter 74 Copper and Products	596,634	5,879,144	15.0%
Category 16 Mechanical, Electrical, Audio Products and Parts	7,804,328	76,311,718	-2.0%
Chapter 84 Nuclear Reactors, Boilers, Mechanical Appliances and Accessories	3,740,937	34,703,529	2.0%
Chapter 85 Motor, Electrical, Audio Equipment and Accessories	4,063,391	41,608,189	-5.1%

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
January 2025**