J.8. Intra-firm trade and impact on the trade balance: Japan manufacturing sector

■ The share of foreign affiliates amounted to about 7% of exports from Japan and 13% of imports to Japan. Thus, trade of foreign affiliates in Japan seemed to play a rather limited role in Japan's international trade.

■ The trade balance of foreign affiliates in the manufacturing sector was in deficit until 1998, but has since recorded a surplus.

■ In 2007, more than 80% of the intra-firm exports of foreign affiliates in the manufacturing sector were destined to the United States, which was also the origin of 60% of their imports. Among US affiliates in Japan, more than 80% of exports were destined to their parent group abroad, while the share of European affiliates' exports to their parent group was less than 10% and their imports were more than 18%. The main countries involved were Germany and Switzerland.

■ The sectoral distribution of intra-firm trade of foreign affiliates shows that the electrical machinery industry represented 76% of exports in 2007. In the case of imports, electrical machinery and basic metals played an important role.

Sources

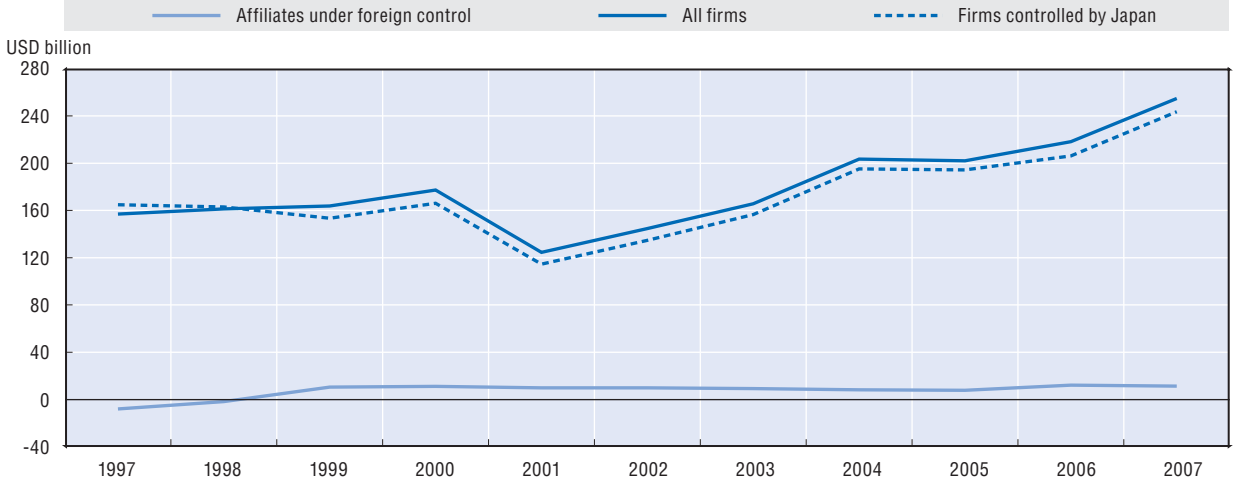
- OECD, *AFA Database* and *Bilateral Trade Database*, January 2010.

For further reading

- OECD (1994), *The Performance of Foreign Affiliates in OECD Countries*, OECD, Paris.
- OECD (2005), *Measuring Globalisation: OECD Handbook on Economic Globalisation Indicators*, OECD, Paris, *www.oecd.org/sti/measuring-globalisation*.

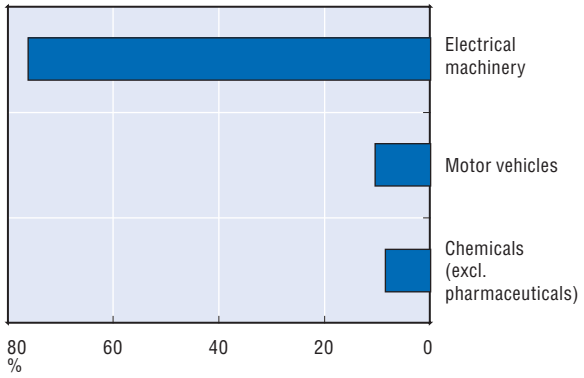
J.8. Intra-firm trade and impact on the trade balance: Japan manufacturing sector

Figure J.8.1. **Trade balance of the Japanese manufacturing sector**



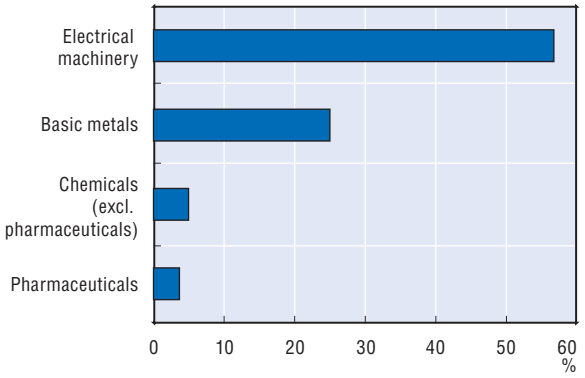
StatLink http://dx.doi.org/10.1787/845122065082

Figure J.8.2. **Intra-firm exports of affiliates under foreign control in Japan by industry, 2007**



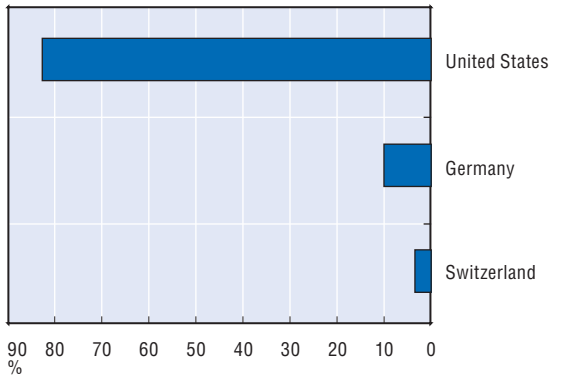
StatLink http://dx.doi.org/10.1787/845136223607

Figure J.8.3. **Intra-firm imports of affiliates under foreign control in Japan by industry, 2007**



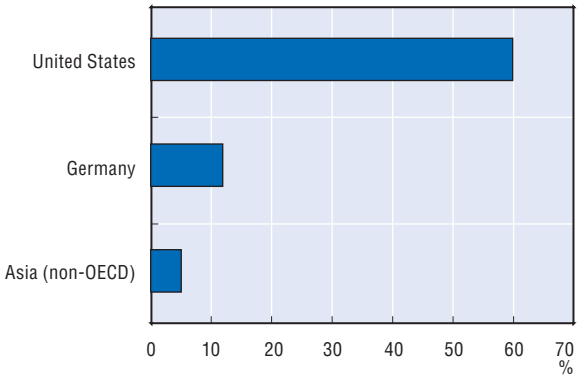
StatLink http://dx.doi.org/10.1787/845218082764

Figure J.8.4. **Intra-firm exports of affiliates under foreign control in Japan by country of origin in the manufacturing sector, 2007**



StatLink http://dx.doi.org/10.1787/845228705432

Figure J.8.5. **Intra-firm imports of affiliates under foreign control in Japan by country of origin in the manufacturing sector, 2007**



StatLink http://dx.doi.org/10.1787/845238446444

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