

### U.S. Trade with Japan

#### **Summary**

In 2020, U.S. exports to Japan were \$64.1 billion, an 13.8% (\$10.3 billion) decrease from 2019; U.S. imports from Japan were \$119.5 billion, a 16.8% (\$24.1 billion) decrease; and the trade deficit with Japan was \$55.4 billion, a 19.9% (\$13.8 billion) decrease.

In 2020, U.S. exports of Agricultural Goods overtook Chemicals, Plastics, and Leather Products as the largest commodity category of exports to Japan. In 2020, Agricultural Products constituted 18.8% of the total U.S. exports compared to 16.7% in 2019 and 18.3% in 2018. However, U.S. exports of Transportation Equipment significantly decreased from 14.3% in 2019 to 9.9% in 2020.

Japan maintains a large share in the U.S. – World Trade. In 2020, 4.5 % of the total U.S. exports of \$1.4 trillion to the World were exported to Japan and 5.1% of the total U.S. Imports of \$2.3 trillion were imported from Japan.

In 2020, U.S. exported \$12.1 billion worth of Agriculture products to Japan, representing 8.1% of the global U.S. exports of those commodities; and U.S. exports of \$303.8 million worth of Arms and Ammunition represented 7.1% of the global U.S. exports of those commodities.

In 2020, U.S. exports to Japan shipped under a BIS license exception authorization totaled \$1.1 billion, a decrease from \$1.3 billion in both 2019 and 2018. Notably, usage of the license exception Government and International Organizations (GOV) declined \$103.0 million and usage of the Encryption Commodities and Software (ENC) declined \$66.9 million.

In 2020, BIS reviewed 1,787 export/re-export license applications (not including deemed export applications) for tangible items, software and technology valued at \$2.1 billion for Japan. License applications for Japan constituted 4.7% of the world total by license count.

BIS approved 1,588 (88.9% of the total applications) for \$2.1 billion, RWA totaled 196 for \$66.4 million. There were 3 denials valued at \$5,000.

In 2020, BIS approved 18 applications from Japanese nationals for deemed exports, 1.7% of 1,068 approved deemed exports applications worldwide. Additionally, there were 5 RWA and no denials.

In 2020, the top approved ECCNs were 9A610 Military Aircraft and Related Commodities with 463 approvals; 3A611 for Military Electronics with 283 approvals; and 9A604 for Commodities Related to Launch Vehicles, Missiles, and Rockets with 123 approvals. A new addition to the top ten approved ECCNs was 0A501 Firearms (except 0A502 shotguns) and related commodities with 63 approvals.

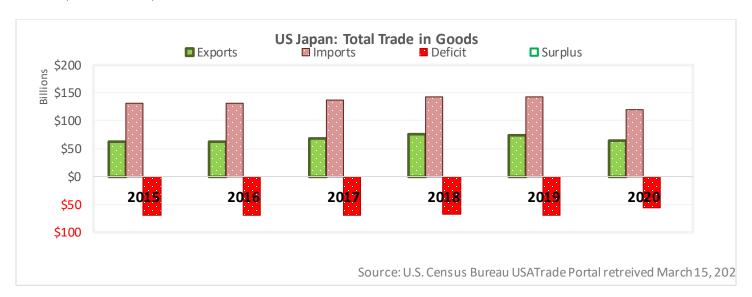
In 2020, the average processing time for Japan was 12 days.



## U.S. Trade with Japan

#### I. Total U.S. Trade in goods with Japan

In 2020, U.S. exports to Japan totaled \$64.1 billion, a 13.8% (10.3 billion) decrease from 2019. U.S. imports from Japan totaled \$119.5 billion, a 16.8% (\$24.1 billion) decrease; and the trade deficit was \$55.4 billion, a 19.9% (\$13.8 billion) decrease.



In 2020, the level of U.S. exports to Japan and U.S. imports from Japan did not exceed the prior five-year average level by value not adjusted for inflation. In 2020, the U.S. trade deficit with Japan also did not exceed the prior five-year average level by value not adjusted for inflation.

	2015	2016	2017	2018	2019	2020	2015-2019 Average
EXPORTS	\$62,387.8	\$63,247.0	\$67,603.4	\$75,149.3	\$74,376.5	\$64,097.7	\$68,552.8
Δvalue		\$859.2	\$4,356.3	\$7,545.9	-\$772.8	-\$10,278.8	
Δpct		1.4%	6.9%	11.2%	-1.0%	-13.8%	
IMPORTS	\$131,445.5	\$132,000.4	\$136,411.3	\$142,241.9	\$143,565.5	\$119,512.0	\$137,132.9
Δvalue		\$555.0	\$4,410.9	\$5,830.5	\$1,323.6	-\$24,053.6	
Δpct		0.4%	3.3%	4.3%	0.9%	-16.8%	
BALANCE	(\$69,057.7)	(\$68,753.4)	(\$68,808.0)	(\$67,092.6)	(\$69,189.1)	(\$55,414.2)	(\$68,580.1)
Δvalue		\$304.3	(\$54.6)	\$1,715.4	(\$2,096.5)	\$13,774.8	
Δpct		-0.4%	0.1%	-2.5%	3.1%	-19.9%	
		Values in Millions of	of U.S. Dollars, Source	: U.S. Census Bureau U	SATrade Portal March	15. 2021	



### U.S. Trade with Japan

In 2020, of the \$64.1 billion in U.S. exports to Japan, the top commodity sectors were Agricultural Products (18.8%), Chemicals, Plastics, and Leather Goods (18.0%), Machinery, Mechanical Appliances and Electrical Equipment (17.6%).

In 2020, of the \$119.5 billion in U.S. imports from Japan, the top commodity sectors were Machinery, Mechanical Appliances and Electrical Equipment (35.9%), Transportation Equipment (35.6%), and Chemicals, Plastics, and Leather Goods (12.6%).



In 2020, <u>4.5%</u> of total <u>U.S. exports</u> of \$1.4 trillion were shipped to Japan while <u>5.1%</u> of total <u>U.S. Imports</u> of \$2.3 trillion were delivered from Japan.

#### **Exports**

In 2020, U.S. exported \$12.1 billion worth of Agriculture products to Japan, representing 8.1% of the global U.S. exports of those commodities; and U.S. exports of \$303.8 million worth of Arms and Ammunition represented 7.1% of the global U.S. exports of those commodities.

#### **Imports**

In 2020, U.S. imported \$42.5 billion worth of Transportation Equipment from Japan, representing 15.1% of the global U.S. imports of those commodities; the U.S. imports of \$42.9 billion worth of Machinery, Mechanical Appliances and Electrical Equipment represented 6.2% of the global U.S. imports of those commodities; and the U.S. imports of \$6.5 billion worth of Optical, Measuring, Medical or other instruments represented 6.9% of the global U.S. imports of those commodities.



### U.S. Exports to Japan

#### II. U.S. Exports to Japan subject to U.S. Government Filing Requirements

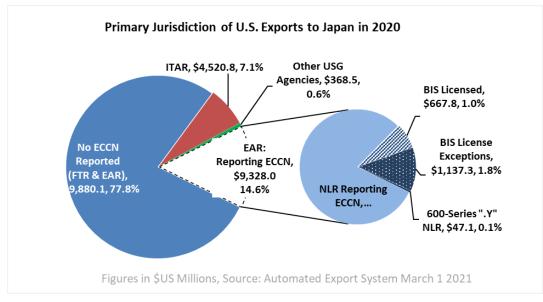
In 2020, of the \$64.1 billion in U.S. exports to Japan:

- ➤ 2.8% were subject to a BIS license requirement:
  - o 1.0% were exported under a BIS license; Worldwide, 0.5% were exported under a BIS license.
  - 1.8% were exported under a BIS license exception; Worldwide, 1.0% were exported under a BIS license exception.
- ➤ 11.7% were exported under No License Required (NLR) with an ECCN and for 600-series .y items:
  - o 11.7% were exported under NLR with and ECCN; Worldwide, 10.7% were exported under NLR with an ECCN.
  - o 0.07% were exported under NLR for 600-series .y subparagraph items; Worldwide, 0.02% was exported under NLR for 600-series .y subparagraph items.
  - o 0.001% were exported under NLR for 0A501.y subparagraph Firearms items; Worldwide, 0.001% were exported under NLR for 0A501.y subparagraph Firearms items.

		Japan						
			2018	2019	2020			
	Departme	nt of State	\$5,423.6	\$5,443.1	\$4,520.8			
	Other USG	Agencies	\$715.4	\$588.8	\$368.5			
	Departme	nt of Commerce	\$69,010.3	\$68,344.6	\$59,208.4			
		BIS Licensed	\$672.7	\$669.9	\$667.8			
		BIS License Exceptions	\$1,269.0	\$1,304.1	\$1,137.3			
		NLR reporting an ECCN	\$10,982.3	\$10,731.0	\$7,475.7			
		NLR not reporting an ECCN	\$56,030.0	\$55,599.9	\$49,880.1			
		NLR 600-Series ".y" subparagraph	\$56.3	\$39.8	\$47.1			
		NLR 0A501 .y subparagraph Firearms	\$0.0	\$0.0	\$0.4			
Values	alues in Millions of U.S. Dollars. Source: Automated Export System March 1, 2021							

Reasons for Control	Chemical and Biological Weapons		Nuclear Nonproliferation		National S	Security	Missile Tech	Regional	Stability	Firearms Convention	Cri	me Cont	rol	Anti-Te	rrorism	
Japan	CB:1	CB:2	CB:3	NP:1	NP:2	NS:1	NS:2	MT:1	RS:1	RS:2	FC:1	CC:1	CC:2	CC:3	AT:1	AT:2
July and	X					X		X	X							

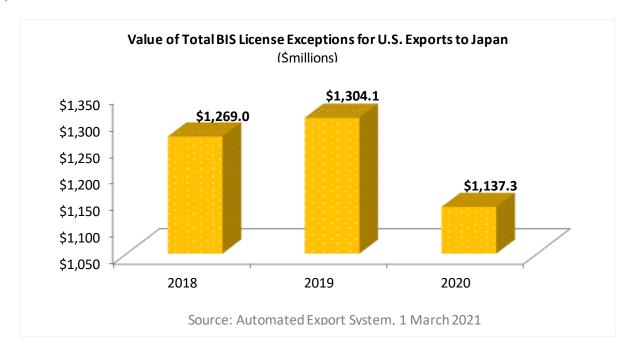
CFR 15 Part 738 Supplement 1



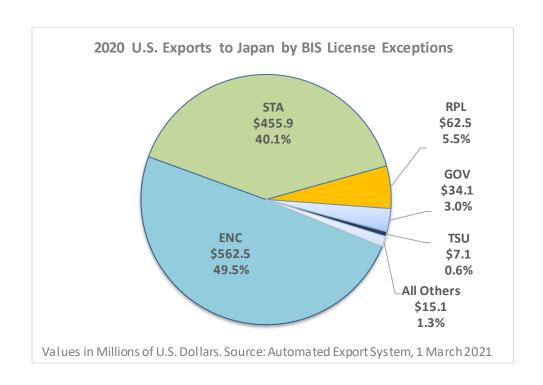


### U.S. Exports to Japan

In 2020, U.S. exports to Japan shipped under a BIS license exception totaled \$1.1 billion, a 12.8% (\$166.8 million) decrease from 2019.

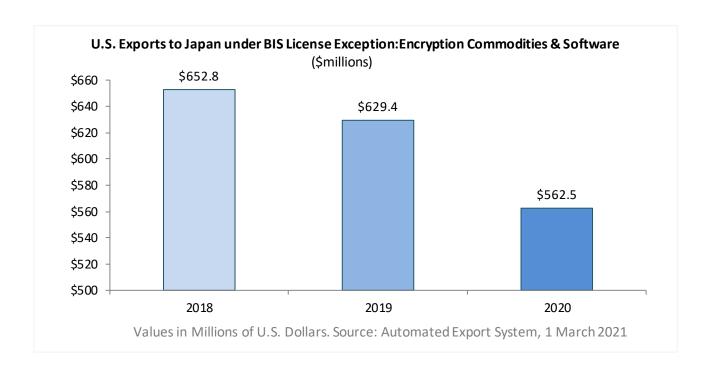


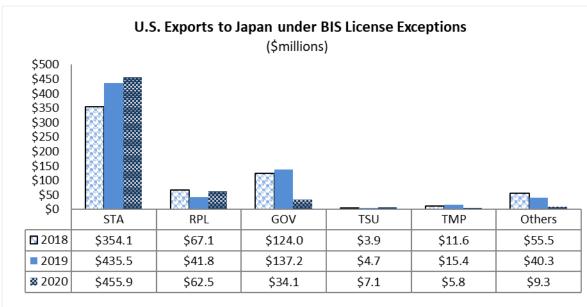
In 2020, the top license exception Encryption Commodities, Software and Technology (ENC) totaled \$562.5 million (49.5%) of all license exceptions.





### U.S. Exports to Japan





NOTE: ENC: The BIS License Exception for Encryption is excluded from this chart

Values in Millions of U.S. Dollars. Source: Automated Export System, 1 March 2021



#### U.S. Exports to Japan by Top Ten Export Control Classification Numbers (ECCN)

	Тор Т	en ECCI	Ns by Value to Japan (\$millions)
	#1	9A610	Military Aircraft and Related Commodities
	#2	9A619	Military Gas Turbine Engines and Related Commodities
	#3	3A611	Military Electronics
闽	#4	9A515	Spacecraft and Related Commodities
ENS	#5	9A604	Commodities Related to Launch Vehicles, Missiles, Rockets, torpedoes,
ICE!	#6	7A611	Navigation and Avionics equipment and systems, and "parts," "component
	#7	9A001	Aero Gas Turbine Engines
	#8	9B610	Test, Inspection, and Production Equip. and Related Commodities Specia
	#9	3B611	Test, Inspection, and Production Commodities for Military Electroncs
	#10	7A103	Instrumentation, Navigation Equip./Systems Not

Note: ECCN descriptions have been truncated: please review Commerce Control List for full description

	Top Ten ECCNs by Value to Japan (\$millions)								
	#1	5A002	Systems/Equip./Integrated Circuits for Info Sec						
S	#2	9A610	Military Aircraft and Related Commodities						
Z	#3	3A611	Military Electronics						
12	#4	9A619	Military Gas Turbine Engines and Related Commodities						
	#5	9B604	Test, Inspection, Production Equip. and Related Commodities Designed f						
믱	#6	9A515	Spacecraft and Related Commodities						
×	#7	9A604	Commodities Related to Launch Vehicles, Missiles, Rockets, torpedoes,						
	#8	9D610	Software for Commodities Controlled by 9A610, 9B610, 9C610.						
	#9	EAR99	Items subject to the EAR that are not elsewhere controlled						
	#10	5B002	"Information Security" test, inspection and "production" equipment						

Note: ECCN descriptions have been truncated: please review Commerce Control List for full description

	Top T	en ECCNs by Value to Japan (\$millions)							
	#1	9A991 Aircraft N.E.S. and Gas Turbine Engines not Controlled by 9A001 or 9A1							
15	#2	3B991 Other Mfg/Test Equip. Not Controlled By 3B							
ŭ	#3	5A991 Telecommunication Equip. Not Controlled by 5A001							
٣	#4	5A992 Equipment not controlled by 5A002 (see List of Items Controlled).							
	#5	3B992 Equip. for the Inspection/Testing of Components not Controlled buy 3B0							
<b>\S</b>	#6	7A994 Other Navigation Direction Finding Equip Not Controlled under 7A003							
4	#7	3A999 Specific Processing Equip., N.E.S.							
Z	#8	3B001 Epitaxial Equip. for Semiconductors							
	#9	4A994 Computers Not Controlled By 4A001 or 4A003							
	#10	3C005 Silicon Carbide Wafers							

Note: ECCN descriptions have been truncated: please review Commerce Control List for full description



### U.S. Exports to Japan by Top Ten Export Control Classification Numbers (ECCN)

	Тор Т	en ECCNs	s to Japan by Shipment Count
	#1	9A610	Military Aircraft and Related Commodities
	#2	9A619	Military Gas Turbine Engines and Related Commodities
Ω	#3	3A611	Military Electronics
SE	#4	9A604	Commodities Related to Launch Vehicles, Missiles, Rockets, torpedoes,
CENSE	#5	0A501	Firearms (except 0A502 shotguns) and related commodities as follows (s
B	#6	3A001	Electronic Components
	#7	9A515	Spacecraft and Related Commodities
	#8	8A609	Surface Vessels of War and Related Commodities
	#9	7A103	Instrumentation, Navigation Equip./Systems Not
	#10	7A611	Navigation and Avionics equipment and systems, and "parts," "component

Note: ECCN descriptions have been truncated: please review Commerce Control List for full description

	Top T	en ECCNs	to Japan by Shipment Count
	#1	5A002	Systems/Equip./Integrated Circuits for Info Sec
S	#2	9A610	Military Aircraft and Related Commodities
ION	#3	3A611	Military Electronics
12	#4	5D002	'Software'' as follows (see List of Items Controlled)
Ы	#5	9A619	Military Gas Turbine Engines and Related Commodities
R	#6	9A991	Aircraft N.E.S. and Gas Turbine Engines not Controlled by 9A001 or 9A1
×	#7	EAR99	Items subject to the EAR that are not elsewhere controlled
-	#8	0A606	Ground Vehicles and Related Commodities
	#9	No ECCN	No ECCN is required for License Exceptions TMP*
	#10	6A003	Cameras

Note: ECCN descriptions have been truncated: please review Commerce Control List for full description

	Top Ten ECCNs to Japan by Shipment Count							
	#1	9A991	Aircraft N.E.S. and Gas Turbine Engines not Controlled by 9A001 or 9A1					
13	#2	3B991	Other Mfg/Test Equip. Not Controlled By 3B					
$\mathbf{S}$	#3	5A991	Telecommunication Equip. Not Controlled by 5A001					
H	#4	5A992	Equipment not controlled by 5A002 (see List of Items Controlled).					
with	#5	7A994	Other Navigation Direction Finding Equip Not Controlled under 7A003					
3	#6	3A992	General Purpose Electronic Equip. Note Controlled by 3A002					
8	#7	4A994	Computers Not Controlled By 4A001 or 4A003					
Z	#8	3B992	Equip. for the Inspection/Testing of Components not Controlled buy 3B0					
	#9	3A991	Electronic Devices and Components					
	#10	5D992	"Information Security" "software" not controlled by 5D002 as follo					

 $Note: ECCN\ descriptions\ \overline{have\ been\ truncated: please\ review\ Commerce\ Control\ List\ for\ full\ description}$ 

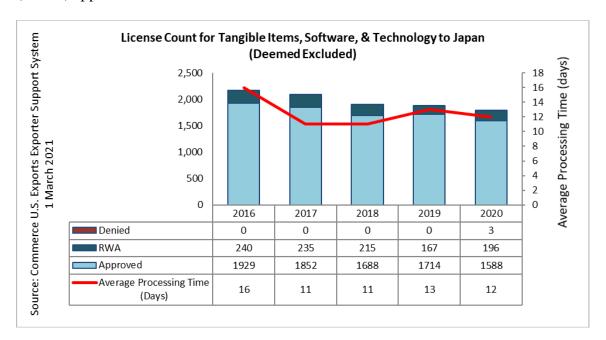


#### BIS License Determination Trends for Japan

#### III. BIS Licensing to Japan

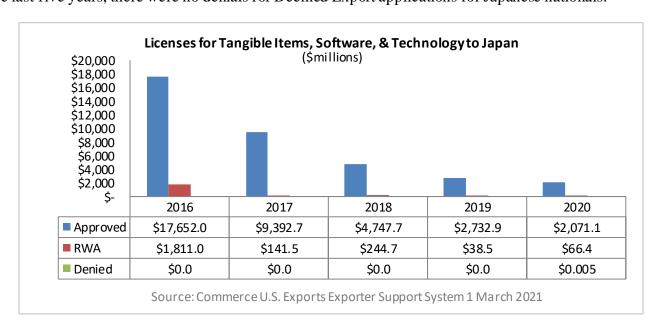
In 2020, BIS reviewed 1,787 license applications (not including deemed export applications) valued at \$2.1 billion for Japan, out of a total of 38,203 applications worldwide valued at \$219.4 billion. License applications for Japan constituted 4.7% of the world total by license count.

- Approved applications for Japan totaled 1,588 (88.9% of the total applications) for \$2.1 billion, compared to the 32,996 (86.4%) approved for all destinations that totaled \$120.5 billion.



In 2020, approved deemed exports applications for Japan totaled 18 (78.3% of the total applications), compared to the 1,068 (87.8%) approved for all destinations.

In the last five years, there were no denials for Deemed Export applications for Japanese nationals.





## BIS License Determination Trends for Japan

1	Top Ten	Approve	ed (with deemed) ECCNs to Japan by Count	2016	2017	2018	2019	2020	% of World Total 2020
	#1	9A610	Military Aircraft and Related Commodities	651	583	526	496	463	9.1%
	#2	3A611	Military Electronics	506	416	359	405	283	13.9%
Ω	#3	9A604	Commodities Related to Launch Vehicles, Missiles,	150	139	148	143	123	29.3%
APPROVE	#4	3A001	Electronic Components	78	83	114	82	91	7.4%
6	#5	9E610	Technology Required for the Development, Producti	84	96	99	87	85	6.4%
A.	#6	3E611	Technology Required for Military Electronics	123	123	61	57	80	14.6%
Ь	#7	9A619	Military Gas Turbine Engines and Related Commodi	167	129	152	111	78	7.6%
⋖	#8	9A515	Spacecraft and Related Commodities	88	116	83	91	72	16.9%
	#9	9E515	Technology Required for the Development, Producti	92	130	52	82	65	14.3%
	#10	0A501	Firearms (except 0A502 shotguns) and related comi	0	0	0	0	63	1.2%
			Source: Commerce U.S. Exports Exporter Support S	System	20 Marc	h 2020			

Note: ECCN Descriptions have been truncated: please review Commerce Control List for Full Description

			Denied (with deemed) ECCNs to Japan by Count	202	0 % of World Total 2020
ठ	#1	1A613	Armored and Protective Equip., Constructions, and Components	1	6.7%
enied	#2	3A001	Electronic Components	1	3.2%
Den	#3	9E003	Other Technology	1	100.0%
			Source: Commerce U.S. Exports Exporter Support System 20 March 2020		

Note: ECCN Descriptions have been truncated: please review Commerce Control List for Full Description



# Summary of U.S. Exports to Japan

	Summary of	U.S. Exports to Japan Cale	endar Year 2020	
	CY2020	CY2019	% of Total Exports	Percentage Change from previous year
Total Exports	\$64,097,721,756	\$74,376,472,005		-13.8%
Total Subject to ITAR	\$4,520,804,861	\$5,443,057,339	7.1%	-16.9%
Subject to Other Gov. Agencies	\$368,484,504	\$588,776,418	0.6%	-37.4%
	Detaile	d Summary of EAR-Contro	lled Exports	
AES License Type	Description	Value	Percentage of Total	Percentage Description
C30	Licenses	\$667,824,436	100.0%	
VDC	Voluntary Disclosure			
Tota	l of Licensed	\$667,824,436	1.0%	total licensed/total exports
C35	LVS	\$68,977	0.01%	
C36	GBS	\$5,607,966	0.5%	
C40	TMP	\$5,845,290	0.5%	
C41	RPL	\$62,494,575	5.5%	
C42	GOV	\$34,128,007	3.0%	
C43	GFT	\$11,450	0.001%	
C44	TSU	\$7,123,028	0.6%	
C45	BAG	\$609	0.0001%	
C46	AVS	\$1,395,344	0.1%	
C50	ENC	\$562,523,747	49.5%	
C53	APP	\$109,940	0.01%	
C54	SS-WRC	\$2,102,570	0.2%	
C59	STA	\$455,924,309	40.1%	
Total of L	icense Exceptions	\$1,137,335,812	1.8%	total license exceptions/total exports
	·		63.0%	total license exceptions/total subject to license requirement
	o license requirement d License Exceptions)	\$1,805,160,248	2.8%	total subject to license requirement/total exports
C33	NLR reporting an ECCN	\$7,475,676,479	11.7%	NLR reporting an ECCN/ total exports
C60	NLR for 600-series .y subparagraph	\$47,122,683	0.07%	NLR for 600-series .y subparagraph/ total exports
C63	NLR for 0A501 .y subparagraph Firearms	\$398,456	0.001%	NLR for 0A501 .y subparagraph firearms/ total exports
Тс	otal of NLR	\$7,523,197,618	11.8%	total NLR with an ECCN/ total export
Evnanta :	roporting on ECCN	¢40,000,074,535	77.00/	
Exports not	reporting an ECCN	\$49,880,074,525	77.8% and Automated Export Sy	