

Japan's politically sensitive trade surplus with the US edged up in April, government data showed Monday, after Tokyo warned it may take retaliatory measures against US tariffs.

Japan logged a surplus in April of 615.7 billion yen (\$5.6 billion) with the US, up 4.7 percent after a 0.3 percent decline the previous month, as demand for cars and construction machinery increased, according to finance ministry data.



AFP / Kazuhiro NOGI. The trade row between Washington and Tokyo has cast a shadow over the relationship between Prime Minister Shinzo Abe and President Donald Trump, who have forged otherwise close ties.

The fresh data comes after Tokyo informed the WTO it had the right to impose tariffs worth 50 billion yen (\$451 million) on US goods — equivalent to the impact of the US tariffs newly imposed on Japanese steel and aluminum products.

The European Union has made it clear that it does not, for now, intend to use the countermeasures, but that its notification to the WTO leaves all options on the table as a June 1 deadline for Washington to retract its tariffs approaches.

On Sunday, Washington and Beijing said they had agreed to avoid a potential trade war and back off from imposing tariffs on each other.

US President Donald Trump sparked fears of a trade war in March when he decided to impose 25 percent tariffs on steel and 10 percent on aluminum imports, primarily to target China, but also allies, including EU countries as well as Japan.

Marking a departure from a decades-long, US-led drive for open and free trade, Trump has claimed that massive flows of imports to the United States threaten national security.

While Washington has granted Europe and other allies a delay until the end of the month from imposing the controversial levies, Japan remains on the list of countries facing the tariffs.

China has already taken retaliatory measures but Japan had taken a conciliatory approach,

attempting to win exemptions through dialogue.

The trade row has cast a shadow over the relationship between Prime Minister Shinzo Abe and Trump, who have forged otherwise close ties.

Japan's overall trade surplus jumped 30.9 percent to 626.0 billion yen in April, higher than market expectations of a 440-billion yen surplus, the ministry said.

Exports edged up 7.8 percent due to growth in demand for cars, ships, and chip-making equipment, while imports also grew 5.9 percent year-on-year.

The yen was on average 4.2 percent higher against the dollar in April compared to the same month a year earlier, the ministry said.

The costs of importing crude oil expanded, while imports of power-generating machinery also rose, the ministry said.

AFP

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