

Japan logs record low annual account surplus
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Japan's annual current account surplus is the lowest on record, government figures showed today, as fossil fuel bills and a sliding yen overshadow rising exports.

For fiscal 2013, the value of the goods, services and investments that left Japan exceeded those coming in by 789.9 billion yen (RM25.02 billion), plunging 81.3% from 4.2 trillion yen the previous year.

The figure was the lowest since the finance ministry started keeping comparable data in 1985.

"Exports increased, including those bound for the United States and China. But the trade deficit expanded due to the increase of imports such as crude oil and liquefied natural gas," the ministry said in a statement.

The current account is the broadest measure of the country's trade with the rest of the world, including not only trade in goods but also services, tourism and returns on foreign investment.

Japan Inc has significant amounts of money tied up in overseas investments, and it is the repatriation of income from these that means it still runs a current account surplus.

The country saw a trade deficit of 10.86 trillion yen for the year, nearly doubling a deficit of 5.62 trillion yen seen in the previous year.

Exports rose 12.2% to 69.80 trillion yen, while imports jumped 19.6% to 80.67 trillion yen.

Japan used to boast a large trade surplus on exports of cars and other industrial products.

But the nation has recently been saddled with heavy deficits stoked by its dependence on importing fossil fuels to generate electricity, after nuclear

reactors were shut down following the 2011 tsunami-sparked atomic disaster.

The yen's sharp depreciation since late 2012 has also pushed up import costs.

For example, crude oil prices soared 16.6% in yen-denominated terms on year, but in dollar-terms, it fell 3.4%, the ministry said.

The financial value of crude oil imports to Japan rose 18.4% while the actual volume of imported oil only went up by 1.5%, the ministry said.

For the single month of March, Japan's current account surplus came to 116.4 billion yen, shrinking 90.9% from 1.28 trillion yen seen in the previous year. – AFP, May 12, 2014.

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