CHAPTER 11

CLMV Export Performance in the Japanese Market after the Lehman Shock: A Constant Market Shares Analysis

Yasushi Ueki

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CHAPTER 11

CLMV EXPORT PERFORMANCE IN THE JAPANESE MARKET AFTER THE LEHMAN SHOCK: A CONSTANT MARKET SHARES ANALYSIS

Yasushi Ueki

INTRODUCTION

Economic integration in East Asia is expected to open new business opportunities for Cambodia, Lao PDR, Myanmar, and Vietnam (CLMV). It will also intensify market competition. A primary threat among their rival economies is China. The rise of China since the 1990s has been recognized as a menace to CLMV industrial development. Therefore, the ASEAN-China Free Trade Area (ACFTA) was established in 2005 with both great expectations and concerns.

Business environments are changing rapidly. Firms operating factories in China face wage inflation resulting from a serious labor shortage. They turn their interest to CLMV countries as alternative sites for labor-intensive production complementary to their existing production bases in China. The ongoing initiatives toward the ASEAN Economic Community (AEC), which will create a single market and production base in 2015, also interest firms looking for new production sites in these countries. But CLMV countries are only one of the alternatives for these firms. They show increasing

interest in South Asia, especially Bangladesh, a country that is recognized as having an ample supply of cheap labor. Some firms focus on CLMB (CLM plus Bangladesh), excluding from their factory siting studies Vietnam, where inflation and wage increases are in a vicious cycle.

Although the governments of ASEAN member states have made a strong commitment to the creation of AEC and undertaken structural reforms in a proactive manner, CLMV should be neither optimistic nor pessimistic concerning the expected benefits from East Asian market integration. It is indispensable for these countries to think of short, medium, and long-term strategies for industrial development. For better strategic planning, it is necessary to identify their competitors and comparative advantages cautiously.

This paper attempts to identify CLMV export items that may have growth potential in the Japanese market. A constant market shares analysis (CMSA) is applied to Japan's import statistics for the period after the economic turmoil precipitated by the bankruptcy of Lehman Brothers in September, 2008. CMSA is a technique to separate growth in export values into various components. Because CMSA investigates ex-post export performances (Milana, 1988; Simons, 2000), the method may suggest products that would have to be prioritized in the short, or at longest, medium-term industrial development policy. This study is different from previous research in that Japan's statistics allow the classification of export items into those imported to Japan by different transportation modes.

This paper is structured as follows: Section 1 briefly describes methodologies including CMSA and the data utilized in this paper. Section 2 illustrates recent trends in Japan's imports with special focus on CLMV. Section 3 compares the main result of

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CMSA among CLMV at the country level and CMSA applied to textile products. The final section presents conclusions.

1. METHODOLOGIES

1.1. Constant Market Shares Analysis

CMSA is a popular accounting method for deconstructing changes in international trade flow into several components. Tyszynski (1951) published one of the earliest works using this method. Although previous studies like Richardson (1971a, 1971b) went over shortcomings of the method, efforts have been made to improve the technique, provide the method with theoretical foundations, or clarify limitations to the method (Fagerberg and Sollie, 1987; Merkies and van der Meer, 1988; Ahmadi-Esfahani, 2006). Presently, the method has been applied extensively to the studies of export performance, in particular, of the European Union countries (ECB, 2005; Buitelaar and van Kerkhoff, 2010; Jiménez and Martín, 2010; Simonis, 2000).

CMSA is a useful method for investigating the competitive commodities that the CLMV have because these countries have no other choice but to develop their potential industries into exporting sectors, while being aware of relatively free competition with advanced developing countries like China and other less developed countries that have abundant cheap labor forces. But the method has not been widely applied to East Asia, especially the Japanese market.

The focus of this paper is placed mainly on identifying CLMV export items that are competitive with those of rival developing countries in the Japanese market. In this paper, the CMS model is applied to several commodities/one market case, on the assumption that the good (j) is not homogenous if it is shipped by different transportation modes. According to Buitelaar and van Kerkhoff (2010) and Jiménez and Martín (2010), the change in a country's exports shipped by a transportation mode (m) to Japan over a period between t and t+1 is formulated as below:

(1)
$$\Delta X_{ijm} = X_{ijm}^{t+1} - X_{ijm}^{t} = s_{ijm}^{t} \Delta M + \Delta s_{ijm} M^{t+1}$$
.
 X_{ijm}^{t} : Country (i)'s export of commodity (j) to Japan shipped by transportation
mode (m) at time (t),

- M^t : Japan's total imports at time (t),
- ΔM : Change in Japan's total imports over a period between t and t+1

 $(\Delta M = M^{t+1} - M^t),$

- s_{ijm}^{t} : Market share of country (i)'s export of commodity (j) by transportation mode (m) in Japanese market at time (t) ($s_{ijm}^{t} = X_{ijm}^{t}/M^{t}$),
- Δs_{ijm} : Change in market share of country (i)'s export of commodity (j) by transportation mode (m) in Japanese market over a period between t and t+1 ($\Delta s_{ijm} = s_{ijm}^{t+1} - s_{ijm}^{t}$).

The first term on the right hand side of the formula (1) is Japan's growth effect. This indicates the value that holds the share of the country (i) in Japan's import market of commodity (j) shipped by transportation mode (m) constant between the periods. The second term is the so-called competitiveness effect, which measures the change in country (i)'s commodity (j) shipped by the mode (m) to Japan due only to the change in its market share.

Batista and Azevedo (2002) and Batista (2008) developed a novel extension of CMSA which attributes the gains or losses of an exporting country's market share in a specific import market to its competitors and was applied to Brazil's exports of

manufactured goods to the US market. Batista (2010) attempted to provide a theoretical foundation for his CMS model and verified a consistency with the main trade models. This extended CMS model was adopted by Moreira (2007) and Jenkins (2008) to examine competitive thread from China and the rest of the world (ROW) for Latin American exports in the U.S. market. This model with two competitors for a country (i) shown by Moreira (2007) can be reformed and extended to the model with multiple competitors (1...k...n) as below:

(2)
$$\Delta X_{ijm} = \left(\frac{M^{t+1}}{M^t} - 1\right) X_{ijm}^t + \sum_{k=1}^n \left(\frac{X_{kjm}^t}{M^t} \Delta X_{ijm} - \frac{X_{ijm}^t}{M^t} \Delta X_{kjm}\right).$$

Because $s_{ijm}^{t}\Delta M$ in the formula (1) can be transformed into $\left(\frac{M^{t+1}}{M^{t}}-1\right)X_{ijm}^{t}$ in the formula (2), the formula (2) denotes that the gain (loss) in the export value of country (i) can be attributed to the difference in competitiveness effect between a country (i) and its competitor (k). Therefore, a careful watch should be kept on competitiveness effects.

1.2. The data

The data used in this paper is derived from the official import statistics that are compiled and published monthly by Japan's Ministry of Finance and Customs. In the trade statistics, items are classified by "commodity" that is based on 9-digit statistical codes used for commodity classification in customs declaration in Japan. As the statistics are denominated in Japanese yen, the import data classified by the 9-digit codes are converted into US dollars on the basis of a monthly average of the exchange rate that Japan Customs officially announces weekly. The dollar-based monthly import statistics are annualized by calculating the 12-month running total that is the sum of imports in the previous 12 months. The 9-digit annualized import data are aggregated into a 4-digit level for the CMSA. As the Japan Customs 9-digit statistical code consists of a 6-digit Harmonized Commodity Description and Coding System (HS) code and a 3-digit domestic code, the 4-digit data can be compared with those of foreign countries.

The main advantage of using Japan Customs trade statistics is that Japan Customs provides statistics for export and import by mode of transport. The trade values can be divided into those transported by air cargo, sea container cargo, and the rest (which may include bulk cargo, post, and so on). To the best of the author's knowledge, modes of transport have not been taken into account in the previous studies applying CMSA to Japan's trade with CLMV. Information on transport mode may be important to understand how CLMV who have undeveloped transportation infrastructure and inefficient trade procedures may take advantage of availability of multiple transport modes to afford easy access to overseas markets. In particular, firms in landlocked Lao PDR and Myanmar, which has serious problems in port infrastructure and trade procedures, can mitigate their disadvantages in accessing efficient sea port operations by paying the high cost of air cargo. In addition, air cargo costs may partially reflect the value added into the products sufficient to afford higher air freight charges.

2. RECENT TRENDS IN JAPAN IMPORTS

2.1. Overall Trend

Japan has been increasing its imports in the 2000s, although Japan's market used to be recognized as closed, especially to developed countries. Japan's imports for 2002 were

USD 337 billion. The annualized value of imports reached USD 551 billion in June, 2006 and surpassed USD 600 billion in October, 2007. Then, the growth of imports accelerated to hit a record high of USD 761 billion in October, 2008. Although Lehman Brothers went bankrupt in September, 2008, the negative impact only affected Japan's imports in November, 2008, when imports took a downward turn. The shock was strong enough to take less than one year after the bankruptcy to shrink the demand for imports to the mid-2006 level. But the recovery of imports has been steady after reaching a bottom of USD 552 billion in September, 2009. The value of imports for June, 2011, at approximately USD 768 billion, exceeded the previous peak recorded in October, 2008. Then, it beat its own record and reached USD 830 billion in October, 2011 (Figure 1).



Figure 1. Japan's Import (USD millions)

Note: 12-month rolling total. *Source*: Japan Customs.

The Lehman shock has had a different impact on imports shipped by different transport modes. Total imports decreased by 27% in October, 2009, but were up 9% in October, 2011, when compared with the previous peak recorded in October, 2008. During the same period, imports transported by means other than air and container cargos decreased by 39% and had not recovered to the pre-Lehman shock level by October, 2011. Air cargo shipments to Japan also decreased by 18% in October, 2009, but almost recovered in October, 2010 and subsequently increased by 9% in October, 2011, compared with the value of imports for October, 2008. Values for container cargo have varied in a similar manner to that of air cargo. Imports by container cargo grew rapidly in October, 2001, when the value for container cargo was up 22% compared with that for October, 2008. As a result, the share of container cargo had increased from 32% to 36% of total imports, while the share for other transport modes decreased 46% to 42% during the period of October, 2008 to October, 2011. Air cargo has maintained a 21% share during the same period.

2.2. Imports from CLMV in October, 2008 and 2011

Table 1 also presents Japan's imports from CLMV. The value of imports from CLMV in Japan's market is small. Cambodia, Lao PDR, and Myanmar accounted for only 0.04%, 0.01%, and 0.07%, respectively, of the total imports in October, 2011. Even so, they have grown faster than those of the rest of the world. Among CLMV, Vietnam has become an important trade partner for Japan, having 1.30% of Japan's import market in October, 2011. Details of each CLMV are as follows:

	Value (U	SD millio	ns)		Share	e (Total $= 10$	00)	Growt	th (Oc	t-08 = 1)
	Total	Air	Container	Others	Air	Container	Others	Total	Air	Container
Total Import										
Oct-08	760,867	162,963	244,791	353,113	21.4	32.2	46.4			
Oct-09	557,746	133,085	209,229	215,431	23.9	37.5	38.6	0.7	0.8	0.9
Oct-10	668,307	162,091	239,996	266,220	24.3	35.9	39.8	0.9	1.0	1.0
Oct-11	830,440	178,204	299,348	352,888	21.5	36.0	42.5	1.1	1.1	1.2
Cambodia										
Oct-08	122	9	113	0	7.4	92.4	0.2			
Oct-09	134	8	126	-	6.1	93.9	-	1.1	0.9	1.1
Oct-10	193	16	174	4	8.2	89.9	1.8	1.6	1.8	1.5
Oct-11	294	22	272	0	7.4	92.5	0.1	2.4	2.4	2.4
Lao PDR										
Oct-08	17	1	16	0	4.5	95.4	0.1			
Oct-09	25	1	24	0	4.3	95.6	0.0	1.5	1.4	1.5
Oct-10	36	5	31	0	13.5	86.4	0.1	2.1	6.2	1.9
Oct-11	89	9	80	0	10.0	90.0	0.0	5.2	11.6	4.9
Myanmar										
Oct-08	314	22	292	0	6.9	93.0	0.0			
Oct-09	352	20	332	0	5.6	94.4	0.0	1.1	0.9	1.1
Oct-10	348	29	319	0	8.4	91.6	0.0	1.1	1.3	1.1
Oct-11	573	81	492	0	14.1	85.9	0.0	1.8	3.7	1.7
Vietnam										
Oct-08	8,994	1,180	4,663	3,151	13.1	51.8	35.0			
Oct-09	6,993	1,252	4,593	1,148	17.9	65.7	16.4	0.8	1.1	1.0
Oct-10	8,002	1,459	5,722	821	18.2	71.5	10.3	0.9	1.2	1.2
Oct-11	10,792	1,409	7,382	2,000	13.1	68.4	18.5	1.2	1.2	1.6
Thailand										
Oct-08	20,730	5,288	13,521	1,921	25.5	65.2	9.3			
Oct-09	16,124	4,214	10,999	911	26.1	68.2	5.7	0.8	0.8	0.8
Oct-10	20,150	5,280	13,456	1,414	26.2	66.8	7.0	1.0	1.0	1.0
Oct-11	24,813	5,293	17,157	2,363	21.3	69.1	9.5	1.2	1.0	1.3
Bangladesh										
Oct-08	192	53	139	0	27.8	72.1	0.0			
Oct-09	245	42	191	11	17.2	78.1	4.7	1.3	0.8	1.4
Oct-10	359	77	282	0	21.5	78.4	0.0	1.9	1.4	2.0
Oct-11	528	90	438	0	17.0	83.0	0.0	2.7	1.7	3.2

Table 1. Japan's Imports by Transport Mode

Note: Sum of the previous 12 months between November and October. *Source*: Japan Customs.

2.2.1. Cambodia

Japan's imports from Cambodia for October, 2011 were 2.41 times as much as that for October, 2008. The growth rate for air cargo is almost the same as that for container cargo during the period. Imports shipped from Cambodia by air and container cargos accounted for 7% and 92% total imports, respectively. The Lehman shock was not sufficient to turn negative the growth rate of all imports from Cambodia, though it had a significant impact on air shipments.

2.2.2. Lao PDR

Imports from Lao PDR for October, 2011 were 5.2 times greater than those for October, 2008. Lao PDR achieved the highest growth rate among CLMV. By mode of transport, imports by air cargo for October, 2011 were 11.6 times those for October, 2008. The Lehman shock did not dampen this momentum. Although Lao PDR is landlocked and the share for air cargo has increased from 4.5% in October, 2008 to 10.0% in October, 2011, its dependence on air cargo is not considerable compared to other countries exporting to Japan. Well-developed roads and port infrastructure in Thailand may facilitate distribution of goods to other nearby regions and assist Lao PDR export development.

2.2.3. Myanmar

Imports from Myanmar for October, 2011 were 1.8 times larger than those for October, 2008. The growth is not as noteworthy as that of Cambodia. However, its growth accelerated in 2011 after a decrease in the period between October, 2009 and October, 2010, indicating factors other than the bankruptcy of Lehman Brothers caused the

decrease. During October, 2010 and October, 2011, the value increased by 65%. In particular, imports shipped by air cargo were up 178% from USD 22 million to USD 81 million. Air cargo accounted for 14.1% of the total in October, 2011, which was much higher than the 6.9% in October, 2008 and 8.4% in October, 2010. It seems that firms in Myanmar utilized air transport to mitigate problems in port infrastructure.

2.2.4. Vietnam

Among CLMV, Vietnam was the country most affected by the Lehman shock. Japan's imports from Vietnam for October, 2009 decreased by 22% compared with those for October, 2008. October, 2010 imports had not reached the level for October, 2008. As observed in CLM, the recovery accelerated in 2011. Imports from Vietnam for October, 2011 increased by 35% compared to October, 2010. By mode of transport, Vietnam is the only country among CLMV using modes other than air and container cargos, indicating natural resource-based bulky products are important for Vietnam. Imports by other modes of transport decreased most after the Lehman shock. In October, 2010, imports by other modes decreased to 26% of those recorded in October, 2008. During the recovery process of imports from Vietnam, container cargo gained in importance. The share of container cargo in total imports from Vietnam increased from 52% in October, 2008 to 68% in October, 2011.

2.3. Main Commodities Imported from CLMV in October, 2008 and 2011

Table 2 summarizes the composition of commodities imported from CLMV in October, 2008 and October, 2011. Commodities are classified by HS section. Bangladesh is included as a major exporter of textiles and footwear that are the main export items for

less-developed countries like CLM. Details of CLMV are described as follows and shown in annex tables.

2.3.1. Cambodia

Some 98-99% of imports from Cambodia is explained by section 11 ("textiles and textile articles," hereafter, textiles) and section 12 ("footwear, headgear, umbrellas, sun umbrellas, walking-sticks, seat-sticks, whips, riding-crops, and parts thereof; prepared feathers and articles made therewith; artificial flowers; articles of human hair," hereafter, footwear) for the two periods. In October, 2008, section 12 and section 11 accounted for 84% and 15% of total imports from Cambodia, respectively. In October, 2011, the percentages changed to 50% and 48%. This may reflect the situation that Cambodia's key industry is the textile sector while the Japanese are not major players in the sector. During the period, Cambodia has diversified its export items including section 1 ("live animals; animal products") and section 17 ("vehicles, aircraft, vessels, and associated transport equipment"). Although the value of these items looks negligible, they may be very important signs of developing new industries. In reality, Japanese firms in industries other than textiles and footwear have opened new factories in the Phnom Penh special economic zone (PPSEZ), although the first tenant of the PPSEZ is a Japanese footwear manufacturer.

2.3.2. Lao PDR

Imports from Lao PDR were mainly section 9 (Wood and articles of wood; wood charcoal; cork and articles of cork; manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork), section 11 (textiles), section 12

(footwear), and section 20 (Miscellaneous manufactured articles) in October, 2008. The commodities included manufacturing products and were more diversified than those of Cambodia. The main commodities have shifted to natural resource-based ones, such as coffee in section 2 ("vegetable products"), inorganic chemicals including rare-earth metals in section 6 ("products of the chemical or allied industries"), and wood charcoal in section 9 ("wood and articles of wood; wood charcoal; cork and articles of cork; manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork"). These may reflect Lao PDR's comparative advantages, while the country seeks to establish manufacturing sectors, having concerns about the sustainability of natural resource-based industries.

2.3.3. Myanmar

The main commodities imported from Myanmar are categorized as section 11 (textiles), section 12 (footwear), section 1 ("live animals; animal products"), and section 2 ("vegetable products"). During the period between October, 2008 and October, 2011, section 11 (textiles) gained greater importance, increasing its share in total imports from 40% to 58%. Among the commodities categorized in section 11, Japan has increased imports of HS chapter 62 ("articles of apparel and clothing accessories, not knitted or crocheted"). This is one of the important differences with Cambodia that has gradually increased under HS chapter 61 ("articles of apparel and clothing accessories, knitted or crocheted").

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Table	2. Composition of Commodities Imported	from CI	MV al	nd Bang	ladesh ((% of]	Fotal)					
		Cambod	lia	Lao PI	DR	My;	anmar	Vietn	am	Ban	gladesh	
Section	Description	Oct. 2008	Oct. 2011	Oct. 2008	Oct. 2011	Oct. 200	8 Oct.	Oct. 2008	Oct. 2011	Oct. 200	Oct. 8	
-	Live animals; animal products	C		1	0	3	22	11	6	5	11	Э
7	Vegetable products	0	_	0	8	32	12	6	2	7	0	0
б	Animal or vegetable fats and oils, etc.	C	-	0	0	0	0	0	0	0	0	0
4	Prepared foodstuffs, beverages, tobacco, etc.	C	-	0	0	0	1	1	б	б	0	0
5	Mineral products	0	-	0	0	0	0	0	33	16	0	0
9	Products of the chemical or allied industries	C	_	0	3	18	0	0	2	С	0	0
7	Plastics, rubber and articles thereof	C	-	0	0	0	0	0	2	С	1	0
8	Raw hides and skins, leather, furskins, etc.	0	-	0	0	0	0	0	1	1	10	5
6	Wood and articles of wood; wood charcoal, etc.	C	-	0	43	6	З	1	б	б	0	0
10	Pulp of wood etc.	C	-	0	0	0	0	0	0	1	0	0
11	Textiles and textile articles	15	7	48	27	18	40	58	11	19	29	65
12	Footwear, headgear, umbrellas, etc.	84	4,	50	8	11	17	16	7	б	24	16
13	Articles of stone, plaster, cement, etc.	C	-	0	0	0	0	0	2	1	0	0
14	Natural or cultured pearls, precious stones, etc.	0	_	0	0	0	3	2	0	1	0	0
15	Base metals and articles of base metal	C	-	0	1	9	2	2	2	б	4	1
16	Machinery and mechanical appliances, etc.	C	-	0	0	0	-	0	23	24	17	9
17	Vehicles, aircraft, vessels and associated transpor equipment	t	-	0	0	0	0	0	7	7	0	0
18	Optical, precision, medical instruments, etc.	0	•	0	0	0	0	0	1	б	б	-
19	Arms and ammunition, etc.	C	•	0	0	0	0	0	0	0	0	0
20	Miscellaneous manufactured articles	0	•	0	9	7	0	0	4	5	1	0
21	Works of art, collectors' pieces and antiques	C	•	0	0	0	0	0	0	0	0	0
Notes: S Source:	turn of the previous 12 months between November and Japan Customs.	l October.	HS00 is	excluded	from the	sections,	but include	d in the to	ıtal.			

2.3.4. Vietnam

Neither value nor diversity in commodities imported from Vietnam is comparable with CLM. Vietnam is the only country among CLMV that has been developing machinery industries, although the country exports agricultural, fishery, forestry, and mineral products. The country does not depend on a limited number of commodities in contrast to CLM exports to Japan. The share of section 11 (textiles) in Japan's total imports from Vietnam has increased by 8 percentage points. On the one hand, Vietnam has increased exports of natural resource-based and labor-intensive products, such as apparel and leather, while on the other, the country has upgraded export commodities to include instruments and appliances used in medical, surgical, dental, or veterinary sciences (HS9018).

3. RESULTS OF CONSTANT MARKET SHARES ANALYSIS

Based on the methodology previously described, this section presents results of the CMS analysis on the change in Japan's imports from CLMV between October, 2008, when the influence of the Lehman shock emerged, and October, 2011, when Japan's imports surpassed the pre-Lehman shock level. The method attributes the CLMV gain or loss to their competitors. It can be supposed that supply chains tend to be resistant to temporal shocks and products that endure such shocks should have robust comparative advantage. After examining the whole of Japan's imports, details of textiles were noted to get a better understanding of the competition for main commodities produced by CLMV and other less-developed countries.

3.1. Contribution of Competitiveness Effect on CLMV Gains in the Japanese Market

Table 3 summarizes the results of CMSA for Japan's total global imports from major countries and regions. As shown in the formula (1), the change in a country's exports to Japan, or gains/losses of the country shown in the third row of table 3, can be broken down into growth effect and competitiveness effect in the fifth and seventh rows, respectively. Japan's imports grew 9.1% during the three years between October, 2008 and October, 2011. Therefore, the growth effect is equivalent to 9.1% of imports for October, 2008 (column (6)). The differences in the growth rate among the countries/regions are attributed to competitiveness effects (columns (7) and (8)).

Table 3 indicates that CLM increased exports at a growth rate much higher than that of other countries. In particular, the competitiveness effects of Lao PDR, Cambodia, and Myanmar amount to 413.2%, 131.8% and 73.2%, of their exports, respectively, as recorded in October, 2008. On the other hand, Vietnam's competitiveness effect was equivalent to 10.8% of its exports in October, 2008, which is considerable, but lower than those of China, South Korea, and India. Among countries other than CLMV, Bangladesh gained Japanese market share by a considerably large competitiveness effect.

Table 4 is derived from and based on table 3; it focuses on the impact among different modes of transport. The table shows that air transport is an important source of Myanmar's competitiveness effect compared to other ASEAN members. In ASEAN, Singapore has maintained its exports to Japan by using air cargo.

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	(1)	(2)	(3) = (2) - (1)	(6) = (3) / (1)	(4)	(7) = (4) / (1)	(5)	(8) = (5) / (1)
-	Oct. 2008	Oct. 2011	Change	Growth Rate	Growth	n Effect	Competi Eff	tiveness ect
	(USD)	(USD)	(USD)	(%)	(USD)	(%)	(USD)	(%)
Cambodia	122	294	172	140.9%	11	9.1%	161	131.8%
Lao PDR	17	89	72	422.3%	2	9.1%	71	413.2%
Myanmar	314	573	259	82.3%	29	9.1%	230	73.2%
Vietnam	8,994	10,792	1,797	20.0%	822	9.1%	975	10.8%
Thailand	20,730	24,813	4,083	19.7%	1,896	9.1%	2,188	10.6%
Brunei	4,214	5,136	921	21.9%	385	9.1%	536	12.7%
Philippines	8,626	8,822	196	2.3%	789	9.1%	-593	-6.9%
Indonesia	32,677	33,508	831	2.5%	2,988	9.1%	-2,157	-6.6%
Malaysia	22,121	29,065	6,944	31.4%	2,023	9.1%	4,921	22.2%
Singapore	7,863	8,568	705	9.0%	719	9.1%	-14	-0.2%
ASEAN	105,679	121,660	15,981	15.1%	9,663	9.1%	6,318	6.0%
China	141,711	179,529	37,818	26.7%	12,958	9.1%	24,860	17.5%
Korea	29,934	38,196	8,262	27.6%	2,737	9.1%	5,525	18.5%
India	5,131	6,448	1,317	25.7%	469	9.1%	848	16.5%
Australia	43,929	54,965	11,036	25.1%	4,017	9.1%	7,019	16.0%
New Zealand	2,953	2,959	6	0.2%	270	9.1%	-264	-8.9%
ASEAN+6	329,336	403,756	74,420	22.6%	30,114	9.1%	44,306	13.5%
Taiwan	21,815	23,164	1,349	6.2%	1,995	9.1%	-646	-3.0%
Hong Kong	1,563	1,524	-40	-2.5%	143	9.1%	-183	-11.7%
Bangladesh	192	528	336	174.7%	18	9.1%	318	165.5%
Other Asia	914	829	-85	-9.3%	84	9.1%	-169	-18.5%
Middle East	172,255	153,709	-18,546	-10.8%	15,751	9.1%	-34,297	-19.9%
EU27	70,444	77,509	7,065	10.0%	6,441	9.1%	624	0.9%
Other Europe	24,142	30,694	6,553	27.1%	2,207	9.1%	4,345	18.0%
United States	77,663	73,461	-4,202	-5.4%	7,101	9.1%	-11,303	-14.6%
Canada	12,464	12,802	338	2.7%	1,140	9.1%	-801	-6.4%
Americas	27,355	34,580	7,225	26.4%	2,501	9.1%	4,724	17.3%
Africa	21,183	16,008	-5,175	-24.4%	1,937	9.1%	-7,112	-33.6%
Oceania	1,524	1,871	348	22.8%	139	9.1%	208	13.7%
Special Area	18	6	-12	-67.7%	2	9.1%	-14	-76.8%

Table 3. Contribution of Growth Effect and Competitiveness Effect on CLMVExports to Japan (USD millions)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Total	Air	=(2)/(1)	Container	=(4)/(1)	Other	=(6)/(1)
	(USD)	(USD)	(%)	(USD)	(%)	(USD)	(%)
Cambodia	161	12	7.4%	149	92.5%	0	0.1%
Lao PDR	71	8	11.5%	63	88.5%	0	0.0%
Myanmar	230	57	24.9%	173	75.1%	0	0.0%
Vietnam	975	121	12.4%	2,293	235.2%	-1,439	-147.5%
Thailand	2,188	-478	-21.9%	2,400	109.7%	266	12.2%
Brunei	536	0	0.0%	1	0.1%	536	99.9%
Philippines	-593	-938	158.3%	297	-50.2%	48	-8.1%
Indonesia	-2,157	38	-1.8%	2,658	-123.2%	-4,853	225.0%
Malaysia	4,921	-382	-7.8%	1,619	32.9%	3,684	74.9%
Singapore	-14	614	-4401.0%	62	-442.0%	-690	4943.0%
ASEAN	6,318	-948	-15.0%	9,713	153.7%	-2,448	-38.7%
China	24,860	6,370	25.6%	22,631	91.0%	-4,141	-16.7%
Korea	5,525	83	1.5%	2,421	43.8%	3,021	54.7%
India	848	164	19.3%	210	24.7%	475	56.0%
Australia	7,019	-127	-1.8%	-321	-4.6%	7,467	106.4%
New Zealand	-264	3	-1.2%	-2	0.9%	-265	100.3%
ASEAN+6	44,306	5,545	12.5%	34,652	78.2%	4,110	9.3%
Taiwan	-646	-1,208	187.1%	808	-125.2%	-246	38.0%
Hong Kong	-183	-28	15.1%	-136	74.8%	-18	10.1%
Bangladesh	318	31	9.8%	287	90.2%	0	0.0%
Other Asia	-169	-13	7.9%	24	-14.2%	-180	106.3%
Middle East	-34,297	75	-0.2%	299	-0.9%	-34,671	101.1%
EU27	624	3,007	482.2%	-2,182	-350.0%	-201	-32.2%
Other Europe	4,345	105	2.4%	9	0.2%	4,232	97.4%
United States	-11,303	-6,827	60.4%	-2,011	17.8%	-2,465	21.8%
Canada	-801	-91	11.4%	-118	14.7%	-592	73.9%
Americas	4,724	370	7.8%	543	11.5%	3,811	80.7%
Africa	-7,112	-571	8.0%	-63	0.9%	-6,478	91.1%
Oceania	208	-52	-24.7%	63	30.3%	197	94.4%
Special Area	-14	-2	13.3%	0	1.8%	-12	84.9%

Table 4. Competitiveness Effect by Mode of Transport (USD millions, %)

	HS	Description	Oct.		Oct.		Compet	itiveness
	Code		2008 (USD)	Donk	2011 (USD)	Donk	Effect (USD)	Donk
Cambodia	6203	Apparel not knitted or crocheted	(03D)	10	52 461		(USD) 51 706	1 IX
Calliooula	6203	Apparel, not knitted or crocheted	707	10	24 562	2	22 602	1
	6403	Epotwoor	07 260	1	128 202	1	33,092	2
	6110	Apparel knitted or created	97,200	1	17 022	1	2,049 2 274	3
	6100	Apparel, knitted or crocheted	0,547	5	0.054	-+	0,024	
	6206	Apparel, not knitted or erocheted	2,147	2 77	2 707	0	2 720	5
	6404	Eastwar	544	27 11	2 2 5 7	0	2 750	07
	6104	Apparel knitted or crocheted	671	11 8	3,352	10	2,759	/ 8
	6114	Apparel, knitted or crocheted	171	0 18	2 140	10	2,307	0
	6211	Apparel, not knitted or crocheted	1/1	20	2,440	11	2,234	10
	0211	Coffee	1 250	29	2,090	13	2,000	10
LaurDK	2805	Para conthe matals	1,230	5	12 280	1	12 280	1
	6402	Kale-calth metals	1 1 7 0	6	8 002	2	6 716	2
	0403 8112	Other hase metals	1,179	12	6,002 5 2 1 8	5	5 072	3
	6202	Apparel not knitted or creshoted	225	13	2 274	כ ד	2 084	4
	0205	Live animals	200	11	2 672	8	2,904	5
	6205	Apparel not knitted or crocheted	2 820	2	5 713	о Л	2,072	
	2846	Pare earth metals	2,820	2	2 2 18	10	2,035	/ 8
	4402	Wood charcoal	1 261	4	2,240	10	2,240	0
	6115	Apparel knitted or crocheted	783	+ 8	2 560	0	2,001	10
Myonmor	6201	Apparel, not knitted or crocheted	20.047	6	2,500 85.604))	63 725	10
wiyammai	6403	Epotwoor	50 201	2	85,004	1	22 246	1
	6203	Apparel not knitted or crocheted	13 058	2	00,247 78 / 50	1	31 464	2
	6203	Apparel, not knitted or crocheted	45,058	0	/0,+39	5	31,404	5
	6202	Apparel, not knitted or crocheted	33 582	9 1	+1,709 60.600	1	23 0/7	-+
	6211	Apparel, not knitted or crocheted	12 007	7	33 433	+ 7	20,947	5
	0713	Edible vegetables certain roots tubers	10,656	8	22 155	0	10 525	7
	6204	Apparel not knitted or crocheted	1 228	21	10 649	11	9 308	8
	6210	Apparel, not knitted or crocheted	2 225	15	10,047	10	8 377	9
	6206	Apparel, not knitted or crocheted	1 817	17	5 595	15	3 612	10
Vietnam	6109	Apparel, knitted or crocheted	26 823	48	184 892	12	155 616	10
Vietnam	6203	Apparel, not knitted or crocheted	143 081	10	285 767	6	129 602	2
	8481	Machinery and mechanical appliances	162 901	8	285 950	5	108 154	3
	6110	Apparel knitted or crocheted	46 697	33	132 002	15	81 035	3 4
	6211	Apparel, not knitted or crocheted	147 645	9	240 262	9	79 116	5
	4202	Articles of leather	64 517	23	147 437	14	77 020	6
	6204	Apparel not knitted or crocheted	93 914	16	179 155	13	76 653	7
	2805	Rare-earth metals	0,714	10	74 838	32	74 838	, 8
	9018	Medical surgical instruments & appliances	51 582	29	130 789	16	74 491	9
	9403	Other furniture and parts thereof	221,227	5	315,697	4	74,242	10

Table 5. Commodities Grown Mainly by Competitiveness Effect (USD 1,000s)

Table 5 is a list of export commodities that CLMV have increased to Japan by enhancing their competitive advantages. It is obvious that Cambodia and Myanmar, focusing on apparel and footwear production, have increased their exports to Japan. One difference between the two countries is that Myanmar is specialized in non-knitted or crocheted apparel. Lao PDR has diversified its export products, increasing natural resource-based products, such as coffee, live animals, and inorganic chemicals. Vietnam is unique among CLMV as a country which has succeeded in its export position to Japan as a producer of machinery and mechanical appliances and medical and surgical instruments, although labor-intensive products such as apparel and leather are still important.

3.2. CLMV Gains/Losses to Competitors in the Japanese Market

As shown in table 6, the competitiveness effects summarized in Table 3 can be attributed to gains or losses to competitors by using the formula (2). Table 6 shows CLM have improved competitiveness against China. But, except Lao PDR, CLMV have suffered losses to Bangladesh. Among CLMV, Lao PDR, which reaped gains from CMV, is the most competitive, followed by Cambodia and Myanmar. In contrast, Vietnam saw its Japanese market share shrink due to CLM.

Cambodia increased its exports to Japan by USD 172 million during the period of October, 2008 and October, 2011. To maintain its share in the initial month of exports at the 4 digit HS, disaggregated by mode of transport, a USD 11 million increase was sufficient. The country gained an additional USD 161 million by improving its competitive position. Most of the gains are attributed to China, ASEAN, the EU27, and the Middle East. In competition with Lao PDR, Myanmar, and Vietnam, Cambodia

gained competitiveness against Myanmar and Vietnam, but lost it against Lao PDR.

Lao PDR showed a USD 72-million increase in exports to Japan during the periods of October, 2008 and October, 2011. Like Cambodia, Lao PDR growth in exports can be explained by the competitiveness effect, most of which is attributed to China and ASEAN. Lao PDR has enhanced its competitiveness in the Japanese market against Cambodia, Myanmar, and Vietnam.

Competitiveness effect is a main element explaining the Myanmar increase in exports to Japan. The country has also gained competitiveness against China, ASEAN, the United States, and the EU27. In the competition with Cambodia, Lao PDR, and Vietnam, Myanmar has gained in export value from Vietnam, but lost to Cambodia and Lao PDR.

A characteristic of Vietnamese trade is that its source of gains is attributed to developed countries in the world, such as the United States and the EU27, while the country faces competitive pressure from East Asian middle-income countries, such as China, South Korea, and Malaysia as well as less-developed countries, such as Cambodia, Lao PDR, and Myanmar, against which Vietnam has experienced losses.

3.3. CLMV Gains/Losses from Textiles

As the CMSA at the national level in table 6 seems to be influenced by oil prices, it is useful to examine the CMSA at a product level, for example, textiles and textile articles that are the main export items common to CLMV. Table 7 sums up the result of CMSA for the textile and textile articles that are classified as Section 11 in HS broadest categories.

Differently from table 6, gains of not only CLM, but also Vietnam come from

China. They also realized gains from advanced ASEAN countries, other East Asian countries, Europe, and the Unites States. But Lao PDR, Myanmar, and Vietnam have suffered losses to Bangladesh. In other words, CLMV rivals are their neighboring countries and Bangladesh. Among CLMV, Cambodia is the most competitive, followed by Lao PDR and Myanmar.

	Cambodia	Lao PDR	Myanmar	Vietnam	Thailand
(1) October 2008	122,140	17,112	314,309	8,994,165	20,730,099
(2) October 2011	294,280	89,381	573,018	10,791,638	24,813,298
Gain = (2) - (1)	172,140	72,270	258,710	1,797,473	4,083,199
Growth Effect	11,168	1,565	28,740	822,424	1,895,555
Competitiveness Effect	160,972	70,705	229,969	975,049	2,187,644
Cambodia	0	8	-30	-1,746	-4,035
Lao PDR	-8	0	-24	-814	-1,877
Myanmar	30	24	0	-2,316	-5,362
Vietnam	1,746	814	2,316	0	-706
Thailand	4,035	1,877	5,362	706	0
Brunei	806	380	1,052	-936	-2,489
Philippines	1,920	815	2,852	18,058	40,944
Indonesia	7,259	3,085	10,767	67,371	152,716
Malaysia	3,890	1,945	4,653	-29,821	-70,468
Singapore	1,666	731	2,382	10,241	22,987
ASEAN	21,344	9,678	29,331	60,742	131,711
China	25,990	12,610	32,562	-112,261	-269,861
Korea	5,446	2,657	6,765	-26,952	-64,469
India	949	458	1,200	-3,449	-8,351
Australia	8,167	3,924	10,378	-26,677	-64,933
New Zealand	667	280	1,001	6,901	15,675
ASEAN+6	62,563	29,608	81,238	-101,696	-260,228
Taiwan	4,719	2,042	6,860	35,587	80,310
Hong Kong	360	149	548	4,161	9,468
Bangladesh	-10	11	-73	-3,514	-8,114
Other Asia	221	89	346	3,171	7,236
Middle East	41,948	16,778	66,231	626,164	1,429,695
EU27	14,803	6,532	21,034	82,902	185,549
Other Europe	4,410	2,146	5,502	-20,427	-48,974
United States	18,245	7,471	28,143	233,141	531,260
Canada	2,765	1,176	4,098	25,444	57,666
Americas	5,029	2,436	6,317	-20,785	-50,051
Africa	5,623	2,128	9,340	111,219	254,680
Oceania	289	137	375	-509	-1,292
Special Area	6	2	11	191	438

Table 6. CLMV Gains/Losses to Competitors (USD 1,000s)

	Cambodia	Lao PDR	Myanmar	Vietnam	Thailand
(1) October 2008	18,064	4,674	125,539	973,635	477,508
(2) October 2011	141,110	15,662	333,543	2,001,416	741,584
Gain = (2) - (1)	123,046	10,988	208,004	1,027,781	264,076
Growth Effect	5,441	1,408	37,813	293,263	143,828
Competitiveness Effect	117,605	9,580	170,191	734,517	120,248
Cambodia	0	-12	-378	-3,270	-1,744
Lao PDR	12	0	-13	-190	-130
Myanmar	378	13	0	-2,374	-2,137
Vietnam	3,270	190	2,374	0	-7,546
Thailand	1,744	130	2,137	7,546	0
Brunei	3	0	7	44	16
Philippines	449	39	740	3,591	880
Indonesia	1,927	126	1,842	3,838	-2,401
Malaysia	712	61	1,111	5,144	1,101
Singapore	8	0.6	9	22	-7
ASEAN	8,502	548	7,829	14,352	-11,969
China	90,371	7,420	132,592	580,121	100,773
Korea	2,148	177	3,172	13,969	2,491
India	1,343	107	1,857	7,640	975
Australia	375	32	578	2,647	545
New Zealand	68	6	117	582	153
ASEAN+6	102,807	8,290	146,145	619,312	92,968
Taiwan	1,401	114	2,028	8,759	1,438
Hong Kong	175	18	372	2,123	727
Bangladesh	56	-23	-789	-7,181	-3,958
Other Asia	464	36	600	2,280	144
Middle East	118	9	163	674	88
EU27	8,684	797	15,332	78,183	21,648
Other Europe	683	59	1,098	5,216	1,206
United States	2,093	184	3,459	16,795	4,124
Canada	77	5	66	84	-134
Americas	566	49	896	4,202	933
Africa	477	43	811	4,029	1,049
Oceania	3	0.3	7	41	14

Table 7. CLMV Gains /Losses from Textiles and Textile Articles to Competitors(USD 1,000s)

Note: Textiles and Textile Articles (HS Section 11).

4. CONCLUSION

This paper applied CMSA to Japan's imports from CLMV during the period of October, 2008 and October, 2011 to identify CLMV commodities that have maintained competitive advantage against competitors after the Lehman shock.

Labor-intensive commodities, such as footwear and textiles, typically produced by less-developed countries, are still important for CLMV, especially Cambodia and Myanmar. CMV, and in particular Cambodia, have increased exports of apparel during the period. Their competitiveness gains in apparel have been attributed mainly to China. Conversely, their losses are attributed to Bangladesh. As labor shortages or wage inflation have become more serious in these countries recently, it is not certain if CLMV can maintain comparative advantage in low-end products of such sectors against less-developed countries.

In the case of Cambodia, footwear was a main product exported to Japan in 2008, even though textiles were a main industry in Cambodia at that time. This may partially reflect that the first tenant of Phnom Penh Special Economic Zone (PPSEZ) was a Japanese footwear factory. Therefore, recent increases in foreign direct investment by Japanese firms from sectors other than apparel and footwear will change Cambodia's trade with Japan.

Lao PDR has diversified its export items, which are natural resource-based ones like coffee. This change may reflect Lao PDR's comparative advantage. But this fact is not necessarily consistent with Lao PDR policies to resolve concerns about the sustainability of such products. The development of manufacturing sectors should be listed as a serious concern in its mid-term policy agenda. There are several noteworthy characteristics in Myanmar's exports. Its textiles are specialized in "not knitted" apparel. The country is more dependent on air transport, reflecting poor physical and institutional infrastructure, though for exports of pearls and precious stones air cargo is suitable. It will be necessary for Myanmar to improve the business environment to diversify industrial activities. Recent reforms are expected to have a positive impact on Myanmar's economic and trade development.

Vietnam has been developing machinery sectors, while natural resource-based commodities, such as apparel and footwear, are still important export sectors. Although the CMSA indicates a gain in competitiveness, it is uncertain if the country can maintain labor-intensive industries, as CMSA also shows Vietnam's loss of competitiveness to less-developed countries, including CLM and Bangladesh. On the other hand, labor-intensive and higher value-added products, like medical and surgical instruments, are emerging as new export products to Japan.

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Tab

			Oct. 2008			Oct. 2011		
	HS code	Description	Total (USD millions)	% of Grand Total	Air (%)	Total (USD millions)	% of Grand Total	Air (%)
1	6403	Footwear	97.3	79.67	3.4	138.2	47.0	5.4
7	6203	Apparel, not knitted or crocheted	0.6	0.5	8.1	52.5	17.8	4.3
б	6204	Apparel, not knitted or crocheted	0.8	0.7	29.9	34.6	11.7	3.2
4	6110	Apparel, knitted or crocheted	8.3	6.8	43.5	17.9	6.1	19.8
S	6109	Apparel, knitted or crocheted	2.1	1.8	8.7	10.0	3.4	8.4
9	6402	Footwear	4.2	3.5	3.6	4.3	1.4	0.9
٢	6205	Apparel, not knitted or crocheted	2.4	2.0	9.2	4.2	1.4	1.7
8	6206	Apparel, not knitted or crocheted	0.1	0.1	3.4	3.8	1.3	6.7
6	6404	Footwear	0.5	0.4	0.7	3.4	1.1	0.3
10	6104	Apparel, knitted or crocheted	0.7	0.5	39.5	3.3	1.1	7.1
11	6114	Apparel, knitted or crocheted	0.2	0.1	40.7	2.4	0.8	49.3
12	6105	Apparel, knitted or crocheted	0.8	0.7	15.8	2.3	0.8	14.0
13	6211	Apparel, not knitted or crocheted	0.0	0.0	13.0	2.1	0.7	51.3
14	0106	Live animals	I	I	ı	2.0	0.7	100.0
15	0306	Fish, crustaceans, etc.	ı	ı	ı	1.5	0.5	ı
16	6201	Apparel, not knitted or crocheted	0.1	0.1	6.0	1.4	0.5	12.3
17	6106	Apparel, knitted or crocheted	0.6	0.5	8.7	1.1	0.4	14.9
18	6113	Apparel, knitted or crocheted	ı	ı	ı	1.0	0.3	0.3
19	6115	Apparel, knitted or crocheted	0.4	0.3	ı	1.0	0.3	1.5
20	8712	Bicycles, other cycles, not motorised	0.3	0.2		1.0	0.3	
	Grand Tota	1	122.1	100.0	7.4	294.3	100.0	7.4
Note:	Sum of the	previous 12 months between Novembe	r and October.					
Sourc	e: Japan Cı	istoms.						

Table A2. Japan's Main Items Imported from Lao PDR in 2011 (Nov. 2010 – Oct. 2011)

		C	Oct. 2008			Oct. 2011		
	HS code	Description (1	Total USD millions)	% of Grand Total	Air (%)	Total (USD millions)	% of Grand Total	Air (%)
-	0901	Coffee	1.3	7.3	'	27.1	30.3	ı
2	2805	Chemical elements	I	•	I	13.3	14.9	ı
З	6403	Footwear	1.2	6.9	0.2	8.0	9.0	0.1
4	6205	Apparel, not knitted or crocheted	2.8	16.5	1.6	5.7	6.4	0.3
5	8112	Other base metals	0.2	1.3	100.0	5.3	5.9	100.0
9	4402	Wood charcoal	1.3	7.4	ı	3.5	3.9	ı
٢	6203	Apparel, not knitted or crocheted	0.3	1.6	23.9	3.3	3.7	4.6
×	0106	Live animals	I			2.7	3.0	100.0
6	6115	Apparel, knitted or crocheted	0.8	4.6	4.8	2.6	2.9	2.3
10	2846	Chemical elements	I	ı	I	2.2	2.5	0.5
11	9404	Furniture	1.0	5.9	ı	2.0	2.2	'
12	4407	Wood sawn or chipped lengthwise	2.2	13.1	ı	1.8	2.0	'
13	4409	Wood continuously shaped	3.2	18.6	I	1.7	1.9	·
14	6204	Apparel, not knitted or crocheted	0.3	1.5	12.8	1.6	1.8	0.2
15	6406	Parts of footwear	ı		ı	1.3	1.5	•
16	6307	Other made up textile articles	0.1	0.5	ı	1.3	1.5	'
17	1212	Locust beans, seaweeds and other algae sugar beet and sugar cane	0.0	0.2	ı	1.2	1.4	ı
18	4420	Wood marquetry and inlaid wood	ı		I	0.7	0.8	•
19	1211	Plants, used in perfumery, in pharmacy, or for insecticidal, fungicidal or similar purposes	0.0	0.0	ı	0.5	0.6	0.6
20	6302	Other made up textile articles	0.2	0.9	47.6	0.5	0.5	19.5
	Grand Total		17.1	100.0	4.5	89.4	100.0	10.0
Note	Sum of the	the previous 12 months between November and Octobe	er.					

Note: Sum of the previous 12 months between No *Source*: Japan Customs.

Table A3. Japan's Main Items Imported from Myanmar in 2011 (Nov. 2010 – Oct. 2011)

			Oct. 2008			Oct. 2011		
	HS code	Description	Total (USD millions)	% of Grand Total	Air (%)	Total (USD millions)	% of Grand Total	Air (%)
-	6403	Footwear	50.3	16.0	5.4	88.2	15.4	5.0
2	6201	Apparel, not knitted or crocheted	20.0	6.4	10.7	85.6	14.9	26.7
ŝ	6203	Apparel, not knitted or crocheted	43.1	13.7	4.3	78.5	13.7	19.0
4	6205	Apparel, not knitted or crocheted	33.6	10.7	4.8	60.6	10.6	8.0
5	0306	Fish, crustaceans, etc.	55.7	17.7	0.0	54.0	9.4	0.1
9	6202	Apparel, not knitted or crocheted	9.8	3.1	3.8	41.8	7.3	28.9
٢	6211	Apparel, not knitted or crocheted	12.1	3.8	3.3	33.4	5.8	12.5
8	1207	Other oil seeds and oleaginous fruits	24.5	7.8	ı	24.3	4.2	·
6	0713	Edible vegetables, certain roots, tubers	10.7	3.4	ı	22.2	3.9	ı
10	6210	Apparel, not knitted or crocheted	2.2	0.7	6.0	10.8	1.9	15.7
11	6204	Apparel, not knitted or crocheted	1.2	0.4	22.1	10.6	1.9	21.3
12	7403	Copper and articles thereof	6.5	2.1		8.9	1.5	
13	7101	Pearls, natural or cultured	8.4	2.7	100.0	7.2	1.3	100.0
14	0304	Fish, crustaceans, etc.	6.9	2.2	0.1	5.7	1.0	ı
15	6206	Apparel, not knitted or crocheted	1.8	0.6	16.4	5.6	1.0	13.9
16	2301	Residues and waste from the food industries	1.9	0.6	·	4.3	0.8	
17	4402	Wood charcoal	5.9	1.9		3.7	0.7	·
18	1605	Crustaceans, etc., prepared or preserved	0.0	0.3	ı	3.1	0.5	0.2
19	0307	Fish, crustaceans, etc.	3.3	1.0	ı	2.2	0.4	0.2
20	7103	Precious stones, semi-precious stones	1.1	0.3	99.7	2.2	0.4	95.2
	Grand Total		314.3	100.0	6.9	573.0	100.0	14.1
Note:	Sum of the p	previous 12 months between November and October.						

Note: Sum of the previous 12 months between November and Octob *Source:* Japan Customs.

Table A4. Japan's Main Items Imported from Vietnam in October 2011 (Nov. 2010 – Oct. 2011)

			Oct. 2008		Ū	Oct. 2011		
	HS code	Description	Total (USD millions)	% of Grand Total	Air (%)	Total (USD millions)	% of Grand Total	Air (%)
1	2709	Petroleum oils	2,560.3	28.5	•	1,387.2	12.9	•
2	8544	Electrical machinery and equipment	843.8	9.4	7.3	944.2	8.7	5.9
С	0306	Fish, crustaceans, etc.	382.6	4.3	0.3	378.3	3.5	0.6
4	9403	Other furniture and parts thereof	221.2	2.5	0.1	315.7	2.9	0.1
5	8481	Machinery and mechanical appliances	162.9	1.8	1.5	286.0	2.6	0.9
9	6203	Apparel, not knitted or crocheted	143.1	1.6	5.5	285.8	2.6	7.3
7	2701	Coal	331.4	3.7		282.9	2.6	'
8	4401	Fuel wood	186.4	2.1		269.5	2.5	0.0
6	6211	Apparel, not knitted or crocheted	147.6	1.6	69.3	240.3	2.2	55.2
10	1605	Crustaceans, etc., prepared or preserved	137.2	1.5	0.5	203.9	1.9	0.8
11	8708	Parts and accessories of the motor vehicles	132.7	1.5	9.4	188.4	1.7	28.0
12	6109	Apparel, knitted or crocheted	26.8	0.3	4.4	184.9	1.7	4.0
13	6204	Apparel, not knitted or crocheted	93.9	1.0	28.3	179.2	1.7	19.8
14	4202	Articles of leather	64.5	0.7	17.4	147.4	1.4	15.4
15	6110	Apparel, knitted or crocheted	46.7	0.5	13.5	132.0	1.2	8.4
16	9018	Medical, surgical instruments and appliances	51.6	0.6	29.1	130.8	1.2	31.5
17	0901	Coffee	118.9	1.3	0.0	127.7	1.2	0.0
18	6402	Footwear	71.2	0.8	4.8	127.0	1.2	5.2
19	6302	Other made up textile articles	53.9	0.6	0.3	124.1	1.2	9.0
20	8517	Electrical machinery and equipment	198.9	2.2	92.7	118.2	1.1	19.7
	Grand Total		8,994.2	100.0	13.1	10,791.6	100.0	13.1
Note:	Sum of the p	previous 12 months between November and October.						
Source	2: Japan Cust	toms.						

Table A5. Japan's Main Items Imported from Bangladesh in 2011 (Nov. 2010 – Oct. 2011)

	Air (%)	1.5	1.2	1.2	1.0	1.2	ı	0.7	0.8	ı	0.7	1.4	0.5	0.4	0.0	1.1	0.4	0.7	0.2	0.2	0.0	17.0	
	% of Grand Total	16.5	15.1	14.5	9.2	7.T	3.2	3.0	2.5	2.2	2.0	1.9	1.7	1.3	1.2	1.1	1.0	1.0	0.8	0.8	0.7	100.0	
Oct. 2011	Total (USD millions)	87.1	79.7	76.5	48.8	40.5	17.0	15.8	13.1	11.5	10.8	9.9	9.1	6.7	6.1	6.0	5.3	5.2	4.2	4.2	3.8	527.8	
	Air (%)	1.4	3.4	0.4	0.1	0.4	0.0	0.4	4.0	'	0.5	2.5	0.0	0.4	0.0	1.4	1.2	0.0	0.1	0.4	0.0	27.8	
	% of Grand Total	3.9	24.0	1.8	5.9	1.2	10.1	1.1	8.9	4.2	1.9	3.9	0.1	0.8	0.2	1.4	3.7	0.0	0.3	0.7	0.5	100.0	
Oct. 2008	Total (USD millions)	7.5	46.1	3.4	11.4	2.3	19.4	2.0	17.1	8.0	3.7	7.4	0.2	1.5	0.5	2.8	7.2	0.0	0.7	1.3	1.0	192.1	Octoher
	Description	Apparel, not knitted or crocheted	Footwear	Apparel, knitted or crocheted	Apparel, not knitted or crocheted	Apparel, knitted or crocheted	Fish, crustaceans, etc.	Apparel, not knitted or crocheted	Machinery and mechanical appliances	Twine, cordage, ropes and cables	Apparel, not knitted or crocheted	Raw hides, skins, leather	Apparel, not knitted or crocheted	Articles of leather	Footwear	Electrical machinery and equipment	Raw hides, skins, leather	Electrical machinery and equipment	Apparel, knitted or crocheted	Apparel, knitted or crocheted	Other made up textile articles		previous 12 months between November and
	HS code	6203	6403	6109	6205	6110	0306	6204	8476	5607	6201	4107	6206	4202	6404	8541	4104	8543	6105	6106	6302	Grand Total	Sum of the r
		1	0	m	4	5	9	٢	8	6	10	11	12	13	14	15	16	17	18	19	20		Note:

Note: Sum of the previous 12 months between November and October. *Source:* Japan Customs.