

The Impact of the U.S.-China Conflict and the Strengthening of Export Controls on Japanese Exports

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Abstract

This study empirically examines the effect of export control regulations on Japan's exports using monthly export data at the destination country-product level. The study covers the period from January 2017 to December 2021. The findings can be summarized as follows. First, no significant effects of the introduction or tightening of export controls by the Japanese government on Japan's exports is found, suggesting that the negative effects of export controls on exports is limited. Second, the restrictions regarding Huawei introduced by the U.S. government significantly decreased Japan's exports of related products, especially to China. These contrasting results suggest that it is more costly for exporters to obtain export permission from the U.S. government than from the Japanese government. Third, the regulations introduced by the Japanese government with regard to exports of a specific chemical product (hydrogen fluoride) to South Korea significantly decreased Japan's exports of that product to South Korea but increased those to the rest of the world.

Keywords: Export regulation; Trade; Japan

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