

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (December 2012)

The total value of machine tool orders in December was 84.1 billion yen. This was a decrease of 4.6% compared to November and marked the third consecutive month-on-month decline. In addition, this figure represented a decrease of 27.5% compared to the same month of the previous year, with December posting the eighth consecutive month of year-on-year decline.

Total orders fell below 85 billion yen for the first time in 26 months and marked the smallest monthly order volume of this year for three consecutive months. Although risk factors remain, caused by instability in the European economy and concerns related to the Chinese market, we expect Japan's new domestic and foreign policies to have beneficial effects.

Domestic orders fell by 13.3% from November, amounting to 25.9 billion yen. This marked the first month-on-month decline in two months. This figure was a decrease of 26.7% from the same month of the previous year and marked seven consecutive months of year-on-year decline.

Looking at major industries, orders compared to November fell by 18.1% in industrial machinery, by 15.8% in motor vehicles and by 17.2% in electrical and precision machinery while rising by 18.2% in aircraft, shipbuilding and transport equipment.

Foreign orders fell by 0.2% from November to 58.21 billion yen. This marked the third consecutive month-on-month decline. At the same time, foreign orders showed a decrease of 27.8% from the same month of the previous year, with December posting the third consecutive year-on-year decline.

By region, orders from Asia fell by 14.4% from the previous month to 26.97 billion yen. This was a decrease of 42.3% from the same month of the previous year. Orders from Europe rose by 0.9% over November to 10.59 billion yen. This was a decrease of 14.5% from the same month of the previous year. Orders from North America rose to 19.32 billion yen, an increase of 26.3% over November. This was a decrease of 3.0% from the same month of the previous year.

Total machine tool orders for 2012 totaled 1,212.5 billion yen, which was a decline of 8.6% from the previous year. As a result, calendar year 2012 posted the first year-on-year decline in three years, although it was the second consecutive year with total orders over 1 trillion yen.

Total domestic orders fell by 10.9% from the previous year to 375.8 billion yen, and total foreign orders fell by 7.5% from the previous year to 836.6 billion yen. As a result, the share of foreign orders hit 69.0%, an increase of 0.8% over the previous year.

Main Statistics of Metal Cutting Machine Tools

Value in Millions of Yen

Period	ORDERS								PRODUCTION				SALES		INVENTORY		EXPORTS		IMPORTS		EMPLOYEES	WHOLE-SALE
	Total	%	Domestic	%	Foreign	%	Sales	Order Backlog	Unites	Weight	Value	%	Unites	Value	Unites	Weight	Value	%	Value	%	No. of	PRICE
	Value		Value		Value		Value	Value		ton						ton					Persons	INDEX
C.Y. 1990	1,412,123	111.2	1,038,791	111.5	373,332	110.5	1,323,494	612,728	196,131	459,814	1,303,442	114.4	196,966	1,336,812	9,723	25,170	455,809	106.4	68,645	135.9	36,849	100.0
1991	1,141,209	80.8	848,219	81.7	292,990	78.5	1,257,208	489,427	172,034	428,691	1,265,587	97.1	169,496	1,288,204	15,122	31,239	411,948	90.4	58,496	85.2	37,965	101.8
1992	710,221	62.2	474,561	55.9	235,660	80.4	826,975	354,933	116,649	283,840	831,087	65.7	118,591	850,528	14,408	28,126	330,291	80.2	41,027	70.1	38,265	101.2
1993	531,783	74.9	322,570	68.0	209,213	88.8	594,359	266,959	88,930	213,731	592,727	71.3	92,321	619,656	12,252	24,718	306,094	92.7	25,230	61.5	34,512	97.7
1994	573,083	107.8	315,493	97.8	257,590	123.1	562,809	273,172	88,109	215,620	554,080	93.5	89,860	575,984	11,016	20,842	328,786	107.4	25,226	100.0	29,340	96.2
1995	775,538	135.3	407,238	129.1	368,300	143.0	716,330	330,125	100,293	278,759	699,351	126.2	101,019	710,628	10,831	19,606	478,054	145.4	41,032	162.7	28,394	100.0
1996	938,194	121.0	509,777	125.2	428,417	116.3	866,418	400,399	106,813	316,732	837,453	119.7	108,124	850,630	10,378	21,546	591,653	123.8	64,384	156.9	27,678	98.4
1997	1,130,609	120.5	635,136	124.6	495,473	115.7	1,062,001	470,117	115,149	410,045	1,017,129	121.5	116,160	1,070,158	11,125	19,657	649,395	109.8	71,443	111.0	27,487	100.1
1998	989,200	87.5	457,214	72.0	531,986	107.4	1,093,216	381,690	96,805	397,333	1,010,541	99.4	96,649	1,060,603	11,296	24,964	657,055	101.2	65,843	92.2	28,354	99.3
1999	756,616	76.5	361,922	79.2	394,694	74.2	814,406	322,337	71,710	280,409	739,461	73.2	73,659	775,298	7,215	19,025	529,222	80.5	63,711	96.8	27,793	95.8
2000	975,046	128.9	521,686	144.1	453,360	114.9	887,942	402,721	90,916	313,842	814,636	110.2	91,797	816,123	7,004	17,697	620,056	117.2	85,572	134.3	24,962	100.0
2001	788,898	80.9	411,125	78.8	377,773	83.3	874,107	313,370	74,752	300,527	776,453	95.3	74,911	781,440	6,922	18,320	558,403	90.1	69,619	81.4	23,848	100.3
2002	675,837	85.7	350,322	85.2	325,515	86.2	670,714	308,372	55,807	227,217	585,098	75.4	58,144	594,957	4,483	16,083	484,668	86.8	50,904	73.1	22,545	98.8
2003	851,101	125.9	441,587	126.1	409,514	125.8	792,356	348,947	65,673	272,171	690,205	118.0	64,013	692,463	3,851	14,687	564,105	116.4	53,163	104.4	22,130	99.2
2004	1,236,192	145.2	672,839	152.4	563,353	137.6	1,025,726	555,840	79,500	361,935	878,082	127.2	76,091	879,589	4,092	17,384	683,066	121.1	88,245	166.0	22,141	101.6
2005	1,363,203	110.3	746,709	111.0	616,494	109.4	1,275,637	644,180	92,385	453,038	1,110,257	126.4	88,719	1,125,758	5,049	23,025	815,110	119.3	107,453	121.8	22,907	100.0
2006	1,436,970	105.4	733,009	98.2	703,961	114.2	1,407,258	684,266	100,171	492,096	1,211,230	109.1	94,383	1,232,261	6,963	26,930	921,456	113.0	135,649	126.2	23,503	101.1
2007	1,589,991	110.6	726,424	99.1	863,567	122.7	1,522,632	758,815	106,282	515,268	1,303,164	107.6	98,752	1,317,226	9,662	32,006	892,032	96.8	72,601	53.5	24,624	100.6
2008	1,301,147	81.8	566,820	78.0	734,327	85.0	1,472,029	574,383	95,310	492,188	1,249,184	95.9	88,319	1,267,372	11,436	31,685	874,723	98.1	60,226	83.0	25,323	101.5
2009	411,809	31.6	159,648	28.2	252,161	34.3	596,920	382,592	29,459	181,556	490,275	39.2	29,894	514,793	9,567	22,682	321,399	36.7	28,717	47.7	24,542	100.2
2010	978,622	237.6	307,527	192.6	671,095	266.1	851,272	508,446	74,718	311,621	834,109	170.1	67,954	820,517	10,486	24,518	608,551	189.3	30,579	106.5	23,380	100.0
2011	1,326,188	135.5	421,599	137.1	904,589	134.8	1,179,316	653,138	94,282	444,133	1,172,930	140.6	87,452	1,170,069	10,443	28,728	855,195	140.5	43,442	142.1	24,355	102.5
2012	1,212,445	91.4	375,822	89.1	836,623	92.5	1,329,650	543,736	88,356	397,766	1,065,841	99.8	89,178	1,080,800	9,877	35,358	872,007	113.7	47,202	119.4	25,530	102.4
F.Y. 2009	547,149	56.5	189,013	45.9	358,136	64.2	556,418	391,021	34,932	172,191	476,318	44.1	33,993	492,459	9,142	19,841	333,805	44.9	28,317	53.3	24,123	99.4
2010	1,113,604	203.5	353,591	187.1	760,013	212.2	963,307	540,050	82,342	360,679	961,957	202.0	75,789	955,583	9,531	21,282	687,264	205.9	34,378	121.4	23,401	100.6
2011	1,311,100	117.7	418,853	118.5	892,247	117.4	1,246,026	603,683	96,907	457,193	1,198,670	124.6	90,937	1,193,202	9,363	28,367	907,645	132.1	45,940	133.6	24,776	103.1
2011 10-12	329,089	119.4	104,798	119.3	224,291	119.4	305,403	653,138	23,850	113,817	293,683	115.3	21,718	289,347	10,443	28,728	230,496	120.8	10,299	119.3	25,097	103.1
1-3	315,627	95.4	97,905	97.3	217,722	94.6	366,430	603,683	25,151	120,774	318,544	108.8	25,452	325,537	9,363	28,367	250,491	126.5	14,025	121.7	25,205	103.7
2012 4-6	320,813	93.4	101,746	94.8	219,067	92.7	303,000	621,623	23,726	102,518	274,247	98.6	23,252	269,911	10,333	32,869	224,258	112.0	10,983	120.2	25,692	103.2
7-9	309,412	95.9	92,885	85.3	216,527	101.2	362,495	574,865	25,583	111,644	302,182	98.0	25,940	312,513	10,375	33,906	249,405	110.1	12,699	101.7	25,743	101.8
10-12	266,593	81.0	83,286	79.5	183,307	81.7	297,725	543,736	8,597	40,507	105,084	153.1	7,832	103,823	9,741	24,675	73,758	155.1	3,226	130.1	24,173	102.3
2011 6	128,581	153.5	41,688	142.5	86,893	159.4	105,352	623,352	8,597	40,507	105,084	153.1	7,832	103,823	9,741	24,675	73,758	155.1	3,226	130.1	24,173	102.3
7	113,363	134.8	35,763	122.2	77,600	141.4	93,816	642,900	8,380	36,924	97,666	138.2	7,230	94,399	10,053	25,876	79,292	150.4	4,605	190.7	24,214	102.3
8	98,929	115.2	37,574	131.3	61,355	107.2	96,229	645,603	7,482	37,412	96,920	133.0	7,349	97,422	9,889	26,907	65,962	120.6	3,528	148.8	25,069	104.5
9	110,507	120.1	35,496	130.9	75,011	115.6	126,653	629,457	8,377	42,333	113,677	130.5	8,105	116,962	9,718	25,314	81,227	137.7	4,348	152.5	25,115	103.1
10	101,110	126.0	31,709	125.0	69,401	126.5	84,842	646,080	7,331	34,225	87,154	107.8	6,633	85,908	9,997	26,198	67,016	120.3	3,041	103.1	25,222	103.0
11	111,998	115.8	37,732	122.0	74,266	112.9	102,661	655,414	7,995	39,056	101,511	121.2	7,191	96,214	10,313	28,693	75,235	116.8	3,360	124.6	25,053	103.0
12	115,981	117.4	35,357	112.2	80,624	119.9	118,260	653,138	8,524	40,536	105,018	116.6	7,894	107,225	10,443	28,728	88,245	124.7	3,898	130.5	25,015	103.2
2012 1	97,404	93.1	27,896	88.2	69,508	95.3	90,541	660,008	7,741	35,627	91,152	115.9	7,274	85,794	10,489	31,580	59,918	132.9	5,021	128.9	25,212	103.8
2	102,969	91.4	30,950	83.7	72,019	95.2	107,618	656,777	8,523	37,806	101,054	102.2	7,693	96,620	10,786	33,340	84,527	121.8	3,648	110.2	25,223	103.9
3	115,254	101.6	39,059	121.9	76,195	93.5	168,271	603,683	8,887	47,341	126,338	109.5	10,485	143,123	9,363	28,367	106,047	126.9	5,356	123.9	25,179	103.5
4	107,318	100.4	34,324	103.0	72,994	99.2	88,730	622,397	7,716	34,277	90,103	110.3	7,588	88,922	9,638	30,479	76,370	115.8	3,178	115.4	25,603	104.0
5	104,841	97.0	32,607	101.0	72,234	95.3	99,452															

NET NEW ORDERS—METAL CUTTING MACHINE TOOLS IN JAPAN

(Value in Millions of Yen)

Period		Total 2011	11/10 (%)	12/07-12/09	12/10-12/12	Previous Quarter (%)	year-to-year (%)	12/01-12/12	year-to-year (%)	Dec. ' 12	Dec. 12/Nov. 12 (%)	Dec. 12/Dec. 11 (%)
Industry												
S	Primary Metals	8,766	144.6	1,756	2,084	118.7	67.2	7,308	83.4	542	55.4	45.0
2.	Fabricated Metal Products	16,595	147.9	4,180	3,566	85.3	102.2	14,272	86.0	1,293	98.5	99.2
Machinery & Equipment Industries	3. Industrial Machinery	188,942	150.5	40,229	32,049	79.7	71.7	160,076	84.7	9,819	81.9	66.9
	(of which dies and molds)	21,803	133.3	5,633	4,789	85.0	82.6	21,897	100.4	1,432	76.8	66.9
	4. Motor Vehicles	122,256	136.8	26,613	27,391	102.9	84.3	116,527	95.3	8,362	84.2	77.6
	(of which auto parts)	83,748	140.2	16,102	17,585	109.2	76.4	72,989	87.2	5,755	103.6	74.9
	5. Electrical Machinery	23,613	122.8	5,232	4,464	85.3	89.6	20,034	84.8	1,302	100.0	71.9
	6. Precision Machinery	22,858	106.5	4,110	3,128	76.1	52.0	16,008	70.0	816	64.9	46.3
	5-6. Electrical & Precision Machinery (Sub Total)	46,471	114.2	9,342	7,592	81.3	69.1	36,042	77.6	2,118	82.8	59.2
	7. Aircraft, Shipbuilding & Transport equipment	13,662	97.2	4,060	5,102	125.7	167.3	18,986	139.0	1,803	118.2	146.0
3-7 Machinery & Equipment Industries (Sub Total)	371,331	137.7	80,244	72,134	89.9	79.1	331,631	89.3	22,102	85.0	73.0	
8.	Other Machinery & Equipment	13,969	133.2	3,063	2,313	75.5	66.2	10,311	73.8	892	146.5	82.1
9.	Government, Public Agencies & Schools	3,247	98.6	1,372	1,162	84.7	83.0	3,222	99.2	488	152.5	79.6
10.	Others	5,287	106.7	1,492	1,245	83.4	83.6	5,824	110.2	344	111.3	51.0
11.	Trading Companies	2,404	132.0	778	782	100.5	134.1	3,254	135.4	241	73.9	118.1
1-11.	Domestic Total	421,599	137.1	92,885	83,286	89.7	79.5	375,822	89.1	25,902	86.7	73.3
12.	Foreign	904,589	134.8	216,527	183,307	84.7	81.7	836,623	92.5	58,211	99.8	72.2
1-12.	Grand Total	1,326,188	135.5	309,412	266,593	86.2	81.0	1,212,445	91.4	84,113	95.4	72.5
	(of which: NC machines)	1,290,606	138.1	302,844	259,176	85.6	80.9	1,182,157	91.6	81,413	94.8	72.3

Sales	1,179,316	138.5	362,495	297,725	82.1	97.5	1,329,650	112.7	111,751	117.0	94.5
(of which: NC machines)	1,143,920	140.4	354,050	289,177	81.7	97.4	1,293,883	113.1	108,512	117.6	94.4
Order Backlog	653,138	128.5	574,865	543,736	94.6	83.2	543,736	83.2	543,736	95.2	83.2
(of which: NC machines)	623,263	130.2	549,009	519,224	94.6	83.3	519,224	83.3	519,224	95.1	83.3

NET NEW ORDERS BY DESTINATION

(Value in Millions of Yen)

2012		Jan.		Feb.		Mar.		Apr.		May		Jun.		Jul.		Aug.		Sep.		Oct.		Nov.		Dec.		Total		
			%		%		%		%		%		%		%		%		%		%		%		%	2012	%	
Asia	East Asia	Korea	1,381	49.1	1,573	41.8	1,796	28.2	1,599	50.7	1,954	59.0	2,012	68.8	1,863	67.5	2,682	105.7	1,585	59.8	4,958	243.9	1,874	92.5	2,913	169.5	26,190	72.7
		Taiwan	1,818	150.1	1,294	91.2	1,460	81.0	1,111	71.4	826	60.7	854	61.0	1,093	98.2	1,127	152.5	1,497	186.4	1,685	182.6	855	80.1	1,116	52.6	14,736	95.0
		China	22,956	69.8	28,065	87.8	27,443	103.2	29,432	104.2	28,919	109.1	29,207	81.5	30,377	105.8	23,640	119.5	27,064	107.8	23,036	109.4	19,793	85.8	15,685	56.0	305,617	93.2
		Other	493	594.0	526	26300.0	137	119.1	73	1042.9	7	21.2	-2	-	1	8.3	34	425.0	-2	-	6	46.2	126	6300.0	41	1366.7	1,440	436.4
		East Asia Total	26,648	72.0	31,458	84.7	30,836	88.4	32,215	97.7	31,706	101.6	32,071	79.8	33,334	102.3	27,483	119.1	30,144	105.5	29,685	123.5	22,648	86.6	19,755	62.0	347,983	91.6
	Other Asia	Thailand	7,766	225.8	5,189	117.0	5,496	121.9	5,756	281.5	3,903	89.2	4,038	104.4	3,099	84.7	4,623	244.7	4,602	167.8	2,419	40.1	3,543	32.8	2,537	31.6	52,971	94.9
		Malaysia	400	92.0	1,976	1197.6	548	192.3	394	102.6	250	22.2	491	99.8	630	157.1	142	50.7	98	77.8	94	7.3	-205	-	377	130.4	5,195	91.1
		Singapore	1,576	374.3	1,028	211.5	379	86.1	804	167.5	335	73.8	384	50.5	378	60.4	247	45.2	364	78.6	272	85.8	590	299.5	637	129.2	6,994	123.0
		India	3,832	189.6	3,356	189.9	2,332	80.3	2,349	101.1	882	23.7	1,806	36.3	3,471	153.2	2,484	55.0	1,795	108.5	990	21.9	1,864	105.3	1,283	29.8	26,444	72.0
		Other	2,363	148.4	2,291	157.7	3,530	229.5	1,574	124.0	3,257	213.4	3,538	172.2	3,527	117.6	1,916	114.7	3,209	297.1	3,333	236.2	3,071	89.1	2,379	135.6	33,988	156.0
Other Asia Total	15,937	201.5	13,840	166.6	12,285	127.0	10,877	167.3	8,627	77.0	10,257	84.4	11,105	111.6	9,412	105.7	10,068	166.0	7,108	52.4	8,863	53.2	7,213	48.5	125,592	99.9		
Sub Total	42,585	94.9	45,298	99.6	43,121	96.8	43,092	109.2	40,333	95.1	42,328	80.8	44,439	104.4	36,895	115.4	40,212	116.1	36,793	97.9	31,511	73.6	26,968	57.7	473,575	93.7		
Europe	E U	Germany	3,587	88.4	2,559	59.4	4,945	98.4	3,579	85.3	3,128	67.4	3,591	69.7	2,988	58.7	2,864	57.9	3,055	86.7	2,428	54.4	2,797	66.9	2,019	56.1	37,540	70.6
		U. Kingdom	1,292	89.0	1,879	159.2	1,682	131.7	1,503	127.8	1,133	94.1	799	60.3	1,076	84.7	663	39.2	738	60.1	1,262	106.0	1,489	94.6	1,509	145.5	15,025	96.3
		Italy	506	45.5	452	35.5	433	26.1	1,088	79.7	729	74.3	613	45.2	601	37.8	277	24.7	472	34.1	573	48.5	578	55.2	885	131.1	7,207	48.9
		France	961	102.1	984	98.0	1,318	76.3	1,070	96.1	702	50.7	1,140	83.1	902	69.9	692	84.8	817	95.0	777	65.9	803	57.6	741	69.4	10,907	77.1
		Central Europe	202	22.4	402	42.3	875	77.8	636	54.6	623	89.0	925	72.2	804	78.1	1,165	79.2	1,074	89.1	571	60.0	945	66.7	1,706	205.5	9,928	76.2
		Other West Europe	794	78.9	993	90.5	1,694	128.1	862	46.3	1,041	74.5	1,118	111.8	1,015	79.2	607	70.9	867	43.4	1,318	148.1	1,832	148.1	1,196	53.4	13,337	82.4
		Other East Europe	178	147.1	140	127.3	204	313.8	161	110.3	202	102.5	133	45.2	116	64.1	357	266.4	575	164.8	41	58.6	109	119.8	314	54.4	2,530	108.4
		Russia	425	77.7	753	133.3	200	208.3	123	30.8	441	47.3	680	138.2	354	51.6	448	-	395	32.4	552	101.7	858	105.4	845	65.8	6,074	80.5
	Sub Total	8,936	77.6	9,044	77.1	12,651	91.9	10,110	71.1	8,877	67.8	10,234	73.1	8,785	63.3	7,841	64.1	9,535	69.0	8,596	68.8	10,502	76.4	10,594	85.5	115,705	73.8	
	North America	USA	15,577	121.3	14,918	98.4	16,621	90.3	16,498	101.7	18,326	123.4	16,551	101.7	16,391	94.2	18,005	125.6	23,171	101.9	16,842	107.3	13,278	96.5	16,520	100.0	202,698	104.4
Canada		980	158.3	822	79.7	935	83.3	851	71.9	714	61.2	1,208	110.0	682	88.9	490	100.8	1,154	141.9	474	45.5	734	57.4	1,568	137.2	10,612	90.3	
Mexico		673	39.3	791	59.2	1,506	73.5	1,414	185.1	2,614	152.4	2,026	177.6	1,762	128.1	2,797	428.3	1,507	136.9	3,128	433.2	1,285	112.4	1,233	54.8	20,736	129.9	
Sub Total		17,230	113.5	16,531	94.3	19,062	88.3	18,763	103.2	21,654	122.1	19,785	106.9	18,835	96.4	21,292	137.6	25,832	104.7	20,444	117.1	15,297	94.5	19,321	97.0	234,046	105.5	
S.&C. America	Brazil	465	63.0	822	107.2	446	49.5	570	77.2	599	87.8	458	32.6	630	61.8	393	31.9	398	33.6	495	50.9	298	36.6	543	95.1	6,117	55.5	
	Other	3	2.7	13	108.3	48	77.4	10	21.7	61	30.2	0	-	0	-	29	30.2	16	44.4	103	321.9	61	62.9	96	600.0	440	47.2	
	Sub Total	468	55.1	835	107.2	494	51.3	580	74.0	660	74.7	458	30.7	630	54.6	422	31.8	414	34.0	598	59.5	359	39.4	639	108.9	6,557	54.8	
Other	Australia	83	18.9	272	264.1	382	105.8	307	39.0	369	23.1	461	113.3	434	136.1	192	114.3	300	58.4	271	52.0	395	116.9	343	53.3	3,809	61.5	
	Other	206	228.9	39	63.9	485	218.5	142	82.1	341	1002.9	573	458.4	172	113.9	177	93.7	120	74.1	87	25.8	243	91.7	346	102.4	2,931	136.5	
	Sub Total	289	54.7	311	189.6	867	148.7	449	46.8	710	43.5	1,034	194.4	606	128.9	369	103.4	420	62.1	358	41.7	638	105.8	689	70.2	6,740	80.8	
Grand Total		69,508	95.3	72,019	95.2	76,195	93.5	72,994	99.2	72,234	95.3	73,839	85.0	73,295	94.5	66,819	108.9	76,413	101.9	66,789	96.2	58,307	78.5	58,211	72.2	836,623	92.5	
Of which: NC Machines		68,479	94.8	70,828	95.3	75,098	94.8	72,412	100.7	72,027	96.9	73,074	86.0	72,589	95.6	66,328	110.3	75,818	102.4	65,854	95.5	57,364	78.4	57,626	72.5	827,497	93.1	

(Note) 1. The countries newly joined EU are included in "Central Europe" since May, 2004. 2. Oceania, Middle East and Africa are included in "Other" region. 3. % previous year

Japan Machine Tool Builders' Association