

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (July 2012)

The total value of machine tool orders in July was 105.7 billion yen. This was a decrease of 2.7% compared to June and marked the first month of decline in two months. This figure also showed a decrease of 6.7% compared to the same month of the previous year, with July posting the third consecutive month of year-on-year decline.

Although total orders showed three consecutive months of year-on-year decline, they have still exceeded 100 billion yen for six consecutive months. Nonetheless, it is necessary to keep a close watch on the effects on the investment climate caused by instability in the European economy and the slowdown of China's economy.

Domestic orders fell by 6.8% from June, amounting to 32.4 billion yen. This was the first month of decline in two months. This figure also decreased by 9.3% from the same month of the previous year, marking two consecutive months of year-on-year decline. Still, domestic orders have exceeded 30 billion yen for six consecutive months.

Looking at major industries, orders compared to June rose by 2.3% in industrial machinery but fell by 7.1% in motor vehicles, by 16.6% in electrical and precision machinery, and by 41.0% in aircraft, shipbuilding and transport equipment.

Foreign orders fell by 0.7% from June to 73.30 billion yen. This was the first month of decrease in two months. Foreign orders also showed a decline of 5.5% from the same month of the previous year, making July the seventh consecutive month of year-on-year decline.

By region, orders from Asia increased by 5.0% over the previous month to 44.44 billion yen. This was an increase of 4.4% over the same month of the previous year. Orders from Asia have exceeded 40 billion yen for nine consecutive months. Orders from Europe fell by 14.2% from June to 8.79 billion yen. This was a decrease of 36.7% from the same month of the previous year. Orders from North America fell by 4.8% from June to 18.84 billion yen and by 3.6% from the same month of the previous year.

Main Statistics of Metal Cutting Machine Tools

Value in Millions of Yen

Period	ORDERS								PRODUCTION				SALES		INVENTORY		EXPORTS		IMPORTS		EMPLOYEES No. of Persons	WHOLE-SALE PRICE INDEX	
	Total	%	Domestic	%	Foreign	%	Sales	Order Backlog	Unites	Weight	Value	%	Unites	Value	Unites	Weight	Value	%	Value	%			
	Value		Value		Value		Value	Value		ton						ton							
C.Y.	90年	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
	91年	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
	92年	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
	93年	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
	94年	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
	95年	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
	96年	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
	97年	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
	98年	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	74,572	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	
F.Y.	2008	969,042	60.8	411,396	57.1	557,646	63.9	1,275,929	407,075	77,453	424,752	1,080,759	82.1	72,334	1,100,554	10,562	28,864	743,900	81.3	53,151	77.7	25,362	101.8
	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	103.0
2011	4-6	343,585	140.1	107,317	134.0	236,268	143.1	257,495	623,352	23,667	105,933	278,180	151.4	21,083	269,535	9,741	24,675	200,177	151.7	9,135	138.9	24,005	102.2
	7-9	322,799	123.2	108,833	128.0	213,966	120.9	316,698	629,457	24,239	116,669	308,263	133.6	22,684	308,783	9,718	25,314	226,481	136.1	12,482	163.4	24,799	103.3
	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	103.0
2012	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	103.4
	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	103.1
2012	1	104,576	189.8	31,615	200.4	72,961	185.5	73,165	540,302	6,630	28,763	78,616	184.8	5,927	74,426	10,745	26,293	45,084	166.3	3,895	131.0	23,526	101.5
	2	112,653	173.9	36,999	189.5	75,654	167.1	90,338	622,054	7,544	36,411	98,840	189.1	7,232	96,270	10,510	27,665	69,402	193.7	3,310	148.4	23,484	101.0
	3	113,486	149.6	32,037	166.1	81,449	144.0	136,217	540,050	8,352	42,540	115,348	164.4	8,808	131,708	9,531	21,282	83,555	148.2	4,321	171.2	23,550	101.4
	4	106,943	132.3	33,332	150.1	73,611	125.6	68,590	574,355	7,453	31,827	81,672	138.5	6,598	79,349	9,467	22,613	65,928	155.5	2,754	136.8	23,805	101.5
	5	108,061	134.0	32,297	112.7	75,764	145.8	83,553	602,741	7,617	33,599	91,424	162.6	6,653	86,363	9,710	24,353	60,491	144.1	3,154	151.2	24,038	102.8
	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	84,482	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	103.1
	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	103.6
	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	103.6
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	103.0	
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</											

NET NEW ORDERS—METAL CUTTING MACHINE TOOLS IN JAPAN

(Value in Millions of Yen)

Industry	Period	Total 2011	11/10 (%)	12/01-12/03	12/04-12/06	Previous Quarter	year-to-year	12/01-12/07	year-to-year	July ' 12	July 12/June 12	July 12/July 11
						(%)	(%)		(%)	(%)	(%)	(%)
1.	Primary Metals	8,766	144.6	1,551	1,917	123.6	147.1	4,038	95.9	570	80.7	183.3
2.	Fabricated Metal Products	16,595	147.9	3,276	3,250	99.2	61.0	7,972	79.0	1,446	119.4	145.0
Machinery & Equipment Industries	3. Industrial Machinery	188,942	150.5	42,646	45,152	105.9	89.2	102,576	90.5	14,778	102.3	87.9
	(of which dies and molds)	21,803	133.3	5,683	5,792	101.9	116.1	13,691	113.6	2,216	122.0	98.6
	4. Motor Vehicles	122,256	136.8	30,722	31,801	103.5	115.0	72,435	107.8	9,912	92.9	92.2
	(of which auto parts)	83,748	140.2	19,648	19,654	100.0	105.1	45,097	100.2	5,795	89.3	79.8
	5. Electrical Machinery	23,613	122.8	4,648	5,690	122.4	78.0	11,597	79.3	1,259	72.7	70.4
	6. Precision Machinery	22,858	106.5	4,599	4,171	90.7	70.4	10,213	80.1	1,443	95.7	78.5
	5-6. Electrical & Precision Machinery (Sub Total)	46,471	114.2	9,247	9,861	106.6	74.6	21,810	79.7	2,702	83.4	74.5
	7. Aircraft, Shipbuilding & Transport equipment	13,662	97.2	5,038	4,786	95.0	139.8	11,304	137.1	1,480	59.0	109.3
	3-7 Machinery & Equipment Industries (Sub Total)	371,331	137.7	87,653	91,600	104.5	96.5	208,125	96.3	28,872	93.6	88.7
8.	Other Machinery & Equipment	13,969	133.2	2,263	2,672	118.1	80.7	5,701	74.6	766	75.9	76.9
9.	Government, Public Agencies & Schools	3,247	98.6	485	203	41.9	40.5	825	53.2	137	107.0	138.4
10.	Others	5,287	106.7	1,661	1,426	85.9	95.9	3,462	130.4	375	65.6	125.4
11.	Trading Companies	2,404	132.0	1,016	678	66.7	147.4	1,965	139.2	271	82.1	51.7
1-11.	Domestic Total	421,599	137.1	97,905	101,746	103.9	94.8	232,088	95.2	32,437	93.2	90.7
12.	Foreign	904,589	134.8	217,722	219,067	100.6	92.7	510,084	93.8	73,295	99.3	94.5
1-12.	Grand Total	1,326,188	135.5	315,627	320,813	101.6	93.4	742,172	94.2	105,732	97.3	93.3
	(of which: NC machines)	1,290,606	138.1	306,645	313,492	102.2	94.2	723,833	94.4	103,696	97.5	94.0

Sales	1,179,316	138.5	366,430	303,000	82.7	117.7	783,885	120.4	114,455	99.7	122.0
(of which: NC machines)	1,143,920	140.4	354,171	296,485	83.7	119.3	762,809	120.9	112,153	99.7	122.6
Order Backlog	653,138	128.5	603,683	621,623	103.0	99.7	612,897	95.3	612,897	98.6	95.3
(of which: NC machines)	623,263	130.2	576,781	593,940	103.0	100.1	585,480	95.6	585,480	98.6	95.6

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											12,178	48.6
		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											8,456	85.8
		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											196,399	93.2
		Other	493	594.0	526	26300.0	137	119.1	73	1042.9	7	21.2	-2	-	1	8.3											1,235	430.3
		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											218,268	88.7
	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											35,247	133.8
		Malaysia	400	92.0	1,976	1197.6	548	192.3	394	102.6	250	22.2	491	99.8	630	157.1											4,689	142.7
		Singapore	1,576	374.3	1,028	211.5	379	86.1	804	167.5	335	73.8	384	50.5	378	60.4											4,884	133.2
		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											18,028	90.2
		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											20,080	161.5
		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											82,928	126.2
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											301,196	96.6	
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										24,377	75.1	
		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										9,364	105.4	
		Italy	506	45.5	452	35.5	433	26.1	1,088	79.7	729	74.3	613	45.2	601	37.8										4,422	47.4	
		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										7,077	80.1	
		Central Europe	202	22.4	402	42.3	875	77.8	636	54.6	623	89.0	925	72.2	804	78.1										4,467	62.5	
		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										7,517	83.8	
		Other East Europe	178	147.1	140	127.3	204	313.8	161	110.3	202	102.5	133	45.2	116	64.1										1,134	101.8	
		Russia	425	77.7	753	133.3	200	208.3	123	30.8	441	47.3	680	138.2	354	51.6										2,976	80.0	
	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										68,637	74.4	
	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										114,882	103.3	
Canada		980	158.3	822	79.7	935	83.3	851	71.9	714	61.2	1,208	110.0	682	88.9										6,192	88.6		
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										10,786	106.9		
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										131,860	102.8		
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										3,990	63.9		
	Other	3	2.7	13	108.3	48	77.4	10	21.7	61	30.2	0	-	0	-										135	20.6		
	Sub Total		468	55.1	835	107.2	494	51.3	580	74.0	660	74.7	458	30.7	630	54.6										4,125	59.7	
Other	Australia	83	18.9	272	264.1	382	105.8	307	39.0	369	23.1	461	113.3	434	136.1										2,308	57.5		
	Other	206	228.9	39	63.9	485	218.5	142	82.1	341	1002.9	573	458.4	172	113.9										1,958	228.7		
	Sub Total		289	54.7	311	189.6	867	148.7	449	46.8	710	43.5	1,034	194.4	606	128.9										4,266	87.6	
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										510,084	93.8		
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										504,507	94.7		

(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