

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (August 2012)

The total value of machine tool orders in August was 96.3 billion yen. This was a decrease of 9.0% compared to July and the second consecutive month of decline. This figure also marked a decrease of 2.7% compared to the same month of the previous year, with August posting the fourth consecutive month of year-on-year decline.

Total orders fell below 100 billion yen for the first time in the seven months since January of this year. The decrease in total orders compared to the previous month was due to seasonal factors as well as a decline in spot orders. We continue 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 9.2% from July, amounting to 29.5 billion yen. This was the second consecutive month of decline. This figure also was a decrease by 21.6% from the same month of the previous year, marking three consecutive months of year-on-year decline. Domestic orders fell below 30 billion yen for the first time in seven months.

Looking at major industries, orders compared to July fell by 11.0% in industrial machinery, by 8.8% in motor vehicles, by 0.6% in electrical and precision machinery, and by 47.6% in aircraft, shipbuilding and transport equipment.

Foreign orders fell by 8.8% from July to 66.82 billion yen. This was the second consecutive month of decrease. However, foreign orders showed an increase of 8.9% over the same month of the previous year, with August posting the first month of year-on-year growth in eight months.

By region, orders from Asia fell by 17.0% from the previous month to 36.9 billion yen. Although this was an increase of 15.4% over the same month of the previous year, orders from Asia fell below 40 billion yen for the first time in ten months. Orders from Europe fell by 10.7% from July to 7.84 billion yen. This was a decrease of 35.9% from the same month of the previous year. In contrast, orders from North America rose to 21.29 billion yen, an increase of 13.0% over July and 37.6% over the same month of the previous year.

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 (%)	12/01-12/08	year-to-year (%)	Aug. '12	Aug. 12/Jul. 12 (%)	Aug. 12/Aug. 11 (%)
1.	Primary Metals	8,766	144.6	1,551	1,917	123.6	147.1	4,737	96.8	699	122.6	102.3
2.	Fabricated Metal Products	16,595	147.9	3,276	3,250	99.2	61.0	9,016	79.8	1,044	72.2	86.4
Machinery & Equipment Industries	3. Industrial Machinery	188,942	150.5	42,646	45,152	105.9	89.2	115,733	89.2	13,157	89.0	79.9
	(of which dies and molds)	21,803	133.3	5,683	5,792	101.9	116.1	15,454	109.1	1,763	79.6	83.2
	4. Motor Vehicles	122,256	136.8	30,722	31,801	103.5	115.0	81,474	101.8	9,039	91.2	70.4
	(of which auto parts)	83,748	140.2	19,648	19,654	100.0	105.1	50,863	93.5	5,766	99.5	61.5
	5. Electrical Machinery	23,613	122.8	4,648	5,690	122.4	78.0	13,055	81.1	1,458	115.8	99.2
	6. Precision Machinery	22,858	106.5	4,599	4,171	90.7	70.4	11,440	77.9	1,227	85.0	63.3
	5-6. Electrical & Precision Machinery (Sub Total)	46,471	114.2	9,247	9,861	106.6	74.6	24,495	79.6	2,685	99.4	78.8
	7. Aircraft, Shipbuilding & Transport equipment	13,662	97.2	5,038	4,786	95.0	139.8	12,079	130.8	775	52.4	78.4
	3-7 Machinery & Equipment Industries (Sub Total)	371,331	137.7	87,653	91,600	104.5	96.5	233,781	93.6	25,656	88.9	76.1
8.	Other Machinery & Equipment	13,969	133.2	2,263	2,672	118.1	80.7	6,440	74.1	739	96.5	70.0
9.	Government, Public Agencies & Schools	3,247	98.6	485	203	41.9	40.5	1,331	82.8	506	369.3	903.6
10.	Others	5,287	106.7	1,661	1,426	85.9	95.9	4,032	122.4	570	152.0	89.1
11.	Trading Companies	2,404	132.0	1,016	678	66.7	147.4	2,196	133.2	231	85.2	97.5
1-11.	Domestic Total	421,599	137.1	97,905	101,746	103.9	94.8	261,533	93.0	29,445	90.8	78.4
12.	Foreign	904,589	134.8	217,722	219,067	100.6	92.7	576,903	95.3	66,819	91.2	108.9
1-12.	Grand Total	1,326,188	135.5	315,627	320,813	101.6	93.4	838,436	94.6	96,264	91.0	97.3
	(of which: NC machines)	1,290,606	138.1	306,645	313,492	102.2	94.2	818,071	94.8	94,238	90.9	98.1

Sales	1,179,316	138.5	366,430	303,000	82.7	117.7	892,033	119.4	108,148	94.5	112.4
(of which: NC machines)	1,143,920	140.4	354,171	296,485	83.7	119.3	868,415	120.0	105,606	94.2	113.6
Order Backlog	653,138	128.5	603,683	621,623	103.0	99.7	607,336	94.1	607,336	99.1	94.1
(of which: NC machines)	623,263	130.2	576,781	593,940	103.0	100.1	580,379	94.3	580,379	99.1	94.3

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										14,860	53.8
		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										9,583	90.4
		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										220,039	95.4
		Other	493	594.0	526	26300.0	137	119.1	73	1042.9	7	21.2	-2	-	1	8.3	34	425.0										1,269	430.2
		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										245,751	91.3
	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										39,870	141.3
		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										4,831	135.4
		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										5,131	121.8
		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										20,512	83.7
		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										21,996	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										92,340	123.8	
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										338,091	98.4	
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										27,241	72.8
		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										10,027	94.8
		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										4,699	44.9
		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										7,769	80.5
		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										5,632	65.3
		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										8,124	82.7
		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										1,491	119.5
		Russia	425	77.7	753	133.3	200	208.3	123	30.8	441	47.3	680	138.2	354	51.6	448	-										3,424	92.9
	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										76,478	73.2	
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										132,887	105.9	
	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										6,682	89.4	
	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										13,583	126.4	
	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										153,152	106.6	
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										4,383	58.6	
	Other	3	2.7	13	108.3	48	77.4	10	21.7	61	30.2	0	-	0	-	29	30.2										164	21.8	
	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										4,547	55.2	
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										2,500	59.8	
	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										2,135	204.3	
	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										4,635	88.7	
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										576,903	95.3	
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										570,835	96.2	

(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