

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (October 2012)

The total value of machine tool orders in October was 94.3 billion yen. This was a decrease of 12.2% compared to September and marked the first month-on-month decline in two months. In addition, this figure represented a decrease of 6.7% compared to the same month of the previous year, with October posting the sixth consecutive month of year-on-year decline.

Total orders fell below 100 billion yen for the first time in two months. The decrease in total orders compared to the previous month was partly in reaction to the surge in orders in September and marked the smallest monthly order volume of this year. Meanwhile, we continue to keep a close watch on risk factors in the investment climate caused by instability in the European economy and the slowdown of China's economy.

Domestic orders fell by 11.2% from September, amounting to 27.5 billion yen. This marked the first month-on-month decrease in two months. This figure was also a decrease of 13.2% from the same month of the previous year, marking five consecutive months of year-on-year decline.

Looking at major industries, orders compared to September rose by 18.7% in motor vehicles but fell by 16.7% in industrial machinery, 26.3% in electrical and precision machinery, and 1.8% in aircraft, shipbuilding and transport equipment.

Foreign orders fell by 12.6% from September to 66.79 billion yen. This marked the first month-on-month decline in two months. At the same time, foreign orders showed a decrease of 3.8% from the same month of the previous year, with October posting a year-on-year decline for the first time in three months.

By region, orders from Asia fell by 8.5% from the previous month to 36.79 billion yen. This was a decrease of 2.1% from the same month of the previous year. Orders from Europe fell by 9.8% from September to 8.60 billion yen. This was also a decrease of 31.2% from the same month of the previous year. Orders from North America fell to 20.44 billion yen, a decrease of 20.9% from September. However, this was an increase of 17.1% 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 (%)	12/04–12/06	12/07–12/09	Previous Quarter (%)	year-to-year (%)	12/01–12/10	year-to-year (%)	Oct. '12	Oct. 12/Sept. 12 (%)	Oct. 12/Oct. 11 (%)
1.	Primary Metals	8,766	144.6	1,917	1,756	91.6	99.4	5,787	83.2	563	115.6	43.5
2.	Fabricated Metal Products	16,595	147.9	3,250	4,180	128.6	104.3	11,666	81.6	960	56.8	80.1
Machinery & Equipment Industries	3. Industrial Machinery	188,942	150.5	45,152	40,229	89.1	84.4	138,271	87.1	10,244	83.3	70.5
	(of which dies and molds)	21,803	133.3	5,792	5,633	97.3	90.9	18,601	106.1	1,493	90.3	97.7
	4. Motor Vehicles	122,256	136.8	31,801	26,613	83.7	79.8	98,229	98.9	9,093	118.7	95.1
	(of which auto parts)	83,748	140.2	19,654	16,102	81.9	70.0	61,677	90.5	6,273	138.1	85.0
	5. Electrical Machinery	23,613	122.8	5,690	5,232	92.0	90.4	17,430	87.6	1,860	74.0	146.3
	6. Precision Machinery	22,858	106.5	4,171	4,110	98.5	69.2	13,935	77.1	1,055	73.3	85.3
	5–6. Electrical & Precision Machinery (Sub Total)	46,471	114.2	9,861	9,342	94.7	79.6	31,365	82.6	2,915	73.7	116.2
	7. Aircraft, Shipbuilding & Transport equipment	13,662	97.2	4,786	4,060	84.8	109.2	15,657	138.6	1,773	98.2	259.6
	3–7 Machinery & Equipment Industries (Sub Total)	371,331	137.7	91,600	80,244	87.6	83.2	283,522	92.2	24,025	93.4	88.1
8.	Other Machinery & Equipment	13,969	133.2	2,672	3,063	114.6	79.9	8,810	76.3	812	52.1	75.5
9.	Government, Public Agencies & Schools	3,247	98.6	203	1,372	675.9	348.2	2,414	112.9	354	48.6	121.2
10.	Others	5,287	106.7	1,426	1,492	104.6	103.5	5,171	124.1	592	108.2	160.0
11.	Trading Companies	2,404	132.0	678	778	114.7	83.4	2,687	133.0	215	77.9	108.0
1–11.	Domestic Total	421,599	137.1	101,746	92,885	91.3	85.3	320,057	91.8	27,521	88.8	86.8
12.	Foreign	904,589	134.8	219,067	216,527	98.8	101.2	720,105	96.1	66,789	87.4	96.2
1–12.	Grand Total	1,326,188	135.5	320,813	309,412	96.4	95.9	1,040,162	94.7	94,310	87.8	93.3
	(of which: NC machines)	1,290,606	138.1	313,492	302,844	96.6	96.4	1,014,840	94.9	91,859	87.6	92.8

Sales	1,179,316	138.5	303,000	362,495	119.6	114.5	1,122,412	117.1	90,487	64.7	107.1
(of which: NC machines)	1,143,920	140.4	296,485	354,050	119.4	115.0	1,093,068	117.7	88,362	64.8	108.0
Order Backlog	653,138	128.5	621,623	574,865	92.5	91.3	578,692	89.6	578,692	100.7	89.6
(of which: NC machines)	623,263	130.2	593,940	549,009	92.4	91.5	552,511	89.6	552,511	100.6	89.6

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	2,682	105.7	1,585	59.8	4,958	243.9					21,403	66.3
		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					12,765	103.6
		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					270,139	97.6
		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					1,273	391.7
		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					305,580	95.0
	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					46,891	126.7
		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					5,023	100.8
		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					5,767	115.5
		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					23,297	76.0
		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					28,538	172.0
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					109,516	116.2		
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	36,895	115.4	40,212	116.1	36,793	97.9					415,096	99.8	
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					32,724	72.1
		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	663	39.2	738	60.1	1,262	106.0					12,027	92.6
		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					5,744	44.1
		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					9,363	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	1,165	79.2	1,074	89.1	571	60.0					7,277	67.5
		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	607	70.9	867	43.4	1,318	148.1					10,309	81.1
		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					2,107	126.4
		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					4,371	80.2
	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					94,609	72.4	
	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	18,005	125.6	23,171	101.9	16,842	107.3					172,900	105.5
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					8,310	89.1	
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					18,218	145.0	
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					199,428	107.3	
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					5,276	54.8	
	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					283	34.5	
	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					5,559	53.2	
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	300	58.4	271	52.0					3,071	58.9	
	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					2,342	151.7	
	Sub Total	289	54.7	311	189.6	867	148.7	449	46.8	710	43.5	1,034	194.4	606	128.9	369	103.4	420	62.1	358	41.7					5,413	80.1	
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					720,105	96.1	
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					712,507	96.8	

(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