

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (February 2016)

The total value of machine tool orders in February was 101.91 billion yen. This was an increase of 1.6% compared to January 2016 and marked the first month of month-on-month growth in three months. However, this figure represented a decrease of 22.5% compared to the same month of the previous year, with posting the seventh consecutive month of year-on-year decline. The total amount of orders fell below 110 billion yen for three consecutive months, while this has passed 100 billion yen for thirty consecutive months. There was an atmosphere of continuing wait-and-see in the domestic demand. We are also observing the impact of the developments in financial markets. With regard to the foreign demand, we will keep a close watch on the effect of world economy and EMS special demand.

Domestic orders fell by 1.7% from January, amounting to 38.89 billion yen. This marked the three consecutive month-on-month decrease. Moreover, this figure was a decline of 8.7% from the same month of the previous year and marked the first year-on-year decrease in two months. Domestic orders fell below 40 billion yen for two consecutive months.

Looking at major industries, orders compared to January rose by 2.9% in industrial machinery, fell by 1.8% in motor vehicles, rose by 2.9% in electrical & precision machinery, and fell by 41.2% in aircraft, shipbuilding & transport equipment.

Foreign orders rose by 3.9% over January to 63.02 billion yen. This marked the first month of month-on-month increase in three months. However, foreign orders showed a decrease of 29.1% from the same month of the previous year, with February posting the ninth consecutive month of decline.

By region, orders from Asia rose by 2.1% over January to 25.52 billion yen. This was a decrease of 50.7% from the same month of the previous year. Orders from Europe rose by 18.5% over January to 16.79 billion yen. This was a decrease of 1.2% from the same month of the previous year. Orders from North America fell by 2.4% from January, amounting to 20.01 billion yen. This figure was an increase of 1.9% 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 2015	15/14 (%)	15/07-15/09	15/10-15/12	Previous Quarter (%)	year-to-year (%)	16/01-16/02	year-to-year (%)	Feb. '16	Feb. 16/Jan. 16 (%)	Feb. 16/Feb. 15 (%)
1. Primary Metals		18,528	159.9	5,290	5,489	103.8	162.4	2,238	91.2	1,265	130.0	91.0
2. Fabricated Metal Products		28,562	122.7	6,719	6,233	92.8	99.7	2,450	60.6	1,239	102.3	54.5
Machinery & Equipment Industries	3. Industrial Machinery	221,825	110.9	60,207	46,585	77.4	82.4	27,162	83.2	13,775	102.9	82.4
	(of which construction machinery)	5,833	130.9	1,408	1,328	94.3	-	322	41.9	263	445.8	106.0
	(of which dies and molds)	32,198	121.1	9,559	6,695	70.0	89.3	4,748	102.0	2,066	77.0	93.1
	4. Motor Vehicles	203,918	121.6	53,191	46,424	87.3	98.4	28,681	109.9	14,211	98.2	98.2
	(of which auto parts)	143,739	122.4	34,533	31,806	92.1	93.6	19,177	100.1	10,323	116.6	101.4
	5. Electrical Machinery	26,942	98.3	7,560	5,395	71.4	64.4	3,463	93.0	1,872	117.7	95.0
	6. Precision Machinery	21,125	123.2	4,896	5,275	107.7	125.0	2,840	96.6	1,324	87.3	83.4
	5-6. Electrical & Precision Machinery (Sub Total)	48,067	107.9	12,456	10,670	85.7	84.7	6,303	94.6	3,196	102.9	89.8
	7. Aircraft, Shipbuilding & Transport equipment	31,150	151.5	8,326	7,170	86.1	99.8	6,865	142.8	2,542	58.8	120.5
	(of which aircraft)	16,272	304.1	4,544	4,654	102.4	-	3,518	192.7	1,580	81.5	284.7
3-7. Sub total		504,960	116.7	134,180	110,849	82.6	89.8	69,011	98.3	33,724	95.6	91.5
8. Other Machinery & Equipment		14,487	111.3	4,366	3,254	74.5	88.6	1,640	84.6	803	95.9	88.2
9. Government, Public Agencies & Schools		3,388	82.4	732	1,784	243.7	82.9	286	110.0	88	44.4	100.0
10. Others		9,718	151.8	2,520	2,793	110.8	169.9	1,222	98.2	671	121.8	91.9
11. Trading Companies		6,597	125.0	1,649	2,112	128.1	137.9	1,612	183.4	1,097	213.0	340.7
1-11. Domestic Total		586,240	118.1	155,456	132,514	85.2	93.2	78,459	96.8	38,887	98.3	91.3
12. Foreign		894,352	88.3	191,236	192,136	100.5	69.9	123,709	72.1	63,023	103.9	70.9
1-12. Grand Total		1,480,592	98.1	346,692	324,650	93.6	77.9	202,168	80.0	101,910	101.6	77.5
(of which: NC machines)		1,450,004	98.4	339,607	316,865	93.3	77.6	199,484	80.4	99,549	99.6	77.3
Sales		1,532,603	107.8	374,540	361,269	96.5	102.2	208,976	85.1	111,037	113.4	88.6
(of which: NC machines)		1,503,064	108.3	366,792	353,663	96.4	102.4	204,339	84.8	108,567	113.4	88.4
Order Backlog		607,499	93.1	641,420	607,499	94.7	93.1	601,149	91.2	601,149	98.5	91.2
(of which: NC machines)		578,962	92.7	613,223	578,962	94.4	92.7	574,363	91.0	574,363	98.5	91.0

NET NEW ORDERS BY DESTINATION

(Value in Millions of yen)

2016		Jan.		Feb.		Mar.		Apr.		May		Jun.		July		Aug.		Sep.		Oct.		Nov.		Dec.		Total 2016				
					%		%		%		%		%		%		%		%		%		%		%		%			
Asia	East Asia	Korea	3,629	100.6	2,712	76.6																					6,341	88.7		
		Taiwan	1,831	63.4	1,829	71.6																						3,660	67.3	
		China	14,439	80.5	15,263	67.6																						29,702	73.4	
		Other	0	-	0	-																						0	-	
		East Asia Total	19,899	81.4	19,804	69.1																						39,703	74.8	
	Other Asia	Thailand	894	58.3	1,379	57.0																						2,273	57.5	
		Malaysia	318	23.9	323	57.0																						641	33.7	
		Singapore	145	102.8	228	60.5																						373	72.0	
		Philippine	99	33.7	260	47.1																						359	42.4	
		Indonesia	930	79.1	379	94.5																						1,309	83.1	
Vietnam		726	4.2	545	3.2																						1,271	3.7		
India		1,957	122.1	2,510	140.4																						4,467	131.7		
Other		34	680.0	94	552.9																						128	581.8		
Other Asia Total	5,103	21.9	5,718	24.8																						10,821	23.3			
Sub Total	25,002	52.3	25,522	49.3																						50,524	50.7			
Europe	EU	Germany	4,107	137.7	3,843	82.2																					7,950	103.8		
		U.K.	1,596	83.6	2,392	115.1																					3,988	100.0		
		Italy	2,256	119.4	1,838	90.3																						4,094	104.3	
		France	823	74.3	1,727	66.0																						2,550	68.5	
		Central Europe	1,200	95.2	2,280	131.7																						3,480	116.3	
		Other	2,163	120.2	1,991	109.5																						4,154	114.8	
		Sub Total	12,145	110.9	14,071	94.1																						26,216	101.2	
	Other West Europe	Turkey	541	44.1	349	41.6																						890	43.1	
		Switzerland	593	111.3	599	106.4																						1,192	108.8	
		East Europe	107	150.7	15	20.0																						122	83.6	
		Russia - Other	461	69.4	1,485	360.4																						1,946	180.9	
		Sub Total	14,165	104.7	16,785	98.8																						30,950	101.4	
		North America & Oceania	U.S.A.	16,563	95.7	17,531	98.2																						34,094	97.0
			Canada	770	79.0	1,061	93.2																						1,831	86.7
Mexico	3,176		139.6	1,416	215.5																						4,592	156.6		
Sub Total	20,509		99.8	20,008	101.9																						40,517	100.8		
South America	Brazil	188	276.5	79	38.0																						267	96.7		
	Other	93	24.0	72	189.5																						165	38.7		
	Sub Total	281	61.6	151	61.4																						432	61.5		
Oceania	Australia	259	171.5	300	176.5																						559	174.1		
	Other	35	-	108	981.8																						143	1588.9		
Sub Total	294	197.3	408	225.4																						702	212.7			
Middle East	361	269.4	110	119.6																							471	208.4		
Africa	74	1850.0	39	-																							113	2825.0		
Grand Total	60,686	73.4	63,023	70.9																							123,709	72.1		
Of which NC	61,547	74.9	61,961	70.7																							123,508	72.7		

(Note) 1. "Other East Europe" until April 2014 is the division of before the integration of EU. The countries which joined EU from 04-07 is divided as "Central Europe".

Japan Machine Tool Builders' Association

2. Middle East and Africa until July, 2014 are included in "Other" in Oceania.

3. It will be described as "-", if the actual value is "negative" or "0" or no actual value.