

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (August 2016)

The total value of machine tool orders in August was 98.06 billion yen. This was a decrease of 6.1% compared to July 2016 and marked the two consecutive month of decline. Moreover, this figure represented a decrease of 8.4% compared to the same month of the previous year, with posting the thirteenth consecutive month of year-on-year decline. The total amount of orders fell below 100 billion yen for the first time in four months, due to the decrease of domestic demand affected by the summer vacation.

We are noticing uncertainty about the future development of overseas economies and fixed yen appreciation. We will keep a close watch on the effects of the exhibitions and various government policies.

Domestic orders fell by 16.0% from July, amounting to 43.12 billion yen. This marked the first month-on-month decline in three months. This figure was also a decline of 9.7% from the same month of the previous year and marked the seventh consecutive year-on-year decrease. Looking at major industries, orders compared to July fell by 13.9% in industrial machinery, fell by 26.3% in motor vehicles, fell by 15.1% in electrical & precision machinery, and rose by 85.2% in aircraft, shipbuilding & transport equipment.

Foreign orders rose by 3.5% over July to 54.94 billion yen. This marked the first month-on-month growth in three months. However, foreign orders showed a decrease of 7.4% from the same month of the previous year, with August posting the fifteenth consecutive month of decline.

By region, orders from Asia rose by 11.7% over July to 23.58 billion yen. This was a decrease of 11.0% from the same month of the previous year. Orders from Europe fell by 15.4% from July to 12.20 billion yen. This was a decrease of 8.1% from the same month of the previous year. Orders from North America rose by 12.4% over July, amounting to 18.42 billion yen. This figure was a decrease of 1.3% from the same month of the previous year.

NET NEW ORDERS – METAL CUTTING MACHINE TOOLS IN JAPAN

(Value: in Millions of Yen)

Period		Total 2015	15/14 (%)	16/01–16/03	16/04–16/06	Previous Quarter (%)	year-to-year (%)	16/01–16/08	year-to-year (%)	Aug. '16	Aug. 16/July 16 (%)	Aug. 16/Aug. 15 (%)
Industry												
1. Primary Metals		18,528	159.9	4,320	4,725	109.4	115.1	12,250	107.2	1,662	107.7	161.2
2. Fabricated Metal Products		28,562	122.7	4,583	5,321	116.1	59.8	15,216	75.3	1,614	43.6	86.3
Machinery & Equipment Industries	3. Industrial Machinery	221,825	110.9	48,038	52,939	110.2	84.6	139,301	88.8	17,732	86.1	97.6
	(of which construction machinery)	5,833	130.9	1,409	1,768	125.5	92.2	3,852	93.6	268	65.8	43.3
	(of which dies and molds)	32,198	121.1	8,177	7,963	97.4	88.1	21,462	94.9	2,253	73.4	68.4
	4. Motor Vehicles	203,918	121.6	43,943	39,608	90.1	70.0	112,298	79.4	12,196	73.7	71.8
	(of which auto parts)	143,739	122.4	29,383	27,175	92.5	64.5	76,053	75.5	7,701	65.3	85.3
	5. Electrical Machinery	26,942	98.3	6,905	5,198	75.3	66.0	16,477	83.9	1,808	70.5	90.5
	6. Precision Machinery	21,125	123.2	4,504	4,956	110.0	81.9	12,871	91.2	1,767	107.5	141.6
	5 – 6. Electrical & Precision Machinery (Sub Total)	48,067	107.9	11,409	10,154	89.0	72.9	29,348	86.9	3,575	84.9	110.1
	7. Aircraft, Shipbuilding & Transport equipment	31,150	151.5	9,686	7,175	74.1	93.3	22,332	105.5	3,553	185.2	105.7
	(of which aircraft)	16,272	304.1	5,165	4,483	86.8	114.4	12,796	131.7	2,382	311.0	119.1
3 – 7. Sub total		504,960	116.7	113,076	109,876	97.2	78.0	303,279	85.8	37,056	85.6	88.7
8. Other Machinery & Equipment		14,487	111.3	2,838	3,855	135.8	104.2	8,783	90.6	1,095	110.1	79.5
9. Government, Public Agencies & Schools		3,388	82.4	365	261	71.5	48.5	1,249	87.7	403	183.2	125.2
10. Others		9,718	151.8	2,127	2,597	122.1	111.7	6,643	113.5	816	74.0	95.2
11. Trading Companies		6,597	125.0	2,410	1,954	81.1	160.6	5,309	135.1	473	100.2	92.4
1–11. Domestic Total		586,240	118.1	129,719	128,589	99.1	79.6	352,729	86.9	43,119	84.0	90.3
12. Foreign		894,352	88.3	188,634	184,064	97.6	74.3	480,729	75.1	54,939	103.5	92.6
1–12. Grand Total		1,480,592	98.1	318,353	312,653	98.2	76.4	833,458	79.7	98,058	93.9	91.6
(of which: NC machines)		1,450,004	98.4	313,557	306,355	97.7	76.4	817,704	79.7	95,991	94.3	91.8
Sales		1,532,603	107.8	377,585	276,287	73.2	77.1	839,659	81.9	88,598	91.2	80.4
(of which: NC machines)		1,503,064	108.3	368,921	269,683	73.1	76.6	821,251	81.6	86,899	90.8	80.7
Order Backlog		607,499	93.1	548,277	586,107	106.9	88.1	602,651	89.1	602,651	101.6	89.1
(of which: NC machines)		578,962	92.7	523,792	561,382	107.2	88.2	576,418	89.1	576,418	101.6	89.1

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	3,444	84.5	2,882	74.9	3,238	87.4	3,172	76.6	2,277	68.7	2,926	86.8										24,280	82.0
		Taiwan	1,831	63.4	1,829	71.6	1,976	58.6	1,876	62.8	1,165	51.5	1,492	54.8	1,582	73.9	1,926	133.2										13,677	67.1
		China	14,439	80.5	15,263	67.6	13,550	47.1	12,963	43.1	16,655	47.6	15,679	68.0	11,443	60.3	10,637	71.2										110,629	57.8
		Other	0	-	0	-	21	8.5	39	19.0	1	6.3	0	-	120	222.2	0	-										181	32.6
	East Asia Total	19,899	81.4	19,804	69.1	18,991	52.1	17,760	47.8	21,059	51.4	20,343	68.0	15,422	63.0	15,489	78.3										148,767	61.5	
	Other Asia	Thailand	894	58.3	1,379	57.0	1,958	83.2	1,620	67.4	1,515	68.2	1,813	129.9	1,415	73.6	2,464	201.1										13,058	84.4
		Malaysia	318	23.9	323	57.0	228	68.5	350	159.1	472	96.7	423	45.0	183	43.4	641	61.9										2,938	55.0
		Singapore	145	102.8	228	60.5	232	34.0	304	89.9	391	416.0	313	132.1	152	50.5	784	404.1										2,549	107.8
		Philippine	99	33.7	260	47.1	201	61.8	116	32.7	265	161.6	309	110.4	522	352.7	319	332.3										2,091	94.4
		Indonesia	930	79.1	379	94.5	754	136.3	581	103.2	624	82.3	685	69.5	692	116.9	595	90.6										5,240	92.2
Vietnam		726	4.2	545	3.2	1,085	14.0	433	7.4	355	67.6	670	133.5	649	130.1	656	156.2										5,119	10.3	
India		1,957	122.1	2,510	140.4	1,865	83.6	1,711	98.8	1,776	85.1	1,014	84.8	2,014	102.9	2,625	86.0										15,472	98.9	
Other	34	680.0	94	552.9	52	-	81	337.5	25	138.9	0	-	66	275.0	10	23.8										362	218.1		
Other Asia Total	5,103	21.9	5,718	24.8	6,375	44.7	5,196	45.2	5,423	85.4	5,227	93.8	5,693	97.1	8,094	120.4										46,829	48.4		
Sub Total	25,002	52.3	25,522	49.3	25,366	50.0	22,956	47.2	26,482	55.9	25,570	72.1	21,115	69.6	23,583	89.0											195,596	57.8	
Europe	U	Germany	4,107	137.7	3,843	82.2	3,764	79.1	4,726	93.9	4,492	90.9	3,415	90.6	3,252	66.9	2,753	65.9										30,352	86.3
		U.K.	1,596	83.6	2,392	115.1	1,789	89.3	2,664	140.1	1,556	89.4	1,639	87.2	2,481	108.1	1,453	77.1										15,570	99.2
		Italy	2,256	119.4	1,838	90.3	2,413	118.5	1,534	78.3	2,158	136.2	2,118	103.3	1,948	122.7	1,340	100.0										15,605	107.7
		France	823	74.3	1,727	66.0	2,048	87.9	1,771	103.0	1,325	114.6	1,179	38.6	1,397	56.7	1,212	97.8										11,482	73.2
		Central Europe	1,200	95.2	2,280	131.7	1,453	132.3	954	68.6	2,118	173.6	1,664	98.9	1,460	86.4	1,086	141.8										12,215	112.7
		Other	2,163	120.2	1,991	109.5	2,590	156.1	2,260	175.2	2,422	195.3	2,618	147.7	2,084	104.2	1,897	129.7										18,025	138.2
		Sub Total	12,145	110.9	14,071	94.1	14,057	101.3	13,909	104.6	14,071	118.4	12,633	88.9	12,622	84.7	9,741	89.6										103,249	98.4
	Other West Europe	Turkey	541	44.1	349	41.6	1,092	134.8	700	78.7	638	153.7	427	68.5	915	83.3	607	73.4										5,269	78.3
		Switzerland	593	111.3	599	106.4	304	81.3	333	78.2	574	120.1	461	81.2	397	106.7	394	37.5										3,655	83.8
		East Europe	107	150.7	15	20.0	69	53.1	73	56.6	10	2.4	3	3.4	79	329.2	11	55.0										367	38.1
		Russia - Other	461	69.4	1,485	360.4	351	42.7	795	116.7	626	74.9	501	71.0	306	30.4	1,445	302.3										5,970	106.5
		Sub Total	14,165	104.7	16,785	98.8	15,908	98.9	15,860	102.5	15,929	112.9	14,075	86.5	14,414	82.5	12,198	91.9										119,334	96.8
		North America & Oceania	U.S.A.	16,563	95.7	17,531	98.2	20,022	96.1	16,970	93.3	17,139	85.2	15,282	75.7	13,429	74.5	16,234	95.3										133,170
Canada	770		79.0	1,061	93.2	1,166	109.7	808	55.5	534	45.0	648	66.5	751	41.5	593	91.9										6,331	68.5	
Mexico	3,176		139.6	1,416	215.5	1,740	108.3	3,103	236.0	4,630	268.1	1,828	172.1	2,201	133.5	1,589	160.3										19,683	174.4	
Sub Total	20,509		99.8	20,008	101.9	22,928	97.6	20,881	99.7	22,303	96.8	17,758	79.9	16,381	76.3	18,416	98.7										159,184	93.6	
South & Central America	Brazil	188	276.5	79	38.0	126	34.2	47	13.2	219	66.8	221	38.0	228	172.7	201	160.8										1,309	60.4	
	Other	93	24.0	72	189.5	22	3.8	69	123.2	96	52.7	67	11.2	9	5.2	39	23.5										467	21.4	
	Sub Total	281	61.6	151	61.4	148	15.6	116	28.1	315	61.8	288	24.5	237	78.0	240	82.5										1,776	40.9	
Oceania	Australia	259	171.5	300	176.5	331	271.3	270	148.4	256	47.4	452	152.7	753	312.4	179	71.0										2,800	143.3	
	Other	35	-	108	981.8	19	63.3	0	-	8	24.2	8	-	29	39.7	22	44.9										229	109.6	
Sub Total	294	197.3	408	225.4	350	230.3	270	135.7	264	46.1	460	156.5	782	249.0	201	66.8										3,029	140.0		
Middle East	361	269.4	110	119.6	74	48.4	198	70.7	145	188.3	159	65.4	158	121.5	248	98.0										1,453	106.7		
Africa	74	1850.0	39	-	151	71.2	-18	-	61	145.2	-	-	5	9.6	53	151.4											357	57.2	
Grand Total	60,686	73.4	63,023	70.9	64,925	70.7	60,263	69.9	65,499	76.4	58,302	76.9	53,092	75.7	54,939	92.6											480,729	75.1	
Of which NC	61,547	74.9	61,961	70.7	64,272	70.9	59,804	70.1	65,046	76.5	57,477	76.8	51,837	74.7	53,297	90.8											475,241	75.0	

(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.