

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (September 2016)

The total value of machine tool orders in September was 102.85 billion yen. This was an increase of 4.9% compared to August 2016 and marked the first month of growth in three months. However, this figure represented a decrease of 6.3% compared to the same month of the previous year, with posting the fourteenth consecutive month of year-on-year decline. The total amount of orders topped 100 billion yen for the first time in two months, due to the interim result of half year end.

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 rose by 5.6% over August, amounting to 45.52 billion yen. This marked the first month-on-month growth in two months. This figure was a decline of 4.9% from the same month of the previous year and marked the eighth consecutive year-on-year decrease.

Looking at major industries, orders compared to August rose by 6.7% in industrial machinery, by 15.7% in motor vehicles, by 8.3% in electrical & precision machinery, and fell by 29.9% in aircraft, shipbuilding & transport equipment.

Foreign orders rose by 4.4% over August to 57.33 billion yen. This marked the two consecutive month of month-on-month growth. However, foreign orders showed a decrease of 7.3% from the same month of the previous year, with September posting the sixteenth consecutive month of decline.

By region, orders from Asia fell by 3.4% from August to 22.78 billion yen. This was a decrease of 20.3% from the same month of the previous year. Orders from Europe rose by 7.8% over August to 13.16 billion yen. This was a decrease of 3.7% from the same month of the previous year. Orders from North America rose by 13.0% over August, amounting to 20.81 billion yen. This figure was also an increase of 14.9% from 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 (%)	16/04–16/06	16/07–16/09	Previous Quarter (%)	year-to-year (%)	16/01–16/09	year-to-year (%)	Sep. '16	Sep. 16/Aug 16 (%)	Sep. 16/Sep. 15 (%)
1. Primary Metals		18,528	159.9	4,725	4,286	90.7	81.0	13,331	102.2	1,081	65.0	67.2
2. Fabricated Metal Products		28,562	122.7	5,321	8,010	150.5	119.2	17,914	80.2	2,698	167.2	127.2
Machinery & Equipment Industries	3. Industrial Machinery	221,825	110.9	52,939	57,250	108.1	95.1	158,227	90.3	18,926	106.7	103.0
	(of which construction machinery)	5,833	130.9	1,768	1,071	60.6	76.1	4,248	94.3	396	147.8	101.3
	(of which dies and molds)	32,198	121.1	7,963	7,813	98.1	81.7	23,953	93.9	2,491	110.6	86.6
	4. Motor Vehicles	203,918	121.6	39,608	42,858	108.2	80.6	126,409	80.3	14,111	115.7	88.3
	(of which auto parts)	143,739	122.4	27,175	28,637	105.4	82.9	85,195	76.1	9,142	118.7	81.6
	5. Electrical Machinery	26,942	98.3	5,198	6,523	125.5	86.3	18,626	86.4	2,149	118.9	112.8
	6. Precision Machinery	21,125	123.2	4,956	5,132	103.6	104.8	14,592	92.1	1,721	97.4	99.1
	5 – 6. Electrical & Precision Machinery (Sub Total)	48,067	107.9	10,154	11,655	114.8	93.6	33,218	88.8	3,870	108.3	106.3
	7. Aircraft, Shipbuilding & Transport equipment	31,150	151.5	7,175	7,962	111.0	95.6	24,823	103.5	2,491	70.1	88.3
	(of which aircraft)	16,272	304.1	4,483	4,328	96.5	95.2	13,976	120.3	1,180	49.5	61.9
3 – 7. Sub total		504,960	116.7	109,876	119,725	109.0	89.2	342,677	86.9	39,398	106.3	96.5
8. Other Machinery & Equipment		14,487	111.3	3,855	3,154	81.8	72.2	9,847	87.7	1,064	97.2	69.3
9. Government, Public Agencies & Schools		3,388	82.4	261	719	275.5	98.2	1,345	83.9	96	23.8	53.3
10. Others		9,718	151.8	2,597	2,724	104.9	108.1	7,448	107.6	805	98.7	75.2
11. Trading Companies		6,597	125.0	1,954	1,324	67.8	80.3	5,688	126.8	379	80.1	68.3
1-11. Domestic Total		586,240	118.1	128,589	139,942	108.8	90.0	398,250	87.8	45,521	105.6	95.1
12. Foreign		894,352	88.3	184,064	165,361	89.8	86.5	538,059	76.6	57,330	104.4	92.7
1-12. Grand Total		1,480,592	98.1	312,653	305,303	97.6	88.1	936,309	81.0	102,851	104.9	93.7
(of which: NC machines)		1,450,004	98.4	306,355	298,899	97.6	88.0	918,811	81.1	101,107	105.3	94.0
Sales		1,532,603	107.8	276,287	312,748	113.2	83.5	966,620	82.5	126,961	143.3	86.6
(of which: NC machines)		1,503,064	108.3	269,683	307,298	113.9	83.8	945,902	82.3	124,651	143.4	87.0
Order Backlog		607,499	93.1	586,107	578,484	98.7	90.2	578,484	90.2	578,484	96.0	90.2
(of which: NC machines)		578,962	92.7	561,382	552,820	98.5	90.1	552,820	90.1	552,820	95.9	90.1

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	2,799	85.1								27,079	82.3
		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	1,552	68.1								15,229	67.2
		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	11,364	69.7								121,993	58.7
		Other	0	-	0	-	21	8.5	39	19.0	1	6.3	0	-	120	222.2	0	-	0	-								181	32.7
	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	15,715	71.9								164,482	62.4	
	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	2,725	131.1								15,783	89.9
		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	310	113.6								3,248	57.9
		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	571	117.5								3,120	109.4
		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	196	120.2								2,287	96.2
		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	572	117.9								5,812	94.2
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	893	188.0								6,012	12.0	
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	1,778	66.4								17,250	94.1	
Other	34	680.0	94	552.9	52	-	81	337.5	25	138.9	0	-	66	275.0	10	23.8	16	25.8								378	165.8		
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	7,061	105.4								53,890	52.1		
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	22,776	79.7								218,372	59.5		
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	4,554	117.3							34,906	89.3	
		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	1,664	74.1							17,234	96.1	
		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	1,709	134.1							17,314	109.9	
		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	887	70.3							12,369	73.0	
		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	1,150	83.1							13,365	109.4	
		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	2,025	98.5							20,050	132.8	
	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	11,989	99.1							115,238	98.5		
	Other West Europe	1,452	78.6	1,214	78.2	1,431	113.7	1,083	78.7	1,222	126.0	938	73.9	1,407	91.0	1,001	52.6	882	80.5								10,630	82.9	
	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	173	39.2								5,442	75.9	
	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	586	153.4								4,241	89.4	
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	81	109.5								448	43.2		
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	203	51.4								6,173	102.9		
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	13,155	96.3								132,489	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	18,378	111.6								151,548	91.3	
	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	1,273	180.6								7,604	76.4	
	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	1,157	123.5								20,840	170.5	
	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	20,808	114.9								179,992	95.7	
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	214	39.9								1,523	56.3	
	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	61	31.9								528	22.3	
	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	275	37.8								2,051	40.4	
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	149	45.2								2,949	129.1	
	Other	35	-	108	981.8	19	63.3	0	-	8	24.2	8	-	29	39.7	22	44.9	2	-								231	111.1	
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	151	45.9								3,180	127.6		
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	103	34.4								1,556	93.7		
Africa	74	1850.0	39	-	151	71.2	-18	-	61	145.2	-	-	5	9.6	53	151.4	62	47.7								419	55.6		
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	57,330	92.7								538,059	76.6		
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	56,752	92.8								531,993	76.5		

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

Japan Machine Tool Builders' Association