

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (April 2017)

The total value of machine tool orders in April was 133.70 billion yen. This was a decrease of 6.3% compared to March 2017 and marked the first month of month-on-month decline in three months. However, this figure represented an increase of 34.7% compared to the same month of the previous year and marked the five consecutive months of year-on-year growth. The total amount of orders topped 130 billion yen for two consecutive months and it was the second highest April amount in the past.

Although market conditions recover both domestic and overseas due to the government policy effects and spot orders, we will keep a close watch on future trends.

Domestic orders fell by 3.8% from March, amounting to 50.46 billion yen. This marked the first month of month-on-month decline in three months. This figure was a growth of 29.5% over the same month of the previous year and marked the three consecutive month of year-on-year increase.

Looking at major industries, orders compared to March fell by 2.1% in industrial machinery, by 0.3% in motor vehicles, rose by 6.4% in electrical & precision machinery, and fell by 35.2% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 7.8% from March to 83.24 billion yen. This marked first month of month-on-month decline in six months. However, foreign orders showed an increase of 38.1% over the same month of the previous year, this marked the five consecutive months of year-on-year growth.

By region, orders from Asia fell by 8.4% from March to 46.19 billion yen. This was an increase of 101.2% over the same month of the previous year. Orders from Europe rose by 0.5% over March to 15.63 billion yen. However, this was a decrease of 1.5% from the same month of the previous year. Orders from North America fell by 7.6% from March, amounting to 20.68 billion yen. This figure was a decrease of 1.0% 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 2016	16/15 (%)	16/10-16/12	17/01-17/03	Previous Quarter (%)	year-to-year (%)	17/01-17/04	year-to-year (%)	April '17	Apr. 17/Mar. 17 (%)	Apr. 17/Apr. 16 (%)
1. Primary Metals		18,154	98.0	4,823	3,982	82.6	92.2	5,366	94.7	1,384	88.8	102.7
2. Fabricated Metal Products		22,804	79.8	4,890	5,140	105.1	112.2	7,287	122.8	2,147	100.2	158.7
Machinery & Equipment Industries	3. Industrial Machinery	207,113	93.4	48,886	51,096	104.5	106.4	71,205	112.5	20,109	97.9	132.0
	(of which construction machinery)	5,433	93.1	1,185	956	80.7	67.8	1,370	68.5	414	80.5	70.2
	(of which dies and molds)	30,778	95.6	6,825	6,333	92.8	77.4	8,637	80.9	2,304	94.2	92.3
	4. Motor Vehicles	174,853	85.7	48,444	42,542	87.8	96.8	60,427	105.2	17,885	99.7	132.2
	(of which auto parts)	115,986	80.7	30,791	30,883	100.3	105.1	43,324	115.4	12,441	95.6	152.6
	5. Electrical Machinery	26,282	97.6	7,656	6,912	90.3	100.1	9,868	121.4	2,956	146.1	241.1
	6. Precision Machinery	19,600	92.8	5,008	5,466	109.1	121.4	7,385	123.6	1,919	75.0	130.6
	5-6. Electrical & Precision Machinery (Sub Total)	45,882	95.5	12,664	12,378	97.7	108.5	17,253	122.3	4,875	106.4	180.9
	7. Aircraft, Shipbuilding & Transport equipment	30,076	96.6	5,253	5,861	111.6	60.5	7,398	62.4	1,537	64.8	70.9
	(of which aircraft)	16,412	100.9	2,436	3,465	142.2	67.1	3,929	60.5	464	36.3	34.8
3-7. Sub total		457,924	90.7	115,247	111,877	97.1	98.9	156,283	106.5	44,406	97.7	132.1
8. Other Machinery & Equipment		12,292	84.8	2,445	3,765	154.0	132.7	5,075	127.0	1,310	104.7	113.1
9. Government, Public Agencies & Schools		2,762	81.5	1,417	481	33.9	131.8	517	121.6	36	73.5	60.0
10. Others		9,524	98.0	2,076	2,852	137.4	134.1	3,487	120.8	635	67.3	83.7
11. Trading Companies		7,085	107.4	1,397	2,652	189.8	110.0	3,193	103.3	541	50.0	79.6
1-11. Domestic Total		530,545	90.5	132,295	130,749	98.8	100.8	181,208	107.4	50,459	96.2	129.5
12. Foreign		719,458	80.4	181,399	226,911	125.1	120.3	310,153	124.6	83,242	92.2	138.1
1-12. Grand Total		1,250,003	84.4	313,694	357,660	114.0	112.3	491,361	117.7	133,701	93.7	134.7
(of which: NC machines)		1,225,768	84.5	306,957	351,008	114.4	111.9	482,636	117.4	131,628	94.2	134.9
Sales		1,280,584	83.6	313,964	348,225	110.9	92.2	438,639	95.9	90,414	56.2	113.3
(of which: NC machines)		1,254,652	83.5	308,750	341,625	110.6	92.6	430,331	96.4	88,706	56.3	114.2
Order Backlog		522,527	86.0	522,527	531,962	101.8	97.0	574,285	101.2	574,285	108.0	101.2
(of which: NC machines)		505,184	87.3	505,184	514,567	101.9	98.2	556,525	102.5	556,525	108.2	102.5

NET NEW ORDERS BY DESTINATION

(Value in Millions of yen)

2017		Jan.		Feb.		Mar.		Apr.		May		Jun.		July		Aug.		Sep.		Oct.		Nov.		Dec.		Total 2017				
			%		%		%		%		%		%		%		%		%		%		%		%		%		%	
Asia	East Asia	Korea	3,348	92.3	2,928	108.0	3,353	97.4	3,163	109.8																		12,792	101.0	
		Taiwan	3,004	164.1	1,306	71.4	2,021	102.3	2,577	137.4																			8,908	118.6
		China	20,695	143.3	23,736	155.5	36,695	270.8	31,177	240.5																			112,303	199.8
		Other	-30	-	0	-	14	66.7	14	35.9																			-2	-
		East Asia Total	27,017	135.8	27,970	141.2	42,083	221.6	36,931	207.9																			134,001	175.3
	Other Asia	Thailand	1,489	166.6	1,535	111.3	2,379	121.5	1,451	89.6																			6,854	117.1
		Malaysia	258	81.1	366	113.3	1,002	439.5	284	81.1																			1,910	156.7
		Singapore	414	285.5	530	232.5	663	285.8	389	128.0																			1,996	219.6
		Philippine	165	166.7	189	72.7	242	120.4	241	207.8																			837	123.8
		Indonesia	616	66.2	407	107.4	686	91.0	612	105.3																			2,321	87.8
Vietnam		937	129.1	790	145.0	1,075	99.1	800	184.8																			3,602	129.2	
India		1,805	92.2	1,683	67.1	2,312	124.0	5,433	317.5																			11,233	139.7	
Other	1	2.9	2	2.1	2	3.8	50	61.7																			55	21.1		
Other Asia Total	5,685	111.4	5,502	96.2	8,361	131.2	9,260	178.2																				28,808	128.7	
Sub Total	32,702	130.8	33,472	131.1	50,444	198.9	46,191	201.2																				162,809	164.7	
Europe	EU	Germany	2,515	61.2	4,164	108.4	4,287	113.9	3,196	67.6																		14,162	86.1	
		U. K.	1,835	115.0	1,831	76.5	1,592	89.0	1,735	65.1																		6,993	82.8	
		Italy	2,468	109.4	2,617	142.4	2,328	96.5	2,339	152.5																			9,752	121.3
		France	1,371	166.6	1,344	77.8	1,914	93.5	2,324	131.2																			6,953	109.2
		Central Europe	1,646	137.2	1,586	69.6	1,259	86.6	1,403	147.1																			5,894	100.1
		Other	2,923	135.1	2,343	117.7	2,752	106.3	2,223	98.4																			10,241	113.7
		Sub Total	12,758	105.0	13,885	98.7	14,132	100.5	13,220	95.0																			53,995	99.7
	Other West Europe	Turkey	630	116.5	193	55.3	290	26.6	1,352	193.1																			2,465	91.9
		Switzerland	508	85.7	566	94.5	618	203.3	647	194.3																			2,339	127.9
		East Europe	119	111.2	44	293.3	209	302.9	49	67.1																			421	159.5
		Russia - Other	453	98.3	706	47.5	193	55.0	320	40.3																			1,672	54.1
Sub Total	14,519	102.5	15,394	91.7	15,554	97.8	15,626	98.5																			61,093	97.4		
North America & Central America	U. S. A.	14,575	88.0	18,047	102.9	20,275	101.3	18,527	109.2																			71,424	100.5	
	Canada	706	91.7	1,131	106.6	856	73.4	754	93.3																			3,447	90.6	
	Mexico	1,533	48.3	1,583	111.8	1,249	71.8	1,401	45.1																			5,766	61.1	
	Sub Total	16,814	82.0	20,761	103.8	22,380	97.6	20,682	99.0																			80,637	95.6	
South America	Brazil	909	483.5	507	641.8	556	441.3	246	523.4																			2,218	504.1	
	Other	58	62.4	14	19.4	129	586.4	151	218.8																			352	137.5	
	Sub Total	967	344.1	521	345.0	685	462.8	397	342.2																			2,570	369.3	
Oceania	Australia	398	153.7	258	86.0	513	155.0	203	75.2																			1,372	118.3	
	Other	20	57.1	0	-	17	89.5	0	-																			37	22.8	
Sub Total	418	142.2	258	63.2	530	151.4	203	75.2																			1,409	106.6		
Middle East	529	146.5	200	181.8	551	744.6	89	44.9																				1,369	184.3	
Africa	45	60.8	73	187.2	94	62.3	54	-																				266	108.1	
Grand Total	65,994	108.7	70,679	112.1	90,238	139.0	83,242	138.1																				310,153	124.6	
Of which NC	65,441	106.3	70,086	113.1	88,952	138.4	82,724	138.3																				307,203	124.1	

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

Japan Machine Tool Builders' Association