

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (August 2017)

The total value of machine tool orders in August was 133.54 billion yen. This was a decrease of 0.1% compared to July 2017 and marked the two consecutive months of month-on-month decline. However, this figure represented an increase of 36.2% compared to the same month of the previous year and marked the nine consecutive months of year-on-year growth.

The total amount of orders topped 100 billion yen for ten consecutive months.

Although market conditions are generally continuing the favorable trend both domestic and overseas, we will keep a close watch on future trends such as various risks in overseas and prolonged delivery due to parts procurement difficulties.

Domestic orders fell by 6.2% from July, amounting to 51.78 billion yen. This marked the first month of month-on-month decline in four months. However, this figure was a growth of 20.1% over the same month of the previous year and marked the seven consecutive months of year-on-year increase.

Looking at major industries, orders compared to July fell by 0.2% in industrial machinery, fell by 13.0% in motor vehicles, rose by 10.4% in electrical & precision machinery, and fell by 36.1% in aircraft, shipbuilding & transport equipment.

Foreign orders rose by 4.2% over July to 81.76 billion yen. This marked the first month of month-on-month growth in two month. Moreover, foreign orders showed an increase of 48.8% over the same month of the previous year, this marked the nine consecutive months of year-on-year growth.

By region, orders from Asia rose by 20.4% over July to 42.91 billion yen. This was an increase of 82.0% over the same month of the previous year. Orders from Europe fell by 18.0% from July to 15.03 billion yen. Moreover, this was an increase of 23.2% over the same month of the previous year. Orders from North America rose by 3.3% from July, amounting to 22.92 billion yen. This figure was an increase of 24.5% over the same month of the previous year.

NET NEW ORDERS – METAL CUTTING MACHINE TOOLS IN JAPAN

(Value: in Millions of Yen)

Period		Total 2016	16/15 (%)	17/01–17/03	17/04–17/06	Previous Quarter (%)	year-to-year (%)	17/01–17/08	year-to-year (%)	Aug. ' 17	Aug. 17/July 17 (%)	Aug. 17/Aug. 16 (%)
Industry												
1. Primary Metals		18,154	98.0	3,982	4,812	120.8	101.8	10,702	87.4	937	96.5	56.4
2. Fabricated Metal Products		22,804	79.8	5,140	6,619	128.8	124.4	15,498	101.9	1,627	77.0	100.8
Machinery & Equipment Industries	3. Industrial Machinery	207,113	93.4	51,096	63,920	125.1	120.7	160,099	114.9	22,515	99.8	127.0
	(of which construction machinery)	5,433	93.1	956	1,999	209.1	113.1	4,634	120.3	1,189	242.7	443.7
	(of which dies and molds)	30,778	95.6	6,333	7,318	115.6	91.9	18,598	86.7	2,918	143.8	129.5
	4. Motor Vehicles	174,853	85.7	42,542	49,040	115.3	123.8	127,410	113.5	16,664	87.0	136.6
	(of which auto parts)	115,986	80.7	30,883	34,775	112.6	128.0	90,045	118.4	12,044	97.6	156.4
	5. Electrical Machinery	26,282	97.6	6,912	9,330	135.0	179.5	23,522	142.8	3,983	120.8	220.3
	6. Precision Machinery	19,600	92.8	5,466	7,268	133.0	146.7	16,607	129.0	1,868	93.2	105.7
	5 – 6. Electrical & Precision Machinery (Sub Total)	45,882	95.5	12,378	16,598	134.1	163.5	40,129	136.7	5,851	110.4	163.7
	7. Aircraft, Shipbuilding & Transport equipment	30,076	96.6	5,861	6,080	103.7	84.7	15,319	68.6	1,317	63.9	37.1
	(of which aircraft)	16,412	100.9	3,465	2,348	67.8	52.4	7,517	58.7	744	77.5	31.2
3 – 7. Sub total	457,924	90.7	111,877	135,638	121.2	123.4	342,957	113.1	46,347	94.4	125.1	
8. Other Machinery & Equipment	12,292	84.8	3,765	4,479	119.0	116.2	10,798	122.9	1,213	90.5	110.8	
9. Government, Public Agencies & Schools	2,762	81.5	481	223	46.4	85.4	1,078	86.3	254	211.7	63.0	
10. Others	9,524	98.0	2,852	2,722	95.4	104.8	7,417	111.7	868	89.0	106.4	
11. Trading Companies	7,085	107.4	2,652	1,719	64.8	88.0	5,508	103.7	533	88.2	112.7	
1–11. Domestic Total	530,545	90.5	130,749	156,212	119.5	121.5	393,958	111.7	51,779	93.8	120.1	
12. Foreign	719,458	80.4	226,911	250,343	110.3	136.0	637,449	132.6	81,757	104.2	148.8	
1–12. Grand Total	1,250,003	84.4	357,660	406,555	113.7	130.0	1,031,407	123.8	133,536	99.9	136.2	
(of which: NC machines)	1,225,768	84.5	351,008	399,582	113.8	130.4	1,013,180	123.9	131,330	100.1	136.8	
Sales		1,280,584	83.6	348,225	317,028	91.0	114.7	906,490	108.0	125,121	107.8	141.2
(of which: NC machines)		1,254,652	83.5	341,625	311,902	91.3	115.7	890,931	108.5	123,174	107.8	141.7
Order Backlog		522,527	86.0	531,962	620,525	116.6	105.9	646,528	107.3	646,528	101.3	107.3
(of which: NC machines)		505,184	87.3	514,567	601,283	116.9	107.1	626,517	108.7	626,517	101.3	108.7

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	2,434	75.2	3,162	99.7	3,269	143.6	4,006	136.9									25,663	105.7	
		Taiwan	3,004	164.1	1,306	71.4	2,021	102.3	2,577	137.4	2,043	175.4	2,191	146.8	2,399	151.6	1,648	85.6									17,189	125.7	
		China	20,695	143.3	23,736	155.5	36,695	270.8	31,177	240.5	27,290	163.9	30,930	197.3	22,439	196.1	30,267	284.5									223,229	201.8	
		Other	-30	-	0	-	14	66.7	14	35.9	3	300.0	0	-	-7	-	-37	-									-43	-	
		East Asia Total	27,017	135.8	27,970	141.2	42,083	221.6	36,931	207.9	31,770	150.9	36,283	178.4	28,100	182.2	35,884	231.7									266,038	178.8	
	Other Asia	Thailand	1,489	166.6	1,535	111.3	2,379	121.5	1,451	89.6	2,503	165.2	1,788	98.6	1,743	123.2	1,600	64.9									14,488	111.0	
		Malaysia	258	81.1	366	113.3	1,002	439.5	284	81.1	743	157.4	802	189.6	486	265.6	502	78.3									4,443	151.2	
		Singapore	414	285.5	530	232.5	663	285.8	389	128.0	602	154.0	306	97.8	558	367.1	949	121.0									4,411	173.0	
		Philippine	165	166.7	189	72.7	242	120.4	241	207.8	321	121.1	438	141.7	311	59.6	305	95.6									2,212	105.8	
		Indonesia	616	66.2	407	107.4	686	91.0	612	105.3	374	59.9	414	60.4	124	17.9	292	49.1									3,525	67.3	
Vietnam		937	129.1	790	145.0	1,075	99.1	800	184.8	666	187.6	844	126.0	841	129.6	899	137.0									6,852	133.9		
India	1,805	92.2	1,683	67.1	2,312	124.0	5,433	317.5	2,483	139.8	5,943	586.1	3,393	168.5	2,474	94.2									25,526	165.0			
Other	1	2.9	2	2.1	2	3.8	50	61.7	8	32.0	52	-	70	106.1	6	60.0									191	52.8			
Other Asia Total	5,685	111.4	5,502	96.2	8,361	131.2	9,260	178.2	7,700	142.0	10,587	202.5	7,526	132.2	7,027	86.8									61,648	131.6			
Sub Total	32,702	130.8	33,472	131.1	50,444	198.9	46,191	201.2	39,470	149.0	46,870	183.3	35,626	168.7	42,911	182.0										327,686	167.5		
Europe	U	Germany	2,515	61.2	4,164	108.4	4,287	113.9	3,196	67.6	4,179	93.0	3,672	107.5	4,143	127.4	3,862	140.3									30,018	98.9	
		U.K.	1,835	115.0	1,831	76.5	1,592	89.0	1,735	65.1	1,269	81.6	1,739	106.1	2,059	83.0	2,026	139.4									14,086	90.5	
		Italy	2,468	109.4	2,617	142.4	2,328	96.5	2,339	152.5	3,580	165.9	3,501	165.3	3,224	165.5	2,140	159.7									22,197	142.2	
		France	1,371	166.6	1,344	77.8	1,914	93.5	2,324	131.2	1,625	122.6	2,119	179.7	1,102	78.9	1,386	114.4									13,185	114.8	
		Central Europe	1,646	137.2	1,586	69.6	1,259	86.6	1,403	147.1	1,423	67.2	1,633	98.1	1,778	121.8	1,261	116.1									11,989	98.1	
	Other	2,923	135.1	2,343	117.7	2,752	106.3	2,223	98.4	3,038	125.4	2,929	111.9	2,589	124.2	2,391	126.0									21,188	117.5		
	Sub Total	12,758	105.0	13,885	98.7	14,132	100.5	13,220	95.0	15,114	107.4	15,593	123.4	14,895	118.0	13,066	134.1									112,663	109.1		
	Other West Europe	U.K.	1,189	81.9	759	62.5	1,020	71.3	2,037	188.1	1,369	112.0	1,958	208.7	1,742	123.8	1,597	159.5									11,671	119.7	
		Turkey	630	116.5	193	55.3	290	26.6	1,352	193.1	614	96.2	1,373	321.5	909	99.3	923	152.1									6,284	119.3	
		Switzerland	508	85.7	566	94.5	618	203.3	647	194.3	627	109.2	512	111.1	700	176.3	570	144.7									4,748	129.9	
East Europe		119	111.2	44	293.3	209	302.9	49	67.1	220	2200.0	65	2166.7	920	1164.6	230	2090.9									1,856	505.7		
Russia - Other	453	98.3	706	47.5	193	55.0	320	40.3	307	49.0	360	71.9	769	251.3	138	9.6									3,246	54.4			
Sub Total	14,519	102.5	15,394	91.7	15,554	97.8	15,626	98.5	17,010	106.8	17,976	127.7	18,326	127.1	15,031	123.2									129,436	108.5			
North America	U.S.A.	14,575	88.0	18,047	102.9	20,275	101.3	18,527	109.2	18,115	105.7	18,317	119.9	19,112	142.3	20,707	127.6									147,675	110.9		
	Canada	706	91.7	1,131	106.6	856	73.4	754	93.3	1,429	267.6	2,128	328.4	1,453	193.5	1,151	194.1									9,608	151.8		
	Mexico	1,533	48.3	1,583	111.8	1,249	71.8	1,401	45.1	1,195	25.8	1,931	105.6	1,615	73.4	1,064	67.0									11,571	58.8		
	Sub Total	16,814	82.0	20,761	103.8	22,380	97.6	20,682	99.0	20,739	93.0	22,376	126.0	22,180	135.4	22,922	124.5									168,854	106.1		
S & C America	Brazil	909	483.5	507	641.8	556	441.3	246	523.4	266	121.5	382	172.9	1,407	617.1	270	134.3									4,543	347.1		
	Other	58	62.4	14	19.4	129	586.4	151	218.8	59	61.5	116	173.1	292	3244.4	46	117.9									865	185.2		
	Sub Total	967	344.1	521	345.0	685	462.8	397	342.2	325	103.2	498	172.9	1,699	716.9	316	131.7									5,408	304.5		
Oceania	Australia	398	153.7	258	86.0	513	155.0	203	75.2	524	204.7	332	73.5	262	34.8	320	178.8									2,810	100.4		
	Other	20	57.1	0	-	17	89.5	0	-	201	2512.5	1	12.5	56	193.1	86	390.9									381	166.4		
Sub Total	418	142.2	258	63.2	530	151.4	203	75.2	725	274.6	333	72.4	318	40.7	406	202.0									3,191	105.3			
Middle East	529	146.5	200	181.8	551	744.6	89	44.9	524	361.4	219	137.7	250	158.2	134	54.0										2,496	171.8		
Africa	45	60.8	73	187.2	94	62.3	54	-	35	57.4	1	-	39	780.0	37	69.8										378	105.9		
Grand Total	65,994	108.7	70,679	112.1	90,238	139.0	83,242	138.1	78,828	120.3	88,273	151.4	78,438	147.7	81,757	148.8										637,449	132.6		
Of which NC	65,441	106.3	70,086	113.1	88,952	138.4	82,724	138.3	78,282	120.3	86,610	150.7	77,510	149.5	81,051	152.1										630,656	132.7		

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

Japan Machine Tool Builders' Association