

## The Current Condition of the Japanese Machine Tool Industry

### Monthly Machine Tool Orders (October 2017)

The total value of machine tool orders in October was 140.66 billion yen. This was a decrease of 5.7% compared to September 2017 and marked the first month of month-on-month decline in two months. However, this figure represented an increase of 49.8% compared to the same month of the previous year and marked the eleven consecutive months of year-on-year growth.

The total amount of orders topped 100 billion yen for twelve consecutive months and marked a record high as an order for October.

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 7.1% from September, amounting to 56.70 billion yen. This marked the first month of month-on-month decrease in two months. However, this figure was a growth of 37.1% over the same month of the previous year and marked the nine consecutive months of year-on-year increase.

Looking at major industries, orders compared to September rose by 3.3% in industrial machinery, fell by 10.3% in motor vehicles, rose by 27.5% in electrical & precision machinery, and fell by 57.6% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 4.7% from September to 83.96 billion yen. This marked the first month of month-on-month decline in three months. While foreign orders showed an increase of 59.8% over the same month of the previous year, this marked the eleven consecutive months of year-on-year growth.

By region, orders from Asia fell by 0.5% from September to 38.16 billion yen. However, this was an increase of 104.9% over the same month of the previous year. Orders from Europe fell by 6.6% from September to 20.98 billion yen. This was an increase of 58.9% over the same month of the previous year. Orders from North America fell by 11.6% from September, amounting to 22.90 billion yen. This figure was an increase of 15.1% 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 2016	16/15 (%)	17/04-17/06	17/07-17/09	Previous Quarter (%)	year-to-year (%)	17/01-17/10	year-to-year (%)	Oct. '17	Oct. 17/Sep. 17 (%)	Oct. 17/Oct. 16 (%)
1. Primary Metals		18,154	98.0	4,812	3,999	83.1	93.3	14,617	96.0	1,824	87.2	96.5
2. Fabricated Metal Products		22,804	79.8	6,619	7,879	119.0	98.4	21,521	111.7	1,883	45.5	138.7
Machinery & Equipment Industries	3. Industrial Machinery	207,113	93.4	63,920	69,196	108.3	120.9	209,122	120.7	24,910	103.3	166.5
	(of which construction machinery)	5,433	93.1	1,999	2,321	116.1	216.7	6,142	137.9	866	134.9	422.4
	(of which dies and molds )	30,778	95.6	7,318	7,001	95.7	89.6	23,208	89.4	2,556	124.4	127.5
	4. Motor Vehicles	174,853	85.7	49,040	55,561	113.3	129.6	164,838	116.0	17,695	89.7	112.7
	(of which auto parts)	115,986	80.7	34,775	36,109	103.8	126.1	113,995	120.6	12,228	104.3	131.2
	5. Electrical Machinery	26,282	97.6	9,330	9,304	99.7	142.6	29,580	142.7	4,034	199.3	191.5
	6. Precision Machinery	19,600	92.8	7,268	6,282	86.4	122.4	20,636	129.1	1,620	67.2	116.5
	5-6. Electrical & Precision Machinery (Sub Total)	45,882	95.5	16,598	15,586	93.9	133.7	50,216	136.8	5,654	127.5	161.7
	7. Aircraft, Shipbuilding & Transport equipment	30,076	96.6	6,080	6,543	107.6	82.2	19,826	74.6	1,342	42.4	76.2
	(of which aircraft)	16,412	100.9	2,348	3,509	149.4	81.1	9,989	66.3	667	37.0	61.2
3-7. Sub total		457,924	90.7	135,638	146,886	108.3	122.7	444,002	117.3	49,601	96.4	138.1
8. Other Machinery & Equipment		12,292	84.8	4,479	3,993	89.1	126.6	13,520	126.5	1,283	89.2	152.6
9. Government, Public Agencies & Schools		2,762	81.5	223	697	312.6	96.9	2,008	119.9	607	187.9	183.9
10. Others		9,524	98.0	2,722	2,689	98.8	98.7	9,056	112.3	793	93.7	129.4
11. Trading Companies		7,085	107.4	1,719	1,868	108.7	141.1	6,946	114.0	707	96.7	175.0
1-11. Domestic Total		530,545	90.5	156,212	168,011	107.6	120.1	511,670	116.4	56,698	92.9	137.1
12. Foreign		719,458	80.4	250,343	248,269	99.2	150.1	809,486	137.1	83,963	95.3	159.8
1-12. Grand Total		1,250,003	84.4	406,555	416,280	102.4	136.3	1,321,156	128.2	140,661	94.3	149.8
(of which: NC machines)		1,225,768	84.5	399,582	409,032	102.4	136.8	1,297,168	128.3	137,546	93.9	148.9
Sales		1,280,584	83.6	317,028	408,029	128.7	130.5	1,186,525	112.1	113,243	67.9	123.4
(of which: NC machines)		1,254,652	83.5	311,902	401,510	128.7	130.7	1,166,682	112.6	111,645	68.0	123.8
Order Backlog		522,527	86.0	620,525	628,824	101.3	108.7	656,242	113.0	656,242	104.4	113.0
(of which: NC machines)		505,184	87.3	601,283	608,853	101.3	110.1	634,754	114.3	634,754	104.3	114.3

