

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (December 2019)

The total value of machine tool orders in December was 135.52 billion yen. This was an increase of 3.0% compared to November 2018 and marked the first month-on-month growth in three months. However, this figure represented a decrease of 18.3% compared to the same month of the previous year and marked the third consecutive month of year-on-year decline. The total amount of orders fell below 140 billion yen for three consecutive months. However, they topped 100 billion yen for twenty-sixth consecutive months.

Although the level is somewhat lower comparing to the peak of this year, orders of high level are continuing. It is expected to maintain a certain level in the future, however we would like to pay attention to the influence of trade issues and others.

Domestic orders fell by 0.7% from November, amounting to 57.15 billion yen. This marked the third consecutive month-on-month decline. Moreover, this figure was a decline of 9.8% from the same month of the previous year and marked the first year-on-year decline in twenty-three months.

Looking at major industries, orders compared to November fell by 6.6% in industrial machinery, by 2.0% in motor vehicles, by 24.7% in electrical & precision machinery, and rose by 84.1% in aircraft, shipbuilding & transport equipment.

Foreign orders rose by 5.9% over November to 78.37 billion yen, marked the third consecutive month of month-on-month growth. However, foreign orders showed a decrease of 23.6% from the same month of the previous year, and this marked the third consecutive year-on-year decline.

By region, orders from Asia rose by 6.5% over December to 30.33 billion yen. This was a decrease of 42.7% from the same month of the previous year. Orders from Europe rose by 5.8% over November to 19.37 billion yen. This was a decrease of 8.3% from the same month of the previous year. Orders from North America rose by 4.1% over November, amounting to 27.20 billion yen. This figure was a growth of 3.5% over the same month of the previous year.

Total Machine Tool orders for 2018 totaled 1,815.77 billion yen, which was an increase of 10.3% over the previous year. As a result, calendar year 2018 posted the year-on-year growth for second consecutive years. This figure topped 1,000 billion yen for eight consecutive years. Total domestic orders rose by 19.2% over the previous year to 750.34 billion yen, and total foreign orders rose by 4.8% over the previous year to 1,065.43 billion yen. As a result, the share of foreign orders decreased to 58.7%, a decline of 3.1 point from the previous year.

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NET NEW ORDERS – METAL CUTTING MACHINE TOOLS IN JAPAN

(Value: in Millions of Yen)

Industry \ Period		Total 2017	17/16 (%)	18/07-18/09	18/10-18/12	Previous Quarter (%)	year-to-year (%)	18/01-18/12	year-to-year (%)	Dec. '18	Dec. 18/Nov. 18 (%)	Dec. 18/Dec. 17 (%)
1. Primary Metals		17,778	97.9	6,381	5,402	84.7	108.4	24,984	140.5	1,649	89.7	83.7
2. Fabricated Metal Products		26,539	116.4	10,727	8,990	83.8	130.3	35,632	134.3	3,983	131.1	117.5
Machinery & Equipment Industries	3. Industrial Machinery	259,144	125.1	81,968	66,146	80.7	88.3	297,290	114.7	21,453	93.4	78.7
	(of which construction machinery)	7,510	138.2	3,472	4,195	120.8	187.8	12,833	170.9	1,770	144.4	241.5
	(of which dies and molds)	27,574	89.6	8,002	6,476	80.9	93.6	28,302	102.6	1,915	88.7	93.7
	4. Motor Vehicles	201,119	115.0	60,588	58,412	96.4	108.2	248,296	123.5	18,784	98.0	102.0
	(of which auto parts)	139,936	120.6	40,145	39,876	99.3	104.5	165,265	118.1	13,012	96.6	98.5
	5. Electrical Machinery	37,082	141.1	9,365	9,657	103.1	83.7	45,630	123.1	2,452	70.2	57.2
	6. Precision Machinery	25,267	128.9	7,546	7,171	95.0	114.7	29,403	116.4	2,116	82.4	92.1
	5-6. Electrical & Precision Machinery (Sub Total)	62,349	135.9	16,911	16,828	99.5	94.6	75,033	120.3	4,568	75.3	69.4
	7. Aircraft, Shipbuilding & Transport equipment	23,840	79.3	5,934	7,318	123.3	136.6	26,763	112.3	3,224	184.1	129.7
	(of which aircraft)	11,610	70.7	3,074	4,086	132.9	178.6	14,579	125.6	2,252	440.7	215.7
3-7. Sub total		546,452	119.3	165,401	148,704	89.9	97.8	647,382	118.5	48,029	96.1	87.7
8. Other Machinery & Equipment		16,396	133.4	5,551	3,905	70.3	93.9	19,836	121.0	1,431	141.3	95.9
9. Government, Public Agencies & Schools		3,083	111.6	1,646	651	39.6	38.7	2,966	96.2	77	34.1	17.0
10. Others		11,019	115.7	2,795	2,886	103.3	104.7	11,922	108.2	1,118	114.3	130.9
11. Trading Companies		8,102	114.4	1,716	1,845	107.5	99.0	7,621	94.1	865	167.0	183.7
1-11. Domestic Total		629,369	118.6	194,217	172,383	88.8	98.8	750,343	119.2	57,152	99.3	90.2
12. Foreign		1,016,185	141.2	250,763	234,363	93.5	80.6	1,065,428	104.8	78,370	105.9	76.4
1-12. Grand Total		1,645,554	131.6	444,980	406,746	91.4	87.5	1,815,771	110.3	135,522	103.0	81.7
(of which: NC machines)		1,616,216	131.9	436,014	399,320	91.6	87.5	1,783,287	110.3	133,013	103.2	81.6
Sales		1,467,285	114.6	419,902	415,553	99.0	105.5	1,684,768	114.8	152,017	108.5	97.8
(of which: NC machines)		1,442,889	115.0	412,605	407,857	98.8	105.2	1,657,024	114.8	149,210	108.4	97.5
Order Backlog		694,231	132.9	834,040	826,197	99.1	119.0	826,197	119.0	826,197	98.2	119.0
(of which: NC machines)		670,808	132.8	805,607	799,511	99.2	119.2	799,511	119.2	799,511	98.3	119.2

