

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (July 2019)

The total value of machine tool orders in July was 101.28 billion yen. This was an increase of 2.4% compared to June 2019 and marked the first month of month-on-month growth in four months. However, this figure represented a decrease of 33.0% compared to the same month of the previous year and marked the tenth consecutive month of year-on-year decline.

The total amount of orders topped 100 billion yen for the first time in two months.

Both domestic and foreign demand continues cautious about the capital investment due to the US-China trade friction. We would like to closely watch the trade issues and the recovery trend of the Chinese economy.

Domestic orders rose by 9.2% over June, amounting to 41.17 billion yen. This marked the first month of month-on-month growth in four months. By contrast, this figure was a decline of 38.9% from the same month of the previous year and marked the eighth consecutive month of year-on-year decline.

Looking at major industries, orders compared to June rose by 10.0% in industrial machinery, by 4.2% in motor vehicles, by 37.0% in electrical & precision machinery, and by 32.4% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 1.8% from June to 60.11 billion yen, marked the second consecutive month of month-on-month decline. Likewise, foreign orders showed a decrease of 28.2% from the same month of the previous year, and this marked the tenth consecutive month of year-on-year decline.

By region, orders from Asia fell by 10.3% from June to 22.46 billion yen. This was also a decrease of 36.0% from the same month of the previous year. Orders from Europe rose by 3.3% over June to 14.74 billion yen. This was a decrease of 31.5% from the same month of the previous year. Orders from North America rose by 2.6% over June, amounting to 21.66 billion yen. This figure was a decline of 16.4% from the same month of the previous year.

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NET NEW ORDERS – METAL CUTTING MACHINE TOOLS IN JAPAN

(Value: in Millions of Yen)

Industry \ Period		Total 2018	18/17 (%)	19/01–19/03	19/04–19/06	Previous Quarter (%)	year-to-year (%)	19/01–19/07	year-to-year (%)	July '19	July 19/June 19 (%)	July 19/July 18 (%)
1. Primary Metals		24,984	140.5	4,338	4,227	97.4	58.7	9,771	66.2	1,206	57.2	77.8
2. Fabricated Metal Products		35,632	134.3	9,049	5,858	64.7	73.9	17,840	93.6	2,933	171.1	93.0
Machinery & Equipment Industries	3. Industrial Machinery	297,290	114.7	59,926	48,749	81.3	64.3	126,333	70.2	17,658	110.0	57.4
	(of which construction machinery)	12,833	170.9	4,486	2,228	49.7	75.1	7,769	118.2	1,055	137.7	75.1
	(of which dies and molds)	28,302	102.6	5,796	5,710	98.5	79.3	13,698	83.2	2,192	102.5	83.3
	4. Motor Vehicles	248,296	123.5	40,415	38,226	94.6	57.7	89,838	59.9	11,197	104.2	53.9
	(of which auto parts)	165,265	118.1	28,517	27,970	98.1	63.7	64,578	65.0	8,091	95.9	57.3
	5. Electrical Machinery	45,630	123.1	7,234	5,536	76.5	38.1	14,738	50.8	1,968	150.8	81.2
	6. Precision Machinery	29,403	116.4	6,207	5,101	82.2	72.7	12,938	74.8	1,630	123.4	62.2
	5 – 6. Electrical & Precision Machinery (Sub Total)	75,033	120.3	13,441	10,637	79.1	49.4	27,676	59.7	3,598	137.0	71.3
	7. Aircraft, Shipbuilding & Transport equipment	26,763	112.3	5,920	6,492	109.7	126.9	14,075	90.3	1,663	132.4	80.0
	(of which aircraft)	14,579	125.6	3,328	3,505	105.3	129.7	7,924	92.6	1,091	151.7	95.6
3 – 7. Sub total		647,382	118.5	119,702	104,104	87.0	61.7	257,922	65.8	34,116	111.2	58.1
8. Other Machinery & Equipment		19,836	121.0	4,101	4,794	116.9	92.6	10,054	81.7	1,159	73.4	60.0
9. Government, Public Agencies & Schools		2,966	96.2	370	285	77.0	100.0	1,022	97.8	367	470.5	97.6
10. Others		11,922	108.2	2,915	3,101	106.4	92.8	6,991	96.2	975	89.4	94.8
11. Trading Companies		7,621	94.1	1,903	1,565	82.2	90.9	3,883	81.5	415	92.4	58.9
1-11. Domestic Total		750,343	119.2	142,378	123,934	87.0	63.8	307,483	68.2	41,171	109.2	61.1
12. Foreign		1,065,428	104.8	223,429	192,185	86.0	69.3	475,721	71.6	60,107	98.2	71.8
1-12. Grand Total		1,815,771	110.3	365,807	316,119	86.4	67.0	783,204	70.2	101,278	102.4	67.0
(of which: NC machines)		1,783,287	110.3	358,434	310,350	86.6	67.1	768,098	70.1	99,314	102.3	67.0
Sales		1,684,768	114.8	440,821	351,564	79.8	90.1	907,234	93.2	114,849	91.6	92.2
(of which: NC machines)		1,657,024	114.8	432,705	345,042	79.7	89.7	890,895	92.9	113,148	92.1	92.6
Order Backlog		826,197	119.0	751,183	715,738	95.3	88.5	702,167	84.0	702,167	98.1	84.0
(of which: NC machines)		799,511	119.2	725,240	690,548	95.2	88.3	676,714	83.7	676,714	98.0	83.7

NET NEW ORDERS BY DESTINATION

(Value in Millions of yen)

2019		Jan.		Feb.		Mar.		Apr.		May		June		July		Aug.		Sep.		Oct.		Nov.		Dec.		Total			
			%		%		%		%		%		%		%		%		%		%		%		%	2019	%		
Asia	East Asia	Korea	1,554	41.5	2,397	52.8	1,861	42.8	2,679	76.6	2,220	107.2	2,348	61.9	2,356	69.8											15,415	60.8	
		Taiwan	1,839	63.2	1,581	79.6	1,969	49.0	2,454	89.5	2,122	74.7	2,261	79.2	2,074	91.6												14,300	72.9
		China	16,617	47.7	14,081	49.6	20,105	56.0	15,620	51.3	16,858	68.3	11,513	40.3	12,280	59.8												107,074	52.7
		Other	0	-	0	-	0	-	431	43100.0	1	-	3	-	0	-												435	14500.0
	East Asia Total	20,010	48.2	18,059	51.7	23,935	54.1	21,184	57.7	21,201	71.6	16,125	45.8	16,710	63.8												137,224	55.3	
	Other Asia	Thailand	2,116	80.2	2,103	93.2	1,203	32.8	1,575	71.3	1,669	75.2	2,082	78.3	1,532	70.6												12,280	68.9
		Malaysia	1,022	130.9	416	44.9	534	51.8	452	52.3	-28	-	875	108.8	609	99.3												3,880	67.5
		Singapore	433	41.3	481	64.7	644	47.3	409	76.0	240	51.9	524	38.5	339	70.0												3,070	51.2
		Philippine	531	199.6	432	85.5	-75	-	31	4.7	196	19.7	231	35.1	287	121.6												1,633	46.4
		Indonesia	697	131.0	631	126.2	711	87.0	534	98.2	1,257	186.5	465	100.6	632	129.2												4,927	122.6
Vietnam		1,463	140.4	1,089	65.0	1,490	217.5	1,007	106.8	573	62.7	813	109.0	714	116.9												7,149	108.0	
India		5,897	155.1	3,833	67.7	2,927	107.3	2,116	57.9	3,135	71.1	3,915	124.7	1,636	42.0												23,459	85.9	
Other	756	1181.3	3	300.0	9	450.0	69	1380.0	0	-	2	22.2	4	1.0												843	173.5		
Other Asia Total	12,915	126.9	8,988	73.3	7,443	71.0	6,193	65.7	7,042	67.7	8,907	90.5	5,753	64.6												57,241	80.1		
Sub Total	32,925	63.7	27,047	57.3	31,378	57.3	27,377	59.4	28,243	70.6	25,032	55.6	22,463	64.0													194,465	60.8	
Europe	EU	Germany	3,966	88.9	4,674	80.3	4,008	85.2	4,295	90.3	3,969	90.6	3,718	71.3	2,991	63.4											27,621	81.1	
		U. K.	1,764	91.6	2,894	124.7	2,506	108.8	2,158	113.9	1,739	108.9	1,349	81.8	1,801	74.0												14,211	100.6
		Italy	2,506	77.2	2,341	76.3	2,973	94.8	1,938	63.3	1,778	55.2	2,042	54.9	1,325	46.4												14,903	66.8
		France	2,595	91.1	1,334	93.5	1,895	94.4	1,647	62.7	808	60.6	1,021	45.6	1,406	54.8												10,706	71.2
		Central Europe	1,204	39.2	2,318	101.7	1,586	78.2	1,233	94.1	1,407	88.0	1,455	71.4	761	29.2												9,964	66.7
		Other	4,367	129.6	2,669	66.3	3,128	96.1	2,945	108.4	2,600	63.1	2,394	63.8	4,072	105.0												22,175	88.3
	Sub Total	16,402	86.7	16,230	85.7	16,096	92.4	14,216	86.9	12,301	75.7	11,979	64.4	12,356	64.8												99,580	79.3	
	Other West Europe	1,904	97.5	1,306	62.6	1,603	77.9	1,498	67.7	1,494	63.2	1,461	68.0	1,611	82.8													10,877	73.7
	Turkey	621	72.0	309	29.8	513	55.2	413	34.0	854	104.7	826	64.6	469	56.2													4,005	57.4
	Switzerland	1,231	136.2	830	96.8	1,018	110.3	984	115.8	602	47.4	430	64.9	1,014	97.9													6,109	93.9
East Europe	307	548.2	215	71.2	416	39.5	191	70.2	186	48.3	193	69.7	251	89.0													1,759	67.0	
Russia - Other	766	118.6	338	43.5	537	218.3	168	52.8	673	139.6	634	163.4	524	206.3													3,640	117.0	
Sub Total	19,379	89.8	18,089	81.8	18,652	89.7	16,073	83.8	14,654	75.2	14,267	66.6	14,742	68.5													115,856	79.3	
North America & Oceania	U. S. A.	20,032	94.1	18,000	78.9	22,480	85.2	18,079	71.8	19,149	82.9	18,875	82.7	18,360	85.7												134,975	82.8	
	Canada	1,751	153.1	1,863	145.1	994	81.6	1,028	105.2	1,462	90.7	1,444	77.4	1,315	92.9												9,857	103.6	
	Mexico	2,812	270.6	1,444	69.2	1,169	41.3	1,023	64.9	1,142	117.7	799	20.8	1,984	64.6												10,373	67.3	
	Sub Total	24,595	104.7	21,307	81.4	24,643	81.0	20,130	72.6	21,753	84.7	21,118	74.0	21,659	83.6													155,205	82.6
South America	Brazil	359	44.8	456	68.0	964	278.6	718	138.1	378	85.5	367	59.1	495	95.2												3,737	95.3	
	Other	16	4.2	136	100.7	142	52.8	64	120.8	39	88.6	57	247.8	28	254.5												482	52.4	
	Sub Total	375	31.6	592	73.4	1,106	179.8	782	136.5	417	85.8	424	65.8	523	98.5												4,219	87.2	
Oceania	Australia	547	133.1	472	112.1	446	92.0	430	90.0	549	168.4	365	83.7	319	70.1												3,128	103.9	
	Other	109	173.0	105	147.9	1	-	41	36.9	49	51.6	0	-	47	4700.0												352	96.4	
Sub Total	656	138.4	577	117.3	447	92.7	471	80.0	598	142.0	365	78.8	366	80.3													3,480	103.1	
Middle East	414	141.3	318	171.0	442	203.7	187	63.8	166	105.7	18	12.8	349	288.4													1,894	134.5	
Africa	285	287.9	144	306.4	58	152.6	112	140.0	-6	-	4	6.7	5	7.2													602	121.4	
Grand Total	78,629	79.6	68,074	70.2	76,726	71.5	65,132	68.9	65,825	76.2	61,228	63.6	60,107	71.8													475,721	71.6	
Of which NC	77,452	79.6	67,159	70.1	75,677	70.9	64,032	68.7	64,840	76.0	60,339	63.8	59,475	71.7													468,974	71.5	

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

Japan Machine Tool Builders' Association