

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (February 2020)

The total value of machine tool orders in February was 77.22 billion yen. This was a decrease of 4.4% compared to January 2020 and marked the second consecutive months of month-on-month decline. Moreover, this figure represented a decrease of 29.6% compared to the same month of the previous year and marked the seventeenth consecutive month of year-on-year decline. The total amount of orders fell below 100 billion yen for seven consecutive months. Machine tool orders have been low due to the weak investment environment and the effect of COVID-19. There will be concerns about the impact both in domestic and overseas in the months ahead, and we will closely monitor the trends.

Domestic orders rose by 8.1% over January, amounting to 32.00 billion yen. This marked the first month of month-on-month growth in two months. However, this figure was a decline of 23.2% from the same month of the previous year and marked the fifteenth consecutive months of year-on-year decline. Looking at major industries, orders compared to January rose by 24.7% in industrial machinery, by 0.5% in motor vehicles, fell by 2.1% in electrical & precision machinery, and by 52.0% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 11.7% from January to 45.23 billion yen, marked the second consecutive month of month-on-month decline. Furthermore, foreign orders showed a decrease of 33.6% from the same month of the previous year, and this marked the seventeenth consecutive month of year-on-year decline. By region, orders from Asia fell by 17.0% from January to 16.19 billion yen. This was a decrease of 40.2% from the same month of the previous year. Orders from Europe fell by 11.7% from January to 10.92 billion yen. This was a decrease of 39.7% from the same month of the previous year. Orders from North America fell by 4.6% from January, amounting to 17.34 billion yen. This figure was a decline of 18.6% 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 2019	19/18 (%)	19/07–19/09	19/10–19/12	Previous Quarter (%)	year-to-year (%)	20/01–20/02	year-to-year (%)	Feb. '20	Feb. 20/Jan. 20 (%)	Feb. 20/Feb. 19 (%)
1. Primary Metals		15,087	60.4	3,451	3,071	89.0	56.8	2,792	113.2	1,263	82.6	141.4
2. Fabricated Metal Products		32,024	89.9	10,265	6,852	66.8	76.2	3,308	63.5	1,772	115.4	63.0
Machinery & Equipment Industries	3. Industrial Machinery	202,203	68.0	54,173	39,355	72.6	59.5	23,868	63.9	13,246	124.7	73.4
	(of which construction machinery)	11,535	89.9	2,621	2,200	83.9	52.4	1,572	52.1	988	169.2	62.2
	(of which dies and molds)	20,987	74.2	5,712	3,769	66.0	58.2	2,187	62.0	1,144	109.7	73.1
	4. Motor Vehicles	139,762	56.3	31,318	29,803	95.2	51.0	18,115	71.7	9,082	100.5	83.3
	(of which auto parts)	101,224	61.2	23,242	21,495	92.5	53.9	10,927	63.2	5,671	107.9	76.7
	5. Electrical Machinery	23,549	51.6	6,355	4,424	69.6	45.8	3,644	83.6	1,757	93.1	86.9
	6. Precision Machinery	19,476	66.2	4,635	3,533	76.2	49.3	2,482	58.4	1,273	105.3	56.7
	5 – 6. Electrical & Precision Machinery (Sub Total)	43,025	57.3	10,990	7,957	72.4	47.3	6,126	71.2	3,030	97.9	71.0
	7. Aircraft, Shipbuilding & Transport equipment	24,425	91.3	4,970	7,043	141.7	96.2	2,476	67.1	803	48.0	45.5
	(of which aircraft)	11,980	82.2	1,794	3,353	186.9	82.1	1,403	64.1	85	6.4	8.1
3 – 7. Sub total		409,415	63.2	101,451	84,158	83.0	56.6	50,585	67.5	26,161	107.1	74.8
8. Other Machinery & Equipment		15,777	79.5	3,815	3,067	80.4	78.5	2,008	75.6	1,207	150.7	93.8
9. Government, Public Agencies & Schools		2,510	84.6	968	887	91.6	136.3	325	91.5	86	36.0	92.5
10. Others		12,051	101.1	3,145	2,890	91.9	100.1	1,578	91.4	933	144.7	91.9
11. Trading Companies		6,324	83.0	1,682	1,174	69.8	63.6	987	88.3	575	139.6	98.8
1–11. Domestic Total		493,188	65.7	124,777	102,099	81.8	59.2	61,583	69.6	31,997	108.1	76.8
12. Foreign		736,712	69.1	163,961	157,137	95.8	67.0	96,418	65.7	45,227	88.3	66.4
1–12. Grand Total		1,229,900	67.7	288,738	259,236	89.8	63.7	158,001	67.2	77,224	95.6	70.4
(of which: NC machines)		1,206,231	67.6	282,851	254,596	90.0	63.8	155,223	67.4	76,141	96.3	70.8
Sales		1,501,633	89.1	375,809	333,439	88.7	80.2	180,395	73.2	92,301	104.8	70.6
(of which: NC machines)		1,474,295	89.0	369,320	327,228	88.6	80.2	176,966	73.1	90,487	104.6	70.5
Order Backlog		561,265	67.9	628,667	561,265	89.3	67.9	539,905	66.2	539,905	97.5	66.2
(of which: NC machines)		542,212	67.8	604,079	542,212	89.8	67.8	521,503	66.2	521,503	97.5	66.2

NET NEW ORDERS BY DESTINATION

(Value in Millions of yen)

2020		Jan.		Feb.		Mar.		Apr.		May		June		July		Aug.		Sep.		Oct.		Nov.		Dec.		Total 2020				
			%		%		%		%		%		%		%		%		%		%		%		%		%			
Asia	East Asia	Korea	2,000	128.7	1,767	73.7																					3,767	95.3		
		Taiwan	1,801	97.9	1,243	78.6																						3,044	89.0	
		China	10,742	64.6	7,380	52.4																						18,122	59.0	
		Other	1	-	23	-																						24	-	
		East Asia Total	14,544	72.7	10,413	57.7																						24,957	65.6	
	Other Asia	Thailand	987	46.6	2,058	97.9																						3,045	72.2	
		Malaysia	167	16.3	698	167.8																						865	60.2	
		Singapore	257	59.4	168	34.9																						425	46.5	
		Philippine	176	33.1	129	29.9																						305	31.7	
		Indonesia	812	116.5	516	81.8																						1,328	100.0	
Vietnam		718	49.1	866	79.5																						1,584	62.1		
India		1,847	31.3	1,338	34.9																						3,185	32.7		
Other	3	0.4	1	33.3																						4	0.5			
Other Asia Total	4,967	38.5	5,774	64.2																						10,741	49.0			
Sub Total	19,511	59.3	16,187	59.8																							35,698	59.5		
Europe	U	Germany	3,141	79.2	2,348	50.2																					5,489	63.5		
		U. K.	1,555	88.2	1,339	46.3																						2,894	62.1	
		Italy	1,681	67.1	764	32.6																						2,445	50.4	
		France	1,004	38.7	795	59.6																						1,799	45.8	
		Central Europe	1,276	106.0	1,724	74.4																						3,000	85.2	
		Other	2,113	48.4	2,307	86.4																						4,420	62.8	
		Sub Total	10,770	65.7	9,277	57.2																						20,047	61.4	
	Other West Europe	Turkey	357	57.5	673	217.8																						1,030	110.8	
		Switzerland	559	45.4	500	60.2																						1,059	51.4	
		East Europe	51	16.6	175	81.4																						226	43.3	
		Russia - Other	543	70.9	177	52.4																							720	65.2
		Sub Total	12,367	63.8	10,915	60.3																						23,282	62.1	
		Other East Europe	1,003	52.7	1,286	98.5																							2,289	71.3
North America & Oceania	U. S. A.	16,147	80.6	15,202	84.5																						31,349	82.4		
	Canada	1,111	63.4	1,277	68.5																						2,388	66.1		
	Mexico	915	32.5	862	59.7																						1,777	41.8		
	Sub Total	18,173	73.9	17,341	81.4																						35,514	77.4		
South America	Brazil	377	105.0	313	68.6																						690	84.7		
	Other	59	368.8	34	25.0																						93	61.2		
	Sub Total	436	116.3	347	58.6																						783	81.0		
Oceania	Australia	324	59.2	234	49.6																						558	54.8		
	Other	2	1.8	10	9.5																						12	5.6		
Sub Total	326	49.7	244	42.3																							570	46.2		
Middle East	336	81.2	185	58.2																							521	71.2		
Africa	42	14.7	8	5.6																							50	11.7		
Grand Total	51,191	65.1	45,227	66.4																							96,418	65.7		
Of which NC	50,721	65.5	45,064	67.1																							95,785	66.2		

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

Japan Machine Tool Builders' Association