

## The Current Condition of the Japanese Machine Tool Industry

### Monthly Machine Tool Orders (May 2020)

The total value of machine tool orders in May was 51.24 billion yen. This was a decrease of 8.7% compared to April 2020 and marked the second consecutive month of month-on-month decline. Moreover, this figure represented a decrease of 52.8% compared to the same month of the previous year and marked the twentieth consecutive month of year-on-year decline. The total value of orders received has dropped below 55 billion yen for the first time in 10 years and 6 months since November 2009 (47.35 billion yen).

The impact of the spread of COVID-19 worldwide is gaining momentum and is pushing down orders. There are concerns over the impact both domestic and overseas markets, but we would like to pay close attention to future trends associated with the recovery in economic activity levels.

Domestic orders fell by 14.0% from April, amounting to 18.19 billion yen. This marked the second consecutive month of month-on-month decline. Furthermore, this figure was a decline of 57.4% from the same month of the previous year and marked the eighteenth consecutive months of year-on-year decline. Looking at major industries, orders compared to April fell by 14.1% in industrial machinery, by 25.0% in motor vehicles, up by 4.6% in electrical & precision machinery, and by 6.3% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 5.6% from April to 33.05 billion yen, marked the fifth consecutive month of month-on-month decline. Likewise, foreign orders showed a decrease of 49.8% from the same month of the previous year, and this marked the twentieth consecutive month of year-on-year decline. By region, orders from Asia rose by 5.6% over April to 18.66 billion yen. This was a decrease of 33.9% from the same month of the previous year. Orders from Europe fell by 16.4% from April to 4.47 billion yen. This was a decrease of 69.5% from the same month of the previous year. Orders from North America fell by 20.2% from April, amounting to 9.40 billion yen. This figure was a decline of 56.8% from the same month of the previous year.

# Main Statistics of Metal Cutting Machine Tools

Value in Millions of Yen

Period	ORDERS								PRODUCTION				SALES		INVENTORY		EXPORTS		IMPORTS		EMPLOYEES	WHOLE-SALE		
	Total	%	Domestic	%	Foreign	%	Sales	Order Backlog	Unites	Weight	Value	%	Unites	Value	Unites	Weight	Value	%	Value	%	No. of	PRICE		
	Value		Value		Value		Value	Value		ton						ton					Persons	INDEX		
C.Y.	2003	851,101	125.9	441,587	126.1	409,514	125.8	792,356	348,947	65,673	272,171	690,205	118.0	64,013	692,463	3,851	14,687	564,105	116.4	53,163	104.4	22,130	99.2	
	2004	1,236,192	145.2	672,839	152.4	563,353	137.6	1,025,726	555,840	79,500	361,935	878,082	127.2	76,091	879,589	4,092	17,384	683,066	121.1	88,245	166.0	22,141	101.6	
	2005	1,363,203	110.3	746,709	111.0	616,494	109.4	1,275,637	644,180	92,385	453,038	1,110,257	126.4	88,719	1,125,758	5,049	23,025	815,110	119.3	107,453	121.8	22,907	100.0	
	2006	1,436,970	105.4	733,009	98.2	703,961	114.2	1,407,258	684,266	100,171	492,096	1,211,230	109.1	94,383	1,232,261	6,963	26,930	921,456	113.0	135,649	126.2	23,503	101.1	
	2007	1,589,991	110.6	726,424	99.1	863,567	122.7	1,522,632	758,815	106,282	515,268	1,303,164	107.6	98,752	1,317,226	9,662	32,006	892,032	96.8	72,601	53.5	24,624	100.6	
	2008	1,301,147	81.8	566,820	78.0	734,327	85.0	1,472,029	574,383	95,310	492,188	1,249,184	95.9	88,319	1,267,372	11,436	31,685	874,723	98.1	60,226	83.0	25,323	101.5	
	2009	411,809	31.6	159,648	28.2	252,161	34.3	596,920	382,592	28,281	180,025	486,283	38.9	29,894	514,793	9,547	22,656	321,399	36.7	28,717	47.7	24,542	100.2	
	2010	978,622	237.6	307,527	192.6	671,095	266.1	851,272	508,446	67,607	302,376	813,002	167.2	67,954	820,517	10,464	24,489	608,551	189.3	30,579	106.5	23,380	100.0	
	2011	1,326,188	135.5	421,599	137.1	904,589	134.8	1,179,316	653,138	85,483	432,693	1,149,394	141.4	87,452	1,170,069	10,437	28,720	855,195	140.5	43,442	142.1	24,348	102.5	
	2012	1,212,445	91.4	375,822	89.1	836,623	92.5	1,329,650	543,736	93,649	429,207	1,151,980	100.2	95,824	1,173,114	9,894	34,483	945,594	110.6	51,080	117.6	25,524	102.7	
	2013	1,117,049	92.1	400,803	106.6	716,246	85.6	1,094,673	566,113	56,780	320,904	886,372	76.9	62,518	911,286	7,890	31,779	766,495	81.1	63,016	123.4	24,716	101.2	
	2014	1,509,397	135.1	496,391	123.8	1,013,006	141.4	1,422,184	652,213	99,407	454,866	1,186,293	133.8	102,231	1,221,172	9,924	34,308	961,862	125.5	78,087	123.9	25,188	104.0	
	2015	1,480,592	98.1	586,240	118.1	894,352	88.3	1,532,603	607,499	102,101	489,253	1,258,087	106.1	105,147	1,310,282	11,274	38,620	932,123	96.9	91,580	117.3	25,826	100.0	
	2016	1,250,003	84.4	530,545	90.5	719,458	80.4	1,280,584	522,527	67,991	374,124	1,012,810	80.5	73,443	1,058,471	9,321	35,371	666,519	71.5	78,249	85.4	26,252	100.5	
	2017	1,645,554	131.6	629,369	118.6	1,016,185	141.2	1,467,285	694,231	88,644	426,841	1,129,823	111.6	92,174	1,181,505	9,936	33,453	786,221	118.0	72,276	92.4	26,161	99.3	
	2018	1,815,771	110.3	750,343	119.2	1,065,428	104.8	1,684,768	826,197	84,803	454,619	1,236,790	109.5	90,160	1,297,087	9,167	31,553	881,700	112.1	90,574	125.3	27,348	101.1	
	2019	1,229,900	67.7	493,188	65.7	736,712	69.1	1,501,633	561,265	62,240	380,419	1,072,452	86.7	66,288	1,118,969	9,490	33,806	735,108	83.4	85,996	94.9	27,436	103.7	
F.Y.	2015	1,398,968	88.6	579,295	109.9	819,673	77.9	1,471,868	548,277	90,060	453,903	1,185,130	94.0	94,378	1,233,552	9,761	34,724	844,991	82.4	87,710	111.1	26,036	100.4	
	2016	1,289,310	92.2	531,575	91.8	757,735	92.4	1,251,224	531,962	67,060	366,470	989,202	83.5	70,973	1,028,610	9,212	32,928	649,014	76.8	75,944	86.6	26,196	100.2	
	2017	1,780,339	138.1	687,975	129.4	1,092,364	144.2	1,578,249	727,486	97,915	457,502	1,203,453	121.7	102,009	1,259,109	9,532	30,607	867,434	133.7	74,455	98.0	26,436	99.5	
	2018	1,689,133	94.9	703,366	102.2	985,767	90.2	1,666,400	751,183	76,151	438,300	1,210,013	100.5	81,169	1,272,572	9,171	29,803	841,164	97.0	94,726	127.2	27,387	101.8	
	2019	1,099,541	65.1	446,639	63.5	652,902	66.2	1,367,888	490,671	55,863	341,154	987,749	81.6	60,147	1,018,933	8,332	29,106	673,830	80.1	78,535	82.9	27,473	104.5	
	2017	4-6	406,555	130.0	156,212	121.5	250,343	136.0	317,028	620,525	22,260	101,610	265,123	114.1	22,567	268,381	9,920	35,641	188,702	114.9	16,072	88.1	26,256	99.1
		7-9	416,280	136.3	168,011	120.1	248,269	150.1	408,029	628,824	24,416	113,136	298,176	121.5	25,917	318,685	9,514	32,076	211,049	125.2	19,215	111.7	26,194	99.7
		10-12	465,059	148.3	174,397	131.8	290,662	160.2	394,003	694,231	24,151	115,399	301,192	122.4	24,834	313,076	9,936	33,453	221,293	146.5	19,086	84.5	26,169	99.3
	2018	1-3	492,445	137.7	189,355	144.8	303,090	133.6	459,189	727,486	27,088	127,357	338,962	127.8	28,691	358,967	9,532	30,607	246,390	149.2	20,081	112.2	27,123	99.8
		4-6	471,600	116.0	194,388	124.4	277,212	110.7	390,124	808,962	20,437	108,721	294,341	111.0	21,449	298,271	9,559	34,290	219,335	116.2	19,814	123.3	27,400	101.5
		7-9	444,980	106.9	194,217	115.6	250,763	101.0	419,902	834,040	19,155	111,159	305,640	102.5	20,678	322,923	9,193	32,470	219,327	103.9	22,039	114.7	27,448	101.5
		10-12	406,746	87.5	172,383	98.8	234,363	80.6	415,523	826,197	18,123	107,382	297,847	98.9	19,342	316,926	9,167	31,553	196,648	88.9	28,640	150.1	27,421	101.5
	2019	1-3	365,807	74.3	142,378	75.2	223,429	73.7	440,821	751,183	18,436	111,038	312,185	92.1	19,700	334,452	9,171	29,803	205,854	83.5	24,233	120.7	27,279	102.9
		4-6	316,119	67.0	123,934	63.8	192,185	69.3	351,564	715,738	15,598	94,086	263,823	89.6	16,497	265,489	9,513	33,994	187,244	85.4	21,169	106.8	27,573	103.1
		7-9	288,738	64.9	124,777	64.2	163,961	65.4	375,809	628,667	14,951	92,970	263,112	86.1	16,265	278,308	9,249	32,671	178,320	81.3	20,601	93.5	27,505	103.4
		10-12	259,236	63.7	102,099	59.2	157,137	67.0	333,439	561,265	13,255	82,325	233,332	78.3	13,826	240,720	9,490	33,806	163,690	83.2	19,993	69.8	27,387	105.5
	2020	1-3	235,448	64.4	95,829	67.3	139,619	62.5	307,076	490,671	12,059	71,773	227,482	72.9	13,559	234,416	8,332	29,106	144,577	70.2	16,772	69.2	27,428	105.8
	2018	12	135,522	81.7	57,152	90.2	78,370	76.4	152,017	826,197	5,943	35,927	100,293	90.0	6,699	109,750	9,167	31,553	68,923	82.6	8,318	132.9	27,389	101.7
	2019	1	125,401	81.2	46,772	84.1	78,629	79.6	115,549	836,049	5,529	32,388	89,417	95.2	5,519	91,385	9,611	33,443	51,287	80.0	9,086	130.7	27,275	103.4
		2	109,742	70.7	41,668	71.6	68,074	70.2	130,770	815,021	5,943	35,562	96,678	90.0	6,179	98,016	9,768	34,238	69,272	92.0	7,620	121.3	27,242	103.2
		3	130,664	71.5	53,938	71.4	76,726	71.5	194,502	751,183	6,964	43,088	126,090	91.6	8,002	145,051	9,171	29,803	85,295	79.8	7,527	109.9	27,320	102.1
		4	108,656	66.6	43,524	63.5	65,132	68.9	104,410	755,429	5,246	30,151	85,031	91.4	5,232	83,207	9,545	31,725	64,085	87.6	6,496	131.1	27,555	102.6
		5	108,535	72.7	42,710	67.9	65,825	76.2	121,706	742,258	5,170	31,945	87,755	92.9	5,784	90,046	9,361	32,592	61,890	95.3	8,435	97.1	27,622	102.5
		6	98,928	62.1	37,700	59.9	61,228	63.6	125,448	715,738	5,182	31,990	91,037	85.2	5,481	92,236	9,513	33,994	61,268	75.4	6,237	101.0	27,542	104.1
		7	101,278	67.0	41,171	61.1	60,107	71.8	114,849	702,167	4,914	30,336	84,177	81.3	5,092	84,438	9,687	35,669	61,300	82.8	6,972	95.0	27,537	103.3
		8	88,487	63.0	37,541	60.2	50,946	65.3	112,872	677,782	4,702	28,354	79,404	85.6	4,654	81,719	10,076	35,833	58,354	84.2	7,288	104.6	27,504	103.7
		9	98,973	64.5	46,065	71.5	52,908	59.4	148,088	628,667	5,335	34,280	99,531	91.0	6,519	112,151	9,249	32,671	58,666	77.2	6,341	82.0	27,475	103.3
		10	87,453	62.6	33,423	58.0	54,030	65.9	95,698	620,422	4,452	26,248	73,626	79.0	4,162	69,336	9,814	35,380	52,211	83.2	6,608	60.7	27,446	105.9
		11	81,669	62.1	31,369	54.5	50,300	67.9	105,787	5														

## NET NEW ORDERS – METAL CUTTING MACHINE TOOLS IN JAPAN

(Value: in Millions of Yen)

Period		Total 2019	19/18 (%)	19/10-19/12	20/01-20/03	Previous Quarter (%)	year-to-year (%)	20/01-20/05	year-to-year (%)	May '20	May 20/Apr. 20 (%)	May 20/May 19 (%)
1. Primary Metals		15,087	60.4	3,071	4,008	130.5	92.4	5,736	88.9	685	65.7	75.5
2. Fabricated Metal Products		32,024	89.9	6,852	6,102	89.1	67.4	8,372	63.5	996	78.2	60.9
Machinery & Equipment Industries	3. Industrial Machinery	202,203	68.0	39,355	39,426	100.2	65.8	56,765	61.3	8,013	85.9	50.4
	(of which construction machinery)	11,535	89.9	2,200	2,629	119.5	58.6	2,932	49.3	60	24.7	6.5
	(of which dies and molds )	20,987	74.2	3,769	3,663	97.2	63.2	5,781	61.7	778	58.1	42.2
	4. Motor Vehicles	139,762	56.3	29,803	25,588	85.9	63.3	34,096	50.2	3,647	75.0	24.5
	(of which auto parts)	101,224	61.2	21,495	15,259	71.0	53.5	21,074	43.9	2,697	86.5	25.2
	5. Electrical Machinery	23,549	51.6	4,424	5,572	125.9	77.0	8,284	72.3	1,480	120.1	87.7
	6. Precision Machinery	19,476	66.2	3,533	3,647	103.2	58.8	5,471	54.8	839	85.2	41.5
	5 – 6. Electrical & Precision Machinery (Sub Total)	43,025	57.3	7,957	9,219	115.9	68.6	13,755	64.1	2,319	104.6	62.5
	7. Aircraft, Shipbuilding & Transport equipment	24,425	91.3	7,043	3,985	56.6	67.3	5,070	45.4	559	106.3	21.6
	(of which aircraft)	11,980	82.2	3,353	2,303	68.7	69.2	2,584	42.3	161	134.2	13.2
3 – 7. Sub total	409,415	63.2	84,158	78,218	92.9	65.3	109,686	56.8	14,538	85.9	39.2	
8. Other Machinery & Equipment	15,777	79.5	3,067	3,147	102.6	76.7	5,171	70.7	1,121	124.1	70.4	
9. Government, Public Agencies & Schools	2,510	84.6	887	396	44.6	107.0	487	84.4	65	250.0	85.5	
10. Others	12,051	101.1	2,890	2,543	88.0	87.2	3,691	74.9	522	83.4	47.2	
11. Trading Companies	6,324	83.0	1,174	1,415	120.5	74.4	2,027	67.1	265	76.4	77.5	
1-11. Domestic Total	493,188	65.7	102,099	95,829	93.9	67.3	135,170	59.1	18,192	86.0	42.6	
12. Foreign	736,712	69.1	157,137	139,619	88.9	62.5	207,660	58.6	33,047	94.4	50.2	
1-12. Grand Total	1,229,900	67.7	259,236	235,448	90.8	64.4	342,830	58.8	51,239	91.3	47.2	
(of which: NC machines)	1,206,231	67.6	254,596	230,942	90.7	64.4	336,005	58.8	50,058	91.0	46.8	
Sales	1,501,633	89.1	333,439	307,076	92.1	69.7	441,646	66.2	66,801	98.6	54.9	
(of which: NC machines)	1,474,295	89.0	327,228	300,594	91.9	69.5	431,522	65.9	65,327	99.6	54.6	
Order Backlog	561,265	67.9	561,265	490,671	87.4	65.3	463,483	62.4	463,483	96.8	62.4	
(of which: NC machines)	542,212	67.8	542,212	473,594	87.3	65.3	447,729	62.5	447,729	96.7	62.5	

# 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	1,432	76.9	1,537	57.4	937	42.2															7,673	71.6	
		Taiwan	1,801	97.9	1,243	78.6	1,417	72.0	1,011	41.2	1,646	77.6															7,118	71.4	
		China	10,742	64.6	7,380	52.4	11,299	56.2	11,561	74.0	14,173	84.1															55,155	66.2	
		Other	1	-	23	-	10	-	0	-	0	-															34	7.9	
		East Asia Total	14,544	72.7	10,413	57.7	14,158	59.2	14,109	66.6	16,756	79.0															69,980	67.0	
	Other Asia	Thailand	987	46.6	2,058	97.9	1,475	122.6	939	59.6	307	18.4															5,766	66.5	
		Malaysia	167	16.3	698	167.8	1,241	232.4	340	75.2	323	-															2,769	115.6	
		Singapore	257	59.4	168	34.9	475	73.8	476	116.4	415	172.9															1,791	81.2	
		Philippine	176	33.1	129	29.9	261	-	102	329.0	33	16.8																701	62.9
		Indonesia	812	116.5	516	81.8	368	51.8	187	35.0	102	8.1																1,985	51.8
Vietnam		718	49.1	866	79.5	257	17.2	451	44.8	280	48.9																2,572	45.7	
India		1,847	31.3	1,338	34.9	860	29.4	771	36.4	447	14.3																5,263	29.4	
Other	3	0.4	1	33.3	3	33.3	301	436.2	1	-																309	36.9		
Other Asia Total	4,967	38.5	5,774	64.2	4,940	66.4	3,567	57.6	1,908	27.1																21,156	49.7		
Sub Total	19,511	59.3	16,187	59.8	19,098	60.9	17,676	64.6	18,664	66.1																91,136	62.0		
Europe	U	Germany	3,141	79.2	2,348	50.2	1,349	33.7	805	18.7	837	21.1															8,480	40.6	
		U.K.	1,555	88.2	1,339	46.3	796	31.8	731	33.9	305	17.5															4,726	42.7	
		Italy	1,681	67.1	764	32.6	521	17.5	263	13.6	418	23.5															3,647	31.6	
		France	1,004	38.7	795	59.6	425	22.4	311	18.9	360	44.6																2,895	35.0
		Central Europe	1,276	106.0	1,724	74.4	787	49.6	760	61.6	379	26.9																4,926	63.6
		Other	2,113	48.4	2,307	86.4	1,886	60.3	953	32.4	1,307	50.3																8,566	54.5
		Sub Total	10,770	65.7	9,277	57.2	5,764	35.8	3,823	26.9	3,606	29.3																33,240	44.2
	Other West Europe	Turkey	357	57.5	673	217.8	422	82.3	365	88.4	351	41.1																2,168	80.0
		Switzerland	559	45.4	500	60.2	320	31.4	103	10.5	156	25.9																1,638	35.1
		East Europe	51	16.6	175	81.4	-4	-	797	417.3	63	33.9																1,082	82.3
		Russia - Other	543	70.9	177	52.4	571	106.3	221	131.5	145	21.5																1,657	66.8
		Sub Total	12,367	63.8	10,915	60.3	7,205	38.6	5,350	33.3	4,472	30.5																40,309	46.4
		Other West Europe	1,003	52.7	1,286	98.5	874	54.5	509	34.0	658	44.0																	4,330
North America & Oceania	U.S.A.	16,147	80.6	15,202	84.5	12,196	54.3	10,806	59.8	8,373	43.7																62,724	64.2	
	Canada	1,111	63.4	1,277	68.5	644	64.8	288	28.0	276	18.9																3,596	50.7	
	Mexico	915	32.5	862	59.7	3,339	285.6	683	66.8	751	65.8																6,550	86.3	
	Sub Total	18,173	73.9	17,341	81.4	16,179	65.7	11,777	58.5	9,400	43.2																72,870	64.8	
	Brazil	377	105.0	313	68.6	210	21.8	-91	-	105	27.8																	914	31.8
	Other	59	368.8	34	25.0	21	14.8	0	-	42	107.7																	156	39.3
Sub Total	436	116.3	347	58.6	231	20.9	-91	-	147	35.3																1,070	32.7		
Australia	324	59.2	234	49.6	300	67.3	108	25.1	334	60.8																	1,300	53.2	
Other	2	1.8	10	9.5	0	-	135	329.3	0	-																	147	48.2	
Sub Total	326	49.7	244	42.3	300	67.1	243	51.6	334	55.9																	1,447	52.6	
Middle East	336	81.2	185	58.2	130	29.4	1	0.5	30	18.1																	682	44.7	
Africa	42	14.7	8	5.6	58	100.0	38	33.9	0	-																	146	24.6	
Grand Total	51,191	65.1	45,227	66.4	43,201	56.3	34,994	53.7	33,047	50.2																	207,660	58.6	
Of which NC	50,721	65.5	45,064	67.1	42,726	56.5	34,467	53.8	32,577	50.2																	205,555	58.9	

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

Japan Machine Tool Builders' Association