

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (June 2020)

The total value of machine tool orders in June was 67.19 billion yen. This was an increase of 31.1% compared to May 2020 and marked the first month of month-on-month growth in three months. However, this figure represented a decrease of 32.1% compared to the same month of the previous year and marked the twenty-first consecutive month of year-on-year decline.

The total value of orders received exceeded 60 billion yen for the first time in 3 months, but as of June, it was less than 70 billion yen for the first time in 11 years since 2009 (34.97 billion yen), thus demand has been sluggish due to the spread of COVID-19.

Although we can see some movements toward recovery, it is far from the end of the spread of infectious diseases and we would like to pay close attention to future trends.

Domestic orders rose by 28.4% over May, amounting to 23.36 billion yen. This marked the first month of month-on-month increase in three months. On the other hand, this figure was a decline of 38.0% from the same month of the previous year and marked the nineteenth consecutive months of year-on-year decline. Looking at major industries, orders compared to May rose by 16.9% in industrial machinery, by 47.2% in motor vehicles, by 56.4% in electrical & precision machinery, and by 62.1% in aircraft, shipbuilding & transport equipment.

Foreign orders rose by 32.6% over May to 43.83 billion yen, marked the first month of month-on-month growth in six months. Nevertheless, foreign orders showed a decrease of 28.4% from the same month of the previous year, and this marked the twenty-first consecutive month of year-on-year decline. By region, orders from Asia rose by 13.7% over May to 21.21 billion yen. This was a decrease of 15.3% from the same month of the previous year. Orders from Europe rose by 38.5% over May to 6.21 billion yen. This was a decrease of 56.5% from the same month of the previous year. Orders from North America rose by 56.1% over May, amounting to 14.68 billion yen. This figure was a decline of 30.5% from the same month of the previous year.

NET NEW ORDERS – METAL CUTTING MACHINE TOOLS IN JAPAN

(Value: in Millions of Yen)

Period		Total 2019	19/18 (%)	20/01–20/03	20/04–20/06	Previous Quarter (%)	year-to-year (%)	20/01–20/06	year-to-year (%)	June '20	June 20/May 20 (%)	June 20/June 19 (%)
1. Primary Metals		15,087	60.4	4,008	2,406	60.0	56.9	6,414	74.9	678	99.0	32.1
2. Fabricated Metal Products		32,024	89.9	6,102	3,953	64.8	67.5	10,055	67.5	1,683	169.0	98.2
Machinery & Equipment Industries	3. Industrial Machinery	202,203	68.0	39,426	26,703	67.7	54.8	66,129	60.9	9,364	116.9	58.3
	(of which construction machinery)	11,535	89.9	2,629	836	31.8	37.5	3,465	51.6	533	888.3	69.6
	(of which dies and molds)	20,987	74.2	3,663	3,331	90.9	58.3	6,994	60.8	1,213	155.9	56.7
	4. Motor Vehicles	139,762	56.3	25,588	13,878	54.2	36.3	39,466	50.2	5,370	147.2	50.0
	(of which auto parts)	101,224	61.2	15,259	9,732	63.8	34.8	24,991	44.2	3,917	145.2	46.4
	5. Electrical Machinery	23,549	51.6	5,572	5,103	91.6	92.2	10,675	83.6	2,391	161.6	183.2
	6. Precision Machinery	19,476	66.2	3,647	3,059	83.9	60.0	6,706	59.3	1,235	147.2	93.5
	5 – 6. Electrical & Precision Machinery (Sub Total)	43,025	57.3	9,219	8,162	88.5	76.7	17,381	72.2	3,626	156.4	138.1
	7. Aircraft, Shipbuilding & Transport equipment	24,425	91.3	3,985	1,991	50.0	30.7	5,976	48.1	906	162.1	72.1
	(of which aircraft)	11,980	82.2	2,303	347	15.1	9.9	2,650	38.8	66	41.0	9.2
3 – 7. Sub total		409,415	63.2	78,218	50,734	64.9	48.7	128,952	57.6	19,266	132.5	62.8
8. Other Machinery & Equipment		15,777	79.5	3,147	2,841	90.3	59.3	5,988	67.3	817	72.9	51.7
9. Government, Public Agencies & Schools		2,510	84.6	396	200	50.5	70.2	596	91.0	109	167.7	139.7
10. Others		12,051	101.1	2,543	1,750	68.8	56.4	4,293	71.4	602	115.3	55.2
11. Trading Companies		6,324	83.0	1,415	819	57.9	52.3	2,234	64.4	207	78.1	46.1
1-11. Domestic Total		493,188	65.7	95,829	62,703	65.4	50.6	158,532	59.5	23,362	128.4	62.0
12. Foreign		736,712	69.1	139,619	111,869	80.1	58.2	251,488	60.5	43,828	132.6	71.6
1-12. Grand Total		1,229,900	67.7	235,448	174,572	74.1	55.2	410,020	60.1	67,190	131.1	67.9
(of which: NC machines)		1,206,231	67.6	230,942	171,077	74.1	55.1	402,019	60.1	66,014	131.9	68.0
Sales		1,501,633	89.1	307,076	218,148	71.0	62.1	525,224	66.3	83,578	125.1	66.6
(of which: NC machines)		1,474,295	89.0	300,594	212,843	70.8	61.7	513,437	66.0	81,915	125.4	66.7
Order Backlog		561,265	67.9	490,671	447,095	91.1	62.5	447,095	62.5	447,095	96.5	62.5
(of which: NC machines)		542,212	67.8	473,594	431,828	91.2	62.5	431,828	62.5	431,828	96.4	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	1,328	56.6													9,001	68.9
		Taiwan	1,801	97.9	1,243	78.6	1,417	72.0	1,011	41.2	1,646	77.6	1,035	45.8													8,153	66.7
		China	10,742	64.6	7,380	52.4	11,299	56.2	11,561	74.0	14,173	84.1	15,454	134.2													70,609	74.5
		Other	1	-	23	-	10	-	0	-	0	-	0	-													34	7.8
	East Asia Total	14,544	72.7	10,413	57.7	14,158	59.2	14,109	66.6	16,756	79.0	17,817	110.5													87,797	72.9	
	Other Asia	Thailand	987	46.6	2,058	97.9	1,475	122.6	939	59.6	307	18.4	552	26.5													6,318	58.8
		Malaysia	167	16.3	698	167.8	1,241	232.4	340	75.2	323	-	528	60.3													3,297	100.8
		Singapore	257	59.4	168	34.9	475	73.8	476	116.4	415	172.9	221	42.2													2,012	73.7
		Philippine	176	33.1	129	29.9	261	-	102	329.0	33	16.8	64	27.7													765	56.8
		Indonesia	812	116.5	516	81.8	368	51.8	187	35.0	102	8.1	184	39.6													2,169	50.5
Vietnam		718	49.1	866	79.5	257	17.2	451	44.8	280	48.9	344	42.3													2,916	45.3	
India		1,847	31.3	1,338	34.9	860	29.4	771	36.4	447	14.3	1,502	38.4													6,765	31.0	
Other	3	0.4	1	33.3	3	33.3	301	436.2	1	-	1	50.0													310	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	3,396	38.1													24,552	47.7		
Sub Total	19,511	59.3	16,187	59.8	19,098	60.9	17,676	64.6	18,664	66.1	21,213	84.7														112,349	65.3	
Europe	U	Germany	3,141	79.2	2,348	50.2	1,349	33.7	805	18.7	837	21.1	1,076	28.9												9,556	38.8	
		U. K.	1,555	88.2	1,339	46.3	796	31.8	731	33.9	305	17.5	759	56.3												5,485	44.2	
		Italy	1,681	67.1	764	32.6	521	17.5	263	13.6	418	23.5	832	40.7												4,479	33.0	
		France	1,004	38.7	795	59.6	425	22.4	311	18.9	360	44.6	415	40.6												3,310	35.6	
		Central Europe	1,276	106.0	1,724	74.4	787	49.6	760	61.6	379	26.9	484	33.3												5,410	58.8	
		Other	2,113	48.4	2,307	86.4	1,886	60.3	953	32.4	1,307	50.3	1,513	63.2												10,079	55.7	
	Sub Total	10,770	65.7	9,277	57.2	5,764	35.8	3,823	26.9	3,606	29.3	5,079	42.4													38,319	43.9	
	Other West Europe	1,003	52.7	1,286	98.5	874	54.5	509	34.0	658	44.0	896	61.3													5,226	56.4	
	Turkey	357	57.5	673	217.8	422	82.3	365	88.4	351	41.1	535	64.8													2,703	76.4	
	Switzerland	559	45.4	500	60.2	320	31.4	103	10.5	156	25.9	244	56.7													1,882	36.9	
East Europe	51	16.6	175	81.4	-	-	797	417.3	63	33.9	3	1.6													1,085	71.9		
Russia - Other	543	70.9	177	52.4	571	106.3	221	131.5	145	21.5	231	36.4													1,888	60.6		
Sub Total	12,367	63.8	10,915	60.3	7,205	38.6	5,350	33.3	4,472	30.5	6,209	43.5													46,518	46.0		
North America & Central America	U. S. A.	16,147	80.6	15,202	84.5	12,196	54.3	10,806	59.8	8,373	43.7	13,982	74.1												76,706	65.8		
	Canada	1,111	63.4	1,277	68.5	644	64.8	288	28.0	276	18.9	338	23.4												3,934	46.1		
	Mexico	915	32.5	862	59.7	3,339	285.6	683	66.8	751	65.8	358	44.8												6,908	82.3		
	Sub Total	18,173	73.9	17,341	81.4	16,179	65.7	11,777	58.5	9,400	43.2	14,678	69.5													87,548	65.6	
South America	Brazil	377	105.0	313	68.6	210	21.8	-91	-	105	27.8	202	55.0												1,116	34.4		
	Other	59	368.8	34	25.0	21	14.8	0	-	42	107.7	60	105.3												216	47.6		
	Sub Total	436	116.3	347	58.6	231	20.9	-91	-	147	35.3	262	61.8												1,332	36.0		
Oceania	Australia	324	59.2	234	49.6	300	67.3	108	25.1	334	60.8	419	114.8												1,719	61.2		
	Other	2	1.8	10	9.5	0	-	135	329.3	0	-	0	-												147	48.2		
Sub Total	326	49.7	244	42.3	300	67.1	243	51.6	334	55.9	419	114.8													1,866	59.9		
Middle East	336	81.2	185	58.2	130	29.4	1	0.5	30	18.1	983	5461.1													1,665	107.8		
Africa	42	14.7	8	5.6	58	100.0	38	33.9	0	-	64	1600.0													210	35.2		
Grand Total	51,191	65.1	45,227	66.4	43,201	56.3	34,994	53.7	33,047	50.2	43,828	71.6													251,488	60.5		
Of which NC	50,721	65.5	45,064	67.1	42,726	56.5	34,467	53.8	32,577	50.2	43,346	71.8													248,901	60.8		

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

Japan Machine Tool Builders' Association