

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (October 2020)

The total value of machine tool orders in October was 82.21 billion yen. This was a decrease of 2.2% compared to September 2020 and marked the first month of month-on-month decline in two months. Moreover, this figure represented a decrease of 6.0% compared to the same month of the previous year and marked the twenty-fifth consecutive month of year-on-year decline.

The total amount of orders decreased from the previous month due to the reactionary decrease of the effect at the end of September, but the rate of decrease is small, exceeding 80 billion yen for two consecutive months, and both domestic and foreign demand have continued to recover moderately.

The movement of recovery is becoming clear not only in China but also in other regions, while we would like to pay close attention to the spread of infection and the resumption of economic activity.

Domestic orders fell by 4.6% from September, amounting to 28.89 billion yen. This marked the first month of month-on-month decline in two months. Furthermore, this figure was a decline of 13.6% from the same month of the previous year and marked the twenty-third consecutive months of year-on-year decline. Looking at major industries, orders compared to September fell by 9.0% in industrial machinery, rose by 22.1% in motor vehicles, fell by 34.1% in electrical & precision machinery, and by 35.1% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 0.9% from September to 53.32 billion yen, marked the first month of month-on-month decline in two months. Foreign orders also showed a decline of 1.3% from the same month of the previous year, and this marked the first month of year-on-year decline in two months. By region, orders from Asia fell by 4.3% from September to 28.28 billion yen. However, this was an increase of 34.6% over the same month of the previous year. Orders from Europe rose by 13.6% over September to 8.46 billion yen. This was a decrease of 28.5% from the same month of the previous year. Orders from North America fell by 4.2% from September, amounting to 15.11 billion yen. This figure was a decline of 19.0% 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 (%)	20/04–20/06	20/07–20/09	Previous Quarter (%)	year-to-year (%)	20/01–20/10	year-to-year (%)	October ' 20	Oct. 20/Sep. 20 (%)	Oct. 20/Oct. 19 (%)
1. Primary Metals		15,087	60.4	2,406	1,896	78.8	54.9	9,215	71.0	905	122.3	94.5
2. Fabricated Metal Products		32,024	89.9	3,953	6,262	158.4	61.0	18,965	69.5	2,648	118.5	124.5
Machinery & Equipment Industries	3. Industrial Machinery	202,203	68.0	26,703	32,982	123.5	60.9	110,041	62.8	10,930	91.0	87.7
	(of which construction machinery)	11,535	89.9	836	2,241	268.1	85.5	6,151	60.5	445	53.0	53.7
	(of which dies and molds)	20,987	74.2	3,331	3,200	96.1	56.0	11,060	60.1	866	79.9	73.2
	4. Motor Vehicles	139,762	56.3	13,878	17,566	126.6	56.1	65,976	54.8	8,944	122.1	85.9
	(of which auto parts)	101,224	61.2	9,732	11,813	121.4	50.8	43,106	49.1	6,302	127.3	77.9
	5. Electrical Machinery	23,549	51.6	5,103	5,634	110.4	88.7	17,746	87.2	1,437	74.1	117.8
	6. Precision Machinery	19,476	66.2	3,059	3,515	114.9	75.8	11,059	64.6	838	55.4	71.1
	5 – 6. Electrical & Precision Machinery (Sub Total)	43,025	57.3	8,162	9,149	112.1	83.2	28,805	76.9	2,275	65.9	94.9
	7. Aircraft, Shipbuilding & Transport equipment	24,425	91.3	1,991	2,881	144.7	58.0	9,840	48.9	983	64.9	35.7
	(of which aircraft)	11,980	82.2	347	486	140.1	27.1	3,324	36.2	188	64.2	33.8
3 – 7. Sub total		409,415	63.2	50,734	62,578	123.3	61.7	214,662	60.8	23,132	95.2	82.5
8. Other Machinery & Equipment		15,777	79.5	2,841	2,498	87.9	65.5	9,487	70.3	1,001	85.1	128.0
9. Government, Public Agencies & Schools		2,510	84.6	200	1,587	793.5	163.9	2,552	129.3	369	72.2	105.1
10. Others		12,051	101.1	1,750	2,191	125.2	69.7	7,067	71.4	583	75.1	79.5
11. Trading Companies		6,324	83.0	819	1,135	138.6	67.5	3,623	64.7	254	48.5	57.0
1–11. Domestic Total		493,188	65.7	62,703	78,147	124.6	62.6	265,571	62.6	28,892	95.4	86.4
12. Foreign		736,712	69.1	111,869	143,720	128.5	87.7	448,527	70.8	53,319	99.1	98.7
1–12. Grand Total		1,229,900	67.7	174,572	221,867	127.1	76.8	714,098	67.5	82,211	97.8	94.0
(of which: NC machines)		1,206,231	67.6	171,077	217,206	127.0	76.8	700,091	67.5	80,866	97.9	94.4
Sales		1,501,633	89.1	218,148	249,558	114.4	66.4	849,311	67.2	74,529	72.6	77.9
(of which: NC machines)		1,474,295	89.0	212,843	244,100	114.7	66.1	830,596	66.9	73,059	72.9	77.7
Order Backlog		561,265	67.9	447,095	419,404	93.8	66.7	427,086	68.8	427,086	101.8	68.8
(of which: NC machines)		542,212	67.8	431,828	404,934	93.8	67.0	412,741	69.3	412,741	101.9	69.3

