

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (December 2021)

The total value of machine tool orders in December was 139.23 billion yen. This was a decrease of 4.2% compared to November 2021 and marked the second consecutive month of month-on-month decline. However, this figure represented an increase of 40.6% compared to the same month of the previous year and marked the fourteenth consecutive month of year-on-year growth.

The total amount of orders fell below 140 billion yen for the first time in four months and topped 100 billion yen for eleven consecutive months.

Although the order environment is expected to recover both domestically and internationally, we would like to continue to pay close attention to the effects of the re-expansion of the COVID-19, the shortage of parts, and the soaring costs of parts and transportation.

Domestic orders rose by 2.4% over November, amounting to 51.20 billion yen. This marked the first month of month-on-month growth in three months. Moreover, this figure was an increase of 60.8% over the same month of the previous year and marked the year-on-year growth in ten consecutive months. Looking at major industries, orders compared to November rose by 2.5% in industrial machinery, by 16.4% in motor vehicles, fell by 8.5% in electrical & precision machinery, and rose by 68.8% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 7.7% from November to 88.03 billion yen, marked the second consecutive month of month-on-month decline. On the other hand, foreign orders showed an increase of 31.0% over the same month of the previous year, and this marked the fourteenth consecutive month of year-on-year growth. By region, orders from Asia fell by 5.5% from November to 41.31 billion yen. This was a decrease of 0.1% from the same month of the previous year. Orders from Europe fell by 14.6% from November to 17.48 billion yen. This was an increase of 78.1% over the same month of the previous year. Orders from North America fell by 5.6% from November, amounting to 27.67 billion yen. This figure was an increase of 70.2% over the same month of the previous year.

Machine Tool Orders for 2021 totaled 1,541.42 billion yen, which was an increase of 70.9% over the previous year. As a result, calendar year 2021 posted the year-on-year growth for the first time in three years and topped 1.5 trillion yen for the first time in three years. Total domestic orders rose by 57.3% over the previous year to 510.32 billion yen, and total foreign orders rose by 78.6% over the previous year to 1,031.10 billion yen

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NET NEW ORDERS – METAL CUTTING MACHINE TOOLS IN JAPAN

(Value: in Millions of Yen)

Period		Total 2020	20/19 (%)	21/07-21/09	21/10-21/12	Previous Quarter (%)	year-to-year (%)	21/01-21/12	year-to-year (%)	Dec. '21	Dec. 21/Nov. 21 (%)	Dec. 21/Dec. 20 (%)
1. Primary Metals		11,265	74.7	6,450	3,955	61.3	133.8	17,981	159.6	1,365	86.6	93.0
2. Fabricated Metal Products		23,498	73.4	13,951	11,050	79.2	153.9	40,274	171.4	3,798	103.7	164.6
Machinery & Equipment Industries	3. Industrial Machinery	133,112	65.8	58,763	60,702	103.3	178.5	200,489	150.6	20,633	102.5	166.7
	(of which construction machinery)	7,013	60.8	3,727	3,774	101.3	288.8	11,166	159.2	1,287	90.3	289.2
	(of which dies and molds)	13,283	63.3	8,553	8,932	104.4	289.2	26,785	201.6	3,217	103.8	288.3
	4. Motor Vehicles	83,437	59.7	28,417	30,300	106.6	114.8	115,123	138.0	11,094	116.4	114.9
	(of which auto parts)	55,580	54.9	21,173	21,372	100.9	113.8	84,015	151.2	7,172	90.9	105.3
	5. Electrical Machinery	21,239	90.2	14,318	15,206	106.2	308.4	45,020	212.0	4,493	83.1	207.1
	6. Precision Machinery	13,076	67.1	6,359	7,920	124.5	277.4	24,423	186.8	2,905	108.7	291.7
	5 – 6. Electrical & Precision Machinery (Sub Total)	34,315	79.8	20,677	23,126	111.8	297.1	69,443	202.4	7,398	91.5	233.7
	7. Aircraft, Shipbuilding & Transport equipment	11,089	45.4	3,918	6,264	159.9	280.6	16,026	144.5	1,933	168.8	264.4
	(of which aircraft)	3,598	30.0	1,301	1,731	133.1	374.7	4,791	133.2	526	158.9	171.3
3 – 7. Sub total		261,953	64.0	111,775	120,392	107.7	171.0	401,081	153.1	41,058	105.6	158.3
8. Other Machinery & Equipment		12,185	77.2	8,462	7,449	88.0	201.4	26,774	219.7	2,467	95.9	208.5
9. Government, Public Agencies & Schools		2,975	118.5	2,817	3,185	113.1	402.1	7,349	247.0	646	49.8	485.7
10. Others		8,444	70.1	2,649	3,409	128.7	173.9	10,582	125.3	1,140	92.8	201.4
11. Trading Companies		4,135	65.4	1,416	2,045	144.4	267.0	6,283	151.9	721	91.7	283.9
1-11. Domestic Total		324,455	65.8	147,520	151,485	102.7	172.6	510,324	157.3	51,195	102.4	160.8
12. Foreign		577,380	78.4	257,962	282,365	109.5	155.0	1,031,095	178.6	88,032	92.3	131.0
1-12. Grand Total		901,835	73.3	405,482	433,850	107.0	160.7	1,541,419	170.9	139,227	95.8	140.6
(of which: NC machines)		884,770	73.3	398,939	424,546	106.4	159.9	1,514,935	171.2	136,039	95.4	139.6
Sales		1,033,616	68.8	331,779	336,819	101.5	130.1	1,283,499	124.2	128,922	122.7	125.8
(of which: NC machines)		1,010,596	68.5	326,517	331,252	101.5	130.9	1,261,733	124.9	126,746	122.9	127.0
Order Backlog		430,794	76.8	591,410	701,005	118.5	162.7	701,005	162.7	701,005	103.4	162.7
(of which: NC machines)		415,568	76.6	575,476	681,753	118.5	164.1	681,753	164.1	681,753	103.4	164.1

