

## The Current Condition of the Japanese Machine Tool Industry

### Monthly Machine Tool Orders (May 2023)

The total value of machine tool orders in May was 119.52 billion yen. This was a decrease of 9.9% compared to April 2023 and marked the second consecutive month of month-on-month decline. Moreover, this figure represented a decrease of 22.1% compared to the same month of the previous year and marked the fifth consecutive month of year-on-year decline.

Total orders fell below 120 billion yen for the first time in 27 months since February 2021 (105.6 billion yen), however exceeded 100 billion yen for 28 consecutive months.

Due to seasonal factors and the fallout of large-scale orders, both domestic and foreign orders decreased in May, but no major changes have been seen in the market so far. We would like to keep an eye on future trends.

Domestic orders fell by 9.4% from April, amounting to 37.81 billion yen. This marked the second consecutive month of month-on-month decline. Furthermore, this figure was a decrease of 23.6% from the same month of the previous year and marked the ninth consecutive month of year-on-year decline. Looking at major industries, orders compared to April fell by 9.7% in industrial machinery, by 3.1% in motor vehicles, by 15.8% in electrical & precision machinery, and rose by 8.6% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 10.2% from April to 81.72 billion yen, marked the second consecutive month of month-on-month decline. Likewise, foreign orders showed a decrease of 21.3% from the same month of the previous year, and this marked the fifth consecutive month of year-on-year decline. By region, orders from Asia fell by 12.4% from April to 36.01 billion yen. This was a decrease of 25.5% from the same month of the previous year. Orders from Europe fell by 13.8% from April to 17.90 billion yen. This was a decrease of 12.7% from the same month of the previous year. Orders from North America fell by 4.9% from April, amounting to 25.34 billion yen. This figure was a decrease of 23.3% from the same month of the previous year.

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

(Value: in Millions of Yen)

Period		Total 2022	22/21 (%)	22/10-22/12	23/01-23/03	Previous Quarter (%)	year-to-year (%)	23/01-23/05	year-to-year (%)	May '23	May 23/Apr. 23 (%)	May 23/May 22 (%)
1. Primary Metals		19,675	109.4	5,172	4,917	95.1	97.5	7,646	93.3	1,458	114.7	91.1
2. Fabricated Metal Products		50,565	125.6	11,474	11,366	99.1	93.5	16,574	79.3	2,557	96.5	72.9
Machinery & Equipment Industries	3. Industrial Machinery	243,465	121.4	52,327	56,612	108.2	90.7	93,746	89.4	17,625	90.3	88.4
	(of which construction machinery)	13,655	122.3	2,919	3,068	105.1	88.4	6,088	97.8	1,912	172.6	215.8
	(of which dies and molds )	34,462	128.7	6,309	8,454	134.0	91.2	13,911	91.1	1,670	44.1	71.8
	4. Motor Vehicles	134,719	117.0	28,683	24,610	85.8	80.9	40,519	73.8	7,828	96.9	68.7
	(of which auto parts)	92,957	110.6	20,616	17,923	86.9	86.8	29,405	78.0	5,534	93.0	66.2
	5. Electrical Machinery	56,982	126.6	11,532	12,552	108.8	68.4	17,863	66.6	2,546	92.1	56.0
	6. Precision Machinery	29,525	120.9	6,241	6,507	104.3	72.0	9,192	68.9	1,109	70.4	45.5
	5 – 6. Electrical & Precision Machinery (Sub Total)	86,507	124.6	17,773	19,059	107.2	69.6	27,055	67.4	3,655	84.2	52.4
	7. Aircraft, Shipbuilding & Transport equipment	18,856	117.7	5,672	5,035	88.8	101.9	8,812	115.4	1,804	91.4	112.5
	(of which aircraft)	5,792	120.9	1,962	2,218	113.0	182.4	3,758	180.6	1,216	375.3	180.4
3 – 7. Sub total		483,547	120.6	104,455	105,316	100.8	84.1	170,132	82.0	30,912	91.2	77.4
8. Other Machinery & Equipment		26,245	98.0	5,558	4,940	88.9	86.0	9,248	85.3	1,709	65.8	56.1
9. Government, Public Agencies & Schools		2,205	30.0	573	225	39.3	46.5	461	75.3	147	165.2	198.6
10. Others		14,094	133.2	3,603	4,141	114.9	127.1	5,780	111.6	729	80.1	81.3
11. Trading Companies		6,900	109.8	1,652	798	48.3	56.0	1,392	52.7	295	98.7	68.6
1-11. Domestic Total		603,231	118.2	132,487	131,703	99.4	85.9	211,233	82.5	37,807	90.6	76.4
12. Foreign		1,156,370	112.1	283,305	262,498	92.7	89.0	435,179	86.9	81,716	89.8	78.7
1-12. Grand Total		1,759,601	114.2	415,792	394,201	94.8	88.0	646,412	85.4	119,523	90.1	77.9
(of which: NC machines)		1,727,473	114.0	408,638	388,378	95.0	88.3	637,482	85.8	118,068	90.1	78.1
Sales		1,568,350	122.2	411,901	441,920	107.3	112.9	679,808	110.7	124,804	110.4	107.9
(of which: NC machines)		1,544,745	122.4	406,116	435,621	107.3	113.0	670,058	110.7	122,840	110.1	107.6
Order Backlog		896,813	127.9	896,813	849,094	94.7	112.1	863,228	102.3	863,228	99.4	102.3
(of which: NC machines)		869,611	127.6	869,611	822,368	94.6	111.7	836,846	102.1	836,846	99.4	102.1

## NET NEW ORDERS BY DESTINATION

(Value in Millions of yen)

2023		Jan.		Feb.		Mar.		Apr.		May		June		July		Aug.		Sep.		Oct.		Nov.		Dec.		Total 2023			
			%		%		%		%		%		%		%		%		%		%		%		%		%		%
Asia	East Asia	Korea	1,996	75.6	1,810	87.1	2,196	80.4	1,835	65.2	3,016	65.4																10,853	73.0
		Taiwan	2,047	42.5	1,612	75.4	1,850	46.2	2,260	77.6	1,423	49.9																9,192	55.0
		China	24,012	73.7	29,417	98.2	30,084	90.2	25,876	80.5	23,509	70.7																132,898	82.4
		Other	0	-	298	3725.0	35	269.2	1	-	0	-																334	927.8
		East Asia Total	28,055	70.0	33,137	97.0	34,165	85.2	29,972	79.2	27,948	68.6																153,277	79.4
	Other Asia	Thailand	1,317	80.0	1,392	102.0	1,174	69.6	1,222	53.7	1,617	102.0																6,722	78.5
		Malaysia	1,489	149.0	618	52.2	1,138	86.6	1,074	65.3	750	59.5																5,069	79.2
		Singapore	385	82.8	736	233.7	844	22.9	716	63.1	942	133.8																3,623	57.4
		Philippine	143	246.6	311	170.9	173	18.5	125	58.1	38	9.5																790	44.2
		Indonesia	612	52.6	351	57.8	605	207.2	734	108.9	328	69.1																2,630	81.9
Vietnam		1,257	196.4	612	61.3	645	62.4	623	82.4	1,060	106.3																4,197	94.8	
India		3,824	153.0	2,666	77.2	2,941	106.6	6,645	200.3	3,324	153.6																19,400	136.7	
Other	3	50.0	3	37.5	7	16.7	5	7.2	2	66.7																20	15.6		
Other Asia Total	9,030	120.8	6,689	82.5	7,527	64.0	11,144	110.5	8,061	106.2																42,451	94.3		
Sub Total	37,085	78.0	39,826	94.2	41,692	80.4	41,116	85.8	36,009	74.5																	195,728	82.3	
Europe	EU	Germany	4,616	103.5	5,107	106.8	4,813	112.0	4,405	104.3	4,241	91.9															23,182	103.6	
		Italy	3,735	81.7	2,419	62.5	3,168	67.4	3,117	82.9	3,160	87.1																15,599	76.0
		France	1,730	99.5	1,687	79.9	2,052	104.7	1,818	51.6	1,671	68.9																8,958	76.2
		Central Europe	867	59.0	1,665	115.3	1,719	120.4	1,218	70.4	1,454	121.0																6,923	95.2
		Other	3,521	104.1	3,360	86.6	3,502	107.7	3,639	111.1	2,978	79.5																17,000	96.9
	Sub Total	14,469	92.6	14,238	88.5	15,254	97.6	14,197	86.0	13,504	86.5																71,662	90.2	
	Other West Europe	U. K.	1,707	97.6	1,404	62.7	1,892	69.4	2,651	141.1	1,664	67.3																9,318	84.2
		Turkey	3,029	217.0	2,387	264.9	774	84.7	2,325	152.7	716	87.5																9,231	166.3
		Switzerland	1,516	203.5	981	125.1	1,498	201.6	1,194	186.6	1,692	153.0																6,881	171.3
		East Europe	84	103.7	186	238.5	171	211.1	264	614.0	240	279.1																945	256.1
		Russia - Other	-32	-	5	2.8	17	-	4	-	24	400.0																18	-
		Sub Total	20,845	102.1	19,424	94.1	19,770	101.2	20,776	100.4	17,903	87.3																98,718	97.0
		North America & Oceania	U. S. A.	22,733	84.6	21,312	92.8	25,530	84.9	24,672	90.7	22,207	72.0																116,454
Canada	1,239		110.5	1,101	59.4	1,558	107.1	1,131	67.8	1,620	132.9																6,649	90.9	
Mexico	1,494		106.5	871	152.3	866	66.4	844	41.2	1,514	153.1																5,589	88.4	
Sub Total	25,466		86.6	23,284	91.7	27,954	85.1	26,647	86.2	25,341	76.7																128,692	84.9	
South & Central America	Brazil	866	141.0	850	149.4	874	151.2	836	111.6	1,142	158.4																4,568	141.4	
	Other	38	44.7	1	0.9	44	37.0	99	111.2	107	254.8																289	64.7	
	Sub Total	904	129.3	851	125.0	918	131.7	935	111.6	1,249	163.7																4,857	132.1	
Oceania	Australia	769	202.4	845	142.3	477	58.3	679	62.6	764	146.6																3,534	104.0	
	Other	101	117.4	179	69.1	20	95.2	71	56.8	1	0.7																372	59.3	
Sub Total	870	186.7	1,024	120.0	497	59.2	750	62.0	765	116.4																	3,906	97.1	
Middle East	435	247.2	528	196.3	476	188.9	381	300.0	351	62.9																	2,171	157.1	
Africa	80	148.1	226	1130.0	343	4900.0	360	391.3	98	-																	1,107	639.9	
Grand Total	85,685	86.8	85,163	94.5	91,650	86.4	90,965	89.3	81,716	78.7																	435,179	86.9	
Of which NC	85,093	86.9	84,556	94.7	91,168	86.8	90,401	89.9	81,205	78.8																	432,423	87.2	

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

Japan Machine Tool Builders' Association

From January 2021, the UK was moved from the "EU" to "other Western Europe".