JMTBA NOTES

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The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (May 2014)

The total value of machine tool orders in May was 120.50 billion yen. This was a decrease of 1.1% compared to April and marked the second consecutive month of decline. However, this figure represented an increase of 24.1% compared to the same month of the previous year, with May posting the eighth consecutive month of year-on-year growth. The total amount of orders has now topped 100 billion yen for nine consecutive months and has also passed 120 billion yen for three consecutive months.

Both domestic and foreign demands are expected to be driven by a recovery trend in the future. However, we will keep a close watch on the trend of spot orders of electrical and precision machinery from China.

Domestic orders rose by 5.4% over April, amounting to 36.73 billion yen. This marked the first month of increase in two months. This figure was also an increase of 25.9% over the same month of the previous year and marked the eleventh consecutive month of year-on-year growth.

Looking at major industries, orders compared to April fell by 3.1% in industrial machinery, rose by 16.3% in motor vehicles, fell by 4.7% in electrical and precision machinery, and by 7.3% in aircraft, shipbuilding and transport equipment.

Foreign orders fell by 3.7% from April to 83.77 billion yen. This marked the second consecutive month of decline. However, foreign orders showed an increase of 23.3% from the same month of the previous year, with May posting the seventh consecutive month of year-on-year growth.

By region, orders from Asia fell by 1.9% from April to 44.43 billion yen. This was an increase of 47.6% from the same month of the previous year. Orders from Europe fell by 1.7% from April to 16.55 billion yen. This was an increase of 40.1% over the same month of the previous year. Orders from North America fell by 10.6% from April, amounting to 20.74 billion yen. This was also a decrease of 16.0% from the same month of the previous year.

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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.	1990	1,412,123	111.2	1,038,791	111.5	373,332	110.5	1,323,494	612,728	196,131	459,814	1,303,442	114.4	196,966	1,336,812	9,723	25,170	455,809	106.4	68,645	135.9	36,849	100.0
	1991	1,141,209	80.8	848,219	81.7	292,990	78.5	1,257,208	489,427	172,034	428,691	1,265,587	97.1	169,496	1,288,204	15,122	31,239	411,948	90.4	58,496	85.2	37,965	101.8
	1992	710,221	62.2	474,561	55.9	235,660	80.4	826,975	354,933	116,649	283,840	831,087	65.7	118,591	850,528	14,408	28,126	330,291	80.2	41,027	70.1	38,265	101.2
	1993	531,783	74.9	322,570	68.0	209,213	88.8	594,359	266,959	88,930	213,731	592,727	71.3	92,321	619,656	12,252	24,718	306,094	92.7	25,230	61.5	34,512	97.7
	1994	573,083	107.8	315,493	97.8	257,590	123.1	562,809	273,172	88,109	215,620	554,080	93.5	89,860	575,984	11,016	20,842	328,786	107.4	25,226	100.0	29,340	96.2
	1995	775,538	135.3	407,238	129.1	368,300	143.0	716,330	330,125	100,293	278,759	699,351	126.2	101,019	710,628	10,831	19,606	478,054	145.4	41,032	162.7	28,394	100.0
	1996	938,194	121.0	509,777	125.2	428,417	116.3	866,418	400,399	106,813	316,732	837,453	119.7	108,124	850,630	10,378	21,546	591,653	123.8	64,384	156.9	27,678	98.4
	1997	1,130,609	120.5	635,136	124.6	495,473	115.7	1,062,001	470,117	115,149	410,045	1,017,129	121.5	116,160	1,070,158	11,125	19,657	649,395	109.8	71,443	111.0	27,487	100.1
	1998	989,200	87.5	457,214	72.0	531,986	107.4	1,093,216	381,690	96,805	397,333	1,010,541	99.4	96,649	1,060,603	11,296	24,964	657,055	101.2	65,843	92.2	28,354	99.3
	1999	756,616	76.5	361,922	79.2	394,694	74.2	814,406	322,337	71,710	280,409	739,461	73.2	73,659	775,298	7,215	19,025	529,222	80.5	63,711	96.8	27,793	95.8
	2000	975,046	128.9	521,686	144.1	453,360	114.9	887,942	402,721	90,916	313,842	814,636	110.2	91,797	816,123	7,004	17,697	620,056	117.2	85,572	134.3	24,962	100.0
	2001	788,898	80.9	411,125	78.8	377,773	83.3	874,107	313,370	74,572	300,527	776,453	95.3	74,911	781,440	6,922	18,320	558,403	90.1	69,619	81.4	23,848	100.3
	2002	675,837	85.7	350,322	85.2	325,515	86.2	670,714	308,372	55,807	227,217	585,098	75.4	58,144	594,957	4,483	16,083	484,668	86.8	50,904	73.1	22,545	98.8
	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
F.Y.	2011	1,311,100	117.7	418,853	118.5	892,247	117.4	1,246,026	603,683	89,043	447,064	1,179,391	125.5	90,969	1,195,477	9,388	28,015	907,842	132.1	45,940	133.6	24,710	103.1
	2012	1,139,843	86.9	362,870	86.6	776,973	87.1	1,273,978	476,008	84,944	395,437	1,072,866	91.0	88,477	1,106,765	7,218	27,839	896,302	98.7	50,467	109.9	25,501	101.9
	2013	1,204,852	105.7	422,029	116.3	782,823	100.8	1,149,078	529,922	61,185	344,370	932,756	86.9	64,928	954,646	7,957	27,925	771,570	86.1	72,836	144.3	24,650	101.2
2013	4-6	274,230	85.5	88,460	86.9	185,770	84.8	225,292	524,938	12,927	70,950	196,478	71.9	13,571	192,525	7,001	29,850	173,561	77.4	14,598	132.9	24,754	101.5
	7-9	288,081	93.1	110,406	118.9	177,675	82.1	290,283	522,722	14,261	83,114	231,675	76.8	15,700	238,225	7,595	29,410	196,357	78.7	17,006	133.9	24,564	101.6
	10-12	311,713	116.9	116,984	140.5	194,729	106.2	268,340	566,113	14,302	81,244	220,193	84.8	15,110	219,073	7,890	31,779	195,182	88.2	18,000	134.7	24,504	101.0
2014	1-3	330,828	136.1	106,179	125.0	224,649	142.1	365,163	529,922	19,695	109,062	284,410	119.5	20,547	304,823	7,957	27,925	206,470	102.5	23,232	173.2	24,776	100.7
2012	11	88,170	78.7	29,863	79.1	58,307	78.5	95,487	571,375	6,636	31,447	83,796	82.5	7,032	85,739	9,918	35,385	71,114	94.5	4,235	126.0	25,394	101.6
	12	84,113	72.5	25,902	73.3	58,211	72.2	111,751	543,736	6,512	33,269	89,358	85.1	6,648	92,040	9,894	34,483	73,333	83.1	3,873	99.4	25,333	102.6
2013	1	71,663	73.6	24,025	86.1	47,638	68.5	79,448	535,953	5,609	26,099	74,347	80.8	5,941	75,715	9,559	34,768	59,005	98.5	4,495	89.5	25,195	100.2
	2	80,874	78.5	27,330	88.3	53,544	74.3	89,730	527,091	4,513	26,219	69,957	70.4	5,617	76,451	8,508	33,502	61,458	72.5	3,869	106.1	25,051	100.6
	3	90,488	78.5	33,598	86.0	56,890	74.7	141,580	476,008	5,168	33,278	93,722	74.6	6,579	109,297	7,218	27,839	80,933	76.3	5,048	94.3	24,876	100.7
	4	81,963	76.4	27,244	79.4	54,719	75.0	62,298	495,663	3,803	20,984	58,947	66.2	4,084	58,302	7,091	28,879	55,106	72.1	3,926	123.5	24,962	100.9
	5	97,093	92.6	29,168	89.5	67,925	94.0	69,050	523,706	4,316	23,297	63,521	73.0	4,366	59,587	7,096	29,328	56,666	80.0	5,384	128.7	24,689	101.6
	6	95,174	87.6	32,048	92.1	63,126	85.5	93,944	524,938	4,808	26,669	74,010	76.1	5,121	74,636	7,001	29,850	61,789	80.2	5,288	145.9	24,612	102.0
	7	92,841	87.8	32,757	101.0	60,084	82.0	80,783	536,995	4,632	26,025	72,135	75.3	4,944	67,947	6,875	32,060	63,246	72.1	5,457	151.6	24,451	102.0
	8	94,583	98.3	35,393	120.2	59,190	88.6	86,269	545,311	4,524	25,424	72,728	75.3	4,856	73,956	7,964	32,406	67,952	79.3	5,138	109.0	24,659	101.1
	9	100,657	93.7	42,256	136.3	58,401	76.4	123,231	522,722	5,105	31,665	86,812	79.3	5,900	96,322	7,595	29,410	65,159	85.7	6,411	146.1	24,582	101.7
	10	102,211	108.4	38,654	140.5	63,557	95.2	79,408	545,541	4,576	26,014	71,250	82.4	4,772	70,541	7,777	30,154	59,378	77.4	5,363	102.0	24,580	101.6
	11	101,764	115.4	41,609	139.3	60,155	103.2	82,506	564,802	4,550	25,624	69,203	82.6	4,729	65,672	7,947	32,303	61,210	86.1	5,960	140.7	24,458	101.5
	12	107,738	128.1	36,721	141.8	71,017	122.0	106,426	566,113	5,176	29,606	79,740	89.2	5,609	82,860	7,890	31,779	74,594	101.7	6,677	172.4	24,473	99.9
2014	1	100,545	140.3	34,300	142.8	66,245	139.1	84,362	582,301	5,357	29,431	76,131	102.4	5,198	76,812	8,354	32,577	56,797	96.3	7,185	159.8	24,694	100.5
	2	101,984	126.1	34,001	124.4	67,983	127.0	107,511	576,683	6,170	32,705	86,265	123.3	6,301	87,836	8,517	33,171	67,121	109.2	6,821	176.3	24,773	100.8
	3	128,299	141.8	37,878	112.7	90,421	158.9	173,290	529,922	8,168	46,926	122,014	130.2	9,048	140,175	7,957	27,925	82,552	102.0	9,226	182.8	24,861	100.7
	4	121,884	148.7	34,858	127.9	87,026	159.0	81,647	570,448	7,505	33,979	86,252	146.3	7,295	84,368	8,475	31,403	69,044	125.3	6,476	164.9	25,233	104.5
	5	120,497	124.1	36,728	125.9	83,769	123.3	98,380	592,565														104.3
	1-5	573,209	135.8	177,765	125.7	395,444	140.9	545,190	592,565	27,200	143,041	370,662	124.8	27,842	389,191	8,475	31,403	275,514	107.4	29,708	171.3	24,890	102.2
Sources:		Japan Machine Tool Builders' Association (JMTBA)								Ministry of Economy, Trade and Industry (METI)								Ministry of Finance (MOF)				METI	Bank of Japan

Notes: 1) C.Y=Calendar year (Jan. to Dec.); 2) %=Comparison percentage to the year earlier; 3) Order Backlog=Backlog at the end of each period;
4) PRICE INDEX: 1990～1994=Comparison to 1990, 1995～1999=Comparison to 1995, 2000～2004=Comparison to 2000, 2005～2009 =Comparison to 2005, 2010～=Comparison to 2010 5) % previous year
6) r= Production data of METI revised annual and past data

NET NEW ORDERS-METAL CUTTING MACHINE TOOLS IN JAPAN

(Value in Millions of Yen)

Industry \ Period		Total 2013	13/12 (%)	13/10-13/12	14/1-14/3	Previous Quarter (%)	year-to-year (%)	14/01-14/05	year-to-year (%)	May '14	May 14/Apr. 14 (%)	May 14/May 13 (%)
	1. Primary Metals	11,473	157.0	3,994	3,055	76.5	151.0	4,957	144.8	1,239	186.9	166.1
	2. Fabricated Metal Products	18,278	128.1	4,735	5,198	109.8	112.0	8,012	117.8	1,455	107.1	113.1
Machinery & Equipment Industries	3. Industrial Machinery	162,918	101.8	46,723	42,158	90.2	120.5	70,416	119.8	13,910	96.9	107.8
	(of which dies and molds)	25,747	117.6	8,046	6,057	75.3	110.0	9,678	106.8	2,149	146.0	101.8
	4. Motor Vehicles	123,560	106.0	37,677	36,747	97.5	143.6	62,481	144.8	13,838	116.3	172.9
	(of which auto parts)	82,252	112.7	27,913	24,505	87.8	151.0	42,262	159.4	8,537	92.6	184.1
	5. Electrical Machinery	19,948	99.6	5,679	5,360	94.4	104.0	8,420	103.7	1,256	69.6	83.5
	6. Precision Machinery	14,129	88.3	3,827	3,428	89.6	103.6	6,888	126.2	1,925	125.4	174.7
	5－6. Electrical & Precision Machinery (Sub Total)	34,077	94.5	9,506	8,788	92.4	103.8	15,308	112.8	3,181	95.3	122.0
	7. Aircraft, Shipbuilding & Transport equipment	22,548	118.8	6,276	4,575	72.9	118.6	6,787	106.9	1,064	92.7	87.6
	3-7 Machinery & Equipment Industries(Sub Total)	343,103	103.5	100,182	92,268	92.1	126.6	154,992	127.2	31,993	104.1	129.4
	8. Other Machinery & Equipment	12,201	118.3	3,298	2,498	75.7	85.8	4,747	98.2	1,090	94.0	91.6
	9. Government, Public Agencies & Schools	5,134	159.3	2,500	545	21.8	132.9	829	107.8	202	246.3	77.7
	10. Others	5,561	95.5	1,234	1,552	125.8	107.9	2,373	105.5	455	124.3	92.5
	11. Trading Companies	5,053	155.3	1,041	1,063	102.1	168.7	1,855	129.8	294	59.0	62.7
	1-11. Domestic Total	400,803	106.6	116,984	106,179	90.8	125.0	177,765	125.7	36,728	105.4	125.9
	12. Foreign	716,246	85.6	194,729	224,649	115.4	142.1	395,444	140.9	83,769	96.3	123.3
	1-12. Grand Total	1,117,049	92.1	311,713	330,828	106.1	136.1	573,209	135.8	120,497	98.9	124.1
	(of which: NC machines)	1,086,734	91.9	302,126	320,225	106.0	135.4	557,663	135.5	118,053	98.9	124.4

Sales	1,094,673	82.3	268,340	365,163	136.1	117.5	545,190	123.3	98,380	120.5	142.5
(of which: NC machines)	1,066,968	82.5	261,296	355,033	135.9	117.4	530,905	123.4	96,323	121.1	143.4
Order Backlog	566,113	104.1	566,113	529,922	93.6	111.3	592,565	113.1	592,565	103.9	113.1
(of which: NC machines)	539,129	103.8	539,129	502,893	93.3	111.0	564,720	112.8	564,720	104.0	112.8

NET NEW ORDERS BY DESTINATION

(Value in Millions of Yen)

2014			Jan.	%	Feb.	%	Mar.	%	Apr.	%	May	%	Jun.	%	Jul.	%	Aug.	%	Sep.	%	Oct.	%	Nov.	%	Dec.	%	Total 2014	%
Asia	East Asia	Korea	2,606	88.3	3,223	141.6	2,345	118.1	4,126	150.1	3,909	135.2															16,209	126.1
		Taiwan	1,525	129.3	1,563	166.6	1,911	105.9	1,410	87.5	2,061	115.7															8,470	115.8
		China	17,291	217.6	18,041	171.9	37,430	294.3	32,682	261.2	33,421	205.2															138,865	231.6
		Other	-83	-	10	-	22	366.7	151	15100.0	-326	-															-226	-
		East Asia Total	21,339	176.3	22,837	166.5	41,708	252.5	38,369	227.4	39,065	185.4															163,318	203.5
	Other Aisa	Thailand	3,329	150.6	3,854	110.1	3,126	129.1	2,380	76.1	1,821	64.0															14,510	102.9
		Malaysia	205	90.7	288	147.7	623	283.2	454	75.0	364	112.0															1,934	123.1
		Singapore	329	119.6	554	230.8	960	258.1	632	118.4	521	147.6															2,996	168.9
		India	1,742	217.8	1,367	197.8	1,951	109.5	1,339	73.7	1,446	59.2															7,845	104.2
		Other	1,118	69.7	2,038	65.2	1,298	42.1	2,133	108.6	1,209	39.5															7,796	60.7
		Other Asia Total	6,723	131.4	8,101	104.5	7,958	101.0	6,938	86.2	5,361	59.4															35,081	92.8
	Sub Total		28,062	163.0	30,938	144.1	49,666	203.6	45,307	181.8	44,426	147.6															198,399	168.0
Europe	E U		11,294	139.5	12,715	160.9	13,087	129.0	14,305	181.4	13,667	140.6															65,068	148.7
		Germany	4,219	183.2	4,693	192.3	4,883	127.3	5,327	178.4	3,817	98.6															22,939	148.6
		U. Kingdom	1,725	121.0	2,265	235.2	2,471	177.0	2,457	339.8	2,723	337.4															11,641	219.0
		Italy	1,411	134.3	2,290	320.3	1,686	155.8	1,939	209.6	2,077	180.9															9,403	191.1
		France	1,169	99.6	1,095	90.2	1,203	103.2	1,771	159.1	1,842	220.6															7,080	128.7
		Central Europe	1,136	110.2	1,034	90.4	1,319	132.7	1,619	157.5	2,335	189.8															7,443	137.1
	Other West Europe		1,614	151.7	1,699	173.9	1,459	168.5	1,640	215.2	1,813	156.3															8,225	170.3
	Other East Europe		325	240.7	501	363.0	164	95.9	84	18.8	162	92.0															1,236	115.9
	Russia		620	79.9	450	60.3	504	113.0	805	159.7	907	120.3															3,286	101.9
	Sub Total		13,853	137.5	15,365	157.4	15,214	130.9	16,834	175.4	16,549	140.1															77,815	147.2
North America	USA		16,970	96.4	19,308	96.1	20,530	123.9	21,179	122.1	19,199	97.7															97,186	106.5
	Canada		2,278	264.6	676	76.1	1,354	91.6	512	60.7	825	69.1															5,645	107.2
	Mexico		3,382	221.2	778	163.4	2,257	122.7	1,505	192.2	712	18.6															8,634	102.1
	Sub Total		22,630	113.2	20,762	96.7	24,141	121.3	23,196	122.2	20,736	84.0															111,465	106.1
S.&C. America	Brazil		919	392.7	363	136.0	736	245.3	570	122.8	1,948	340.6															4,536	246.9
	Other		343	34300.0	110	80.3	266	178.5	17	65.4	-9	-															727	236.8
	Sub Total		1,262	537.0	473	117.1	1,002	223.2	587	119.8	1,939	342.6															5,263	245.5
Other	Australia		270	729.7	189	70.5	192	47.5	574	112.5	167	35.3															1,392	82.3
	Other		168	230.1	256	141.4	206	170.2	528	234.7	-48	-															1,110	123.1
	Sub Total		438	398.2	445	99.1	398	75.8	1,102	149.9	119	15.4															2,502	96.5
Grand Total			66,245	139.1	67,983	127.0	90,421	158.9	87,026	159.0	83,769	123.3															395,444	140.9
	Of which:NC Machines		65,578	139.3	67,323	127.4	86,191	154.1	86,283	159.0	82,629	123.2															388,004	140.0

(Note) 1. The countries newly joined EU are included in "Central Europe" since May, 2004. 2. Oceania, Middle East and Africa are included in "Other" region. 3. % previous year

Japan Machine Tool Builders' Association