

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (May 2015)

The total value of machine tool orders in May was 138.55 billion yen. This was an increase of 2.9% compared to April and marked the first month of growth in two months. This figure also represented an increase of 15.0% compared to the same month of the previous year, with May posting the twentieth consecutive month of year-on-year growth. The total amount of orders topped 130 billion yen for four consecutive months and it marked the record high amount in May. This has also passed 100 billion yen for twenty-first consecutive months, thus remained strong.

Both domestic and foreign demands are expected to be driven by a robust trend in the future. However, we will keep a close watch on the trend of North American market and special demand of electrical and precision machinery from Asia.

Domestic orders rose by 9.0% over April, amounting to 52.84 billion yen. This marked the first month of increase in two months. Moreover, this figure was an increase of 43.9% over the same month of the previous year and marked the twenty-third consecutive month of year-on-year growth.

Looking at major industries, orders compared to April rose by 17.0% in industrial machinery, fell by 22.4% in motor vehicles, rose by 37.7% in electrical & precision machinery, and by 25.3% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 0.5% from April to 85.71 billion yen. This marked two consecutive month of decline. However, foreign orders showed an increase of 2.3% over the same month of the previous year, with May posting the first month of increase in two months.

By region, orders from Asia fell by 2.7% from April to 47.36 billion yen. However, this was an increase of 6.6% over the same month of the previous year. Orders from Europe fell by 8.8% from April to 14.11 billion yen. This was also a decline of 14.7% from the same month of the previous year. Orders from North America rose by 9.9% over April, amounting to 23.04 billion yen. This figure was also an increase of 11.1% over the same month of the previous year.

NET NEW ORDERS – METAL CUTTING MACHINE TOOLS IN JAPAN

(Value: in Millions of Yen)

Period		Total 2014	14/13 (%)	14/10-14/12	15/1-15/3	Previous Quarter (%)	year-to-year (%)	15/01-15/05	year-to-year (%)	May ' 15	May 15/Apr. 15 (%)	May 15/May 14 (%)
1. Primary Metals		11,584	101.0	3,380	3,644	107.8	119.3	6,375	128.6	1,564	134.0	126.2
2. Fabricated Metal Products		23,280	127.4	6,252	6,719	107.5	129.3	12,457	155.5	4,329	307.2	297.5
機械 製 造 業	3. Industrial Machinery	199,946	122.7	56,533	52,434	92.7	124.4	89,123	126.6	19,784	117.0	142.2
	(of which construction machinery)	-	-	-	1,179	-	-	2,542	-	843	162.1	-
	(of which dies and molds)	26,589	103.3	7,495	6,908	92.2	114.0	12,202	126.1	2,981	128.9	138.7
	4. Motor Vehicles	167,660	135.7	47,164	47,685	101.1	129.8	85,371	136.6	16,468	77.6	119.0
	(of which auto parts)	117,474	142.8	33,986	35,284	103.8	144.0	64,057	151.6	12,962	82.0	151.8
	5. Electrical Machinery	27,412	137.4	8,376	6,117	73.0	114.1	10,817	128.5	2,741	139.9	218.2
	6. Precision Machinery	17,151	121.4	4,221	4,900	116.1	142.9	8,544	124.0	2,093	134.9	108.7
	5-6. Electrical & Precision Machinery (Sub Total)	44,563	130.8	12,597	11,017	87.5	125.4	19,361	126.5	4,834	137.7	152.0
	7. Aircraft, Shipbuilding & Transport equipment	20,558	91.2	7,187	7,962	110.8	174.0	13,122	193.3	2,870	125.3	269.7
	(of which aircraft)	-	-	-	3,157	-	-	5,938	-	1,362	96.0	-
3-7. Sub total		432,727	126.1	123,481	119,098	96.5	129.1	206,977	133.5	43,956	100.1	137.4
8. Other Machinery & Equipment		13,012	106.6	3,674	3,169	86.3	126.9	5,264	110.9	1,084	107.2	99.4
9. Government, Public Agencies & Schools		4,110	80.1	2,153	334	15.5	61.3	775	93.5	412	1420.7	204.0
10. Others		6,400	115.1	1,644	2,081	126.6	134.1	3,620	152.5	1,160	306.1	254.9
11. Trading Companies		5,278	104.5	1,531	1,619	105.7	152.3	2,501	134.8	335	61.2	113.9
1-11. Domestic Total		496,391	123.8	142,115	136,664	96.2	128.7	237,969	133.9	52,840	109.0	143.9
12. Foreign		1,013,006	141.4	274,879	263,313	95.8	117.2	435,174	110.0	85,705	99.5	102.3
1-12. Grand Total		1,509,397	135.1	416,994	399,977	95.9	120.9	673,143	117.4	138,545	102.9	115.0
(of which: NC machines)		1,474,239	135.7	408,280	392,600	96.2	122.6	659,745	118.3	135,478	102.9	114.8
Sales		1,422,184	129.9	353,336	438,320	124.1	120.0	663,974	121.8	114,072	102.2	116.0
(of which: NC machines)		1,388,366	130.1	345,248	430,625	124.7	121.3	652,144	122.8	111,668	101.7	115.9
Order Backlog		652,213	115.2	652,213	613,854	94.1	115.8	661,753	111.7	661,753	103.8	111.7
(of which: NC machines)		624,303	115.8	624,303	586,281	93.9	116.6	632,857	112.1	632,857	103.9	112.1

NET NEW ORDERS BY DESTINATION

(Value in Millions of yen)

2015		Jan.		Feb.		Mar.		Apr.		May		Jun.		July		Aug.		Sep.		Oct.		Nov.		Dec.		Total			
			%		%		%		%		%		%		%		%		%		%		%		%	2015	%		
Asia	East Asia	Korea	3,609	138.5	3,542	109.9	4,075	173.8	3,849	93.3	3,706	94.8															18,781	115.9	
		Taiwan	2,887	189.3	2,554	163.4	3,371	176.4	2,987	211.8	2,262	109.8															14,061	166.0	
		China	17,927	103.7	22,565	125.1	28,770	76.9	30,111	92.1	35,018	104.8															134,391	96.8	
		Other	16	-	12	120.0	248	1127.3	205	135.8	16	-															497	-	
		East Asia Total	24,439	114.5	28,673	125.6	36,464	87.4	37,152	96.8	41,002	105.0															167,730	102.7	
	Other Asia	Thailand	1,534	46.1	2,420	62.8	2,352	75.2	2,403	101.0	2,220	121.9															10,929	75.3	
		Malaysia	1,333	650.2	567	196.9	333	53.5	220	48.5	488	134.1															2,941	152.1	
		Singapore	141	42.9	377	68.1	683	71.1	338	53.5	94	18.0															1,633	54.5	
		Philippine	294	-	552	-	325	-	355	-	164	-																1,690	-
		Indonesia	1,175	-	401	-	553	-	563	-	758	-																3,450	-
Vietnam		17,268	-	16,971	-	7,774	-	5,871	-	525	-																48,409	-	
India	1,603	92.0	1,788	130.8	2,232	114.4	1,731	129.3	2,086	144.3																9,440	120.3		
Other	5	-	17	-	-2	-	24	-	18	-																62	-		
Other Asia Total	23,353	347.4	23,093	285.1	14,250	179.1	11,505	165.8	6,353	118.5																78,554	223.9		
Sub Total	47,792	170.3	51,766	167.3	50,714	102.1	48,657	107.4	47,355	106.6																246,284	124.1		
Europe	EU	Germany	2,983	70.7	4,673	99.6	4,756	97.4	5,031	94.4	4,941	129.4															22,384	97.6	
		U.K.	1,909	110.7	2,079	91.8	2,004	81.1	1,902	77.4	1,740	63.9															9,634	82.8	
		Italy	1,890	133.9	2,035	88.9	2,036	120.8	1,960	101.1	1,585	76.3															9,506	101.1	
		France	1,107	94.7	2,617	239.0	2,329	193.6	1,719	97.1	1,156	62.8																8,928	126.1
		Central Europe	1,261	111.0	1,731	167.4	1,098	83.2	1,391	85.9	1,220	52.2																6,701	90.0
		Other	1,799	-	1,818	-	1,659	-	1,290	-	1,240	-																7,806	-
	Sub Total	10,949	96.9	14,953	117.6	13,882	106.1	13,293	92.9	11,882	86.9																64,959	99.8	
	Other West Europe	Turkey	1,848	114.5	1,552	91.3	1,259	86.3	1,376	83.9	970	53.5																7,005	85.2
		Turkey	1,227	-	838	-	810	-	890	-	415	-																4,180	-
		Switzerland	533	-	563	-	374	-	426	-	478	-																2,374	-
		East Europe	71	21.8	75	15.0	130	79.3	129	153.6	425	262.3																830	67.2
		Russia - Other	664	107.1	412	91.6	822	163.1	681	84.6	836	92.2																3,415	103.9
	Sub Total	13,532	97.7	16,992	110.6	16,093	105.8	15,479	92.0	14,113	85.3																76,209	97.9	
	North America	U.S.A.	17,309	102.0	17,845	92.4	20,826	101.4	18,181	85.8	20,121	104.8																94,282	97.0
		Canada	975	42.8	1,138	168.3	1,063	78.5	1,455	284.2	1,187	143.9																5,818	103.1
Mexico		2,275	67.3	657	84.4	1,607	71.2	1,315	87.4	1,727	242.6																7,581	87.8	
Sub Total		20,559	90.8	19,640	94.6	23,496	97.3	20,951	90.3	23,035	111.1																107,681	96.6	
South America	Brazil	68	7.4	208	57.3	368	50.0	357	62.6	328	16.8																1,329	29.3	
	Other	388	113.1	38	34.5	582	218.8	56	329.4	182	-																1,246	171.4	
	Sub Total	456	36.1	246	52.0	950	94.8	413	70.4	510	26.3																2,575	48.9	
Oceania	Australia	151	55.9	170	89.9	122	63.5	182	31.7	540	323.4																1,165	83.7	
	Other	-2	-	11	-	30	-	17	-	33	-																89	-	
Sub Total	149	-	181	-	152	-	199	-	573	-																	1,254	-	
Middle East	134	-	92	-	153	-	280	-	77	-																	736	-	
Africa	4	-	0	-	212	-	177	-	42	-																	435	-	
Grand Total	82,626	124.7	88,917	130.8	91,770	101.5	86,156	99.0	85,705	102.3																	435,174	110.0	
Of which NC	82,165	125.3	87,631	130.2	90,681	105.2	85,361	98.9	84,995	102.9																	430,833	111.0	

(Note) 1. "Other East Europe" until April 2014 is the division of before the integration of EU. The countries which joined EU from 04-07 is divided as "Central Europe".

Japan Machine Tool Builders' Association

2. Middle East and Africa until July, 2014 are included in "Other" in Oceania.

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