

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (January 2016)

The total value of machine tool orders in January was 100.26 billion yen. This was a decline of 6.5% compared to December 2015 and marked the two consecutive months of month-on-month decrease. Moreover, this figure represented a decrease of 17.2% compared to the same month of the previous year, with posting the sixth consecutive month of year-on-year decline. The total amount of orders fell below 110 billion yen for two consecutive months, however, this has passed 100 billion yen for twenty-ninth consecutive months.

Despite the solid trends of domestic demand, there was an atmosphere of wait-and-see. With regard to the foreign demand, we will keep a close watch on the effect of world economy and EMS special demand.

Domestic orders fell by 7.0% from December, amounting to 39.57 billion yen. This marked the two consecutive month-on-month decrease. However, this figure was an increase of 2.8% over the same month of the previous year and marked the first year-on-year gain in five months. Domestic orders fell below 40 billion yen for the first time in twelve months.

Looking at major industries, orders compared to December fell by 10.8% in industrial machinery, by 4.1% in motor vehicles, by 12.8% in electrical & precision machinery, and rose by 91.1% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 6.1% from December to 60.69 billion yen. This marked the two consecutive months of month-on-month decrease. Moreover, foreign orders showed a decrease of 26.6% from the same month of the previous year, with January posting the eighth consecutive month of decline.

By region, orders from Asia fell by 5.3% from December to 25.00 billion yen. This was a decrease of 47.7% from the same month of the previous year. Orders from Europe fell by 2.9% from December to 14.17 billion yen. This was an increase of 4.7% over the same month of the previous year. Orders from North America fell by 7.8% from December, amounting to 20.51 billion yen. This figure was a decrease of 0.2% from the same month of the previous year.

NET NEW ORDERS – METAL CUTTING MACHINE TOOLS IN JAPAN

(Value: in Millions of Yen)

Industry \ Period		Total 2015	15/14 (%)	15/07-15/09	15/10-15/12	Previous Quarter (%)	year-to-year (%)	16/01-16/01	year-to-year (%)	Jan. '16	Jan. 16/Dec. 15 (%)	Jan. 16/Jan. 15 (%)
1. Primary Metals		18,528	159.9	5,290	5,489	103.8	162.4	973	91.5	973	100.0	91.5
2. Fabricated Metal Products		28,562	122.7	6,719	6,233	92.8	99.7	1,211	68.4	1,211	50.2	68.4
Machinery & Equipment Industries	3. Industrial Machinery	221,825	110.9	60,207	46,585	77.4	82.4	13,387	84.0	13,387	89.2	84.0
	(of which construction machinery)	5,833	130.9	1,408	1,328	94.3	-	59	11.3	59	57.8	11.3
	(of which dies and molds)	32,198	121.1	9,559	6,695	70.0	89.3	2,682	110.1	2,682	137.3	110.1
	4. Motor Vehicles	203,918	121.6	53,191	46,424	87.3	98.4	14,470	124.4	14,470	95.9	124.4
	(of which auto parts)	143,739	122.4	34,533	31,806	92.1	93.6	8,854	98.6	8,854	83.0	98.6
	5. Electrical Machinery	26,942	98.3	7,560	5,395	71.4	64.4	1,591	90.8	1,591	89.0	90.8
	6. Precision Machinery	21,125	123.2	4,896	5,275	107.7	125.0	1,516	112.1	1,516	85.3	112.1
	5-6. Electrical & Precision Machinery (Sub Total)	48,067	107.9	12,456	10,670	85.7	84.7	3,107	100.1	3,107	87.2	100.1
	7. Aircraft, Shipbuilding & Transport equipment	31,150	151.5	8,326	7,170	86.1	99.8	4,323	160.1	4,323	191.1	160.1
	(of which aircraft)	16,272	304.1	4,544	4,654	102.4	-	1,938	152.5	1,938	144.0	152.5
3-7. Sub total		504,960	116.7	134,180	110,849	82.6	89.8	35,287	105.7	35,287	98.3	105.7
8. Other Machinery & Equipment		14,487	111.3	4,366	3,254	74.5	88.6	837	81.3	837	93.2	81.3
9. Government, Public Agencies & Schools		3,388	82.4	732	1,784	243.7	82.9	198	115.1	198	37.1	115.1
10. Others		9,718	151.8	2,520	2,793	110.8	169.9	551	107.0	551	63.8	107.0
11. Trading Companies		6,597	125.0	1,649	2,112	128.1	137.9	515	92.5	515	52.8	92.5
1-11. Domestic Total		586,240	118.1	155,456	132,514	85.2	93.2	39,572	102.8	39,572	93.0	102.8
12. Foreign		894,352	88.3	191,236	192,136	100.5	69.9	60,686	73.4	60,686	93.9	73.4
1-12. Grand Total		1,480,592	98.1	346,692	324,650	93.6	77.9	100,258	82.8	100,258	93.5	82.8
(of which: NC machines)		1,450,004	98.4	339,607	316,865	93.3	77.6	99,935	83.8	99,935	95.9	83.8
Sales		1,532,603	107.8	374,540	361,269	96.5	102.2	97,939	81.4	97,939	72.7	81.4
(of which: NC machines)		1,503,064	108.3	366,792	353,663	96.4	102.4	95,772	81.0	95,772	72.8	81.0
Order Backlog		607,499	93.1	641,420	607,499	94.7	93.1	610,277	93.4	610,277	100.5	93.4
(of which: NC machines)		578,962	92.7	613,223	578,962	94.4	92.7	583,371	93.3	583,371	100.8	93.3

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NET NEW ORDERS BY DESTINATION

(Value in Millions of yen)

2016		Jan.		Feb.		Mar.		Apr.		May		Jun.		July		Aug.		Sep.		Oct.		Nov.		Dec.		Total				
																											2016			
Asia	East Asia	Korea	3,629	100.6																							3,629	100.6		
		Taiwan	1,831	63.4																								1,831	63.4	
		China	14,439	80.5																									14,439	80.5
		Other	0	-																									0	-
		East Asia Total	19,899	81.4																									19,899	81.4
	Other Asia	Thailand	894	58.3																									894	58.3
		Malaysia	318	23.9																									318	23.9
		Singapore	145	102.8																									145	102.8
		Philippine	99	33.7																									99	33.7
		Indonesia	930	79.1																									930	79.1
Vietnam		726	4.2																									726	4.2	
India		1,957	122.1																									1,957	122.1	
Other	34	680.0																									34	680.0		
Other Asia Total	5,103	21.9																									5,103	21.9		
Sub Total	25,002	52.3																									25,002	52.3		
Europe	EU	Germany	4,107	137.7																								4,107	137.7	
		U.K.	1,596	83.6																								1,596	83.6	
		Italy	2,256	119.4																									2,256	119.4
		France	823	74.3																									823	74.3
		Central Europe	1,200	95.2																									1,200	95.2
		Other	2,163	120.2																									2,163	120.2
		Sub Total	12,145	110.9																									12,145	110.9
	Other West Europe	1,452	78.6																									1,452	78.6	
	Turkey	541	44.1																									541	44.1	
	Switzerland	593	111.3																									593	111.3	
East Europe	107	150.7																									107	150.7		
Russia - Other	461	69.4																									461	69.4		
Sub Total	14,165	104.7																									14,165	104.7		
North America	U.S.A.	16,563	95.7																								16,563	95.7		
	Canada	770	79.0																								770	79.0		
	Mexico	3,176	139.6																								3,176	139.6		
	Sub Total	20,509	99.8																								20,509	99.8		
South & Central America	Brazil	188	276.5																								188	276.5		
	Other	93	24.0																								93	24.0		
	Sub Total	281	61.6																								281	61.6		
Oceania	Australia	259	171.5																								259	171.5		
	Other	35	-																								35	-		
Sub Total	294	197.3																									294	197.3		
Middle East	361	269.4																									361	269.4		
Africa	74	1850.0																									74	1850.0		
Grand Total	60,686	73.4																									60,686	73.4		
Of which NC	61,547	74.9																									61,547	74.9		

(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".

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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.