

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (June 2016)

The total value of machine tool orders in June was 109.06 billion yen. This was an increase of 4.5% compared to May 2016 and marked the two consecutive month of month-on-month growth. However, this figure represented a decrease of 19.9% compared to the same month of the previous year, with posting the eleventh consecutive month of year-on-year decline. The total amount of orders topped 100 billion yen for two consecutive months.

We look forward to seeing the policy effect in full-scale from July. On the other hand, we will keep a close watch on the impact of various risks, such as BREXIT, on domestic and international economy.

Domestic orders rose by 30.6% over May, amounting to 50.76 billion yen. This marked the first month-on-month growth in three months. This figure was a decline of 15.8% from the same month of the previous year and marked the fifth consecutive year-on-year decrease.

Looking at major industries, orders compared to May rose by 39.0% in industrial machinery, by 22.0% in motor vehicles, by 47.6% in electrical & precision machinery, and by 19.2% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 11.0% from May to 58.30 billion yen. This marked the first month-on-month decline in two months. Moreover, foreign orders showed a decrease of 23.1% from the same month of the previous year, with June posting the thirteenth consecutive month of decline.

By region, orders from Asia fell by 3.4% from May to 25.57 billion yen. This was a decrease of 27.9% from the same month of the previous year. Orders from Europe fell by 11.6% from May to 14.08 billion yen. This was also a decrease of 13.5% from the same month of the previous year. Orders from North America fell by 20.4% from May, amounting to 17.76 billion yen. This figure was a decrease of 20.1% from the same month of the previous year.

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	
	2014	1,509,397	135.1	496,391	123.8	1,013,006	141.4	1,422,184	652,213	99,407	454,866	1,186,293	133.8	102,231	1,221,172	9,924	34,308	961,862	125.5	78,087	123.9	25,188	104.0	
	2015	1,480,592	98.1	586,240	118.1	894,352	88.3	1,532,603	607,499	102,101	489,253	1,258,087	106.1	105,147	1,310,282	11,274	38,620	932,123	96.9	91,580	117.3	25,943	106.4	
F.Y.	2013	1,204,852	105.7	422,029	116.3	782,823	100.8	1,149,078	529,922	61,311	344,586	936,303	87.3	65,329	958,064	7,938	27,939	771,524	86.1	72,839	144.3	24,650	101.2	
	2014	1,578,546	131.0	526,876	124.8	1,051,670	134.3	1,495,341	613,854	110,375	485,288	1,260,233	134.6	113,378	1,300,885	9,758	32,083	1,025,252	132.9	78,930	108.4	25,401	105.2	
	2015	1,398,968	88.6	579,295	109.9	819,673	77.9	1,471,868	548,277	90,082	454,195	1,185,470	94.1	94,398	1,233,482	9,762	34,758	844,962	82.4	87,710	111.1	26,099	106.8	
	2015	7-9	346,692	88.5	155,456	116.1	191,236	74.2	374,540	641,420	22,017	117,800	300,099	93.2	22,740	308,293	9,933	38,809	221,571	80.5	22,934	130.2	25,996	107.2
		10-12	324,650	77.9	132,514	93.2	192,136	69.9	361,269	607,499	20,061	109,135	288,427	95.8	19,833	302,655	11,274	38,620	187,436	76.2	22,558	118.6	26,123	107.0
	2016	1-3	318,353	79.6	129,719	94.9	188,634	71.6	377,585	548,277	18,770	104,642	289,280	79.9	21,346	311,154	9,762	34,758	182,653	67.7	20,208	83.9	26,250	107.1
		4-6	312,653	76.4	128,589	79.6	184,064	74.3	276,287	586,107														107.2
	2015	2	131,494	128.9	42,577	125.2	88,917	130.8	125,281	659,280	9,846	44,883	114,525	131.3	9,861	114,521	9,974	39,161	79,621	118.7	8,402	123.2	25,607	105.9
		3	147,380	114.9	55,610	146.8	91,770	101.5	192,790	613,854	11,787	54,613	144,239	116.4	12,389	166,000	9,758	32,083	111,222	134.7	8,333	90.3	25,704	104.5
		4	134,621	110.5	48,465	139.0	86,156	99.0	111,582	637,273	9,622	40,194	99,942	116.5	10,420	103,105	9,286	33,554	90,279	130.8	5,695	87.9	26,088	105.4
		5	138,545	115.0	52,840	143.9	85,705	102.3	114,072	661,753	9,473	39,236	97,266	109.3	9,438	95,182	9,655	35,282	73,961	99.2	7,173	111.1	25,957	105.5
		6	136,107	106.6	60,301	141.4	75,806	89.2	132,820	665,037	10,139	43,188	110,456	109.7	10,621	113,093	9,582	35,663	89,062	98.4	9,142	173.1	26,040	107.0
		7	129,939	101.7	59,843	139.9	70,096	82.4	117,826	677,148	8,444	40,977	102,288	101.6	8,566	102,551	9,794	37,927	85,903	95.9	7,403	122.5	26,062	107.6
		8	107,038	83.5	47,731	113.8	59,307	68.8	110,177	676,364	6,691	36,494	93,061	95.4	6,928	92,904	9,896	40,540	66,459	75.7	7,833	148.1	26,007	107.4
		9	109,715	80.9	47,882	97.4	61,833	71.6	146,537	641,420	6,882	40,329	104,750	84.7	7,246	112,838	9,933	38,809	69,210	70.7	7,698	122.5	25,920	106.6
		10	103,080	77.1	44,485	99.1	58,595	66.0	107,223	635,509	6,206	34,909	90,156	93.7	6,155	91,969	10,338	40,648	68,818	84.6	8,180	131.4	26,185	107.0
		11	114,392	82.3	45,464	92.7	68,928	76.6	119,274	630,627	6,478	35,957	95,295	97.3	6,439	99,601	10,767	40,759	55,235	73.9	8,143	133.5	26,104	107.1
		12	107,178	74.3	42,565	88.4	64,613	67.2	134,772	607,499	7,377	38,269	102,976	96.4	7,239	111,085	11,274	38,620	63,383	70.5	6,235	93.1	26,080	106.9
	2016	1	100,258	82.8	39,572	102.8	60,686	73.4	97,939	610,277	6,084	31,855	82,908	80.4	6,021	83,419	11,686	41,057	46,318	58.7	7,014	95.5	26,257	106.0
		2	101,910	77.5	38,887	91.3	63,023	70.9	111,037	601,149	6,077	32,562	88,207	77.0	7,403	95,270	10,693	39,322	58,810	73.9				

NET NEW ORDERS – METAL CUTTING MACHINE TOOLS IN JAPAN

(Value: in Millions of Yen)

Industry \ Period		Total 2015	15/14 (%)	16/01–16/03	16/04–16/06	Previous Quarter (%)	year-to-year (%)	16/01–16/06	year-to-year (%)	June '16	June 16/May 16 (%)	June 16/June 15 (%)
1. Primary Metals		18,528	159.9	4,320	4,725	109.4	115.1	9,045	116.7	1,981	141.8	144.2
2. Fabricated Metal Products		28,562	122.7	4,583	5,321	116.1	59.8	9,904	63.4	2,451	161.6	77.7
Machinery & Equipment Industries	3. Industrial Machinery	221,825	110.9	48,038	52,939	110.2	84.6	100,977	87.8	21,928	139.0	84.6
	(of which construction machinery)	5,833	130.9	1,409	1,768	125.5	92.2	3,177	102.6	465	65.2	83.8
	(of which dies and molds)	32,198	121.1	8,177	7,963	97.4	88.1	16,140	101.2	3,213	142.5	85.9
	4. Motor Vehicles	203,918	121.6	43,943	39,608	90.1	70.0	83,551	80.1	14,332	122.0	75.7
	(of which auto parts)	143,739	122.4	29,383	27,175	92.5	64.5	56,558	73.1	10,129	113.9	75.9
	5. Electrical Machinery	26,942	98.3	6,905	5,198	75.3	66.0	12,103	86.5	2,285	135.4	72.1
	6. Precision Machinery	21,125	123.2	4,504	4,956	110.0	81.9	9,460	86.4	2,162	163.2	89.7
	5 – 6. Electrical & Precision Machinery (Sub Total)	48,067	107.9	11,409	10,154	89.0	72.9	21,563	86.5	4,447	147.6	79.7
	7. Aircraft, Shipbuilding & Transport equipment	31,150	151.5	9,686	7,175	74.1	93.3	16,861	107.7	2,723	119.2	107.5
	(of which aircraft)	16,272	304.1	5,165	4,483	86.8	114.4	9,648	136.4	1,531	94.6	134.8
3 – 7. Sub total		504,960	116.7	113,076	109,876	97.2	78.0	222,952	85.8	43,430	132.3	82.0
8. Other Machinery & Equipment		14,487	111.3	2,838	3,855	135.8	104.2	6,693	97.5	1,329	97.1	82.9
9. Government, Public Agencies & Schools		3,388	82.4	365	261	71.5	48.5	626	71.8	170	548.4	175.3
10. Others		9,718	151.8	2,127	2,597	122.1	111.7	4,724	107.2	1,038	129.8	132.2
11. Trading Companies		6,597	125.0	2,410	1,954	81.1	160.6	4,364	153.9	356	38.8	106.3
1-11. Domestic Total		586,240	118.1	129,719	128,589	99.1	79.6	258,308	86.6	50,755	130.6	84.2
12. Foreign		894,352	88.3	188,634	184,064	97.6	74.3	372,698	72.9	58,302	89.0	76.9
1-12. Grand Total		1,480,592	98.1	318,353	312,653	98.2	76.4	631,006	78.0	109,057	104.5	80.1
(of which: NC machines)		1,450,004	98.4	313,557	306,355	97.7	76.4	619,912	78.1	106,137	103.4	79.3
Sales		1,532,603	107.8	377,585	276,287	73.2	77.1	653,872	82.1	109,563	126.0	82.5
(of which: NC machines)		1,503,064	108.3	368,921	269,683	73.1	76.6	638,604	81.6	106,940	125.8	82.0
Order Backlog		607,499	93.1	548,277	586,107	106.9	88.1	586,107	88.1	586,107	99.9	88.1
(of which: NC machines)		578,962	92.7	523,792	561,382	107.2	88.2	561,382	88.2	561,382	99.7	88.2

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	2,712	76.6	3,444	84.5	2,882	74.9	3,238	87.4	3,172	76.6													19,077	83.2	
		Taiwan	1,831	63.4	1,829	71.6	1,976	58.6	1,876	62.8	1,165	51.5	1,492	54.8													10,169	60.6	
		China	14,439	80.5	15,263	67.6	13,550	47.1	12,963	43.1	16,655	47.6	15,679	68.0													88,549	56.2	
		Other	0	-	0	-	21	8.5	39	19.0	1	6.3	0	-													61	12.3	
		East Asia Total	19,899	81.4	19,804	69.1	18,991	52.1	17,760	47.8	21,059	51.4	20,343	68.0													117,856	59.6	
	Other Asia	Thailand	894	58.3	1,379	57.0	1,958	83.2	1,620	67.4	1,515	68.2	1,813	129.9													9,179	74.5	
		Malaysia	318	23.9	323	57.0	228	68.5	350	159.1	472	96.7	423	45.0													2,114	54.5	
		Singapore	145	102.8	228	60.5	232	34.0	304	89.9	391	416.0	313	132.1													1,613	86.3	
		Philippine	99	33.7	260	47.1	201	61.8	116	32.7	265	161.6	309	110.4													1,250	63.5	
		Indonesia	930	79.1	379	94.5	754	136.3	581	103.2	624	82.3	685	69.5													3,953	89.1	
Vietnam		726	4.2	545	3.2	1,085	14.0	433	7.4	355	67.6	670	133.5													3,814	7.8		
India		1,957	122.1	2,510	140.4	1,865	83.6	1,711	98.8	1,776	85.1	1,014	84.8													10,833	101.9		
Other	34	680.0	94	552.9	52	-	81	337.5	25	138.9	0	-													286	286.0			
Other Asia Total	5,103	21.9	5,718	24.8	6,375	44.7	5,196	45.2	5,423	85.4	5,227	93.8													33,042	39.3			
Sub Total	25,002	52.3	25,522	49.3	25,366	50.0	22,956	47.2	26,482	55.9	25,570	72.1														150,898	53.6		
Europe	U	Germany	4,107	137.7	3,843	82.2	3,764	79.1	4,726	93.9	4,492	90.9	3,415	90.6												24,347	93.1		
		U. K.	1,596	83.6	2,392	115.1	1,789	89.3	2,664	140.1	1,556	89.4	1,639	87.2												11,636	101.1		
		Italy	2,256	119.4	1,838	90.3	2,413	118.5	1,534	78.3	2,158	136.2	2,118	103.3												12,317	106.6		
		France	823	74.3	1,727	66.0	2,048	87.9	1,771	103.0	1,325	114.6	1,179	38.6													8,873	74.0	
		Central Europe	1,200	95.2	2,280	131.7	1,453	132.3	954	68.6	2,118	173.6	1,664	98.9													9,669	115.3	
		Other	2,163	120.2	1,991	109.5	2,590	156.1	2,260	175.2	2,422	195.3	2,618	147.7													14,044	146.6	
		Sub Total	12,145	110.9	14,071	94.1	14,057	101.3	13,909	104.6	14,071	118.4	12,633	88.9													80,886	102.2	
	Other West Europe	Turkey	541	44.1	349	41.6	1,092	134.8	700	78.7	638	153.7	427	68.5													3,747	78.0	
		Switzerland	593	111.3	599	106.4	304	81.3	333	78.2	574	120.1	461	81.2													2,864	97.3	
		East Europe	107	150.7	15	20.0	69	53.1	73	56.6	10	2.4	3	3.4													277	30.1	
		Russia - Other	461	69.4	1,485	360.4	351	42.7	795	116.7	626	74.9	501	71.0													4,219	102.4	
		Sub Total	14,165	104.7	16,785	98.8	15,908	98.9	15,860	102.5	15,929	112.9	14,075	86.5														92,722	100.3
		North America & Oceania	U. S. A.	16,563	95.7	17,531	98.2	20,022	96.1	16,970	93.3	17,139	85.2	15,282	75.7													103,507	90.4
Canada	770		79.0	1,061	93.2	1,166	109.7	808	55.5	534	45.0	648	66.5													4,987	73.4		
Mexico	3,176		139.6	1,416	215.5	1,740	108.3	3,103	236.0	4,630	268.1	1,828	172.1													15,893	183.9		
Sub Total	20,509		99.8	20,008	101.9	22,928	97.6	20,881	99.7	22,303	96.8	17,758	79.9														124,387	95.7	
South & Central America	Brazil	188	276.5	79	38.0	126	34.2	47	13.2	219	66.8	221	38.0													880	46.1		
	Other	93	24.0	72	189.5	22	3.8	69	123.2	96	52.7	67	11.2													419	22.7		
	Sub Total	281	61.6	151	61.4	148	15.6	116	28.1	315	61.8	288	24.5													1,299	34.6		
Oceania	Australia	259	171.5	300	176.5	331	271.3	270	148.4	256	47.4	452	152.7													1,868	127.9		
	Other	35	-	108	981.8	19	63.3	0	-	8	24.2	8	-													178	204.6		
Sub Total	294	197.3	408	225.4	350	230.3	270	135.7	264	46.1	460	156.5														2,046	132.2		
Middle East	361	269.4	110	119.6	74	48.4	198	70.7	145	188.3	159	65.4														1,047	106.9		
Africa	74	1850.0	39	-	151	71.2	-18	-	61	145.2	-8	-														299	55.7		
Grand Total	60,686	73.4	63,023	70.9	64,925	70.7	60,263	69.9	65,499	76.4	58,302	76.9														372,698	72.9		
Of which NC	61,547	74.9	61,961	70.7	64,272	70.9	59,804	70.1	65,046	76.5	57,477	76.8														370,107	73.2		

(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.