

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (July 2016)

The total value of machine tool orders in July was 104.39 billion yen. This was a decrease of 4.3% compared to June 2016 and marked the first month of month-on-month decline. Moreover, this figure represented a decrease of 19.7% compared to the same month of the previous year, with posting the twelfth consecutive month of year-on-year decline. The total amount of orders topped 100 billion yen for three consecutive months.

Domestic demand is expected to remain firm in the future. However, we will keep a close watch on the trends of overseas economies and exchange rate.

Domestic orders rose by 1.1% over June, amounting to 51.30 billion yen. This marked the two consecutive months of month-on-month growth. This figure was a decline of 14.3% from the same month of the previous year and marked the sixth consecutive year-on-year decrease. Looking at major industries, orders compared to June fell by 6.1% in industrial machinery, rose by 15.5% in motor vehicles, fell by 5.3% in electrical & precision machinery, and by 29.6% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 8.9% from June to 53.09 billion yen. This marked the two consecutive month of month-on-month decline. Moreover, foreign orders showed a decrease of 24.3% from the same month of the previous year, with July posting the fourteenth consecutive month of decline.

By region, orders from Asia fell by 17.4% from June to 21.12 billion yen. This was a decrease of 30.4% from the same month of the previous year. Orders from Europe rose by 2.4% over June to 14.41 billion yen. However, this was a decrease of 17.5% from the same month of the previous year. Orders from North America fell by 7.8% from June, amounting to 16.38 billion yen. This figure was a decrease of 23.7% 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 (%)	16/01–16/03	16/04–16/06	Previous Quarter (%)	year-to-year (%)	16/01–16/07	year-to-year (%)	July ' 16	July 16/June 16 (%)	July 16/July 15 (%)
1. Primary Metals		18,528	159.9	4,320	4,725	109.4	115.1	10,588	101.8	1,543	77.9	58.2
2. Fabricated Metal Products		28,562	122.7	4,583	5,321	116.1	59.8	13,602	74.2	3,698	150.9	135.6
Machinery & Equipment Industries	3. Industrial Machinery	221,825	110.9	48,038	52,939	110.2	84.6	121,569	87.6	20,592	93.9	87.0
	(of which construction machinery)	5,833	130.9	1,409	1,768	125.5	92.2	3,584	102.5	407	87.5	102.3
	(of which dies and molds)	32,198	121.1	8,177	7,963	97.4	88.1	19,209	99.4	3,069	95.5	90.6
	4. Motor Vehicles	203,918	121.6	43,943	39,608	90.1	70.0	100,102	80.4	16,551	115.5	81.8
	(of which auto parts)	143,739	122.4	29,383	27,175	92.5	64.5	68,352	74.5	11,794	116.4	82.5
	5. Electrical Machinery	26,942	98.3	6,905	5,198	75.3	66.0	14,669	83.1	2,566	112.3	70.2
	6. Precision Machinery	21,125	123.2	4,504	4,956	110.0	81.9	11,104	86.3	1,644	76.0	86.0
	5 – 6. Electrical & Precision Machinery (Sub Total)	48,067	107.9	11,409	10,154	89.0	72.9	25,773	84.5	4,210	94.7	75.6
	7. Aircraft, Shipbuilding & Transport equipment	31,150	151.5	9,686	7,175	74.1	93.3	18,779	105.5	1,918	70.4	89.5
	(of which aircraft)	16,272	304.1	5,165	4,483	86.8	114.4	10,414	135.0	766	50.0	119.9
3 – 7. Sub total		504,960	116.7	113,076	109,876	97.2	78.0	266,223	85.5	43,271	99.6	83.8
8. Other Machinery & Equipment		14,487	111.3	2,838	3,855	135.8	104.2	7,688	92.4	995	74.9	68.5
9. Government, Public Agencies & Schools		3,388	82.4	365	261	71.5	48.5	846	76.8	220	129.4	95.7
10. Others		9,718	151.8	2,127	2,597	122.1	111.7	5,827	116.6	1,103	106.3	186.3
11. Trading Companies		6,597	125.0	2,410	1,954	81.1	160.6	4,836	141.5	472	132.6	81.1
1-11. Domestic Total		586,240	118.1	129,719	128,589	99.1	79.6	309,610	86.5	51,302	101.1	85.7
12. Foreign		894,352	88.3	188,634	184,064	97.6	74.3	425,790	73.3	53,092	91.1	75.7
1-12. Grand Total		1,480,592	98.1	318,353	312,653	98.2	76.4	735,400	78.3	104,394	95.7	80.3
(of which: NC machines)		1,450,004	98.4	313,557	306,355	97.7	76.4	721,713	78.4	101,801	95.9	79.8
Sales		1,532,603	107.8	377,585	276,287	73.2	77.1	751,061	82.1	97,189	88.7	82.5
(of which: NC machines)		1,503,064	108.3	368,921	269,683	73.1	76.6	734,352	81.7	95,748	89.5	82.7
Order Backlog		607,499	93.1	548,277	586,107	106.9	88.1	593,197	87.6	593,197	101.2	87.6
(of which: NC machines)		578,962	92.7	523,792	561,382	107.2	88.2	567,334	87.6	567,334	101.1	87.6

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	2,277	68.7											21,354	81.4	
		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	1,582	73.9												11,751	62.1
		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	11,443	60.3												99,992	56.7
		Other	0	-	0	-	21	8.5	39	19.0	1	6.3	0	-	120	222.2												181	33.0
	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	15,422	63.0												133,278	60.0	
	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	1,415	73.6												10,594	74.4
		Malaysia	318	23.9	323	57.0	228	68.5	350	159.1	472	96.7	423	45.0	183	43.4												2,297	53.4
		Singapore	145	102.8	228	60.5	232	34.0	304	89.9	391	416.0	313	132.1	152	50.5												1,765	81.3
		Philippine	99	33.7	260	47.1	201	61.8	116	32.7	265	161.6	309	110.4	522	352.7												1,772	83.7
		Indonesia	930	79.1	379	94.5	754	136.3	581	103.2	624	82.3	685	69.5	692	116.9												4,645	92.4
Vietnam		726	4.2	545	3.2	1,085	14.0	433	7.4	355	67.6	670	133.5	649	130.1												4,463	9.0	
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	2,014	102.9												12,847	102.0	
Other	34	680.0	94	552.9	52	-	81	337.5	25	138.9	0	-	66	275.0												352	283.9		
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	5,693	97.1												38,735	43.0		
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	21,115	69.6													172,013	55.1	
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	3,252	66.9											27,599	89.0	
		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	2,481	108.1											14,117	102.2	
		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	1,948	122.7											14,265	108.5	
		France	823	74.3	1,727	66.0	2,048	87.9	1,771	103.0	1,325	114.6	1,179	38.6	1,397	56.7											10,270	71.1	
		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	1,460	86.4											11,129	110.5	
		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	2,084	104.2												16,128	139.3
		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	12,622	84.7												93,508	99.4
	Other West Europe	Turkey	541	44.1	349	41.6	1,092	134.8	700	78.7	638	153.7	427	68.5	915	83.3												4,662	79.0
		Switzerland	593	111.3	599	106.4	304	81.3	333	78.2	574	120.1	461	81.2	397	106.7												3,261	98.4
		East Europe	107	150.7	15	20.0	69	53.1	73	56.6	10	2.4	3	3.4	79	329.2												356	37.8
		Russia - Other	461	69.4	1,485	360.4	351	42.7	795	116.7	626	74.9	501	71.0	306	30.4												4,525	88.3
		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	14,414	82.5												107,136	97.4
		Other East Europe	1,452	78.6	1,214	78.2	1,431	113.7	1,083	78.7	1,222	126.0	938	73.9	1,407	91.0													8,747
North America & Central America	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	13,429	74.5												116,936	88.3	
	Canada	770	79.0	1,061	93.2	1,166	109.7	808	55.5	534	45.0	648	66.5	751	41.5												5,738	66.7	
	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	2,201	133.5												18,094	175.8	
	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	16,381	76.3													140,768	93.0
	Other	188	276.5	79	38.0	126	34.2	47	13.2	219	66.8	221	38.0	228	172.7													1,108	54.3
Sub Total	281	61.6	151	61.4	148	15.6	116	28.1	315	61.8	288	24.5	237	78.0													1,536	37.9	
Oceania	Australia	259	171.5	300	176.5	331	271.3	270	148.4	256	47.4	452	152.7	753	312.4												2,621	154.0	
	Other	35	-	108	981.8	19	63.3	0	-	8	24.2	8	-	29	39.7												207	129.4	
	Sub Total	294	197.3	408	225.4	350	230.3	270	135.7	264	46.1	460	156.5	782	249.0												2,828	151.9	
Middle East	361	269.4	110	119.6	74	48.4	198	70.7	145	188.3	159	65.4	158	121.5													1,205	108.7	
Africa	74	1850.0	39	-	151	71.2	-18	-	61	145.2	-8	-	5	9.6													304	51.6	
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	53,092	75.7													425,790	73.3	
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	51,837	74.7													421,944	73.4	

(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.