

## The Current Condition of the Japanese Machine Tool Industry

### Monthly Machine Tool Orders (February 2018)

The total value of machine tool orders in February was 155.19 billion yen. This was an increase of 0.5% compared to January 2018 and marked the first month of month-on-month growth in two months. Moreover, this figure represented an increase of 39.5% compared to the same month of the previous year and marked the fifteenth consecutive months of year-on-year growth.

The total amount of orders topped 150 billion yen for four consecutive months and topped 100 billion yen for sixteen consecutive months. Although market conditions are generally continuing the favorable trend both domestic and overseas, we will keep a close watch on future trends such as various risks in overseas and prolonged delivery due to parts procurement difficulties.

Domestic orders rose by 4.7% over January, amounting to 58.19 billion yen. This marked the first month of month-on-month increase in two months. This figure was a growth of 43.6% over the same month of the previous year and marked the thirteen consecutive months of year-on-year increase.

Looking at major industries, orders compared to January rose by 1.1% in industrial machinery, by 12.0% in motor vehicles, fell by 7.5% in electrical & precision machinery, and by 24.5% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 1.8% from January to 96.99 billion yen, and marked the three consecutive month of month-on-month decline. However, foreign orders showed an increase of 37.2% over the same month of the previous year, and this marked the fifteen consecutive months of year-on-year growth.

By region, orders from Asia fell by 8.7% from January to 47.18 billion yen. However, this was an increase of 41.0% over the same month of the previous year. Orders from Europe rose by 2.5% over January to 22.10 billion yen. This was also an increase of 43.6% over the same month of the previous year. Orders from North America rose by 11.5% over January, amounting to 26.17 billion yen. This figure was an increase of 26.1% over the same month of the previous year.



## NET NEW ORDERS – METAL CUTTING MACHINE TOOLS IN JAPAN

(Value: in Millions of Yen)

Industry \ Period		Total 2017	17/16 (%)	17/07-17/09	17/10-17/12	Previous Quarter (%)	year-to-year (%)	18/01-18/02	year-to-year (%)	Feb. '18	Feb. 18/Feb. 17 (%)	Feb. 18/Feb. 17 (%)
1. Primary Metals		17,778	97.9	3,999	4,985	124.7	103.4	3,718	153.4	2,180	141.7	171.8
2. Fabricated Metal Products		26,539	116.4	7,879	6,901	87.6	141.1	4,524	150.9	2,540	128.0	149.1
Machinery & Equipment Industries	3. Industrial Machinery	259,144	125.1	69,196	74,932	108.3	153.3	45,260	148.1	22,749	101.1	133.8
	(of which construction machinery)	7,510	138.2	2,321	2,234	96.3	188.5	1,653	374.0	653	65.3	351.1
	(of which dies and molds )	27,574	89.6	7,001	6,922	98.9	101.4	3,921	100.9	1,970	101.0	84.2
	4. Motor Vehicles	201,119	115.0	55,561	53,976	97.1	111.4	36,422	148.1	19,240	112.0	173.0
	(of which auto parts)	139,936	120.6	36,109	38,169	105.7	124.0	25,180	140.9	12,246	94.7	144.5
	5. Electrical Machinery	37,082	141.1	9,304	11,536	124.0	150.7	6,695	136.9	3,255	94.6	121.9
	6. Precision Machinery	25,267	128.9	6,282	6,251	99.5	124.8	4,357	149.9	2,056	89.4	158.8
	5 – 6. Electrical & Precision Machinery (Sub Total)	62,349	135.9	15,586	17,787	114.1	140.5	11,052	141.8	5,311	92.5	133.9
	7. Aircraft, Shipbuilding & Transport equipment	23,840	79.3	6,543	5,356	81.9	102.0	6,003	172.1	2,582	75.5	142.1
	(of which aircraft)	11,610	70.7	3,509	2,288	65.2	93.9	3,799	173.6	1,514	66.3	123.6
3 – 7. Sub total		546,452	119.3	146,886	152,051	103.5	131.9	98,737	148.6	49,882	102.1	147.1
8. Other Machinery & Equipment		16,396	133.4	3,993	4,159	104.2	170.1	3,075	122.3	1,575	105.0	109.3
9. Government, Public Agencies & Schools		3,083	111.6	697	1,682	241.3	118.7	235	54.4	79	50.6	59.4
10. Others		11,019	115.7	2,689	2,756	102.5	132.8	2,061	108.0	1,229	147.7	126.6
11. Trading Companies		8,102	114.4	1,868	1,863	99.7	133.4	1,454	92.6	711	95.7	63.8
1-11. Domestic Total		629,369	118.6	168,011	174,397	103.8	131.8	113,804	145.4	58,196	104.7	143.6
12. Foreign		1,016,185	141.2	248,269	290,662	117.1	160.2	195,781	143.2	96,998	98.2	137.2
1-12. Grand Total		1,645,554	131.6	416,280	465,059	111.7	148.3	309,585	144.0	155,194	100.5	139.5
(of which: NC machines)		1,616,216	131.9	409,032	456,594	111.6	148.7	305,026	144.4	153,052	100.7	139.7
Sales		1,467,285	114.6	408,029	394,003	96.6	125.5	254,574	135.9	137,815	118.0	138.8
(of which: NC machines)		1,442,889	115.0	401,510	387,852	96.6	125.6	250,375	136.0	135,298	117.6	138.9
Order Backlog		694,231	132.9	628,824	694,231	110.4	132.9	749,241	136.2	749,241	102.4	136.2
(of which: NC machines)		670,808	132.8	608,853	670,808	110.2	132.8	725,458	136.3	725,458	102.5	136.3

# NET NEW ORDERS BY DESTINATION

(Value in Millions of yen)

2018		Jan.		Feb.		Mar.		Apr.		May		Jun.		July		Aug.		Sep.		Oct.		Nov.		Dec.		Total				
					%		%		%		%		%		%		%		%		%		%		%	2018	%			
Asia	East Asia	Korea	3,745	111.9	4,537	155.0																					8,282	132.0		
		Taiwan	2,909	96.8	1,986	152.1																						4,895	113.6	
		China	34,844	168.4	28,389	119.6																						63,233	142.3	
		Other	-1	-	0	-																						-1	-	
		East Asia Total	41,497	153.6	34,912	124.8																						76,409	139.0	
	Other Asia	Thailand	2,639	177.2	2,256	147.0																						4,895	161.9	
		Malaysia	781	302.7	926	253.0																						1,707	273.6	
		Singapore	1,049	253.4	744	140.4																						1,793	189.9	
		Philippine	266	161.2	505	267.2																						771	217.8	
		Indonesia	532	86.4	500	122.9																						1,032	100.9	
Vietnam		1,042	111.2	1,676	212.2																						2,718	157.4		
India		3,802	210.6	5,661	336.4																						9,463	271.3		
Other		64	6400.0	1	50.0																						65	2166.7		
Other Asia Total	10,175	179.0	12,269	223.0																						22,444	200.6			
Sub Total	51,672	158.0	47,181	141.0																							98,853	149.4		
Europe	U	Germany	4,461	177.4	5,824	139.9																					10,285	154.0		
		U.K.	1,926	105.0	2,320	126.7																					4,246	115.8		
		Italy	3,247	131.6	3,067	117.2																						6,314	124.2	
		France	2,849	207.8	1,427	106.2																						4,276	157.5	
		Central Europe	3,072	186.6	2,280	143.8																						5,352	165.6	
		Other	3,369	115.3	4,024	171.7																						7,393	140.4	
		Sub Total	18,924	148.3	18,942	136.4																						37,866	142.1	
	Other West Europe	Turkey	863	137.0	1,038	537.8																						1,901	231.0	
		Switzerland	904	178.0	857	151.4																						1,761	164.0	
		East Europe	56	47.1	302	686.4																						358	219.6	
		Russia - Other	646	142.6	777	110.1																						1,423	122.8	
		Sub Total	21,579	148.6	22,108	143.6																						43,687	146.0	
		North America & Oceania	U.S.A.	21,297	146.1	22,807	126.4																						44,104	135.2
			Canada	1,144	162.0	1,284	113.5																						2,428	132.2
Mexico	1,039		67.8	2,087	131.8																						3,126	100.3		
Sub Total	23,480		139.6	26,178	126.1																						49,658	132.2		
South & Central America	Brazil	801	88.1	671	132.3																						1,472	104.0		
	Other	385	663.8	135	964.3																						520	722.2		
	Sub Total	1,186	122.6	806	154.7																						1,992	133.9		
Oceania	Australia	411	103.3	421	163.2																						832	126.8		
	Other	63	315.0	71	-																						134	670.0		
Sub Total	474	113.4	492	190.7																							966	142.9		
Middle East	293	55.4	186	93.0																							479	65.7		
Africa	99	220.0	47	64.4																							146	123.7		
Grand Total	98,783	149.7	96,998	137.2																							195,781	143.2		
Of which NC	97,344	148.8	95,738	136.6																							193,082	142.5		

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

Japan Machine Tool Builders' Association