

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (March 2018)

The total value of machine tool orders in March was 182.86 billion yen. This was an increase of 17.8% compared to February 2018 and marked two consecutive month of month-on-month growth. Moreover, this figure represented an increase of 28.1% compared to the same month of the previous year and marked the sixteenth consecutive months of year-on-year growth.

The total amount of orders topped 180 billion yen for the first time and updated the record high for the first time in three months. They have been on a very high level since the end of last year.

We expect to remain robust for some time in the future, however, we would like to pay attention to various overseas risks and movements related to parts procurement difficulties.

Domestic orders rose by 29.8% over February, amounting to 75.55 billion yen. This marked the two consecutive month-on-month increase. This figure was also a growth of 44.0% over the same month of the previous year and marked the fourteen consecutive months of year-on-year increase.

Looking at major industries, orders compared to February rose by 23.3% in industrial machinery, by 38.6% in motor vehicles, by 63.7% in electrical & precision machinery, and fell by 7.4% in aircraft, shipbuilding & transport equipment.

Foreign orders rose by 10.6% over February to 107.31 billion yen, and marked the month-on-month growth in four months. Moreover, foreign orders showed an increase of 18.9% over the same month of the previous year, and this marked the sixteen consecutive months of year-on-year growth.

By region, orders from Asia rose by 16.1% over February to 54.75 billion yen. This was an increase of 8.5% over the same month of the previous year. Orders from Europe fell by 6.0% from February to 20.79 billion yen. However, this was an increase of 33.6% over the same month of the previous year. Orders from North America rose by 16.2% over February, amounting to 30.42 billion yen. This figure was an increase of 35.9% 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 (%)	17/10-17/12	18/01-18/03	Previous Quarter (%)	year-to-year (%)	18/01-18/03	year-to-year (%)	March ' 18	Mar. 18/Feb. 17 (%)	Mar. 18/Mar. 17 (%)
1. Primary Metals		17,778	97.9	4,985	6,004	120.4	150.8	6,004	150.8	2,286	104.9	146.6
2. Fabricated Metal Products		26,539	116.4	6,901	7,989	115.8	155.4	7,989	155.4	3,465	136.4	161.8
Machinery & Equipment Industries	3. Industrial Machinery	259,144	125.1	74,932	73,307	97.8	143.5	73,307	143.5	28,047	123.3	136.6
	(of which construction machinery)	7,510	138.2	2,234	2,201	98.5	230.2	2,201	230.2	548	83.9	106.6
	(of which dies and molds)	27,574	89.6	6,922	6,624	95.7	104.6	6,624	104.6	2,703	137.2	110.5
	4. Motor Vehicles	201,119	115.0	53,976	63,095	116.9	148.3	63,095	148.3	26,673	138.6	148.6
	(of which auto parts)	139,936	120.6	38,169	41,321	108.3	133.8	41,321	133.8	16,141	131.8	124.1
	5. Electrical Machinery	37,082	141.1	11,536	12,075	104.7	174.7	12,075	174.7	5,380	165.3	265.9
	6. Precision Machinery	25,267	128.9	6,251	7,669	122.7	140.3	7,669	140.3	3,312	161.1	129.4
	5 – 6. Electrical & Precision Machinery (Sub Total)	62,349	135.9	17,787	19,744	111.0	159.5	19,744	159.5	8,692	163.7	189.7
	7. Aircraft, Shipbuilding & Transport equipment	23,840	79.3	5,356	8,394	156.7	143.2	8,394	143.2	2,391	92.6	100.8
	(of which aircraft)	11,610	70.7	2,288	4,717	206.2	136.1	4,717	136.1	918	60.6	71.9
3 – 7. Sub total		546,452	119.3	152,051	164,540	108.2	147.1	164,540	147.1	65,803	131.9	144.8
8. Other Machinery & Equipment		16,396	133.4	4,159	5,201	125.1	138.1	5,201	138.1	2,126	135.0	169.9
9. Government, Public Agencies & Schools		3,083	111.6	1,682	384	22.8	79.8	384	79.8	149	188.6	304.1
10. Others		11,019	115.7	2,756	2,898	105.2	101.6	2,898	101.6	837	68.1	88.7
11. Trading Companies		8,102	114.4	1,863	2,339	125.6	88.2	2,339	88.2	885	124.5	81.8
1-11. Domestic Total		629,369	118.6	174,397	189,355	108.6	144.8	189,355	144.8	75,551	129.8	144.0
12. Foreign		1,016,185	141.2	290,662	303,090	104.3	133.6	303,090	133.6	107,309	110.6	118.9
1-12. Grand Total		1,645,554	131.6	465,059	492,445	105.9	137.7	492,445	137.7	182,860	117.8	128.1
(of which: NC machines)		1,616,216	131.9	456,594	485,092	106.2	138.2	485,092	138.2	180,066	117.7	128.8
Sales		1,467,285	114.6	394,003	459,189	116.5	131.9	459,189	131.9	204,615	148.5	127.2
(of which: NC machines)		1,442,889	115.0	387,852	452,007	116.5	132.3	452,007	132.3	201,632	149.0	128.0
Order Backlog		694,231	132.9	694,231	727,486	104.8	136.8	727,486	136.8	727,486	97.1	136.8
(of which: NC machines)		670,808	132.8	670,808	703,892	104.9	136.8	703,892	136.8	703,892	97.0	136.8

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	4,352	129.8																			12,634	131.2		
		Taiwan	2,909	96.8	1,986	152.1	4,015	198.7																				8,910	140.7	
		China	34,844	168.4	28,389	119.6	35,897	97.8																				99,130	122.2	
		Other	-1	-	0	-	3	21.4																				2	-	
		East Asia Total	41,497	153.6	34,912	124.8	44,267	105.2																				120,676	124.3	
	Other Asia	Thailand	2,639	177.2	2,256	147.0	3,668	154.2																				8,563	158.5	
		Malaysia	781	302.7	926	253.0	1,030	102.8																				2,737	168.3	
		Singapore	1,049	253.4	744	140.4	1,361	205.3																				3,154	196.3	
		Philippine	266	161.2	505	267.2	195	80.6																				966	162.1	
		Indonesia	532	86.4	500	122.9	817	119.1																				1,849	108.2	
Vietnam		1,042	111.2	1,676	212.2	685	63.7																				3,403	121.4		
India		3,802	210.6	5,661	336.4	2,729	118.0																				12,192	210.2		
Other	64	6400.0	1	50.0	2	100.0																				67	1340.0			
Other Asia Total	10,175	179.0	12,269	223.0	10,487	125.4																					32,931	168.5		
Sub Total	51,672	158.0	47,181	141.0	54,754	108.5																					153,607	131.7		
Europe	EU	Germany	4,461	177.4	5,824	139.9	4,702	109.7																				14,987	136.7	
		U. K.	1,926	105.0	2,320	126.7	2,303	144.7																				6,549	124.6	
		Italy	3,247	131.6	3,067	117.2	3,136	134.7																				9,450	127.5	
		France	2,849	207.8	1,427	106.2	2,007	104.9																				6,283	135.7	
		Central Europe	3,072	186.6	2,280	143.8	2,027	161.0																				7,379	164.3	
		Other	3,369	115.3	4,024	171.7	3,254	118.2																				10,647	132.8	
		Sub Total	18,924	148.3	18,942	136.4	17,429	123.3																					55,295	135.6
	Other West Europe	Turkey	863	137.0	1,038	537.8	930	320.7																				2,831	254.4	
		Switzerland	904	178.0	857	151.4	923	149.4																				2,684	158.6	
		East Europe	56	47.1	302	686.4	1,053	503.8																				1,411	379.3	
		Russia - Other	646	142.6	777	110.1	246	127.5																				1,669	123.4	
		Sub Total	21,579	148.6	22,108	143.6	20,787	133.6																					64,474	141.8
		North America & Oceania	U. S. A.	21,297	146.1	22,807	126.4	26,370	130.1																				70,474	133.2
			Canada	1,144	162.0	1,284	113.5	1,218	142.3																				3,646	135.4
Mexico	1,039		67.8	2,087	131.8	2,828	226.4																				5,954	136.4		
Sub Total	23,480	139.6	26,178	126.1	30,416	135.9																					80,074	133.6		
South & Central America	Brazil	801	88.1	671	132.3	346	62.2																				1,818	92.2		
	Other	385	663.8	135	964.3	269	208.5																				789	392.5		
	Sub Total	1,186	122.6	806	154.7	615	89.8																				2,607	120.0		
Oceania	Australia	411	103.3	421	163.2	485	94.5																				1,317	112.7		
	Other	63	315.0	71	-	-3	-																				131	354.1		
Sub Total	474	113.4	492	190.7	482	90.9																					1,448	120.1		
Middle East	293	55.4	186	93.0	217	39.4																					696	54.4		
Africa	99	220.0	47	64.4	38	40.4																					184	86.6		
Grand Total	98,783	149.7	96,998	137.2	107,309	118.9																					303,090	133.6		
Of which NC	97,344	148.8	95,738	136.6	106,768	120.0																					299,850	133.6		

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

Japan Machine Tool Builders' Association