

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (June 2018)

The total value of machine tool orders in June was 159.29 billion yen. This was an increase of 6.7% compared to May 2018 and marked the first month of month-on-month increase. This figure represented an increase of 11.4% compared to the same month of the previous year and marked the nineteenth consecutive months of year-on-year growth.

The total amount of orders topped 150 billion yen for the first time in two months, and they marked the highest amount as a single month of June.

An unprecedented high level trends are ongoing. We are expecting that it will continue in the plateau state in the future. On the other hand, we would like to pay attention to various overseas risks and movements related to parts procurement difficulties.

Domestic orders rose by 0.1% over May, amounting to 62.98 billion yen. This marked the first month of month-on-month growth in three months. This figure was a growth of 15.1% over the same month of the previous year and marked the seventeenth consecutive months of year-on-year increase.

Looking at major industries, orders compared to May fell by 3.6% in industrial machinery, rose by 2.7% in motor vehicles, rose by 16.1% in electrical & precision machinery, and fell by 6.6% in aircraft, shipbuilding & transport equipment.

Foreign orders rose by 11.5% over May to 96.31 billion yen, marked the first month of month-on-month increase in three months. Moreover, foreign orders showed an increase of 9.1% over the same month of the previous year, and this marked the nineteenth consecutive months of year-on-year growth.

By region, orders from Asia rose by 12.5% over May to 45.03 billion yen. This was a decrease of 3.9% from the same month of the previous year. Orders from Europe rose by 10.0% over May to 21.42 billion yen. Moreover, this was an increase of 19.2% over the same month of the previous year. Orders from North America rose by 11.2% over May, amounting to 28.55 billion yen. This figure was an increase of 27.6% 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 (%)	18/01–18/03	18/04–18/06	Previous Quarter (%)	year-to-year (%)	18/01–18/06	year-to-year (%)	June '18	June 18/May 18 (%)	June 18/June 17 (%)
1. Primary Metals		17,778	97.9	6,004	7,197	119.9	149.6	13,201	150.1	1,477	45.3	93.0
2. Fabricated Metal Products		26,539	116.4	7,989	7,926	99.2	119.7	15,915	135.3	3,087	138.6	163.2
Machinery & Equipment Industries	3. Industrial Machinery	259,144	125.1	73,307	75,869	103.5	118.7	149,176	129.7	24,856	96.4	106.6
	(of which construction machinery)	7,510	138.2	2,201	2,965	134.7	148.3	5,166	174.8	1,330	193.6	161.0
	(of which dies and molds)	27,574	89.6	6,624	7,200	108.7	98.4	13,824	101.3	2,597	118.6	88.8
	4. Motor Vehicles	201,119	115.0	63,095	66,201	104.9	135.0	129,296	141.2	21,598	102.7	131.5
	(of which auto parts)	139,936	120.6	41,321	43,923	106.3	126.3	85,244	129.8	12,948	90.2	113.9
	5. Electrical Machinery	37,082	141.1	12,075	14,533	120.4	155.8	26,608	163.8	3,799	116.4	142.8
	6. Precision Machinery	25,267	128.9	7,669	7,017	91.5	96.5	14,686	115.3	2,840	115.9	101.2
	5 – 6. Electrical & Precision Machinery (Sub Total)	62,349	135.9	19,744	21,550	109.1	129.8	41,294	142.5	6,639	116.1	121.4
	7. Aircraft, Shipbuilding & Transport equipment	23,840	79.3	8,394	5,117	61.0	84.2	13,511	113.1	1,422	93.4	55.6
	(of which aircraft)	11,610	70.7	4,717	2,702	57.3	115.1	7,419	127.6	842	114.1	90.0
3 – 7. Sub total		546,452	119.3	164,540	168,737	102.6	124.4	333,277	134.6	54,515	100.9	114.1
8. Other Machinery & Equipment		16,396	133.4	5,201	5,179	99.6	115.6	10,380	125.9	1,927	135.3	120.1
9. Government, Public Agencies & Schools		3,083	111.6	384	285	74.2	127.8	669	95.0	167	273.8	160.6
10. Others		11,019	115.7	2,898	3,343	115.4	122.8	6,241	112.0	1,189	89.9	110.4
11. Trading Companies		8,102	114.4	2,339	1,721	73.6	100.1	4,060	92.9	618	112.0	94.8
1-11. Domestic Total		629,369	118.6	189,355	194,388	102.7	124.4	383,743	133.7	62,980	100.1	115.1
12. Foreign		1,016,185	141.2	303,090	277,212	91.5	110.7	580,302	121.6	96,313	111.5	109.1
1-12. Grand Total		1,645,554	131.6	492,445	471,600	95.8	116.0	964,045	126.1	159,293	106.7	111.4
(of which: NC machines)		1,616,216	131.9	485,092	462,861	95.4	115.8	947,953	126.3	156,114	106.5	111.3
Sales		1,467,285	114.6	459,189	390,124	85.0	123.1	849,313	127.7	147,782	120.4	118.9
(of which: NC machines)		1,442,889	115.0	452,007	384,555	85.1	123.3	836,562	128.0	145,818	120.8	119.0
Order Backlog		694,231	132.9	727,486	808,962	111.2	130.4	808,962	130.4	808,962	101.4	130.4
(of which: NC machines)		670,808	132.8	703,892	782,198	111.1	130.1	782,198	130.1	782,198	101.3	130.1

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	3,499	110.6	2,071	85.1	3,792	119.9													21,996	119.6
		Taiwan	2,909	96.8	1,986	152.1	4,015	198.7	2,741	106.4	2,842	139.1	2,855	130.3													17,348	132.0
		China	34,844	168.4	28,389	119.6	35,897	97.8	30,454	97.7	24,699	90.5	28,546	92.3													182,829	107.2
		Other	-1	-	0	-	3	21.4	1	7.1	0	-	0	-													3	300.0
		East Asia Total	41,497	153.6	34,912	124.8	44,267	105.2	36,695	99.4	29,612	93.2	35,193	97.0													222,176	110.0
	Other Asia	Thailand	2,639	177.2	2,256	147.0	3,668	154.2	2,210	152.3	2,218	88.6	2,660	148.8													15,651	140.4
		Malaysia	781	302.7	926	253.0	1,030	102.8	864	304.2	730	98.3	804	100.2													5,135	148.6
		Singapore	1,049	253.4	744	140.4	1,361	205.3	538	138.3	462	76.7	1,362	445.1													5,516	189.9
		Philippine	266	161.2	505	267.2	195	80.6	663	275.1	993	309.3	658	150.2													3,280	205.5
		Indonesia	532	86.4	500	122.9	817	119.1	544	88.9	674	180.2	462	111.6													3,529	113.5
Vietnam		1,042	111.2	1,676	212.2	685	63.7	943	117.9	914	137.2	746	88.4													6,006	117.5	
India		3,802	210.6	5,661	336.4	2,729	118.0	3,654	67.3	4,412	177.7	3,139	52.8													23,397	119.0	
Other	64	6400.0	1	50.0	2	100.0	5	10.0	6	75.0	9	17.3													87	75.7		
Other Asia Total	10,175	179.0	12,269	223.0	10,487	125.4	9,421	101.7	10,409	135.2	9,840	92.9													62,601	132.9		
Sub Total	51,672	158.0	47,181	141.0	54,754	108.5	46,116	99.8	40,021	101.4	45,033	96.1														284,777	114.3	
Europe	U	Germany	4,461	177.4	5,824	139.9	4,702	109.7	4,758	148.9	4,381	104.8	5,213	142.0												29,339	133.3	
		U. K.	1,926	105.0	2,320	126.7	2,303	144.7	1,894	109.2	1,597	125.8	1,649	94.8												11,689	116.9	
		Italy	3,247	131.6	3,067	117.2	3,136	134.7	3,062	130.9	3,219	89.9	3,720	106.3												19,451	115.6	
		France	2,849	207.8	1,427	106.2	2,007	104.9	2,626	113.0	1,333	82.0	2,237	105.6													12,479	116.7
		Central Europe	3,072	186.6	2,280	143.8	2,027	161.0	1,310	93.4	1,598	112.3	2,037	124.7													12,324	137.7
		Other	3,369	115.3	4,024	171.7	3,254	118.2	2,718	122.3	4,118	135.5	3,753	128.1													21,236	131.0
		Sub Total	18,924	148.3	18,942	136.4	17,429	123.3	16,368	123.8	16,246	107.5	18,609	119.3													106,518	125.8
		Other West Europe	1,953	164.3	2,087	275.0	2,059	201.9	2,213	108.6	2,363	172.6	2,147	109.7													12,822	153.9
	E	Turkey	863	137.0	1,038	537.8	930	320.7	1,216	89.9	816	132.9	1,278	93.1													6,141	137.9
		Switzerland	904	178.0	857	151.4	923	149.4	850	131.4	1,271	202.7	663	129.5													5,468	157.2
		East Europe	56	47.1	302	686.4	1,053	503.8	272	555.1	385	175.0	277	426.2													2,345	332.2
		Russia - Other	646	142.6	777	110.1	246	127.5	318	99.4	482	157.0	388	107.8													2,857	122.1
		Sub Total	21,579	148.6	22,108	143.6	20,787	133.6	19,171	122.7	19,476	114.5	21,421	119.2													124,542	129.6
		Other East Europe																										
North America	U. S. A.	21,297	146.1	22,807	126.4	26,370	130.1	25,177	135.9	23,100	127.5	22,837	124.7													141,588	131.3	
	Canada	1,144	162.0	1,284	113.5	1,218	142.3	977	129.6	1,612	112.8	1,865	87.6													8,100	115.6	
	Mexico	1,039	67.8	2,087	131.8	2,828	226.4	1,577	112.6	970	81.2	3,849	199.3													12,350	138.9	
	Sub Total	23,480	139.6	26,178	126.1	30,416	135.9	27,731	134.1	25,682	123.8	28,551	127.6													162,038	130.9	
S & C America	Brazil	801	88.1	671	132.3	346	62.2	520	211.4	442	166.2	621	162.6													3,401	118.7	
	Other	385	663.8	135	964.3	269	208.5	53	35.1	44	74.6	23	19.8													909	172.5	
	Sub Total	1,186	122.6	806	154.7	615	89.8	573	144.3	486	149.5	644	129.3													4,310	127.0	
Oceania	Australia	411	103.3	421	163.2	485	94.5	478	235.5	326	62.2	436	131.3													2,557	114.8	
	Other	63	315.0	71	-	-3	-	111	-	95	47.3	27	2700.0													364	152.3	
	Sub Total	474	113.4	492	190.7	482	90.9	589	290.1	421	58.1	463	139.0													2,921	118.4	
Middle East	293	55.4	186	93.0	217	39.4	293	329.2	157	30.0	141	64.4													1,287	60.9		
Africa	99	220.0	47	64.4	38	40.4	80	148.1	103	294.3	60	6000.0													427	141.4		
Grand Total	98,783	149.7	96,998	137.2	107,309	118.9	94,553	113.6	86,346	109.5	96,313	109.1													580,302	121.6		
Of which NC	97,344	148.8	95,738	136.6	106,768	120.0	93,159	112.6	85,285	108.9	94,531	109.1													572,825	121.3		

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

Japan Machine Tool Builders' Association