

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (August 2018)

The total value of machine tool orders in August was 140.39 billion yen. This was a decrease of 7.1% compared to July 2018 and marked the second consecutive month of month-on-month decline. However, this figure represented an increase of 5.1% compared to the same month of the previous year and marked the twenty-first consecutive months of year-on-year growth. The total amount of orders fell below 150 billion yen for the first time in three months, although they exceeded one billion yen for the first time as the August orders. 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 such as trade issues and influence on parts procurement difficulties.

Domestic orders fell by 7.5% from July, amounting to 62.37 billion yen. This marked the first month-on-month decline in three months. This figure was a growth of 20.5% over the same month of the previous year and marked the nineteenth consecutive months of year-on-year increase.

Looking at major industries, orders compared to July fell by 14.3% in industrial machinery, by 2.9% in motor vehicles, rose by 11.7% in electrical & precision machinery, and fell by 15.0% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 6.8% from July to 78.02 billion yen, marked the second consecutive month of month-on-month decline in two months. Moreover, foreign orders showed a decrease of 4.6% from the same month of the previous year, and this marked the first year-on-year decline in twenty-first months.

By region, orders from Asia fell by 3.2% from July to 33.96 billion yen. Moreover, this was a decrease of 20.9% from the same month of the previous year. Orders from Europe fell by 17.1% from July to 17.85 billion yen. However, this was an increase of 18.8% over the same month of the previous year. Orders from North America fell by 3.3% from July, amounting to 25.05 billion yen. This figure was an increase of 9.3% over 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.	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	25,826	100.0	
	2016	1,250,003	84.4	530,545	90.5	719,458	80.4	1,280,584	522,527	67,991	374,124	1,012,810	80.5	73,443	1,058,471	9,321	35,371	666,519	71.5	78,249	85.4	26,252	100.5	
	2017	1,645,554	131.6	629,369	118.6	1,016,185	141.2	1,467,285	694,231	88,644	426,841	1,129,823	111.6	92,174	1,181,505	9,936	33,453	786,221	118.0	72,276	92.4	26,161	99.3	
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	25,347	105.2	
	2015	1,398,968	88.6	579,295	109.9	819,673	77.9	1,471,868	548,277	90,060	453,903	1,185,130	94.0	94,378	1,233,552	9,761	34,724	844,991	82.4	87,710	111.1	26,036	100.4	
	2016	1,289,310	92.2	531,575	91.8	757,735	92.4	1,251,224	531,962	67,060	366,470	989,202	83.5	70,973	1,028,610	9,212	32,928	649,014	76.8	75,944	86.6	26,196	100.2	
	2017	1,780,339	138.1	687,975	129.4	1,092,364	144.2	1,578,249	727,486	97,914	457,498	1,203,363	121.6	102,008	1,259,019	9,532	30,607	867,441	133.7	74,453	98.0	26,436	99.5	
	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	25,925	101.1
		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	26,096	100.7
	2016	1-3	318,353	79.6	129,719	94.9	188,634	71.6	377,585	548,277	18,748	104,350	288,940	79.8	21,326	311,224	9,761	34,724	182,682	67.7	20,208	83.9	26,250	100.4
		4-6	312,653	76.4	128,589	79.6	184,064	74.3	276,287	586,107	17,078	87,540	232,375	75.5	17,454	230,929	10,207	38,629	164,216	64.8	18,240	82.9	26,420	100.5
		7-9	305,303	88.1	139,942	90.0	165,361	86.5	312,748	578,484	15,940	90,376	245,412	81.8	17,284	256,945	9,577	37,195	168,544	76.1	17,203	75.0	26,272	100.9
		10-12	313,694	96.6	132,295	99.8	181,399	94.4	313,964	522,527	16,225	91,858	246,083	85.3	17,379	259,373	9,321	35,371	151,077	80.6	22,598	100.2	26,066	100.2
	2017	1-3	357,660	112.3	130,749	100.8	226,911	120.3	348,225	531,962	17,817	96,696	265,332	91.8	18,856	281,363	9,212	32,928	165,177	90.4	17,903	88.6	26,024	99.1
		4-6	406,555	130.0	156,212	121.5	250,343	136.0	617,028	620,525	22,260	101,610	265,123	114.1	22,567	268,381	9,920	35,641	188,702	114.9	16,072	88.1	26,256	99.1
		7-9	416,280	136.3	168,011	120.1	248,269	150.1	408,029	628,824	24,416	113,136	298,176	121.5	25,917	318,685	9,514	32,076	211,049	125.2	19,215	111.7	26,194	99.7
		10-12	465,059	148.3	174,397	131.8	290,662	160.2	394,003	694,231	24,151	115,399	301,192	122.4	24,834	313,076	9,936	33,453	221,293	146.5	19,086	84.5	26,169	99.3
	2018	1-3	492,445	137.7	189,355	144.8	303,090	133.6	459,189	727,486	27,087	127,353	338,872	127.7	28,690	358,877	9,532	30,607	246,397	149.2	20,079	112.2	27,124	99.8
		4-6	471,600	116.0	194,388	124.4	277,212	110.7	390,124	808,962	20,436	108,713	294,292	111.0	21,450	298,322	9,557	34,270	219,343	116.2	19,814	123.3	27,373	101.5
	2017	3	142,698	122.8	52,460	102.3	90,238	139.0	160,834	531,962	7,565	40,602	116,407	98.5	8,710	132,085	9,212	32,928	74,985	96.7	7,035	106.3	26,089	98.6
		4	133,701	134.7	50,459	129.5	83,242	138.1	90,414	574,285	6,340	30,595	77,269	103.6	6,395	78,476	9,460	34,631	58,501	113.2	3,935	77.7	26,226	99.7
		5	129,887	124.5	51,059	131.4	78,828	120.3	102,291	601,881	7,195	32,195	83,938	114.1	7,210	86,027	9,811	34,337	61,050	120.6	5,827	91.7	26,313	98.5
		6	142,967	131.1	54,694	107.8	88,273	151.4	124,323	620,525	8,725	38,820	103,916	123.3	8,962	103,878	9,920	35,641	69,151	111.7	6,310	92.5	26,229	99.0
		7	133,656	128.0	55,218	107.6	78,438	147.7	116,116	638,113	8,737	37,980	96,245	125.8	8,585	98,813	10,396	36,361	71,741	114.5	5,782	122.0	26,174	99.3
		8	133,536	136.2	51,779	120.1	81,757	148.8	115,121	646,528	7,857	35,748	95,112	125.9	8,425	98,334	10,187	36,514	71,337	147.6	6,754	115.4	26,225	100.0
		9	149,088	145.0	61,014	134.0	88,074	153.6	166,792	628,824	7,822	39,408	106,819	114.4	8,907	121,538	9,514	32,076	67,971	118.1	6,679	101.0	26,183	99.9
		10</																						

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 (%)	18/01–18/08	year-to-year (%)	Aug. '18	Aug. 18/July 18 (%)	Aug. 18/Aug. 17 (%)
1. Primary Metals		17,778	97.9	6,004	7,197	119.9	149.6	16,688	155.9	1,936	124.8	206.6
2. Fabricated Metal Products		26,539	116.4	7,989	7,926	99.2	119.7	21,827	140.8	2,757	87.4	169.5
Machinery & Equipment Industries	3. Industrial Machinery	259,144	125.1	73,307	75,869	103.5	118.7	206,356	128.9	26,394	85.7	117.2
	(of which construction machinery)	7,510	138.2	2,201	2,965	134.7	148.3	7,467	161.1	896	63.8	75.4
	(of which dies and molds)	27,574	89.6	6,624	7,200	108.7	98.4	19,416	104.4	2,961	112.5	101.5
	4. Motor Vehicles	201,119	115.0	63,095	66,201	104.9	135.0	170,253	133.6	20,181	97.1	121.1
	(of which auto parts)	139,936	120.6	41,321	43,923	106.3	126.3	112,625	125.1	13,259	93.9	110.1
	5. Electrical Machinery	37,082	141.1	12,075	14,533	120.4	155.8	32,684	139.0	3,652	150.7	91.7
	6. Precision Machinery	25,267	128.9	7,669	7,017	91.5	96.5	19,290	116.2	1,983	75.7	106.2
	5 – 6. Electrical & Precision Machinery (Sub Total)	62,349	135.9	19,744	21,550	109.1	129.8	51,974	129.5	5,635	111.7	96.3
	7. Aircraft, Shipbuilding & Transport equipment	23,840	79.3	8,394	5,117	61.0	84.2	17,358	113.3	1,768	85.0	134.2
	(of which aircraft)	11,610	70.7	4,717	2,702	57.3	115.1	9,531	126.8	971	85.1	130.5
3 – 7. Sub total		546,452	119.3	164,540	168,737	102.6	124.4	445,941	130.0	53,978	92.0	116.5
8. Other Machinery & Equipment		16,396	133.4	5,201	5,179	99.6	115.6	14,012	129.8	1,700	88.0	140.1
9. Government, Public Agencies & Schools		3,083	111.6	384	285	74.2	127.8	1,725	160.0	680	180.9	267.7
10. Others		11,019	115.7	2,898	3,343	115.4	122.8	8,107	109.3	838	81.5	96.5
11. Trading Companies		8,102	114.4	2,339	1,721	73.6	100.1	5,248	95.3	483	68.5	90.6
1-11. Domestic Total		629,369	118.6	189,355	194,388	102.7	124.4	513,548	130.4	62,372	92.5	120.5
12. Foreign		1,016,185	141.2	303,090	277,212	91.5	110.7	742,023	116.4	78,019	93.2	95.4
1-12. Grand Total		1,645,554	131.6	492,445	471,600	95.8	116.0	1,255,571	121.7	140,391	92.9	105.1
(of which: NC machines)		1,616,216	131.9	485,092	462,861	95.4	115.8	1,233,717	121.8	137,458	92.7	104.7
Sales		1,467,285	114.6	459,189	390,124	85.0	123.1	1,101,197	121.5	127,304	102.2	101.7
(of which: NC machines)		1,442,889	115.0	452,007	384,555	85.1	123.3	1,084,040	121.7	125,225	102.4	101.7
Order Backlog		694,231	132.9	727,486	808,962	111.2	130.4	848,604	131.3	848,604	101.6	131.3
(of which: NC machines)		670,808	132.8	703,892	782,198	111.1	130.1	820,484	131.0	820,484	101.5	131.0

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	3,376	103.3	2,918	72.8										28,290	110.2
		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	2,264	94.4	2,513	152.5										22,125	128.7
		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	20,537	91.5	18,969	62.7										222,335	99.6
		Other	-1	-	0	-	3	21.4	1	7.1	0	-	0	-	0	-	17	-										20	-
		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	26,177	93.2	24,417	68.0										272,770	102.5
	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	2,170	124.5	2,399	149.9										20,220	139.6
		Malaysia	781	302.7	926	253.0	1,030	102.8	864	304.2	730	98.3	804	100.2	613	126.1	563	112.2										6,311	142.0
		Singapore	1,049	253.4	744	140.4	1,361	205.3	538	138.3	462	76.7	1,362	445.1	484	86.7	334	35.2										6,334	143.6
		Philippine	266	161.2	505	267.2	195	80.6	663	275.1	993	309.3	658	150.2	236	75.9	499	163.6										4,015	181.5
		Indonesia	532	86.4	500	122.9	817	119.1	544	88.9	674	180.2	462	111.6	489	394.4	588	201.4										4,606	130.7
Vietnam		1,042	111.2	1,676	212.2	685	63.7	943	117.9	914	137.2	746	88.4	611	72.7	1,013	112.7										7,630	111.4	
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	3,898	114.9	4,139	167.3										31,434	123.1	
Other	64	6400.0	1	50.0	2	100.0	5	10.0	6	75.0	9	17.3	399	570.0	6	100.0										492	257.6		
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	8,900	118.3	9,541	135.8											81,042	131.5	
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	35,077	98.5	33,958	79.1											353,812	108.0	
Europe	EU	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	4,719	113.9	5,398	139.8										39,456	131.4
		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	2,433	118.2	1,581	78.0										15,703	111.5
		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	2,854	88.5	2,783	130.0										25,088	113.0
		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	2,564	232.7	1,597	115.2										16,640	126.2
		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	2,605	146.5	1,356	107.5										16,285	135.8
		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	3,879	149.8	2,572	107.6										27,687	130.7
		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	19,054	127.9	15,287	117.0											140,859
	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	1,945	111.7	1,434	89.8											16,201	138.8
	Turkey	863	137.0	1,038	537.8	930	320.7	1,216	89.9	816	132.9	1,278	93.1	835	91.9	557	60.3											7,533	119.9
	Switzerland	904	178.0	857	151.4	923	149.4	850	131.4	1,271	202.7	663	129.5	1,036	148.0	798	140.0											7,302	153.8
	East Europe	56	47.1	302	686.4	1,053	503.8	272	555.1	385	175.0	277	426.2	282	30.7	497	216.1											3,124	168.3
	Russia - Other	646	142.6	777	110.1	246	127.5	318	99.4	482	157.0	388	107.8	254	33.0	635	460.1											3,746	115.4
	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	21,535	117.5	17,853	118.8											163,930	126.6
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	21,428	112.1	22,794	110.1											185,810	125.8
	Canada	1,144	162.0	1,284	113.5	1,218	142.3	977	129.6	1,612	112.8	1,865	87.6	1,416	97.5	1,314	114.2											10,830	112.7
	Mexico	1,039	67.8	2,087	131.8	2,828	226.4	1,577	112.6	970	81.2	3,849	199.3	3,069	190.0	940	88.3											16,359	141.4
	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	25,913	116.8	25,048	109.3											212,999	126.1
S & C America	Brazil	801	88.1	671	132.3	346	62.2	520	211.4	442	166.2	621	162.6	520	37.0	238	88.1											4,159	91.5
	Other	385	663.8	135	964.3	269	208.5	53	35.1	44	74.6	23	19.8	11	3.8	156	339.1											1,076	124.4
	Sub Total	1,186	122.6	806	154.7	615	89.8	573	144.3	486	149.5	644	129.3	531	31.3	394	124.7											5,235	96.8
Oceania	Australia	411	103.3	421	163.2	485	94.5	478	235.5	326	62.2	436	131.3	455	173.7	398	124.4											3,410	121.4
	Other	63	315.0	71	-	-3	-	111	-	95	47.3	27	2700.0	1	1.8	88	102.3											453	118.9
	Sub Total	474	113.4	492	190.7	482	90.9	589	290.1	421	58.1	463	139.0	456	143.4	486	119.7											3,863	121.1
Middle East	293	55.4	186	93.0	217	39.4	293	329.2	157	30.0	141	64.4	121	48.4	270	201.5											1,678	67.2	
Africa	99	220.0	47	64.4	38	40.4	80	148.1	103	294.3	60	6000.0	69	176.9	10	27.0											506	133.9	
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	83,702	106.7	78,019	95.4											742,023	116.4	
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	82,967	107.0	77,090	95.1												732,882	116.2

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

Japan Machine Tool Builders' Association