

## The Current Condition of the Japanese Machine Tool Industry

### Monthly Machine Tool Orders (October 2018)

The total value of machine tool orders in October was 139.62 billion yen. This was a decrease of 9.0% compared to September 2018 and marked the first month of month-on-month decline in two months. Moreover, this figure represented a decrease of 0.7% compared to the same month of the previous year and marked the first year-on-year decline in twenty-three months. The total amount of orders fell below 140 billion yen for the first time in fourteen months. However, they topped 100 billion yen for twenty-fourth consecutive months. High level orders are ongoing, and we expect to continue in 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 10.5% from September, amounting to 57.66 billion yen. This marked the first month-on-month decline in two months. This figure was a growth of 1.7% over the same month of the previous year and marked the twenty-first consecutive months of year-on-year increase.

Looking at major industries, orders compared to September fell by 12.4% in industrial machinery, rose by 4.2% in motor vehicles, fell by 0.5% in electrical & precision machinery, and rose by 12.3% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 7.9% from September to 81.96 billion yen, marked the first month of month-on-month decline in two months. Moreover, foreign orders showed a decrease of 2.4% from the same month of the previous year, and this marked the first year-on-year decline in two months.

By region, orders from Asia fell by 10.2% from September to 31.35 billion yen. This was also a decrease of 17.9% from the same month of the previous year. Orders from Europe rose by 12.3% over September to 22.65 billion yen. This was an increase of 8.0% over the same month of the previous year. Orders from North America fell by 19.1% from September, amounting to 26.56 billion yen. This figure was a growth of 16.0% 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 (%)	18/04–18/06	18/07–18/09	Previous Quarter (%)	year-to-year (%)	18/01–18/10	year-to-year (%)	Oct. '18	Oct. 18/Sep. 18 (%)	Oct. 18/Oct. 17 (%)
1. Primary Metals		17,778	97.9	7,197	6,381	88.7	159.6	21,497	147.1	1,915	66.2	105.0
2. Fabricated Metal Products		26,539	116.4	7,926	10,727	135.3	136.1	28,610	132.9	1,968	40.9	104.5
Machinery & Equipment Industries	3. Industrial Machinery	259,144	125.1	75,869	81,968	108.0	118.5	252,863	120.9	21,719	87.6	87.2
	(of which construction machinery)	7,510	138.2	2,965	3,472	117.1	149.6	9,837	160.2	1,199	102.4	138.5
	(of which dies and molds )	27,574	89.6	7,200	8,002	111.1	114.3	24,229	104.4	2,403	99.7	94.0
	4. Motor Vehicles	201,119	115.0	66,201	60,588	91.5	109.0	210,336	127.6	20,452	104.2	115.6
	(of which auto parts)	139,936	120.6	43,923	40,145	91.4	111.2	138,777	121.7	13,388	104.9	109.5
	5. Electrical Machinery	37,082	141.1	14,533	9,365	64.4	100.7	39,684	134.2	3,711	112.8	92.0
	6. Precision Machinery	25,267	128.9	7,017	7,546	107.5	120.1	24,718	119.8	2,486	84.5	153.5
	5–6. Electrical & Precision Machinery (Sub Total)	62,349	135.9	21,550	16,911	78.5	108.5	64,402	128.2	6,197	99.5	109.6
	7. Aircraft, Shipbuilding & Transport equipment	23,840	79.3	5,117	5,934	116.0	90.7	21,788	109.9	2,343	112.3	174.6
	(of which aircraft)	11,610	70.7	2,702	3,074	113.8	87.6	11,816	118.3	1,323	137.5	198.4
3–7. Sub total		546,452	119.3	168,737	165,401	98.0	112.6	549,389	123.7	50,711	96.2	102.2
8. Other Machinery & Equipment		16,396	133.4	5,179	5,551	107.2	139.0	17,392	128.6	1,461	76.1	113.9
9. Government, Public Agencies & Schools		3,083	111.6	285	1,646	577.5	236.2	2,663	132.6	348	59.0	57.3
10. Others		11,019	115.7	3,343	2,795	83.6	103.9	9,826	108.5	790	85.0	99.6
11. Trading Companies		8,102	114.4	1,721	1,716	99.7	91.9	6,238	89.8	462	87.5	65.3
1–11. Domestic Total		629,369	118.6	194,388	194,217	99.9	115.6	635,615	124.2	57,655	89.5	101.7
12. Foreign		1,016,185	141.2	277,212	250,763	90.5	101.0	913,029	112.8	81,964	92.1	97.6
1–12. Grand Total		1,645,554	131.6	471,600	444,980	94.4	106.9	1,548,644	117.2	139,619	91.0	99.3
(of which: NC machines)		1,616,216	131.9	462,861	436,014	94.2	106.6	1,521,369	117.3	137,402	91.4	99.9
Sales		1,467,285	114.6	390,124	419,902	107.6	102.9	1,392,677	117.4	123,462	73.5	109.0
(of which: NC machines)		1,442,889	115.0	384,555	412,605	107.3	102.8	1,370,180	117.4	121,013	73.3	108.4
Order Backlog		694,231	132.9	808,962	834,040	103.1	132.6	850,197	129.6	850,197	101.9	129.6
(of which: NC machines)		670,808	132.8	782,198	805,607	103.0	132.3	821,996	129.5	821,996	102.0	129.5

