

## The Current Condition of the Japanese Machine Tool Industry

### Monthly Machine Tool Orders (January 2019)

The total value of machine tool orders in January was 125.40 billion yen. This was a decrease of 7.5% compared to December 2018 and marked the first month-on-month decline in two months. Moreover, this figure represented a decrease of 18.8% compared to the same month of the previous year and marked the fourth consecutive month of year-on-year decline. The total amount of orders fell below 130 billion yen for the first time in twenty months. However, they topped 100 billion yen for twenty-seventh consecutive months. Despite showing a moderate declining trend, the order value remains constant. It seems that this level will continue for the time being, but we would like to pay attention to the impact of trade issues and global economic trends.

Domestic orders fell by 18.2% from December, amounting to 46.77 billion yen. This marked the fourth consecutive month-on-month decline. Moreover, this figure was a decline of 15.9% from the same month of the previous year and marked the second consecutive month of year-on-year decline.

Looking at major industries, orders compared to December fell by 10.1% in industrial machinery, by 23.50% in motor vehicles, by 5.0% in electrical & precision machinery, and by 40.3% in aircraft, shipbuilding & transport equipment.

Foreign orders rose by 0.3% over December to 78.63 billion yen, marked the second consecutive month of month-on-month growth. However, foreign orders showed a decrease of 20.4% from the same month of the previous year, and this marked the fourth consecutive year of year-on-year decline.

By region, orders from Asia rose by 8.5% over December to 32.93 billion yen. This was a decrease of 36.3% from the same month of the previous year. Orders from Europe rose by 0.1% over December to 19.38 billion yen. This was a decrease of 10.2% from the same month of the previous year. Orders from North America fell by 9.6% from December, amounting to 24.60 billion yen. This figure was a growth of 4.7% over the same month of the previous year.

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JAPAN MACHINE TOOL BUILDERS' ASSOCIATION

Kikai Shinko Kaikan, 3-5-8, Shibakoen, Minato-ku Tokyo 105-0011, Japan

Tel : (03)3434-3961, Fax : (03)3434-3763, URL : <http://www.jmtba.or.jp>

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# 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. 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
2018	1,815,771	110.3	750,343	119.2	1,065,428	104.8	1,684,768	826,197	84,723	457,841	1,235,188	109.3	90,080	1,295,279	9,169	31,573	881,571	112.1	90,572	125.3	27,335	101.1
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
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	317,028	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
7-9	444,980	106.9	194,217	115.6	250,763	101.0	419,902	834,040	19,118	114,419	304,576	102.1	20,641	321,859	9,193	32,470	219,153	103.8	22,039	114.7	27,444	101.8
10-12	406,746	87.5	172,383	98.8	234,363	80.6	415,553	826,197	18,082	107,356	297,448	98.8	19,299	316,221	9,169	31,573	196,678	88.9	28,641	150.1	27,398	101.2
2017 8	133,536	136.2	51,779	120.1	81,757	148.8	125,121	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	140,661	149.8	56,698	137.1	83,963	159.8	113,243	656,242	7,138	35,700	90,590	120.4	7,212	91,114	9,769	33,962	66,437	137.8	6,344	91.8	26,165	99.8
11	158,496	146.8	54,322	120.8	104,174	165.4	125,279	689,459	8,292	37,984	99,171	116.6	7,895	101,797	10,538	35,027	71,458	155.8	6,483	81.6	26,173	98.9
12	165,902	148.3	63,377	137.8	102,525	155.6	155,481	694,231	8,721	41,715	111,431	129.8	9,727	120,165	9,936	33,453	83,398	146.3	6,259	80.9	26,170	99.2
2018 1	154,391	148.8	55,608	147.3	98,783	149.7	116,759	731,862	8,219	36,143	93,907	133.1	8,420	92,333	10,126	36,028	64,146	163.6	6,948	119.6	27,134	99.6
2	155,194	139.5	58,196	143.6	96,998	137.2	137,815	749,241	8,862	40,750	107,348	136.9	8,868	107,670	10,489	36,993	75,300	147.7	6,283	124.2	27,053	99.9
3	182,860	128.1	75,551	144.0	107,309	118.9	204,615	727,486	10,066	50,460	137,617	118.2	11,402	158,874	9,532	30,607	106,951	142.6	6,848	97.3	27,184	100.0
4																						

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

(Value: in Millions of Yen)

Industry \ Period		Total 2017	17/16 (%)	18/07-18/09	18/10-18/12	Previous Quarter (%)	year-to-year (%)	19/01-19/01	year-to-year (%)	Jan. '19	Jan. 19/Dec. 18 (%)	Jan. 19/Jan. 19 (%)
1. Primary Metals		24,984	140.5	6,381	5,402	84.7	108.4	1,574	102.3	1,574	95.5	102.3
2. Fabricated Metal Products		35,632	134.3	10,727	8,990	83.8	130.3	2,396	120.8	2,396	60.2	120.8
Machinery & Equipment Industries	3. Industrial Machinery	297,290	114.7	81,968	66,146	80.7	88.3	19,287	85.7	19,287	89.9	85.7
	(of which construction machinery)	12,833	170.9	3,472	4,195	120.8	187.8	1,426	142.6	1,426	80.6	142.6
	(of which dies and molds )	28,302	102.6	8,002	6,476	80.9	93.6	1,959	100.4	1,959	102.3	100.4
	4. Motor Vehicles	248,296	123.5	60,588	58,412	96.4	108.2	14,374	83.7	14,374	76.5	83.7
	(of which auto parts)	165,265	118.1	40,145	39,876	99.3	104.5	9,902	76.6	9,902	76.1	76.6
	5. Electrical Machinery	45,630	123.1	9,365	9,657	103.1	83.7	2,337	67.9	2,337	95.3	67.9
	6. Precision Machinery	29,403	116.4	7,546	7,171	95.0	114.7	2,001	87.0	2,001	94.6	87.0
	5-6. Electrical & Precision Machinery (Sub Total)	75,033	120.3	16,911	16,828	99.5	94.6	4,338	75.6	4,338	95.0	75.6
	7. Aircraft, Shipbuilding & Transport equipment	26,763	112.3	5,934	7,318	123.3	136.6	1,924	56.2	1,924	59.7	56.2
	(of which aircraft)	14,579	125.6	3,074	4,086	132.9	178.6	1,139	49.8	1,139	50.6	49.8
3-7. Sub total		647,382	118.5	165,401	148,704	89.9	97.8	39,923	81.7	39,923	83.1	81.7
8. Other Machinery & Equipment		19,836	121.0	5,551	3,905	70.3	93.9	1,370	91.3	1,370	95.7	91.3
9. Government, Public Agencies & Schools		2,966	96.2	1,646	651	39.6	38.7	262	167.9	262	340.3	167.9
10. Others		11,922	108.2	2,795	2,886	103.3	104.7	711	85.5	711	63.6	85.5
11. Trading Companies		7,621	94.1	1,716	1,845	107.5	99.0	536	72.1	536	62.0	72.1
1-11. Domestic Total		750,343	119.2	194,217	172,383	88.8	98.8	46,772	84.1	46,772	81.8	84.1
12. Foreign		1,065,428	104.8	250,763	234,363	93.5	80.6	78,629	79.6	78,629	100.3	79.6
1-12. Grand Total		1,815,771	110.3	444,980	406,746	91.4	87.5	125,401	81.2	125,401	92.5	81.2
(of which: NC machines)		1,783,287	110.3	436,014	399,320	91.6	87.5	122,786	80.8	122,786	92.3	80.8
Sales		1,684,768	114.8	419,902	415,553	99.0	105.5	115,549	99.0	115,549	76.0	99.0
(of which: NC machines)		1,657,024	114.8	412,605	407,857	98.8	105.2	113,597	98.7	113,597	76.1	98.7
Order Backlog		826,197	119.0	834,040	826,197	99.1	119.0	836,049	114.2	836,049	101.2	114.2
(of which: NC machines)		799,511	119.2	805,607	799,511	99.2	119.2	808,700	114.3	808,700	101.1	114.3

## NET NEW ORDERS BY DESTINATION

(Value in Millions of yen)

2019		Jan.		Feb.		Mar.		Apr.		May		Jun.		July		Aug.		Sep.		Oct.		Nov.		Dec.		Total					
Asia	East Asia	Korea	1,554	41.5																							1,554	41.5			
		Taiwan	1,839	63.2																								1,839	63.2		
		China	16,617	47.7																									16,617	47.7	
		Other	0	-																									0	-	
		East Asia Total	20,010	48.2																									20,010	48.2	
	Other Asia	Thailand	2,116	80.2																									2,116	80.2	
		Malaysia	1,022	130.9																									1,022	130.9	
		Singapore	433	41.3																									433	41.3	
		Philippine	531	199.6																									531	199.6	
		Indonesia	697	131.0																									697	131.0	
		Vietnam	1,463	140.4																									1,463	140.4	
		India	5,897	155.1																									5,897	155.1	
		Other	756	1181.3																									756	1181.3	
	Other Asia Total	12,915	126.9																									12,915	126.9		
	Sub Total	32,925	63.7																									32,925	63.7		
Europe	EU	Germany	3,966	88.9																								3,966	88.9		
		U. K.	1,764	91.6																								1,764	91.6		
		Italy	2,506	77.2																									2,506	77.2	
		France	2,595	91.1																									2,595	91.1	
		Central Europe	1,204	39.2																									1,204	39.2	
		Other	4,367	129.6																									4,367	129.6	
		Sub Total	16,402	86.7																									16,402	86.7	
	Other West Europe	Turkey	621	72.0																									621	72.0	
		Switzerland	1,231	136.2																									1,231	136.2	
		East Europe	307	548.2																									307	548.2	
		Russia - Other	766	118.6																									766	118.6	
		Sub Total	19,379	89.8																									19,379	89.8	
		North America	U. S. A.	20,032	94.1																									20,032	94.1
			Canada	1,751	153.1																									1,751	153.1
			Mexico	2,812	270.6																									2,812	270.6
Sub Total	24,595		104.7																									24,595	104.7		
S & C America	Brazil	359	44.8																									359	44.8		
	Other	16	4.2																									16	4.2		
	Sub Total	375	31.6																									375	31.6		
Oceania	Australia	547	133.1																									547	133.1		
	Other	109	173.0																									109	173.0		
Sub Total	656	138.4																										656	138.4		
Middle East	414	141.3																										414	141.3		
Africa	285	287.9																										285	287.9		
Grand Total	78,629	79.6																										78,629	79.6		
Of which NC	77,452	79.6																										77,452	79.6		

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

Japan Machine Tool Builders' Association