

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (June 2019)

The total value of machine tool orders in June was 98.93 billion yen. This was a decrease of 8.9% compared to May 2019 and marked the third consecutive month of month-on-month decline. Moreover, this figure represented a decrease of 37.9% compared to the same month of the previous year and marked the ninth consecutive month of year-on-year decline.

The total amount of orders fell below 100 billion yen for the first time in thirty-second months. Both domestic and foreign demand continues cautious about the capital investment due to the US-China trade friction. We would like to closely watch the trade issues, the situation in Iran, and the recovery trend of the Chinese economy.

Domestic orders fell by 11.7% from May, amounting to 37.70 billion yen. This marked the third consecutive month-on-month decline. Moreover, this figure was a decline of 40.1% from the same month of the previous year and marked the seventh consecutive month of year-on-year decline.

Looking at major industries, orders compared to May rose by 1.0% in industrial machinery, fell by 27.7% in motor vehicles, by 29.2% in electrical & precision machinery, and by 51.5% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 7.0% from May to 61.23 billion yen, marked the first month of month-on-month decline in two months. Likewise, foreign orders showed a decrease of 36.4% from the same month of the previous year, and this marked the ninth consecutive month of year-on-year decline.

By region, orders from Asia fell by 11.4% from May to 25.03 billion yen. This was a decrease of 44.4% from the same month of the previous year. Orders from Europe fell by 2.6% from May to 14.27 billion yen. This was a decrease of 33.4% from the same month of the previous year. Orders from North America fell by 2.9% from May, amounting to 21.12 billion yen. This figure was a decline of 26.0% from the same month of the previous year.

JAPAN MACHINE TOOL BUILDERS' ASSOCIATION

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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	84,803	454,619	1,236,790	109.5	90,160	1,297,087	9,167	31,553	881,700	112.1	90,574	125.3	27,348	101.1	
F.Y.	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	97,915	457,502	1,203,453	121.7	102,009	1,259,109	9,532	30,607	867,434	133.7	74,455	98.0	26,436	99.5	
	2018	1,689,133	94.9	703,366	102.2	985,767	90.2	1,666,400	751,183	76,122	438,155	1,209,598	100.5	81,140	1,272,059	9,171	29,803	841,164	97.0	94,726	127.2	27,415	101.8	
	2016	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	27,088	127,357	338,962	127.8	28,691	358,967	9,532	30,607	246,390	149.2	20,081	112.2	27,123	99.8
		4-6	471,600	116.0	194,388	124.4	277,212	110.7	390,124	808,962	20,437	108,721	294,341	111.0	21,449	298,271	9,559	34,290	219,335	116.2	19,814	123.3	27,400	101.5
		7-9	444,980	106.9	194,217	115.6	250,763	101.0	419,902	834,040	19,155	111,159	305,640	102.5	20,678	322,923	9,193	32,470	219,327	103.9	22,039	114.7	27,448	101.5
		10-12	406,746	87.5	172,383	98.8	234,363	80.6	415,553	826,197	18,123	107,382	297,847	98.9	19,342	316,926	9,167	31,553	196,648	88.9	28,640	150.1	27,421	101.5
	2019	1-3	365,807	74.3	142,378	75.2	223,429	73.7	440,821	751,183	18,407	110,893	311,770	92.0	19,671	333,939	9,171	29,803	205,854	83.5	24,233	120.7	27,391	102.9
		4-6	316,119	67.0	123,934	63.8	192,185	69.3	351,564	715,738														102.0
	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	6,950	119.7	27,134	99.6
		2	155,194	139.5	58,196	143.6	96,998	137.2	137,815	749,241	8,863	40,754	107,438	137.1	8,869	107,760	10,489	36,993	75,300	147.7	6,283	124.2	27,052	99.9
		3	182,860	128.1	75,551	144.0	107,309	118.9	204,615	727,486	10,006	50,460	137,617	118.2	11,402	158,874	9,532	30,607	106,944	142.6	6,848	97.3	27,184	100.0
		4	163,063	122.0	68,510	135.8	94,553	113.6	119,609	770,940	7,588	36,104	92,992	120.3	8,777	98,367	8,643	29,683	73,159	125.1	4,953	125.9	27,340	100.1
		5	149,244	114.9	62,898	123.2	86,346	109.5	122,733	797,451	6,428	34,103	94,511	112.6	6,224	92,084	9,242	32,344	64,961	106.4	8,687	149.1	27,400	100.8
		6	159,293	111.4	62,980	115.1	96,313	109.1	147,782	808,962	6,421	38,514	106,838	107.8	6,448	107,820	9,559	34,290	81,215	117.4	6,173	97.8	27,461	103.5
		7	151,135	113.1	67,433	122.1	83,702	106.7	124,580	835,517	6,462	37,246	103,523	107.6	6,854	105,425	9,522	35,242	74,075	103.3	7,338	126.9	27,447	101.3
		8	140,391	105.1	62,372	120.5																		

NET NEW ORDERS – METAL CUTTING MACHINE TOOLS IN JAPAN

(Value: in Millions of Yen)

Industry \ Period		Total 2018	18/17 (%)	19/01–19/03	19/04–19/06	Previous Quarter (%)	year-to-year (%)	19/01–19/06	year-to-year (%)	June '19	June 19/May 19 (%)	June 19/June 18 (%)
1. Primary Metals		24,984	140.5	4,338	4,227	97.4	58.7	8,565	64.9	2,110	232.6	142.9
2. Fabricated Metal Products		35,632	134.3	9,049	5,858	64.7	73.9	14,907	93.7	1,714	104.8	55.5
Machinery & Equipment Industries	3. Industrial Machinery	297,290	114.7	59,926	48,749	81.3	64.3	108,675	72.9	16,049	101.0	64.6
	(of which construction machinery)	12,833	170.9	4,486	2,228	49.7	75.1	6,714	130.0	766	82.4	57.6
	(of which dies and molds)	28,302	102.6	5,796	5,710	98.5	79.3	11,506	83.2	2,139	115.9	82.4
	4. Motor Vehicles	248,296	123.5	40,415	38,226	94.6	57.7	78,641	60.8	10,747	72.3	49.8
	(of which auto parts)	165,265	118.1	28,517	27,970	98.1	63.7	56,487	66.3	8,441	78.8	65.2
	5. Electrical Machinery	45,630	123.1	7,234	5,536	76.5	38.1	12,770	48.0	1,305	77.3	34.4
	6. Precision Machinery	29,403	116.4	6,207	5,101	82.2	72.7	11,308	77.0	1,321	65.3	46.5
	5 – 6. Electrical & Precision Machinery (Sub Total)	75,033	120.3	13,441	10,637	79.1	49.4	24,078	58.3	2,626	70.8	39.6
	7. Aircraft, Shipbuilding & Transport equipment	26,763	112.3	5,920	6,492	109.7	126.9	12,412	91.9	1,256	48.5	88.3
	(of which aircraft)	14,579	125.6	3,328	3,505	105.3	129.7	6,833	92.1	719	58.9	85.4
3 – 7. Sub total		647,382	118.5	119,702	104,104	87.0	61.7	223,806	67.2	30,678	82.8	56.3
8. Other Machinery & Equipment		19,836	121.0	4,101	4,794	116.9	92.6	8,895	85.7	1,580	99.2	82.0
9. Government, Public Agencies & Schools		2,966	96.2	370	285	77.0	100.0	655	97.9	78	102.6	46.7
10. Others		11,922	108.2	2,915	3,101	106.4	92.8	6,016	96.4	1,091	98.7	91.8
11. Trading Companies		7,621	94.1	1,903	1,565	82.2	90.9	3,468	85.4	449	131.3	72.7
1-11. Domestic Total		750,343	119.2	142,378	123,934	87.0	63.8	266,312	69.4	37,700	88.3	59.9
12. Foreign		1,065,428	104.8	223,429	192,185	86.0	69.3	415,614	71.6	61,228	93.0	63.6
1-12. Grand Total		1,815,771	110.3	365,807	316,119	86.4	67.0	681,926	70.7	98,928	91.1	62.1
(of which: NC machines)		1,783,287	110.3	358,434	310,350	86.6	67.1	668,784	70.6	97,124	90.9	62.2
Sales		1,684,768	114.8	440,821	351,564	79.8	90.1	792,385	93.3	125,448	103.1	84.9
(of which: NC machines)		1,657,024	114.8	432,705	345,042	79.7	89.7	777,747	93.0	122,877	102.7	84.3
Order Backlog		826,197	119.0	751,183	715,738	95.3	88.5	715,738	88.5	715,738	96.4	88.5
(of which: NC machines)		799,511	119.2	725,240	690,548	95.2	88.3	690,548	88.3	690,548	96.4	88.3

Japan Machine Tool Builders' Association

NET NEW ORDERS BY DESTINATION

(Value in Millions of yen)

2019		Jan.		Feb.		Mar.		Apr.		May		June		July		Aug.		Sep.		Oct.		Nov.		Dec.		Total		
			%		%		%		%		%		%		%		%		%		%		%		%	2019	%	
Asia	East Asia	Korea	1,554	41.5	2,397	52.8	1,861	42.8	2,679	76.6	2,220	107.2	2,348	61.9													13,059	59.4
		Taiwan	1,839	63.2	1,581	79.6	1,969	49.0	2,454	89.5	2,122	74.7	2,261	79.2													12,226	70.5
		China	16,617	47.7	14,081	49.6	20,105	56.0	15,620	51.3	16,858	68.3	11,513	40.3													94,794	51.8
		Other	0	-	0	-	0	-	431	43100.0	1	-	3	-													435	14500.0
	East Asia Total	20,010	48.2	18,059	51.7	23,935	54.1	21,184	57.7	21,201	71.6	16,125	45.8													120,514	54.2	
	Other Asia	Thailand	2,116	80.2	2,103	93.2	1,203	32.8	1,575	71.3	1,669	75.2	2,082	78.3													10,748	68.7
		Malaysia	1,022	130.9	416	44.9	534	51.8	452	52.3	-28	-	875	108.8													3,271	63.7
		Singapore	433	41.3	481	64.7	644	47.3	409	76.0	240	51.9	524	38.5													2,731	49.5
		Philippine	531	199.6	432	85.5	-75	-	31	4.7	196	19.7	231	35.1													1,346	41.0
		Indonesia	697	131.0	631	126.2	711	87.0	534	98.2	1,257	186.5	465	100.6													4,295	121.7
Vietnam		1,463	140.4	1,089	65.0	1,490	217.5	1,007	106.8	573	62.7	813	109.0													6,435	107.1	
India		5,897	155.1	3,833	67.7	2,927	107.3	2,116	57.9	3,135	71.1	3,915	124.7													21,823	93.3	
Other	756	1181.3	3	300.0	9	450.0	69	1380.0	0	-	2	22.2													839	964.4		
Other Asia Total	12,915	126.9	8,988	73.3	7,443	71.0	6,193	65.7	7,042	67.7	8,907	90.5													51,488	82.2		
Sub Total	32,925	63.7	27,047	57.3	31,378	57.3	27,377	59.4	28,243	70.6	25,032	55.6														172,002	60.4	
Europe	EU	Germany	3,966	88.9	4,674	80.3	4,008	85.2	4,295	90.3	3,969	90.6	3,718	71.3												24,630	83.9	
		U. K.	1,764	91.6	2,894	124.7	2,506	108.8	2,158	113.9	1,739	108.9	1,349	81.8												12,410	106.2	
		Italy	2,506	77.2	2,341	76.3	2,973	94.8	1,938	63.3	1,778	55.2	2,042	54.9												13,578	69.8	
		France	2,595	91.1	1,334	93.5	1,895	94.4	1,647	62.7	808	60.6	1,021	45.6													9,300	74.5
		Central Europe	1,204	39.2	2,318	101.7	1,586	78.2	1,233	94.1	1,407	88.0	1,455	71.4													9,203	74.7
		Other	4,367	129.6	2,669	66.3	3,128	96.1	2,945	108.4	2,600	63.1	2,394	63.8													18,103	85.2
		Sub Total	16,402	86.7	16,230	85.7	16,096	92.4	14,216	86.9	12,301	75.7	11,979	64.4													87,224	81.9
	Other West Europe	Turkey	1,904	97.5	1,306	62.6	1,603	77.9	1,498	67.7	1,494	63.2	1,461	68.0													9,266	72.3
		Switzerland	621	72.0	309	29.8	513	55.2	413	34.0	854	104.7	826	64.6													3,536	57.6
		Switzerland	1,231	136.2	830	96.8	1,018	110.3	984	115.8	602	47.4	430	64.9													5,095	93.2
		East Europe	307	548.2	215	71.2	416	39.5	191	70.2	186	48.3	193	69.7													1,508	64.3
		Russia - Other	766	118.6	338	43.5	537	218.3	168	52.8	673	139.6	634	163.4													3,116	109.1
		Sub Total	19,379	89.8	18,089	81.8	18,652	89.7	16,073	83.8	14,654	75.2	14,267	66.6													101,114	81.2
North America	U. S. A.	20,032	94.1	18,000	78.9	22,480	85.2	18,079	71.8	19,149	82.9	18,875	82.7													116,615	82.4	
	Canada	1,751	153.1	1,863	145.1	994	81.6	1,028	105.2	1,462	90.7	1,444	77.4													8,542	105.5	
	Mexico	2,812	270.6	1,444	69.2	1,169	41.3	1,023	64.9	1,142	117.7	799	20.8													8,389	67.9	
	Sub Total	24,595	104.7	21,307	81.4	24,643	81.0	20,130	72.6	21,753	84.7	21,118	74.0													133,546	82.4	
S & C America	Brazil	359	44.8	456	68.0	964	278.6	718	138.1	378	85.5	367	59.1													3,242	95.3	
	Other	16	4.2	136	100.7	142	52.8	64	120.8	39	88.6	57	247.8													454	49.9	
	Sub Total	375	31.6	592	73.4	1,106	179.8	782	136.5	417	85.8	424	65.8													3,696	85.8	
Oceania	Australia	547	133.1	472	112.1	446	92.0	430	90.0	549	168.4	365	83.7													2,809	109.9	
	Other	109	173.0	105	147.9	1	-	41	36.9	49	51.6	0	-													305	83.8	
	Sub Total	656	138.4	577	117.3	447	92.7	471	80.0	598	142.0	365	78.8													3,114	106.6	
Middle East	414	141.3	318	171.0	442	203.7	187	63.8	166	105.7	18	12.8													1,545	120.0		
Africa	285	287.9	144	306.4	58	152.6	112	140.0	-6	-	4	6.7													597	139.8		
Grand Total	78,629	79.6	68,074	70.2	76,726	71.5	65,132	68.9	65,825	76.2	61,228	63.6													415,614	71.6		
Of which NC	77,452	79.6	67,159	70.1	75,677	70.9	64,032	68.7	64,840	76.0	60,339	63.8													409,499	71.5		

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

Japan Machine Tool Builders' Association