

## The Current Condition of the Japanese Machine Tool Industry

### Monthly Machine Tool Orders (August 2019)

The total value of machine tool orders in August was 88.49 billion yen. This was a decrease of 12.6% compared to July 2019 and marked the first month of month-on-month decline in two months. Moreover, this figure represented a decrease of 37.0% compared to the same month of the previous year and marked the eleventh consecutive month of year-on-year decline. The total amount of orders fell below 90 billion yen for the first time in seventy-six months since April 2013.

Both domestic and foreign demand are increasingly cautious about the capital investment due to the US-China trade friction. We would like to keep an eye on the trade issues and the recovery trend of the Chinese economy.

Domestic orders fell by 8.8% from July, amounting to 37.54 billion yen. This marked the first month of month-on-month decline in two months. Likewise, this figure was a decline of 39.8% from the same month of the previous year and marked the ninth consecutive month of year-on-year decline.

Looking at major industries, orders compared to July rose by 0.8% in industrial machinery, fell by 23.4% in motor vehicles, by 7.5% in electrical & precision machinery, and by 0.5% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 15.2% from July to 50.95 billion yen, marked the third consecutive month of month-on-month decline. Furthermore, foreign orders showed a decrease of 34.7% from the same month of the previous year, and this marked the eleventh consecutive month of year-on-year decline.

By region, orders from Asia fell by 7.8% from July to 20.70 billion yen. This was also a decrease of 39.0% from the same month of the previous year. Orders from Europe fell by 23.8% from July to 11.23 billion yen. This was a decrease of 37.1% from the same month of the previous year. Orders from North America fell by 17.4% from July, amounting to 17.90 billion yen. This figure was a decline of 28.5% from the same month of the previous year.

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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	15,597	94,090	263,920	89.7	16,494	265,575	9,518	33,984	187,340	85.4	21,169	106.8	27,596	103.1
2018 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	106,944	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	6,887	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	102.8	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	78,019	95.4	127,304	848,604	5,968	34,298	92,791	97.6	6,458	96,481	9,401	35,099	69,290	97.1	6,967	103.2	27,462	101.2
9	153,454	102.9	64,412	105.6	89,042	101.1	168,018	834,040	6,725	39,615	109,326	102.3	7,366	121,017	9,193	32,470	75,962	111.8	7,733	115.8	27,435	101.9
10	139,619	99.3	57,655	101.7	81,964	97.6	123,462	850,197	6,016	34,284	93,143	102.8	6,155	96,349	9,419	33,427	62,730	94.4	10,883	171.6	27,435	99.6
11	131,605	80.3	57,576	106.0	74,029	71.1	140,074	841,728	6,164	37,171	104,411	105.3	6,488	110,827	9,505	33,215	64,994	91.0	9,440	145.6	27,438	103.2
12	135,522	81.7	57,152	90.2	78,370	76.4	152,017	826,197	5,943	35,927	100,293	90.0	6,699	109,750	9,167	31,553	68,923	82.6	8,318	132.9	27,389	101.7
2019 1	125,401	81.2	46,772	84.1	78,629	79.6	115,549	836,049	5,525	32,383	89,319	95.1	5,515	91,191	9,611	33,443	51,287	80.0	9,086	130.7	27,388	103.4
2	109,742	70.7	41,668	71.6	68,074	70.2	130,770	815,021	5,937	35,550	96,602	89.9	6,173	97,982	9,767	34,216	69,2					

## 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 (%)	19/01–19/08	year-to-year (%)	Aug. '19	Aug. 19/July 19 (%)	Aug. 19/Aug. 18 (%)
1. Primary Metals		24,984	140.5	4,338	4,227	97.4	58.7	10,975	65.8	1,204	99.8	62.2
2. Fabricated Metal Products		35,632	134.3	9,049	5,858	64.7	73.9	20,251	92.8	2,411	82.2	87.5
Machinery & Equipment Industries	3. Industrial Machinery	297,290	114.7	59,926	48,749	81.3	64.3	144,134	69.8	17,801	100.8	67.4
	(of which construction machinery)	12,833	170.9	4,486	2,228	49.7	75.1	8,574	114.8	805	76.3	89.8
	(of which dies and molds )	28,302	102.6	5,796	5,710	98.5	79.3	15,307	78.8	1,609	73.4	54.3
	4. Motor Vehicles	248,296	123.5	40,415	38,226	94.6	57.7	98,417	57.8	8,579	76.6	42.5
	(of which auto parts)	165,265	118.1	28,517	27,970	98.1	63.7	71,023	63.1	6,445	79.7	48.6
	5. Electrical Machinery	45,630	123.1	7,234	5,536	76.5	38.1	16,600	50.8	1,862	94.6	51.0
	6. Precision Machinery	29,403	116.4	6,207	5,101	82.2	72.7	14,403	74.7	1,465	89.9	73.9
	5 – 6. Electrical & Precision Machinery (Sub Total)	75,033	120.3	13,441	10,637	79.1	49.4	31,003	59.7	3,327	92.5	59.0
	7. Aircraft, Shipbuilding & Transport equipment	26,763	112.3	5,920	6,492	109.7	126.9	15,730	90.6	1,655	99.5	93.6
	(of which aircraft)	14,579	125.6	3,328	3,505	105.3	129.7	8,411	88.2	487	44.6	50.2
3 – 7. Sub total		647,382	118.5	119,702	104,104	87.0	61.7	289,284	64.9	31,362	91.9	58.1
8. Other Machinery & Equipment		19,836	121.0	4,101	4,794	116.9	92.6	10,850	77.4	796	68.7	46.8
9. Government, Public Agencies & Schools		2,966	96.2	370	285	77.0	100.0	1,305	75.7	283	77.1	41.6
10. Others		11,922	108.2	2,915	3,101	106.4	92.8	7,936	97.9	945	96.9	112.8
11. Trading Companies		7,621	94.1	1,903	1,565	82.2	90.9	4,423	84.3	540	130.1	111.8
1–11. Domestic Total		750,343	119.2	142,378	123,934	87.0	63.8	345,024	67.2	37,541	91.2	60.2
12. Foreign		1,065,428	104.8	223,429	192,185	86.0	69.3	526,667	71.0	50,946	84.8	65.3
1–12. Grand Total		1,815,771	110.3	365,807	316,119	86.4	67.0	871,691	69.4	88,487	87.4	63.0
(of which: NC machines)		1,783,287	110.3	358,434	310,350	86.6	67.1	854,591	69.3	86,493	87.1	62.9
Sales		1,684,768	114.8	440,821	351,564	79.8	90.1	1,020,106	92.6	112,872	98.3	88.7
(of which: NC machines)		1,657,024	114.8	432,705	345,042	79.7	89.7	1,001,703	92.4	110,808	97.9	88.5
Order Backlog		826,197	119.0	751,183	715,738	95.3	88.5	677,782	79.9	677,782	96.5	79.9
(of which: NC machines)		799,511	119.2	725,240	690,548	95.2	88.3	652,399	79.5	652,399	96.4	79.5

# 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	2,356	69.8	1,554	53.3									16,969	60.0
		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	2,074	91.6	1,435	57.1									15,735	71.1
		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	12,280	59.8	11,290	59.5									118,364	53.2
		Other	0	-	0	-	0	-	431	43100.0	1	-	3	-	0	-	0	-									435	2175.0
		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	16,710	63.8	14,279	58.5									151,503	55.5
	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	1,532	70.6	1,363	56.8									13,643	67.5
		Malaysia	1,022	130.9	416	44.9	534	51.8	452	52.3	-28	-	875	108.8	609	99.3	321	57.0									4,201	66.6
		Singapore	433	41.3	481	64.7	644	47.3	409	76.0	240	51.9	524	38.5	339	70.0	283	84.7									3,353	52.9
		Philippine	531	199.6	432	85.5	-75	-	31	4.7	196	19.7	231	35.1	287	121.6	82	16.4									1,715	42.7
		Indonesia	697	131.0	631	126.2	711	87.0	534	98.2	1,257	186.5	465	100.6	632	129.2	598	101.7									5,525	120.0
Vietnam		1,463	140.4	1,089	65.0	1,490	217.5	1,007	106.8	573	62.7	813	109.0	714	116.9	1,339	132.2									8,488	111.2	
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	1,636	42.0	2,394	57.8									25,853	82.2	
Other	756	1181.3	3	300.0	9	450.0	69	1380.0	0	-	2	22.2	4	1.0	43	716.7									886	180.1		
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	5,753	64.6	6,423	67.3									63,664	78.6		
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	22,463	64.0	20,702	61.0										215,167	60.8	
Europe	U	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	2,991	63.4	2,981	55.2									30,602	77.6
		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	1,801	74.0	1,488	94.1									15,699	100.0
		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	1,325	46.4	1,378	49.5									16,281	64.9
		France	2,595	91.1	1,334	93.5	1,895	94.4	1,647	62.7	808	60.6	1,021	45.6	1,406	54.8	940	58.9									11,646	70.0
		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	761	29.2	965	71.2									10,929	67.1
		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	4,072	105.0	1,950	75.8									24,125	87.1
	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	12,356	64.8	9,702	63.5									109,282	77.6	
	Other West Europe	1,904	97.5	1,306	62.6	1,603	77.9	1,498	67.7	1,494	63.2	1,461	68.0	1,611	82.8	1,002	69.9										11,879	73.3
	Turkey	621	72.0	309	29.8	513	55.2	413	34.0	854	104.7	826	64.6	469	56.2	288	51.7										4,293	57.0
	Switzerland	1,231	136.2	830	96.8	1,018	110.3	984	115.8	602	47.4	430	64.9	1,014	97.9	548	68.7										6,657	91.2
East Europe	307	548.2	215	71.2	416	39.5	191	70.2	186	48.3	193	69.7	251	89.0	64	12.9										1,823	58.4	
Russia - Other	766	118.6	338	43.5	537	218.3	168	52.8	673	139.6	634	163.4	524	206.3	460	72.4										4,100	109.5	
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	14,742	68.5	11,228	62.9										127,084	77.5	
North America & Oceania	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	18,360	85.7	15,406	67.6										150,381	80.9
	Canada	1,751	153.1	1,863	145.1	994	81.6	1,028	105.2	1,462	90.7	1,444	77.4	1,315	92.9	884	67.3										10,741	99.2
	Mexico	2,812	270.6	1,444	69.2	1,169	41.3	1,023	64.9	1,142	117.7	799	20.8	1,984	64.6	1,609	171.2										11,982	73.2
	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	21,659	83.6	17,899	71.5										173,104	81.3
South & Central America	Brazil	359	44.8	456	68.0	964	278.6	718	138.1	378	85.5	367	59.1	495	95.2	452	189.9										4,189	100.7
	Other	16	4.2	136	100.7	142	52.8	64	120.8	39	88.6	57	247.8	28	254.5	98	62.8										580	53.9
	Sub Total	375	31.6	592	73.4	1,106	179.8	782	136.5	417	85.8	424	65.8	523	98.5	550	139.6										4,769	91.1
Oceania	Australia	547	133.1	472	112.1	446	92.0	430	90.0	549	168.4	365	83.7	319	70.1	390	98.0										3,518	103.2
	Other	109	173.0	105	147.9	1	-	41	36.9	49	51.6	0	-	47	4700.0	11	12.5										363	80.1
Sub Total	656	138.4	577	117.3	447	92.7	471	80.0	598	142.0	365	78.8	366	80.3	401	82.5										3,881	100.5	
Middle East	414	141.3	318	171.0	442	203.7	187	63.8	166	105.7	18	12.8	349	288.4	124	45.9										2,018	120.3	
Africa	285	287.9	144	306.4	58	152.6	112	140.0	-6	-	4	6.7	5	7.2	42	420.0										644	127.3	
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	60,107	71.8	50,946	65.3										526,667	71.0	
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	59,475	71.7	50,570	65.6										519,544	70.9	

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

Japan Machine Tool Builders' Association