

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (September 2019)

The total value of machine tool orders in September was 98.97 billion yen. This was an increase of 11.9% compared to August 2019 and marked the second consecutive month of month-on-month growth. However, this figure represented a decrease of 35.5% compared to the same month of the previous year and marked the twelfth consecutive month of year-on-year decline.

The total amount of orders fell below 100 billion yen for two consecutive years, and it was the first time in nine years since 2010 (92.10 billion yen) that September orders were below 100 billion yen.

Both domestic and foreign demand remain weak for the capital investment due to the US-China trade friction. We would like to keep an eye on the trade issues, the recovery trend of the Chinese economy, and geopolitical risks.

Domestic orders rose by 22.7% over August, amounting to 46.07 billion yen. This marked the first month of month-on-month growth in two months. In the meantime, this figure was a decline of 28.5% from the same month of the previous year and marked the tenth consecutive month of year-on-year decline.

Looking at major industries, orders compared to August rose by 5.1% in industrial machinery, by 34.5% in motor vehicles, by 22.2% in electrical & precision machinery, and fell by 0.2% in aircraft, shipbuilding & transport equipment.

Foreign orders rose by 3.9% over August to 52.91 billion yen, marked the first month of month-on-month growth in four months. However, foreign orders showed a decrease of 40.6% from the same month of the previous year, and this marked the twelfth consecutive month of year-on-year decline.

By region, orders from Asia fell by 4.4% from August to 19.80 billion yen. This was also a decrease of 43.3% from the same month of the previous year. Orders from Europe rose by 21.2% over August to 13.60 billion yen. This was a decrease of 32.6% from the same month of the previous year. Orders from North America rose by 2.0% from August, amounting to 18.26 billion yen. This figure was a decline of 44.4% from the same month of the previous year.

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NET NEW ORDERS – METAL CUTTING MACHINE TOOLS IN JAPAN

(Value: in Millions of Yen)

Industry \ Period		Total 2018	18/17 (%)	19/04–19/06	19/07–19/09	Previous Quarter (%)	year-to-year (%)	19/01–19/09	year-to-year (%)	Sept. '19	Sept. 19/Aug. 19 (%)	Sept. 19/Sept. 18 (%)
1. Primary Metals		24,984	140.5	4,227	3,451	81.6	54.1	12,016	61.4	1,041	86.5	36.0
2. Fabricated Metal Products		35,632	134.3	5,858	10,265	175.2	95.7	25,172	94.5	4,921	204.1	102.2
Machinery & Equipment Industries	3. Industrial Machinery	297,290	114.7	48,749	54,173	111.1	66.1	162,848	70.5	18,714	105.1	75.5
	(of which construction machinery)	12,833	170.9	2,228	2,621	117.6	75.5	9,335	108.1	761	94.5	65.0
	(of which dies and molds)	28,302	102.6	5,710	5,712	100.0	71.4	17,218	78.9	1,911	118.8	79.3
	4. Motor Vehicles	248,296	123.5	38,226	31,318	81.9	51.7	109,959	57.9	11,542	134.5	58.8
	(of which auto parts)	165,265	118.1	27,970	23,242	83.1	57.9	79,729	63.6	8,706	135.1	68.2
	5. Electrical Machinery	45,630	123.1	5,536	6,355	114.8	67.9	19,125	53.2	2,525	135.6	76.8
	6. Precision Machinery	29,403	116.4	5,101	4,635	90.9	61.4	15,943	71.7	1,540	105.1	52.3
	5 – 6. Electrical & Precision Machinery (Sub Total)	75,033	120.3	10,637	10,990	103.3	65.0	35,068	60.2	4,065	122.2	65.2
	7. Aircraft, Shipbuilding & Transport equipment	26,763	112.3	6,492	4,970	76.6	83.8	17,382	89.4	1,652	99.8	79.2
	(of which aircraft)	14,579	125.6	3,505	1,794	51.2	58.4	8,627	82.2	216	44.4	22.5
3 – 7. Sub total		647,382	118.5	104,104	101,451	97.5	61.3	325,257	65.2	35,973	114.7	68.2
8. Other Machinery & Equipment		19,836	121.0	4,794	3,815	79.6	68.7	12,710	79.8	1,860	233.7	96.9
9. Government, Public Agencies & Schools		2,966	96.2	285	968	339.6	58.8	1,623	70.1	318	112.4	53.9
10. Others		11,922	108.2	3,101	3,145	101.4	112.5	9,161	101.4	1,225	129.6	131.9
11. Trading Companies		7,621	94.1	1,565	1,682	107.5	98.0	5,150	89.2	727	134.6	137.7
1–11. Domestic Total		750,343	119.2	123,934	124,777	100.7	64.2	391,089	67.7	46,065	122.7	71.5
12. Foreign		1,065,428	104.8	192,185	163,961	85.3	65.4	579,575	69.7	52,908	103.9	59.4
1–12. Grand Total		1,815,771	110.3	316,119	288,738	91.3	64.9	970,664	68.9	98,973	111.9	64.5
(of which: NC machines)		1,783,287	110.3	310,350	282,851	91.1	64.9	951,635	68.8	97,044	112.2	64.6
Sales		1,684,768	114.8	351,564	375,809	106.9	89.5	1,168,194	92.0	148,088	131.2	88.1
(of which: NC machines)		1,657,024	114.8	345,042	369,320	107.0	89.5	1,147,067	91.8	145,364	131.2	88.0
Order Backlog		826,197	119.0	715,738	628,667	87.8	75.4	628,667	75.4	628,667	92.8	75.4
(of which: NC machines)		799,511	119.2	690,548	604,079	87.5	75.0	604,079	75.0	604,079	92.6	75.0

