

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (December 2019)

The total value of machine tool orders in December was 90.11 billion yen. This was an increase of 10.3% compared to November 2019 and marked the first month of month-on-month increase in three months. However, this figure represented a decrease of 33.5% compared to the same month of the previous year and marked the fifteenth consecutive month of year-on-year decline. The total amount of orders fell below 100 billion yen for five consecutive months. Both domestic and foreign demand remain weak for the capital investment due to the US-China trade friction, etc. 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 18.9% over November, amounting to 37.31 billion yen. This marked the first month of month-on-month growth in three months. Although, this figure was a decline of 34.7% from the same month of the previous year and marked the thirteen consecutive months of year-on-year decline. Looking at major industries, orders compared to November rose by 35.0% in industrial machinery, fell by 9.5% in motor vehicles, rose by 14.1% in electrical & precision machinery, and by 117.2% in aircraft, shipbuilding & transport equipment.

Foreign orders rose by 5.0% over November to 52.81 billion yen, marked the first month of month-on-month growth in two months. However, foreign orders showed a decrease of 32.6% from the same month of the previous year, and this marked the fifteenth consecutive month of year-on-year decline. By region, orders from Asia fell by 1.1% from November to 19.78 billion yen. This was a decrease of 34.8% from the same month of the previous year. Orders from Europe fell by 3.1% from November to 12.14 billion yen. This was a decrease of 37.3% from the same month of the previous year. Orders from North America rose by 17.8% over November, amounting to 19.57 billion yen. This figure was a decline of 28.0% from the same month of the previous year.

Machine Tool orders for 2019 totaled 1,229.90 billion yen, which was a decline of 32.3% from the previous year. As a result, calendar year 2019 posted the year-on-year decline for the first time in three years. This figure fell below 1,300 billion yen for the first time in three years. Total domestic orders fell by 34.3% from the previous year to 493.19 billion yen, and total foreign orders fell by 30.9 % from the previous year to 736.71 billion yen.

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NET NEW ORDERS – METAL CUTTING MACHINE TOOLS IN JAPAN

(Value: in Millions of Yen)

Industry	Period	Total 2018	18/17 (%)	19/07–19/09	19/10–19/12	Previous Quarter (%)	year-to-year (%)	19/01–19/12	year-to-year (%)	Dec. '19	Dec. 19/Nov. 19 (%)	Dec. 19/Dec. 18 (%)
1. Primary Metals		24,984	140.5	3,451	3,071	89.0	56.8	15,087	60.4	1,175	125.3	71.3
2. Fabricated Metal Products		35,632	134.3	10,265	6,852	66.8	76.2	32,024	89.9	2,456	108.2	61.7
Machinery & Equipment Industries	3. Industrial Machinery	297,290	114.7	54,173	39,355	72.6	59.5	202,203	68.0	15,452	135.0	72.0
	(of which construction machinery)	12,833	170.9	2,621	2,200	83.9	52.4	11,535	89.9	808	143.3	45.6
	(of which dies and molds)	28,302	102.6	5,712	3,769	66.0	58.2	20,987	74.2	1,120	76.4	58.5
	4. Motor Vehicles	248,296	123.5	31,318	29,803	95.2	51.0	139,762	56.3	9,211	90.5	49.0
	(of which auto parts)	165,265	118.1	23,242	21,495	92.5	53.9	101,224	61.2	6,882	105.5	52.9
	5. Electrical Machinery	45,630	123.1	6,355	4,424	69.6	45.8	23,549	51.6	1,965	158.6	80.1
	6. Precision Machinery	29,403	116.4	4,635	3,533	76.2	49.3	19,476	66.2	997	73.4	47.1
	5 – 6. Electrical & Precision Machinery (Sub Total)	75,033	120.3	10,990	7,957	72.4	47.3	43,025	57.3	2,962	114.1	64.8
	7. Aircraft, Shipbuilding & Transport equipment	26,763	112.3	4,970	7,043	141.7	96.2	24,425	91.3	2,936	217.2	91.1
	(of which aircraft)	14,579	125.6	1,794	3,353	186.9	82.1	11,980	82.2	2,173	348.2	96.5
3 – 7. Sub total	647,382	118.5	101,451	84,158	83.0	56.6	409,415	63.2	30,561	119.5	63.6	
8. Other Machinery & Equipment	19,836	121.0	3,815	3,067	80.4	78.5	15,777	79.5	1,416	162.9	99.0	
9. Government, Public Agencies & Schools	2,966	96.2	968	887	91.6	136.3	2,510	84.6	223	71.2	289.6	
10. Others	11,922	108.2	3,145	2,890	91.9	100.1	12,051	101.1	1,157	115.7	103.5	
11. Trading Companies	7,621	94.1	1,682	1,174	69.8	63.6	6,324	83.0	319	78.0	36.9	
1–11. Domestic Total	750,343	119.2	124,777	102,099	81.8	59.2	493,188	65.7	37,307	118.9	65.3	
12. Foreign	1,065,428	104.8	163,961	157,137	95.8	67.0	736,712	69.1	52,807	105.0	67.4	
1–12. Grand Total	1,815,771	110.3	288,738	259,236	89.8	63.7	1,229,900	67.7	90,114	110.3	66.5	
(of which: NC machines)	1,783,287	110.3	282,851	254,596	90.0	63.8	1,206,231	67.6	88,713	110.6	66.7	
Sales	1,684,768	114.8	375,809	333,439	88.7	80.2	1,501,633	89.1	131,954	124.7	86.8	
(of which: NC machines)	1,657,024	114.8	369,320	327,228	88.6	80.2	1,474,295	89.0	129,608	125.0	86.9	
Order Backlog	826,197	119.0	628,667	561,265	89.3	67.9	561,265	67.9	561,265	94.1	67.9	
(of which: NC machines)	799,511	119.2	604,079	542,212	89.8	67.8	542,212	67.8	542,212	94.7	67.8	

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	%	
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	1,215	57.5	2,618	82.7	2,101	84.4	2,717	87.4	25,620	65.4	
	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	2,074	91.6	1,435	57.1	1,594	63.8	1,519	47.2	1,180	49.6	2,521	124.4	22,549	69.9	
	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	10,967	57.9	11,872	78.5	11,545	84.9	10,670	70.9	163,418	57.3	
	Other	0	-	0	-	0	-	431	43100.0	1	-	3	-	0	-	0	-	0	-	0	-	0	-	0	-	435	1318.2	
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	13,776	58.5	16,009	74.4	14,826	80.3	15,908	78.9	212,022	59.5	
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	2,482	105.2	1,727	86.5	2,039	84.5	630	22.2	20,521	68.8	
	Malaysia	1,022	130.9	416	44.9	534	51.8	452	52.3	-28	-	875	108.8	609	99.3	321	57.0	199	11.6	268	24.4	385	128.8	224	34.0	5,277	52.3	
	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	248	79.5	314	66.7	493	64.0	586	225.4	4,994	61.3	
	Philippine	531	199.6	432	85.5	-75	-	31	4.7	196	19.7	231	35.1	287	121.6	82	16.4	106	21.3	144	49.5	94	44.8	68	28.2	2,127	40.5	
	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	554	69.2	635	54.6	517	64.0	509	41.8	7,740	90.1	
	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	709	106.1	494	43.8	603	58.9	547	50.9	10,841	94.1	
	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	1,636	42.0	2,394	57.8	1,426	28.8	1,416	39.1	1,034	23.0	1,283	41.1	31,012	65.1	
	Other	756	1181.3	3	300.0	9	450.0	69	1380.0	0	-	2	22.2	4	1.0	43	716.7	295	517.5	12	18.8	3	25.0	25	3.3	1,221	88.5	
	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	6,019	53.0	5,010	51.0	5,168	51.6	3,872	38.1	83,733	68.4
	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	19,795	56.7	21,019	67.1	19,994	70.2	19,780	65.2	295,755	61.8
Europe	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	2,549	42.9	2,519	41.4	1,789	32.1	2,024	49.6	39,483	64.6	
	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	1,487	66.4	1,500	62.6	1,283	71.5	1,321	96.9	21,290	90.6	
	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	1,821	51.2	1,376	36.5	1,204	40.6	1,101	36.2	21,783	56.7	
	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	1,947	93.2	985	37.3	1,461	74.8	1,156	47.3	17,195	66.7	
	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	1,552	112.0	999	63.2	2,157	137.7	1,070	72.4	16,707	74.9	
	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	2,381	75.7	2,206	67.4	2,261	97.3	1,939	74.0	32,912	84.3	
	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	11,737	63.9	9,585	48.5	10,155	62.8	8,611	57.3	149,370	71.1
	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	1,233	88.6	1,473	71.1	1,643	113.1	2,907	133.8	19,135	82.2
	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	485	96.6	477	58.2	1,059	164.2	2,217	260.8	8,531	82.4	
	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	633	82.4	715	77.0	555	84.6	482	43.7	9,042	84.0	
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	59	30.1	595	115.1	65	37.1	227	37.0	2,769	59.9		
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	575	254.4	180	55.9	662	130.6	391	25.1	5,908	92.9		
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	13,604	67.4	11,833	52.2	12,525	68.4	12,136	62.7	177,182	72.5	
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	16,559	55.6	16,930	73.3	14,787	61.9	17,162	69.8	215,819	75.2	
	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	958	86.6	1,295	77.1	1,122	108.1	1,514	105.9	15,630	97.2	
	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	742	37.9	428	23.9	704	58.6	894	76.1	14,750	65.6	
	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	18,259	55.6	18,653	70.2	16,613	63.6	19,570	72.0	246,199	75.6
South 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	435	133.8	2,036	336.5	243	35.1	484	62.1	7,387	112.6	
	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	23	36.5	12	21.4	116	322.2	23	115.0	754	60.3	
	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	458	118.0	2,048	309.8	359	49.3	507	63.5	8,141	104.2
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	450	93.4	291	78.2	366	168.7	279	67.9	4,904	100.2	
	Other	109	173.0	105	147.9	1	-	41	36.9	49	51.6	0	-	47	4700.0	11	12.5	14	35.9	45	26.5	70	134.6	1	1.3	493	62.2	
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	464	89.1	336	62.0	436	162.1	280	57.3	5,397	95.0	
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	300	225.6	2	1.3	208	185.7	533	436.9	3,061	139.2	
Africa		285	287.9	144	306.4	58	152.6	112	140.0	-6	-	4	6.7	5	7.2	42	420.0	28	35.4	139	295.7	165	8250.0	1	1.7	977	141.0	
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	52,908	59.4	54,030	65.9	50,300	67.9	52,807	67.4	736,712	69.1	
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	52,278	59.3	53,658	66.4	49,492	68.1	52,238	67.8	727,210	69.1	

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

Japan Machine Tool Builders' Association