

## The Current Condition of the Japanese Machine Tool Industry

### Monthly Machine Tool Orders (July 2020)

The total value of machine tool orders in July was 69.79 billion yen. This was an increase of 3.9% compared to June 2020 and marked the second consecutive month of month-on-month growth. However, this figure represented a decrease of 31.1% compared to the same month of the previous year and marked the twenty-second consecutive month of year-on-year decline. The total value of orders increased for two consecutive months from the previous month but fell below 70 billion yen for four consecutive months. In July alone, it fell below 70 billion yen for the first time in 11 years since 2009 (34.35 billion yen).

Although there are some signs of recovery, we would like to pay attention to the situation of the spread of COVID-19 and the trend of resumption of economic activities toward recovery.

Domestic orders rose by 6.2% over June, amounting to 24.81 billion yen. This marked the second consecutive month of month-on-month increase. On the other hand, this figure was a decline of 39.7% from the same month of the previous year and marked the twentieth consecutive months of year-on-year decline. Looking at major industries, orders compared to June rose by 14.4% in industrial machinery, fell by 5.2% in motor vehicles, by 10.4% in electrical & precision machinery, and by 16.9% in aircraft, shipbuilding & transport equipment.

Foreign orders rose by 2.6% over June to 44.98 billion yen, marked the second consecutive month of month-on-month growth. Nevertheless, foreign orders showed a decrease of 25.2% from the same month of the previous year, and this marked the twenty-second consecutive month of year-on-year decline. By region, orders from Asia rose by 13.2% over June to 24.01 billion yen. This was an increase of 6.9% from the same month of the previous year. Orders from Europe rose by 25.8% over June to 7.81 billion yen. This was a decrease of 47.0% from the same month of the previous year. Orders from North America fell by 16.2% over June, amounting to 12.30 billion yen. This figure was a decline of 43.2% from the same month of the previous year.



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

(Value: in Millions of Yen)

Period		Total 2019	19/18 (%)	20/01–20/03	20/04–20/06	Previous Quarter (%)	year-to-year (%)	20/01–20/07	year-to-year (%)	July '20	July 20/June 20 (%)	July 20/July 19 (%)
1. Primary Metals		15,087	60.4	4,008	2,406	60.0	56.9	7,049	72.1	635	93.7	52.7
2. Fabricated Metal Products		32,024	89.9	6,102	3,953	64.8	67.5	12,319	69.1	2,264	134.5	77.2
Machinery & Equipment Industries	3. Industrial Machinery	202,203	68.0	39,426	26,703	67.7	54.8	76,839	60.8	10,710	114.4	60.7
	(of which construction machinery)	11,535	89.9	2,629	836	31.8	37.5	4,254	54.8	789	148.0	74.8
	(of which dies and molds )	20,987	74.2	3,663	3,331	90.9	58.3	8,111	59.2	1,117	92.1	51.0
	4. Motor Vehicles	139,762	56.3	25,588	13,878	54.2	36.3	44,558	49.6	5,092	94.8	45.5
	(of which auto parts)	101,224	61.2	15,259	9,732	63.8	34.8	28,575	44.2	3,584	91.5	44.3
	5. Electrical Machinery	23,549	51.6	5,572	5,103	91.6	92.2	12,622	85.6	1,947	81.4	98.9
	6. Precision Machinery	19,476	66.2	3,647	3,059	83.9	60.0	8,008	61.9	1,302	105.4	79.9
	5 – 6. Electrical & Precision Machinery (Sub Total)	43,025	57.3	9,219	8,162	88.5	76.7	20,630	74.5	3,249	89.6	90.3
	7. Aircraft, Shipbuilding & Transport equipment	24,425	91.3	3,985	1,991	50.0	30.7	6,729	47.8	753	83.1	45.3
	(of which aircraft)	11,980	82.2	2,303	347	15.1	9.9	2,665	33.6	15	22.7	1.4
3 – 7. Sub total		409,415	63.2	78,218	50,734	64.9	48.7	148,756	57.7	19,804	102.8	58.0
8. Other Machinery & Equipment		15,777	79.5	3,147	2,841	90.3	59.3	6,512	64.8	524	64.1	45.2
9. Government, Public Agencies & Schools		2,510	84.6	396	200	50.5	70.2	1,195	116.9	599	549.5	163.2
10. Others		12,051	101.1	2,543	1,750	68.8	56.4	4,939	70.6	646	107.3	66.3
11. Trading Companies		6,324	83.0	1,415	819	57.9	52.3	2,570	66.2	336	162.3	81.0
1–11. Domestic Total		493,188	65.7	95,829	62,703	65.4	50.6	183,340	59.6	24,808	106.2	60.3
12. Foreign		736,712	69.1	139,619	111,869	80.1	58.2	296,468	62.3	44,980	102.6	74.8
1–12. Grand Total		1,229,900	67.7	235,448	174,572	74.1	55.2	479,808	61.3	69,788	103.9	68.9
(of which: NC machines)		1,206,231	67.6	230,942	171,077	74.1	55.1	469,962	61.2	67,943	102.9	68.4
Sales		1,501,633	89.1	307,076	218,148	71.0	62.1	600,973	66.2	75,749	90.6	66.0
(of which: NC machines)		1,474,295	89.0	300,594	212,843	70.8	61.7	587,577	66.0	74,140	90.5	65.5
Order Backlog		561,265	67.9	490,671	447,095	91.1	62.5	441,134	62.8	441,134	98.7	62.8
(of which: NC machines)		542,212	67.8	473,594	431,828	91.2	62.5	425,631	62.9	425,631	98.6	62.9

# NET NEW ORDERS BY DESTINATION

(Value in Millions of yen)

2020		Jan.		Feb.		Mar.		Apr.		May		June		July		Aug.		Sep.		Oct.		Nov.		Dec.		Total		
			%		%		%		%		%		%		%		%		%		%		%		%	2020	%	
Asia	East Asia	Korea	2,000	128.7	1,767	73.7	1,432	76.9	1,537	57.4	937	42.2	1,328	56.6	1,494	63.4											10,495	68.1
		Taiwan	1,801	97.9	1,243	78.6	1,417	72.0	1,011	41.2	1,646	77.6	1,035	45.8	1,193	57.5											9,346	65.4
		China	10,742	64.6	7,380	52.4	11,299	56.2	11,561	74.0	14,173	84.1	15,454	134.2	18,480	150.5											89,089	83.2
		Other	1	-	23	-	10	-	0	-	0	-	0	-	5	-											39	9.0
		East Asia Total	14,544	72.7	10,413	57.7	14,158	59.2	14,109	66.6	16,756	79.0	17,817	110.5	21,172	126.7											108,969	79.4
	Other Asia	Thailand	987	46.6	2,058	97.9	1,475	122.6	939	59.6	307	18.4	552	26.5	991	64.7											7,309	59.5
		Malaysia	167	16.3	698	167.8	1,241	232.4	340	75.2	323	-	528	60.3	410	67.3											3,707	95.5
		Singapore	257	59.4	168	34.9	475	73.8	476	116.4	415	172.9	221	42.2	146	43.1											2,158	70.3
		Philippine	176	33.1	129	29.9	261	-	102	329.0	33	16.8	64	27.7	40	13.9											805	49.3
		Indonesia	812	116.5	516	81.8	368	51.8	187	35.0	102	8.1	184	39.6	81	12.8											2,250	45.7
Vietnam		718	49.1	866	79.5	257	17.2	451	44.8	280	48.9	344	42.3	229	32.1											3,145	44.0	
India		1,847	31.3	1,338	34.9	860	29.4	771	36.4	447	14.3	1,502	38.4	934	57.1											7,699	32.8	
Other	3	0.4	1	33.3	3	33.3	301	436.2	1	-	1	50.0	7	175.0											317	37.6		
Other Asia Total	4,967	38.5	5,774	64.2	4,940	66.4	3,567	57.6	1,908	27.1	3,396	38.1	2,838	49.3											27,390	47.9		
Sub Total	19,511	59.3	16,187	59.8	19,098	60.9	17,676	64.6	18,664	66.1	21,213	84.7	24,010	106.9												136,359	70.1	
Europe	U	Germany	3,141	79.2	2,348	50.2	1,349	33.7	805	18.7	837	21.1	1,076	28.9	1,629	54.5										11,185	40.5	
		U. K.	1,555	88.2	1,339	46.3	796	31.8	731	33.9	305	17.5	759	56.3	669	37.1										6,154	43.3	
		Italy	1,681	67.1	764	32.6	521	17.5	263	13.6	418	23.5	832	40.7	785	59.2										5,264	35.3	
		France	1,004	38.7	795	59.6	425	22.4	311	18.9	360	44.6	415	40.6	1,007	71.6										4,317	40.3	
		Central Europe	1,276	106.0	1,724	74.4	787	49.6	760	61.6	379	26.9	484	33.3	971	127.6										6,381	64.0	
		Other	2,113	48.4	2,307	86.4	1,886	60.3	953	32.4	1,307	50.3	1,513	63.2	1,023	25.1											11,102	50.1
		Sub Total	10,770	65.7	9,277	57.2	5,764	35.8	3,823	26.9	3,606	29.3	5,079	42.4	6,084	49.2											44,403	44.6
	Other West Europe	1,003	52.7	1,286	98.5	874	54.5	509	34.0	658	44.0	896	61.3	1,212	75.2											6,438	59.2	
	Turkey	357	57.5	673	217.8	422	82.3	365	88.4	351	41.1	535	64.8	754	160.8											3,457	86.3	
	Switzerland	559	45.4	500	60.2	320	31.4	103	10.5	156	25.9	244	56.7	109	10.7											1,991	32.6	
	East Europe	51	16.6	175	81.4	-	-	797	417.3	63	33.9	3	1.6	200	79.7											1,285	73.1	
Russia - Other	543	70.9	177	52.4	571	106.3	221	131.5	145	21.5	231	36.4	314	59.9											2,202	60.5		
Sub Total	12,367	63.8	10,915	60.3	7,205	38.6	5,350	33.3	4,472	30.5	6,209	43.5	7,810	53.0											54,328	46.9		
North America & Central America	U. S. A.	16,147	80.6	15,202	84.5	12,196	54.3	10,806	59.8	8,373	43.7	13,982	74.1	11,049	60.2											87,755	65.0	
	Canada	1,111	63.4	1,277	68.5	644	64.8	288	28.0	276	18.9	338	23.4	731	55.6											4,665	47.3	
	Mexico	915	32.5	862	59.7	3,339	285.6	683	66.8	751	65.8	358	44.8	515	26.0											7,423	71.6	
	Sub Total	18,173	73.9	17,341	81.4	16,179	65.7	11,777	58.5	9,400	43.2	14,678	69.5	12,295	56.8											99,843	64.3	
South America	Brazil	377	105.0	313	68.6	210	21.8	-91	-	105	27.8	202	55.0	23	4.6											1,139	30.5	
	Other	59	368.8	34	25.0	21	14.8	0	-	42	107.7	60	105.3	68	242.9											284	58.9	
	Sub Total	436	116.3	347	58.6	231	20.9	-91	-	147	35.3	262	61.8	91	17.4											1,423	33.7	
Oceania	Australia	324	59.2	234	49.6	300	67.3	108	25.1	334	60.8	419	114.8	527	165.2											2,246	71.8	
	Other	2	1.8	10	9.5	0	-	135	329.3	0	-	0	-	0	-											147	41.8	
Sub Total	326	49.7	244	42.3	300	67.1	243	51.6	334	55.9	419	114.8	527	144.0											2,393	68.8		
Middle East	336	81.2	185	58.2	130	29.4	1	0.5	30	18.1	983	5461.1	225	64.5											1,890	99.8		
Africa	42	14.7	8	5.6	58	100.0	38	33.9	0	-	64	1600.0	22	440.0											232	38.5		
Grand Total	51,191	65.1	45,227	66.4	43,201	56.3	34,994	53.7	33,047	50.2	43,828	71.6	44,980	74.8											296,468	62.3		
Of which NC	50,721	65.5	45,064	67.1	42,726	56.5	34,467	53.8	32,577	50.2	43,346	71.8	44,444	74.7											293,345	62.6		

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

Japan Machine Tool Builders' Association