

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (August 2020)

The total value of machine tool orders in August was 67.98 billion yen. This was a decrease of 2.6% compared to July 2020 and marked the first month of month-on-month decline in three months. Moreover, this figure represented a decrease of 23.2% compared to the same month of the previous year and marked the twenty-third consecutive month of year-on-year decline. The total amount of orders decreased from the previous month for the first time in 3 months, partly due to the influence of summer vacation, and fell below 70 billion for 5 consecutive months. It is the first time in 11 years that orders in August have fallen below 70 billion yen. Although there are some movements toward a recovery after receiving orders in May, we would like to pay close attention to the spread of infection and the resumption of economic activity.

Domestic orders fell by 7.0% from July, amounting to 23.07 billion yen. This marked the first month of month-on-month decline in three months. Furthermore, this figure was a decline of 38.5% from the same month of the previous year and marked the twenty-first consecutive months of year-on-year decline. Looking at major industries, orders compared to July fell by 4.2% in industrial machinery, rose by 1.1% in motor vehicles, fell by 24.7% in electrical & precision machinery, and by 18.6% in aircraft, shipbuilding & transport equipment.

Foreign orders rose by 0.2% from July to 44.91 billion yen, marked the first month of month-on-month decline in three months. Likewise, foreign orders showed a decrease of 11.8% from the same month of the previous year, and this marked the twenty-third consecutive month of year-on-year decline. By region, orders from Asia fell by 3.8% from July to 23.09 billion yen. This was an increase of 11.5% from the same month of the previous year. Orders from Europe fell by 22.3% from July to 6.07 billion yen. This was a decrease of 46.0% from the same month of the previous year. Orders from North America rose by 21.3% over July, amounting to 14.91 billion yen. This figure was a decline of 16.7% 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 (%)	20/01–20/08	year-to-year (%)	August '20	Aug. 20/July 20 (%)	Aug. 20/Aug. 19 (%)
1. Primary Metals		15,087	60.4	4,008	2,406	60.0	56.9	7,570	69.0	521	82.0	43.3
2. Fabricated Metal Products		32,024	89.9	6,102	3,953	64.8	67.5	14,083	69.5	1,764	77.9	73.2
Machinery & Equipment Industries	3. Industrial Machinery	202,203	68.0	39,426	26,703	67.7	54.8	87,095	60.4	10,256	95.8	57.6
	(of which construction machinery)	11,535	89.9	2,629	836	31.8	37.5	4,867	56.8	613	77.7	76.1
	(of which dies and molds)	20,987	74.2	3,663	3,331	90.9	58.3	9,110	59.5	999	89.4	62.1
	4. Motor Vehicles	139,762	56.3	25,588	13,878	54.2	36.3	49,706	50.5	5,148	101.1	60.0
	(of which auto parts)	101,224	61.2	15,259	9,732	63.8	34.8	31,853	44.8	3,278	91.5	50.9
	5. Electrical Machinery	23,549	51.6	5,572	5,103	91.6	92.2	14,371	86.6	1,749	89.8	93.9
	6. Precision Machinery	19,476	66.2	3,647	3,059	83.9	60.0	8,707	60.5	699	53.7	47.7
	5 – 6. Electrical & Precision Machinery (Sub Total)	43,025	57.3	9,219	8,162	88.5	76.7	23,078	74.4	2,448	75.3	73.6
	7. Aircraft, Shipbuilding & Transport equipment	24,425	91.3	3,985	1,991	50.0	30.7	7,342	46.7	613	81.4	37.0
	(of which aircraft)	11,980	82.2	2,303	347	15.1	9.9	2,843	33.8	178	1186.7	36.6
3 – 7. Sub total		409,415	63.2	78,218	50,734	64.9	48.7	167,221	57.8	18,465	93.2	58.9
8. Other Machinery & Equipment		15,777	79.5	3,147	2,841	90.3	59.3	7,310	67.4	798	152.3	100.3
9. Government, Public Agencies & Schools		2,510	84.6	396	200	50.5	70.2	1,672	128.1	477	79.6	168.6
10. Others		12,051	101.1	2,543	1,750	68.8	56.4	5,708	71.9	769	119.0	81.4
11. Trading Companies		6,324	83.0	1,415	819	57.9	52.3	2,845	64.3	275	81.8	50.9
1-11. Domestic Total		493,188	65.7	95,829	62,703	65.4	50.6	206,409	59.8	23,069	93.0	61.5
12. Foreign		736,712	69.1	139,619	111,869	80.1	58.2	341,379	64.8	44,911	99.8	88.2
1-12. Grand Total		1,229,900	67.7	235,448	174,572	74.1	55.2	547,788	62.8	67,980	97.4	76.8
(of which: NC machines)		1,206,231	67.6	230,942	171,077	74.1	55.1	536,664	62.8	66,702	98.2	77.1
Sales		1,501,633	89.1	307,076	218,148	71.0	62.1	672,146	65.9	71,173	94.0	63.1
(of which: NC machines)		1,474,295	89.0	300,594	212,843	70.8	61.7	657,360	65.6	69,783	94.1	63.0
Order Backlog		561,265	67.9	490,671	447,095	91.1	62.5	437,941	64.6	437,941	99.3	64.6
(of which: NC machines)		542,212	67.8	473,594	431,828	91.2	62.5	422,550	64.8	422,550	99.3	64.8

