

The Current Condition of the Japanese Machine Tool Industry

Monthly Machine Tool Orders (July 2023)

The total value of machine tool orders in July was 114.34 billion yen. This was a decrease of 6.3% compared to June 2023 and marked the first month of month-on-month decline in two months. Moreover, this figure represented a decrease of 19.7% compared to the same month of the previous year and marked the seventh consecutive month of year-on-year decline. Total orders fell below 120 billion yen for the first time in two months, however exceeded 100 billion yen for 30 consecutive months.

Orders in July showed weakness mainly in foreign orders amid the ongoing adjustment phase. We would like to keep a close eye on trends regarding the timing of a recovery in the future.

Domestic orders fell by 3.6% from June, amounting to 39.39 billion yen. This marked the first month of month-on-month decline in two months. Furthermore, this figure was a decrease of 24.2% from the same month of the previous year and marked the eleventh consecutive month of year-on-year decline. Looking at major industries, orders compared to June fell by 10.3% in industrial machinery, rose by 16.2% in motor vehicles, fell by 25.0% in electrical & precision machinery, and rose by 3.1% in aircraft, shipbuilding & transport equipment.

Foreign orders fell by 7.7% from June to 74.96 billion yen, marked the fourth consecutive month of month-on-month decline. Moreover, foreign orders showed a decrease of 17.1% from the same month of the previous year, and this marked the seventh consecutive month of year-on-year decline. By region, orders from Asia fell by 12.5% from June to 29.13 billion yen. This was a decrease of 31.3% from the same month of the previous year. Orders from Europe fell by 1.1% from June to 19.15 billion yen. This was a decrease of 3.1% from the same month of the previous year. Orders from North America fell by 6.3% from June, amounting to 24.58 billion yen. This figure was a decrease of 5.0% 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. 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
2019	1,229,900	67.7	493,188	65.7	736,712	69.1	1,501,633	561,265	62,240	380,419	1,072,452	86.7	66,288	1,118,969	9,490	33,806	735,108	83.4	85,996	94.9	27,436	103.7
2020	901,835	73.3	324,455	65.8	577,380	78.4	1,033,616	430,794	45,569	244,973	723,994	67.5	49,457	762,032	8,145	28,075	529,567	72.0	55,530	64.6	27,249	100.0
2021	1,541,419	170.9	510,324	157.3	1,031,095	178.6	1,283,499	701,005	67,601	313,143	895,409	123.7	68,971	923,460	7,465	30,612	712,613	134.6	60,794	109.5	26,689	100.1
2022	1,759,601	114.2	603,231	118.2	1,156,370	112.1	1,568,350	896,813	70,004	375,672	1,078,833	120.5	72,456	1,143,899	7,421	33,180	857,072	120.3	84,028	138.2	26,671	104.4
F.Y. 2018	1,689,133	94.9	703,366	102.2	985,767	90.2	1,666,400	751,183	76,151	438,300	1,210,013	100.5	81,169	1,272,572	9,171	29,803	841,164	97.0	94,726	127.2	27,387	101.8
2019	1,099,541	65.1	446,639	63.5	652,902	66.2	1,367,888	490,671	55,766	341,046	975,568	80.6	60,157	1,019,629	8,302	29,106	673,839	80.1	78,536	82.9	27,470	104.5
2020	988,483	89.9	325,988	73.0	662,495	101.5	1,032,575	446,582	50,683	248,838	728,004	74.6	53,627	757,915	6,581	25,927	546,956	81.2	52,435	66.8	27,108	99.2
2021	1,667,502	168.7	566,229	173.7	1,101,273	166.2	1,368,954	757,694	69,950	333,552	953,784	131.0	70,992	985,574	7,704	30,669	747,726	136.7	66,232	126.3	26,570	100.6
2022	1,705,623	102.3	581,667	102.7	1,123,956	102.1	1,618,780	849,094	67,801	377,132	1,090,289	114.3	70,956	1,166,527	7,112	33,106	875,541	117.1	85,182	128.6	26,800	106.3
2020 7-9	221,867	76.8	78,147	62.6	143,720	87.7	249,558	419,404	11,098	58,825	173,287	65.9	11,810	181,194	8,302	28,294	128,857	72.3	11,687	56.7	27,230	99.3
10-12	269,948	104.1	87,776	86.0	182,172	115.9	258,834	430,794	12,986	61,399	176,759	75.8	13,852	183,001	8,145	28,075	133,237	81.4	13,837	69.2	27,012	99.3
2021 1-3	322,096	136.8	97,362	101.6	224,734	161.0	306,035	446,582	17,076	75,530	219,311	101.9	17,739	230,995	6,581	25,927	161,974	112.0	13,678	81.5	26,851	98.4
4-6	379,991	217.7	113,957	181.7	266,034	237.8	308,866	517,707	19,484	79,254	223,784	141.1	19,762	223,780	6,777	28,689	176,392	143.5	13,704	103.6	26,731	99.7
7-9	405,482	182.8	147,520	188.8	257,962	179.5	331,779	591,410	15,410	77,314	223,592	129.0	16,170	235,467	6,586	27,809	186,350	144.6	14,342	122.7	26,656	100.6
10-12	433,850	160.7	151,485	172.6	282,365	155.0	336,819	701,005	15,631	81,045	228,722	129.4	15,300	233,218	7,465	30,612	187,897	141.0	19,070	137.8	26,518	101.6
2022 1-3	448,179	139.1	153,267	157.4	294,912	131.2	391,490	757,694	19,425	95,939	277,686	126.6	19,760	293,109	7,704	30,669	197,087	121.7	19,116	139.8	26,375	100.7
4-6	463,043	121.9	161,313	141.6	301,730	113.4	362,729	858,008	17,481	87,843	246,409	110.1	18,470	256,607	7,230	32,142	198,031	112.3	20,673	150.8	26,572	103.9
7-9	432,587	106.7	156,164	105.9	276,423	107.2	402,230	888,365	17,014	97,737	281,353	125.8	17,417	298,698	7,451	33,353	222,335	119.3	21,387	149.1	26,719	106.5
10-12	415,792	95.8	132,487	87.5	283,305	100.3	411,901	896,813	16,084	94,153	273,385	119.5	16,809	295,485	7,421	33,180	239,619	127.5	22,852	119.8	27,017	106.7
2023 1-3	394,201	88.0	131,703	85.9	262,498	89.0	441,920	849,094	17,222	97,399	289,142	104.1	18,260	315,737	7,112	33,106	215,555	109.4	20,269	106.0	26,892	108.2
4-6	374,236	80.8	120,380	74.6	253,856	84.1	380,609	842,594	15,287	91,766	260,521	105.7	15,031	263,094	7,970	39,754	196,936	99.4	23,424	113.3	27,243	111.8
2022 2	138,998	131.6	48,859	160.4	90,139	120.0	116,243	767,206	6,297	30,990	88,412	128.9	6,235	89,046	8,654	34,522	68,134	142.7	5,693	152.5	26,354	100.0
3	166,263	130.0	60,239	148.8	106,024	121.3	175,775	757,694	7,659	37,950	111,204	117.0	8,834	128,624	7,704	30,669	85,273	116.7	5,957	133.5	26,410	101.3
4	154,998	125.0	53,180	147.4	101,818	115.8	106,862	805,830	6,089	30,013	80,813	111.2	6,717	84,911	7,219	31,563	62,570	112.7	6,891	159.9	26,543	102.1
5	153,334	123.7	49,481	148.9	103,853	114.5	115,711	843,453	5,555	27,353	77,530	107.0	5,013	74,185	7,939	34,565	61,882	106.0	7,228	165.5	26,618	102.9
6	154,711	117.1	58,652	131.3	96,059	109.9	140,156	858,008	5,837	30,477	88,066	112.0	6,740	97,511	7,230	32,142	73,579	117.7	6,554	130.4	26,555	106.6
7	142,412	105.5	51,970	114.5	90,442	100.9	113,233	887,187	5,416	30,932	84,703	115.2	5,588	91,030	7,267	33,007	70,379	110.3	8,480	176.0	26,643	106.3
8	139,327	110.7	51,775	116.2	87,552	107.7	125,881	900,633	5,738	31,483	91,930	136.2	5,187	91,916	8,022	35,135	64,983	116.1	6,576	134.5	26,569	106.9
9	150,848	104.3	52,419	91.1	98,429	113.1	163,116	888,365	5,860	35,322	104,720	126.8	6,642	115,752	7,451	33,353	86,973	130.6	6,332	136.7	26,944	106.2
10	141,0																					

NET NEW ORDERS – METAL CUTTING MACHINE TOOLS IN JAPAN

(Value: in Millions of Yen)

Industry \ Period	Total 2022	22/21 (%)	23/01–23/03	23/04–23/06	Previous Quarter (%)	year-to-year (%)	23/01–23/07	year-to-year (%)	July '23	July 23/June 23 (%)	July 23/July 22 (%)	
1. Primary Metals	19,675	109.4	4,917	4,065	82.7	79.2	10,145	91.0	1,163	87.1	119.8	
2. Fabricated Metal Products	50,565	125.6	11,366	8,517	74.9	62.6	22,705	75.3	2,822	85.3	64.2	
Machinery & Equipment Industries	3. Industrial Machinery	243,465	121.4	56,612	56,420	99.7	130,329	86.4	17,297	89.7	81.1	
	(of which construction machinery)	13,655	122.3	3,068	4,031	131.4	7,834	88.2	735	72.7	82.2	
	(of which dies and molds)	34,462	128.7	8,454	8,596	101.7	18,698	83.1	1,648	52.5	45.4	
	4. Motor Vehicles	134,719	117.0	24,610	23,195	94.3	56,274	69.9	8,469	116.2	63.2	
	(of which auto parts)	92,957	110.6	17,923	16,799	93.7	40,950	74.5	6,228	117.1	67.1	
	5. Electrical Machinery	56,982	126.6	12,552	7,992	63.7	58.8	22,764	63.5	2,220	82.8	56.7
	6. Precision Machinery	29,525	120.9	6,507	4,815	74.0	66.9	12,711	68.7	1,389	65.2	61.0
	5 – 6. Electrical & Precision Machinery (Sub Total)	86,507	124.6	19,059	12,807	67.2	61.6	35,475	65.2	3,609	75.0	58.3
	7. Aircraft, Shipbuilding & Transport equipment	18,856	117.7	5,035	5,039	100.1	111.9	11,375	109.4	1,301	103.1	135.7
	(of which aircraft)	5,792	120.9	2,218	2,125	95.8	180.1	4,495	168.9	152	26.0	57.1
3 – 7. Sub total	483,547	120.6	105,316	97,461	92.5	75.5	233,453	78.8	30,676	94.0	73.3	
8. Other Machinery & Equipment	26,245	98.0	4,940	6,379	129.1	79.2	14,103	84.7	2,784	134.4	97.6	
9. Government, Public Agencies & Schools	2,205	30.0	225	415	184.4	153.7	1,059	107.0	419	234.1	177.5	
10. Others	14,094	133.2	4,141	2,551	61.6	76.6	7,641	99.4	949	104.1	86.4	
11. Trading Companies	6,900	109.8	798	992	124.3	53.9	2,362	62.1	572	143.7	106.1	
1–11. Domestic Total	603,231	118.2	131,703	120,380	91.4	74.6	291,468	79.5	39,385	96.4	75.8	
12. Foreign	1,156,370	112.1	262,498	253,856	96.7	84.1	591,309	86.1	74,955	92.3	82.9	
1–12. Grand Total	1,759,601	114.2	394,201	374,236	94.9	80.8	882,777	83.8	114,340	93.7	80.3	
(of which: NC machines)	1,727,473	114.0	388,378	369,366	95.1	81.2	869,479	84.0	111,735	92.9	79.9	
Sales	1,568,350	122.2	441,920	380,609	86.1	104.9	940,965	108.5	118,436	83.0	104.6	
(of which: NC machines)	1,544,745	122.4	435,621	374,810	86.0	104.8	926,766	108.5	116,335	82.9	104.7	
Order Backlog	896,813	127.9	849,094	842,594	99.2	98.2	838,498	94.5	838,498	99.5	94.5	
(of which: NC machines)	869,611	127.6	822,368	816,735	99.3	98.0	812,135	94.2	812,135	99.4	94.2	

NET NEW ORDERS BY DESTINATION

(Value in Millions of yen)

2023		Jan.		Feb.		Mar.		Apr.		May		June		July		Aug.		Sep.		Oct.		Nov.		Dec.		Total 2023		
			%		%		%		%		%		%		%		%		%		%		%		%		%	
Asia	East Asia	Korea	1,996	75.6	1,810	87.1	2,196	80.4	1,835	65.2	3,016	65.4	2,841	76.5	1,800	73.5											15,494	73.7
		Taiwan	2,047	42.5	1,612	75.4	1,850	46.2	2,260	77.6	1,423	49.9	1,986	57.4	1,635	64.8											12,813	56.4
		China	24,012	73.7	29,417	98.2	30,084	90.2	25,876	80.5	23,509	70.7	19,091	54.9	17,783	63.6											169,772	75.8
		Other	0	-	298	3725.0	35	269.2	1	-	0	-	0	-	0	-											334	902.7
		East Asia Total	28,055	70.0	33,137	97.0	34,165	85.2	29,972	79.2	27,948	68.6	23,918	57.0	21,218	64.4											198,413	74.1
	Other Asia	Thailand	1,317	80.0	1,392	102.0	1,174	69.6	1,222	53.7	1,617	102.0	1,776	89.3	2,153	100.0											10,651	83.9
		Malaysia	1,489	149.0	618	52.2	1,138	86.6	1,074	65.3	750	59.5	1,090	114.9	305	16.6											6,464	70.4
		Singapore	385	82.8	736	233.7	844	22.9	716	63.1	942	133.8	712	76.0	526	61.7											4,861	60.0
		Philippine	143	246.6	311	170.9	173	18.5	125	58.1	38	9.5	299	65.4	53	20.7											1,142	45.6
		Indonesia	612	52.6	351	57.8	605	207.2	734	108.9	328	69.1	484	76.2	534	136.9											3,648	86.1
Vietnam		1,257	196.4	612	61.3	645	62.4	623	82.4	1,060	106.3	1,027	96.3	810	85.4											6,034	93.7	
India	3,824	153.0	2,666	77.2	2,941	106.6	6,645	200.3	3,324	153.6	3,999	131.2	3,468	115.4											26,867	132.7		
Other	3	50.0	3	37.5	7	16.7	5	7.2	2	66.7	2	0.4	65	1625.0											87	12.6		
Other Asia Total	9,030	120.8	6,689	82.5	7,527	64.0	11,144	110.5	8,061	106.2	9,389	97.4	7,914	83.8											59,754	93.2		
Sub Total	37,085	78.0	39,826	94.2	41,692	80.4	41,116	85.8	36,009	74.5	33,307	64.5	29,132	68.7												258,167	77.8	
Europe	EU	Germany	4,616	103.5	5,107	106.8	4,813	112.0	4,405	104.3	4,241	91.9	5,189	110.8	4,313	89.3										32,684	102.5	
		Italy	3,735	81.7	2,419	62.5	3,168	67.4	3,117	82.9	3,160	87.1	2,867	82.2	3,014	90.9											21,480	78.6
		France	1,730	99.5	1,687	79.9	2,052	104.7	1,818	51.6	1,671	68.9	2,459	199.8	2,481	129.0											13,898	93.2
		Central Europe	867	59.0	1,665	115.3	1,719	120.4	1,218	70.4	1,454	121.0	1,376	82.8	798	45.9											9,097	85.2
		Other	3,521	104.1	3,360	86.6	3,502	107.7	3,639	111.1	2,978	79.5	3,164	113.4	4,001	156.8											24,165	105.6
	Sub Total	14,469	92.6	14,238	88.5	15,254	97.6	14,197	86.0	13,504	86.5	15,055	108.7	14,607	101.7											101,324	94.1	
	Other West Europe	U.K.	1,707	97.6	1,404	62.7	1,892	69.4	2,651	141.1	1,664	67.3	1,450	82.5	1,729	68.5											12,497	81.4
		Turkey	3,029	217.0	2,387	264.9	774	84.7	2,325	152.7	716	87.5	1,240	-	1,511	91.4											11,982	186.2
		Switzerland	1,516	203.5	981	125.1	1,498	201.6	1,194	186.6	1,692	153.0	1,270	112.8	838	85.7											8,989	146.8
		East Europe	84	103.7	186	238.5	171	211.1	264	614.0	240	279.1	228	68.7	31	36.0											1,204	153.0
Russia - Other		-32	-	5	2.8	17	-	4	-	24	400.0	33	-	94	1175.0											145	-	
Sub Total	20,845	102.1	19,424	94.1	19,770	101.2	20,776	100.4	17,903	87.3	19,368	128.3	19,146	96.9												137,232	100.4	
North America & Oceania	U.S.A.	22,733	84.6	21,312	92.8	25,530	84.9	24,672	90.7	22,207	72.0	22,279	91.2	19,479	85.7											158,212	85.5	
	Canada	1,239	110.5	1,101	59.4	1,558	107.1	1,131	67.8	1,620	132.9	1,596	104.6	2,350	125.1											10,595	98.8	
	Mexico	1,494	106.5	871	152.3	866	66.4	844	41.2	1,514	153.1	2,361	185.6	2,747	216.3											10,697	120.7	
	Sub Total	25,466	86.6	23,284	91.7	27,954	85.1	26,647	86.2	25,341	76.7	26,236	96.4	24,576	95.0											179,504	87.7	
South America	Brazil	866	141.0	850	149.4	874	151.2	836	111.6	1,142	158.4	1,415	205.1	552	52.8											6,535	131.6	
	Other	38	44.7	1	0.9	44	37.0	99	111.2	107	254.8	20	12.4	53	22.5											362	42.9	
	Sub Total	904	129.3	851	125.0	918	131.7	935	111.6	1,249	163.7	1,435	168.6	605	47.2											6,897	118.7	
Oceania	Australia	769	202.4	845	142.3	477	58.3	679	62.6	764	146.6	524	101.4	643	69.1											4,701	97.0	
	Other	101	117.4	179	69.1	20	95.2	71	56.8	1	0.7	103	118.4	-1	-											474	62.2	
Sub Total	870	186.7	1,024	120.0	497	59.2	750	62.0	765	116.4	627	103.8	642	65.6											5,175	92.3		
Middle East	435	247.2	528	196.3	476	188.9	381	300.0	351	62.9	177	27.6	652	626.9												3,000	141.0	
Africa	80	148.1	226	1130.0	343	4900.0	360	391.3	98	-	25	65.8	202	374.1												1,334	503.4	
Grand Total	85,685	86.8	85,163	94.5	91,650	86.4	90,965	89.3	81,716	78.7	81,175	84.5	74,955	82.9												591,309	86.1	
Of which NC	85,093	86.9	84,556	94.7	91,168	86.8	90,401	89.9	81,205	78.8	80,599	84.7	74,390	83.0												587,412	86.3	

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

Japan Machine Tool Builders' Association

From January 2021, the UK was moved from the "EU" to "other Western Europe".