

## The Current Condition of the Japanese Machine Tool Industry

### Monthly Machine Tool Orders (August 2023)

The total value of machine tool orders in August was 114.76 billion yen. This was an increase of 0.4% compared to July 2023 and marked the first month of month-on-month growth in two months. However, this figure represented a decrease of 17.6% compared to the same month of the previous year and marked the eighth consecutive month of year-on-year decline.

Total orders fell below 120 billion yen for two consecutive months, however exceeded 100 billion yen for 31st consecutive months.

Orders in August continued to be in an adjustment phase for both domestic and foreign orders. We will keep a close watch on economic trends at home and abroad to determine when the economy will pick up in the future.

Domestic orders fell by 9.3% from July, amounting to 35.72 billion yen. This marked the second consecutive month of month-on-month decline. Furthermore, this figure was a decrease of 31.0% from the same month of the previous year and marked the twelfth consecutive month of year-on-year decline. Looking at major industries, orders compared to July fell by 16.0% in industrial machinery, by 6.4% in motor vehicles, rose by 41.0% in electrical & precision machinery, and fell by 16.2% in aircraft, shipbuilding & transport equipment.

Foreign orders rose by 5.5% over July to 79.04 billion yen, marked the first month of month-on-month growth in five months. Nevertheless, foreign orders showed a decrease of 9.7% from the same month of the previous year, and this marked the eighth consecutive month of year-on-year decline. By region, orders from Asia rose by 16.5% from July to 33.95 billion yen. This was a decrease of 22.4% from the same month of the previous year. Orders from Europe fell by 7.6% from July to 17.69 billion yen. This was an increase of 11.8% from the same month of the previous year. Orders from North America rose by 0.9% over July, amounting to 24.79 billion yen. This figure was a decrease of 2.6% 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)

Period		Total 2022	22/21 (%)	23/01–23/03	23/04–23/06	Previous Quarter (%)	year-to-year (%)	23/01–23/08	year-to-year (%)	Aug. '23	Aug. 23/July 23 (%)	Aug. 23/Aug. 22 (%)
1. Primary Metals		19,675	109.4	4,917	4,065	82.7	79.2	11,713	94.3	1,568	134.8	122.7
2. Fabricated Metal Products		50,565	125.6	11,366	8,517	74.9	62.6	25,585	74.7	2,880	102.1	70.6
Machinery & Equipment Industries	3. Industrial Machinery	243,465	121.4	56,612	56,420	99.7	84.1	144,867	84.9	14,538	84.0	73.2
	(of which construction machinery)	13,655	122.3	3,068	4,031	131.4	89.2	8,797	87.6	963	131.0	83.1
	(of which dies and molds )	34,462	128.7	8,454	8,596	101.7	89.6	20,407	78.5	1,709	103.7	48.8
	4. Motor Vehicles	134,719	117.0	24,610	23,195	94.3	63.3	64,203	68.3	7,929	93.6	58.7
	(of which auto parts)	92,957	110.6	17,923	16,799	93.7	67.1	47,031	73.5	6,081	97.6	67.3
	5. Electrical Machinery	56,982	126.6	12,552	7,992	63.7	58.8	26,426	64.0	3,662	165.0	68.0
	6. Precision Machinery	29,525	120.9	6,507	4,815	74.0	66.9	14,139	68.3	1,428	102.8	64.9
	5 – 6. Electrical & Precision Machinery (Sub Total)	86,507	124.6	19,059	12,807	67.2	61.6	40,565	65.5	5,090	141.0	67.1
	7. Aircraft, Shipbuilding & Transport equipment	18,856	117.7	5,035	5,039	100.1	111.9	12,465	107.1	1,090	83.8	87.8
	(of which aircraft)	5,792	120.9	2,218	2,125	95.8	180.1	4,982	150.2	487	320.4	74.5
3 – 7. Sub total		483,547	120.6	105,316	97,461	92.5	75.5	262,100	77.5	28,647	93.4	67.9
8. Other Machinery & Equipment		26,245	98.0	4,940	6,379	129.1	79.2	15,368	82.5	1,265	45.4	64.3
9. Government, Public Agencies & Schools		2,205	30.0	225	415	184.4	153.7	1,298	102.9	239	57.0	87.9
10. Others		14,094	133.2	4,141	2,551	61.6	76.6	8,324	94.1	683	72.0	59.2
11. Trading Companies		6,900	109.8	798	992	124.3	53.9	2,797	60.4	435	76.0	52.5
1-11. Domestic Total		603,231	118.2	131,703	120,380	91.4	74.6	327,185	78.2	35,717	90.7	69.0
12. Foreign		1,156,370	112.1	262,498	253,856	96.7	84.1	670,352	86.5	79,043	105.5	90.3
1-12. Grand Total		1,759,601	114.2	394,201	374,236	94.9	80.8	997,537	83.6	114,760	100.4	82.4
(of which: NC machines)		1,727,473	114.0	388,378	369,366	95.1	81.2	981,752	83.9	112,273	100.5	82.5
Sales		1,568,350	122.2	441,920	380,609	86.1	104.9	1,054,769	106.2	113,804	96.1	90.4
(of which: NC machines)		1,544,745	122.4	435,621	374,810	86.0	104.8	1,039,024	106.2	112,258	96.5	90.6
Order Backlog		896,813	127.9	849,094	842,594	99.2	98.2	838,933	93.1	838,933	100.1	93.1
(of which: NC machines)		869,611	127.6	822,368	816,735	99.3	98.0	811,629	92.8	811,629	99.9	92.8

# 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	2,859	159.4										18,353	80.4
		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	1,599	36.1										14,412	53.1
		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	19,012	63.7										188,784	74.3
		Other	0	-	298	3725.0	35	269.2	1	-	0	-	0	-	0	-	0	-										334	878.9
		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	23,470	65.1										221,883	73.0
	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	3,431	246.3										14,082	99.9
		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	525	93.4										6,989	71.7
		Singapore	385	82.8	736	233.7	844	22.9	716	63.1	942	133.8	712	76.0	526	61.7	771	136.2										5,632	65.0
		Philippine	143	246.6	311	170.9	173	18.5	125	58.1	38	9.5	299	65.4	53	20.7	184	55.3										1,326	46.8
		Indonesia	612	52.6	351	57.8	605	207.2	734	108.9	328	69.1	484	76.2	534	136.9	492	84.0										4,140	85.9
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	708	64.1										6,742	89.4	
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	4,363	140.6										31,230	133.7		
Other	3	50.0	3	37.5	7	16.7	5	7.2	2	66.7	2	0.4	65	1625.0	2	66.7										89	12.8		
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	10,476	136.9										70,230	97.9		
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	33,946	77.6											292,113	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	4,918	139.4									37,602	106.2	
		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	1,992	66.9										23,472	77.5
		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	1,921	206.1										15,819	99.9
		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	1,739	104.3										10,836	87.8
		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	2,838	95.3										27,003	104.4
	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	13,408	111.0										114,732	95.8	
	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	1,694	120.8										14,191	84.7
		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	1,591	119.7										13,573	174.8
		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	935	122.7										9,924	144.2
		East Europe	84	103.7	186	238.5	171	211.1	264	614.0	240	279.1	228	68.7	31	36.0	22	12.0										1,226	126.3
Russia - Other		-32	-	5	2.8	17	-	4	-	24	400.0	33	-	94	1175.0	8	-										153	-	
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	17,685	111.8										154,917	101.6		
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	22,504	98.5										180,716	86.9	
	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	1,670	104.5										12,265	99.6	
	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	619	60.9										11,316	114.6	
	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	24,793	97.4										204,297	88.8	
South & Central 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	933	79.7										7,468	121.7	
	Other	38	44.7	1	0.9	44	37.0	99	111.2	107	254.8	20	12.4	53	22.5	27	71.1										389	44.1	
	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	960	79.4										7,857	111.9	
Oceania	Australia	769	202.4	845	142.3	477	58.3	679	62.6	764	146.6	524	101.4	643	69.1	596	57.5										5,297	90.1	
	Other	101	117.4	179	69.1	20	95.2	71	56.8	1	0.7	103	118.4	-1	-	156	136.8										630	71.9	
Sub Total	870	186.7	1,024	120.0	497	59.2	750	62.0	765	116.4	627	103.8	642	65.6	752	65.3										5,927	87.7		
Middle East	435	247.2	528	196.3	476	188.9	381	300.0	351	62.9	177	27.6	652	626.9	682	392.0										3,682	160.0		
Africa	80	148.1	226	1130.0	343	4900.0	360	391.3	98	-	25	65.8	202	374.1	225	1125.0										1,559	547.0		
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	79,043	90.3										670,352	86.5		
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	77,964	90.9											665,376	86.8	

(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".