

20 February 2025 (No. of pages:3)

Japanese report: 19 Feb 2025

December 2024 Machinery Orders

Private-sector demand (excluding ships and electric power) declines for the first time in three months due to major decline in manufacturing

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Summary

- According to statistics for machinery orders in December 2024, private-sector orders (excluding ships and electric power) declined for the first time in three months by -1.2% m/m, while also falling below market consensus (Bloomberg survey: +0.5%). While orders for non-manufacturing (excluding ships and electric power) registered growth, manufacturing experienced a major decline. The Cabinet Office has left its assessment for machinery orders unchanged at “showing signs of picking up.”
- Manufacturing orders declined for the first time in three months. Other manufacturing, ship building and chemical and chemical products suffered a major decline in orders due to a reactionary decline in comparison to the previous month. Meanwhile, non-manufacturing orders grew for the second consecutive month. Industries such as transportation and postal activities recorded growth.
- As for the future of private sector demand (excluding ships and electric power), moderate growth is expected. Amid a strong corporate appetite for capex spending, labor saving investment is expected to continue increasing. However, it should be noted that the implementation of capex spending could be delayed due to uncertainty surrounding trends associated with overseas demand.

Machinery Orders (m/m %; SA)

Chart 1

	2024											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Machinery orders (private sector)*	-1.7	7.7	2.9	-2.9	-3.2	2.1	-0.1	-1.9	-0.7	2.1	3.4	-1.2
Market consensus												0.5
DIR Economist estimate												3.1
Manufacturing orders	-13.2	9.4	19.4	-11.3	1.0	-0.3	-5.7	-2.5	-0.0	12.5	6.0	-10.4
Non-manufacturing orders*	6.5	9.1	-11.3	5.9	-7.5	2.4	7.5	-7.7	1.5	-1.2	1.2	4.7
Overseas orders	-4.4	0.7	-9.4	21.6	9.1	2.0	8.0	-15.3	-10.3	7.9	-5.3	8.5

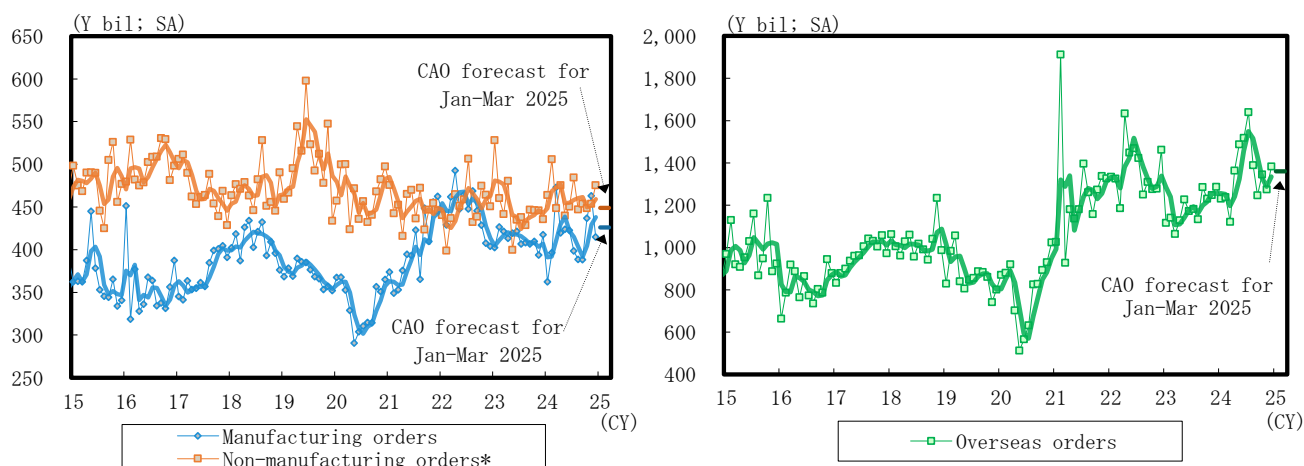
Source: Cabinet Office (CAO), Bloomberg; compiled by DIR.

* excluding ships and electric power.

Note: Figures on market consensus from Bloomberg.

Orders by Demand Source (seasonally adjusted figures)

Chart 2



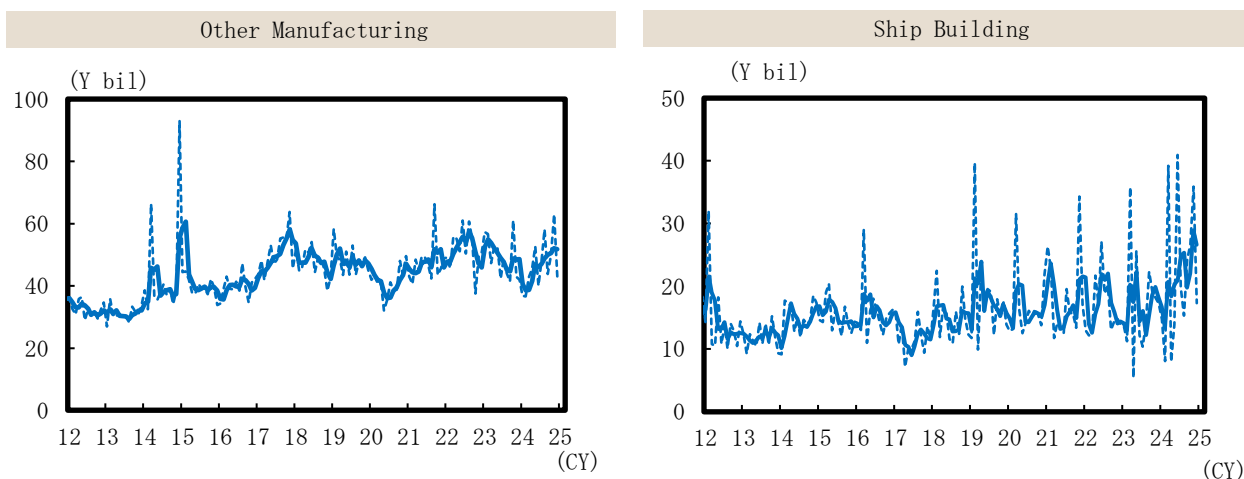
Source: Cabinet Office (CAO); compiled by DIR.

* excluding ships and electric power.

Note: Thick lines 3M/MA basis.

Order Amounts by Industry (Manufacturing)

Chart 3

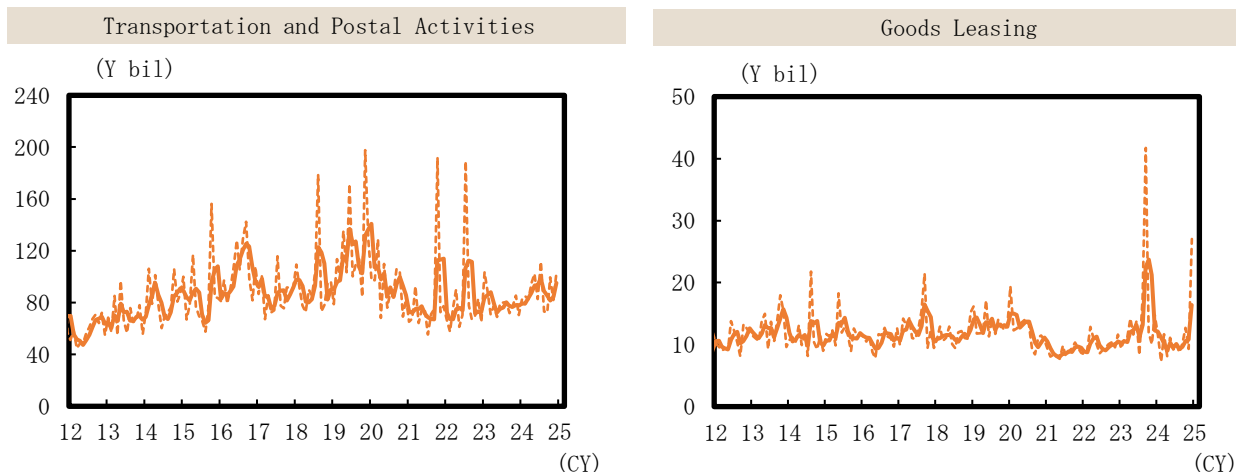


Source: Cabinet Office (CAO); compiled by DIR.

Note: Thick lines 3M/MA basis.

Order Amounts by Industry (Non-Manufacturing)

Chart 4

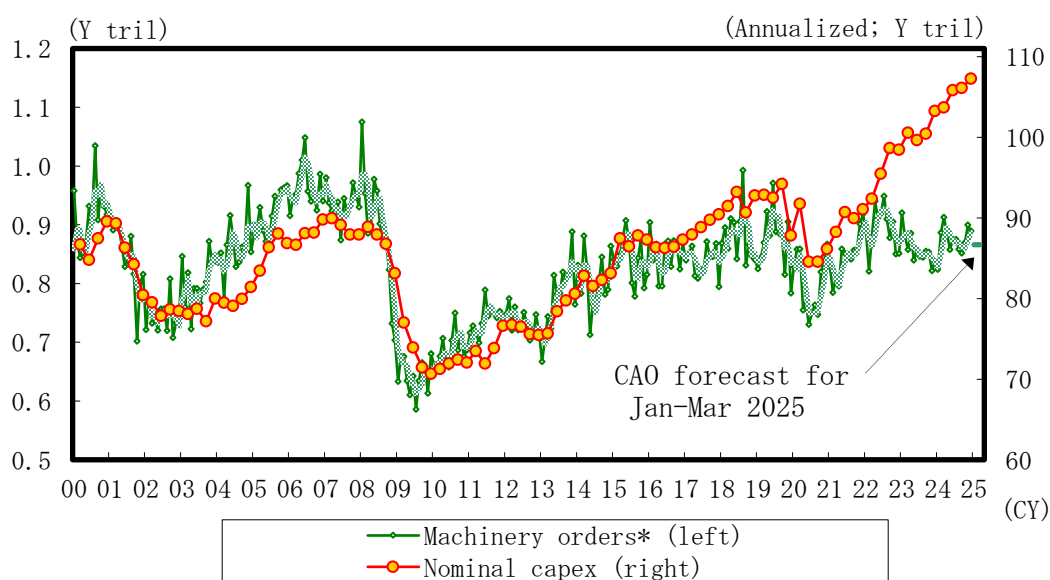


Source: Cabinet Office (CAO); compiled by DIR.

Note: Thick lines 3M/MA basis.

Domestic Demand and Nominal Capex (seasonally adjusted figures)

Chart 5



Source: Cabinet Office (CAO); compiled by DIR.

* excluding ships and electric power.

Note: Thick lines 3M/MA basis.