

15 April 2024 (No. of pages:3 )

Japanese report: 15 Apr 2024

# February 2024 Machinery Orders

**Both manufacturing and non-manufacturing orders (excluding ships and electric power) achieve growth, but trend remains flat**

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## Summary

- According to statistics for machinery orders in February 2024, the leading indicator for domestic capex and private sector demand (excluding ships and electric power), orders grew for the first time in two months by +7.7% m/m. The majority of industries recorded growth in orders, with both manufacturing and non-manufacturing achieving high growth rates. The Cabinet Office has kept its assessment for machinery orders at “showing some weakness.”
- Manufacturing orders grew for the first time in two months. Growth in orders for electrical machinery and information and communication electronics helped push up overall performance. Meanwhile, non-manufacturing orders (excluding ships and electric power) grew for the second consecutive month. Telecommunications and construction contributed considerably to overall performance.
- As for the future of private sector demand (excluding ships and electric power), performance is expected to continue marking time. Corporations are expected to be active in labor saving investment and other areas of investment with the appetite for capex spending remaining strong. On the other hand, retaining some caution is recommended as capex could hit a low due to the slowdown in overseas economies and other factors.

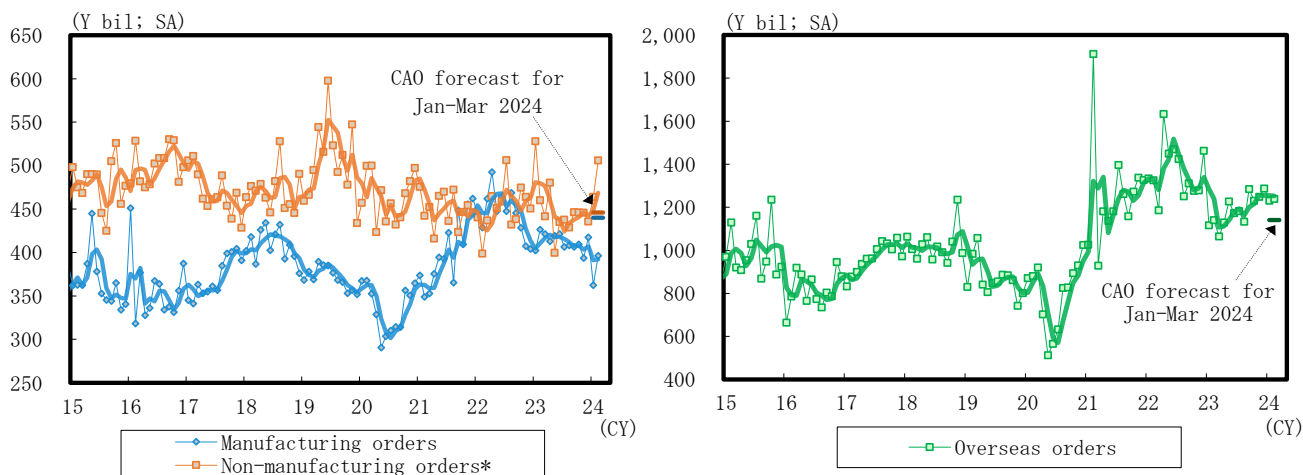
Machinery Orders (m/m %; SA)												Chart 1	
	2023											2024	
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
Machinery orders (private sector)*	-2.7	3.2	-5.2	2.1	-1.3	-0.2	1.2	-0.1	-3.7	1.9	-1.7	7.7	
Market consensus (Bloomberg)												0.8	
DIR Economist estimate												1.5	
Manufacturing orders	-1.2	-2.0	1.5	0.5	-3.5	0.4	-0.4	0.7	-3.9	6.0	-13.2	9.4	
Non-manufacturing orders*	-4.0	8.8	-16.8	8.8	0.7	-2.1	4.2	-0.1	-0.1	-2.3	6.5	9.1	
Overseas orders	-6.7	6.1	8.7	-4.4	0.8	-4.2	13.4	-4.2	1.4	3.1	-4.4	0.7	

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

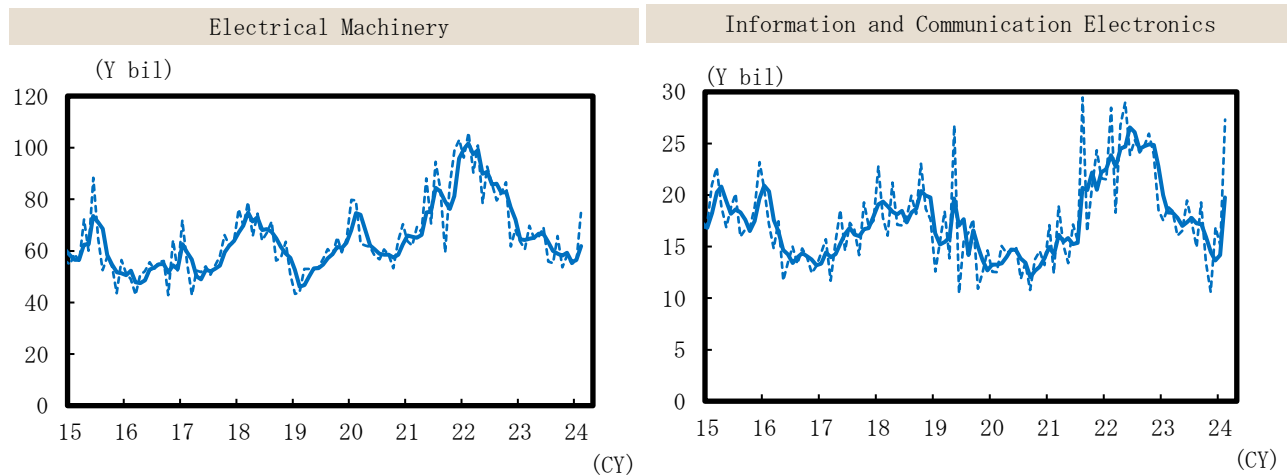


Source: Cabinet Office (CAO); compiled by DIR.

\* excluding ships and electric power.

Note: Thick lines 3M/MMA basis.

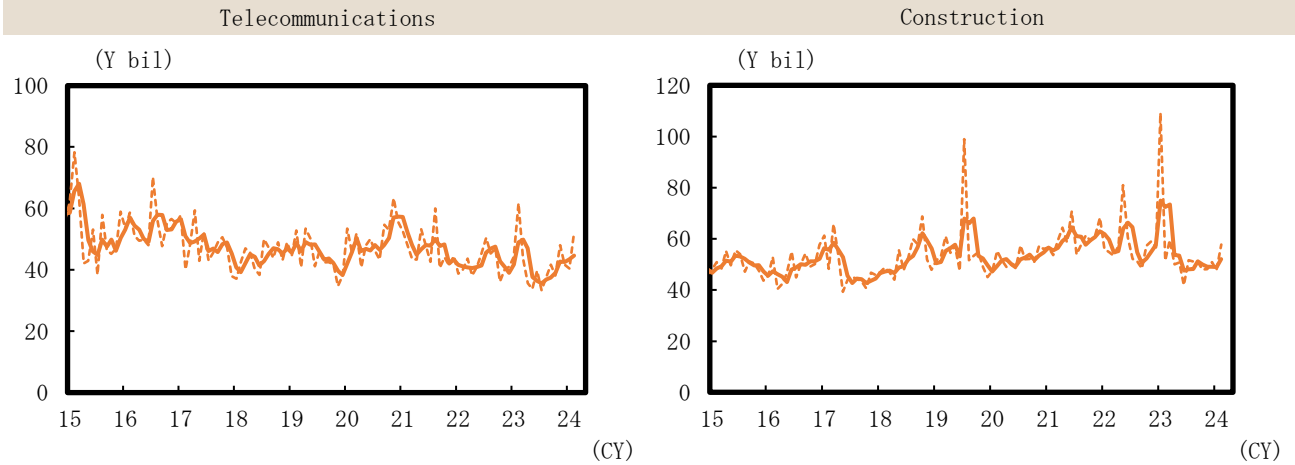
**Order Amounts by Industry (Manufacturing)** Chart 3



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

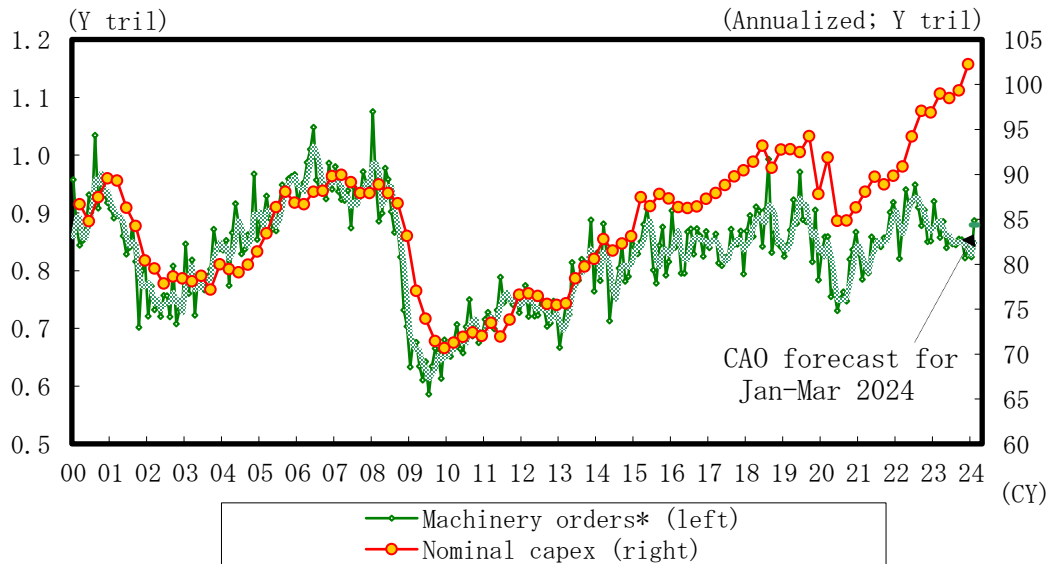
Note: Thick lines 3M/MMA basis.

**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.