

24 May 2024 (No. of pages:3 )

Japanese report: 22 May 2024

# March 2024 Machinery Orders

**Private-sector orders (excluding ships and electric power) grow for second consecutive month due to significant growth in manufacturing orders**

Economic Research Dept.  
**Kiyoka Ishikawa**

## Summary

- According to statistics for machinery orders in March 2024, private-sector orders (excluding ships and electric power) grew for the second consecutive month by +2.9% m/m. While non-manufacturing orders (excluding ships and electric power) declined, manufacturing orders achieved significant growth due to large projects (exceeding 10 bil yen) and other factors. The Cabinet Office revised its assessment for machinery orders upwards to “showing signs of picking up.”
- Manufacturing orders grew for the second consecutive month. Ship building, which took in some large projects, brought overall performance up, and orders grew for other industries as well, including general-purpose and production machinery, and other transport equipment. Meanwhile, non-manufacturing orders (excluding ships and electric power) declined for the first time in three months. The main cause was other non-manufacturing, which experienced a reactionary decline in response to a large project during the previous month, pulling overall performance down.
- 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, caution is recommended as capex could hit a low due to the slowdown in overseas economies and other factors.

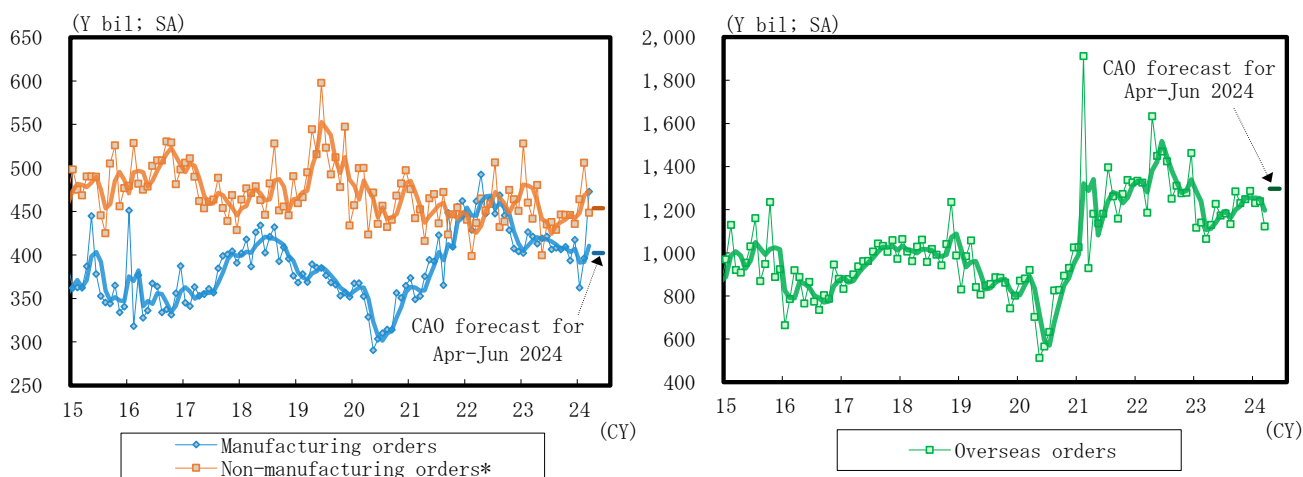
Machinery Orders (m/m %; SA)												Chart 1
	2023										2024	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Machinery orders (private sector)*	3.2	-5.2	2.1	-1.3	-0.2	1.2	-0.1	-3.7	1.9	-1.7	7.7	2.9
Market consensus (Bloomberg)												-2.0
DIR Economist estimate												-3.2
Manufacturing orders	-2.0	1.5	0.5	-3.5	0.4	-0.4	0.7	-3.9	6.0	-13.2	9.4	19.4
Non-manufacturing orders*	8.8	-16.8	8.8	0.7	-2.1	4.2	-0.1	-0.1	-2.3	6.5	9.1	-11.3
Overseas orders	6.1	8.7	-4.4	0.8	-4.2	13.4	-4.2	1.4	3.1	-4.4	0.7	-9.4

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

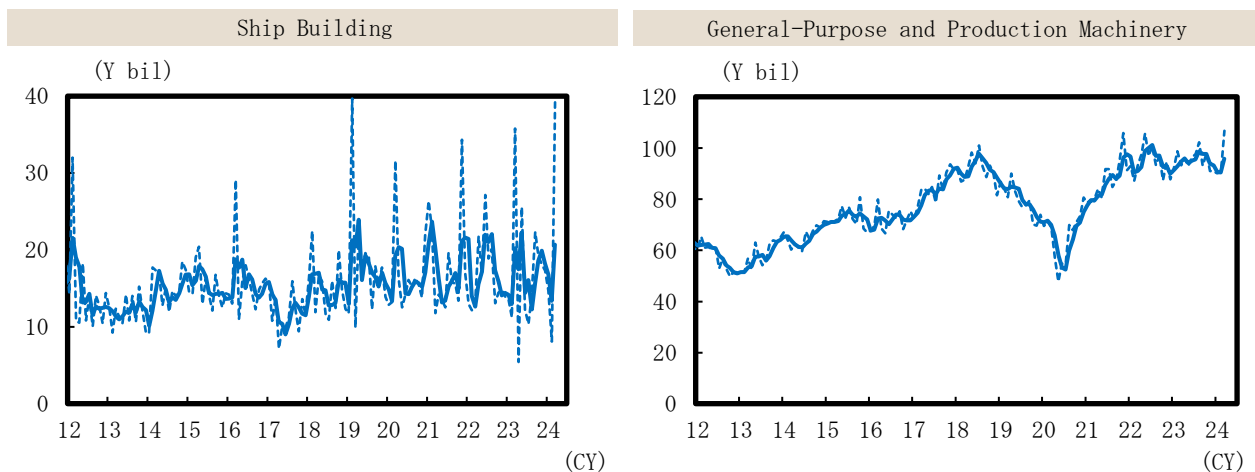


Source: Cabinet Office (CAO); compiled by DIR.

\* excluding ships and electric power.

Note: Thick lines 3M/MA basis.

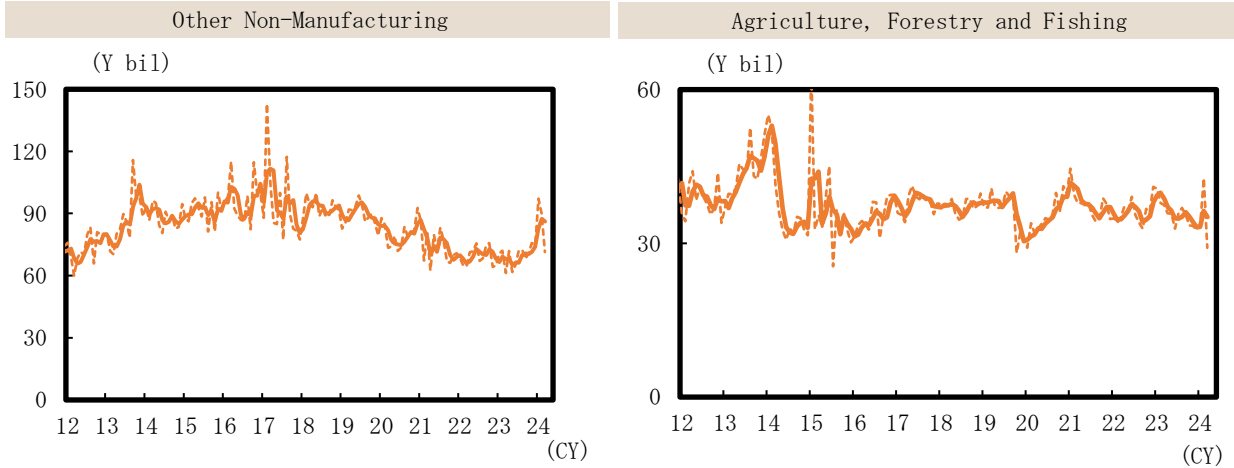
**Order Amounts by Industry (Manufacturing)** Chart 3



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

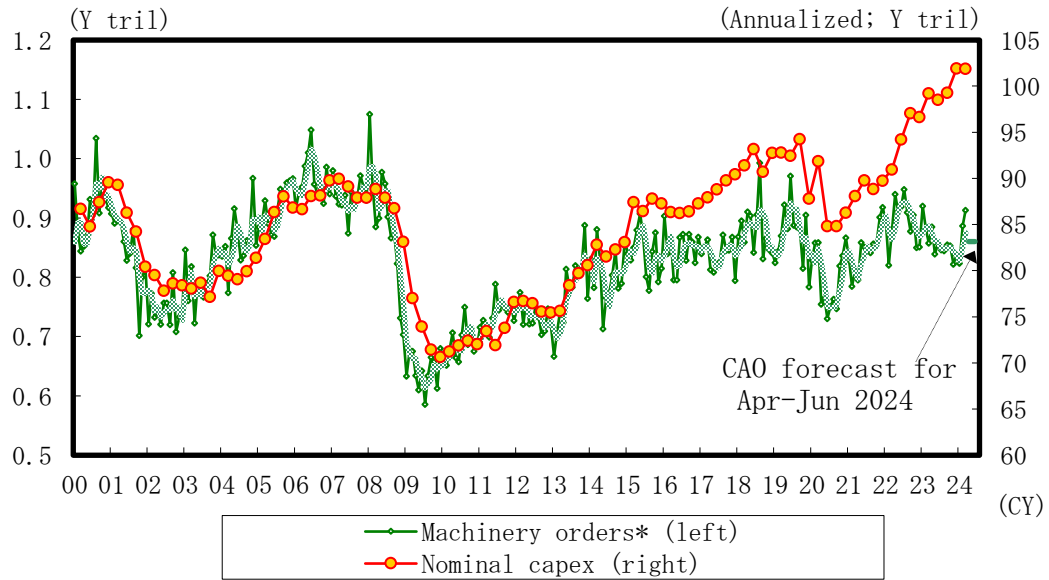
Note: Thick lines 3M/MA basis.

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.