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# August 2024 Machinery Orders

**Results weak with both manufacturing and non-manufacturing (excluding ships and electric power) suffering declines**

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## Summary

- According to statistics for machinery orders in August 2024, private-sector orders (excluding ships and electric power) declined for the second consecutive month by -1.9% m/m. Orders in both manufacturing and non-manufacturing (excluding ships and electric power) suffered declines. The Cabinet Office has left its assessment for machinery orders unchanged at “signs of stalling in their recovery.”
- Manufacturing orders declined for the third consecutive month. Other transport equipment and information and communication electronics suffered declines in orders along with other industries. Meanwhile, non-manufacturing orders (excluding ships and electric power) declined for the first time in three months. A reactionary decline occurred in transportation and postal activities, which saw large-scale projects (exceeding 10 bil yen) in the previous month, and this was a factor in bringing down overall performance.
- 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, renewal investment, which has been postponed for some time, is expected to increase. On the other hand, it should be noted that the implementation of capex spending could be delayed due to construction projects falling behind schedule as a result of labor shortages and the soaring price of capital goods.

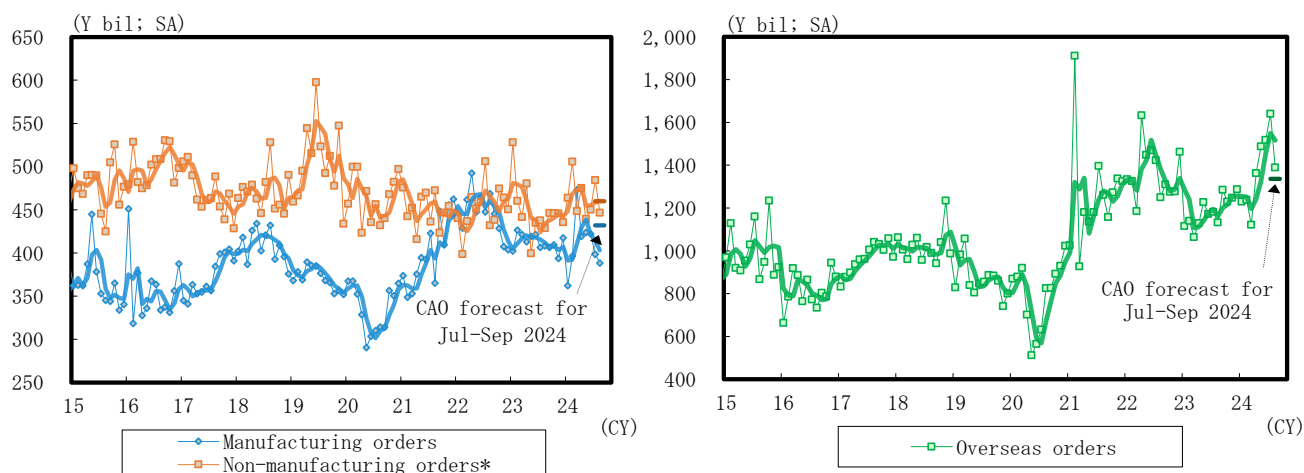
**Machinery Orders (m/m %; SA)****Chart 1**

	2023				2024								Aug
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul		
Machinery orders (private sector)*	1.2	-0.1	-3.7	1.9	-1.7	7.7	2.9	-2.9	-3.2	2.1	-0.1	-1.9	
Market consensus												0.1	
DIR Economist estimate												0.5	
Manufacturing orders	-0.4	0.7	-3.9	6.0	-13.2	9.4	19.4	-11.3	1.0	-0.3	-5.7	-2.5	
Non-manufacturing orders*	4.2	-0.1	-0.1	-2.3	6.5	9.1	-11.3	5.9	-7.5	2.4	7.5	-7.7	
Overseas orders	13.4	-4.2	1.4	3.1	-4.4	0.7	-9.4	21.6	9.1	2.0	8.0	-15.3	

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

\* excluding ships and electric power.

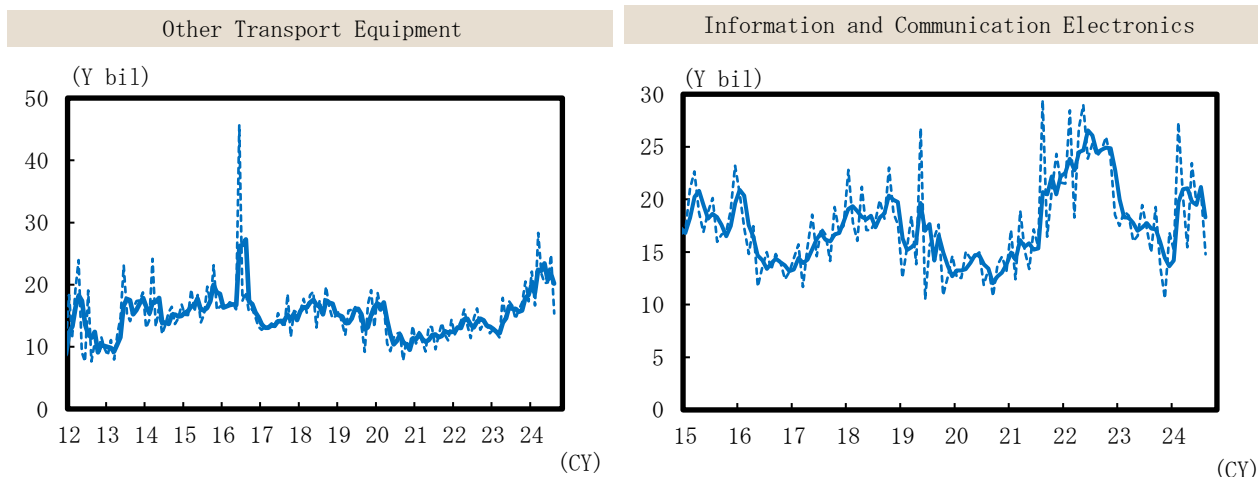
Note: Figures on market consensus from Bloomberg.

**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.

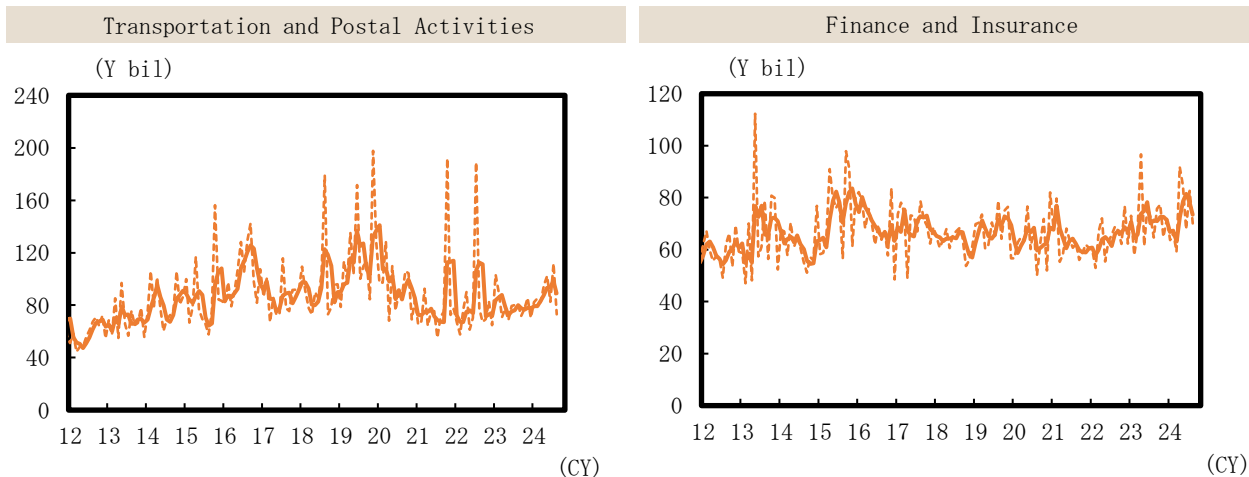
**Order Amounts by Industry (Manufacturing)****Chart 3**

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

Note: Thick lines 3M/MA basis.

## Order Amounts by Industry (Non-Manufacturing)

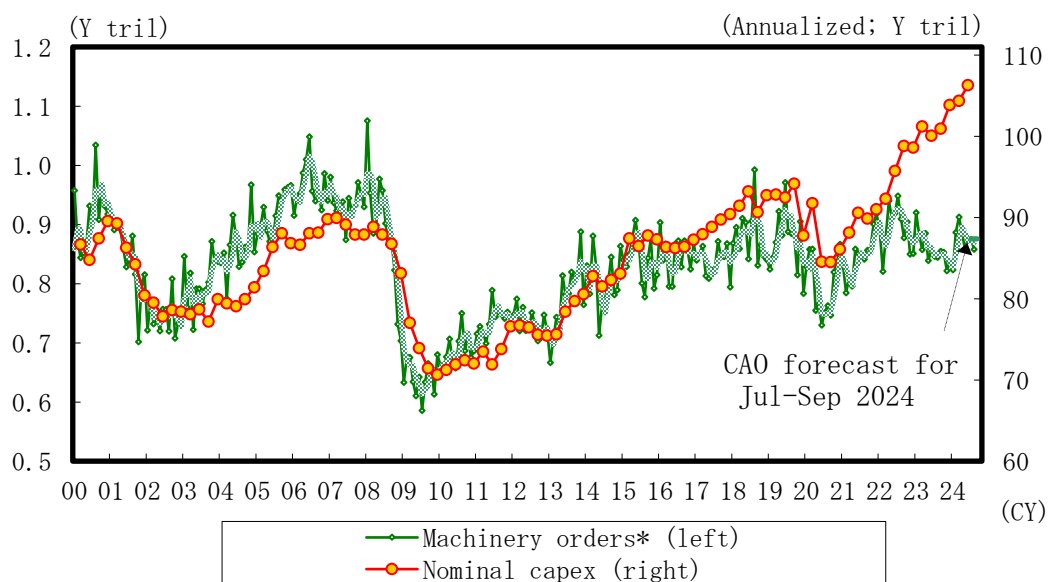
Chart 4



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.