Preface

In 2006 and the first half of 2007, the machine and information industry in Japan recorded quite a good performance. While there were some negative factors, such as inactive personal consumption in the U.S. and sharp rises in the price of raw materials, China and other Asian countries enjoyed an economic growth and Europe had a steady business recovery. Backed up by these favorable factors, automobiles and automotive parts, as well as construction machines, machine tools and other industrial machine fields, served as the driving force behind the entire machine industry. In addition, as the problems of the global environment grew increasingly serious, there were tendencies toward more positive capital investment in expectation of greater demand for eco-friendly products and products related to renewable energy (e.g., wind-power generation, solar energy generation and biomass).

On the other hand, the Niigata Chuetsuoki Earthquake that occurred on July 16, 2007 caused the "Riken Shock," which deeply affected not only the automotive industry but also many other industries using industrial engines, such as construction machines, farm machines and shipbuilding. The phenomenon revealed the weakness of the supply chain management (SCM) in the manufacturing industries in Japan, and the need for a business continuity plan (BCP) was recognized again.

The Economic Research Institute published an annual report in Japanese, "Machine Industry in Japan, 2007 Edition," for 2006 and the first half of 2007. The report mainly described the activities of the industry during the period under the title of "**Increasing Power of the Field of Industrial Machines and the Shifting Environment of Manufacturing Activities**."

This document is an English translation of part of the Japanese edition. The main industrial fields and business categories covered by this report are as follows:- industrial machine fields: machine tools, farm machines and textile machines; electric machine fields: consumer electric machines and appliances, consumer electronic machines and appliances (including cameras) and electronic devices; transportation machine fields: automobiles, automotive parts, two-wheeled vehicles and aircraft; precision machine fields: electric measuring instruments, measuring equipment, analyzing equipment and electric controls; and machine element field: dies. We hope that this report will be helpful to the people engaged in the research of the machine and information industry in Japan and those involved in industrial policies.

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