



Global Electro and Digital Industry

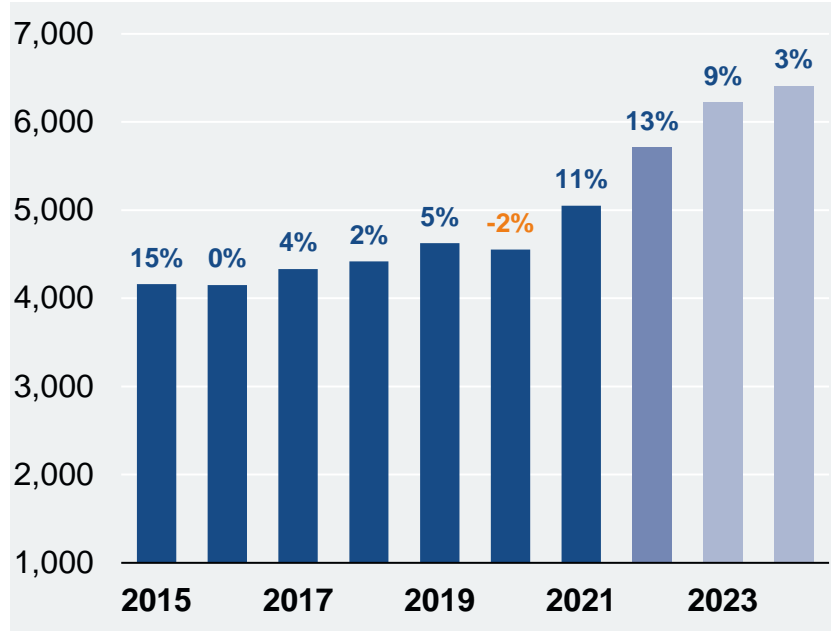
– Market Outlook until 2024

August 2023

Global Electro and Digital Industry

– Strong growth continues in 2023

billion €, change on year earlier in %



2022 estimate, 2023 and 2024 forecast

Source: National statistical offices and ZVEI's own calculations

The global **market for goods of the electro and digital industry** reached a value of €5,706bn in 2022 – according to the ZVEI's latest calculations. The corresponding annual growth of 13% last year was even more dynamic than a year earlier.

Despite a sluggish economy worldwide, the global electro market should continue to grow dynamically in 2023, too (+9%). However, this also partly reflects the still persistent inflation environment in this year.

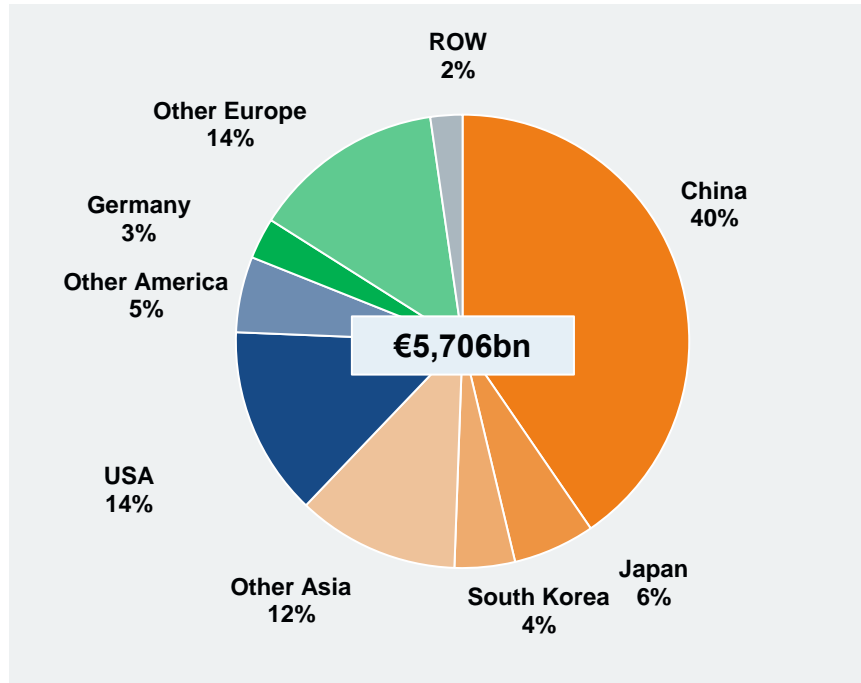
In 2024, growth is expected to normalize at 3% due to a weak overall economic outlook.

The ZVEI Global Electro Market Outlook covers 53 countries in total. Together they represent 95 percent of the market worldwide.

Global Electro and Digital Industry

– Three of the largest four country markets are in Asia

2022, shares in the global market



Source: National statistical offices and ZVEI's own calculations

With a value of €3,545bn in 2022, the **Asian market** is by far the biggest continental market. Its share in the global market accounts for 62%. After an increase of 13% last year, the ZVEI projects growth rates of 10% in 2023 and 4% in 2024 for the Asian market.

The **Chinese market** represents a value of €2,307bn, which makes it the largest country market worldwide. After it soared by 13% last year, the market volume in the People's Republic should – according to the ZVEI's projections – advance by 11% and 4% in 2022 and 2023, respectively.

Japan stayed at 3rd position in the global country ranking – and 2nd in Asia. Here, the electro market came to €333bn last year (+8% year-on-year). For this year, the growth of the Japanese market is assumed to be at 7%, before moderating in 2024 (+2%).

The electro market in **South Korea** advanced by 11% (yoy) to €246bn in 2022 (ranked 4th globally, 3rd in Asia). According to the ZVEI forecast, the South Korean market should be able to grow by 7% this year, followed by 3% in 2024.

Global Electro and Digital Industry

– Europe, Asia and America are heading for a slower dynamic in 2024

2021 values in billion €, 2022 - 2024 change in %

Markets by regions	2021 billion €	2022* %	2023** %	2024** %
World	5,050	13	9	3
Industrialized countries	2,133.9	11	7	2
Emerging markets	2,916.1	14	10	4
Europe	842.1	13	9	2
EU	571.9	12	8	2
Euro area	448.2	12	8	2
America	963.3	12	7	1
Asia	3,137.6	13	10	4
Africa	51.7			
Australia/Oceania	54.3			

* Estimates based on fixed exchange rates; ** Forecasts based on fixed exchange rates

Source: National statistical offices and ZVEI's own calculations

The **American market** for products of the electro and digital industry reached a value of €1.079bn in 2022 (+12% year-on-year). This corresponds to a share of 19% in the global market. In 2023, the American market is supposed to rise by 7%. However, its dynamic should decelerate in 2024 (+1%).

The **U.S. market** alone stood for a value of €771bn in 2022 (+10%, 2nd place in the country ranking). After an expected increase of 7% in 2023, the pace of expansion should come down to 1% in 2024.

Surging by 13% in 2022, the **European market** picked up markedly as well – to €952bn (17% of the global market). For this year, the ZVEI expects a plus of 9%, followed by 2% in the next year.

The **German electro market** was at €167bn in 2022 – an increase of 13% (yoy) and the 5th position in the country ranking. With projected growth rates of 9% in 2023 and 1% in 2024, market development would still be dynamic this year and subdued in the next.

Global Electro and Digital Industry

– Country specific market forecasts (1)

2021 values in billion €, 2022 - 2024 change in %

Electric markets by countries	2021 billion €	2022* %	2023** %	2024** %
1. Egypt	6.9	18	10	6
2. Argentina	4.1	23	4	0
3. Australia	45.5	11	7	3
4. Belgium/Luxembourg	15.6	11	9	3
5. Brazil	53.0	12	7	4
6. Bulgaria	4.5	13	8	2
7. China	2,041.9	13	11	4
8. Denmark	12.3	7	4	3
9. Germany	148.2	13	9	1
10. Finland	10.2	12	6	3
11. France	78.6	10	6	2
12. Greece	6.1	10	10	3
13. United Kingdom	81.0	11	7	1
14. Hong Kong	12.0	3	12	3
15. India	97.8	16	9	9
16. Indonesia	29.5	12	9	4
17. Iran	17.9	16	15	9
18. Ireland	6.2	17	10	6

Electric markets by countries	2021 billion €	2022* %	2023** %	2024** %
19. Israel	31.0	20	4	-1
20. Italy	58.2	13	7	2
21. Japan	308.3	8	7	2
22. Canada	62.8	12	6	2
23. Latvia	1.8	15	9	5
24. Lithuania	2.4	9	6	2
25. Malaysia	53.9	24	5	3
26. Mexico	63.9	17	9	3
27. New Zealand	6.9	12	4	2
28. Netherlands	36.1	13	8	2
29. Norway	15.1	9	7	4
30. Austria	16.6	11	8	2
31. Philippines	24.1	18	7	4
32. Poland	29.3	15	9	3
33. Portugal	8.0	13	7	2
34. Romania	11.6	14	10	2
35. Russia***	65.8			

* Estimates based on fixed exchange rates; ** Forecasts based on fixed exchange rates; *** Forecasts for Russia and Ukraine are suspended from 2022 on

Source: National statistical offices and ZVEI's own calculations

Global Electro and Digital Industry

– Country specific market forecasts (2)

2021 values in billion €, 2022 - 2024 change in %

Electric markets by countries	2021 billion €	2022* %	2023** %	2024** %
36. Saudi Arabia	21.2	19	11	6
37. Sweden	23.0	8	7	1
38. Switzerland	34.7	11	8	2
39. Singapore	37.5	10	3	3
40. Slovakia	14.1	11	9	7
41. Slovenia	3.7	14	9	3
42. Spain	38.2	12	7	4
43. South Africa	14.3	14	10	7
44. South Korea	221.2	11	7	3
45. Taiwan	68.7	22	9	4
46. Thailand	13.4	11	5	2
47. Czech Republic	23.9	11	7	3
48. Türkiye	35.2	26	17	4
49. Ukraine***	6.8			
50. Hungary	15.6	15	4	3
51. USA	700.6	10	7	1
52. United Arab Emirates	41.8	19	13	8
53. Vietnam	30.3	19	6	1

* Estimates based on fixed exchange rates; ** Forecasts based on fixed exchange rates;

*** Forecasts for Russia and Ukraine are suspended from 2022 on

Source: National statistical offices and ZVEI's own calculations

In its Global Electro Market Outlook, the ZVEI considers **53 single country markets**. The corresponding forecasts depend on both different country specific growth potentials but also the business cycle in each country. Another important remark is that the forecasts in this report refer to market values in nominal terms – i.e., they are influenced by price fluctuations. While the development of prices had played a minor role for the market values in the past, the inflationary environment had a big influence on the forecasts especially for 2022 and 2023.

The **ten largest electro markets** (looking at single countries) are – in this order – located in China, the USA, Japan, South Korea, Germany, India, the UK, France, Taiwan and Mexico. The last as a new member of the ten largest country markets has displaced Russia from the top ten.

Global Electro and Digital Industry

– Sub-markets (1)

2021 values in billion €, 2022 - 2024 change in %

Markets by sub-branches	2021 billion €	2022* %	2023** %	2024** %
Automation	585	14	9	4
Electric drive systems	152	15	10	3
Switchgear, controlgear, industrial control systems	204	14	8	4
Measurement and process automation	229	13	9	5
Power engineering	276	12	11	4
Electrical installation systems	117	9	9	1
Medical engineering	129	10	11	5
Communication technology	447	9	9	2
Information technology	464	4	4	3
Domestic electric appliances	289	12	8	2
Lighting	126	10	7	2
Consumer electronics	239	8	10	3
Electronic components and systems	1,198	17	10	4

* Estimates based on fixed exchange rates; ** Forecasts based on fixed exchange rates
Source: National statistical offices and ZVEI's own calculations

The ZVEI Global Electro Market Outlook contains international forecasts for **thirteen sub-branches** of the electro industry as well.

The vast majority of these sub-branches benefits from the ongoing trends of electrification, digitization and automation. They should continue to support the electro and digital industry in the long run.

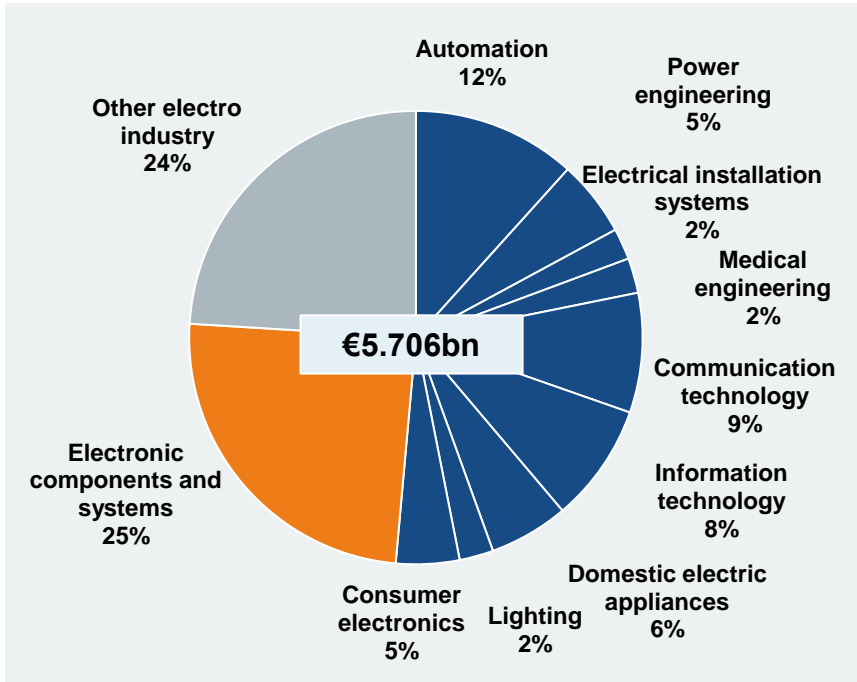
The highest growth rates in **this year** are expected in the sub-branches of medical engineering and power engineering. Here, ZVEI projects increases of 11% (year-on-year) each. With a plus of 10% in this year, electronic components and systems follow, recording a double-digit growth for the third year in succession. According to the ZVEI forecast model, the global market for consumer electronics might rise by 10% in 2023, too.

The global automation market could grow by 9% in the current year. Here the forecasts for the three sub-groups in 2023 are: electric drive systems plus 10%, measurement and process automation plus 9% and switchgear, controlgear, industrial & control systems plus 8%.

Global Electro and Digital Industry

– Sub-markets (2)

2022, shares in the global market



Source: National statistical offices and ZVEI's own calculations

The global markets of electrical installation systems and communication technology might each grow by 9% in 2023. The forecasts for domestic electric appliances (+8%) and lighting (+7%) are slightly lower. Finally, the ZVEI model indicates a growth rate of 4% for information technology in 2023.

Next year, the expansion pace should be slower in all sub-branches. The main reasons for this development should be a still weak overall economy but also flattening inflation rates. According to the ZVEI's forecasts, the global market for medical engineering could exhibit a growth rate of 5%, followed by electronic components and power engineering – both with increases of 4%.

Information technology and consumer electronics could advance by 3% in 2024. Moderate increases are foreseen for electric appliances, lighting and communication technology (+3% each) as well as for electrical installation systems (+1%).

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