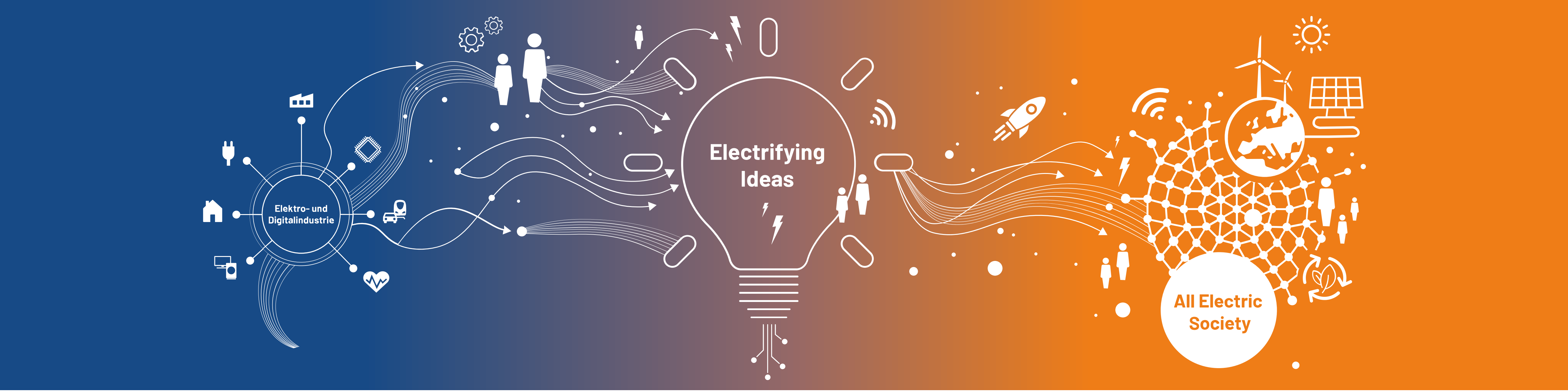


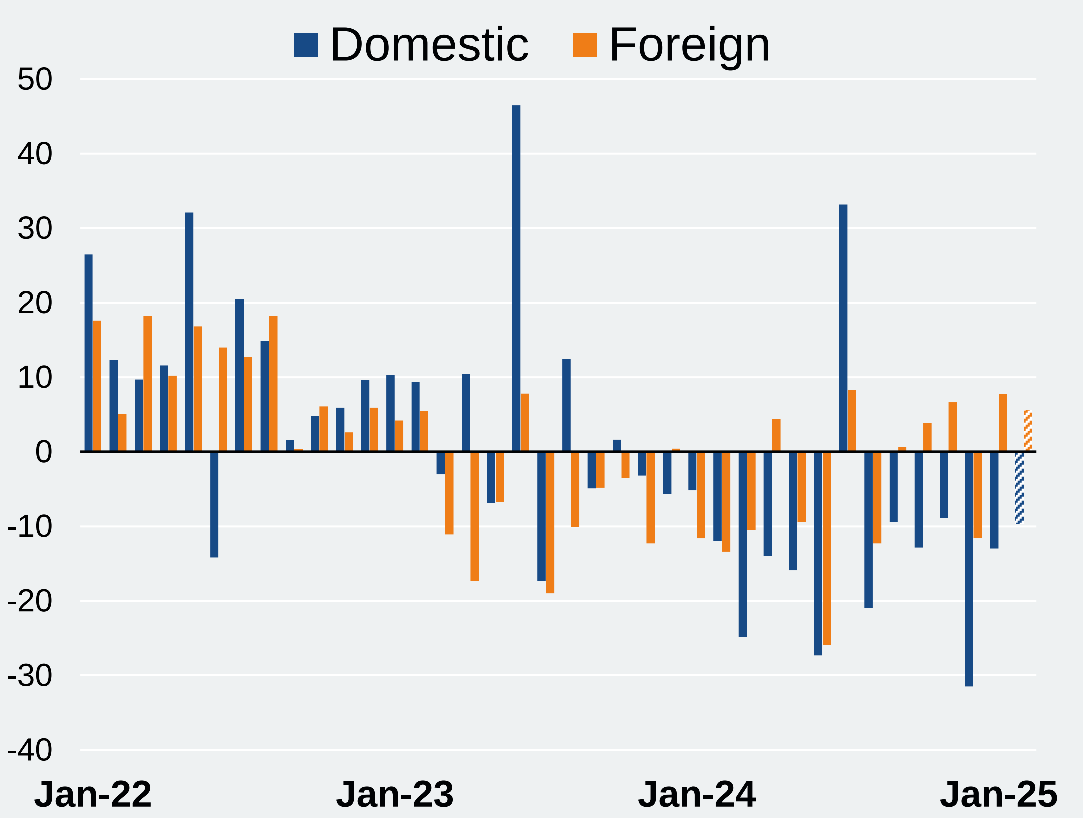

# ZVEI Business Cycle Report

– Edition April 2025

zvei electrifying ideas

# German electro and digital industry
## – New orders

Nominal values, % change on year earlier




Source: Destatis and ZVEI's own calculations

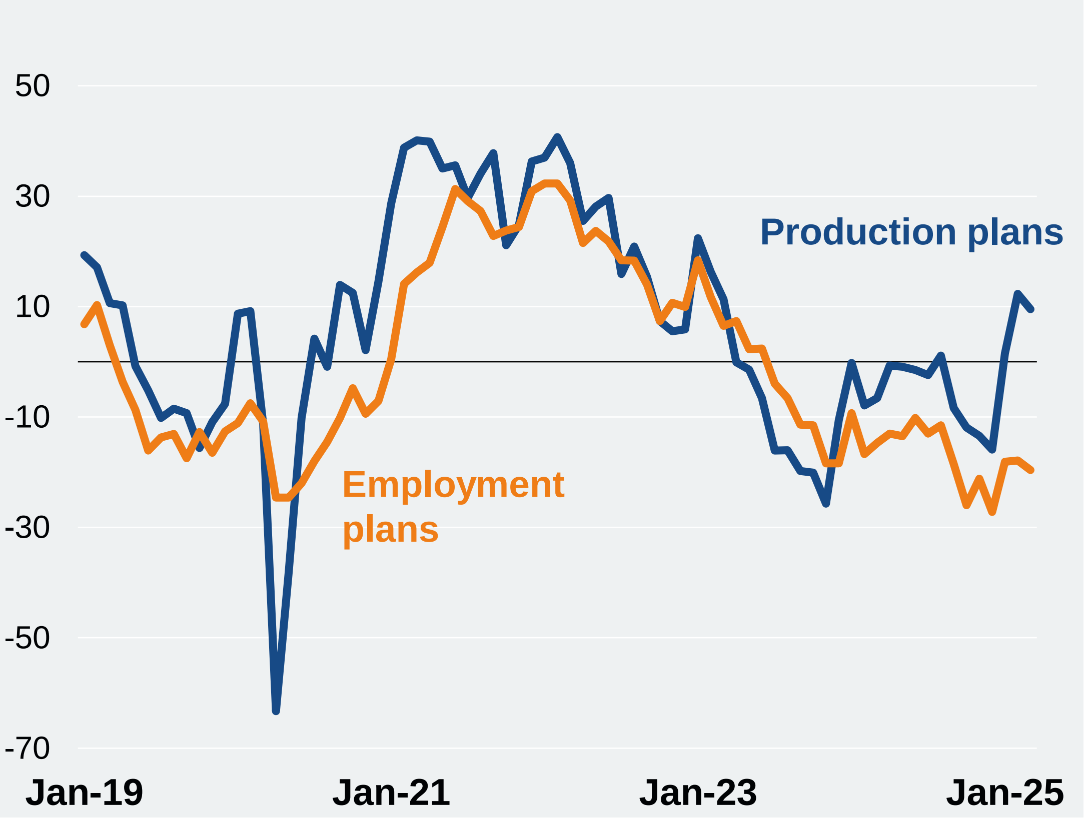
**New orders** in the German electro and digital industry receded by 1.4% (year over year) in **February 2025**. Meanwhile, the figure for January was revised downwards by Destatis. Instead of slightly being up as reported in the first place, bookings fell somewhat in that month.

**Domestic and foreign bookings** behaved differently in February. While the former were once again down by 9.6%, the latter rose by 5.6%. With it, **euro zone** customers and clients from **third countries** raised their orders by 4.5% and 6.3%, respectively.

In the full **first two months of this year** new bookings received by our sector came in 1.6% lower than the year before. Here, a reduction in domestic orders by 11.4% and an increase in foreign bookings by 6.7% have faced each other. New orders from the euro area fell very slightly by 0.5%, whereas bookings from countries outside the common currency zone leapt forward by 10.9%.

# German electro and digital industry
## – Production and employment

balance (%-age points)




Source: ifo Institute

German **production** – adjusted for price – of electrical and electronic goods failed its pre-year level by 3.7% in **February 2025**. Here, the respective rate of change in output back in January has been corrected downwards significantly, too. Hence, for the combined period **from January through February** of this year a decrease in output by 4.8% (again yoy) is now recorded.

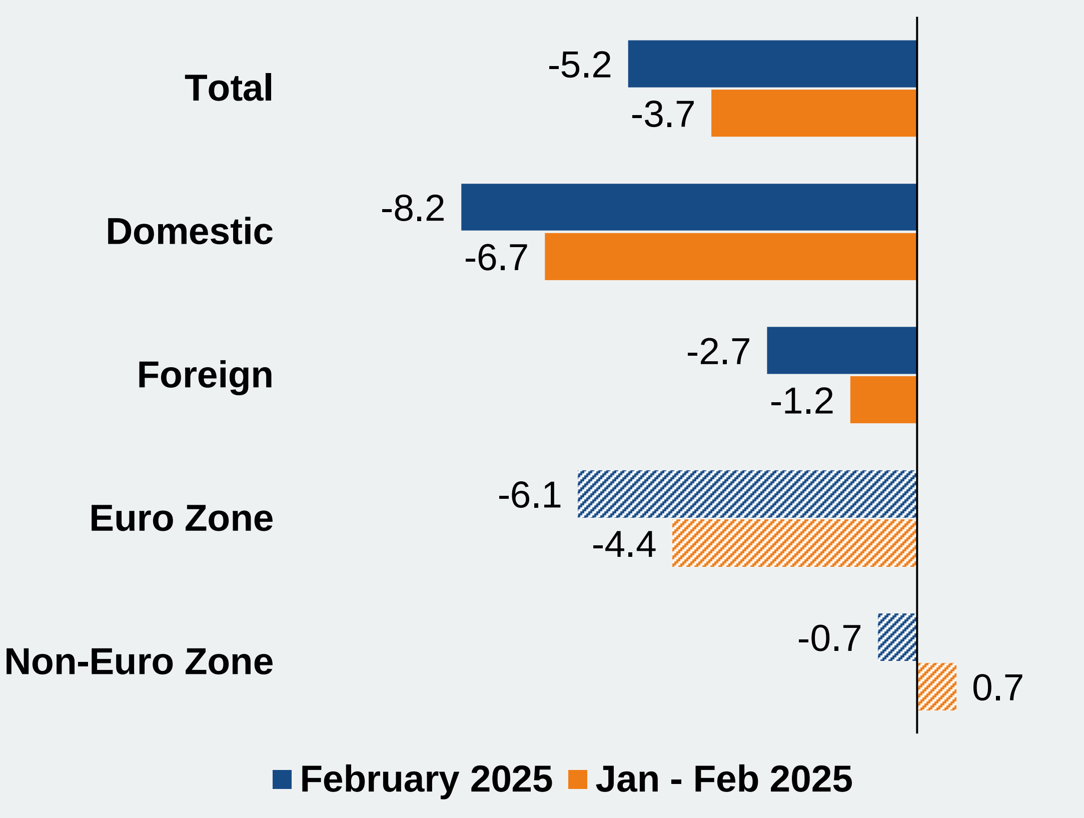
After a big leap forward in February, the **production plans** of our domestic electro companies were once again slightly down in **March 2025**. The balance of companies preparing to raise or rather lower their output within the next three months ahead fell from +12 %-age points to a reading of +10.

The firms' **employment plans** receded by 2 %-age points, too, as the corresponding difference further declined from -18 to -20 %-age points in March.

The number of **employees** in our sector stands at 889,500 presently. Thereof, 28,000 are working short-time.

# German electro and digital industry
– Turnover

Nominal values, % change on year earlier




Source: Destatis and ZVEI's own calculations; allocation of foreign turnover shaded

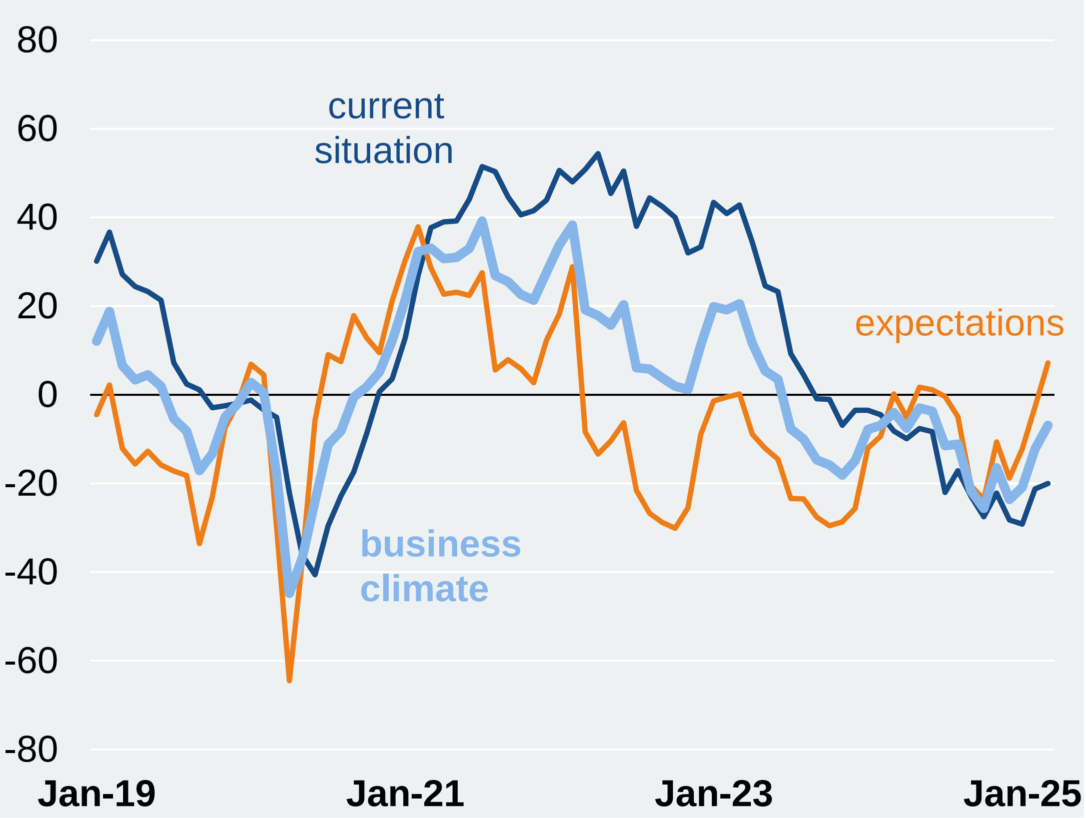
With €17.3bn, **aggregated sales** of the domestic electro and digital industry have missed their respective pre-year value by 5.2% in **February 2025**. Thereby, domestic turnover (-8.2% to €8.0bn) was down more starkly than revenues from businesses with foreign clients (-2.7% to €9.3bn). Sales to the **euro zone** decreased by 6.1% to €3.6bn in February, whereas those to **third countries** receded only slightly (by -0.7% to €5.7bn).

The sector-wide **producer prices** were 1.1% up in February compared to a year earlier.

In the full period **from January through February of this year**, German electro production turned into sales amounted to €34.2bn, leaving them 3.7% lower than in the first two months of 2024. Overall revenues, thereby, split into domestic sales of €15.8bn (-6.7%) and foreign sales of €18.4bn (-1.2%). Turnover from businesses with foreign clients from third countries advanced somewhat, namely by 0.7% to €11.2bn. In contrast, sales to the euro are sagged by 4.4% to €7.2bn.

# German electro and digital industry
## – Business climate

balance (%-age points)




Source: ifo Institute

In **March 2025**, the **business climate** in the German electro and digital industry has risen for the third consecutive month now. While the companies' assessment of their **current economic situation** improved slightly, their overall **business expectations** have brightened up quite significantly and even managed to jump over the zero line for the first time since June last year again.

As 17% of the electro firms evaluated their present situation as good in March, 46% described it as stable and 37% as bad.

Regarding the next six months ahead, meanwhile 21% of our sector's companies are awaiting expanding businesses. At the same time, 65% of the firms reckon with rather stable affairs, while 14% see declines coming.

The more narrowly defined **export expectations** were also up in March. Here, the balance of firms looking forward to rising or rather falling deliveries abroad in the next three months to come climbed from a reading of +8 in February to +14 %-age points now.

# German electro and digital industry
## – Business cycle figures

| year over year, % | 2024 | 2025 February | 2025 Jan - Feb |
|---|---|---|---|
| **New orders** | -10.1% | -1.4% | -1.6% |
| domestic | -13.8% | -9.6% | -11.4% |
| foreign | -6.8% | +5.6% | +6.7% |
| euro zone | -8.8% | +4.5% | -0.5% |
| non-euro zone | -5.8% | +6.3% | +10.9% |
| **Production, real** | -8.9% | -3.7% | -4.8% |
| **Turnover, bn €** | 220.1<br>-7.5% | 17.3<br>-5.2% | 34.2<br>-3.7% |
| domestic, bn € | 105.3<br>-8.1% | 8.0<br>-8.2% | 15.8<br>-6.7% |
| foreign, bn € | 114.8<br>-7.0% | 9.3<br>-2.7% | 18.4<br>-1.2% |
| euro zone, bn € | 44.0<br>-0.1% | 3.6<br>-6.1% | 7.2<br>-4.4% |
| non-euro zone, bn € | 70.8<br>-10.7% | 5.7<br>-0.7% | 11.2<br>+0.7% |

| year over year, % | 2024 | 2025 January | 2025 Jan - Jan |
|---|---|---|---|
| **Employees, thousand** | 889.6 1)<br>-2.0% | 889.5 1)<br>-1.1% | 889.5 2)<br>-1.1% |
| **Exports, bn €** | 246.4<br>-3.5% | 19.6<br>-1.9% | 19.6<br>-1.9% |
| **Imports, bn €** | 254.9<br>-5.3% | 21.5<br>+5.3% | 21.5<br>+5.3% |
| | **2024** | **2025 February** | **2025 Jan - Feb** |
| Producer prices | +1.6% | +1.1% | +1.1% |
| Material prices | +0.6% | +1.2% | +1.1% |
| Export prices | +0.7% | +0.6% | +0.8% |
| Import prices | -2.0% | -0.6% | -0.6% |
| **Balance of positive and negative answers** | **2024** | **2025 March** | **2025 February** |
| **Business climate** | -12 | -7 | -12 |
| - Economic situation | -15 | -20 | -21 |
| - Expected business for next 6 months | -9 | +7 | -3 |
| Export expectations for next 3 months | ±0 | +14 | +8 |
| Production plans for next 3 months | -6 | +10 | +12 |
| Employment plans | -16 | -20 | -18 |
| | **2024** | **2025 January** | **2024 October** |
| **Capacity utilization** | 77.8% | 73.4% | 74.4% |
| Reach of unfilled orders, in months | 4.1 | 4.0 | 3.8 |

Sources: ifo Institute, Destatis and ZVEI’s own calculations; 1) end of period; 2) average

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