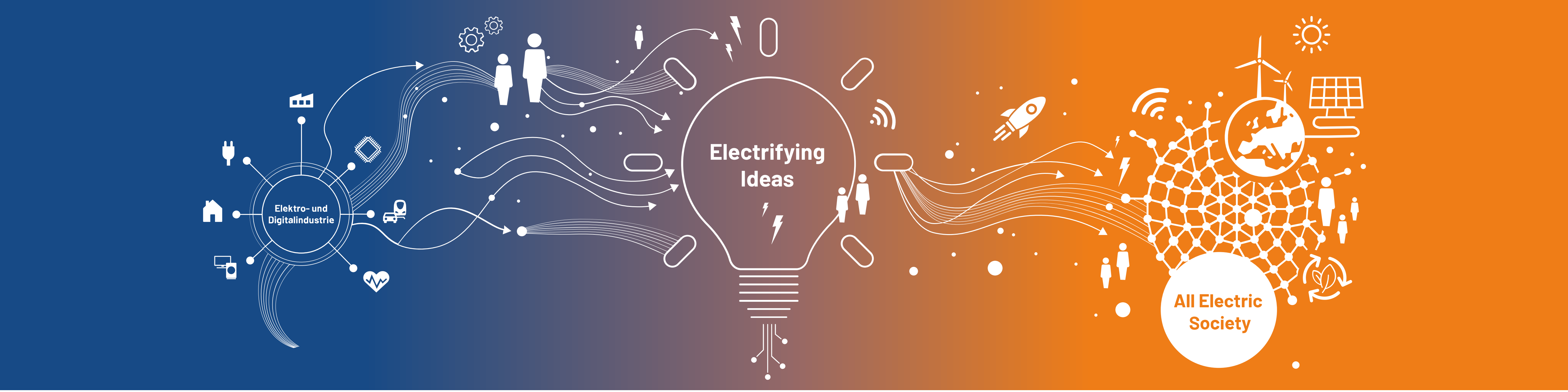

ZVEI Business Cycle Report

– Edition January 2025

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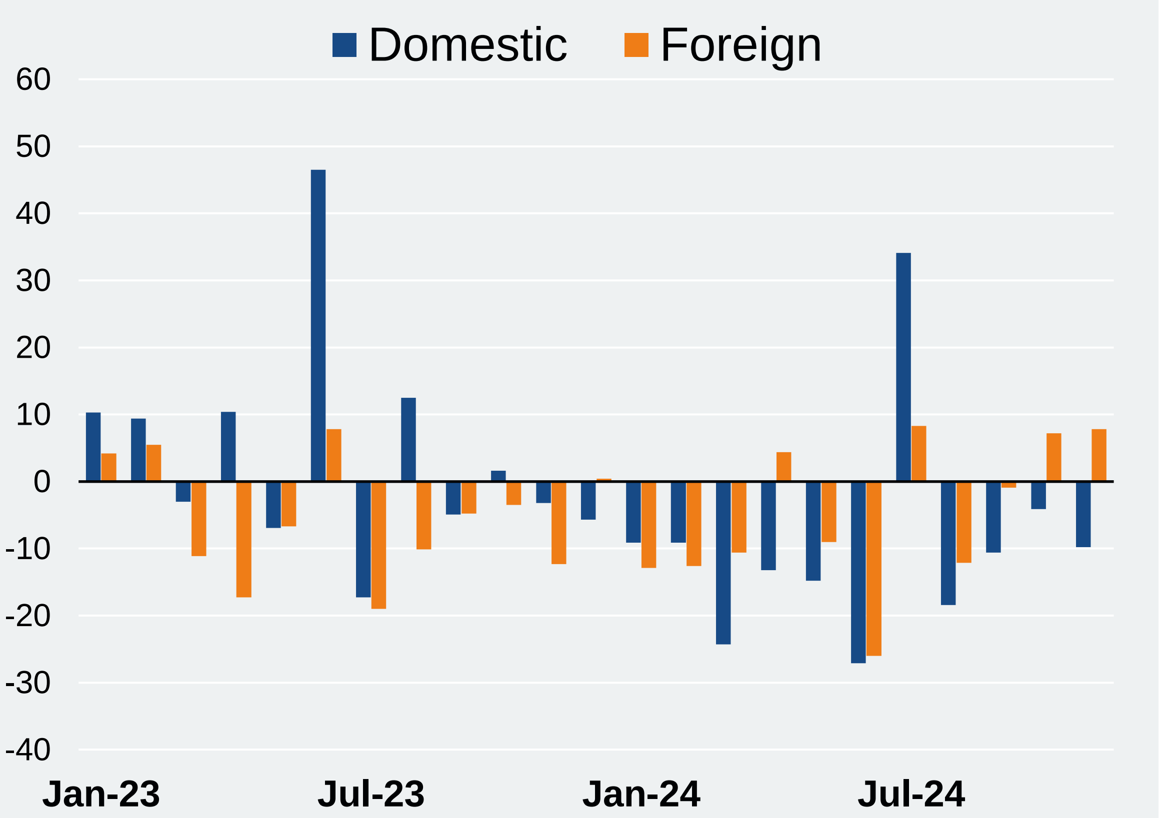
electrifying ideas

German electro and digital industry
– New orders

Nominal values, % change on year earlier



Source: Destatis and ZVEI’s own calculations; allocation of foreign new orders shaded

New orders in the German electro and digital industry slightly missed their pre-year level by 0.7% in **November 2024**.

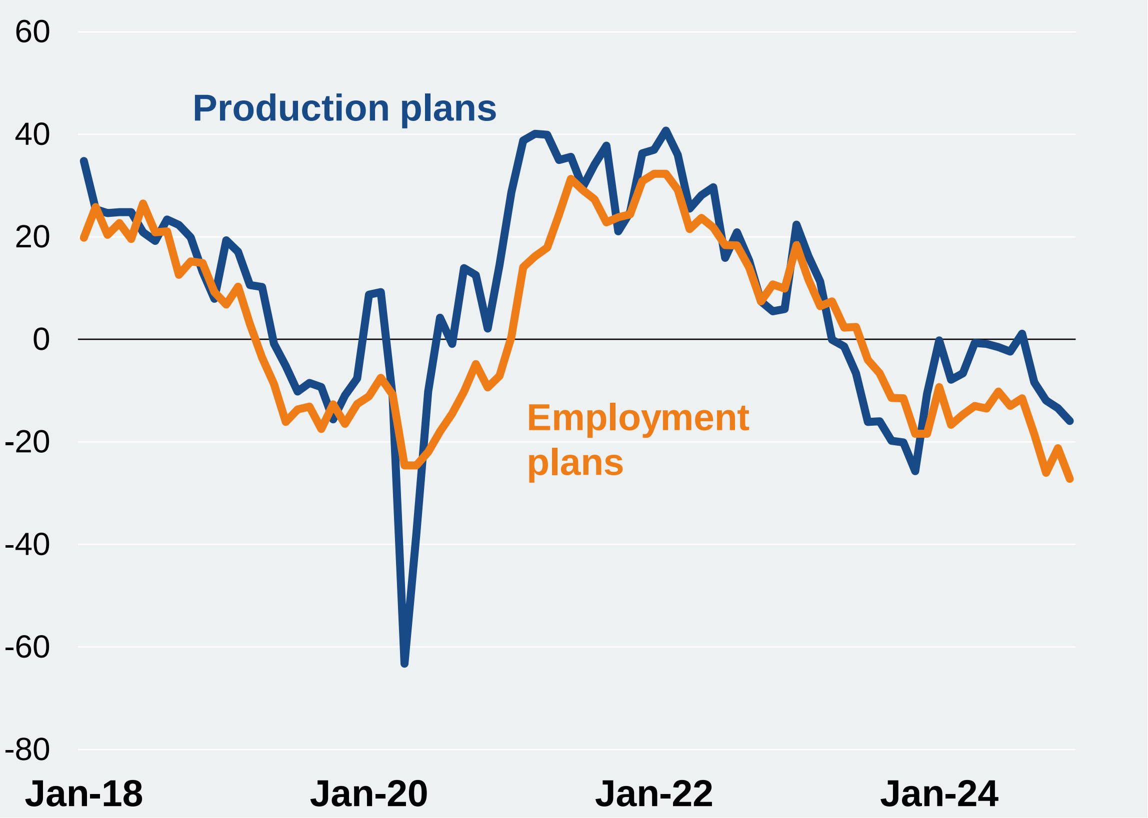
Domestic bookings sagged by 9.8% in November. In contrast, **foreign orders** were up 7.8% compared to a year earlier. Here, eurozone clients’ orders came in 4.8% lower than in November 2023, whereas new bookings from business partners outside the common currency area managed to grow by 15.1%.

Taking the **first eleven months of last year** together, the value of new orders in our sector decreased by 8.5% (again year over year). With it, domestic bookings (-11.0%) gave in more starkly than new orders from abroad (-6.4%).

Finally, customers from the **euro area** and from **third countries** scaled their bookings down by 7.9% and 5.6%, respectively, between January and November.

German electro and digital industry
– Production and employment

balance (%-age points)



Source: ifo Institute

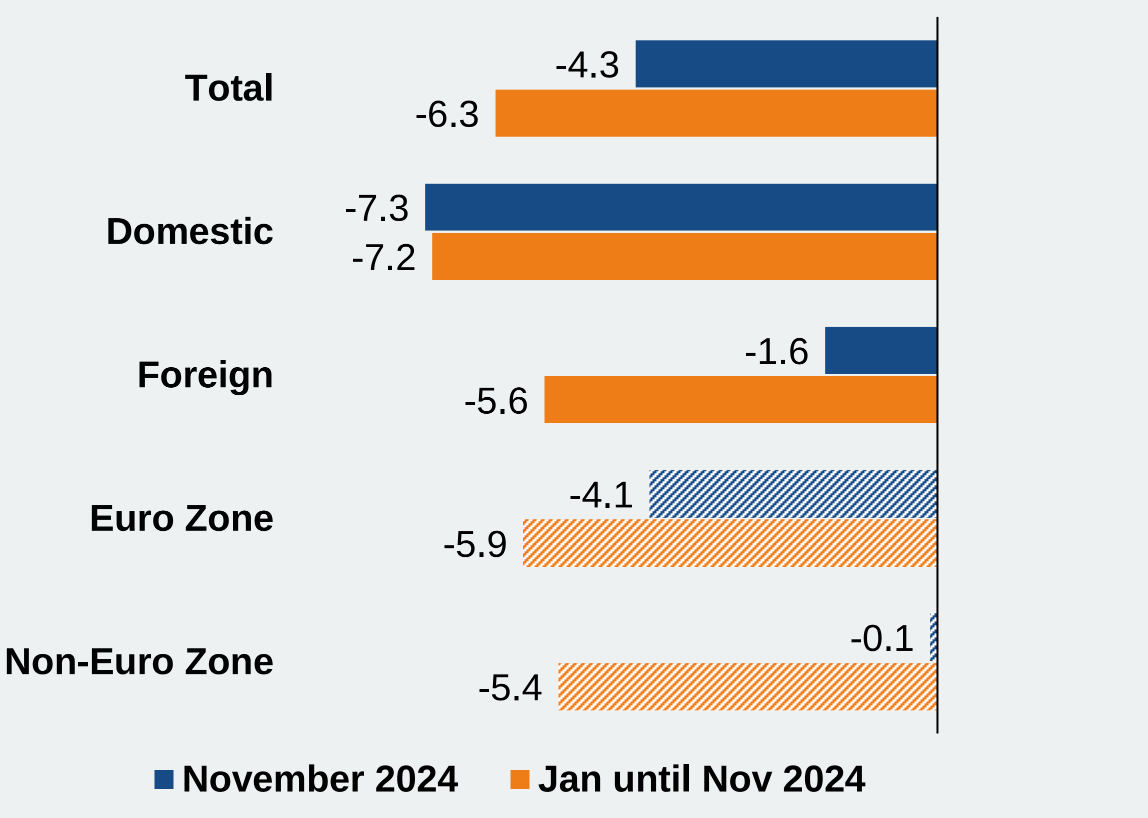
The sector’s **real production** – i.e., its output adjusted for price – still came in 9.2% lower in **November 2024** compared to a year earlier. Hence, **from January through November** the firms’ combined output undershot the corresponding 2023 level by 9.3%.

Both our companies’ **production plans** as well as their **employment plans** were further revised downwards in **December 2024**. The balance of firms intending to increase or rather decrease their level of output in the next three months to come declined from -13 to -16 %-age points. And with recruiting plans, here the corresponding difference fell from a reading of -21 to -27.

The **number of employees** within the German electro and digital industry stood at 893,600 lastly. Thereof, 37,900 are presently working short hours.

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 €19.6bn, **nominal sales** of the domestic electro and digital industry came in 4.3% lower than the year before in **November 2024**.

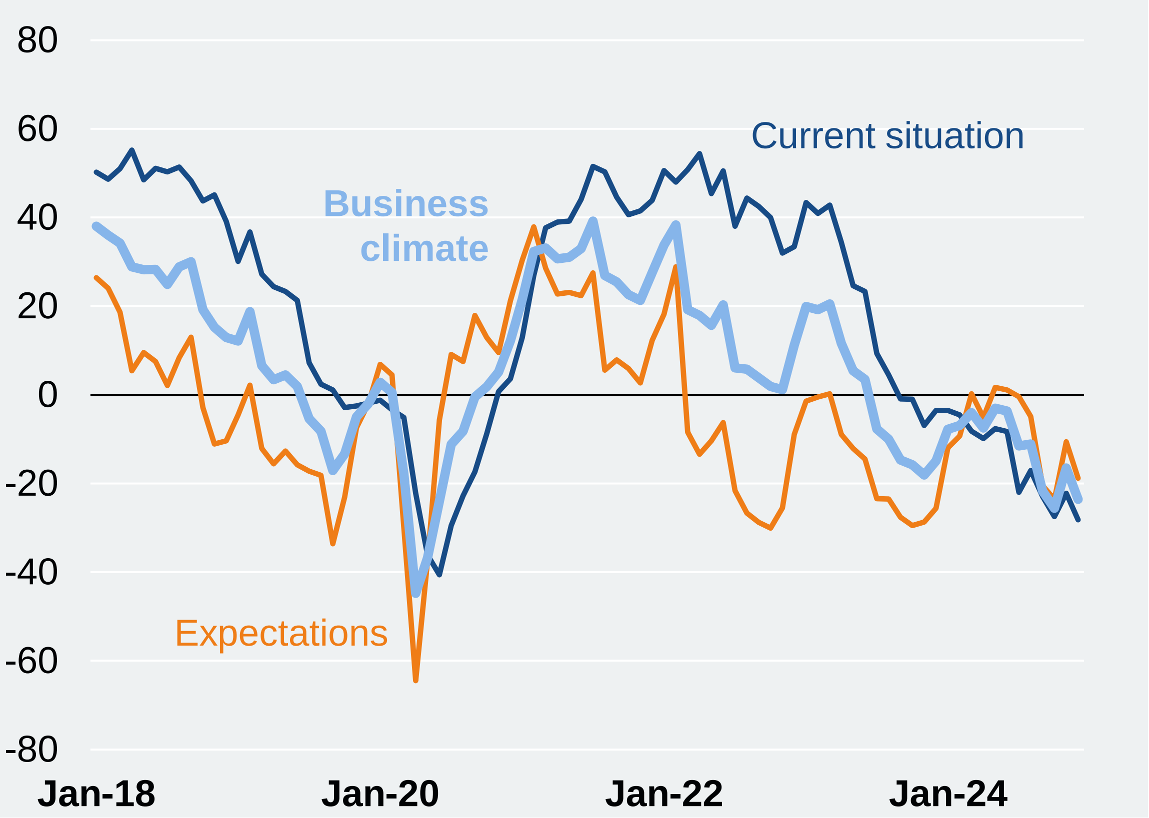
Domestic turnover fell by 7.3% to €9.5bn in November, whereas the **sales to foreigners** receded by 1.6% to €10.1bn. Here, businesses with customers from the eurozone and from third countries decreased by 4.1% to €3.6bn and 0.1% to €6.5bn, respectively.

In the full **eleven months of last year** our sector's aggregated sales amounted to €204.6bn, leaving them 6.3% smaller than a year earlier. In the same period, the **producer prices** of electro products have been up 1.6% on their 2023 level.

Domestic sales reached €97.7bn (-7.2%) and those from foreign countries €106.9bn (-5.6%) from January through November. Turnover with the **eurozone** was € 38.3bn or 5.9% less than in the previous year. Finally, revenue with **countries outside the common currency area** added up to €68.6bn (-5.4%).

German electro and digital industry
– Business climate

balance (%-age points)



Source: ifo Institute

After its increase in the preceding month – albeit from a low level – the **business climate** in the German electro and digital industry sagged once again in **December 2024**. Both the firms' **current economic situation** and their overall **business expectations** were evaluated worse than back in November. Hence, the overall climate indicator has been in negative territory over the entire course of 2024.

17% of the sector's companies assessed their present situation as good in December. After all, 38% found it stable, but 45% judged it as bad.

Regarding the next six months to come, merely 9% of the domestic electro firms are awaiting rising affairs. 63% and 28% expect steady or rather declining businesses, respectively.

In contrast, **export expectations** were again slightly up in December. Here, the balance of firms looking forward to rising or rather falling deliveries abroad in the next three months ahead advanced from +2 to +4 %-age points.

German electro and digital industry
– Business cycle figures

year over year, %	2023	2024 November	2024 Jan - Nov
New orders	-1.7%	-0.7%	-8.5%
domestic	+3.3%	-9.8%	-11.0%
foreign	-5.7%	+7.8%	-6.4%
euro zone	-9.2%	-4.8%	-7.9%
non-euro zone	-3.7%	+15.1%	-5.6%
Production, real	+0.1%	-9.2%	-9.3%
Turnover, bn €	237.9 +6.0%	19.6 -4.3%	204.6 -6.3%
domestic, bn €	114.6 +6.8%	9.5 -7.3%	97.7 -7.2%
foreign, bn €	123.3 +5.3%	10.1 -1.6%	106.9 -5.6%
euro zone, bn €	44.0 +5.9%	3.6 -4.1%	38.3 -5.9%
non-euro zone, bn €	79.3 +4.9%	6.5 -0.1%	68.6 -5.4%

year over year, %	2023	2024 October	2024 Jan - Oct
Employees, thousand	907.9 1) +1.1%	893.6 1) -1.9%	897.3 2) -0.9%
Exports, bn €	255.3 +3.3%	19.8 -3.1%	206.1 -3.4%
Imports, bn €	269.1 +2.3%	22.0 -0.7%	212.3 -6.3%
	2023	**2024 November**	**2024 Jan - Nov**
Producer prices Material prices Export prices Import prices	+5.8% +3.8% +3.5% +0.4%	+1.3% +1.0% +0,3% -1,6%	+1.6% +0.5% +0,7% -2,1%
Balance of positive and negative answers	**2023**	**2024 December**	**2024 November**
Business climate - Economic situation - Expected business for next 6 months Export expectations for next 3 months Production plans for next 3 months Employment plans	±0 +18 -16 -2 -6 -2	-24 -28 -19 +4 -16 -27	-17 -22 -11 +2 -13 -21
	2023	**2024 October**	**2024 July**
Capacity utilization Reach of unfilled orders, in months	85.0% 5.1	74.4% 3.8	75.6% 4.2

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

Contact

Dr Andreas Gontermann

Chief Economist, Head of
Economic Policies and Statistics

+49 69 6302-273
andreas.gontermann@zvei.org

Marcus Röckl

Manager
Economic Policies and Statistics

+49 69 6302-273
marcus.roeckl@zvei.org

ZVEI e. V.
Electro and Digital Industry Association
Amelia-Mary-Earhart-Straße 12, 60549 Frankfurt am Main
www.zvei.org

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