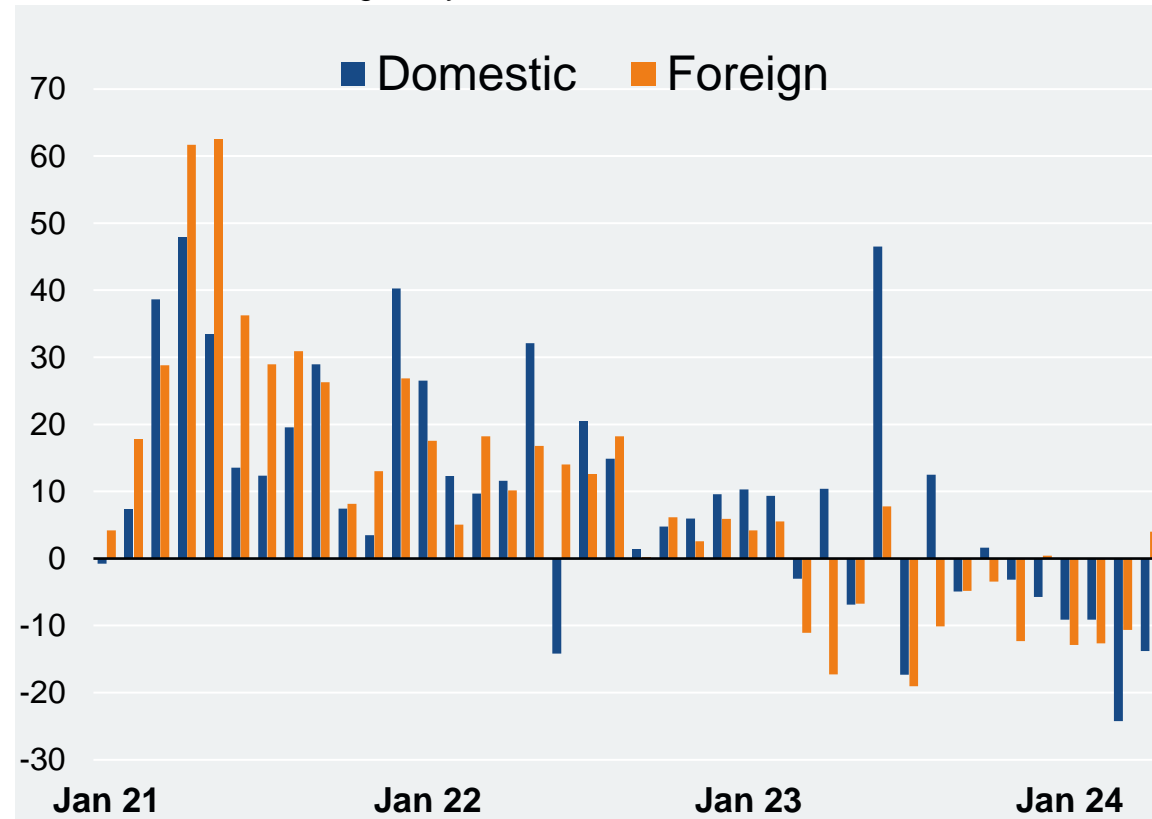


# ZVEI Business Cycle Report

– Edition June 2024

# German electro and digital industry – New orders

Nominal values, % change on year earlier



Source: Destatis and ZVEI's own calculations

Although **new orders** in the German electro and digital industry continued to decrease in **April 2024** (year over year), the speed of the decline has decelerated compared to the first quarter. Overall, total bookings came in 4.7% lower in April.

While domestic orders still sagged by 13.8%, new bookings from abroad managed to go up by 4.0%. With it, there were 2.0% more new orders from euro zone clients and 5.3% more bookings from customers outside the common currency area than back in April 2023.

In the **first four months of this year** taken together the value of new orders in our sector still failed its pre-year level by 11.3%. Here, domestic orders receded by 14.5%, and new bookings from foreign business partners dropped by 8.6% (euro area: -7.6%, non-euro area: -9.2%).

# German electro and digital industry – Production and employment

balance (%-age points)



Source: ifo Institute

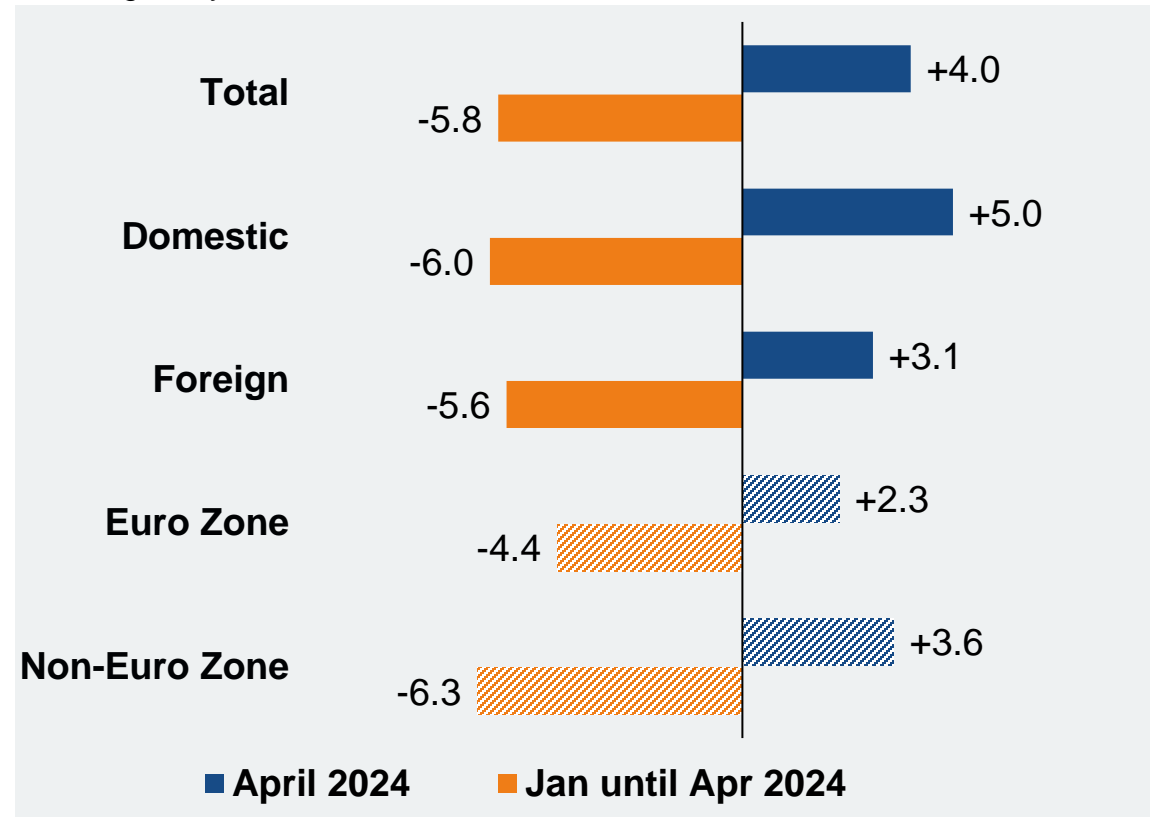
The sector's **real production** – i.e., output of electrical and electronic products made in Germany adjusted for price – has been on the rise once again in **April 2024**. It grew by 3.0% (year-on-year). Of course, three more working-days compared to the same month the year before have contributed to the recent rise. Accumulated **from January through April of this year** the combined output still missed its pre-year level by 8.0%.

Both the companies' **production** and **employment plans** have hardly changed at all in **May 2024**. As in April, the balance of firms wanting to raise or rather curb their output level in the next three months to come stood at -1 %-age point. And regarding recruiting plans, the corresponding balance decreased only very slightly from a reading of -13 to -14.

The **number of employees** within the German electro and digital industry came to 900,700 at the end of the first quarter of this year. 30,200 workers are currently on short time.

# German electro and digital industry – Turnover

% change on year earlier



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

With €18.7bn, overall **nominal sales** of the domestic electro and digital industry increased by 4.0% (year over year) in **April 2024**. With it, turnover with domestic and foreign customers came to €9.1bn (+5.0%) and €9.6bn (+3.1%), respectively.

While sales to business partners from the euro zone grew by 2.3% (again year-on-year) to €3.5bn in April, revenues with customers from outside the common currency area increased by 3.6% to €6.1bn.

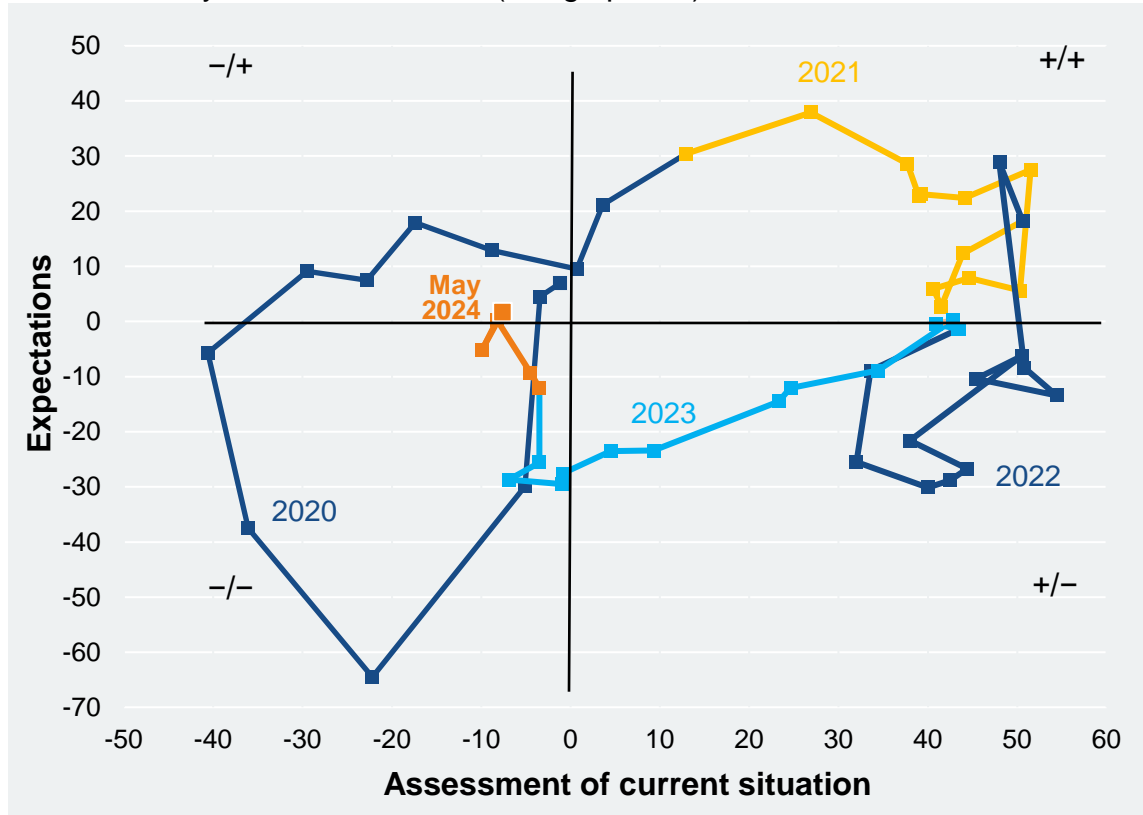
From **January through April 2024** our sector's aggregated sales still receded by 5.8% to €74.1bn. Please note that a 1.9% increase in the sector-wide **producer prices** during the same period is included here.

Domestic sales came to a value of €35.7bn (-6.0%) in the first four months. Businesses with foreign clients (of €38.4bn) were 5.6% down. Eventually, sales to euro zone partners (-4.4% to €14.1bn) fared less worse than those to non-euro zone customers (-6.3% to €24.3bn).

# German electro and digital industry

## – Business climate

ifo business cycle clock, balances (%-age points)



Source: ifo Institute

Following the setback in April, the **business climate** in the German electro and digital industry has picked up once again in **May 2024**. Both the companies' assessment of their **present economic situation** as well as their **overall business expectations** changed for the better compared to the previous month. The latter even managed to jump over the zero line.

21% of the sector's firms described their current situation as good in May. At the same time, 50% evaluated it as stable, whereas 29% found it bad.

Concerning the next six months to come, 19% of the electro companies are awaiting rising affairs. 63% and 18% foresee steady or rather declining businesses, respectively.

**Export expectations** have advanced in May, too. Here, the balance of firms reckoning with increasing or rather decreasing deliveries abroad in the next three months ahead rose from a reading of +3 to +6 %-age points.

# German electro and digital industry

## – Business cycle figures

year over year, %	2023	2024 April	2024 Jan - Apr
<b>New orders</b>	-1.7%	-4.7%	-11.3%
domestic	+3.3%	-13.8%	-14.5%
foreign	-5.7%	+4.0%	-8.6%
euro zone	-9.2%	+2.0%	-7.6%
non-euro zone	-3.7%	+5.3%	-9.2%
<b>Production, real</b>	+0.1%	+3.0%	-8.0%
<b>Turnover, bn €</b>	237.9 +6.0%	18.7 +4.0%	74.1 -5.8%
domestic, bn €	114.6 +6.8%	9.1 +5.0%	35.7 -6.0%
foreign, bn €	123.3 +5.3%	9.6 +3.1%	38.4 -5.6%
euro zone, bn €	44.0 +5.9%	3.5 +2.3%	14.1 -4.4%
non-euro zone, bn €	79.3 +4.9%	6.1 +3.6%	24.3 -6.3%

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

year over year, %	2023	2024 March	2024 Jan - Mar
<b>Employees, thousand</b>	907.9 <sup>1)</sup> +1.1%	900.7 <sup>1)</sup> -0.3%	900.8 <sup>2)</sup> -0.1%
<b>Exports, bn €</b>	253.8 +2.7%	20.4 -10.5%	62.3 -4.3%
<b>Imports, bn €</b>	268.7 +2.1%	19.6 -13.9%	62.4 -9.7%
	2023	2024 April	2024 Jan - Apr
Producer prices	+5.8%	+1.7%	+1.9%
Material prices	+3.8%	+0.1%	±0%
Export prices	+3.5%	+0.9%	+1.2%
Import prices	+0.4%	-2.0%	-2.0%
Balance of positive and negative answers	2023	2024 May	2024 April
<b>Business climate</b>	±0	-3	-8
- Economic situation	+18	-8	-10
- Expected business for next 6 months	-16	+1	-5
Export expectations for next 3 months	-2	+6	+3
Production plans for next 3 months	-6	-1	-1
	2023	2024 April	2024 January
<b>Capacity utilization</b>	85.0%	80.5%	80.5%
Reach of unfilled orders, in months	5.1	4.2	4.1

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