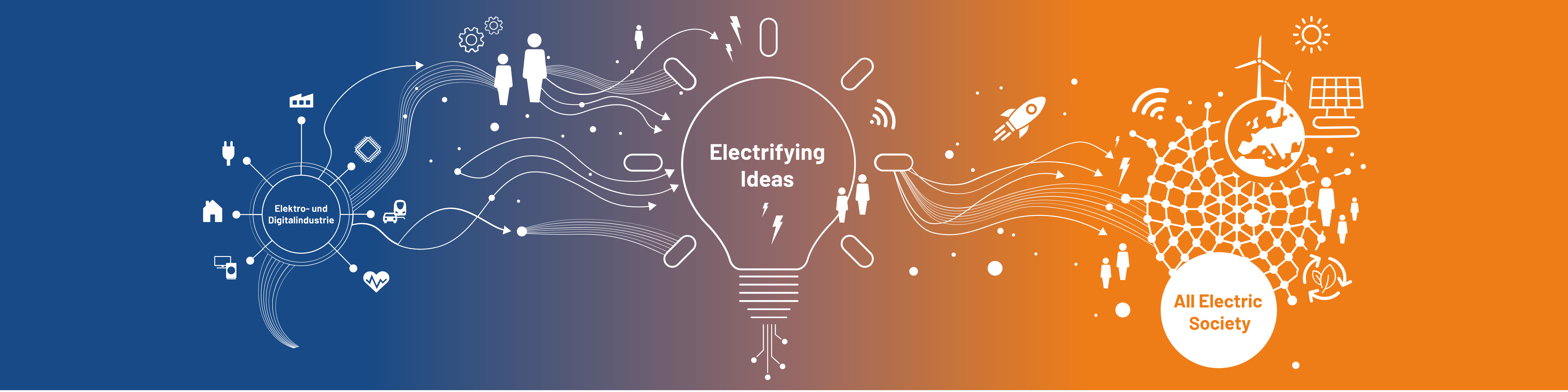


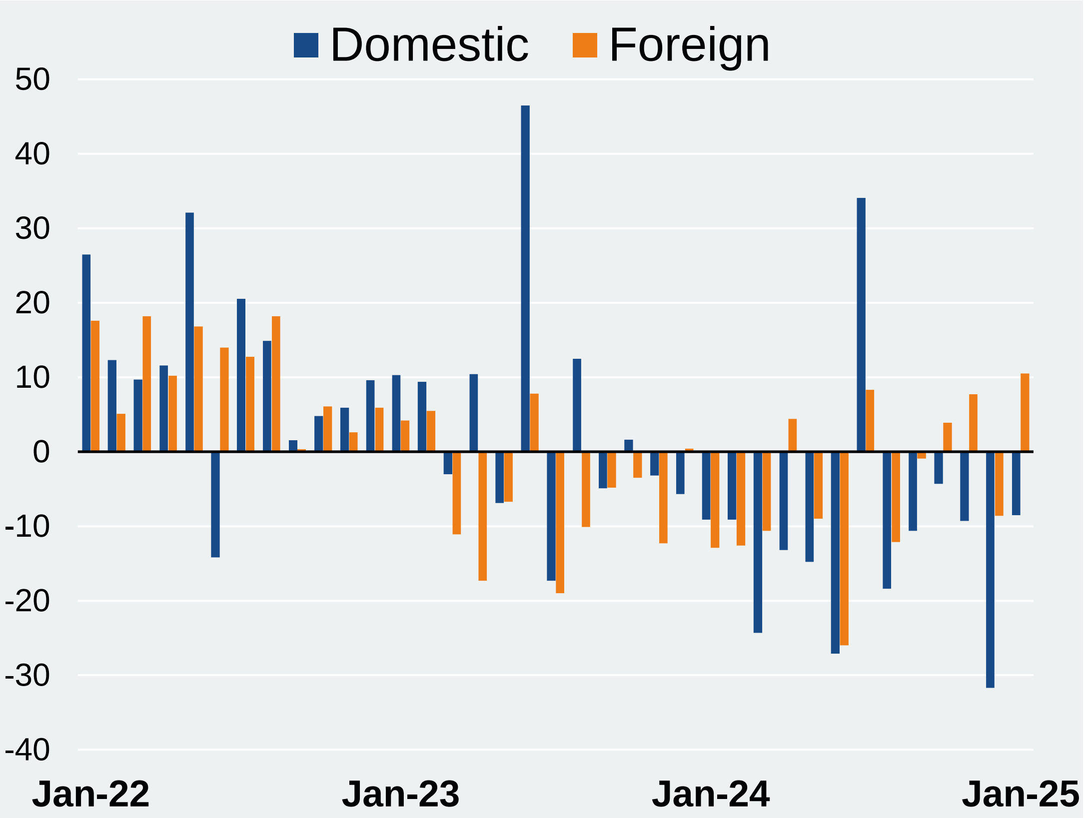
ZVEI Business Cycle Report

– Edition March 2025

zvei electrifying ideas

German electro and digital industry
– New orders

Nominal values, % change on year earlier



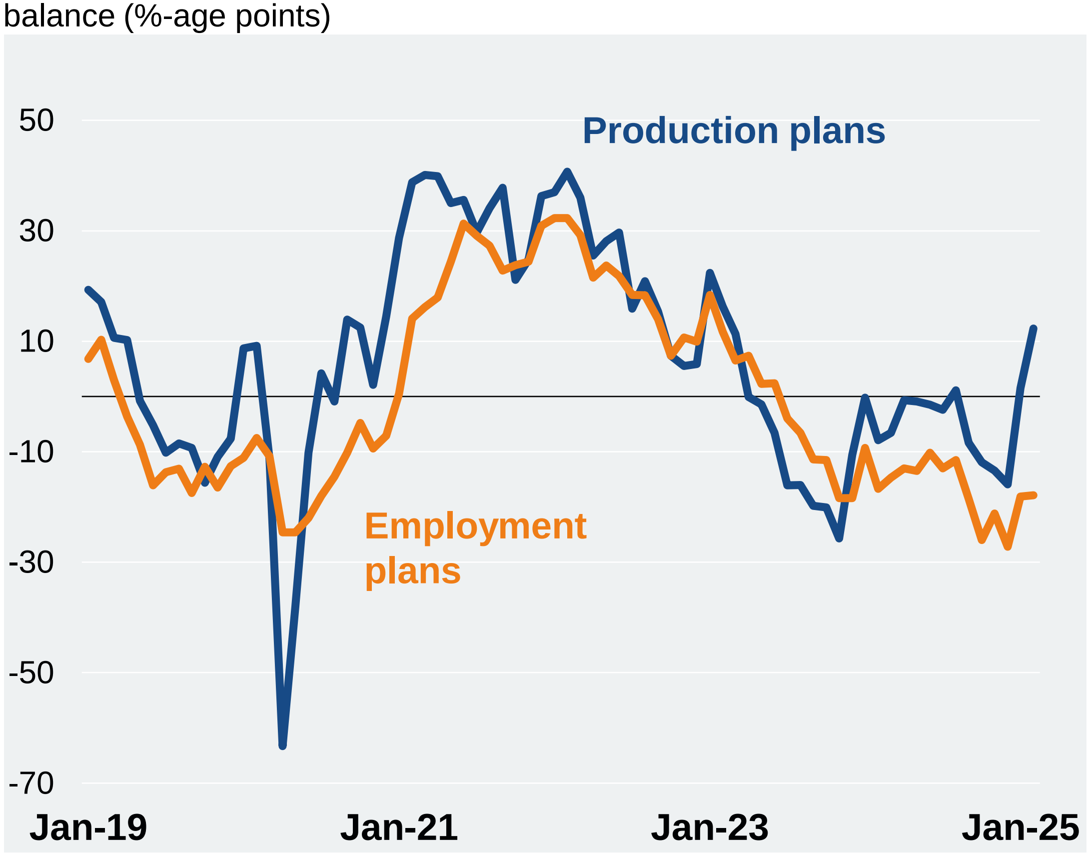
Source: Destatis and ZVEI’s own calculations

New orders in the German electro and digital industry managed to rise moderately in the first month of this year. All in all, the value of new bookings in our sector was 1.7% up in **January 2025** compared to a year earlier. Hence, it was the first increase in half a year.

However, **domestic and foreign orders** moved into opposite directions lately. While the former still missed their 2024 value by 8.5% in January, the latter advanced by a (if even small) two-digit rate of 10.5%. Moreover, the various foreign clients behaved very differently, too. New orders from the **euro zone** fell by 3.7%, but customers from **third countries** significantly raised their bookings by 19.0%.

For remembrance: In the full last year **2024** incoming orders had sagged by 9.5%. With it, bookings from domestic and foreign business partners had fallen by 12.9% and 6.6%, respectively (euro area: -8.6%, rest of the foreign world: -5.6%).

German electro and digital industry
– Production and employment



Source: ifo Institute

The price-adjusted **production** of electrical and electronic goods made in Germany was still down in **January 2025**. It came in 3.7% lower than in the same month the year before. In the meanwhile, the figure for last year's overall decline in output has been adjusted (from -9.1%) to -8.9%. Back in 2023 the sector's real production had stagnated. For this year, the ZVEI presently reckons with a further decrease of -2%.

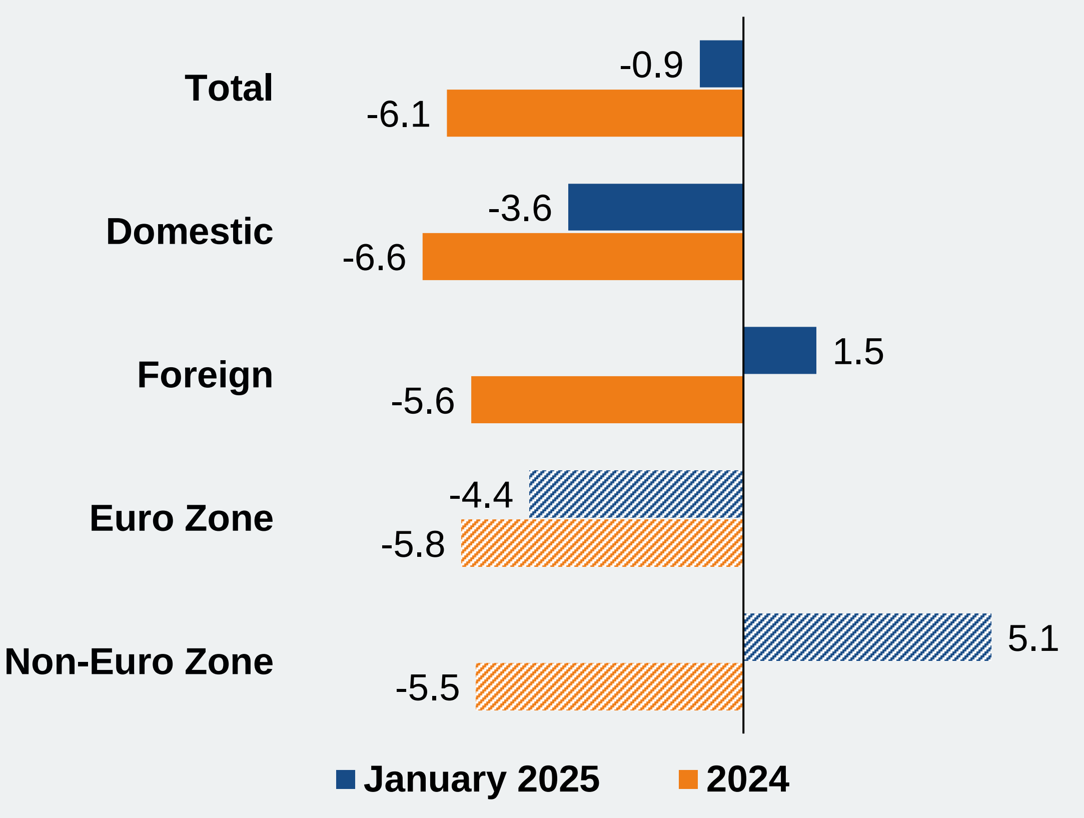
The firms' **production plans** have been scaled up noticeably in **February 2025**. The balance of companies preparing to raise or rather lower their output within the next three months ahead climbed by full 10 %-age points, namely from +2 to a reading of +12.

Against it, the firms' **employment plans** didn't change lately. Here, the corresponding difference remained at -18 %-age points in February.

The number of **employees** in our sector stands at 889,700 at present. Thereof, 39,700 are working short-time.

German electro and digital industry
– Turnover

Nominal values, % change on year earlier



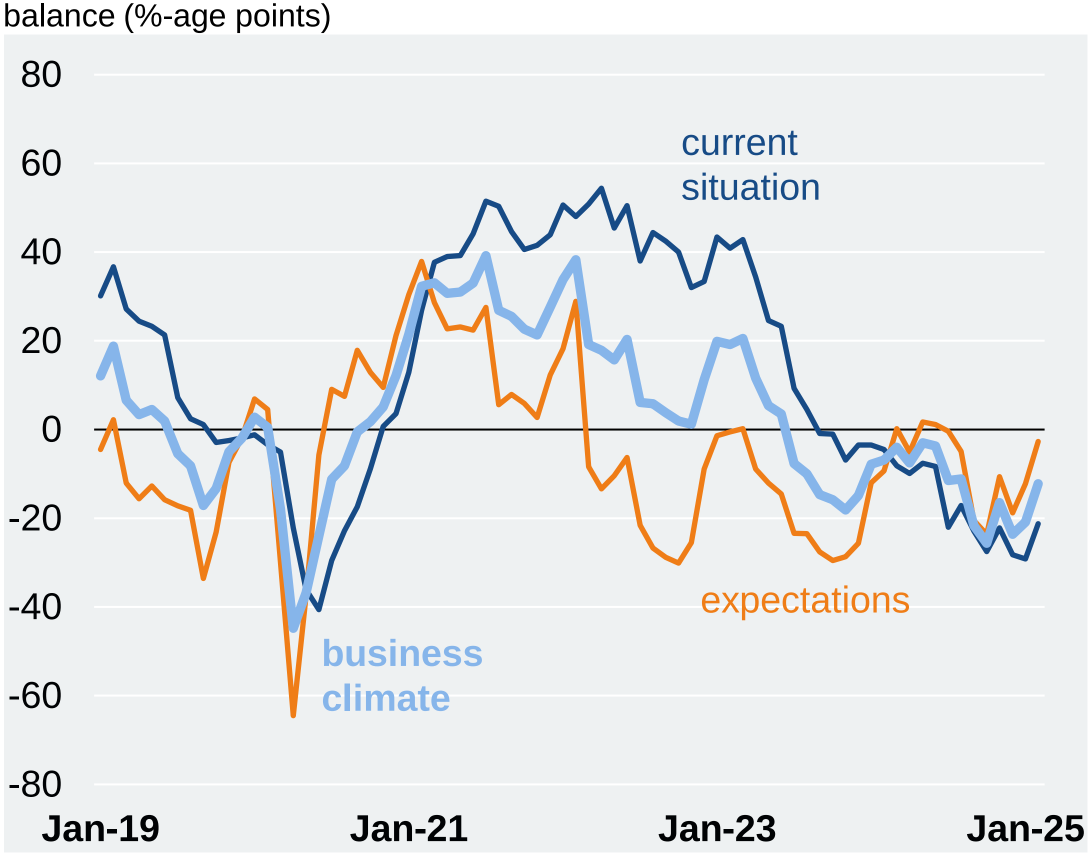
Source: Destatis and ZVEI's own calculations; allocation of foreign turnover shaded

The **aggregated sales** of the domestic electro and digital industry's companies summed up to a nominal value of €17.3bn in **January 2025**, leaving them about one percent (or more accurate: -0.9%) lower than in last year's first month. The sector-wide producer prices were 1.0% up in January (again year-on-year rate).

Domestic turnover decreased by 3.6% year over year to €8.1bn in January. In contrast, the **businesses with clients from abroad** managed to advance by 1.5% to €9.2bn. While sales to the euro zone were down (-4.4% to €3.3bn), turnover with customers from countries outside the common currency area picked up by 5.1% to €5.9bn.

Meanwhile, last year's overall sales data have been revised slightly in the first place. Accordingly, the sector's **total turnover in 2024** came to €223.4bn and, therewith, declined by 6.1%. Producer prices for electrical and electronic products, thereby, rose by 1.6% last year.

German electro and digital industry
– Business climate



Source: ifo Institute

Although the **business climate** in the German electro and digital industry has in fact picked up markedly in **February 2025**, it continues to be negative still. Both the companies' assessment of their **current economic situation** as well as their overall **business expectations** have changed for the better lately compared to January.

As 18% of the electro firms evaluated their present situation as good in February, 43% described it as stable and 39% as bad.

Regarding the next six months ahead, meanwhile 18% of our sector's companies are awaiting expanding businesses. At the same time, 61% of the firms reckon with rather stable affairs, while 21% see declines coming.

However, the more narrowly defined **export expectations** have once again receded somewhat in February. Here, the balance of firms looking forward to rising or rather falling deliveries abroad in the next three months to come fell back from +10 to +8 %-age points.

German electro and digital industry
– Business cycle figures

year over year, %	2024	2025 January	2025 Jan - Jan
New orders	-9.5%	+1.7%	+1.7%
domestic	-12.9%	-8.5%	-8.5%
foreign	-6.6%	+10.5%	+10.5%
euro zone	-8.6%	-3.7%	-3.7%
non-euro zone	-5.6%	+19.0%	+19.0%
Production, real	-8.9%	-3.7%	-3.7%
Turnover, bn €	223.4 -6.1%	17.3 -0.9%	17.3 -0.9%
domestic, bn €	107.0 -6.6%	8.1 -3.6%	8.1 -3.6%
foreign, bn €	116.4 -5.6%	9.2 +1.5%	9.2 +1.5%
euro zone, bn €	41.5 -5.8%	3.3 -4.4%	3.3 -4.4%
non-euro zone, bn €	74.9 -5.5%	5.9 +5.1%	5.9 +5.1%

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

year over year, %	2023	2024 December	2024 Jan - Dec
Employees, thousand	907.9 [1)] +1.1%	889.7 [1)] -2.0%	896.3 [2)] -1.0%
Exports, bn €	255.3 +3.3%	18.4 +1.7%	246.4 -3.5%
Imports, bn €	269.1 +2.3%	19.8 +6.8%	254.9 -5.3%
	2024	**2025 January**	**2025 Jan - Jan**
Producer prices Material prices Export prices Import prices	+1.6% +0.6% +0.7% -2.0%	+1.0% +0.9% +0.9% -0.6%	+1.0% +0.9% +0.9% -0.6%
Balance of positive and negative answers	**2024**	**2025 February**	**2025 January**
Business climate - Economic situation - Expected business for next 6 months Export expectations for next 3 months Production plans for next 3 months Employment plans	-12 -15 -9 ±0 -6 -16	-12 -21 -3 +8 +12 -18	-21 -29 -12 +10 +2 -18
	2024	**2025 January**	**2024 October**
Capacity utilization Reach of unfilled orders, in months	77.8% 4.1	73.4% 4.0	74.4% 3.8

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 6302-219
marcus.roeckl@zvei.org

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

Follow us

LinkedIn YouTube Newsletter