

Global Electric Market – Outlook until 2022

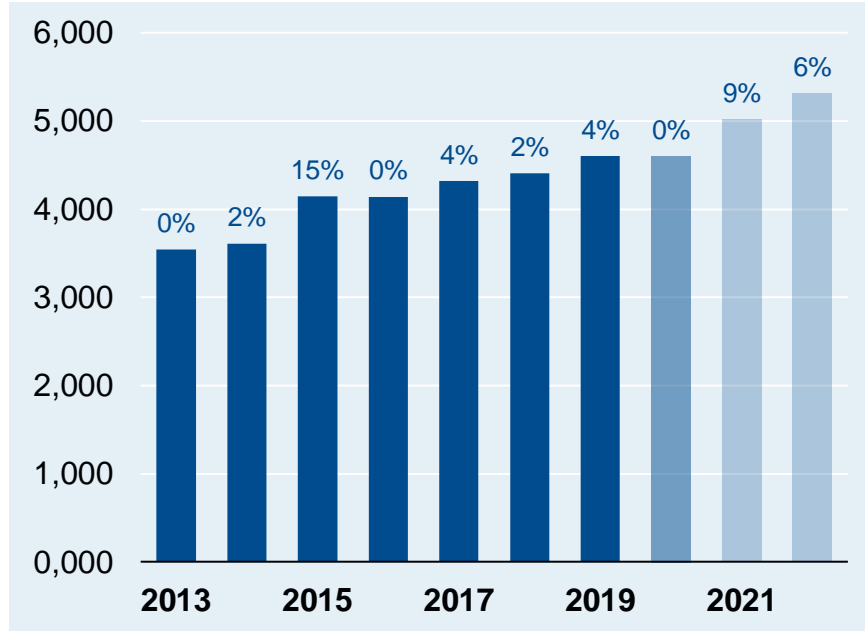
July 2021

Further reports on twelve sub-branches of the electric industry are available for ZVEI member companies under “www.connects.zvei.org”. These additional papers each contain a global as well as national forecasts for 35 countries

Global Electric Market

– The stagnation in 2020 is followed by a strong recovery in 2021 and 2022

billion €, change on year earlier in %



2020 estimate, 2021 and 2022 forecast

Source: National statistical offices and ZVEI's own calculations

According to preliminary calculations in the ZVEI's updated outlook the global electric market had a volume of €4,603bn in 2020. Thus, the market was able to maintain its 2019 level – despite the corona pandemic. However, a decline was only prevented by decent growth in China and a few other Asian countries. For 2021 the ZVEI expects the electric market, which is one of the biggest for industrial products worldwide, to grow by nine percent. The ZVEI forecast for 2022 is at six percent. (Please have in mind that all the forecasts are based on fixed exchange rates.)

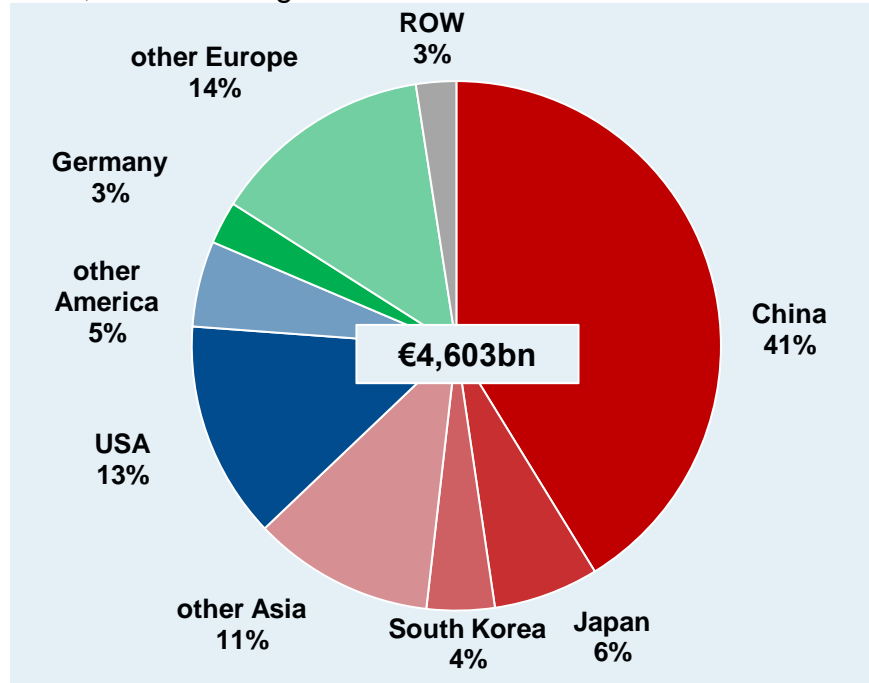
The electric markets in the examined industrialized countries receded by three percent to €1,901bn in 2020, due to the corona pandemic. Here the ZVEI predicts an increase of seven percent in 2021 and of five percent in 2022. Regarding the electric markets in the emerging markets, which reached a volume of €2,702bn in 2020 (+2% compared to 2019), the ZVEI outlook assumes a plus of ten percent in the current year and of seven percent in the next one.

The ZVEI Global Electric Market Outlook covers 53 countries in total. Together they stand for 95 percent of the global market.

Global Electric Market

– Highest growth rates to expect for Asia

2020, share in the global electric market in %



Source: National statistical offices and ZVEI's own calculations

With a value of €2,896bn (+1% compared to 2019) Asia accounted for 62.9 percent of the global electric market last year. In 2021 the Asian market should again be the continent market that exhibits the highest growth rate, namely ten percent. For 2022 an increase of seven percent is forecasted.

The Chinese market, which is by far the largest single country market, represents a volume of €1,898bn or rather a share of 41.2 percent in the world market. After last year's plus of four percent the Chinese market is supposed to grow by eleven percent in 2021 and by eight percent in 2022.

For Japan, the market is estimated to have been down by six percent to €296bn last year. This corresponds to a share of 6.4 percent and the third position in the global ranking. For this year the ZVEI expects a growth rate of six percent and for 2022 three percent.

The electric market in South Korea managed to pick up by four percent, reaching a volume of €191bn in 2020. As a result, South Korea is ranked fourth with a share of 4.2 percent. According to the ZVEI forecast, the South Korean market should be able to gain six percent this year and four percent in the next.

Global Electric Market

– Europe and America could surpass their pre-crises levels already in 2021

2019 volume in billion €, 2020 - 2022 changes in %

Electric markets by regions	2019 billion €	2020* %	2021** %	2022** %
World	4.603	0	9	6
Industrialized countries	1.958	-3	7	5
Emerging markets	2.645	2	10	7
Europe	766	-3	7	6
EU	588	-6	7	6
Euro area	396	-6	7	6
America	878	-3	9	5
Asia	2.867	1	10	7
Other countries	92			
Sum of all 53 forecasted countries	4.353	0	9	6

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

Based on the preliminary calculations by the ZVEI the American electric market shrank by three percent to €852bn in 2020. Thus, its share in the global market was at 18.5 percent. Recovering in 2021, the American market could soar by nine percent. And for the next year the continent market is forecasted to grow by another five percent.

The U.S. market, which came down slightly by one percent to €611bn in 2020, is the second largest country market worldwide. The forecast for the U.S. market is identical to the outlook for the American continent. In 2021 it might gain nine percent in market volume and in 2022 growth is supposed to slow to five percent.

In Europe last year's market decline was – as in America – at three percent. With a volume of €743bn the European electric market now accounts for only 16.1 percent of the global market. According to the ZVEI outlook the market might increase by seven percent in the current year and by six percent in the next year. The same growth rates are predicted for both the EU and the euro area.

The German market for electrical and electronic products receded by five percent to €120bn in 2020. Representing a share of 2.6 percent in the global market, it remained the fifth largest country market worldwide. For 2021 the ZVEI forecasts an increase by six percent and for 2022 the market is expected to grow by seven percent to then €136bn.

Global Electric Market

– Country specific forecasts (1)

2019 volume in billion €, 2020 - 2022 changes in %

Electric markets by countries (alphabetically)	2019 billion €	2020* %	2021** %	2022** %
1. Egypt	5.1	-1	3	7
2. Argentina	1.5	-6	15	6
3. Australia	40.4	0	5	5
4. Belgium/Luxembourg	14.1	-5	8	6
5. Brazil	58.9	-1	8	4
6. Bulgaria	3.4	-1	8	5
7. China	1,824.8	4	11	8
8. Denmark	11.7	-2	6	5
9. Germany	125.8	-5	6	7
10. Finland	9.3	-2	1	4
11. France	74.8	-7	10	6
12. Greece	4.8	0	4	5
13. United Kingdom	78.3	-7	7	6
14. Hong Kong	12.8	-6	8	6
15. India	92.4	-7	9	15
16. Indonesia	35.0	-3	5	6
17. Iran	12.4	-3	7	7
18. Ireland	5.6	-5	4	7

Electric markets by countries (alphabetically)	2019 billion €	2020* %	2021** %	2022** %
19. Israel	22.6	-4	10	4
20. Italy	51.8	-8	10	7
21. Japan	315.2	-6	6	3
22. Canada	61.8	-6	7	4
23. Latvia	1.4	0	4	6
24. Lithuania	1.7	-3	6	5
25. Malaysia	49.8	-1	9	5
26. Mexico	64.4	-12	14	7
27. New Zealand	6.0	-2	8	5
28. Netherlands	32.2	-3	4	5
29. Norway	13.4	1	5	6
30. Austria	15.6	-6	5	4
31. Philippines	19.1	-12	13	8
32. Poland	27.7	-3	9	6
33. Portugal	7.3	-6	7	8
34. Romania	10.4	-4	8	4
35. Russia	62.7	0	5	6

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

Source: National statistical offices and ZVEI's own calculations

Global Electric Market

– Country specific forecasts (2)

2019 volume in billion €, 2020 - 2022 changes in %

Electric markets by countries (alphabetically)	2019 billion €	2020* %	2021** %	2022** %
36. Saudi Arabia	22.0	1	3	8
37. Sweden	19.9	-1	6	4
38. Switzerland	32.0	-3	6	4
39. Singapore	34.3	-5	5	3
40. Slovakia	13.0	-11	7	6
41. Slovenia	3.1	-4	6	8
42. Spain	32.2	-9	9	6
43. South Africa	14.5	-8	8	9
44. South Korea	184.1	4	6	4
45. Taiwan	57.2	5	7	3
46. Thailand	12.6	-2	6	3
47. Czech Republic	22.4	-5	8	6
48. Turkey	30.2	6	10	4
49. Ukraine	3.0	-4	8	5
50. Hungary	14.7	-2	6	7
51. USA	617.4	-1	9	5
52. United Arab Emirates	35.3	2	6	6
53. Vietnam	30.6	3	8	7

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

Only eight out of the 53 considered country markets managed to grow last year. Besides China, this was the case for Norway, Saudi Arabia, South Korea, Taiwan, Turkey, the United Arab Emirates and Vietnam. In four countries the market volume remained constant. In contrast, 41 countries faced shrinking electric markets in 2020. In Mexico, the Philippines and Slovakia market volumes even declined by double-digit rates.

This year, but also next year all country markets should be able to increase – albeit by different degrees. Their respective performance thereby depends on both their country specific growth path and the extent of last year's losses. The higher the latter, the stronger the predicted recovery will in most cases be (keyword: base effect).

The ten largest electric markets (looking at single countries) are located – in this order – in China, the USA, Japan, South Korea, Germany, India, the UK, Russia, France and Canada. Together they accounted for more than three quarters of the electric world market in 2020. Four of the top ten markets are in Asia and Europe, respectively. The two remaining are domiciled in America.

Global Electric Market by sub-branches (1)

2019 volume in billion €, 2020 - 2022 changes in %

Electric markets by subbranches	2019 billion €	2020* %	2021** %	2022** %
Automation	560.7	-2	9	6
Electric drive systems	141.6	-4	12	7
Switchgear, controlgear, industrial control systems	195.8	-2	9	6
Measurement technology and process automation	223.3	0	7	6
Power engineering	260.2	-2	5	6
Electrical installation systems	112.8	0	8	4
Medical engineering	115.2	3	8	7
Communication technology	435.2	0	7	6
Information technology	434.9	0	7	6
Domestic electric appliances	260.8	-1	6	5
Lighting	125.9	-3	7	6
Consumer electronics	246.2	-1	5	5
Electronic components and systems	1,058.0	0	13	8

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

Source: National statistical offices and ZVEI's own calculations

The ZVEI Global Electric Market Outlook also includes international forecasts for twelve sub-branches of the electric industry.

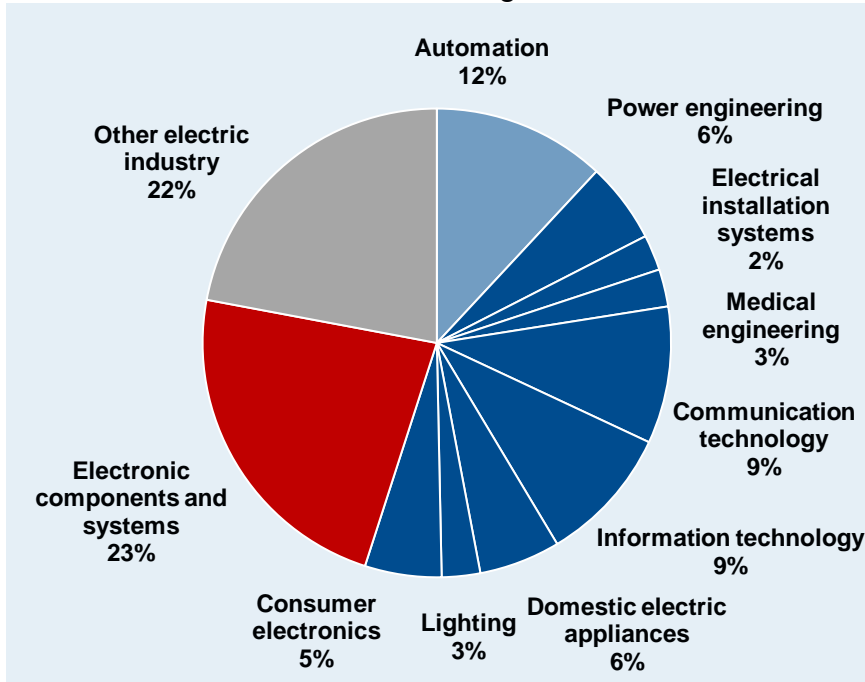
This year all the considered sub-branches should grow – after half of them suffered declines in 2020 and only the medical engineering sub-sector showed a positive development (+3%).

Among all the sub-branches of the electric industry the electronic components and systems should experience the highest growth in 2021. The ZVEI forecast model calculates a plus of 13 percent. In 2022 there should likewise be a slightly higher growth than in the other sub-branches. With an increase by eight percent the global market for electronic components and systems might reach a volume of €1,291.2 by the end of next year.

The global market for automation technology should pick up by nine percent this year. (Here electric drive systems could show the strongest performance with a plus of twelve percent, followed by switchgear, controlgear & industrial control systems with a plus of nine percent and measurement & process technology with an increase of seven percent.)

Global Electric Market by sub-branches (2)

2020, sub-branches' shares in the global electric market in %



Source: National statistical offices and ZVEI's own calculations

Electrical installation and medical engineering could grow by eight percent each in 2021. The pace should be slightly slower for the (hardware) sectors of information and communication technology (+7% for each) and for power engineering (+5%).

For 2022 the ZVEI expects an increase of seven percent to €137.1bn for medical engineering. Automation (+6% to €634.8bn), power engineering (+6% to €283.8bn), communication technology (+6% to €493.6bn) and information technology (+6% to €493.3bn) are all predicted to expand by six percent. The market volume of the electric installation sector is supposed to reach €126.7bn – a plus of four percent.

Each of the three global markets for (1) domestic electric appliances, (2) lighting and (3) consumer electronics should grow this year. Here lighting with an increase of seven percent might develop a bit more dynamically than domestic electric appliances with plus six percent and consumer electronics with plus five percent.

In 2022 lighting should again manage a slightly higher growth with a plus of six percent to €138.5bn, while domestic electric appliances (to €287.4bn) and consumer electronics (to €268.7bn) might each increase by five percent.

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