



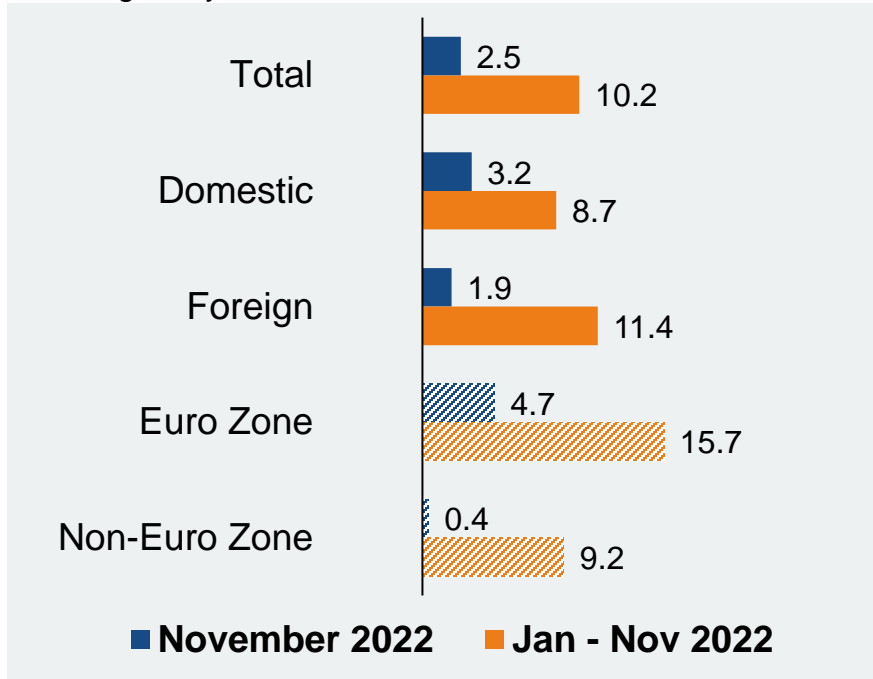
# ZVEI Business Cycle Report

– Edition January 2023

# German electro and digital industry

## – New orders

% change on year earlier



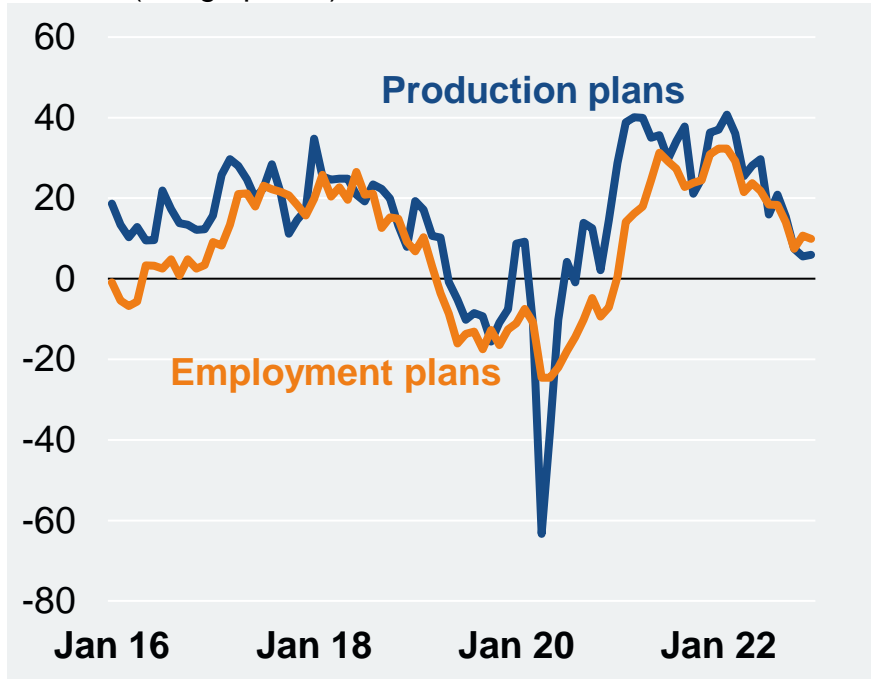
Source: Destatis and ZVEI's own calculations

Growth in new orders for the German electro and digital industry has further slowed down in November 2022 but stayed positive (in nominal terms). Overall, bookings were 2.5% up compared to a year earlier. Domestic and foreign bookings picked up by 3.2% and 1.9%, respectively. Euro area clients raised their new orders by 4.7% in November 2022. Bookings from third countries exceeded their pre-year level only by 0.4%.

In the full first eleven months of the last year 2022 the value of new orders grew by 10.2% (year over year). Here domestic bookings picked up by 8.7%, while foreign orders advanced by 11.4%. New orders from the euro zone increased by 15.7% between January and November 2022. Finally, foreign business partners from countries outside the common currency area ordered 9.2% more than a year earlier.

# German electro and digital industry – Production and employment

balance (%-age points)



Source: ifo Institute

German production – adjusted for price – of electrical and electronic products climbed by 7.9% (year over year) in November of last year. Accumulated from January through November 2022 the sector's real output lay 3.7% higher than in the same period of the year before.

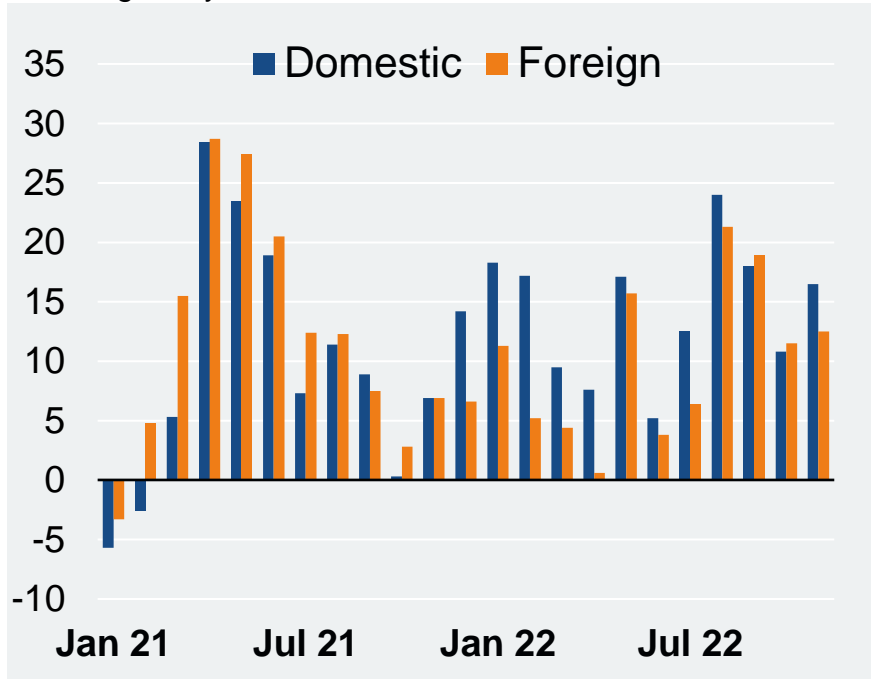
The sector's companies' production and recruitment plans hardly changed at all at the end of the last year. The balance of firms intending to raise or rather curb their output in the next three months to come grew slightly from +5 to +6 %-age points in December compared to November. Regarding employment plans, the corresponding balance declined somewhat – from a reading of +11 to +10.

The number of employees in the domestic electro and digital industry came to 894,500 at last.

# German electro and digital industry

## – Turnover

% change on year earlier



Source: Destatis and ZVEI's own calculations

With €21.1bn, nominal sales of the domestic electro and digital industry exceeded their pre-year level by 14.4% in November 2022. Domestic turnover rose by 16.5% to €10.5bn.

Businesses with foreign clients increased by 12.5% to €10.6bn. Sales to the euro area came to €3.8bn in November 2022, leaving them 12.3% higher than a year earlier.

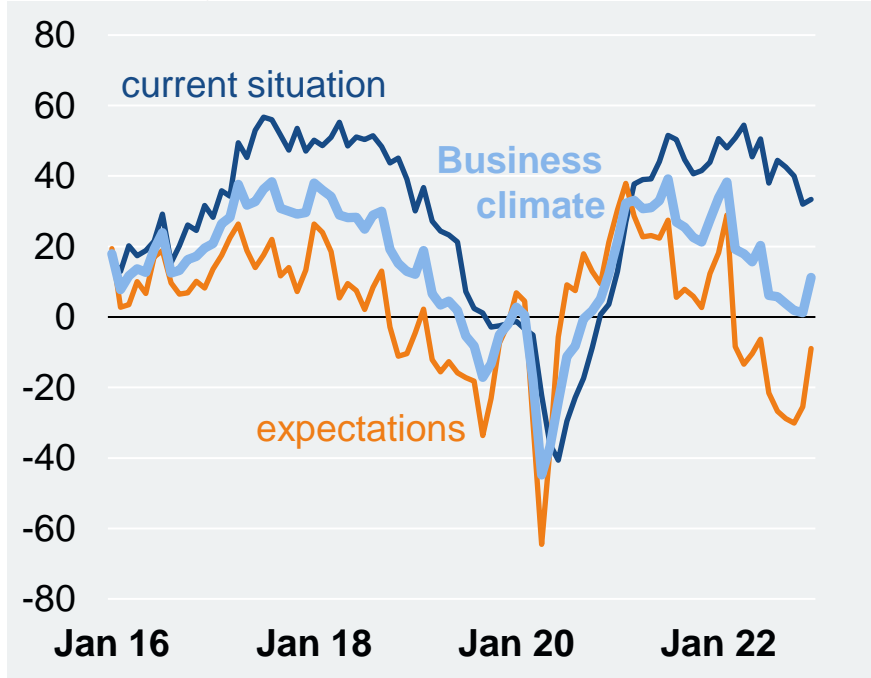
Revenues from businesses with foreign customers outside the euro zone picked up by 12.7% to €6.8bn.

From January through November 2022 the sector's aggregated turnover reached a value of €203.7bn, surpassing the pre-year figure by 11.8%. Here domestic sales (+14.0% to €97.1bn) advanced more strongly than foreign sales (+10.0% to €106.6bn). Turnover from businesses with the euro area amounted to €38.1bn between January and November 2022 – a plus of 7.9% (again year-on-year rate). Sales to third countries grew by 11.3% to €68.5bn.

# German electro and digital industry

## – Business climate

balance (%-age points)



Source: ifo Institute

In December 2022 – i.e., at the very end of the last year – the business climate in the German electro and digital industry picked up markedly. Both the companies' assessment of their current situation and their overall business expectations turned upward. Especially the latter increased strongly.

47% of the sector's firms described their present economic situation as good in December. 40% and 13% found it stable or rather bad, respectively.

Looking ahead, 13% of the electro companies are awaiting rising businesses within the next six months to come. Almost two-thirds (65%) reckon with steady affairs. 22% forecast declining activities.

Export expectations advanced again in December. Here the balance of firms anticipating more or rather less deliveries abroad in the next three months rose from +3 to +7 %-age points.

# German electro and digital industry

## – Business cycle figures

year over year, %	2021	2022 November	2022 Jan - Nov
<b>New orders</b>	+23.5%	+2.5%	+10.2%
domestic	+19.6%	+3.2%	+8.7%
foreign	+26.8%	+1.9%	+11.4%
euro zone	+23.0%	+4.7%	+15.7%
non-euro zone	+28.9%	+0.4%	+9.2%
<b>Production, real</b>	+9.5%	+7.9%	+3.7%
<b>Turnover, bn €</b>	200.4 +10.2%	21.1 +14.4%	203.7 +11.8%
domestic, bn €	94.0 +9.1%	10.5 +16.5%	97.1 +14.0%
foreign, bn €	106.4 +11.2%	10.6 +12.5%	106.6 +10.6%
euro zone, bn €	38.5 +10.5%	3.8 +12.3%	38.1 +7.9%
non-euro zone, bn €	67.9 +11.6%	6.8 +12.7%	68.5 +11.3%

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

year over year, %	2021	2022 October	2022 Jan - Oct
<b>Employees, thousand</b>	874.1 <sup>1)</sup> +0.3%	894.5 <sup>1)</sup> +2.3%	883.7 <sup>2)</sup> +2.0%
<b>Exports, bn €</b>	226.3 +11.0%	20.9 +10.3%	201.9 +8.4%
<b>Imports, bn €</b>	221.3 +14.7%	24.2 +27.4%	214.1 +19.8%
	2021	2022 November	2022 Jan - Nov
Producer prices	+1.5%	+8.6%	+7.4%
Material prices	+5.1%	+11.7%	+13.2%
Export prices	+0.9%	+7.7%	+7.3%
Import prices	+0.6%	+7.3%	+9.2%
	2021	2022 December	2022 November
<b>Balance of positive and negative answers</b>			
<b>Business climate</b>	+29	+11	+1
- Economic situation	+39	+33	+33
- Expected business for next 6 months	+19	-9	-26
Export expectations for next 3 months	+27	+7	+3
Production plans for next 3 months	+34	+6	+5
	2021	2022 October	2022 July
<b>Capacity utilization</b>	86.6%	88.2%	88.3%
Reach of unfilled orders, in months	4.1	5.2	5.6

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