

# Global Electro and Digital Industry

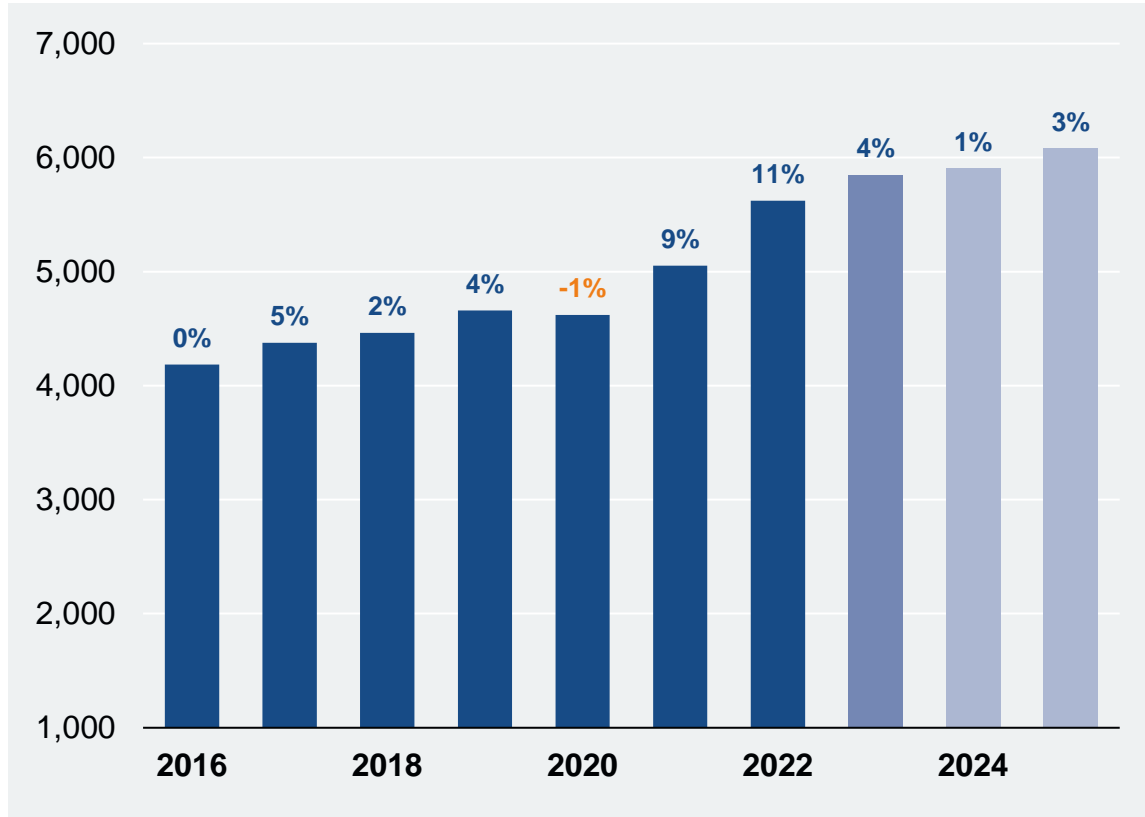
– Market Outlook until 2025

September 2024

# Global Electro and Digital Industry

## – Slow growth in 2024, stronger growth in 2025

billion €, change on year earlier in %



2023 estimate, 2024 and 2025 forecast  
Source: National statistical offices and ZVEI's own calculations

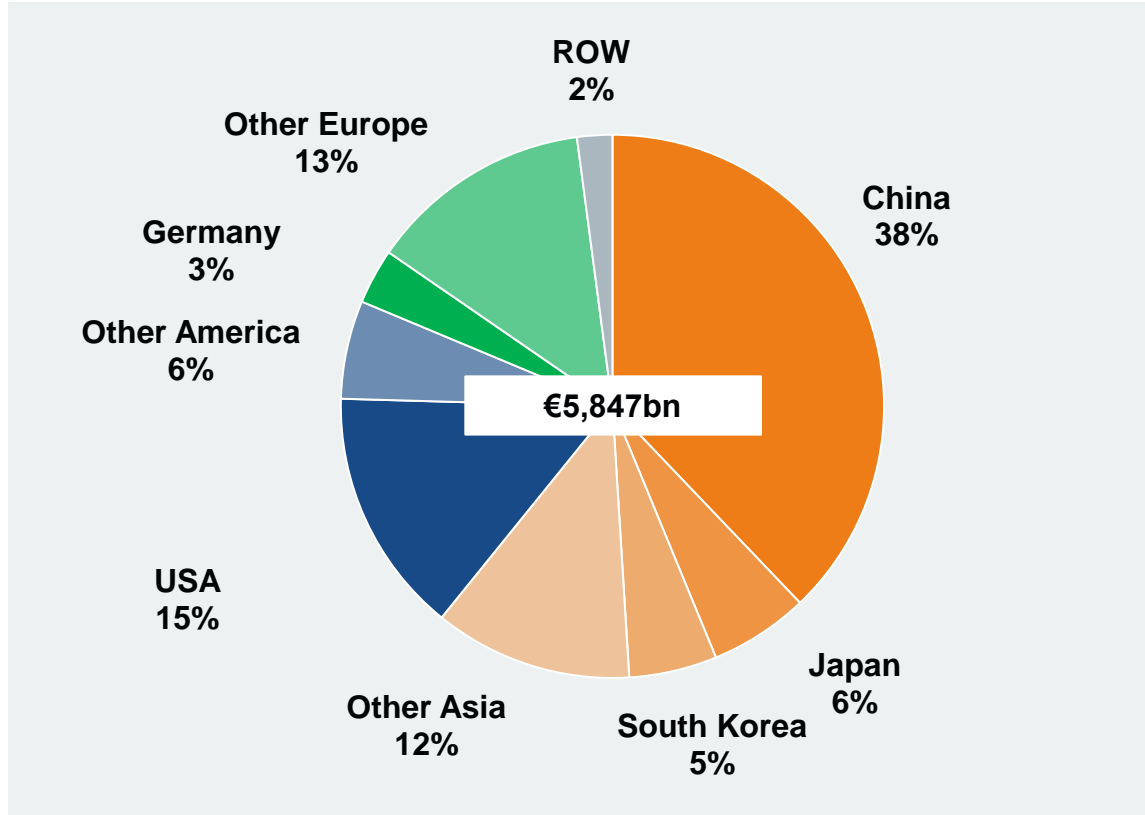
The global market for goods of the electro and digital industry reached a **value of €5,847bn** in 2023. This is the result of the latest ZVEI calculations. After high growth rates in 2021 and 2022, growth momentum slowed to 4% last year. For this year, ZVEI expects only a slight increase of **1%** in the global electro market. This is primarily due to the generally weak industrial economy, which is impacted by high interest rates, geopolitical uncertainty and consumer restraint, among other things. **For 2025, the ZVEI is forecasting a slightly better development (+3%),** although the projected increase will remain below average compared to previous years. In the coming year, the global market should be able to benefit from falling interest rates and thus higher investments.

The ZVEI Global Electro Market Outlook contains data for a total of **53 countries**. Together, they account for more than **95% of the global market**.

# Global Electro and Digital Industry

– Asia accounts for the largest share of the global market, by far

2023, shares in the global market



Source: National statistical offices and ZVEI's own calculations

The largest continental market is **Asia**, which reached a value of **€3,556bn** in 2023. It therefore accounts for 61% of the global market. According to the ZVEI forecast, an increase of 4% last year could be followed by growth rates of 2% and 4% in 2024 and 2025, respectively.

Within Asia, **China's** electro market – by far the largest national market worldwide – was worth €2,214bn in 2023 (+4% year-on-year). The fact that China's economy has probably entered a lower growth path is reflected in the expected electro market growth rates. The ZVEI expects a growth rate of 3% for 2024 and 4% for 2025.

**Japan's** electro market, which ranks third globally, was worth €345bn (+3%) last year. This year, the market could shrink by 1% before recovering by 2% in 2025.

The electro market in **South Korea** grew by 3% year-on-year to €306bn in 2023 (ranked 4th worldwide). According to our forecast, a decline of 2% this year could be followed by growth of 3% next year.

# Global Electro and Digital Industry

## – European market shrinks in 2024

2022 values in billion €, 2023 - 2025 change in %

Markets by regions	2022 billion €	2023* %	2024** %	2025** %
<b>World</b>	<b>5,623</b>	<b>4</b>	<b>1</b>	<b>3</b>
Industrialized countries	2,480	4	0	2
Emerging markets	3,143	4	2	4
<b>Europe</b>	<b>934</b>	<b>4</b>	<b>-1</b>	<b>2</b>
EU	670	4	-2	2
Euro area	521	4	-2	2
<b>America</b>	<b>1,151</b>	<b>4</b>	<b>0</b>	<b>2</b>
<b>Asia</b>	<b>3,420</b>	<b>4</b>	<b>2</b>	<b>4</b>
<b>Africa</b>	<b>58</b>	<b>6</b>	<b>1</b>	<b>3</b>
<b>Australia/Oceania</b>	<b>60</b>	<b>4</b>	<b>1</b>	<b>2</b>

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

The **American market** for goods in the electro and digital industry amounted to €1,197bn in 2023 (+4% compared to the previous year), representing 20% of the global market. According to the ZVEI forecast, the American electro market could stagnate in 2024. For 2025, a rather restrained pace of expansion is expected with an increase of 2%.

The **US market** alone had a volume of €855bn in 2023 (+4% compared to the previous year, second place in the global ranking). The forecast for 2024 (+1%) and 2025 (2%) suggests moderate growth in the US electro market.

Last year, the **European electro market** grew by 4% to a value of €971bn (17% of the global market). This year, however, it is expected to decline by 1%. The ZVEI predicts a possible growth of 2% for 2025.

With a volume of €193bn (2023), the **German electro market** is the fifth largest in the world. After growing by 4% last year, it is likely to see a decline this year (-4%), which could be followed by an increase of 2% in 2025.

# Global Electro and Digital Industry

## – Country specific market forecasts (1)

2022 values in billion €, 2023 - 2025 change in %

Electric markets by countries	2022 billion €	2023* %	2024** %	2025** %
1. Egypt	7.8	6	2	4
2. Argentina	5.6	2	-9	1
3. Australia	50.0	4	1	2
4. Belgium/Luxembourg	20.0	4	0	2
5. Brazil	78.8	2	-1	3
6. Bulgaria	5.8	1	1	2
7. China	2,129.0	4	3	4
8. Denmark	13.6	1	-1	2
9. Germany	185.3	4	-4	2
10. Finland	10.6	2	-2	2
11. France	81.4	4	-2	2
12. Greece	7.8	1	1	2
13. United Kingdom	91.2	5	-1	2
14. Hong Kong	12.9	9	3	3
15. India	114.0	8	5	8
16. Indonesia	34.2	5	2	5
17. Iran	25.7	10	5	3
18. Ireland	7.8	3	1	4

Electric markets by countries	2022 billion €	2023* %	2024** %	2025** %
19. Israel	41.2	-4	-3	4
20. Italy	64.3	4	-2	1
21. Japan	335.4	3	-1	2
22. Canada	71.5	2	-1	1
23. Latvia	2.1	6	1	2
24. Lithuania	3.2	7	2	3
25. Malaysia	67.1	2	0	4
26. Mexico	88.8	9	1	3
27. New Zealand	7.3	-2	0	1
28. Netherlands	40.2	4	-2	3
29. Norway	17.7	3	0	3
30. Austria	19.2	1	-3	1
31. Philippines	29.2	3	4	5
32. Poland	37.8	5	1	5
33. Portugal	9.5	3	0	2
34. Romania	14.0	5	0	3
35. Russia***	57.8	--	--	--

\* Estimates based on fixed exchange rates; \*\* Forecasts based on fixed exchange rates; \*\*\* Forecasts for Russia and Ukraine are suspended  
Source: National statistical offices and ZVEI's own calculations

# Global Electro and Digital Industry

## – Country specific market forecasts (2)

2022 values in billion €, 2023 - 2025 change in %

Electric markets by countries	2022 billion €	2023* %	2024** %	2025** %
36. Saudi Arabia	24.2	4	3	4
37. Sweden	26.2	2	-1	2
38. Switzerland	43.0	2	-1	3
39. Singapore	45.6	1	0	3
40. Slovakia	16.4	4	0	3
41. Slovenia	4.5	1	2	1
42. Spain	44.6	3	1	3
43. South Africa	16.5	7	1	3
44. South Korea	297.2	3	-2	3
45. Taiwan	92.5	8	2	6
46. Thailand	14.6	-3	0	0
47. Czech Republic	29.2	5	-1	2
48. Türkiye	22.0	5	1	4
49. Ukraine***	5.2	--	--	--
50. Hungary	18.2	-2	-1	3
51. USA	822.1	4	1	2
52. United Arab Emirates	52.4	8	2	4
53. Vietnam	33.6	1	4	3

Estimates based on fixed exchange rates; \*\* Forecasts based on fixed exchange rates;

\*\*\* Forecasts for Russia and Ukraine are suspended

Source: National statistical offices and ZVEI's own calculations

As part of the global market for the electro and digital industry, the ZVEI forecasts growth rates for a **total of 53 country markets**. The expected increases for these markets reflect the country-specific potential growth of individual markets (and economies) on the one hand and depend on the development of the global economy on the other hand.

The **ten largest electro markets** (at individual country level) in 2023 were (in descending order) China, the USA, Japan, South Korea, Germany, India, Taiwan, Mexico, the UK and France. Asia is therefore home to five, Europe to three and America to two of the ten largest country markets. Shifts within the top 10 countries are small from year to year. Nevertheless, there are relevant movements in the longer term. Taiwan and Mexico, for example, have climbed up the rankings, while the UK has descended. Russia has not been among the ten largest electro markets worldwide since the outbreak of the war in Ukraine.

# Global Electro and Digital Industry

## – Sub-markets (1)

2022 values in billion €, 2023 - 2025 change in %

Markets by sub-branches	2022 billion €	2023* %	2024** %	2025** %
<b>Automation</b>	<b>641</b>	7	0	2
Electric drive systems	163	8	0	3
Switchgear, controlgear, industrial control systems	224	6	-2	2
Measurement and process automation	254	8	2	2
<b>Power engineering</b>	<b>308</b>	3	3	3
<b>Electrical installation systems</b>	<b>129</b>	-1	-5	1
<b>Medical engineering</b>	<b>145</b>	4	3	4
<b>Communication technology</b>	<b>481</b>	4	0	3
<b>Information technology</b>	<b>517</b>	5	3	3
<b>Lighting</b>	<b>136</b>	-2	-1	2
<b>Electronic components and systems</b>	<b>1,336</b>	4	2	5

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

In addition to country forecasts, ZVEI, the German Electro and Digital Industry Association, also publishes international forecasts for **ten sub-branches of the electro and digital industry**.

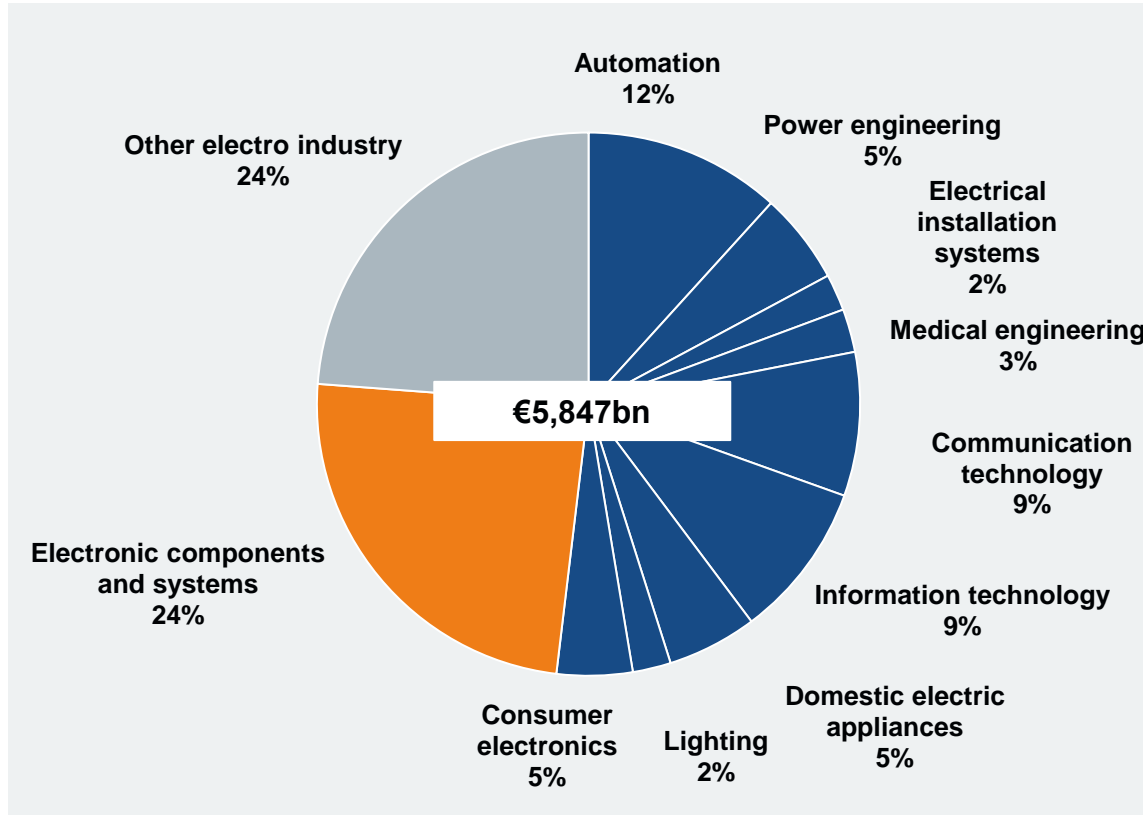
Although the industry as a whole – and therefore most of its sub-branches – will continue to benefit from important future trends towards increased electrification, digitization and automation in the long term, the weakened industrial and construction sector will leave its mark on some sub-markets in 2024. However, these should experience a slight recovery in the next year.

The global market for **medical engineering** is likely to be less affected by this, growing by 3% in the current year and 4% in the coming year according to the forecast. **Power engineering** is also expected to grow by 3% in both 2024 and 2025. The global market for information technology could grow at the same pace (+3% in both 2024 and 2025).

# Global Electro and Digital Industry

## – Sub-markets (2)

2023, shares in the global market



Source: National statistical offices and ZVEI's own calculations

According to the forecast, growth in the global market for **electronic components and systems** would amount to 2% this year and accelerate to 5% next year. Following stagnation ( $\pm 0\%$ ) in the current year, the global market for **communication technology** is expected to grow by 3% next year. The global market for **automation** should remain at around the previous year's level in 2024 ( $\pm 0\%$ ) before a slight upturn of 2% in 2025.

The two sub-branches lighting and electrical installation systems are generally more dependent on construction activity. The weak construction sector is therefore reflected here. The global **lighting** market could shrink by 1% this year and grow by 2% next year. The expected decline in the global market for **electrical installation systems** in 2024 is more pronounced at minus 5%. Finally, there should be a moderate recovery of plus 2% in 2025.



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