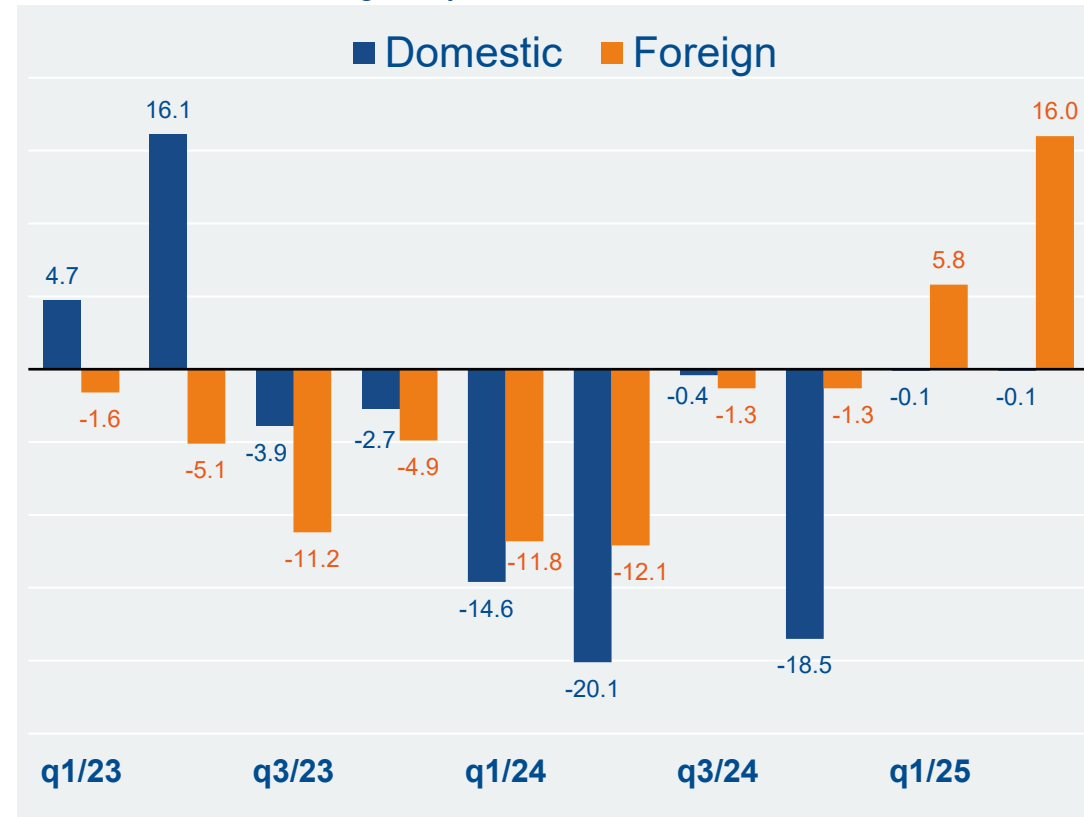


ZVEI Business Cycle Report

– Edition August 2025

German electro and digital industry – New orders

Nominal values, % change on year earlier



Source: Destatis and ZVEI's own calculations

In **June 2025**, the German electro and digital industry once again recorded a rise in **new orders** with a double-digit increase of 10.3% compared to previous year – not least thanks to bulk orders.

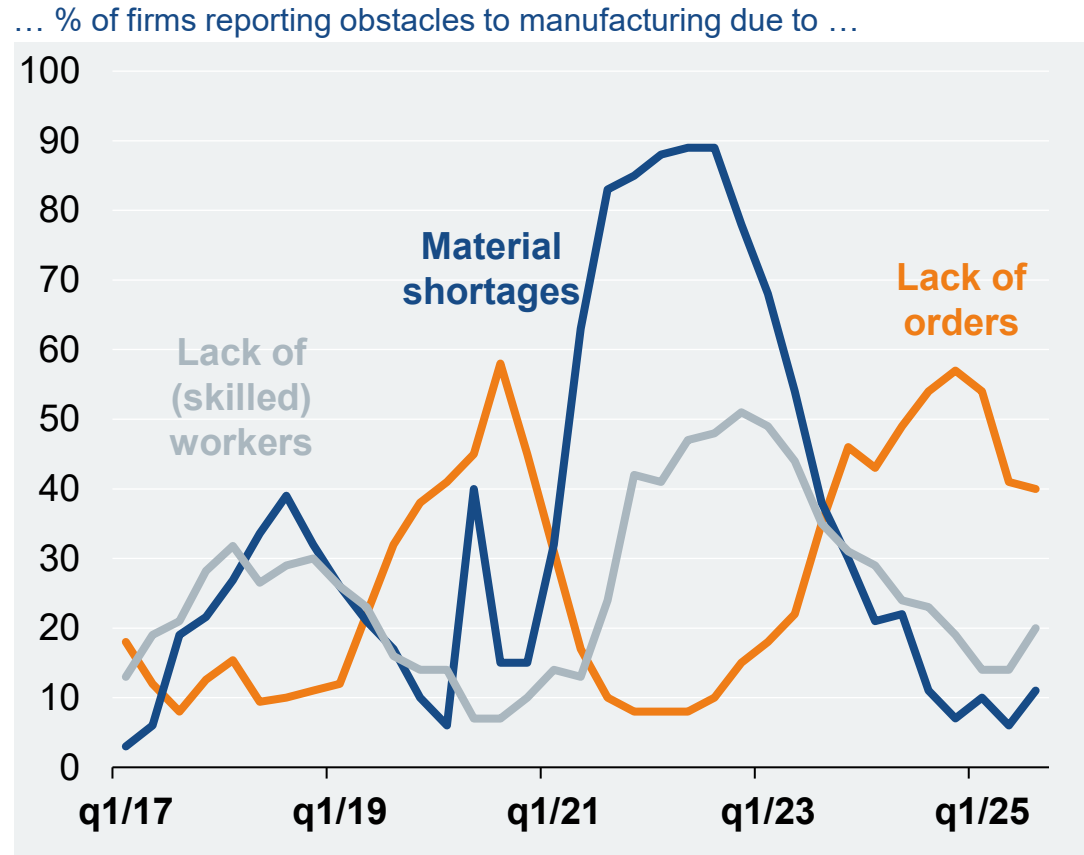
However, the gap between **domestic** and **foreign bookings** widened markedly. While the former slumped by 20.6%, a growth of 39.4% was on the books of the latter (again year-over-year). The increase in orders from third countries (+52.7%) was considerably stronger than that of the common currency area (+12.6%).

The **first half of this year** ended with a total increase in new orders of 5.8% compared to a year before. With a marginal decline of 0.1% for this period, domestic orders remained virtually unchanged.

In contrast, foreign orders increased by 10.7% from January to June. With 13.6%, the growth rate of business with customers from third countries was more than twice as high as with partners from the euro zone, with whom orders advanced by 5.6% after all.

German electro and digital industry

– Production (plans), capacity utilization and obstacles



Source: ifo institute

Real **production** – i.e., output adjusted for price – of electrical and electronic goods made in Germany fell by 4.6% in **June 2025** compared to a year before. This year's June had, however, one working day less than 2024. For the **first half of this year** as a whole, industry output thus fell short of the preceding year's level by 2.3%.

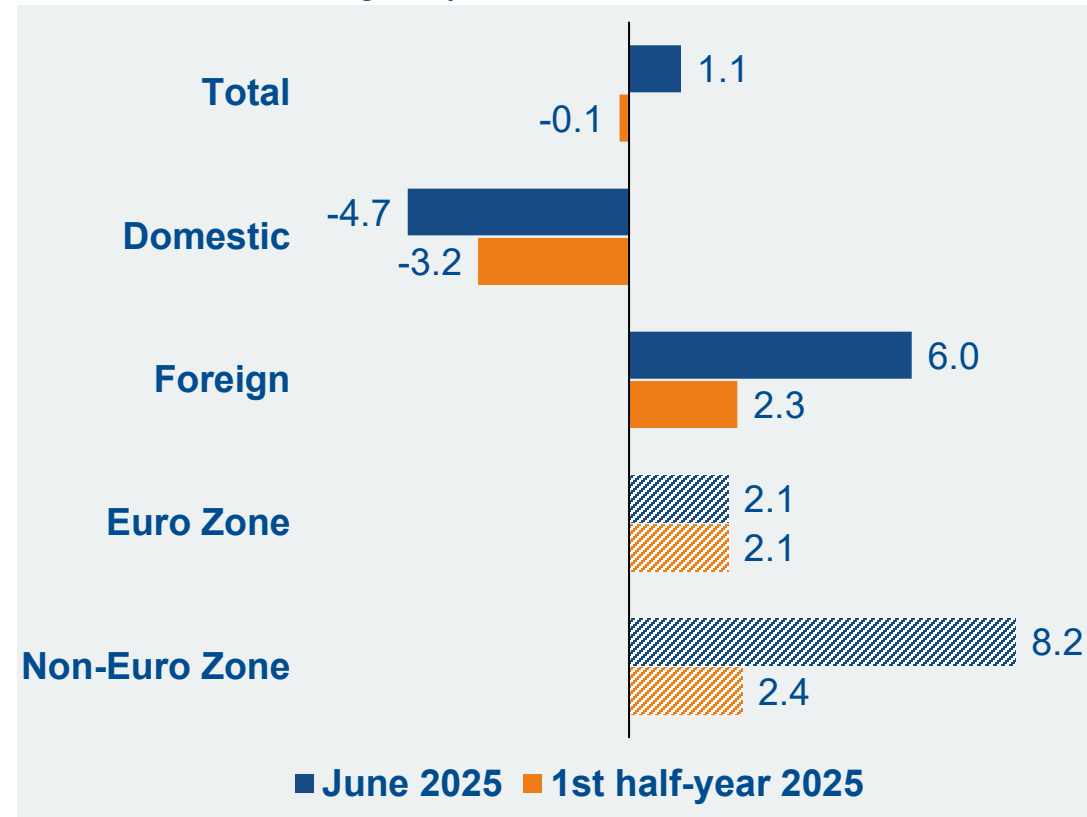
Capacity utilization ratio in our industry depleted from 77.8% in the previous quarter to 76.3% of normal full capacity utilization at the start of the third quarter of the year. The **order backlog** remained unchanged and stands therewith at 4.2 production months.

There was a slight slowdown in both **production** and **employment plans** of the domestic electro companies in July. The balance of companies intending to increase or decrease their output in the next three months slipped from +8 to +7 %-age points. And regarding recruiting plans, the corresponding difference fell from -14 to a reading of -16.

Nevertheless, 20% of electro companies are meanwhile facing a **lack of (skilled) workers**. 40% are affected by **missing orders** and 11% by **material shortages**.

German electro and digital industry – Turnover

Nominal values, % change on year earlier



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

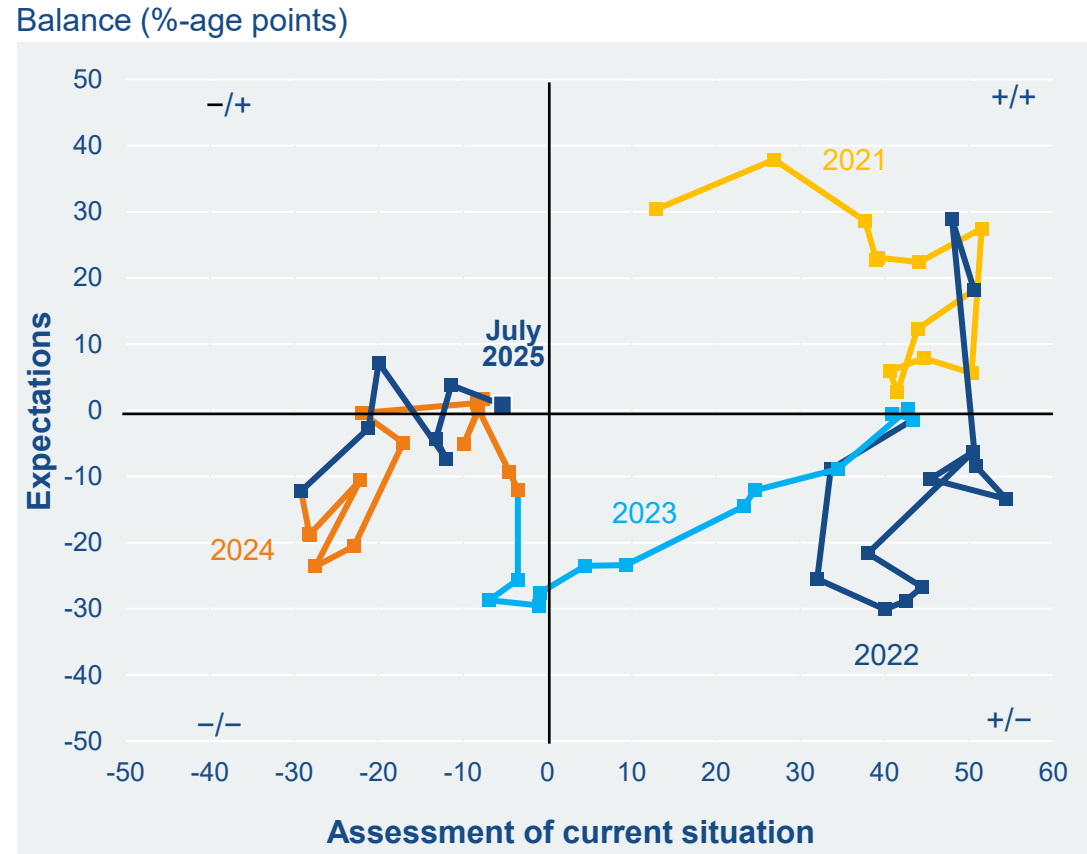
The aggregated **sales** of the domestic electro and digital industry's companies rose by 1.1% (year-on-year) to a nominal value of €19.0bn in **June 2025**. While for domestic businesses a decline of 4.7% to €8.6bn was recorded, revenues from foreign customers grew by 6.0% to €10.4bn.

Withal turnover with **countries outside the common currency area** (+8.2% to €6.5bn) grew more strongly than business with the **euro zone** (+2.1%), where €3.9bn were realized.

In the **first six months of this year**, aggregate industry sales amounted to €108.7bn, almost matching the previous year's figure (-0.2%). Thereof, €50.3bn were attributable to revenues from domestic customers (-3.2%) and €58.4bn to those from abroad (+2.3%). Here, business with the eurozone (+2.1%) and other foreign countries (+2.4%) developed similarly during this period; the former totaled €22.9bn, while the latter closed the first half of the year at €35.5bn.

Furthermore, **producer prices** in June as well as their average for the first half-year were 1.1% up compared to a year earlier.

German electro and digital industry – Business climate



Source: ifo institute

The **business climate** in the German electro and digital industry showed a slight upward trend in **July 2025**, too. This was primarily driven by an improved assessment of the **current economic situation**. In contrast, overall **business expectations** fell back compared to a month before and were only just above zero.

In July, 22% of domestic companies in the sector described their economic situation as good. For 51% it was stable, but for 27% it was still poor.

Smoldering uncertainties clouded the outlook somewhat. 19% of electro companies expect business to pick up in the next six months to come. While 63% and 18% expect activities to remain the same or to decline, respectively.

What's more, the specific **export expectations** sagged in July. Here, after falling by 2 %-age points, companies expecting more or fewer deliveries abroad in the next three months only balanced each other.

German electro and digital industry

– Business cycle figures

year over year, %	2024	2025 June	2025 Jan - June
New orders	-10.1%	+10.3%	+5.8%
domestic	-13.8%	-20.6%	-0.1%
foreign	-6.8%	+39.4%	+10.7%
euro zone	-8.8%	+12.6%	+5.6%
non-euro zone	-5.8%	+52.7%	+13.6%
Production, real	-8.9%	-4.6%	-2.3%
Turnover, bn €	220.1 -7.5%	19.0 +1.1%	108.7 -0.2%
domestic, bn €	105.3 -8.1%	8.6 -4.7%	50.3 -3.2%
foreign, bn €	114.8 -7.0%	10.4 +6.0%	58.4 +2.3%
euro zone, bn €	44.0 -0.1%	3.9 +2.1%	22.9 +2.1%
non-euro zone, bn €	70.8 -10.7%	6.5 +8.2%	35.5 +2.4%

year over year, %	2024	2025 May	2025 Jan - May
Employees, thousand	889.6 ¹⁾ -2.0%	879.8 ¹⁾ -1.9%	883.9 ²⁾ -1.7%
Exports, bn €	246.4 -3.5%	19.9 +6.3%	105.7 +2.2%
Imports, bn €	254.9 -5.3%	21.0 +8.7%	111.8 +7.2%
	2024	2025 June	2025 Jan - June
Producer prices	+1.6%	+1.1%	+1.1%
Material prices	+0.6%	+0.7%	+0.7%
Export prices	+0.7%	+0.2%	+0.4%
Import prices	-2.0%	-2.3%	-1.5%
	2024	2025 July	2025 June
Balance of positive and negative answers			
Business climate	-12	-2	-4
- Economic situation	-15	-5	-12
- Expected business for next 6 months	-9	+1	+4
Export expectations for next 3 months	±0	±0	+2
Production plans for next 3 months	-6	+7	+8
Employment plans	-16	-16	-14
	2024	2025 July	2025 April
Capacity utilization	77.8%	76.3%	77.8%
Reach of unfilled orders, in months	4.1	4.2	4.2

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

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