

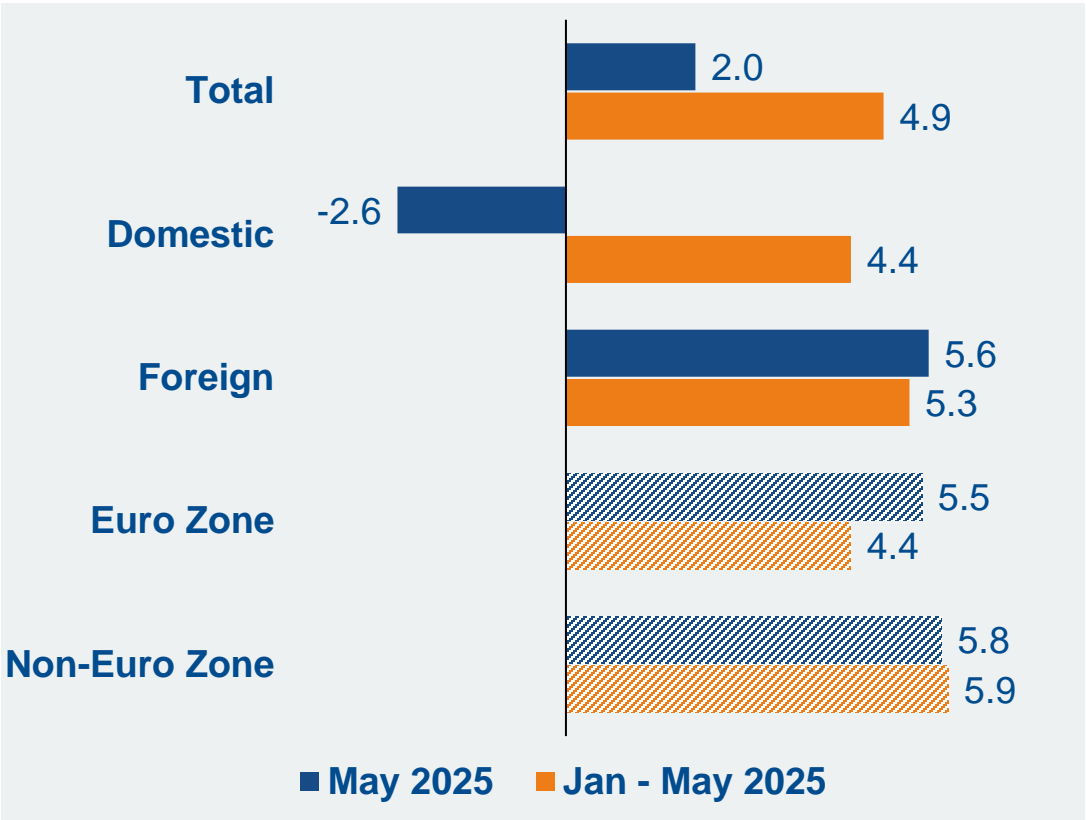
ZVEI Business Cycle Report

– Edition July 2025

German electro and digital industry

– New orders

Nominal values, % change on year earlier



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

New orders in the German electro and digital industry rose for the third straight month in **May 2025**. Overall, they exceeded their pre-year value by 2.0% in the latest reporting month.

However, an increase in **foreign bookings** by 5.6% and a decrease in **domestic orders** by 2.6% have faced each other this time. New orders from the euro area (+5.5%) and from third countries (+5.8%) more or less advanced by the same rate in May.

In the **first five months** of this year taken together, the value of incoming orders was 4.9% up compared to the same period one year earlier. Bookings from domestic clients thereby were 4.4% on the rise.

New orders from customers abroad picked up by 5.3% (again year-on-year rate) between January and May. With it, bookings from countries outside the common European currency zone (+5.9%) performed somewhat better than those from euro area members, which were 4.4% up.

German electro and digital industry

– Production and employment



Source: ifo institute

Real **production** – i.e., output adjusted for price – of electrical and electronic goods made in Germany managed to go up by 3.1% (year over year) in **May 2025**.

For the full period **from January through May** of this year, however, a minus has still to be recorded. Here, the sector's total output was 1.9% lower than in the preceding year.

The firms' forward looking **production plans** were slightly revised up in June. Compared to May, the balance of companies intending to raise or rather curtail their output level in the next three months to come advanced by one %-age point to a reading of +8.

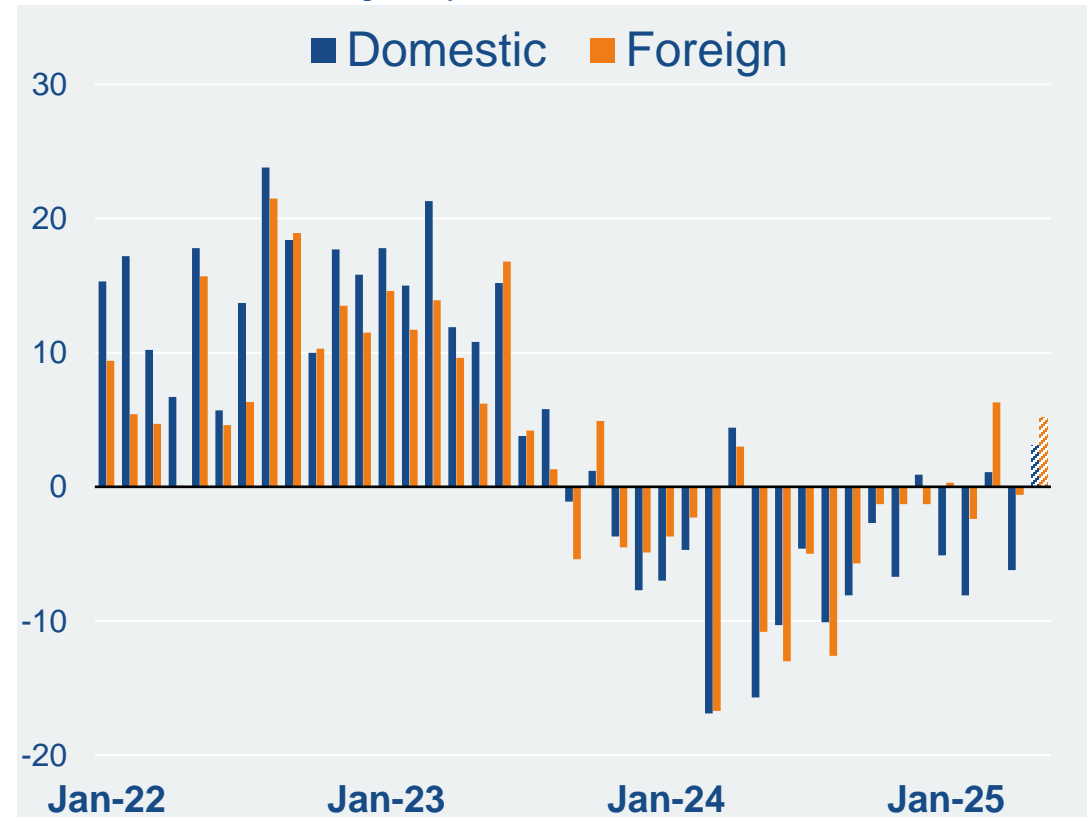
Employment plans likewise picked up. Here, the corresponding balance rose from -17 to -14 %-age points.

The number of **employees** in the German electro and digital industry came to 880,900 at last, therewith failing its pre-year level by 2.0%. 39,500 of the staff are currently **working on short-time** schedules.

German electro and digital industry

– Turnover

Nominal values, % change on year earlier



Source: Destatis and ZVEI's own calculations

Sales of the domestic electro and digital companies came to €17.7bn in **May 2025**, leaving them 4.3% higher than the year before. €8.1bn (+3.1%) fell on businesses with domestic customers. Sales to foreigners (+5.2% to €9.6bn) advanced faster.

While revenues with the **euro zone** soared by 16.1% to €4.1bn in May, businesses with **countries outside the common currency area** sagged by 0.8% to €5.5bn.

Over the entire **first five months** of 2025 our sector's aggregated revenues summed up to €89.7bn. Thus, they were still 0.4% behind their pre-year value.

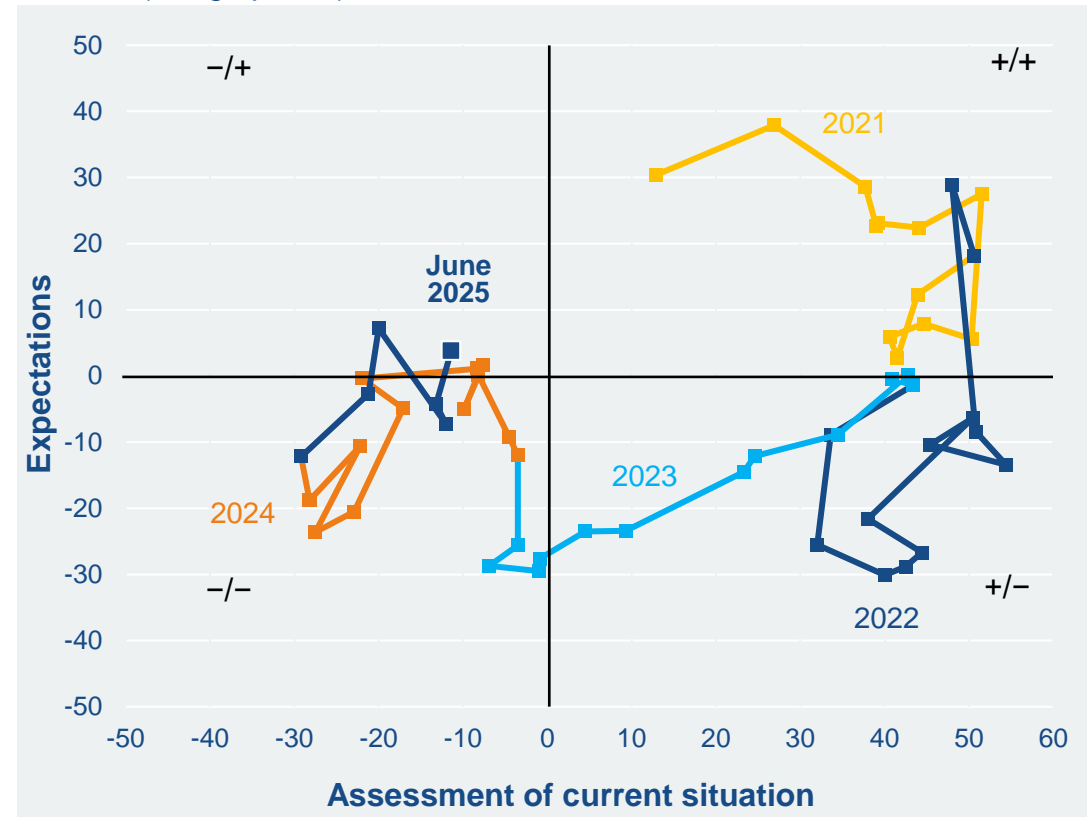
While domestic turnover (of €41.6bn) was 3.1% down between January and May compared to the year before, foreign sales (of €48.1bn) were 1.8% up. Businesses with the euro area (+4.1% to €19.4bn) grew more strongly than sales to third country clients (+0.5% to €28.7bn).

Finally, both in May and from January through May the sector-wide **producer prices** were 1.1% higher on average than a year earlier.

German electro and digital industry

– Business climate

Balance (%-age points)



Source: ifo institute

The **business climate** in the German electro and digital industry has changed for the better in **June 2025**. Both the firms' assessment of their **current economic situation** as well as their overall **business expectations** came in higher than in the previous month. On balance, the latter even managed to become positive once again.

17% of the domestic electro companies described their present situation as good in June. While 54% found it stable, 29% still report about bad circumstances.

At the same time, prospects for the near future turned brighter, as 20% of our firms meanwhile reckon with growing businesses over the next six months to come. 64% and 16% are awaiting steady or rather declining affairs, respectively.

Regarding the more specific **export expectations**, they stayed the same in June. As already in May, the balance of companies looking forward to increasing or rather decreasing deliveries abroad stood at +2 %-age points.

German electro and digital industry

– Business cycle figures

year over year, %	2024	2025 May	2025 Jan - May
New orders	-10.1%	+2.0%	+4.9%
domestic	-13.8%	-2.6%	+4.4%
foreign	-6.8%	+5.6%	+5.3%
euro zone	-8.8%	+5.5%	+4.4%
non-euro zone	-5.8%	+5.8%	+5.9%
Production, real	-8.9%	+3.1%	-1.9%
Turnover, bn €	220.1 -7.5%	17.7 +4.3%	89.7 -0.4%
domestic, bn €	105.3 -8.1%	8.1 +3.1%	41.6 -3.1%
foreign, bn €	114.8 -7.0%	9.6 +5.2%	48.1 +1.8%
euro zone, bn €	44.0 -0.1%	4.1 +16.1%	19.4 +4.1%
non-euro zone, bn €	70.8 -10.7%	5.5 -0.8%	28.7 +0.5%

year over year, %	2024	2025 April	2025 Jan - Apr
Employees, thousand	889.6 ¹⁾ -2.0%	880.9 ¹⁾ -2.0%	884.9 ²⁾ -1.6%
Exports, bn €	246.4 -3.5%	20.1 -0.9%	84.9 +1.2%
Imports, bn €	254.9 -5.3%	21.6 +5.0%	89.8 +6.9%
	2024	2025 May	2025 Jan - May
Producer prices	+1.6%	+1.1%	+1.1%
Material prices	+0.6%	+0.7%	+0.9%
Export prices	+0.7%	+0.1%	+0.5%
Import prices	-2.0%	-2.0%	-1.3%
	2024	2025 June	2025 May
Balance of positive and negative answers			
Business climate	-12	-4	-9
- Economic situation	-15	-12	-13
- Expected business for next 6 months	-9	+4	-4
Export expectations for next 3 months	±0	+2	+2
Production plans for next 3 months	-6	+8	+7
Employment plans	-16	-14	-17
	2024	2025 April	2025 January
Capacity utilization	77.8%	77.8%	73.4%
Reach of unfilled orders, in months	4.1	4.2	4.0

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

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

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