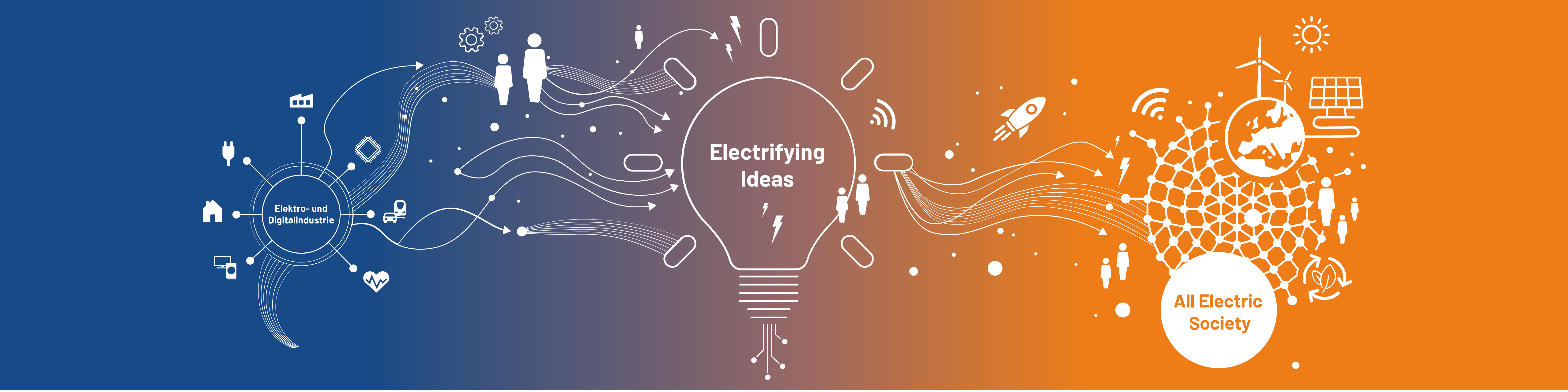


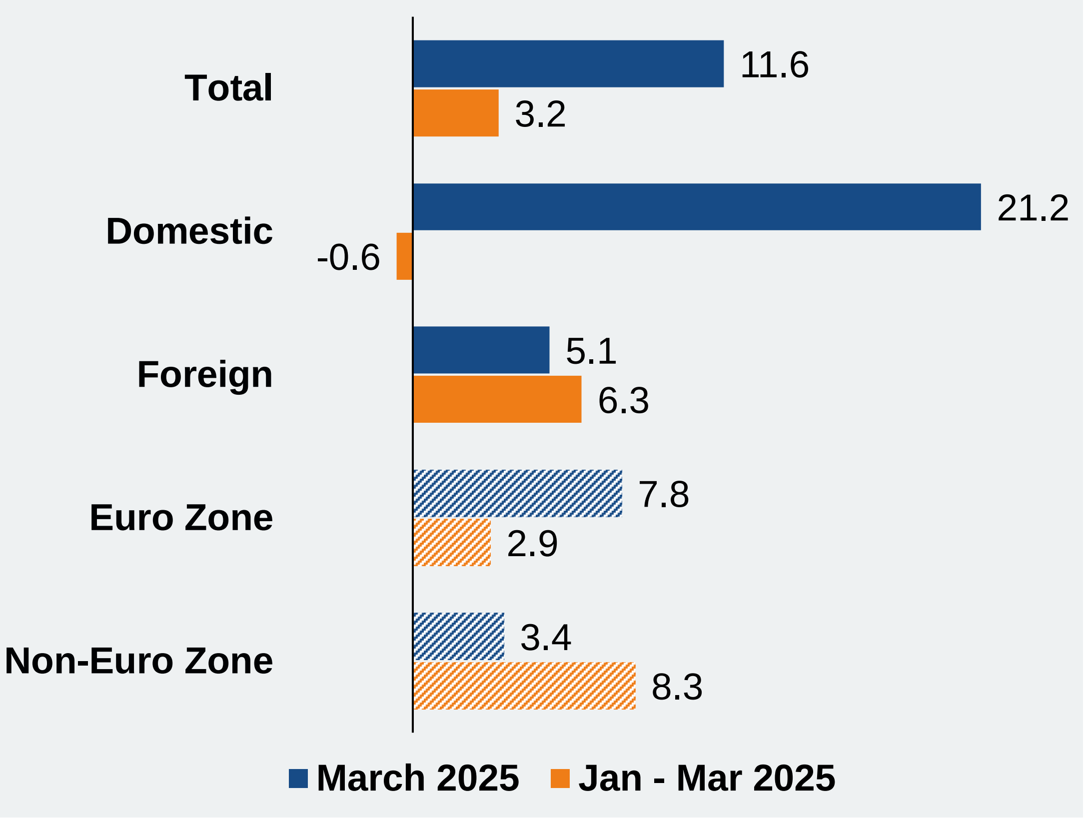

# ZVEI Business Cycle Report

## – Edition May 2025

zvei
electrifying ideas

# German electro and digital industry
## – New orders

Nominal values, % change on year earlier



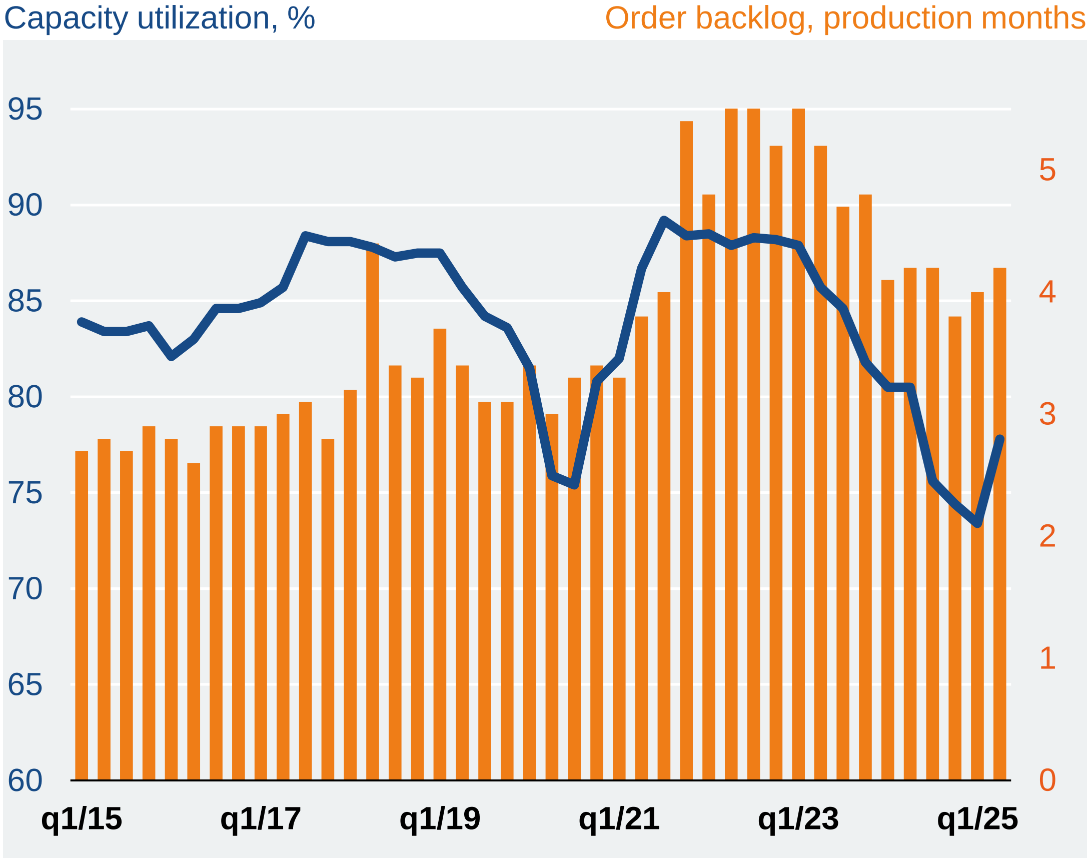

Source: Destatis and ZVEI's own calculations

After several declining months in a row, **new orders** in the German electro and digital industry managed to grow once again in **March 2025**. In total, they were up 11.6% compared to a year earlier. However, it still remains too early to declare a turnaround.

While **domestic bookings** expanded by more than a fifth (+21.2%) in March, the increase in **foreign orders** was much smaller (+5.1%). Clients from the euro zone and from third countries raised their new bookings by 7.8% and 3.4%, respectively.

With it, even for the full **first quarter of this year** growth in new bookings by 3.2% (again year over year) can be recorded. Thereby, a slight decrease in domestic orders by 0.6% and an increase in bookings from abroad by 6.3% have faced each other. Both new orders from the euro area and from countries outside the common currency zone were up from January through March, the former by 2.9% and the latter by 8.3%.

# German electro and digital industry
## – Production, capacity utilization and order backlog



Source: ifo institute

German **production** – adjusted for price – of electrical and electronic goods has been on the rise in **March 2025**, too. It came in 2.9% higher than a year earlier. Note that this year's March had one working day more than the same month back in 2024. Accumulated **from January through March** of this year the sector's output was still 2.5% down compared to the year before.

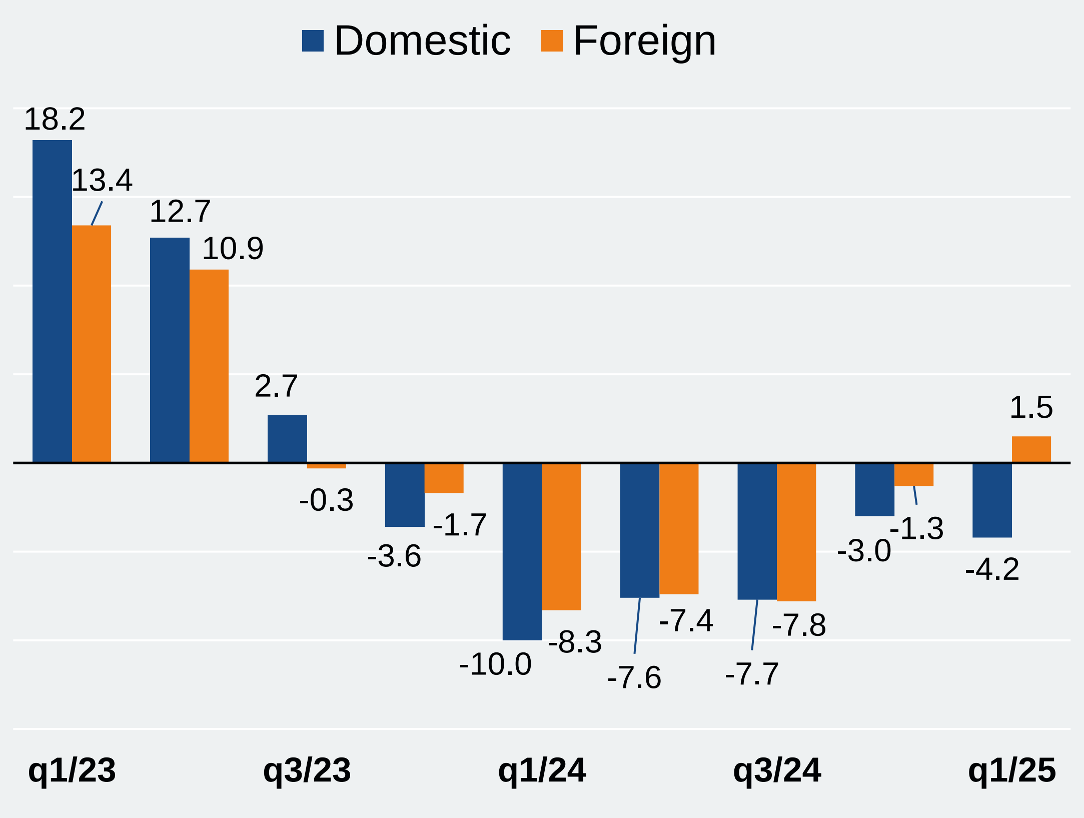
The **capacity utilization** ratio within our industry has risen at the beginning of this year's second quarter. It advanced from 73.4% of the normal full use level three months ago to 77.8% now. However, compared to the long run average, the levels of idle capacities are still high.

The **reach of unfilled orders** is a bit up, too – from 4.0 to 4.2 production months.

The number of **employees** in the German electro and digital industry comes to 885.800 at present and, therewith, is 1.6% lower than a year earlier. 33,700 of the staff are working short-time.

# German electro and digital industry
## – Turnover

Nominal values, % change on year earlier




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

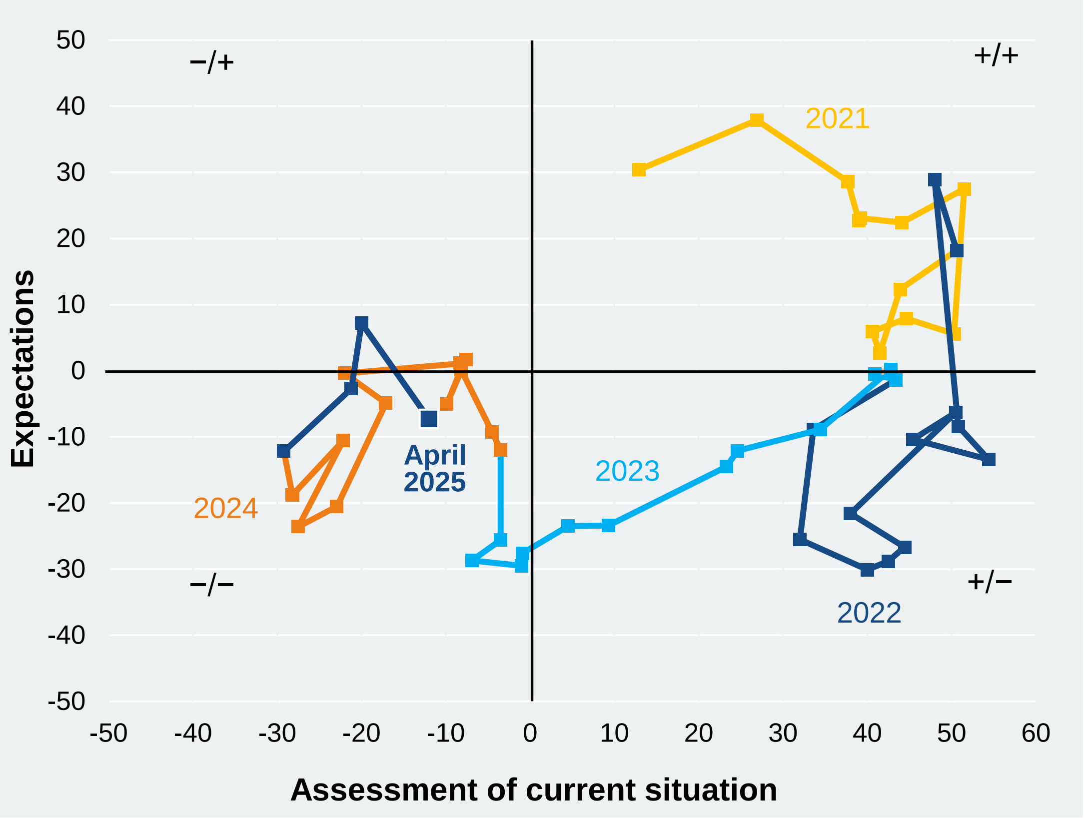
**Sales** of the domestic electro and digital companies came to €20.0bn in **March 2025**, leaving them 4.5% higher than in the year before. Domestic turnover was up only slightly (+0.3% to €9.2bn), whereas sales to foreigners grew considerably stronger (+8.2% to €10.8bn). Both businesses with the **euro zone** (+12.8% to €4.3bn) and with **third countries** (+5.7% to €6.5bn) were on the rise.

With €54.1bn, our sector's aggregated revenues still failed their pre-year level by 0.8% in the entire **first quarter**. On the one hand, sales to foreign customers advanced by 2.2% to €29.2bn. But domestic turnover continued to be down, namely by 4.2% to €24.9bn. Businesses with foreign clients from the euro area and from third countries amounted to €11.5bn (+1.5%) and €17.7bn (+2.6%) between January and March, respectively.

Finally, both in March and from January through March the **producer prices** of electro goods were 1.1% higher than in the year before.

# German electro and digital industry
## – Business climate

ifo business cycle clock, balance (%-age points)




Source: ifo institute

After three months of recovery, the **business climate** in the German electro and digital industry has turned down once again in **April 2025**. Even though the firms' assessment of their **current economic situation** was clearly more favourable than in March, their overall **business expectations** deteriorated on balance and fell back into negative territory. Of course, US president Trump's erratic tariff policy should have played a major role here.

19% of our companies described their present situation as good in April. At the same time, 50% found it stable and 31% bad.

Looking ahead to the next six months to come, merely 15% of the electro firms are awaiting rising affairs. 63% and 22% reckon with steady or rather declining businesses, respectively.

**Export expectations** went to the dogs in April. Here, the balance of firms awaiting increasing or rather decreasing shipments abroad in the next three months dropped from +14 %-age points back in March to a reading of minus one now.

# German electro and digital industry
## – Business cycle figures

| year over year, % | 2024 | 2025 March | 2025 Jan - Mar |
|---|---|---|---|
| **New orders** | -10.1% | +11.6% | +3.2% |
| domestic | -13.8% | +21.2% | -0.6% |
| foreign | -6.8% | +5.1% | +6.3% |
| euro zone | -8.8% | +7.8% | +2.9% |
| non-euro zone | -5.8% | +3.4% | +8.3% |
| **Production, real** | -8.9% | +2.9% | -2.5% |
| **Turnover, bn €** | 220.1<br>-7.5% | 20.0<br>+4.5% | 54.1<br>-0.8% |
| domestic, bn € | 105.3<br>-8.1% | 9.2<br>+0.3% | 24.9<br>-4.2% |
| foreign, bn € | 114.8<br>-7.0% | 10.8<br>+8.2% | 29.2<br>+2.2% |
| euro zone, bn € | 44.0<br>-0.1% | 4.3<br>+12.8% | 11.5<br>+1.5% |
| non-euro zone, bn € | 70.8<br>-10.7% | 6.5<br>+5.7% | 17.7<br>+2.6% |

| year over year, % | 2024 | 2025 February | 2025 Jan - Feb |
|---|---|---|---|
| **Employees, thousand** | 889.6 1)<br>-2.0% | 885,8 1)<br>-1.6% | 887.6 2)<br>-1.3% |
| **Exports, bn €** | 246.4<br>-3.5% | 19.5<br>+0.3% | 40.9<br>-0.8% |
| **Imports, bn €** | 254.9<br>-5.3% | 20.0<br>+2.3% | 43.5<br>+3.9% |

| | 2024 | 2025 March | 2025 Jan - Mar |
|---|---|---|---|
| Producer prices | +1.6% | +1.1% | +1.1% |
| Material prices | +0.6% | +1.2% | +1.1% |
| Export prices | +0.7% | +0.5% | +0.7% |
| Import prices | -2.0% | -1.2% | -0.8% |

| Balance of positive and negative answers | 2024 | 2025 April | 2025 March |
|---|---|---|---|
| **Business climate** | -12 | -10 | -7 |
| - Economic situation | -15 | -12 | -20 |
| - Expected business for next 6 months | -9 | -7 | +7 |
| Export expectations for next 3 months | ±0 | -1 | +14 |
| Production plans for next 3 months | -6 | -1 | +10 |
| Employment plans | -16 | -17 | -20 |

| | 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

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