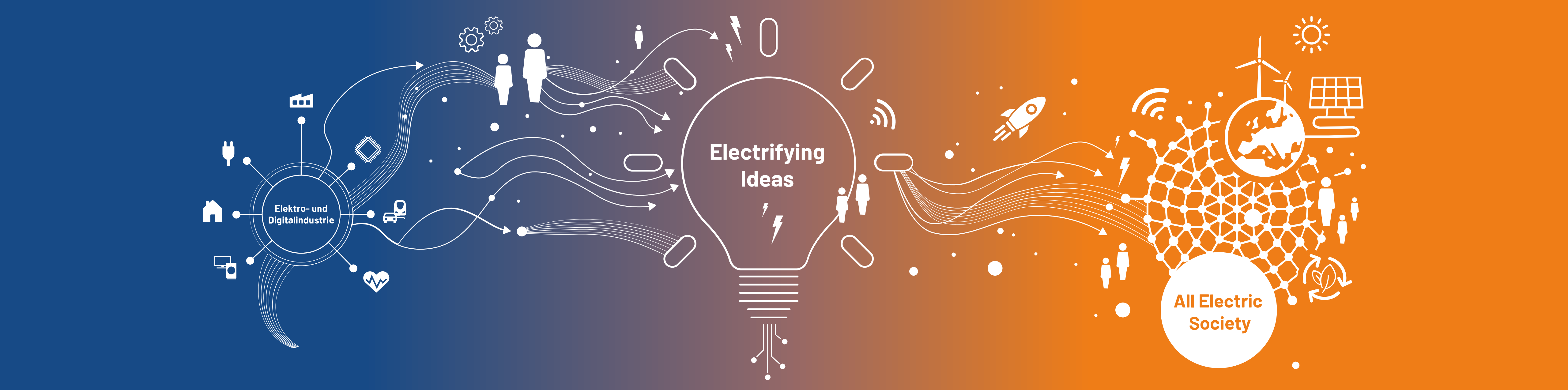

Global Electro and Digital Industry

– Market Outlook until 2026

October 2025

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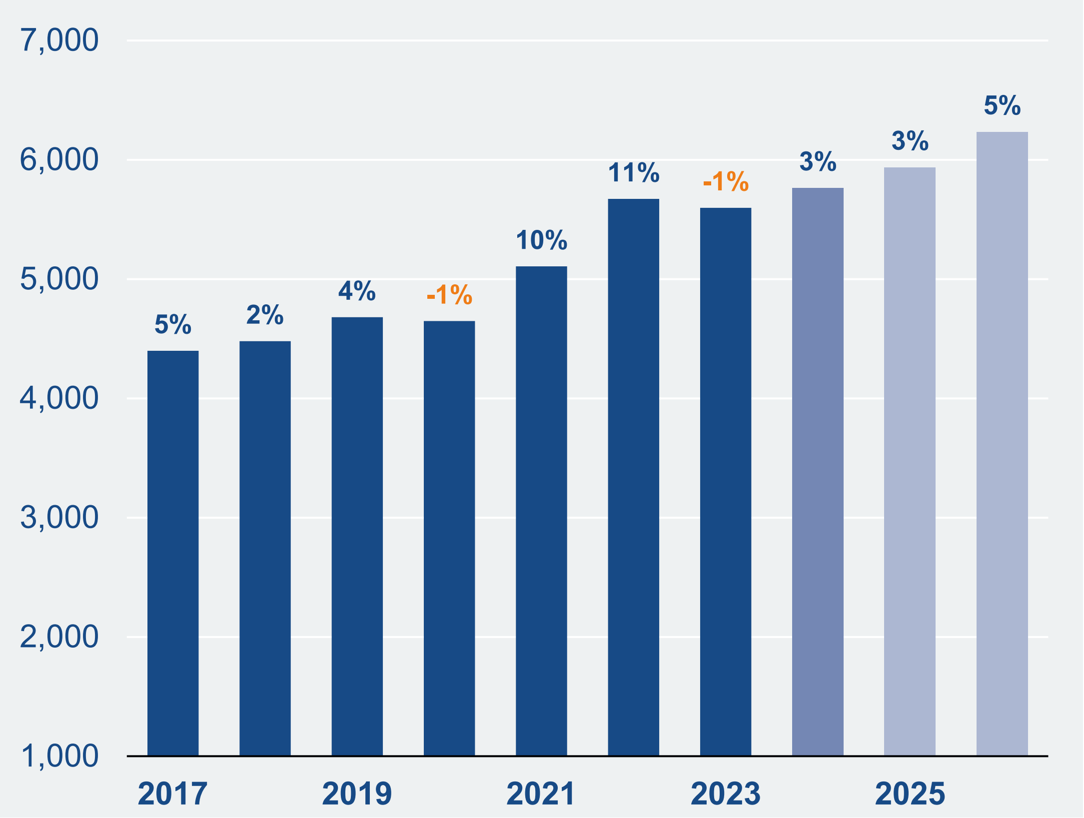
Global Electro and Digital Industry
– Dynamic remains subdued in 2025, more momentum expected for 2026

billion €, change on year earlier in %



2024 estimate, 2025 and 2026 forecast at constant exchange rates
Decline in 2023 was mainly caused by a currency appreciation of the euro
Source: National statistical offices and ZVEI's own calculations

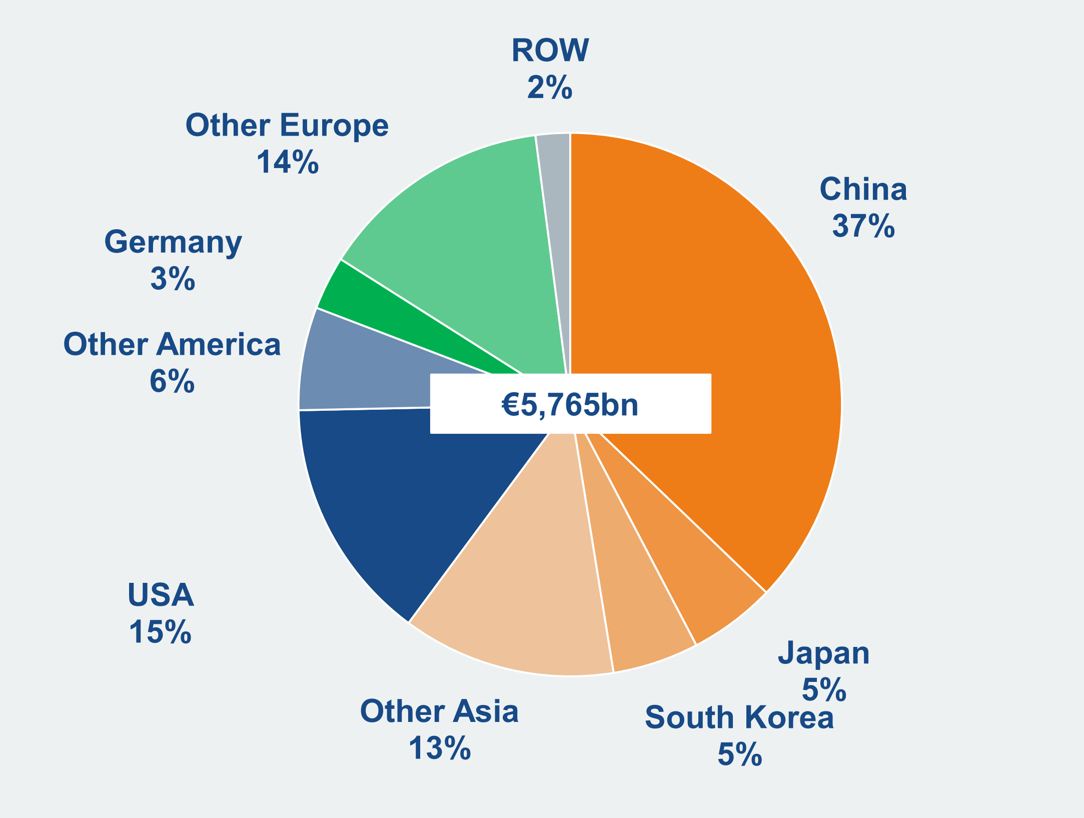
According to the latest calculations by the ZVEI, the **global market for goods of the electro and digital industry** reached a value of €5,765bn in 2024. **For the current year**, the global electro market is expected to grow by 3%. This would mean that growth remains subdued compared to the long-term average (5% p.a. since 1995). **Next year**, growth in the global market could pick up again slightly: the ZVEI forecasts growth of 5% for 2026. This would make the market be worth more than 6 trillion euros.

Trade conflicts in an increasingly fragmented global economy **remain a significant risk**. The electro and digital industry, with its international value chains and sales markets, is particularly dependent on the freest possible movement of goods.

The ZVEI global market outlook for the electro and digital industry includes data for a total of 53 countries. They represent more than 95% of the global market.

Global Electro and Digital Industry
– Attractive markets in Asia

2024, shares in the global market



Source: National statistical offices and ZVEI's own calculations

With a market volume of €3,467bn, the **Asian market** accounts for 60% of the global electro market. According to ZVEI forecast, the market in Asia is expected to grow by 4% this year and 6% in 2026.

China is the world's largest electro market, with a volume of €2,142bn in 2024. After an expected increase of 4% in the current year, the Chinese market could grow more strongly again next year with an increase of 7%. However, the double-digit growth rates of the past are likely to be a thing of the past for the time being.

Japan ranks third in the global country ranking, with an electro market worth €297bn last year. This year, the market there could grow by 2% and by 3% in 2026.

The **South Korean electro market** amounted to €296bn in 2024 (fourth place worldwide). According to the ZVEI forecast, the market is likely to expand by 2% this year and 3% next year.

Global Electro and Digital Industry
– European market rather weak, Germany lagging behind

2023 values in billion €, 2024 - 2026 change in %

Markets by regions	2023 billion €	2024* %	2025** %	2026** %
World	**5,597**	**3**	**3**	**5**
Industrialized countries	2,425	1	2	3
Emerging markets	3,172	4	4	6
Europe	**979**	**1**	**2**	**3**
EU	701	0	2	3
Euro area	547	-1	1	2
America	**1,156**	**3**	**2**	**3**
Asia	**3,334**	**4**	**4**	**6**
Africa	**65**	**3**	**6**	**6**
Australia/Oceania	**63**	**1**	**2**	**3**

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 electro and digital goods reached a volume of €1,191bn in 2024, accounting for 21% of the global market. Here, the ZVEI expects growth of 2% in 2025, followed by an increase of 3% in 2026.

The **US market** alone reached €837bn in 2024 (second place in the country ranking). The forecast predicts growth of 2% for 2025 and 3% for 2026 – in other words: moderate increases. Overall, we do not expect the current US trade policy to lead to a revival of US industry.

The **European electro market** amounted to €989bn in 2024 (corresponding to 17% of the global market). This year, it is expected to grow by 2%, and the ZVEI forecasts an increase of 3% for 2026.

The **German electro market** is the fifth largest in the world, with €184bn (2024). Stagnation is expected this year, followed by modest growth of 2% in 2026. Germany thus has the lowest growth momentum among the countries considered between 2024 and 2026 – this reflects the structural challenges of the German business location.

Global Electro and Digital Industry
– Country specific market forecasts (1)

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2023 values in billion €, 2024 - 2026 change in %

Electro markets by countries	2023 billion €	2024* %	2025** %	2026** %
1. Egypt	12.9	4	7	6
2. Argentina	4.0	1	3	3
3. Australia	49.8	1	2	3
4. Belgium/Luxembourg	20.2	1	2	2
5. Brazil	80.2	4	6	6
6. Bulgaria	6.0	4	6	5
7. China	2,059.8	4	4	7
8. Denmark	14.1	2	3	3
9. Germany	189.4	-3	0	2
10. Finland	11.3	-1	2	3
11. France	79.6	1	1	2
12. Greece	8.1	2	3	4
13. United Kingdom	89.5	0	1	2
14. Hong Kong	15.0	2	2	3
15. India	127.5	8	9	11
16. Indonesia	66.4	5	6	8
17. Iran	57.7	4	3	3
18. Ireland	8.6	1	2	2

Electro markets by countries	2023 billion €	2024* %	2025** %	2026** %
19. Israel***	--	--	--	--
20. Italy	70.8	0	1	2
21. Japan	297.3	0	2	3
22. Canada	77.6	0	1	3
23. Latvia	2.3	0	2	2
24. Lithuania	3.4	1	2	3
25. Malaysia	66.5	5	6	6
26. Mexico	107.8	3	1	3
27. New Zealand	11.8	0	2	3
28. Netherlands	42.2	1	2	3
29. Norway	15.5	1	3	3
30. Austria	21.8	-2	1	2
31. Philippines	15.2	5	6	6
32. Poland	40.6	4	6	7
33. Portugal	9.7	2	2	4
34. Romania	14.4	3	4	7
35. Russia***	--	--	--	--

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

Global Electro and Digital Industry
– Country specific market forecasts (2)

2023 values in billion €, 2024 - 2026 change in %

Electro markets by countries	2023 billion €	2024* %	2025** %	2026** %
36. Saudi Arabia	30.1	3	5	6
37. Sweden	27.6	0	2	3
38. Switzerland	43.2	-1	0	2
39. Singapore	52.2	1	1	2
40. Slovakia	17.3	3	4	5
41. Slovenia	5.4	2	2	2
42. Spain	47.0	3	3	3
43. South Africa	16.0	3	3	5
44. South Korea	290.1	2	2	3
45. Taiwan	79.4	6	5	5
46. Thailand	19.4	5	4	3
47. Czech Republic	32.3	0	4	4
48. Türkiye	19.8	3	4	4
49. Ukraine***	--	--	--	--
50. Hungary	19.4	3	5	7
51. USA	813.0	3	2	3
52. United Arab Emirates	54.9	4	4	5
53. Vietnam	31.1	5	6	7

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

The ZVEI forecasts growth rates for a total of 53 country markets within the global market for the electro and digital industry. These reflect the **country-specific growth potential** of individual markets and economies on the one hand and depend on **the development of the global economy** on the other.

The **ten largest electro markets** at country level in 2024 were (in descending order) China, the USA, Japan, South Korea, Germany, India, Mexico, the United Kingdom, Taiwan, and Brazil. This means that five of these markets are in Asia, two in Europe, and three in America.

Although shifts within the top 10 are minor from year to year, noticeable changes can be seen in the long term. **Mexico is among the rising markets,** which has established itself as a low-cost manufacturing location with good access to the US market. However, the latter is no longer set in stone due to US tariff policy.

Global Electro and Digital Industry – Sub-markets (1)

2023 values in billion €, 2024 - 2026 change in %

Markets by sub-branches	2023 billion €	2024* %	2025** %	2026** %
Automation	**656**	0	2	4
Electric drive systems	170	-2	3	4
Switchgear, controlgear, industrial control systems	228	-1	1	4
Measurement and process automation	258	1	2	4
Power engineering	**320**	5	5	6
Electrical installation systems	**127**	0	3	3
Medical engineering	**149**	4	5	4
Communication technology	**492**	4	3	3
Information technology	**485**	5	5	5
Lighting	**131**	0	1	3
Electronic components and systems	**1,231**	4	3	7

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

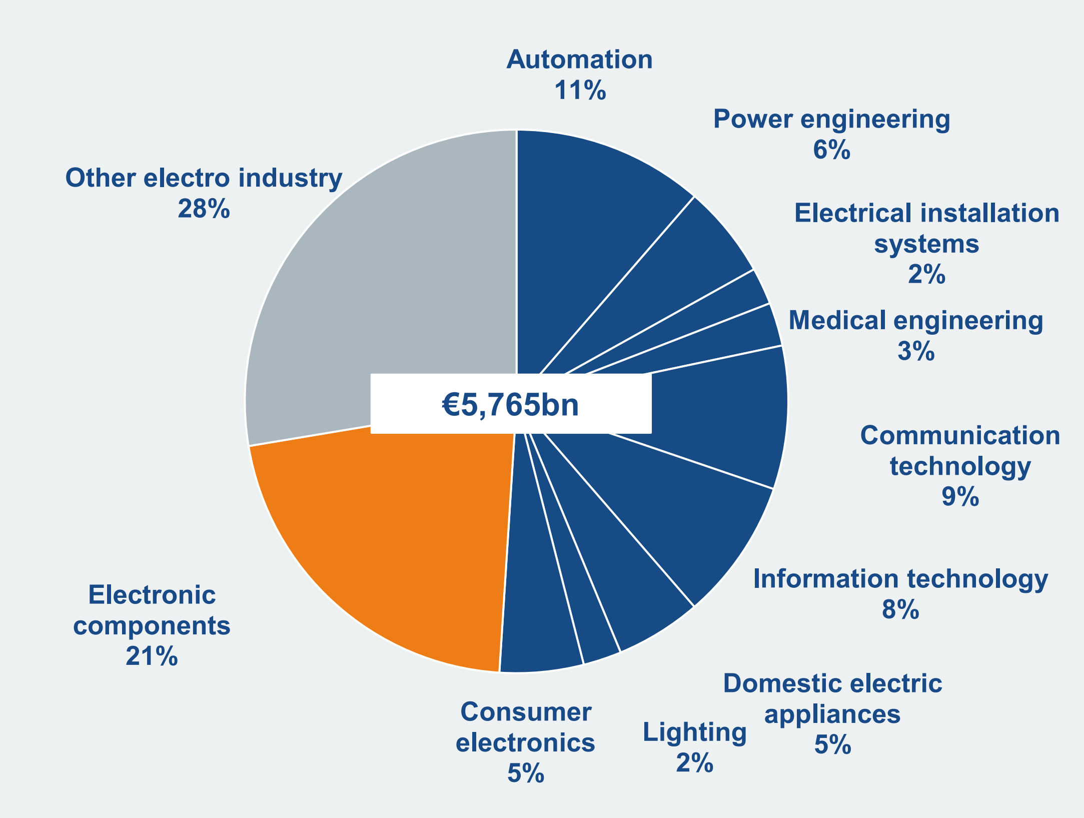
In addition to international forecasts for the electro and digital industry, ZVEI also publishes **assessments for ten sub-sectors** of the electro industry.

Fundamentally, the global electro and digital industry – like most of its sub-sectors – is benefiting from **structural growth drivers**: Whether it is decarbonization, demographic-related labor shortage, or necessary productivity gains, the electro industry provides technical solutions with its products of e.g. **electrification**, **automation**, and **digitization**.

At the same time, more **short-term economic developments** are reflected in the growth prospects of the individual sub-sectors. This applies to those sub-sectors that fluctuate more strongly with **industrial and construction cycles**. Here, higher interest rates since last year have weighed on the investment environment. For example, the global market for **automation** stagnated last year. This year, a moderate recovery is expected (+2%), before growth is expected to return closer to its trend rate in 2026 (+4%).

Global Electro and Digital Industry
– Sub-markets (2)

2024, shares in the global market



Source: National statistical offices and ZVEI's own calculations

The **electrical installation systems** and **lighting** sectors, which are more dependent on construction activity, could see growth of 3% and 1% respectively this year. By 2026, both global markets could then grow by 3% each.

The global market for **communications technology** is expected to grow by 3% in both 2025 and 2026. Growth in **information technology** could be slightly higher at 5% in the two years.

For the global market of **medical engineering**, the ZVEI expects an increase of 5% in the current year and 4% in the coming year. The global market for **power engineering** could see somewhat more dynamic growth, expanding by 5% in 2025 and 6% in 2026.

The global market for **electronic components**, which is the largest sub-sector market within the global electro and digital industry, is expected to grow by 3% in 2025, with growth of 7% anticipated for 2026.

Contact

Matthias Düllmann

Senior Manager Economics
Economic Policies and Statistics

+49 69 6302-329
matthias.duellmann@zvei.org

Dr Fabian Mayer

Manager
Economic Policies and Statistics

+49 69 6302-230
fabian.mayer@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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