

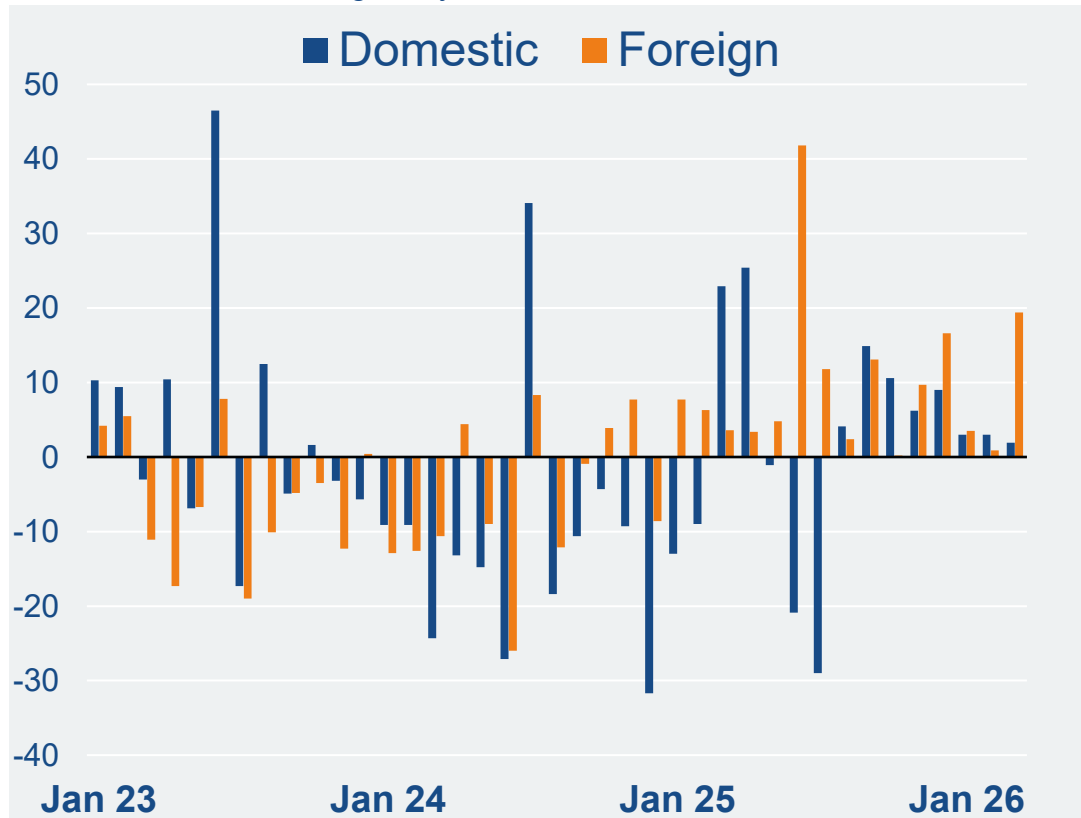
ZVEI Business Cycle Report

Edition May 2026

German electro and digital industry

New orders

Nominal values, % change on year earlier



Source: Destatis and ZVEI's own calculations

In **March 2026**, **new orders** in the German electro and digital industry grew by a two-digit rate. Overall, they were 11.5% up compared to the previous year.

Domestic bookings increased by moderate 1.9%, whereas incoming orders from abroad soared by one-fifth (+19.4%). **Euro zone** customers raised their bookings by 7.3% in March, while new orders from **countries outside the common currency area** even climbed by more than one-fourth (+26.5%).

Thus, in the full **first quarter** of this year, total bookings in our sector came in 6.0% higher than a year earlier. Here, domestic and foreign orders advanced by 2.7% and 8.6%, respectively.

Incoming orders from euro area business partners increased by 11.4% (again year-on-year rate) between January and March. Finally, bookings from the rest of the foreign world were 7.0% on the rise.

German electro and digital industry

Production, capacity and obstacles



Source: ifo Institute

Our sector's **real production** – i.e., its output adjusted for price – was 4.5% up on the year before in **March**.

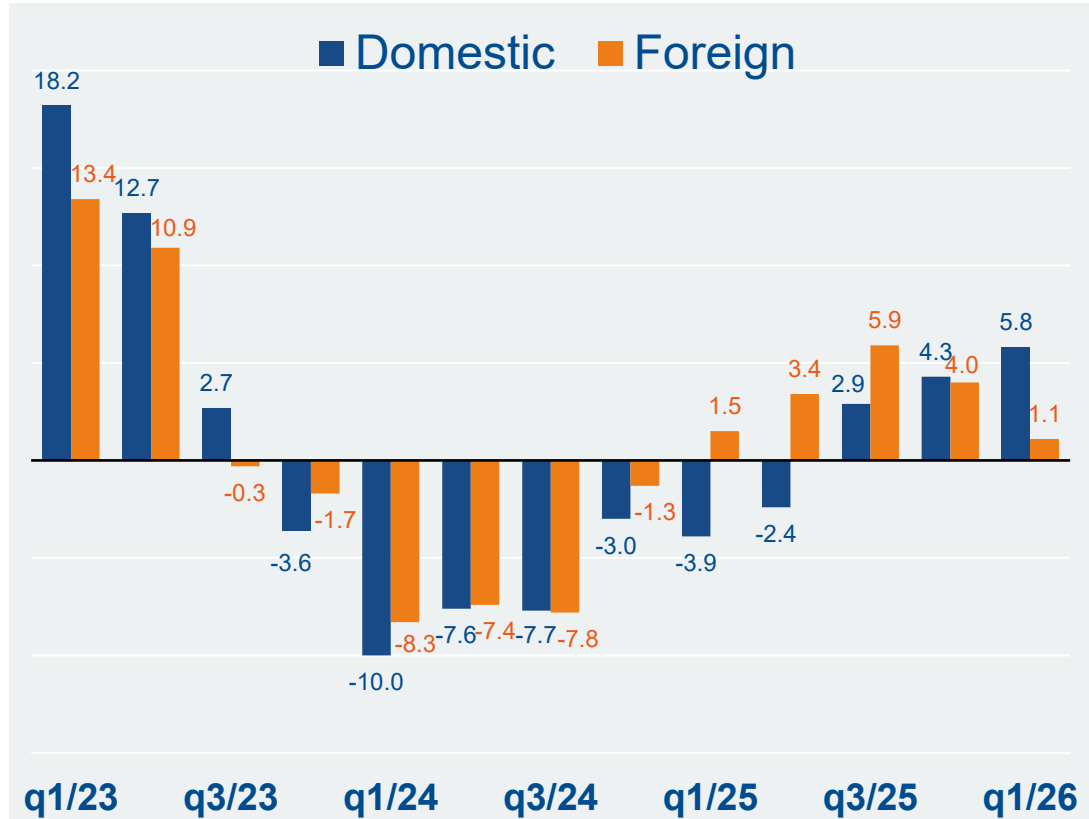
However, the recent good performance didn't suffice yet to turn the development over the course of the full **first quarter** of this year positive. Here, a slight decline of 0.5% (year over year) has still to be recorded.

Capacity utilization within our sector came down somewhat at the beginning of the second quarter of this year, namely from 80.4% to 79.6% of the normal full-use level. At the same time, the **reach of unfilled orders** was up – from 4.0 to 4.6 production months.

Concerning current **obstacles to production**, there were greater shifts at the start of the second quarter compared to the first. Especially, merely 25% of the companies reported a lack of new orders (down from 40%). In contrast, the share of firms confronted with **material shortages** soared from 11% to 19%. That might be (first) consequences of the war in Iran.

German electro and digital industry Turnover

Nominal quarterly values, % change on year earlier



Source: Destatis and ZVEI's own calculations

Nominal **sales** of the domestic electro and digital companies rose by 8.1% (year over year) to €21.9bn in **March 2026**.

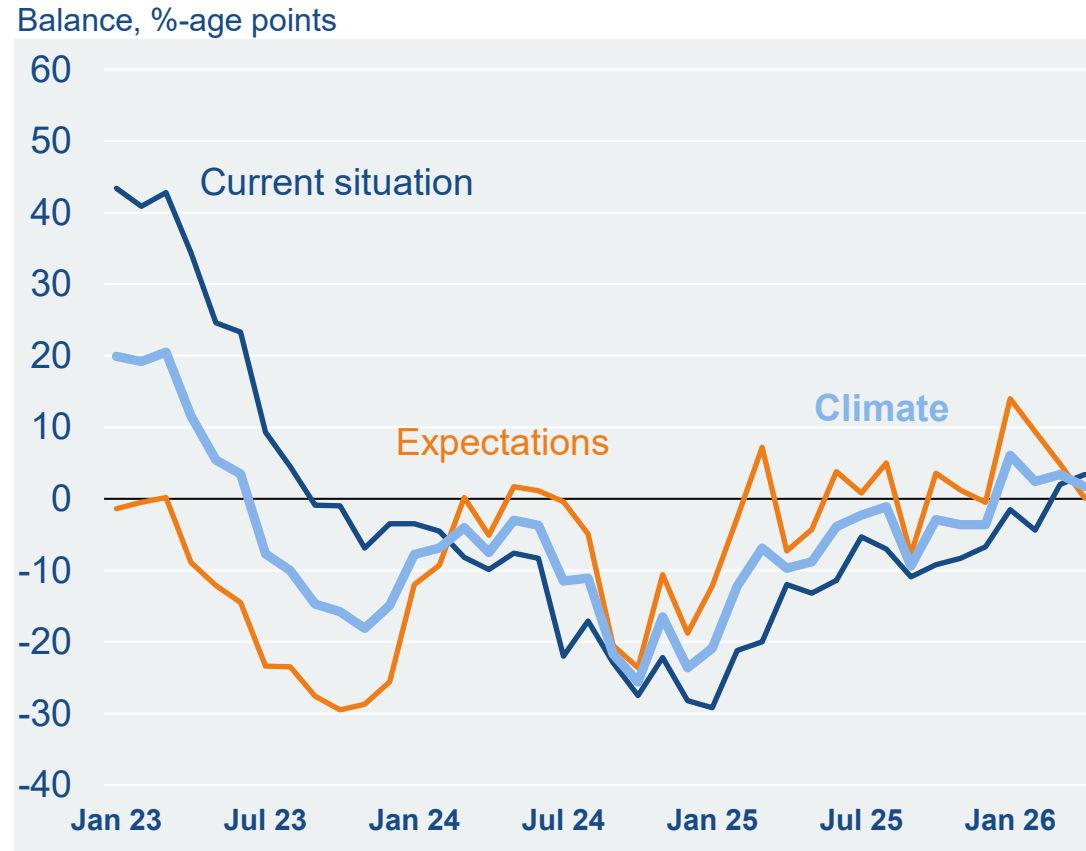
This time, **domestic and foreign turnover** advanced quite similarly (compared with the different development back in both January and February). The former was 8.9% up and the latter 7.3%. Businesses with euro zone clients (+12.3%) grew more strongly in March than those with partners from countries outside the common currency area (+4.4%).

In the entire **first quarter** of this year, our sector's aggregated turnover amounted to €56.6bn, therewith exceeding the respective pre-year value by 3.2%. €27.0bn (+5.8%) fell on domestic sales and €29.7bn (+1.1%) on revenues with foreigners.

Eventually, sales to the **euro area** managed to go up by 3.9% to €11.2bn between January and March. Against it, turnover with clients from **third countries** (of €18.5bn) was still slightly down compared to the preceding year, namely by 0.6%.

German electro and digital industry

Business climate



Source: ifo Institute

The **business climate** in the German electro and digital industry receded only slightly in April of this year. The companies' assessment of their **current economic situation** was even up compared to March. However, overall **business expectations** came down more sharply, bringing them back onto the zero line.

27% of the domestic electro firms evaluated their present situation as good in April. 49% found it stable, while 24% described it as bad.

Regarding the next six months ahead, 17% of the sector's companies are now awaiting rising affairs. Yet, the same share reckons with declining businesses. The majority of 66% calculates with rather stable activities.

The more specific **export expectations** hardly changed at all in April. Here, the balance of firms forecasting their deliveries abroad to rise or fall in the next three months to come stands at +13 %-age points.

German electro and digital industry

Business cycle figures

year over year, %	2025	2026 March	2026 Jan - Mar
New orders	+6.0%	+11.5%	+6.0%
domestic	+0.5%	+1.9%	+2.7%
foreign	+10.4%	+19.4%	+8.6%
euro zone	+8.1%	+7.3%	+11.4%
non-euro zone	+11.7%	+26.5%	+7.0%
Production, real	-0.3%	+4.5%	-0.5%
Turnover, bn €	225.1 +2.3%	21.9 +8.1%	56.6 +3.2%
domestic, bn €	106.3 +0.9%	10.2 +8.9%	27.0 +5.8%
foreign, bn €	118.9 +3.6%	11.6 +7.3%	29.7 +1.1%
euro zone, bn €	43.6 -0.9%	4.5 +12.3%	11.2 +3.9%
non-euro zone, bn €	75.3 +6.3%	7.1 +4.4%	18.5 -0.6%

year over year, %	2025	2026 February	2026 Jan - Feb
Employees, thousand	872.6 ¹⁾ -1.9%	869.6 ¹⁾ -1.6%	870.6 ²⁾ -1.4%
Exports, bn €	257.5 +5.1%	21.3 +9.2%	43.4 +6.6%
Imports, bn €	274.9 +8.0%	21.1 +5.4%	44.7 +2.9%
	2025	2026 March	2026 Jan - Mar
Producer prices	+1.3%	+2.3%	+2.3%
Material prices	+1.0%	+2.7%	+2.4%
Export prices	+0.4%	+1.8%	+1.1%
Import prices	-1.8%	+0.9%	-0.5%
	2025	2026 April	2026 March
Balance of positive and negative answers			
Business climate	-7	+2	+3
- Economic situation	-13	+3	+2
- Expected business for next 6 months	-1	±0	+5
Export expectations for next 3 months	+5	+13	+12
Production plans for next 3 months	+4	+1	+10
Employment plans	-16	-7	-9
	2025	2026 April	2026 January
Capacity utilization	76.4%	79.6%	80.4%
Reach of unfilled orders, in months	4.1	4.6	4.0

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

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