

November 2023

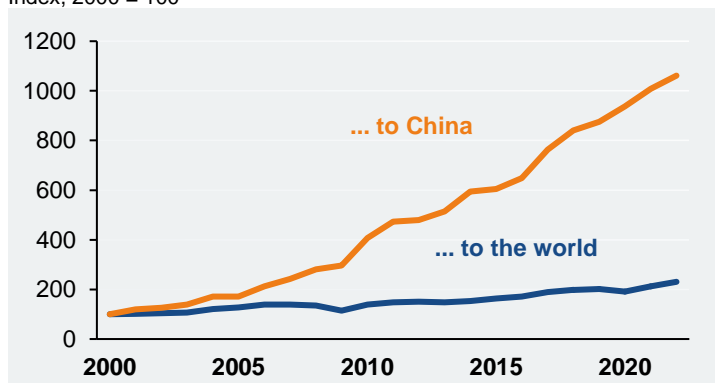
ZVEI Foreign Trade Report Special

China

The Chinese electro market is by far the largest in the world. From 2010 to 2022 its volume has grown from €790bn to €2,307bn (according to preliminary calculations), i.e. it nearly tripled. In the same period, the Chinese share in the global electro market has increased from a quarter to 40.4 percent. As regards the supply side, the country's share is even bigger. Here, China represents a production volume of €2,606bn, which corresponds to 51.6 percent of the global electro output. Accordingly, China achieves a massive export surplus in electrical and electronic goods on the global market. In 2023, the Chinese (nominal) market might grow by eleven percent. For 2024, ZVEI projects a more moderate growth, namely by four percent.

German electro exports

Index, 2000 = 100



Source: Destatis and ZVEI's own calculations

policy, which was practiced nearly until the end of 2022, German electro exports to China advanced only moderately by 5.5 percent last year, while the overall German electro exports rose by 8.6 percent. However, the development in 2023 has been even weaker so far. Thus, sector's exports to China receded by 3.7 percent in the first eight months of this year. Therefore, there is now only a marginal difference between export values to China and the 2nd biggest customer country USA.

Especially the deliveries of the sub-branches automation (€7.6bn), electronic components (€3.8bn), consumer electronics (€1.8bn), ICT (€1.6bn), medical engineering (also €1.6bn) and power engineering (€1.4bn) contributed the most to the German sector's exports to China last year.

Moreover, China is – by far – the biggest supplier of electrical and electronic products for the German market. In 2022, German electro imports from China amounted to €84.4bn, which corresponds to an increase of 23.5 percent (yoy) and nearly a third of the total electro import volume (of €262.1bn).

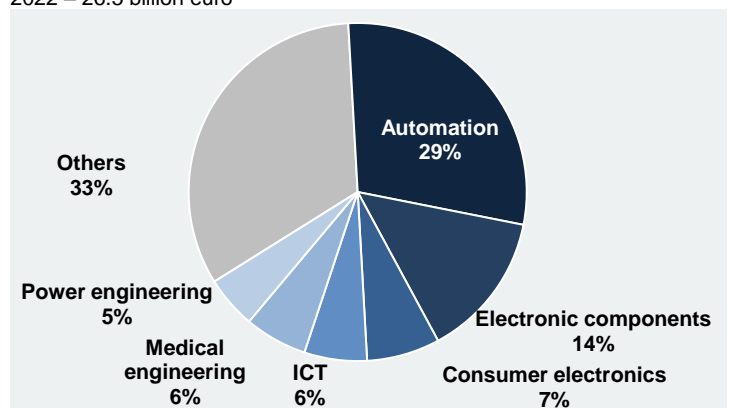
With electro imports growing much more strongly than exports, it is not surprising that the German economy expanded its – already very high – bilateral deficit in the trade of electro goods with China: The deficit reached a value of €57.9bn in 2022.

At the end of 2021, the German electro and digital industry held foreign direct investment (FDI) stocks of €7.1bn – or a seventh of the sector's total FDI stock (of €48.6bn) – in China. With it, the People's Republic was the second biggest investment location abroad of the German electric industry – behind the United States.

With a brief interruption in 2015, China has now been the biggest customer country of the German electro and digital industry since 2014. In 2022, electrical and electronic products with a value of €26.5bn were delivered to the People's Republic. With it, the deliveries to China stand for eleven percent of the total exports of the German electro industry (€245.8bn in 2022). In the ranking of the top ten customer countries the USA (€23.6bn) and France (€15.5bn) follow. In general, the sector's exports to China have increased a lot more dynamically than those to the rest of the world. Since 2000, the deliveries to China have grown almost every year by a double-digit rate. Thus, in 2022 they were more than ten times higher than in 2000. Probably because of China's zero covid

German electro exports to China by sub-branches

2022 – 26.5 billion euro



Source: Destatis and ZVEI's own calculations

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