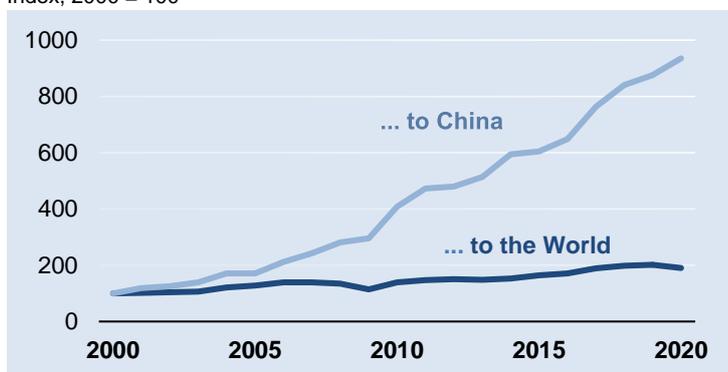


ZVEI Foreign Trade Report Special: China

The Chinese electric market is by far the largest in the world. From 2010 to 2020 its volume has grown from €790bn to €1,898bn (according to preliminary calculations), i.e. it more than doubled. In the same period of time the Chinese share in the global electric market has increased from 25.9 percent to 41.2 percent. As regards the supply side, the country's share is even bigger. Here China represents a production volume of €2,337bn, which corresponds to 50.8 percent of the global electric output. Accordingly, China achieves a massive export surplus in electrical and electronic goods on the global market. For 2021 the ZVEI projects that the Chinese market will grow by about eleven percent.

German electric exports

Index, 2000 = 100



Source: Destatis and ZVEI's own calculations

For the German electric industry China has become the biggest single customer country. In 2020 electrical and electronic products with a value of €23.3bn were delivered to the People's Republic (+6.5% compared to the year before). With it, the deliveries to China stand for eleven percent of the total exports of the German electric industry (of €202.7bn in 2020). In the ranking of the top ten customer countries the USA (€17.3bn) and France (€12.1bn) meanwhile follow with quite a distance. 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

2020 they were more than nine times higher than in 2000. In the first half of 2021 the domestic electric deliveries to the People's Republic grew again, namely by 11.5 percent compared to the pre-year.

In 2020 especially the deliveries of the subbranches automation (€7.0bn), electronic components (€3.1bn), medical engineering (€1.6bn) and energy technology (€1.2bn) contributed the most to the German sector's exports to China.

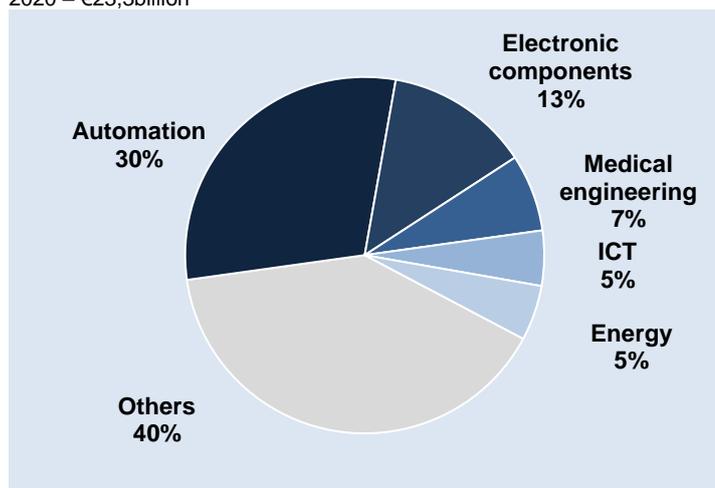
Moreover, China is – by far – the biggest supplier of electrical and electronic products for the German market. In 2020 these imports amounted to €54.9bn, which corresponds to an increase of 5.8 percent and a share of 28.9 percent in the total electric import volume (of €189.9bn).

Subtracting imports from exports, the German economy generated a surplus of €12.8bn in its global trade of electric products in 2020. Nonetheless, the bilateral trade of electrical and electronic goods with China alone exhibited a deficit of €31.6bn!

At the end of 2019 the German electric industry held foreign direct investment (FDI) stocks of €8.1bn – or 16.0 percent of the sector's total FDI stock – in China. With it, the People's Republic was the biggest investment location abroad of the German electric industry – ahead of the United States.

German electric exports to China by subbranches

2020 – €23,3billion



Source: Destatis and ZVEI's own calculations