

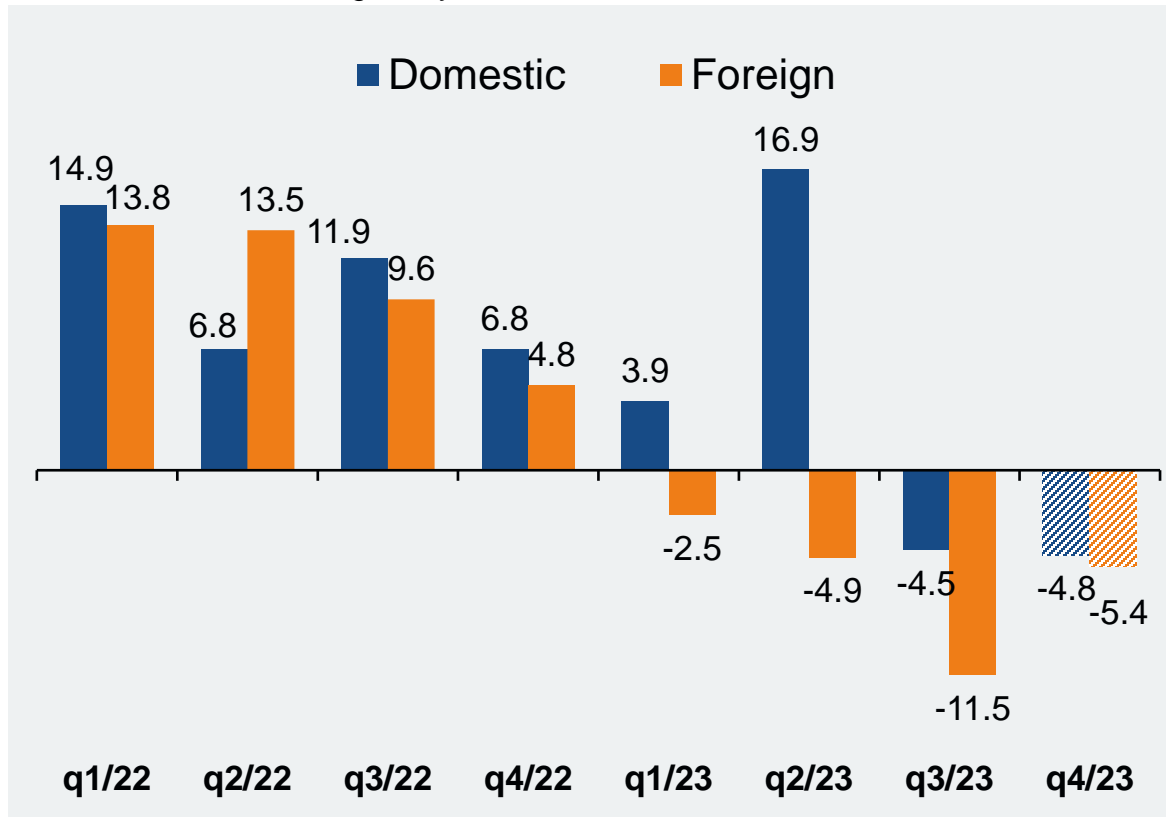
ZVEI Business Cycle Report

– Edition February 2024

German electro and digital industry

– New orders

Nominal values, % change on year earlier



Source: Destatis and ZVEI's own calculations

The value of **new orders** in the German electro and digital industry came in 5.3% lower in **December 2023** compared to a year earlier. With it, all in all there have been nine months with declining bookings over the course of last year.

With a negative growth rate of 8.8%, domestic orders sagged much more starkly in December than bookings from foreign clients (-2.1%). And while new orders from euro zone customers fell by 7.1%, bookings from third countries managed to reach a small plus of 1.2% due to bulk orders.

In the **full last year 2023** new orders in our sector failed their pre-year value by 2.2%. Here, an increase in domestic bookings by 2.6% and a decrease in foreign orders by 6.1% have faced each other. Eventually, new bookings from the euro area dropped by 9.3% in 2023 and, therewith, more than twice as fast as new orders from countries outside the common currency area (-4.2%).

German electro and digital industry

– Production, capacity utilization, reach of orders, obstacles

... % of firms reporting obstacles to manufacturing due to ...



Source: ifo Institute

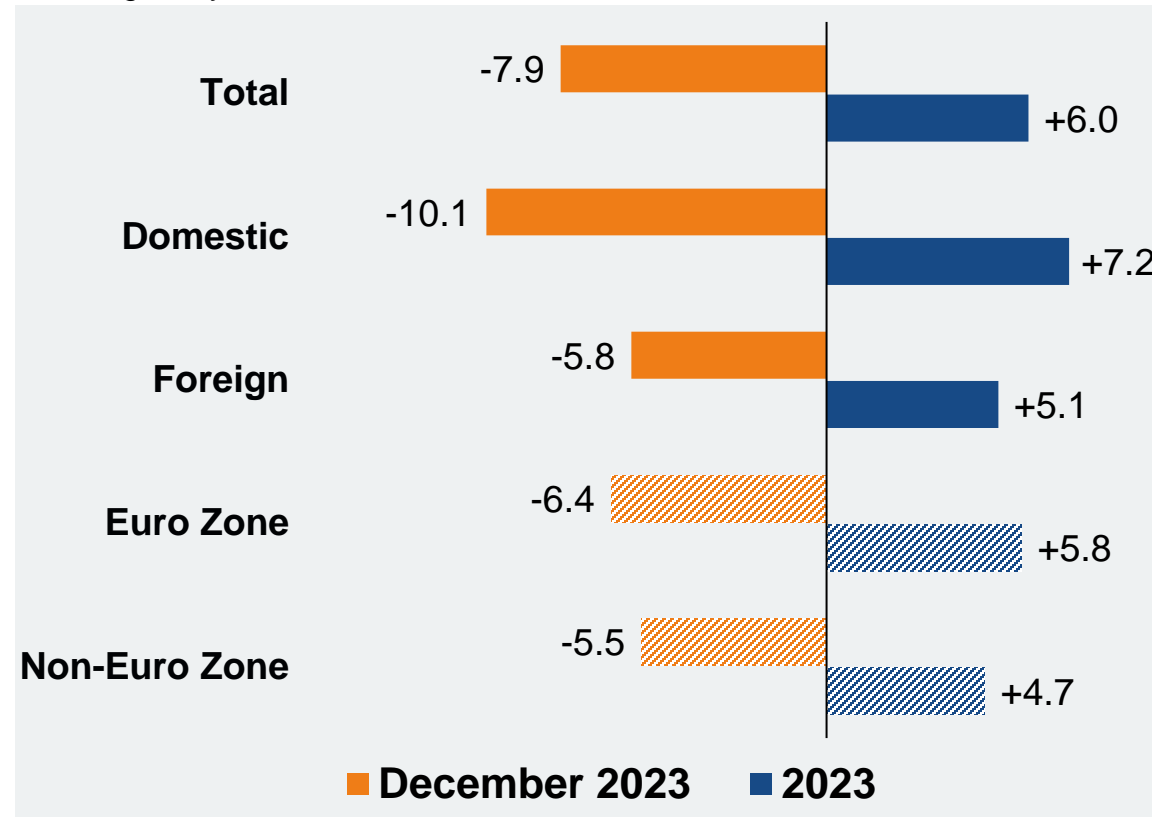
Production (adjusted for price) of **electrical and electronic goods** in Germany failed its respective pre-year level by one-tenth (-10.2%) in December 2023. As a consequence of this setback, the growth rate for the entire last year has been pressed down, too. So, the sector's aggregated real output merely advanced by 0.4% in 2023.

The **capacity utilization** within our sector was further down at the beginning of this year. Compared to the situation three months before, it declined by almost one and a half %-age points to 80.5% (of the normal full use level). At the same time, the **reach of unfilled orders** continued to recede from 4.8 to 4.1 (production) months.

Concerning current obstacles to production activity in the domestic electro and digital industry, tensions have released both on the supply and demand side (in comparison to the start of the fourth quarter of 2023). 43% of the companies still report about a **lack of new orders**, 29% about a **shortage of (skilled) workers** and 21% about a **scarcity of materials**.

German electro and digital industry – Turnover

% change on year earlier



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

Nominal sales of the domestic electro and digital industry amounted to €19.2bn in **December 2023**, leaving them 7.9% lower than in the same month the year before. At the same time, **producer prices** picked up by 2.9%.

Both businesses with domestic and foreign clients receded in December, the former by 10.1% (to €9.2bn) and the latter by 5.8% (to €10.0bn). Revenues with the euro zone sagged by 6.4% to €3.3bn and sales to customers from countries outside the common currency area were 5.5% down, reaching €6.7bn.

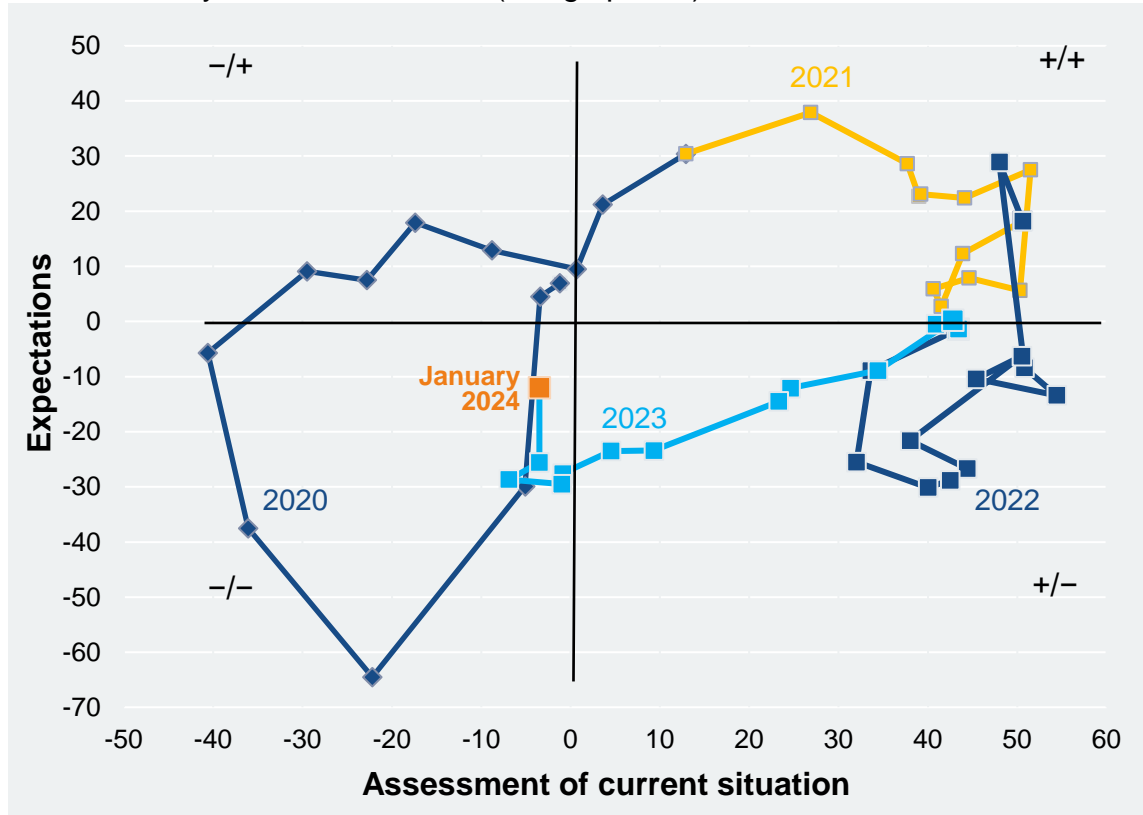
According to preliminary calculations, the sector's aggregated turnover came to €238.1bn in the **full last year**. With it, sales were up by 6.0% from 2022.

Domestic and foreign turnover arrived at €115.0bn (+7.2%) and €123.1bn (+5.1%) last year, respectively. Sales to business partners from the euro area grew by 5.8% to €44.0bn, while revenues with third countries advanced by 4.7% to €79.1bn in 2023.

German electro and digital industry

– Business climate

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



German electro and digital industry

– Business cycle figures

year over year, %	2022	2023 December	2023 Jan - Dec
New orders	+10.2%	-5.3%	-2.2%
domestic	+10.0%	-8.8%	+2.6%
foreign	+10.4%	-2.1%	-6.1%
euro zone	+15.3%	-7.1%	-9.3%
non-euro zone	+7.8%	+1.2%	-4.2%
Production, real	+3.7%	-10.2%	+0.4%
Turnover, bn €	224.5 +12.0%	19.2 -7.9%	238.1 +6.0%
domestic, bn €	107.3 +14.2%	9.2 -10.1%	115.0 +7.2%
foreign, bn €	117.2 +10.1%	10.0 -5.8%	123.1 +5.1%
euro zone, bn €	41.6 +8.1%	3.3 -6.4%	44.0 +5.8%
non-euro zone, bn €	75.6 +11.2%	6.7 -5.5%	79.1 +4.7%

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

year over year, %	2022	2023 November	2023 Jan - Nov
Employees, thousand	898.0 ¹⁾ +2.7%	910.4 ¹⁾ +1.3%	907.1 ²⁾ +2.7%
Exports, bn €	247.1 +9.2%	21.9 -1.9%	234.9 +3.8%
Imports, bn €	263.1 +18.9%	23.0 -7.2%	249.3 +3.5%
	2022	2023 December	2023 Jan - Dec
Producer prices	+7.5%	+2.9%	+5.8%
Material prices	+13.0%	-0.3%	+2.9%
Export prices	+7.3%	+2.5%	+4.1%
Import prices	+8.9%	-0.6%	+0.8%
Balance of positive and negative answers	2023	2024 January	2023 December
Business climate	+/-0	-8	-15
- Economic situation	+18	-4	-4
- Expected business for next 6 months	-16	-12	-26
Export expectations for next 3 months	-2	+/-0	-4
Production plans for next 3 months	-6	+/-0	-11
	2023	2024 January	2023 October
Capacity utilization	85.0%	80.5%	81.8%
Reach of unfilled orders, in months	5.1	4.1	4.8

Contact

Dr Andreas Gontermann

Chief Economist, Head of
Economic Policies and Statistics

 +49 69 6302-273

 andreas.gontermann@zvei.org

Peter Giehl

Manager
Economic Policies and Statistics

 +49 69 6302-406

 peter.giehl@zvei.org

ZVEI e. V.

Electro and Digital Industry Association
Lyoner Straße 9, 60528 Frankfurt am Main
www.zvei.org

Follow us



LinkedIn



YouTube



Newsletter