

## German industrial orders drop in March

Weak industrial orders data confirms our view that the short-term outlook for German industry is anything but rosy



German manufacturing orders plunged in March, adding further evidence as to how the war in Ukraine is weighing on the German and European economy. Industrial orders dropped by 4.7% month-on-month in March, from an upwardly revised -0.8% MoM in February. On the year, industrial orders were down by more than 3%. For comparison, this drop is still far away from the collapse of orders seen at the start of the first pandemic-driven lockdowns in spring 2020. Back then, orders dropped by 40% within two months. The decrease in new orders in manufacturing was mainly due to orders abroad.

German order books were richly filled at the turn of the year but have started to weaken since then. The war in Ukraine and the new supply chain frictions in China will add more pressure to orders and consequently, the entire economy in the coming months.

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