

## German industrial orders recover in September

Industrial orders rebounded in September but the summer collapse in demand has still left scars



German industrial orders recorded only a meagre rebound in September. Industrial orders increased by 1.3% month-on-month in September, from an even further downwardly revised -8.8% MoM in August. While foreign orders increased by 6.3%, domestic orders dropped by 5.9% MoM. According to the statistical agency, the increase in foreign orders was mainly driven by bulk orders in the manufacturing sector.

Since the end of the first lockdown last year, industrial orders have almost doubled to unprecedented levels. Initially, this order explosion also led to strong industrial production increases until the global supply chain frictions kicked in. The sharp collapse over the summer has left its mark on industry. In fact, today's drop in domestic orders could already be a reflection of ongoing supply chain frictions and companies simply delaying new orders, knowing that delivery times are long anyway. For the time being, order books are still well filled and every improvement in supply chains should also lead to an immediate boost in industrial production.

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