

German order books continue to shrink

Industrial orders continued their downward trend in July. Concerns about growth in German industry are increasing by the month



At the start of the year, German industrial order books were richly filled and provided decent anti-recession insurance. Since the start of the Ukraine war, however, this insurance has lessened by the month. Monthly industrial orders have been dropping since February and the latest release is, unfortunately, no exception. In July, German industrial orders dropped by 1.1% month-on-month, from -0.3% MoM in June. On the year, orders were down by almost 14%; although admittedly the July 2021 numbers were exceptionally strong due to major orders. Domestic new orders as well as orders from other eurozone countries were down significantly. The only silver lining was the monthly increase in new orders from non-eurozone countries.

Shrinking order books add to current recession fears. With surging energy prices and fading new orders, the outlook for the German industry is anything but rosy.

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