

Germany: Order books keep on filling

Strong industrial orders bode well for future industrial activity, confirming a very positive outlook for Q2 growth.



Cars on a German Autobahn

Offering more encouragement for future industrial activity, industrial orders increased once again in March, this time by 3% month-on-month, from a slightly upwardly revised 1.4% in February. Industrial orders have now increased in ten of the last eleven months. On the year, industrial orders were up by almost 28%.

German industry had a weak start to the year. This, however, has not so much been a result of stricter and continuing lockdowns since November last year but rather the result of supply chain disruptions and the Christmas break. More structurally, German industry is still on a catching up track and we expect a sharp rebound soon. Since April last year, industrial orders have increased by more than 70%, inventories have been reduced and fiscal stimulus and investment initiatives around the globe should also benefit German industry. Admittedly, supply chain disruptions like the blockage of the Suez Canal or delivery problems of semi-conductors have and will distort industrial activity. However, these disruptions will only delay, not derail, the catch-up of German industry.

Author

Carsten Brzeski

Global Head of Macro

carsten.brzeski@ing.de

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.