

## 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.

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