

## Germany: Never-ending (factory order) growth

With another increase in industrial orders, the manufacturing sector continues to play catch up



Endless growth? This seems to be true when it comes to German industrial orders, which just recorded their seventh consecutive monthly increase. The last time German industry went through such a period of non-stop order growth was in 2000. In November, industrial orders increased by 2.3% month-on-month, from a slightly upwardly revised 3.3% in October. Excluding bulk orders, factory orders were up by 1.6% MoM. On the year, industrial orders are now up by 6.3%. Industrial orders are now some 4% above their pre-crisis level and despite the pandemic, the year 2020 will be the first year since 2017 in which industrial orders recorded a positive year in terms of average monthly growth.

German industry has remained almost unharmed by the November lockdown. In fact, the industrial revival since the summer, though coming from very low levels, is the reason why the German economy may have weathered the fourth quarter much better than most eurozone peers. German industry seems to be benefiting from the strong economic rebound in Asia but also from an ongoing recovery of domestic demand. Also, some Brexit-related stockpiling effects should not be excluded when interpreting today's order data. Looking ahead, however, with the Chinese New Year break coming up and extended, as well as possibly stricter lockdowns in many

main trading partner countries, setbacks for industry seem hard to avoid.

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