

# Germany

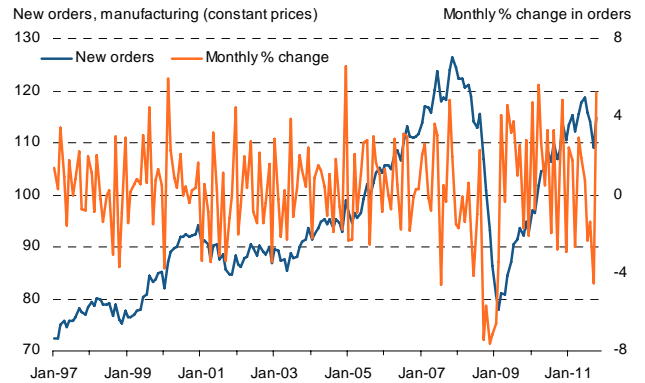
## German industrial orders rebound in November

A sigh of relief as demand for German manufactured goods bounced back in October following a steep fall in September. A 5.2% increase in industrial orders in October more than offset a 4.6% decline the previous month. However, the monthly data are clearly very volatile, and it's therefore better to look at how orders have fared over the last three months as a whole. Here the news is more disappointing, with orders falling 4.0% compared to the previous three months, which is the steepest rate of decline since April 2009 (see chart). Orders are also still some 9.2% below the pre-recession peak four years ago, highlighting the struggle that manufacturers are facing to regain their pre-crisis sales levels.

The trend in the official data now closely matches the PMI™ survey, which likewise shows new orders falling at the fastest rate since 2009, and which also suggests that further weakness in demand for German goods is likely to have been seen in November. This weakness is due primarily to the softening of global demand in recent months as business and consumer uncertainty has risen with the escalation of the euro zone sovereign debt crisis.

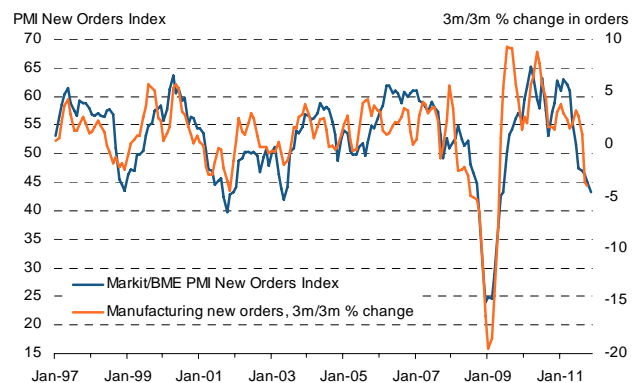
So, while the increase in orders in October is a welcome surprise, it probably merely reflects the usual volatility of order books and does not represent the start of an upward trend in demand for German goods. On the contrary, the indications are that orders are likely to continue to fall in coming months.

### German industrial orders



Source: Ecwin.

### PMI and official orders data compared



Sources: Markit, Ecwin.

To find out how to receive PMI data, please contact [economics@markit.com](mailto:economics@markit.com).

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