

German robotics set to shrink for first time in decade

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Germany's prized industrial robotics and automation sector is expecting a drop in sales this year for the first time since the global financial crisis, an industry body said on Friday.

The Mechanical Engineering Industry Association (VDMA) is expecting sales to fall by five percent to 14.3 billion euros (\$15.8 billion) this year.

This would be the first drop since the 32-percent plunge seen in 2009 in the wake of the crisis.

The slowdown is expected to be even bigger in 2020 when sales are forecast to fall by 10 percent to 12.8 billion euros—back to the level of 2016.

"The German robotics and automation sector cannot escape the [economic slowdown](#) in the mechanical engineering industry," the group said in a statement.

The association blamed a slowdown in the [global economy](#) and the climate of uncertainty for the car industry, which is having to plough investment into switching to electric amid global trade tensions.

It also pointed to "saturation effects in important markets", giving as an example the stagnation in worldwide [sales](#) of smartphones that it said was also having an effect on investment in machinery.

The pessimistic outlook is in line with gloomy forecasts from Germany's powerful BDI industry federation which is predicting a four-percent drop this year in the manufacturing sector, which has been in recession since the third quarter of 2018.

But Patrick Schwarzkopf, head of VDMA's robotics and automation division, predicted a recovery in the medium-term, saying that "robotics and automation will continue to play a central role in the future and return to its growth course".

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