

Austrian Industry Is “Globally Optimistic” despite Deteriorating Competitiveness

The fourth TU Vienna Industry Panel “Made in Austria: The Future of Production in Austria” in cooperation with FHWien der WKW shows positive trends for innovative companies and a well-educated workforce.

Vienna, October 24, 2022 – Even though the Austrian economy has proven surprisingly robust against the consequences of the COVID-19 pandemic, the current study result shows a significant deterioration in competitiveness for domestic production sites. This is a premiere for the industry panel of TU Vienna in cooperation with FHWien der WKW, Fraunhofer Austria and EIT Manufacturing East, for which more than 100 executives of manufacturing companies have been surveyed annually since 2019. Contrary to the expectations for Austria and despite all uncertainties, there is still a certain optimism about the global economic development. The development of employment figures is also viewed much more optimistically than in the previous year. For Austria, the experts’ assessments even exceed the pre-crisis level of 2019.

Almost 50 percent of companies are strongly affected by the Ukraine war

For Sebastian Schlund, Director of the Institute of Management Sciences (IMW) at TU Vienna, “it is evident that in times of crisis, innovation – coupled with the competent expertise of employees – represents the best entrepreneurial life insurance. This is the only way Austria as a business location will be able to survive the current increases in factor costs.” As in previous years, the current survey was conducted in a period marked by social and economic crises. According to the executives surveyed, almost half of the companies are strongly or very strongly affected by the consequences of the war in Ukraine. But “despite tense conditions in supply chains, energy prices and a shortage of skilled workers, Austria’s manufacturing companies are looking positively to the future,” adds Walter Mayrhofer, Head of Research, FHWien der WKW. For him, “this is also due to the fact that industrial companies have done their homework in terms of automation and digitalization in recent years and are now reaping the first rewards.”

Automation requires a well-trained and motivated workforce

Johannes Hunschofsky, Managing Director of EIT Manufacturing East, referred to the current rise in labor demand during the study presentation. “The rapidly changing demands on employees pose major challenges, especially for schools, universities and companies. Retraining, education and training remain essential to ensuring prosperity and meeting sustainability goals.”

According to the study results, the human workforce is losing importance as a direct factor of production. Instead, the areas of planning, organization, maintenance and innovation are gaining in importance due to increased automation. In addition, topics such as the use of artificial intelligence and machine learning algorithms in production and production-related areas have arrived in Austria’s industry. However, this also requires appropriately trained and motivated employees. For this purpose, most of the surveyed companies also use digital assistance systems for workplace learning. It remains to be seen whether the innovation boost in technology-supported learning triggered by the COVID-19 pandemic will also initiate sustainable innovations in the education sector in order to secure the knowledge base for the continued success of production work in Austria.

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About the Industry Panel “Made in Austria: The Future of Production in Austria”

In spring 2022, more than 100 leaders of Austrian industrial companies were surveyed for the fourth time on the situation of their own company, the market, competitiveness and the application of robotics and assistance systems. The aim of the survey is a regular and methodical presentation of the status quo as well as the future expectations of the domestic industry. The topics of automation, digitalization and assistance systems play a central role. More than 60 percent of the employees of the companies participating in the panel work directly in production or in production-related areas. The average number of employees in the companies surveyed in 2021 was 18,420 worldwide and 2,437 in Austria. The share of small and medium-sized enterprises (SMEs) on the industry panel this year was 21 percent.

The study (in German) is available online:

[To the study](#)

“Made in Austria: The Future of Production in Austria” is a study by the Institute of Management Sciences (IMW) at TU Vienna in cooperation with the Institute for Digital Transformation and Strategy (IDS) at FHWien der WKW, Fraunhofer Austria and EIT Manufacturing East.

About the Institute for Digital Transformation and Strategy (IDS) at FHWien der WKW

Founded in 2021, the Institute for Digital Transformation and Strategy (IDS) at FHWien der WKW focuses its research activities on the analysis and solution of complex problems in the organization of digital transformation processes. As part of the Department for Digital Economy, it focuses on practice-oriented research questions in the following areas:

- Digital Transformation
- Organization Design
- Strategy & Competitiveness
- Corporate Governance

Photos:

“In times of crisis, innovation – coupled with the competent expertise of employees – represents the best entrepreneurial life insurance,” declares Sebastian Schlund, Director of the Institute of Management Sciences at TU Vienna, on the occasion of the presentation of the study “Made in Austria: The Future of Production in Austria”.

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“Despite tense conditions in supply chains, energy prices and a shortage of skilled workers, Austria's manufacturing companies are looking positively to the future,” says Walter Mayrhofer, Head of Research at FHWien der WKW.

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of companies, optimally preparing our students for their future careers. Since its foundation in 1994, FHWien der WKW has already produced over 13,600 graduates.

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