

Austria's industry in transition: Production work between crisis and new beginnings

The results of the recent “Made in Austria IndustriePANEL” survey indicate that companies are investing in digitalization, AI, and the circular economy despite the challenging situation.

Vienna, October 16, 2025 – The Austrian manufacturing industry remains under considerable pressure. As the seventh edition of the TU study “Made in Austria: Future of Production in Austria” 2025 shows, the mood in the industry is still tense and competitiveness is declining. At the same time, however, many companies are actively driving innovation, digitalization, and sustainability.

“Despite difficult conditions, many companies are actively working on sustainable solutions,” emphasizes study director Sebastian Schlund, Head of Research Area Industrial Engineering and Research at the Institute of Management Science (IMW) at TU Wien and Managing Director of Fraunhofer Austria. The results of the survey, in which more than 100 executives from 94 manufacturing companies in Austria participated again in 2025, were presented on October 13, 2025, as part of the “Made in Austria IndustrieFORUM 2025.”.

Tense business situation and declining competitiveness

The global economy remains unstable. In addition to protectionist tendencies and geopolitical tensions, high per-unit labor costs are also shaping the operating environment for manufacturing companies. Only 50.5% of companies rate their current business situation as positive—the lowest figure since the survey began in 2019. The assessment of international competitiveness is even more pronounced: 85.4% of respondents see a deterioration in location conditions over the last five years. This means that domestic industry is struggling not only with economic weaknesses but also with structural competitive disadvantages.

“The study clearly shows that the competitiveness of Austrian industry is under pressure,” says Sabine Hesse, Managing Director of Metaltechnology Austria. High costs, complex regulations, and global uncertainties are weighing on companies. At the same time, there is growing pressure to reposition themselves.” This assessment reflects the growing concern that Austria could continue to lose its appeal as a production location without a targeted location policy and promotion of innovation.

Employment outlook: Decline expected in Austria

There are also signs of a decline in employment figures. Only 44.7% of companies expect employment to increase at Austrian locations over the next five years, while 55.3% anticipate a decline. Production and production-related areas are particularly affected. Globally, expectations remain more stable, indicating a continuing shift of production capacities abroad.

Hannes Hunschofsky, Managing Director of EIT Manufacturing East, warns: “The expected decline in employment at Austrian locations is a serious signal. We must combine training, technology use, and location policy in order to secure the industrial base.” He thus points to the need to link education, research, and industrial policy more closely in order to preserve jobs in high-tech industries in the long term.

PRESS RELEASE



Automation and AI as a response to the shortage of skilled workers

With 482 industrial robots per 10,000 employees, Austria is above the international average, sending a clear signal about the increasing level of automation. Despite this development, human labor remains highly important: 95.7% of companies consider it to be very important or extremely important. At the same time, the use of AI is increasing significantly: 42.4% of companies already use machine learning, particularly in quality management, production planning, and maintenance. The new EU AI Act is perceived by a majority of respondents as a helpful framework for innovation and legal certainty.

For Walter Mayrhofer, Head of Research at FHWien der WKW, one thing is clear: “Automation and AI are by no means an end in themselves – they are crucial for addressing the shortage of skilled workers and ensuring long-term competitiveness. It is important to use these technologies in a human-centered way.” This makes it clear that the digitalization of production is not at odds with the importance of human labor, but rather – when designed correctly – can specifically strengthen its potential.

Circular economy as a model for the future

More and more companies consider the circular economy to be a viable business model. In 2025, the companies surveyed will generate an average of 15% of their revenue from circular processes. Companies that generate 25–50% of their revenue from circular processes are experiencing particularly strong growth. This means that ecological transformation is increasingly becoming a factor for economic success.

The innovative strength is stable, supply chains are recovering

Despite economic uncertainties, 83% of companies rate their innovative strength positively. In addition, 67% report shorter delivery times. This indicates stabilized value chains and improved operational efficiency. Challenges remain in making working hours more flexible. Only 37.1% of companies report a high willingness to work shifts.

Conclusion: Between pressure and creative drive

The “Made in Austria IndustriePANEL 2025” shows that Austria's industry is facing profound structural changes. Although rising costs, a shortage of skilled workers, and uncertainties are dampening competitiveness, innovation, automation, and sustainability are also opening up new perspectives. The research partners see this as a sign that Austria's industry is ready not only to cope with change, but also to actively shape it.

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

The aim of the study is to provide a regular and methodologically sound presentation of the status quo and future expectations of domestic industry. The topics of automation, digitalization, assistance systems, and sustainability play a central role in this.

The current study and those from previous years are available for download on the Made in Austria website: <https://www.tuwien.at/mwbw/im/ie/mmi/industriepanel-made-in-austria>

PRESS RELEASE



Photos:

Presentation of the “Made in Austria IndustriePANEL” 2025 study results at the “Made in Austria IndustrieFORUM” on Monday, October 13, 2025, at TUtheSKY at TU Wien.

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The “Made in Austria” project partners with the keynote speaker at IndustrieFORUM 2025 (from left to right) FH-Prof. Walter Mayrhofer (FHWien der WKW), Prof. Gisela Lanza (Karlsruhe Institute of Technology), Univ.-Prof. Dr.-Ing. Dipl.-Ing. Sebastian Schlund (TU Wien / Fraunhofer Austria), Georg Eberwein, MSc., BA (FMTI), Theresa Neuhauser, MA BA (EIT Manufacturing East), Dr.techn. Martin Riester (Fraunhofer Austria)

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