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## Innovation and Automation for the Wood Industry

Hanover, Febr. 20<sup>th</sup> 2025: Markus Hüllmann, Chairman of the VDMA Woodworking Machinery Association, painted a pragmatic yet opportunity-oriented picture of the woodworking machinery sector at the press preview for LIGNA 2025. Despite economic turbulence and increasing global competition, European machine manufacturers are ready for an upswing. They are focusing on automation, technical excellence and innovative solutions that are tailored to the needs of customers in the wood and furniture industry.

“The past year was difficult, but there are many reasons for optimism,” said Hüllmann. “Our industry has excellent solutions for the wood industry. By utilizing automation and engineering expertise, we can reduce production costs, improve quality and maintain our competitive advantage.”

## Economic situation and outlook for 2025

While German manufacturers of woodworking machines and tools recorded a 15% decline in production in 2024, the industry association expects a stable level for the current year. This outlook assumes an increase in incoming orders from the third quarter onwards.

From January to November 2024, exports fell by 11.5%. The decline was stronger in European markets in particular than in the rest of the world, while North America was the only region to show a positive trend. The association also expects North America and some other overseas markets to make a positive contribution in 2025.

## Automation and innovation: clear advantages for German and European manufacturers

Technological excellence is a decisive success factor. “Automation and digitalization are no longer optional, but essential,” emphasized Hüllmann. “It enables manufacturers in the wood industry to reduce costs, improve efficiency and ensure consistent product quality, even though it is becoming increasingly difficult to recruit qualified personnel. In many regions of the world, problems are growing due to an ageing society. The solution to this and to global competitiveness is to combine automation with technical expertise and excellent service.”

Hüllmann sees the industry in an advantageous situation, as the sustainable material wood is increasingly coming into focus due to discussions about climate change and decarbonization. If the construction industry, which is particularly energy- and resource-intensive, is to become more sustainable, there is no way around the increased use of wood. As a result, building with wood is experiencing an upswing in Europe and other parts of the world, with significant growth rates.

### **Political demands of the industry**

The VDMA Woodworking Machinery Association expects reforms from the new German government in order to secure Germany as a competitive location for investment. The industry sees a need to make the labour market more flexible and to simplify immigration processes in order to attract and retain skilled workers. Bureaucratic hurdles must be removed. Excessive regulations in timber construction are particularly criticized - targeted deregulation would provide further impetus for the industry.

“Politicians must act now to secure Germany's leading role in the industry. If these challenges are not addressed, we will jeopardize our competitiveness,” warned Hüllmann.

### **LIGNA 2025: Solutions for the wood and furniture industry**

As an important date for the global woodworking industry, the world's leading trade fair LIGNA 2025 will take place in Hanover from May 26 to 30. “LIGNA will be the ultimate showcase for technical solutions that the wood and furniture industry needs to be successful in a complex and highly competitive market,” emphasized Markus Hüllmann. “From advanced automation technologies to intelligent production systems, the show will demonstrate how our industry is turning challenges into opportunities.”

The VDMA represents 3600 German and European mechanical and plant engineering companies. The industry stands for innovation, export orientation and medium-sized businesses. The companies employ a total of around 3 million people in the EU-27, more than 1.2 million of them in Germany alone. This makes mechanical and plant engineering the largest employer among the capital goods industries, both in the EU-27 and in Germany. It accounts for an estimated turnover of around 910 billion euros in the European Union. Around 80 percent of the machines sold in the EU come from a production facility in the internal market.