



ECONOMICS AND STATISTICS

INTERNATIONAL MACHINERY AND EQUIPMENT MANUFACTURING

Bulletin international

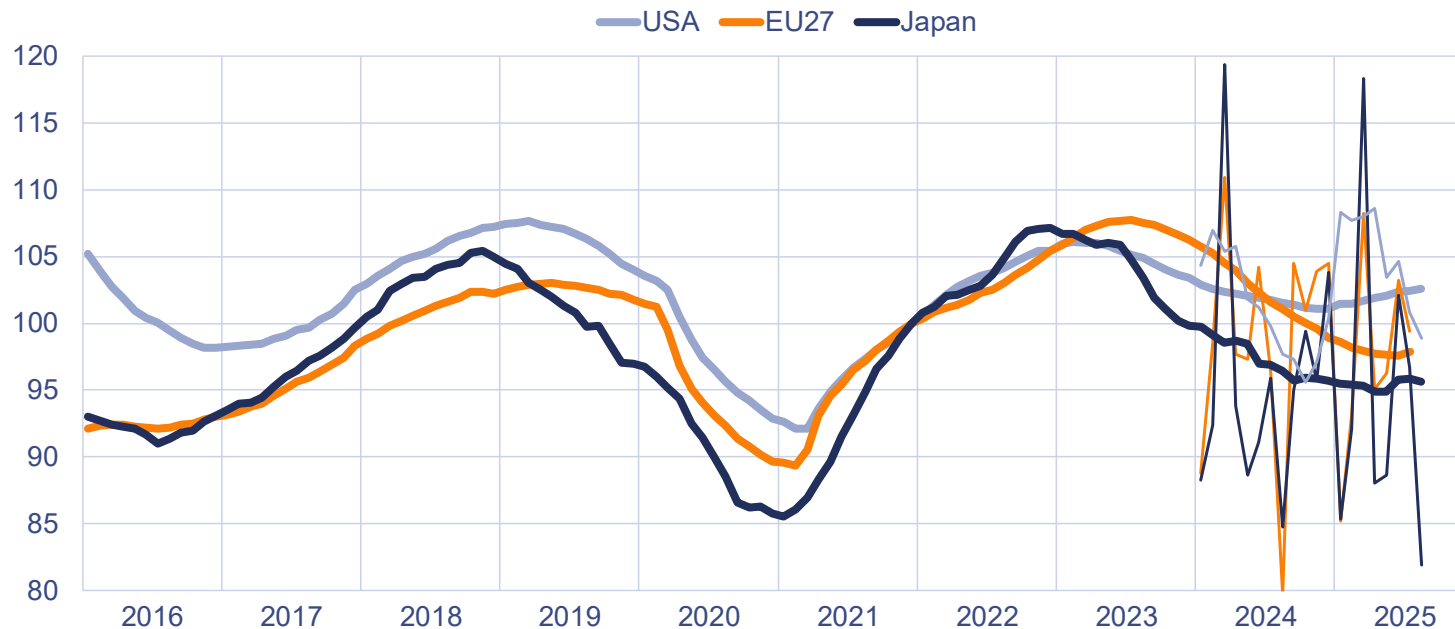
OCTOBER 2025

ADVANCING EUROPE'S MACHINERY INDUSTRY



EU-27, USA, Japan: Machinery production

Volume index, 2021 = 100 and 12-months moving average



*) NACE rev. 2 code 28.

Source: Eurostat, Federal Reserve, METI, Macrobond, VDMA

First, the positive news: in the **EU**, machine production in July exceeded the previous year's figure for the first time since July 2023, with an increase of 3 percent. However, the first seven months of the year saw a decline of 2 percent.

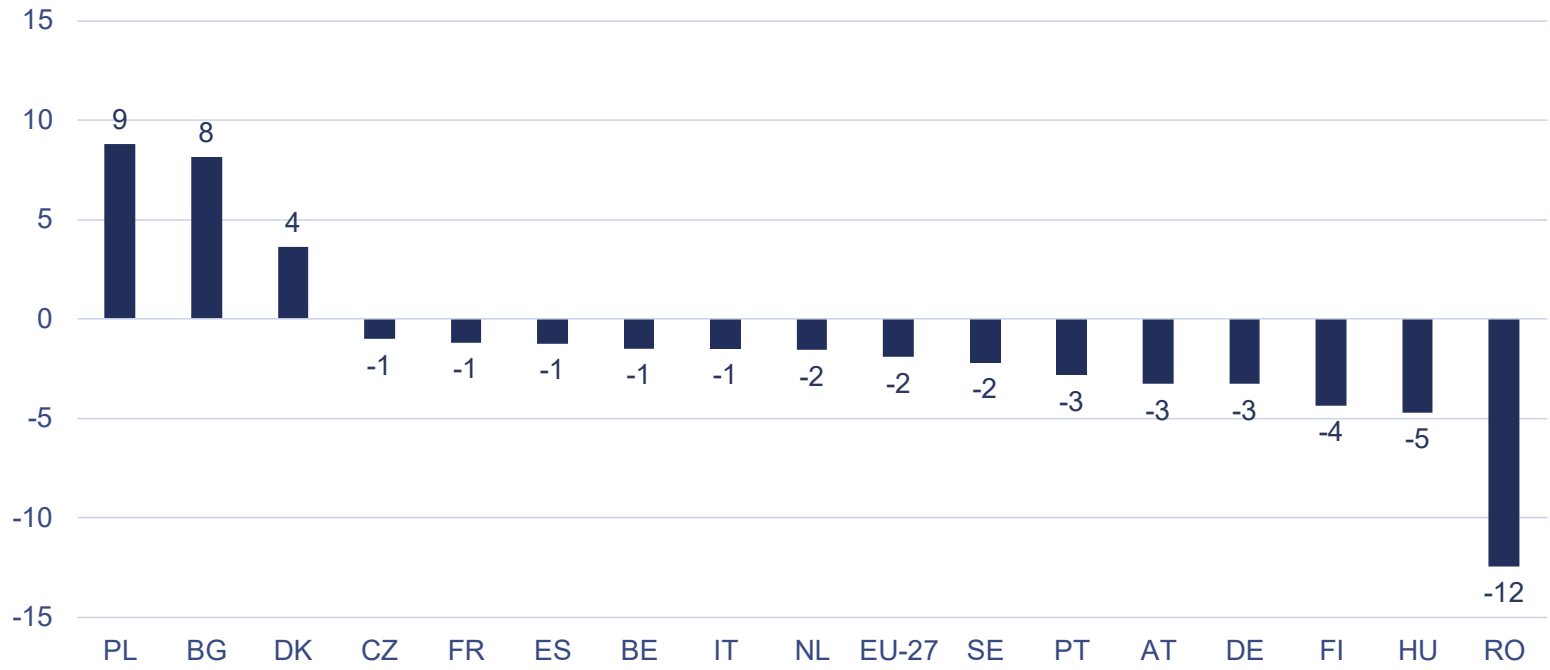
The **US** machinery industry has been on a growth path for several months now, with production output rising by 2 percent in August. The cumulative result for the first eight months was 1.7 percent higher than in the same period last year.

In **Japan**, seasonally adjusted production output in August was 1 percent below the previous year's figure. The period from January to August closed with a slight increase of 1 percent.

(All figures are price-adjusted and preliminary and refer to the same period of the previous year.)

EU-27: Production in machinery and equipment manufacturing*

January - July 2025/2024, %, real, calendar adjusted



In the **EU**, machinery production surprised on the upside in July, rising by 3 percent compared with the same month last year. This is the first growth rate since July 2023. In the first seven months of the year, EU production output was 2 percent below the previous year's level. There are significant regional differences: as in previous months, Poland and Bulgaria stood out positively from the other EU countries. In Romania, on the other hand, production fell by double digits.

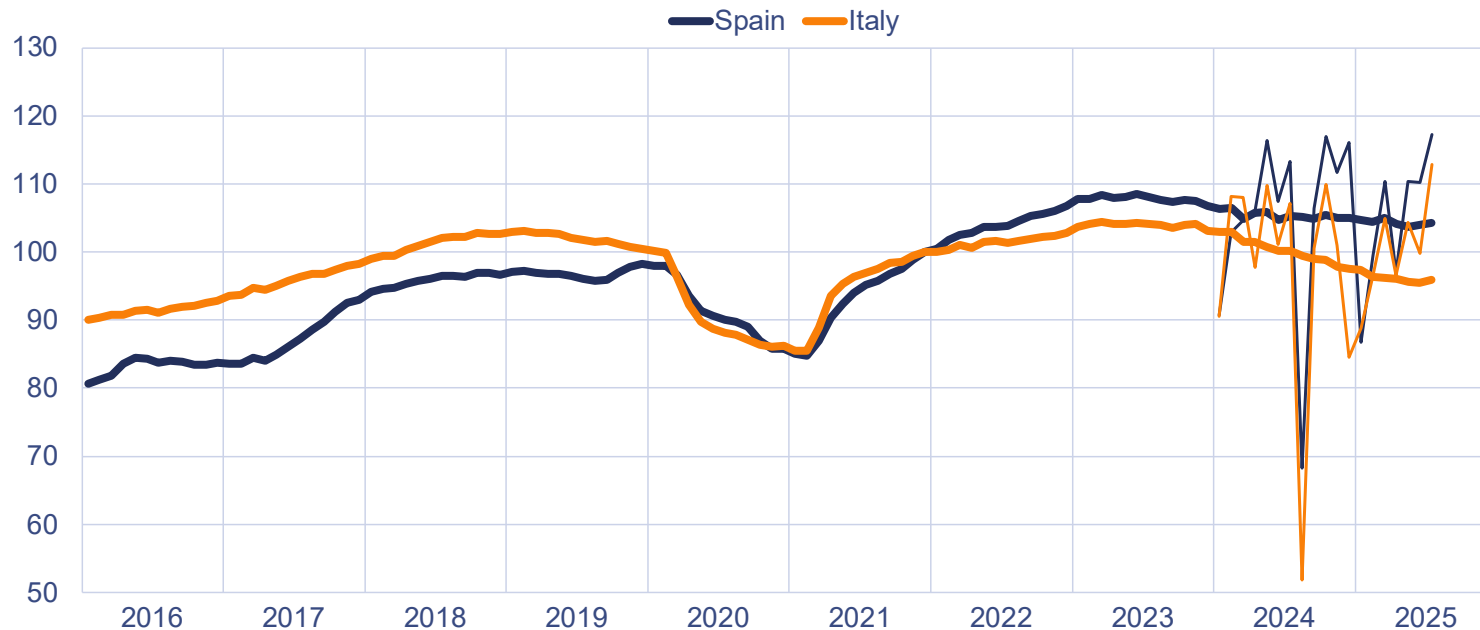
(All figures are subject to price and calendar adjustments and are provisional).

*) NACE rev. 2 chapter 28.

Source: Eurostat, Macrobond, VDMA

Machinery production* in Italy and Spain

Volume index, 2021 = 100 and 12-months moving average



In July 2025, machine production in **Spain** grew for the second time compared to the same month last year. It rose by 3 percent. After seven consecutive months of negative growth, the coming months will show whether this is a change in trend. In the first seven months of the current year, Spanish machine production was 1 percent below the same period last year.

In **Italy**, machinery production rose significantly by 5 percent in July. For the period from January to July, the industry recorded a decline of 1.5 percent. Production fell by 4 percent in the first quarter and by 3 percent in the second quarter.

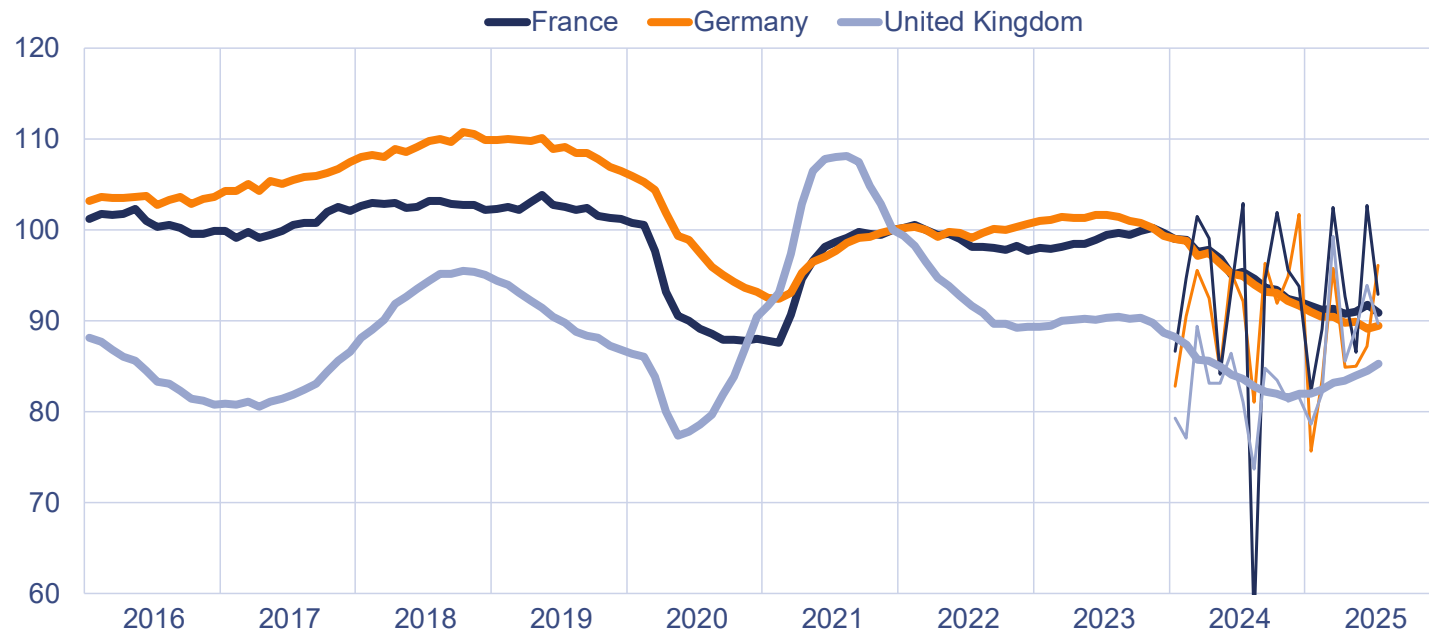
(All data are price and calendar adjusted and provisional).

*) NACE rev. 2 code 28.

Source: Eurostat, Federal Reserve, METI, Macrobond, VDMA

Machinery production* in Germany, France and United Kingdom

Volume index, 2021 = 100 and 12-months moving average



*) NACE rev. 2 code 28.

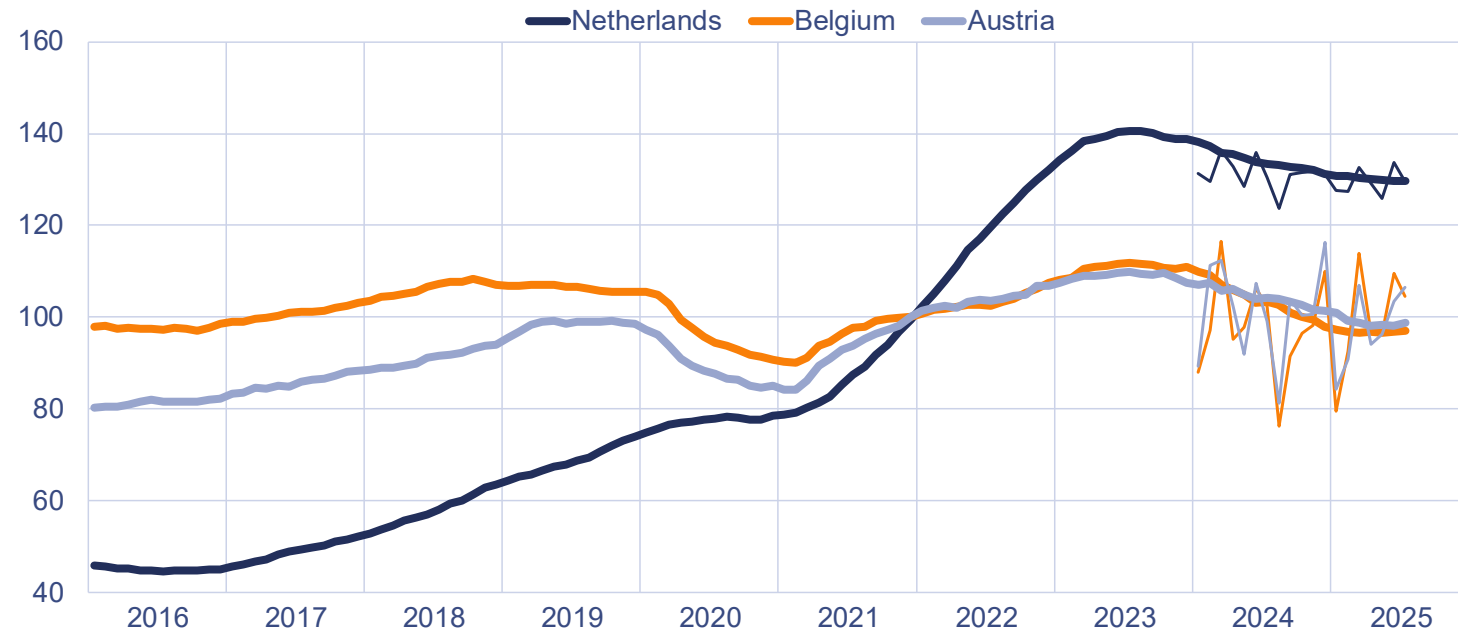
Source: Eurostat, Federal Reserve, METI, Macrobond, VDMA

The **German** machinery and equipment manufacturing industry recorded a 4 percent increase in production in July 2025. This is the first increase since July 2023. In the first half of the year, machine production fell by 4.5 percent. For the first seven months of the year, the decline amounts to only 3 percent. In **France**, machine production developed disappointingly in July 2025 after two positive months. It fell short of the previous year's figure by 8 percent. Preliminary data for the first seven months show a 1 percent decline in production. Machinery and equipment manufacturing in the **United Kingdom** remained on track for growth. Due to the weak comparative figure for the same month last year, production increased by 10 percent. In the first seven months of the year, production output rose by 6 percent.

(All data are price and calendar adjusted and provisional).

Machinery production* in Austria, Belgium and the Netherlands

Volume index, 2021 = 100 and 12-months moving average



*) NACE rev. 2 code 28.

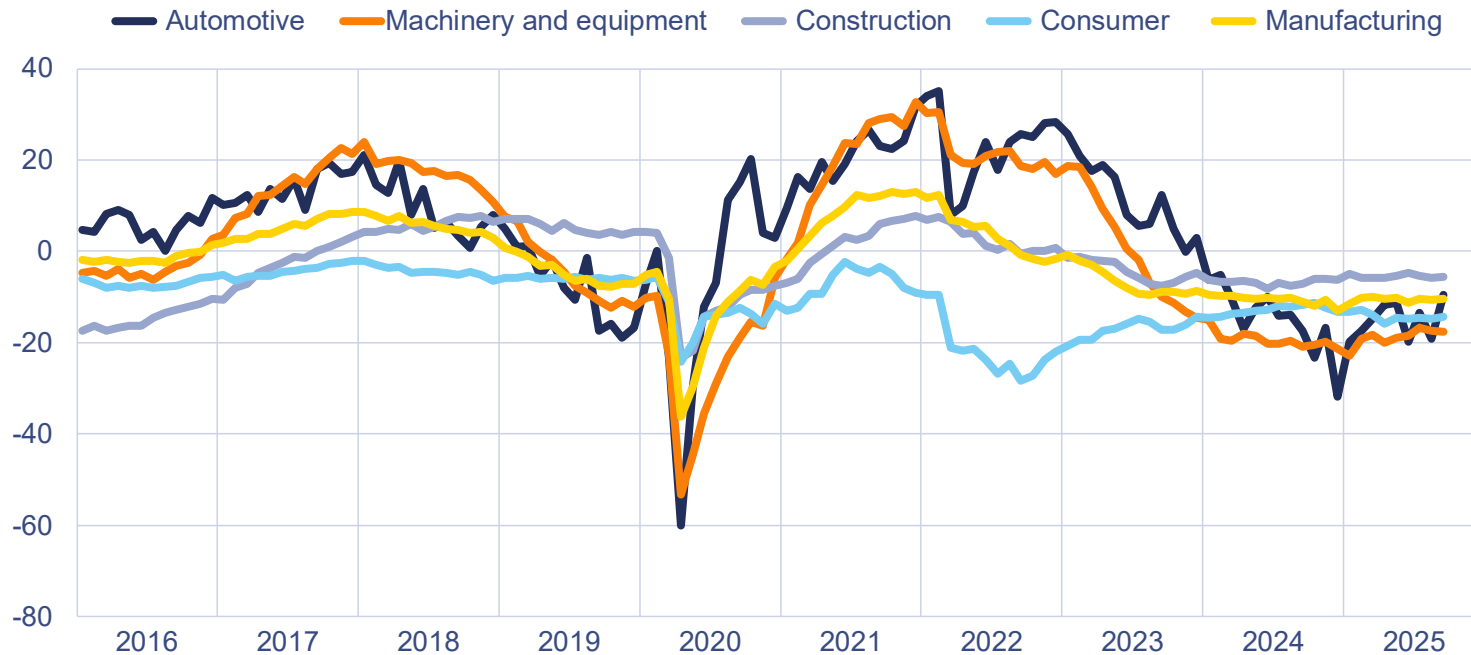
Source: Eurostat, Federal Reserve, METI, Macrobond, VDMA

In **Dutch** machinery and equipment manufacturing, production output is developing at a comparatively stable rate on average for the industry. A slight decline of 1 percent was reported for July. In the first seven months of the year, production fell by 1.6 percent. The trend was slightly more negative in the first quarter than in the second. Production output in machinery and equipment manufacturing also rose in **Belgium** in July 2025: according to preliminary data, the figure for the same month last year was exceeded by 2 percent. However, in cumulative terms, production remains below the same period last year, specifically by 1.5 percent. **Austria** also reported production growth for July. At +7 percent, the increase was significantly stronger than in most other EU countries. In the first seven months, machinery production fell by 3 percent, the same rate as in Germany.

(All data are price and calendar adjusted and provisional).

EU-27: Business climate in selected sectors

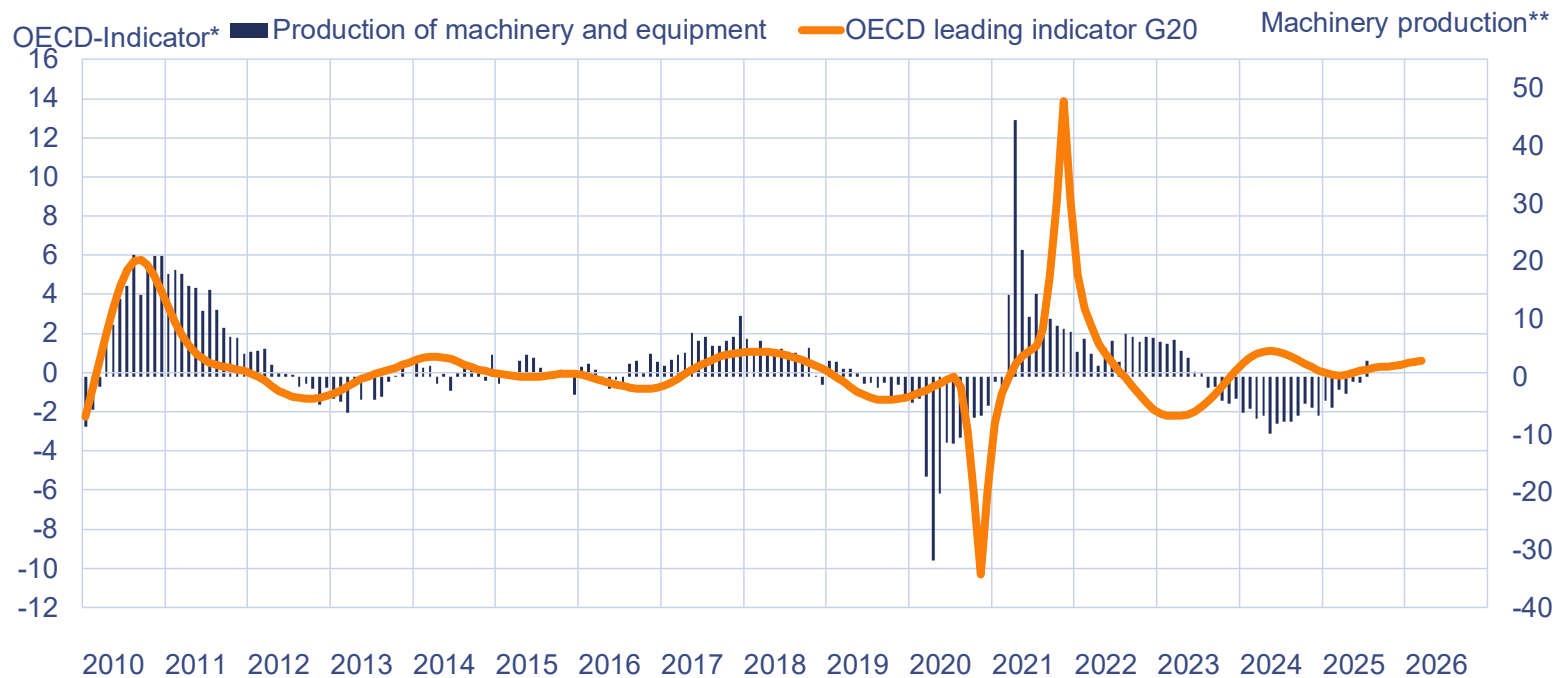
Balance of positive and negative answers, seasonally adjusted



Source: EU Commission, Macrobond, VDMA

EU industry continues to wait for momentum. As in previous months, the EU-wide economic survey in September shows that sentiment remains negative. In the automotive industry, sentiment continues to fluctuate sharply. This could be a reflection of the profound technological change taking place, but also of a fluctuating number of participants. In the interactive report [Economic Indicators EU Countries](#), you can view the mood in the countries and in the individual sectors.

EU-27: Machinery production and OECD Leading indicator (Leading indicator shifted forward by 7 months)



In the past, the OECD Composite Leading Indicator has been a good early indicator for the EU machinery industry. However, in periods of exogenous shocks, it regularly loses its lead, which is usually seven months ahead of EU machinery production. The indicator currently shows a slightly positive production trend in the second half of 2025. However, the erratic US tariff policy could leave its mark in the coming months.

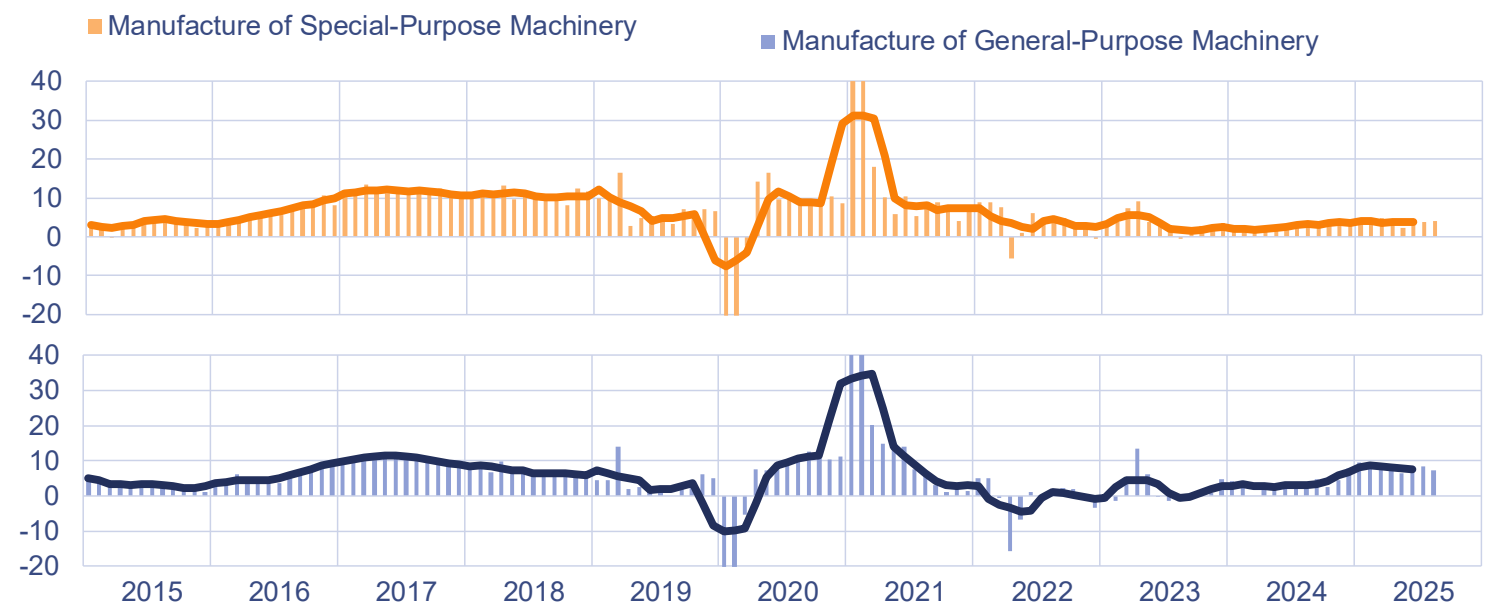
*) 12-months moving average.

**) Real change against previous year in percentages.

Source: OECD, Eurostat, Macrobond, VDMA

China: Machinery production by sectors

Real, year-on-year, change, %

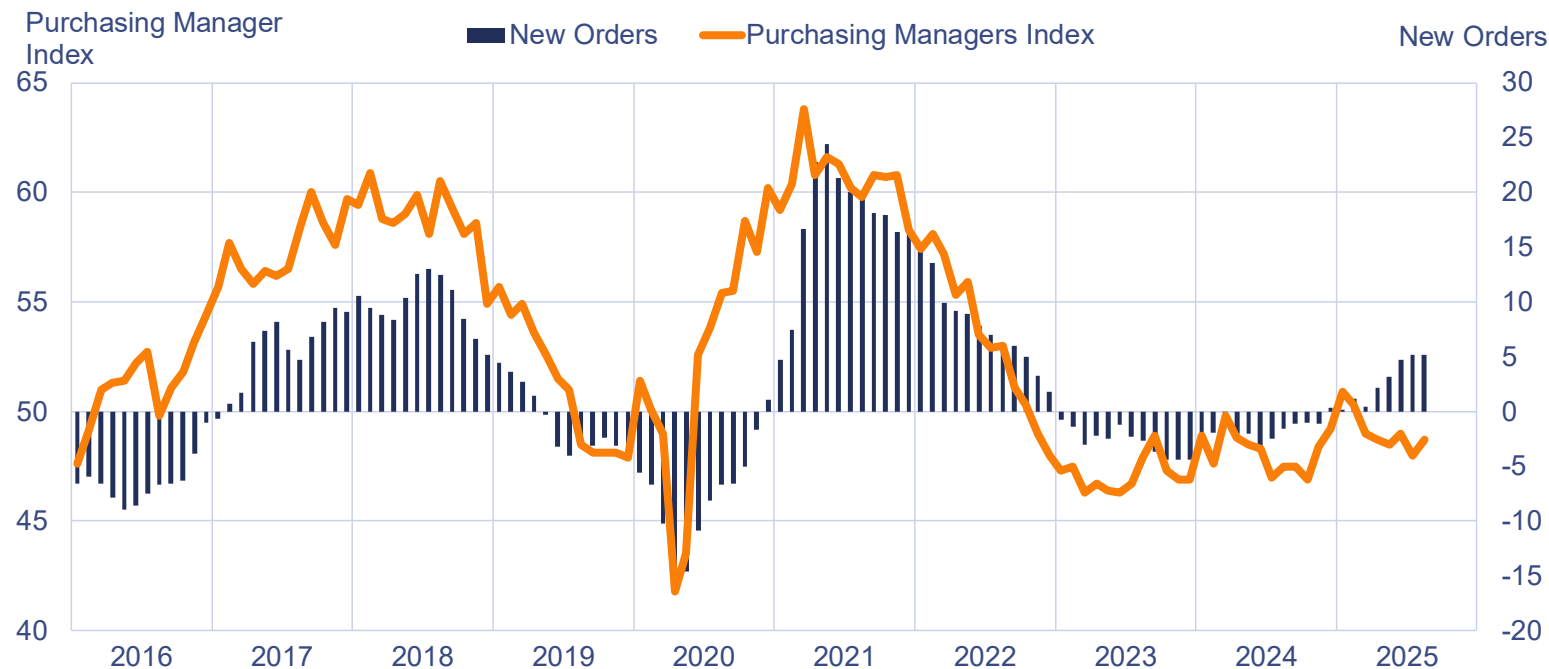


Note: Axis truncated at -20 and +40 for presentation reasons.
Central 5-month moving average

Source: NBS, Macrobond, VDMA

General machinery and equipment manufacturing is currently growing almost twice as fast as special-purpose machinery and equipment manufacturing in **China**. In August, production in general machinery and equipment manufacturing increased by 7.3 percent, while in special-purpose machinery and equipment manufacturing it rose by 4 percent. In the first eight months of this year, the industry's production output was 6 percent above the level of the same period last year. By comparison, the increase in the first quarter was almost 7 percent.

USA: Purchasing Managers' Index (manufacturing) and new orders of U.S. machinery and equipment manufacturing

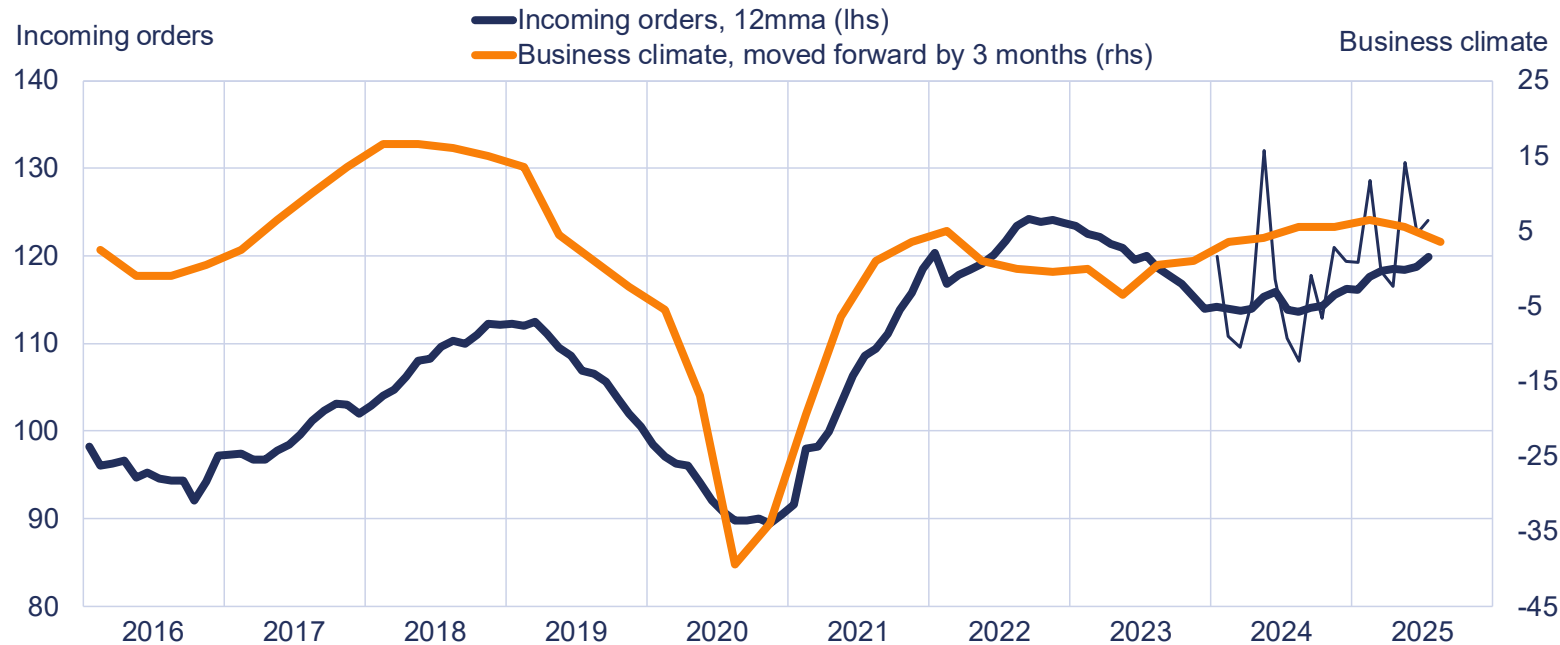


* %-change against previous year of 3-mm average.

Source: Institute for Supply Management®,
Census Bureau. VDMA.

In August, **US** machinery and equipment manufacturing companies recorded a nominal increase in orders of 4 percent. In the first eight months, order intake was around 3 percent above the level of the same period last year, with demand already developing more dynamically in the second quarter (+3 percent) than in the first quarter (+1 percent). The Institute for Supply Management's Purchasing Managers' Index for the manufacturing sector, which reflects sentiment among large companies, stood at 48.7 index points in August, slightly above the previous month's level. After disappointing in July, new business picked up again in August. Production, on the other hand, was assessed as contracting after two months of expansion. The economic situation remains highly volatile, which is not surprising given the political circumstances.

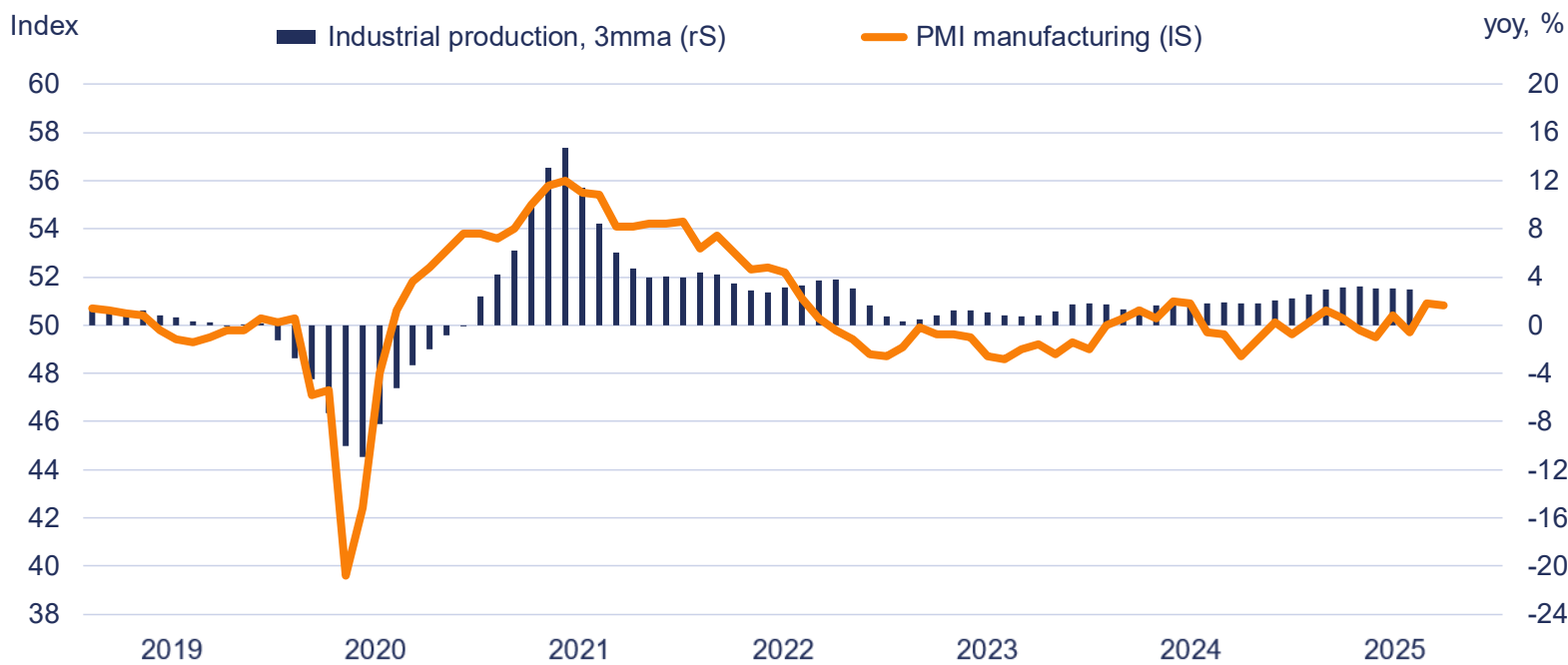
Japan: Business climate in manufacturing and incoming orders in machinery and equipment manufacturing



Business climate: mean of situation and expectations Source: Japanese Cabinet Office (CaO), TANKAN, Macrobond, VDMA
Incoming orders: index value, 2015=100, seasonally adjusted, real

Order intake for **Japanese** machine manufacturers developed positively again in July 2025. With price-adjusted growth of 12 percent compared to the same month last year, double-digit order growth was achieved for the second time in the current year. In the period from January to July, the price-adjusted order volume was 5.5 percent above the previous year's level. However, demand among manufacturers of machine tools and plastics machinery declined by double digits compared with the previous year. Growth is being driven primarily by demand for machinery and equipment for the semiconductor industry, as well as robotics and automation. The Bank of Japan's TANKAN survey reported a slight deterioration in sentiment in the Japanese manufacturing sector at the end of the second quarter of 2025, as business prospects were assessed as slightly worse than in the previous quarter.

World: Industrial production and PMI manufacturing

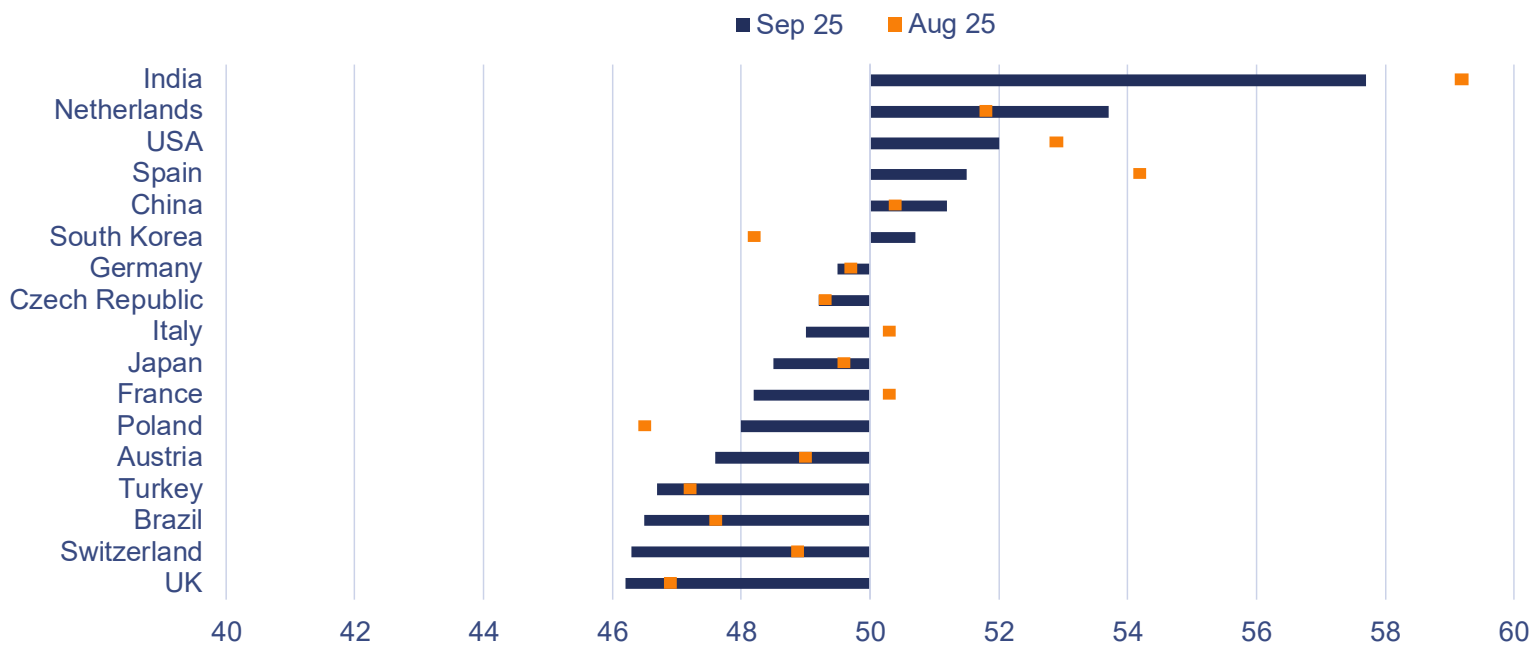


Source: cpb, J.P.Morgan, S&P Global, Macrobond, VDMA

Global industrial production continues to develop robustly. In July, global production output exceeded the previous year's figure by 3.0 percent in real terms. The cumulative increase in production for the first seven months was also 3.0 percent. Industrial growth in China is significantly more dynamic than in other countries, although growth in July was slightly weaker than in previous months. Industrial data for the Africa and Middle East region shows increasing production momentum: with an increase of 4.5 percent in July 2025, the highest value since November 2022 was reached. Among the industrialized countries, the euro zone stood out positively in July with an increase of 2 percent. Japan, on the other hand, reported a decline of almost one percent. The global purchasing managers' index in the manufacturing sector remained in expansionary territory. The mood in the global consumer industry is currently above the average, while that of capital goods manufacturers is below it.

Purchasing Managers Indices manufacturing by countries

Indices (50 = no changes)

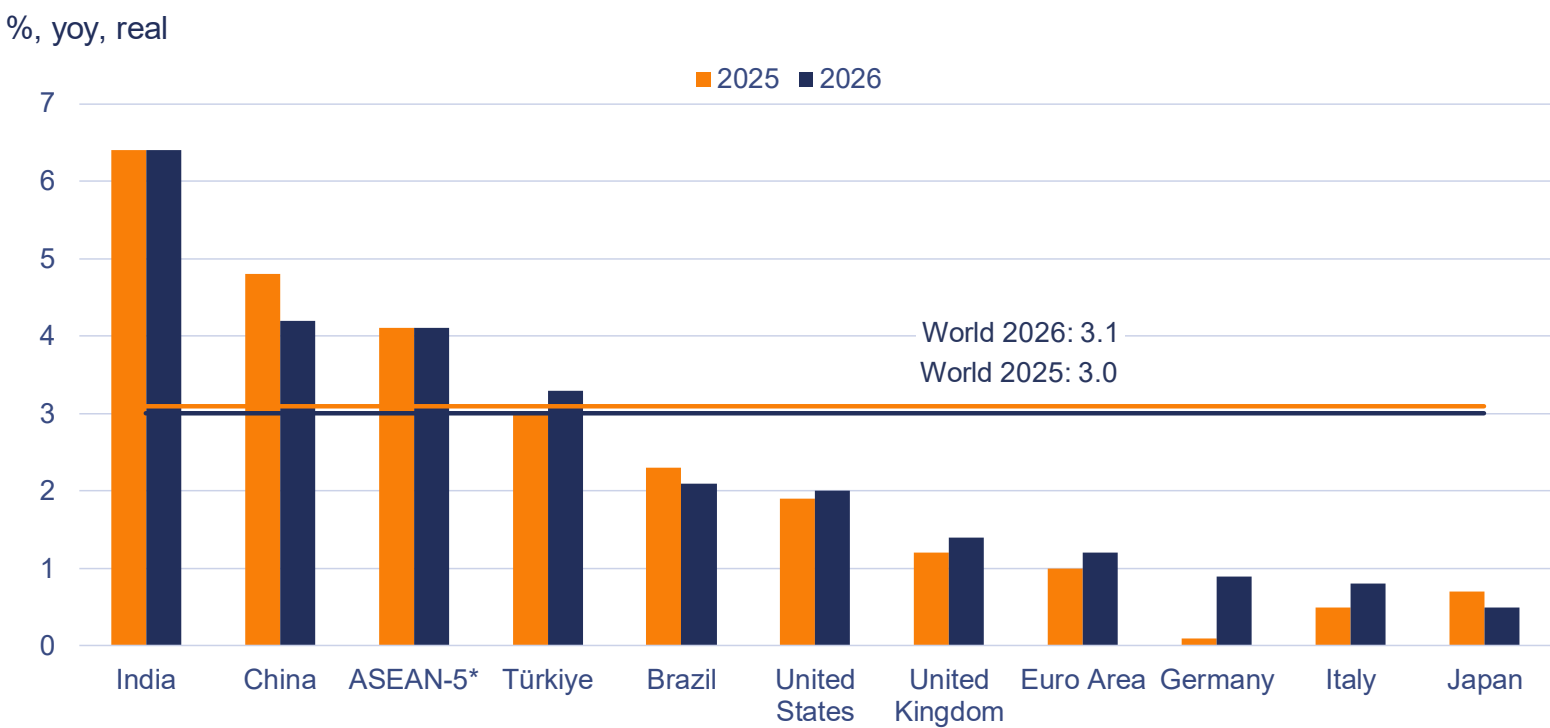


Source: S&P Global, Macrobond, VDMA

In several countries, purchasing managers' sentiment deteriorated in September. This was often due to a decline in orders, which resulted in production having to be scaled back. The economic situation in India remained robust. The assessment in the Netherlands was significantly more positive than in the previous month. In contrast, the assessment in Italy and France deteriorated. Both countries slipped into contraction. In Italy, order intake and production declined. This also applies to France, where political uncertainty is additionally weighing on consumer and investment activity. The survey results show how fragile the current global economic situation is.

(Values above 50 indicate a good, expansive situation, values below 50 indicate a downward trend).

World: GDP expectations



*Indonesia, Malaysia, Philippines, Singapore and Thailand.

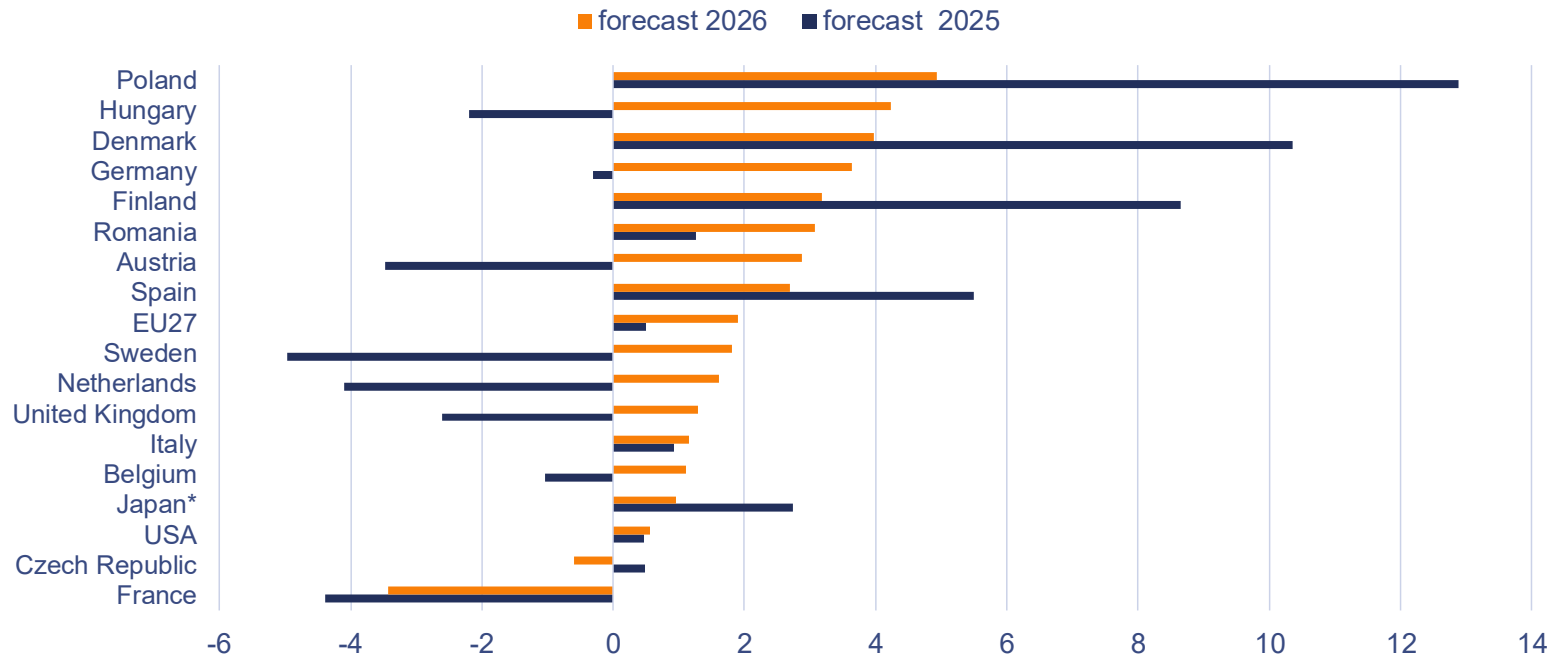
Source: IMF WEO Update July 2025, Macrobond, VDMA

The International Monetary Fund (IMF) forecasts global growth of 3.0 percent for 2025 and 3.1 percent for the following year. Both forecasts are slightly higher than in the April 2025 model. This is mainly due to lower average effective US tariff rates than originally announced. In addition, the conditions under which companies, consumers, and governments can borrow money have improved. However, as the chart shows, the overall picture masks significant differences in economic development between individual countries. Global inflation is expected to fall to 4.2 percent in 2025 and 3.6 percent in 2026, similar to the April forecast.

The IMF will publish a comprehensive update in mid-October.

Investment in equipment in the EU, USA and Japan

Volume (percentage change on preceding year)



The EU Commission expects a gradual recovery in investment in capital goods in 2026. In some EU countries, investment activity will be supported by EU funding, as in previous years. In addition, many member states are increasing their spending on defense procurement. In France, domestic demand remains subdued, which is having a negative impact on investment demand. Major industries such as chemicals and automotive are holding back on investment.

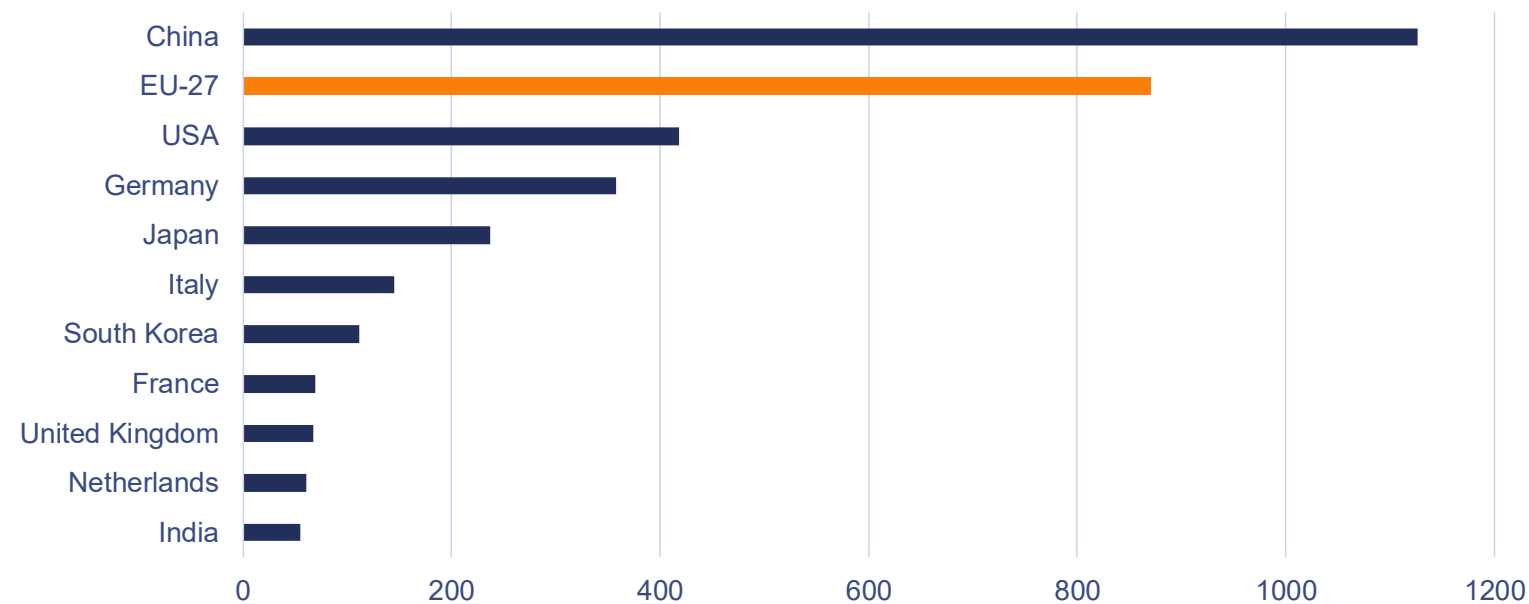
Please note: The statistical category of equipment investment includes investments in machinery and equipment as well as investments in weapons and systems, information and communication technology (ICT), and vehicles.

Source: European Commission, Macrobond, VDMA

World: Machinery turnover 2024

Top-10 country ranking

In bn EUR, mainly estimated



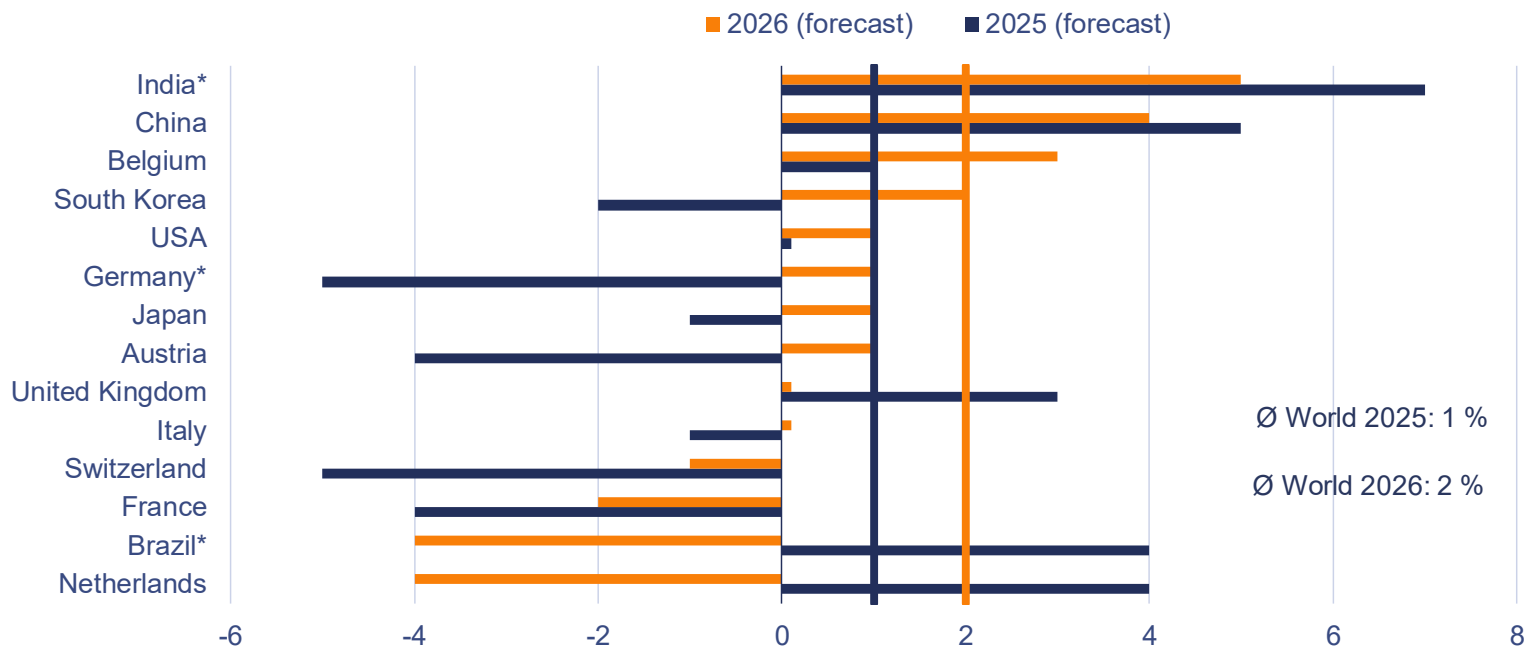
Source: VDMA estimations based on National Statistics, Eurostat and UNIDO.

Worldwide, machinery and equipment worth an estimated €3.26 trillion was sold in 2024. In euro terms, this was again 1.5 percent less than a year earlier. Due to currency devaluations against the euro, the turnover figures for some countries were reduced in the euro analysis. Turkey, Japan, and South Korea are particularly noteworthy in this regard. There were no changes in the TOP 10 country ranking in the past reporting year. The EU economic area achieved a sales volume of €871 billion in 2024, which corresponds to just under 27 percent of global machine turnover. By comparison, China's share was almost 35 percent and that of the USA 13 percent.

You can find more graphics and a tabular overview on our website: [Brief update: Global machine turnover in 2024 - vdma.eu - VDMA](https://www.vdma.eu/brief-update-global-machine-turnover-in-2024)

Machinery and equipment manufacturing: Turnover

%, yoy, volume



The estimate for global machinery turnover in 2025 remains unchanged at real growth of 1 percent. For the eurozone countries, the VDMA now forecasts a slightly stronger decline in real turnover of -3 percent (previously -2 percent) compared to July. In particular, the adjustment of the forecast for Germany is pulling the forecast for the eurozone down slightly. At the end of September, turnover forecasts for 2026 were published for the first time. Real turnover growth of +2 percent is forecast for the world as a whole. While price-adjusted machine turnover in the EU and the eurozone are threatening to stagnate, growth in Asian countries is likely to remain above average.

Further forecast data can be found on our website: [Global machinery industry 2026: Moderate recovery - vdma.eu - VDMA](https://www.vdma.eu/global-machinery-industry-2026-moderate-recovery)

*) Production

Source: Eurostat, National Statistics, VDMA (Sept. 2025)

Your contact

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