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Manufacturing in Western Europe

A sector at a crossroads

December 2024

Contents

Introduction

The manufacturing sector in Western Europe has long symbolized economic strength, innovation, and precision, contributing to prosperity for decades. From the Industrial Revolution to post-war reconstruction, European manufacturers have set global benchmarks for quality and craftsmanship. Yet, the 21st century paints a starkly different picture. Rising costs, regulatory pressures, and lagging productivity have created a storm of challenges, leading to layoffs across the sector as companies brace for an uncertain future.

Competitiveness in Europe is falling behind other regions, as trade policies remain outdated, and manufacturers struggle to adapt to rapid changes. Companies themselves are not completely exempt from blame; a lack of dynamism and self-reflection hampers innovation and adaptability. This stagnation is exacerbated by geopolitical upheavals that further shaken confidence in international trade stability. Initiatives such as The Antwerp Declaration highlights the growing frustration among manufacturers. Companies have urged governments to step in with supportive policies to combat rising costs, regulatory burdens, and geopolitical uncertainty. However, the pace of regulatory changes—such as emission rights mandates—outstrips manufacturers' ability to execute roadmaps, placing them under immense strain.

Perhaps the most troubling challenge is a psychological one: many Europeans seem to have lost faith in the region’s ability to lead. As nations like China, India, and Malaysia surge ahead, supported by dynamic policies and government incentives, **the central question emerges: *Is there a future for manufacturing in Western Europe?*** In this article, we delve into the complexities of the dynamic environment of the manufacturing industry in Western Europe, drawing on insights from Deloitte and exclusive interviews with key leaders in the industry.

We had the privilege of speaking with the CEO, COO, and CFO of three different prominent manufacturing companies, each with a wealth of experience in navigating restructuring and turnaround scenarios. Their perspectives shed light on the critical trends shaping the future of manufacturing in Western Europe and offer strategic guidance for companies looking to navigate the complexities of the Western European market and beyond.

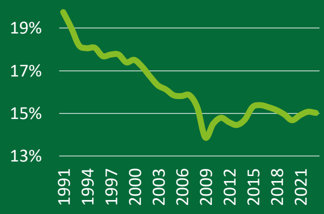
Interviewee profiles:

- Joris, **CEO** of P&V Panels, shares his perspective on the current manufacturing landscape in Europe, the impact of global trends, and the strategies his company employs to stay competitive, innovate and grow.
- Wald, **COO** of a leading European packaging manufacturer, emphasizes compelling topics such as operational efficiency, technological innovation, talent, transparent cost management and strategic alignment with sales and financial objectives to offer a roadmap for other COOs navigating similar challenges.
- Chris, in the role of **CFO** focused on the turnaround of underperforming companies, shares insights on the importance of effective management, the signals that indicate underlying issues, the crucial role of a CFO in a turnaround situation, and the significance of honesty and integrity in leadership.

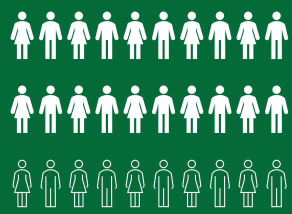
Reducing value added of European Manufacturing sector

Over the past few decades, the size of the manufacturing sector in Western Europe has seen a notable decline. For instance, the sector's contribution to GDP has decreased from approximately 20% in the 1990s to around 15% in recent years[1]. Similarly, employment in manufacturing has dropped significantly, with the number of jobs reducing by one third from about 30 million in the 1980s to less than 20 million today[2].

Value added declined in Manufacturing sector (% of GDP)[1]



Reduction in jobs by 33.3% over the last 4 decades in European Union[2]



Source: 1. Trading Economics, European Union, Manufacturing Value Added Percentage of GDP, 2024
*2. Eurostat, National Accounts (ESA 2010), Employment A*10 industry breakdowns, 2024*

Throughout the article key trends in the manufacturing industry related to the discussed topics will be shared.

Key Trends:
The imperative of sustainability

Sustainability has emerged as a driving force shaping the future of manufacturing. **A PESTEL trend analysis by Deloitte identified that 25 out of 55 leading trends relate to sustainability or environmental protection, highlighting its importance for both society and companies**[3]. Environmental, Social, and Governance (ESG) considerations are becoming central to business strategies and appoint sustainability as a critical component of Europe's manufacturing strategy. With the increasing awareness of environmental concerns and the ambitious targets for decarbonization set by the European Green Deal and the Paris Climate Agreement, Western Europe is uniquely positioned to lead the charge towards greener, more sustainable practices. **The European Commission anticipates over €1 trillion of sustainable investments by 2030**[4]. By prioritizing eco-friendly processes, renewable energy sources, and the transition to circular economy principles, the region can mitigate its environmental footprint and bolster its competitive advantage on the global stage.

The Corporate Sustainability Reporting Directive (CSRD) alone affects around 50,000 companies, including large corporations and listed small and medium-sized enterprises (SMEs)[5]. However, a significant number of companies, especially SMEs in Europe are facing challenges in meeting the EU's stringent sustainability regulations. Furthermore, in a turnaround environment where companies focus on survival by closely managing cash flows, they are unable to invest in sustainable innovation, causing them to fall behind in development.

To **stay competitive and relevant post-turnaround**, business leaders are increasingly encouraged to focus some of their key turnaround initiatives on making their operations greener, focusing on reducing waste, implementing digital tools and automation to optimise resources and maintain cost efficiencies to secure future sustainability.

Source: 3. Deloitte, Sustainable Service Transformation, 2022
4. European Parliament, Commission 2019-2024, A European Green Deal, European Green Deal Investment Plan (Sustainable Europe Investment Plan), 2024
5. European Parliament, Sustainable economy, Parliament adopts new reporting rules for multinationals, 2022

"Using the key cornerstones of the ***golden triangle*** *- strategy, operations, and finance - is essential for businesses in both thriving as well as challenging times, as it provides a robust framework to drive transformation, enhance competitiveness, and achieve sustainable long-term viability."*

- **Geert Stienen**, Partner in Turnaround, Restructuring and Cost Transformation

Adapting strategies to navigate a turnaround environment

Navigating internal challenges

"It's not just what the external world does or does not do, it's how you react to it. That's the only difference."

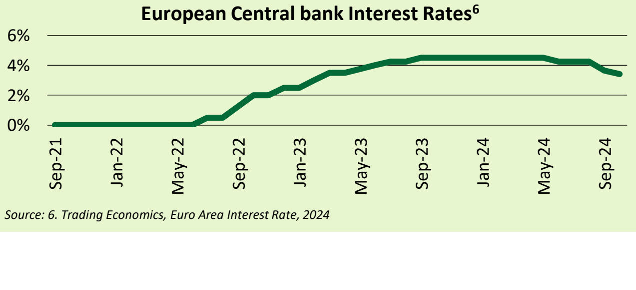
When analysing the business news, one can find numerous explanations for why things are going awry. Geopolitical tensions, economic downturns, and market volatility are often cited as the culprits behind a company's struggles. However, after years of professional experience in the manufacturing sector, one observation stands out for Chris (CFO): Executives have no control over external factors such as inflation, salary indexation, interest rates, or geopolitical events. The root and primary cause of issues such as operational inefficiencies, financial instability, and reaction to market disruptions often lies within the company's management culture. This is not a phenomenon exclusive to manufacturing; it is commonly observed across various sectors within and beyond European borders. Awareness, adaptability, and proactive measures need to be top of mind when navigating the risks associated with these challenges.

In many cases, the signals of impending trouble are clear. These signals can range from financial indicators such as slipping margins or creeping overheads, to commercial and strategic signals like customer complaints or a lack of clear strategic targets. When ignored, this can lead to a variety of problems, from financial difficulties to operational inefficiencies, and from customer dissatisfaction to employee turnover. Successful companies are those that are agile enough to anticipate and adapt their strategies in response to the macro environmental changes, **rather than simply reacting and "firefighting" events as they occur.** This requires a clear strategy, a proactive approach, and a corporate culture with solid governance structure, geared towards facing the brutal facts and taking the bold steps to evoke tangible change.

Key Trends: Rising interest rates

The European Central Bank's monetary policy adjustments have led to increased interest rates, which, while aiming to control inflation, also put pressure on profit margins and financial stability within the manufacturing sector[6]. Higher interest rates increase borrowing costs, making it more expensive for manufacturers to finance capital investments such as new machinery, technology upgrades, and expansion projects. Additionally, the higher interest rates reduce consumer spending power, leading to lower demand for manufactured goods, especially higher-cost items like automobiles and appliances. While interest rates have begun to taper, companies, especially SMEs, still struggle to obtain new / additional finance for short-term working capital needs.

European Central bank Interest Rates[6]



Source: 6. Trading Economics, Euro Area Interest Rate, 2024

Relationship management with others and yourself

"In a high pressure, turnaround environment, it's all about integrity and honesty. If I cannot be intellectually honest then it's best to step away."

Related to the corporate culture, Chris underscores the necessity of being able to question decisions and maintain one's stance, even when it may lead to tension or conflict, or be viewed as contentious. This necessitates **robust interpersonal skills and the ability to steer and manage complex relationships**. Moreover, Chris emphasises the paramount importance of honesty and integrity in the role of a CFO, especially when providing an evaluation of the company's financial situation, which should be honest and accurate, even when it may be challenging or unwelcome. Upholding his integrity is vital in building and preserving trust within the company and with external stakeholders.

Alongside managing relationships, resilience and emotional intelligence are crucial traits for a management team, particularly in challenging or turnaround situations. **The ability to manage personal emotions and stress levels can be the difference between success and failure.** The environment in which a C-suite member thrives can vary greatly; some excel in a steady state, while others come into their own when navigating the stormy seas of a company in distress. Ultimately, the effectiveness of a management team in these diverse scenarios is largely dependent on their individual personality and resilience.

Navigating supply chain disruptions

"Ensuring you have the necessary capital to weather the storm and maintain operations is crucial."

From one type of resilience to another: supply chain resilience is also an area where strategic adaptation is crucial for organisations. Joris (CEO) discusses how his organisation has navigated supply chain disruptions by diversifying their supplier base and setting up a dedicated team to source materials internationally. This enables the company to reduce dependency on any single source and mitigate their risks associated with supply chain disruptions.

Chris also stresses the importance of financial resilience in navigating supply chain challenges. "Ensuring you have the necessary capital to weather the storm and maintain operations is crucial," he notes. By adopting a flexible production model and building strong relationships with suppliers, companies can mitigate risks and ensure continuity. This is demonstrated by Joris' company through open communication and collaboration with suppliers. This approach resulted in more favourable terms negotiated and secured priority access to critical components during shortages. **Combined with a data-driven approach, P&V Panels can make informed decisions when, for instance, a supplier faces delays.** Technology and data can help identify alternative sources and adjust production schedules accordingly.

Key Trends: Supply Chain resilience and re-globalization

The global nature of modern supply chains means that manufacturers in Western Europe are highly dependent on suppliers and partners around the world. Recent disruptions have highlighted the fragility of this interconnectedness, leading to delays and increased costs. **For instance, rents in logistics spaces rose by over 10% in many key European markets post-pandemic**[7]. The challenges faced by global supply chains, exacerbated by recent geopolitical events, natural disasters, pandemics, and other unforeseen events, have **forced Europe to reconsider its reliance on non-EU suppliers and thereby build strategic autonomy**. Manufacturers are increasingly focusing on building more resilient, flexible, and trusted supply chains to mitigate risks and ensure continuity. While some sectors are reshoring production to Europe due to quality and automation advantages, high labour and energy costs continue to drive offshoring in industries like textiles and electronics.

Source: 7. Savills, Spotlight, European Logistics Outlook, November 2023

Operational excellence: aligning sales, talent, and technology

In the high-cost manufacturing landscape of Western-Europe, achieving operational efficiency is both a competitive advantage and a necessity. Achieving efficiency in operations goes beyond mere cost-cutting; it involves integrating lean practices, fostering a skilled workforce, and continually investing in innovation.

Integrating operational efficiency with a joint operations-and-sales model

“As COO, my primary responsibility is to ensure that our operations are both economically viable and strategically aligned with sales.”

Wald (COO) explains that to stay competitive in the European market, manufacturing companies must shift their focus from a solely sales-driven model, which can lead to overproduction and waste, to a more balanced, **joint sales-and-operational organisation**. With the average utilization rate for factories in the EU declining by approx. 5 % (Q4 2021 to Q3 2024)[8], the shift to a joint sales and operational model, he believes is vital in an environment where overcapacity can significantly inflate operational costs. In the face of increasing global competition, the packaging manufacturer has pivoted its focus towards this integrated model. Wald states, "Our strategy focuses on optimising both our sales and operational efforts to maintain capacity without overproduction, ensuring we remain competitive in a high-cost market like the EU.”

The adoption of this joint operations-and-sales-driven model enhances operational efficiency. The model, in which the COO, CEO, and sales teams collaborate closely, ensures that production schedules and capacities align with current market demands. By synchronising sales forecasts with production planning, companies can better manage inventory levels, reduce excess costs, and deliver products more reliably. This alignment helps prevent overproduction or stock shortages, optimising resources and supporting revenue goals. When operational output is directly responsive to market signals, it drives sustainable growth by balancing operational readiness with financial returns.

Nurturing talent and workforce development

“Our talent strategy focuses on building a workforce that is adaptable and skilled in the latest technologies.”

Key Trends: Workforce transformation and skills gap

The future of European manufacturing also hinges on its workforce. The EIT Manufacturing report emphasizes the need for a human-centred approach, particularly through Industry 5.0 and the shift towards automation and digitalization, which focuses on integrating human well-being into the manufacturing process[9]. Given Europe continues to face a major skills gap in advanced manufacturing, particularly in digital technologies such as AI, robotics and data science, this shift will require significant investments in up-and reskilling employees to bridge the skills gap. **Estimates indicate only 60% of the EU targeted 20 million skilled ICT professionals by 2030 are available today**[10]. Additionally, Europe’s aging population presents another challenge. As older workers retire, the manufacturing sector must attract younger talent to maintain productivity. Without concerted efforts to modernize workplaces and make manufacturing an attractive career choice, the industry could face long-term labour shortages.

Source: 8. Trading Economics, Euro Area Capacity Utilization, 2024
9. EIT Manufacturing, Developing design driven innovation skills for human centered manufacturing system, 2023
10. European Commission, Strategy and policy, Priorities, A Europe fit for the digital age, European Year of Skills, 2023

Sustaining operational efficiency goes hand-in-hand with investing in talent acquisition, retention, and development. In the face of a competitive labour market, Wald highlights the critical importance of creating a collaborative and adaptable workforce, emphasising that the right environment attracts top talent and fuels long-term success. Similarly, Joris underscores the role of ongoing workforce training in maintaining operational efficiency. "We invest in upskilling our employees to ensure they are proficient in the latest technologies and best practices," he notes, reinforcing that well-trained employees drive operational efficiency and adaptability. This focus on training not only enhances immediate productivity but also helps retain skilled talent essential for sustaining competitive advantage.

Competitive remuneration, continuous learning opportunities, and a clear career progression path are integral to the organisation’s talent retention efforts. To maintain a skilled workforce and meet evolving expectations, Wald emphasises **that flexibility in both job roles and career development is important.** By incorporating technology into operations, employees are equipped with the tools they need to stay engaged and up-to-date. Additionally, by investing in upskilling programmes, organisations can ensure their workforce is prepared to handle the demands of a more integrated, data-driven operational model.

Technological innovation as an enabler

“Focusing on technological innovation can position your company as a leader in the industry.”

Technological innovation, meanwhile, serves as a critical enabler of operational efficiency. Investing in digital tools and automation allows companies to streamline production processes, enhance accuracy, and reduce manual errors, ultimately driving down costs**. “By leveraging advanced technologies, we can align our operations more closely with sales, ensuring precision in production and reducing waste. This focus on digital innovation allows us to remain economically viable in a high-cost environment while meeting the needs of our customers,” Wald states**. Joris also explains how P&V Panels has invested heavily in automation to enhance efficiency and reduce manual labour. The company has developed sophisticated engineering configurators that streamline the design process, allowing engineers to create detailed schematics more quickly and accurately. This automation has significantly reduced the time required to move from concept to production, enabling the company to respond more rapidly to customer needs.

Additionally, real-time data systems provide transparency across departments, and data-driven decision-making systems further improve operational efficiency. Technologies enabling these efficiencies include, but are not limited to, AI-powered demand forecasting, digital twins in production optimisation, and IoT for real-time inventory tracking and predictive maintenance. These innovative systems can ensure resources are allocated efficiently and production lines run only when there is demand, avoiding waste and inefficiencies. For instance, by monitoring inventory levels in real-time, the company can avoid overstocking or understocking materials, which helps to reduce carrying costs and prevent production delays. Wald’s operations team works closely with sales to ensure they remain agile and responsive to market needs, avoiding the pitfalls of overproduction.

In Wald’s perception, the main challenge to maturing digital and automation capabilities is aligning digital investments with operational and sales goals. High upfront costs and the need for continuous training of the workforce can be significant hurdles, which can be mitigated through incremental investments and integrating new technologies into existing operations. The COO is optimistic about automation offsetting lower labour costs in places like China, stating, "By automating processes and utilising data-driven tools, we can reduce our reliance on labour and improve precision in production, which in turn offsets the cost advantages enjoyed by manufacturers in lower-cost regions." This enables the company to compete effectively while maintaining the operational footprint in Europe.

Key Trends: Technology, innovation, and digital transformation

The integration of advanced technologies such as cyber-physical systems, the Internet of Things (IoT), artificial intelligence (AI), and robotics is revolutionizing manufacturing processes, but **Europe faces an uneven trajectory in adopting Industry 4.0 technologies**. While automation is helping bring some production back to Europe by reducing labour costs and increasing productivity and data-driven manufacturing is resulting in enhanced resource efficiency and enablement of circular economy practices, these trends largely benefit larger corporations. **Smaller manufacturers and SMEs struggle to afford the necessary technological investments and compete on price with their counterparts in more cost-efficient regions, leading to disparities in adoption**. The funding of the Digital Europe Programme (DIGITAL) allocates over €8 billion for bringing digital technology and advancing digital skills, infrastructure and technology adoption, targeting amongst others these SMEs[11].

Source: 11. European Commission, Shaping Europe’s digital future, The Digital Europe Programme, 2024

Financial resilience and effective cost management

As previously mentioned, the collaboration of the COO, CEO, and CFO is crucial to ensure sustainable growth, balancing cost management with growth initiatives.

Strategic cost management is key

"By adopting a more accurate cost model, companies can make better-informed decisions and improve financial performance."

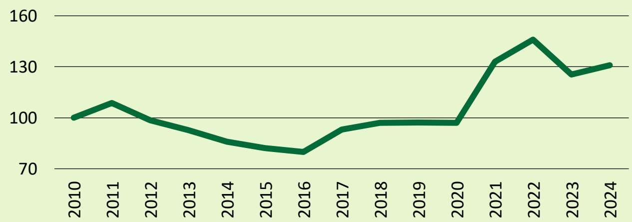
Achieving sustainable financial growth begins with a commitment to transparency across both operational and financial domains. Wald advocates for the implementation of a **comprehensive, actual-cost model, focusing on real, granular data** over standard ERP system-based estimates. This model is a cornerstone of the joint operations-and-sales approach. By tracking actual costs rather than estimates, the organisation gains precise insights into production expenses, enabling better decision-making around resource allocation and operational adjustments. Through this lens, operational efficiency becomes more than a performance metric; it's a financial imperative that informs strategic growth initiatives.

Cost transparency further allows Chris to deliver a clear and accurate financial picture, enhancing strategic insights across the organisation. The CFO's focus on cost transparency complements the COO's drive for operational clarity. **By implementing the joint operations-and-sales-driven model,** the COO ensures that production and sales strategies are fully aligned, dynamically adjusting inventory, production scheduling, and resource allocation in response to market needs. This collaborative approach reduces overproduction risks and minimises shortages, leading to streamlined operational costs and optimised product flow. With the CEO's backing, this integration of financial and operational transparency enables strategic decisions that support both growth and efficiency, anchoring the organisation's long-term resilience in a challenging market.

Key Trend: Rising costs

The rising costs of raw materials, energy, labour, and other resources are significantly impacting the manufacturing sector. **Even though in 2024-2025, overall commodity prices are forecast to decline slightly, they remain about 38 percent above pre-pandemic levels**[12]. This trend is driven by various factors, including global supply chain disruptions, geopolitical tensions, and inflationary pressures, which collectively contribute to increased production costs. To manage these rising expenses, manufacturers are adopting lean practices, energy-efficient technologies, and waste reduction initiatives. Supply chain diversification and long-term contracts also help mitigate cost impacts. Despite these efforts, effectively managing rising costs remains crucial for maintaining profitability and ensuring sustainable growth in the competitive manufacturing landscape of Western Europe.

European Central bank Commodity Price Index[13]
Euro area 20 (2010 = 100)



Source: 12. World Bank, Commodity Markets Outlook, April 2024
13. European Central Bank, ECB Commodity Price Index – import weighted – Euro area 20, November 2024

Profit leak detection

"As a CFO, you see a lot of potential. You are the first to understand what profit leakers you have."

Chris also stressed the need for a proactive approach in terms of profit leak detection. The CFO plays a pivotal role in identifying and addressing profit leaks, hidden inefficiencies that, left unchecked, can erode profitability. Leveraging operational transparency, the CFO gains access to precise cost data, allowing for a deeper, data-driven approach to managing costs and preserving margins. With this model, the CFO can more effectively detect inefficiencies and bring targeted interventions to support the company's financial health. However, identifying these issues is just the first step. The real challenge lies in being a persuasive communicator, convincing stakeholders, mainly peers and the company's CEO, to address these issues and implement necessary changes.

As Chris explained earlier, the modern CFO must evolve into a "CFO+," one who not only manages the usual expected financial aspects but also acts as a proactive business partner. By combining financial expertise with strategic collaboration, this expanded CFO+ role enables finance leaders to support informed, long-term value creation across the organisation. The CFO's insights—rooted in detailed, transparent cost data—drive proactive decisions that align financial objectives with operational goals, creating a model for sustainable growth.

Driving sustainable growth through unified leadership

"The importance of collaboration among the CEO, COO, and CFO cannot be overstated."

The collaboration between the CEO, CFO, and COO is instrumental in ensuring that growth initiatives align with financial objectives. The CEO champions a cost-conscious culture, embedding financial rigour into each decision-making process, while the COO's operational precision and the CFO's profit leak detection create a synchronised, resilient approach to growth. This alignment between financial and operational goals establishes a foundation for sustainable growth, balancing innovation with disciplined cost management to navigate today's dynamic marketplace.

As emphasized by the key cornerstones of the Golden Triangle, the leadership team, driven by the CFO, COO, and CEO need to work hand in hand to drive a cost-efficient, strategic growth model. By addressing profit leaks, enhancing operational efficiency, and uniting operational goals with financial targets, they create a robust, adaptable structure for long-term success. This partnership can ultimately give the organisation a competitive edge, helping it achieve profitability targets while adapting to evolving market conditions.

Key Trend: Restructuring and layoffs

Layoffs and restructuring plans are emerging as key trends in Western Europe's manufacturing sector, **driven by economic pressures, rising costs, and global competition**. Companies like Volkswagen have announced plans to close multiple plants in Germany and cut thousands of jobs to remain competitive[14]. Factors include falling market shares in Europe, increased competition from lower-cost manufacturers, and the transition to electric vehicles, which has intensified the need for cost reductions and operational shifts. These layoffs, along with plant closures, **signal a broader trend of restructuring aimed at streamlining operations and adapting to rapidly evolving market demands.** This reflects a wider industry pattern where legacy manufacturers must evaluate their strategies, often at the cost of workforce stability, to retain a foothold in a **highly competitive** and geopolitically influenced landscape.

The Flemish employers' organization Voka warns of the most severe economic crisis in the industry in fifteen years, with **over 60% of companies viewing the future bleakly, particularly in energy-intensive sectors**. According to a survey, **2 out of 5 of these companies have implemented temporary unemployment measures, and 20% are considering restructuring within six months**[15]. The trend underscores the critical need for innovation, policy reforms, and a transformative strategic vision to ensure sustainable growth.

Source: 14. Reuters, VW labour chief sounds alarm on mass layoffs and three German plant closures, November 2024
15. De Tijd, Grootste ontslaggolf in jaren op til in België, December 2024

Conclusion: A future defined by adaptation

So, *is there a future for manufacturing in Western Europe*? **The answer is yes**—but only for those industries and companies that are willing and prepared to adapt to new realities. If European manufacturers are to remain competitive on the global stage, they will need to **invest in innovation and adopt cutting-edge technologies**, for example, through use of innovation centres that serve as development platforms for customers, suppliers, and manufacturers, combining new technologies with industry expertise. Additionally, these companies should embrace sustainability, as **sustainable practices are becoming non-negotiable**. This is illustrated by one of the company's interviewed, their sustainability goals are a major component of their strategy. The company aims to enhance operational efficiency while promoting environmental sustainability through increased use of renewable energy, with 64% already in use, and moving towards 100% recyclability.

There are numerous **EU government grants and incentives in the areas of innovation and sustainability** worth exploring. Horizon Europe, for instance, is the largest EU funding programme for research and innovation, with a budget of €95.5 billion (2021–2027)[16]. This fund supports projects focused on green technologies, digital transformation, health innovation, and industrial competitiveness by encouraging collaboration across sectors and countries and offering grants for cutting-edge research and innovations. National-specific grants and tax incentives are also available for companies committed to their achieving sustainability and innovation strategic goals.

It is also essential for manufacturers to **address workforce challenges**, particularly the skills gap, communication, and responses to their people's expectations. An approach implemented by another one of the company's interview is bridging the skills gap in technical education for them to actively engage in educational partnerships, offering workplace learning opportunities and focus on training young talent through various initiatives, such as technical tours, practical training, and involvement in STEM projects, including collaborations with secondary schools and educational platforms for adults. A commitment to education aims to address the shortage of trained technical personnel in specific industries.

From a practical perspective, companies have shown that restructuring and **optimising production processes, as well as strengthening their governance structure,** can lead to significant improvements in operational efficiency and cost reduction. It could be as simple as reorganising set-up areas to achieve a 33% time saving as demonstrated by one of our interviewees. Through automation of inspection systems, defects can reduce significantly, ensuring high-quality production and contributing to overall efficiency. Constantly seeking ways to improve and welcome internal and external feedback can drive significant advancements in manufacturing processes and product quality.

So, while some industries may continue to shift eastward, companies that focus on high-tech production, sustainable practices, collaboration, and continuous process optimization are well-positioned to drive a resurgence in Europe, aiming to reclaim its role as a global leader in the next wave of manufacturing.

Source: 16. European Commission, Research and innovation, Funding, Funding opportunities, Funding programmes and open calls, 2024

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