Chart of the Week

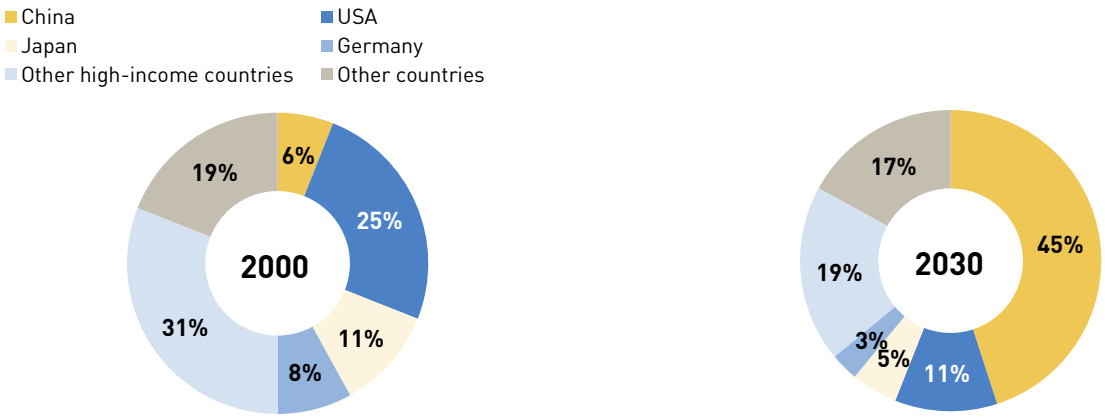
Global manufacturing 2030: China in the lead, Europe under pressure

China's importance as a manufacturing hub has grown rapidly in recent decades. In 2000, China accounted for just 6 % of global manufacturing value added, while the United States led with a 25 % share. Since then, traditional industrial economies have lost considerable ground amid a continuing shift of manufacturing value to Asia. By 2024, China already accounted for 28 % of global manufacturing value added, its share exceeding the combined total of the United States, Germany and Japan. By 2030, UNIDO projects a further increase to around 45 % – more than seven times the share at the turn of the millennium. Meanwhile, the US is expected to account for just 11 % and Germany for 3 %. China's rise has long ceased to rely solely on cost advantages: the country is now competing with Europe in core industrial sectors and is rapidly expanding its position in advanced, technology-intensive segments.

China's share of global manufacturing value added could reach 45 % by 2030

Shares of global manufacturing value added by country and region

2000 (left) and UNIDO projection for 2030 (right), %



Source: UNIDO (2024). High-income countries exclude Germany, Japan and the United States.

China's industrial rise is putting competitive pressure on manufacturers worldwide. European suppliers are facing growing competition both in the Chinese domestic market and in the EU single market, while Chinese firms are also strengthening their position in key future growth markets. China now accounts for around one third of goods imports in both India and the ASEAN countries. Austrian industry is under increasing pressure: around 80 % of firms rate international competitive pressure as a major or very major challenge, and 54 % of the surveyed companies report growing pressure from Chinese suppliers in their core markets (see WKO Industry Radar 2026).

CONCLUSION: China's technological rise has led to growing industrial competition between China and Europe. As a highly industrialised, export-oriented economy, Austria is among the European countries particularly affected. Once lost, production capacity and supply chains are difficult to rebuild. This underscores the urgent need to strengthen industrial competitiveness in Europe and Austria. Industrial policy initiatives such as the Industrial Accelerator Act (IAA) at European level and Austria's Industrial Strategy 2035 at national level must therefore be implemented quickly and effectively.

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