

PRESS RELEASE

Lyoner Strasse 18
60528 Frankfurt am Main
GERMANY
Tel.: +49 69 756081-0
e-mail: vdw@vdw.de
Internet: www.vdw.de

From Oliver Cyrus
Tel. +49 69 756081-30
E-Mail o.cyrus@vdw.de

Bottomed out – First quarter sees increase in orders for machine tool industry

Frankfurt am Main, 23 June 2026 – Following three difficult years, the machine tool industry can breathe a first sigh of relief: incoming orders increased by 15 percent in the first quarter of 2026. Nevertheless, the situation remains challenging – production, exports and employment continue to fall, while the conflict in the Middle East is leading to greater uncertainty and higher costs, and dampening any spirits to invest. “The situation appears to have bottomed out – however, we are nowhere near to reversing the trend. The coming months will show whether the recovery is more permanent,” says Bernhard Geis, Head of Economics and Statistics at VDW (German Machine Tool Builders’ Association), about the situation.

Foreign and domestic orders are almost equally contributing to the uptick in orders, with 14 and 18 percent respectively. And yet these figures don’t really reflect the full picture. The baseline for these calculations is weak, particularly at home. Furthermore, ad-hoc orders and project business are playing a key role, however without any discernible recovery of demand. The service and retrofit businesses continue to have a stabilizing effect. At the same time, the dynamic varies widely depending on the sector: aviation, defense, medical technology, and electronics are showing positive development, while metal

processing and mechanical engineering, as well as automotive and supplier industry in particular, remain weak.

The situation in the machine tool industry remains tense. Production dropped in the first quarter by 11 percent to 2.8 billion Euro. Domestic sales dropped 13 percent, performing worse than exports which fell by one tenth. Regionally, the situation is more diverse: the USA is driving growth (+8 percent), while Europe lags considerably behind (-11 percent). Exports to Asia have fallen by 18 percent – largely due to the collapse of exports to China (-32 percent). In light of the very competitive pricing, “Local for Local” is becoming a key mantra for German manufacturers who have their own on-site production. India is experiencing dynamic growth and has climbed the ranks to become the third largest market.

With a decline of 8 percent, imports in the first three months also reflected the weaknesses in the German market. They did, however, perform slightly better than domestic sales. Japanese manufacturers, in particular, were even able to increase their sales in Germany. Overall, domestic consumption fell by 10 percent and confirmed the weakness of investment in Germany.

Corporate capacity utilization continued to decline to the most recent figure of 73 percentage points. The necessary capacity adjustments can now be clearly seen from the changes in the numbers employed. In March, the industry was employing 60,600 people, almost 9 percent less than the previous year.

Bernhard Geis concludes: “The increase in orders in the first quarter is a key indicator, however doesn’t give the all-clear. For a steady upward trend, there needs to be greater investment confidence – and more reliable economic conditions.”

Background

The German machine tool industry is one of the five largest fields of mechanical engineering. It supplies production technology for metal working in all branches of industry and makes an important contribution towards its innovation and increased productivity. Due to its absolute key role in industrial production, its

development is an important indicator of the economic dynamism of the entire industry. In 2025, the approximately 64,500 employees in the industry (companies with more than 50 employees) produced machines and services to the value of around 13.8 billion Euro.

Images:

Image 1: A glimmer of hope on the horizon? The first quarter saw an increase in orders for the machine tool industry. Source: Adobe Stock / Oleksandr Bachurin.

Image 2: Bernhard Geis, Head of Economics and Statistics at VDW.

Image 3: After three difficult years, the machine tool industry can breathe a first sigh of relief: incoming orders increased in the first three months of 2026 by 15 percent.

This press release is also available directly at <https://vdw.de/presse-oeffentlichkeit/pressemitteilungen/>

Graphics and images can also be found online at www.vdw.de in the Press section. Visit the VDW on social media channels in the Press section. Visit the VDW on social media channels



www.industryarena.com/vdw



www.youtube.com/metaltradefair



www.linkedin.com/company/vdw-frankfurt