

# 'Global woodworking industry is on a stable and positive trend'

**Mr. Jürgen Köppel**, President of Eumabois and CEO of Leitz Group spoke his mind on various topics related to global woodworking industry outlook, high-potential markets, megatrends in India and China, industry 4.0 in woodworking, new initiatives at Eumabois, importance of Delhiwood 2019 and what is new at Ligna 2019.



In conversation with the global leader spearheading the 850-member strong committee of woodworking machinery manufacturers in Europe.

**Modern Woodwork: How do you look at the global wood industry over the past couple of years? Has Europe fared better than expected?**

**Mr. Jürgen Köppel:** The wood supply chain in 2017

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President of Eumabois  
and CEO of Leitz Group

and 2018 has been performing with interesting growth rates. The international furniture trade has risen from US\$ 400 billion in 2016 to US\$ 450 billion in 2018. A good result, I would say. As for Europe, I

believe that one can speak of a satisfactory period. Let's take as an example the production of European woodworking technology - in the two-year period (2016-2018), it has risen by 20% to reach € 7.5 billion. These are figures showing a stable and positive trend despite all the disturbances coming from the political side.

**MW: A forecast suggests that the global woodworking machinery market will grow at the CAGR of 3.7% over the next 8 years and will touch a figure of US\$5.86 billion by 2026 from the current size of US\$ 4.73 billion. Do you think these figures are in accordance with the ground conditions? Are you more bullish considering the changes in lifestyle?**

**JK:** Making long-term forecasts on the general economy is often risky and I think it is even more difficult to make this kind of prediction in the woodworking technology sector. I would limit myself to making the observation that the general conditions have changed during the last two quarters of 2018 and that a slight uncertainty can be recognized for 2019. We must look carefully at the exogenous variables that are influencing our market (tariffs, politics, national economic maneuvers etc.). However, looking at the market potential of countries like India and China, with the number of inhabitants both exceeding 1.2 billion, for sure a significant growth in our industry is possible as long as the economic environment doesn't change significantly. In addition, some megatrends

are supporting our growth, so there is for sure a good potential for growth in the long-term.

**MW: E-commerce has created a new kind of consumerism in the latter half of this decade. It is known as 'Presumers' (Pre-consumers – those who design and test the product before it sees the light of the day) and 'Custowners' (Customer-owners – those who invest in the product as a crowdfunder). This has created a bunch of smaller organisations in the furniture industry. How do you look at this trend? Is this a threat or an opportunity?**

**JK:** I believe this trend is a good opportunity for the supply chain. Increased competitiveness and the expansion of solutions for consumers are elements that will always be necessary in the evolution process of any economy. Obviously, this will be an opportunity for the companies that can seize it, while it will be a threat for those with a passive approach.

**MW: Asia Pacific is holding close to 40% of global market share at the moment. The growing middle class is one of the main reasons for this growth. Which other customer segments, according to you, seems promising?**

**JK:** Talking about geographies, I would give a special mention to North America, a region characterized by strong competition and a market with big numbers of potential consumers. As to high-growth countries, I would mention India and Vietnam in Asia and

the Maghreb area in Africa. In addition to these countries, Russia and some of its neighbour countries have good potential too.

Looking at the customer segments, a distinction between the degree of maturity of the market must be made. In India and China, the growing middle - class is for sure the driver, whereas megatrends such individualization and urbanization are global growth drivers.

**MW: India jumped five spots and is ranked 58th most competitive economy in the WEF's 2018 rankings. India is the only country among G20 economies gaining 5 spots in 2017. How do you look at India as a market over next 5 years as it being the third largest market after US and China?**

**JK:** India is improving its economical position constantly. It is developing specific expertise in different areas in order to expand 'Made in India' solutions more and more. Just think that India has secured a stable position among the world's top furniture manufacturers and it is also a land of opportunity for direct investments (IDE) by European companies. In the woodworking technology sector, Biesse, Homag and Leitz have their own subsidiaries for instance.

Of course, the transition from an emerging to advanced economy implies a number of requirements and challenges that India will have to meet and face in the most effective way. I am sure however, that India will follow this path of transition successfully in the



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# Jürgen Köppel on:



## Furniture Trade:

- Grown to US\$ 450 billion in 2018 from US\$ 400 billion in 2016, globally
- European market grown by 20% since 2016 to reach € 7.5 billion in 2018.



## High-potential Markets:

- North America, Australia, Oceania, Eastern Europe, South America
- India, China, Vietnam, Russia, North Africa (Maghreb)



## India and China:

- Growing middle-class along with urbanisation and individualisation are going to be the drivers in India and China
- India has secured a stable position of among the world's top furniture manufacturers and is proving to be a land of opportunities for investments.
- China may not achieve a double-digit growth, but will remain a global economy driver.



## Eumabois:

- Working in three key areas: industry exhibitions, machinery safety standards and market estimates.
- Working hard to give more support to national associations and their members.



## Delhiwood 2019:

- Has reached a new level of professionalism after the takeover by NürnbergMesse India.
- Essential for growing woodworking market in the Indian sub-continent.

coming years and I am pleased that both, Leitz and Eumabois, will be able to accompany the market along this path.

**MW: Which other region/s will drive the global market growth and why?**

**JK:** As mentioned, the United States must be considered the top market where opportunities are never fading. North Africa can become the market of the future if the region achieves political stability. I believe

that we should add Australia and Oceania too, which have recorded interesting growth rates recently. We should not forget China, a challenging market but a real driver of the global economy, even so the times of double digit growth rates seem to be over. Finally, we shall not forget Eastern Europe and South America, both presently leaving short of expectations.

**MW: The entire manufacturing sector**

*is passing through the revolutionary process. Industry 4.0 is the buzzword for all the major players. Is woodworking industry capable enough to undergo these massive changes? What about SMEs?*

**JK:** I would not call it a revolution but an evolution which started in the early 90s' when, for example, Leitz presented the first 'smart' tool with a chip inside. However, during recent years the awareness and the joint approaches significantly increased the speed of development. Industry 4.0 is for sure one of the main drivers in our industry following the megatrend of digitalization and connectivity. Each country has developed its own model, but the basic concept is the connectivity of machinery, tools and other involved components - this is, and will be the competitive key for all manufacturers. Small and medium enterprises are directly involved in this process, as Industry 4.0 makes no distinction in this respect. The model must be applied to all successful companies. Those who fail to apply are running the risk of falling back, but not only in the woodworking industry.

**MW: It has been over two years since you have taken over as Eumabois' President. Would you please highlight significant changes that were made to make the organisation more efficient? What are your future plans?**

**JK:** First of all, please let me state that I took over a well-organized and powerful Association from my predecessor Ambrogio



Individualization  
Digitalization  
Automation  
BatchSize1  
CarbonFiber  
Delhiwood2019  
Ligna2019

Delachi, with whom I worked together for already three years. Nevertheless, during the last two years, much has been done and will be done within Eumabois. Since I became President, we have worked hard on the fundamentals of the Association to give more support to the National Associations and their members. The definition of mission and goals, the creation of a code of conduct are just two examples. Lately, we have been empowering the activity of our working groups in three key areas: industry exhibitions, machinery safety standards and market estimates. In the future, I would like to further expand these three areas, involving more and more participants to give their contribution and using the momentum of around 850 European companies being organized under Eumabois' roof. These are projects of common interest and great value. I am happy that Mr. Luigi De Vito and Dr. Carlo Alberto Strada as Vice President and Secretary are supporting our joint work with all their power and passion.

**MW: Your views on Delhiwood 2019. How important is this show from Eumabois point of view?**

**JK:** Delhiwood, together with Indiawood, is an essential event for the Indian woodworking technology market and for the neighbouring countries too. All major local and European manufacturers are attending the exhibition and the number of visitors is always significant and constantly increasing. The organization

of the event was already efficient and there are the ideal conditions to create and make business. Nevertheless, due to the takeover by the Nürnberg Messe, Dehliwood and Indiawood have certainly reached a new level of professionalism which will be the basis for their further growth. Eumabois strongly appreciates this development and supports the rotation between Delhi and Bengluru to the benefit of the exhibitors and customers. I am already looking forward to participating in the Dehliwood 2019.



I believe e-commerce is a good opportunity for the supply chain. Obviously, this will be an opportunity for the companies that can seize it, while it will be a threat for those with a passive approach.

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**MW: The next big exhibition in the sight is Ligna 2019. How different will it be than its earlier edition?**

**JK:** Ligna is with no doubt 'the leading exhibition' in the woodworking industry and for sure Hannover is the place to be in May 2019 to discuss the trends and innovations in our business sector. Back in 2017, Deutsche Messe introduced the new site layout which was well received by the exhibitors and visitors. The upcoming edition will be certainly be strongly influenced by the megatrend digitalization and connectivity; but for sure individualization and automation will play an important role too. Large manufacturing lines, especially for 'Batch Size 1' production and latest developments regarding 'smart' processes will be introduced to the customers, no matter whether they are a huge industrial company or a SME. Beside the digital trend, the increased material mix, also introducing different advanced materials like composites or carbon-fiber structures will be important topics of interest.

## About EUMABOIS

**EUMABOIS is a non-profit organisation, aimed at promoting the European woodworking machinery industry, protecting its business interests and dealing with all matters of relevance to its members. Technical, marketing and fair policy issues are among the main tasks of the Federation. Eumabois plays a major role in the international market, hosts qualified experts to address technical and economical problems, and has created an information and interaction network involving the most experienced entrepreneurs in business. EUMABOIS represents more than 850 companies.**

For sure, latest innovation and trends to work with wood and wood-based materials will round off the excellent fair coming up in May 2019. ■

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