Euromonitor International

# New Economic Reality: Geopolitical Risks and Globalisation Reset

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INTRODUCTION

Scope
Key takeaways
Exploring geopolitical risks and the reset of globalisation
Rise of emerging markets has had implications on the global economic order and geopolitics
The reset of globalisation results from the cumulative impact of multiple events since 2008
Geopolitical risks and the reset of globalisation uncovered

GEOPOLITICAL TENSIONS AND FRAGMENTATION

Rising geopolitical tensions increasingly influence global business strategies
Growing geopolitical rivalries raise the risk of broader global economic fragmentation
Global fragmentation scenario: A long-term drag on the global economy
Industrial policy and global infrastructure investment to shape globalisation reset
Rising geopolitical tensions and global fragmentation require companies to monitor risks

SHIFTS IN GLOBAL TRADE AND INVESTMENT

Global trade flows reshuffle as governments and companies seek diversification
Geopolitical alignments reshape global FDI landscape to the benefit of emerging Asia
Emerging Asia, Eastern Europe and Mexico gain prominence in global hi-tech value chains
Commodity supply remains highly concentrated, risking protectionism and fragmentation
Case study: Tesla builds a new Gigafactory in Mexico, seeking to cut costs and nearshore
Case study: Siemens to invest in a new Singapore factory to boost resilience and innovation
Global trade and investment to evolve further as geopolitical alignment rises in importance

HOW TO IDENTIFY STRATEGIC OPPORTUNITIES

The need to secure supply of critical goods drives supply chain diversification
Industries with high concentration to lead diversification efforts
Identifying the next manufacturing relocation opportunities
Southeast Asian countries are best positioned to win amid a globalisation reset
Supporting industries are required to benefit fully from the globalisation reset trend
Case study: Zetwerk benefits from “China plus one” supply strategy
Supporting strategic diversification/relocation decisions with competitiveness analysis

CONCLUSION

Key takeaways
Geopolitical risks and globalisation reset: How to win
Evolution of geopolitical risks and the reset of globalisation
Questions we are asking

APPENDIX

Future Manufacturing Hubs Index 2023 Results
Future Manufacturing Hubs Index 2023 Results

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