

New Economic Reality: Geopolitical Risks and Globalisation Reset

October 2023

Table of Contents

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

About Euromonitor International

Euromonitor International is an independent market intelligence provider. Data, insight and analysis stem from in-the-field research spanning 210 national markets.

Content ranges from the in-depth and country-specific, to key strategic themes with a global range and significance. Products cover a comprehensive range of insights and market data, but can be broadly categorised as:

- **Strategy Briefings:** Global or regional in scope, and focussing on the most important themes shaping consumer demand, the key markets, competitive environment and future outlook across a range of industries.

- **Company Profiles:** Analysis dedicated to the world's most significant companies, with detailed insight into their activities, focus of operations, their competitors, their geographic presence and performance.
- **Country Reports:** For an in-depth understanding of specific countries, whether by industry, economic metrics or consumer trends and lifestyles. These reports cover current trends, consumer demand, market potential and future prospects, with country-specific local insight and comprehensive data, unavailable elsewhere.

For more information on this report, further enquiries can be directed via this link www.euromonitor.com/new-economic-reality-geopolitical-risks-and-globalisation-reset/report.