Euromonitor International

Navigating Market Volatility: Future Proofing Global Supply Chains

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EXECUTIVE SUMMARY

Why read this report?
Key findings

INTRODUCTION

Manufacturing sector's growth slows amid growing uncertainty
After a short period of stability, global supply chains again face uncertainty
Steps to future proof supply chains

FUTURE PROOFING SUPPLY CHAINS

High supply concentration of critical goods drives changes in US trade policy
Higher US import tariffs to have immediate effect on domestic consumption
Changing US trade policy to have long-lasting effects on global supply chains
China's restrictions on exports to the US is the highest risk to supply chains

MANAGING COST OF CHANGE

Supply chain diversification is required to shield from future trade disruptions
Managing costs will be critical in supply chain transition
Case study: GM leans on extensive supplier network to minimise cost pressures
AI tools promise to help better manage costs and improve efficiency
Technology change can create new supply chains risks for companies
Gradual approach and improvements in data quality can reduce the risks
Case study: Schaeffler and Microsoft team up to launch AI platform

FOCUS ON ASIA

Changes in production network to provide new growth opportunities in Asia
Asia Pacific to grow manufacturing production value by USD10 trillion by 2030
Investments in supporting industries can further accelerate growth
Case study: Tata Electronics helps to strengthen Apple's supply chain in India

CLOSING THE SKILLS GAP

Ageing population will increase global skills shortages
Skills gap will slow down supply chain diversification efforts
Investment in worker upskilling and automation are part of the solution
BMW deploys humanoid robots for routine tasks in US factory
Case study: Toyota aims to retain older workers for longer

PREPARING FOR CLIMATE CHANGE

Changes in supply chains must consider climate risks
Water scarcity poses a challenge for critical industries
Case study: TSMC aims to reduce water consumption at Arizona plant

CONCLUSION

Recommendations for growth
Evolution of supply chain disruptions
Questions we are asking

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