

Global manufacturers are rethinking their strategy on production sites.
China might slowly, but steadily, be losing its dominance as the “Factory of the World”.

Reasoning for ongoing changes in global manufacturing footprint:

Geopolitical risks and threats

Recent geopolitical turmoil between China and the West negatively affect supply chain resilience

Labor cost and availability

Labor cost in China has become higher than other Asian countries where there are large working-age populations

Digitalization and automation

High level of digitalization and automation used in facilities reduces labor cost and increases production efficiency

Customer proximity

Proximity to customers add to shorter lead times thus contributing to the valuable business flexibility

ESG and sustainability

Recent trends in ESG and sustainability pressure companies to closely monitor manufacturing and supply chain practices

Source: TSN Business Intelligence

Alternative locations to China

