

# The resurgence of *manufacturing*

Reindustrialization strategies in Europe and the US

## Organizations recognize the imperative of reindustrialization

Most organizations have a reindustrialization strategy or are developing one

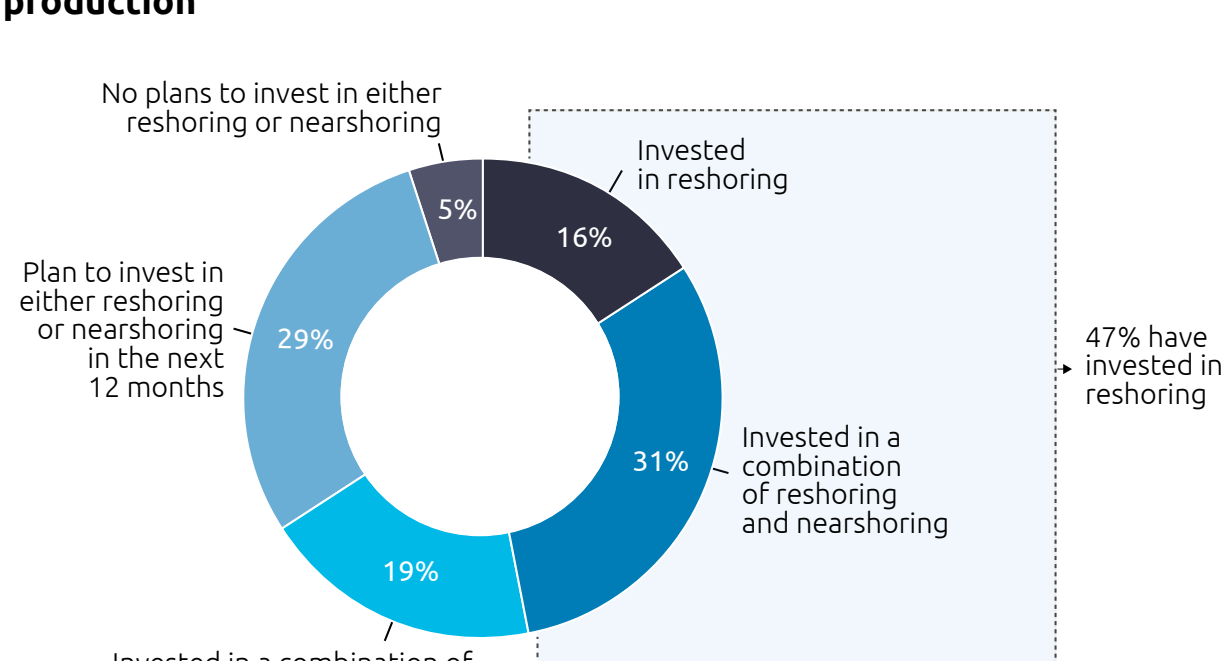


## The rise of domestic manufacturing and onshoring

Total investment in reindustrialization in Europe and the US over the next three years is projected to be \$3.4 trillion

Nearly half of all organizations have made investments in reshoring initiatives

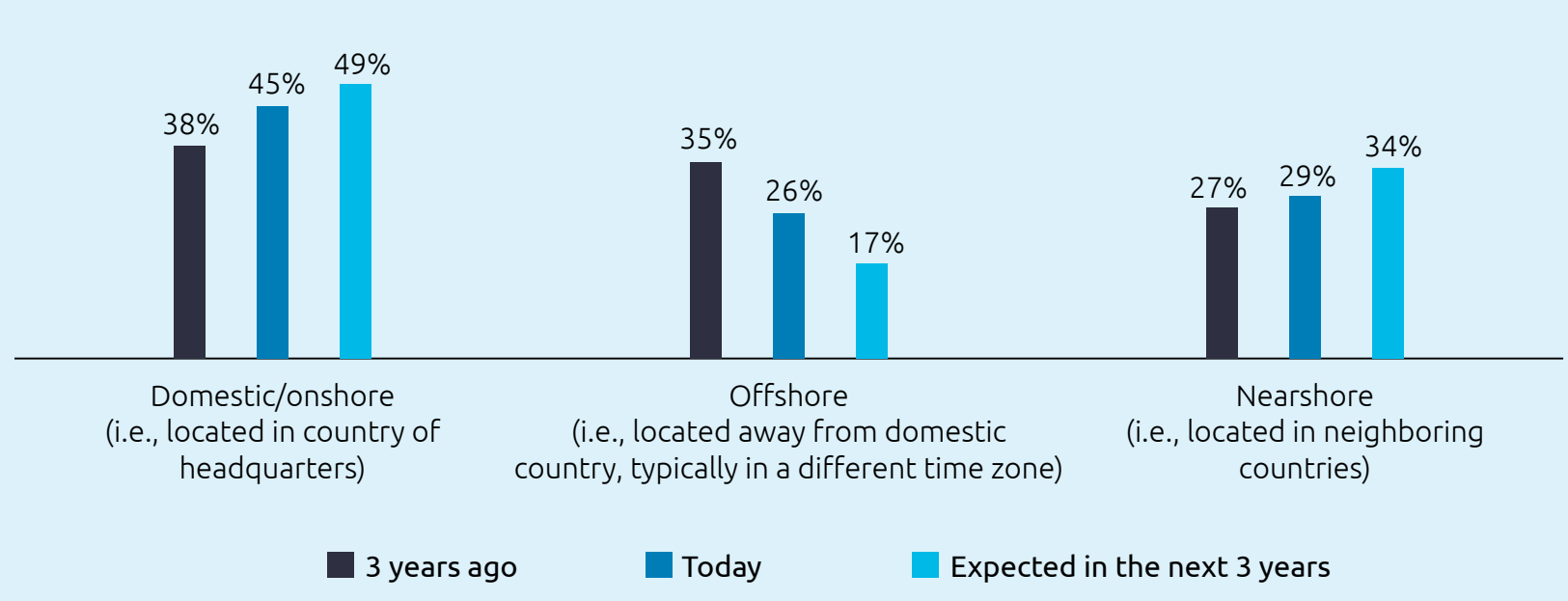
% of organizations who have invested in reshoring or nearshoring the majority of their manufacturing/production



Source: Capgemini Research Institute, Reindustrialization executive survey, February 2024, N=1,300 executives.

Domestic manufacturing facilities to increase to nearly 50% in the coming three years

Distribution of manufacturing facilities by location as a % of total production capacity



Source: Capgemini Research Institute, Reindustrialization executive survey, February 2024, N=1,300 executives.

## Reindustrialization supports climate goals and decarbonization drives reindustrialization

Optimism is strong that reindustrialization will help organizations achieve climate ambitions



Source: Capgemini Research Institute, Reindustrialization executive survey, February 2024, N=1,300 executives.

The establishment of gigafactories plays a role in the journey towards sustainability

54% of automotive, battery manufacturing, and energy organizations plan to build one or more gigafactories within the next five years

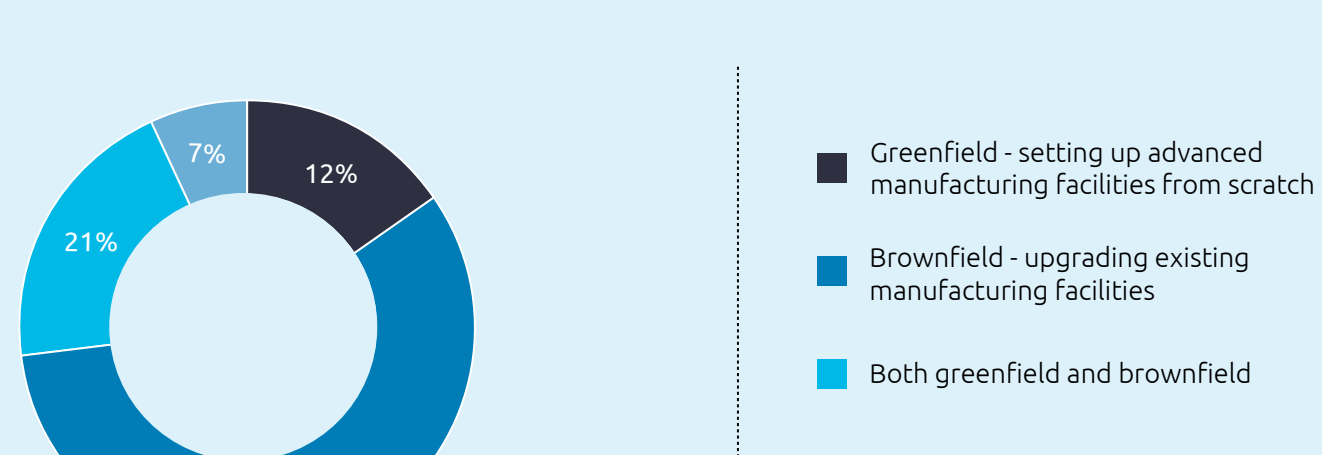
## Digital technologies are a critical enabler of reindustrialization

There is a commitment to increasing investments in digital technologies to support reindustrialization



Organizations focus on upgrading manufacturing facilities as part of their reindustrialization efforts

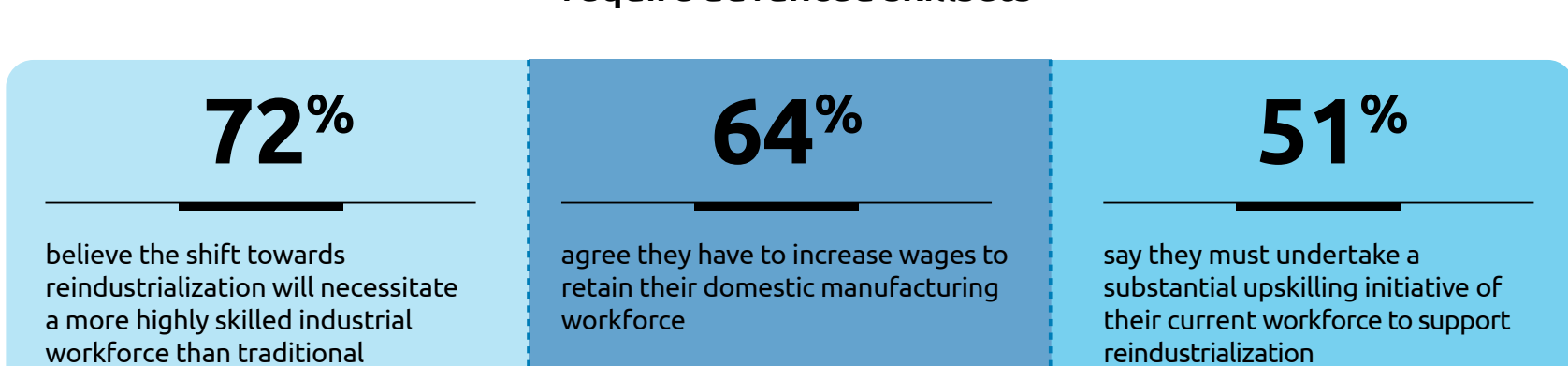
% of organizations specifying their strategy for smart and advanced manufacturing facilities



Source: Capgemini Research Institute, Reindustrialization executive survey, February 2024, N=1,300 executives.

## Reindustrialization requires a highly skilled workforce

A majority of organizations believe reindustrialization will drive wages up and require advanced skillsets



The manufacturing workforce's skill mix is anticipated to shift towards advanced digital skills over the next three years

Average share of digital skills in manufacturing workforce, current vs three years' time



Source: Capgemini Research Institute, Reindustrialization executive survey, February 2024, N=1,300 executives.

## How to accelerate reindustrialization

- Undertake a strategic assessment to formulate an effective reindustrialization strategy
- Prioritize environmental sustainability in the reindustrialization strategy
- Invest in the skills development of the manufacturing workforce
- Incorporate advanced manufacturing technologies into current and planned facilities
- Foster collaborative initiatives with like-minded partners to enhance domestic industrial capabilities
- Proactively engage with policymakers and regulators to anticipate and react quickly to dynamic legislation and incentives

Source: Capgemini Research Institute, Reindustrialization executive survey, February 2024, N=1,300 executives.

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