

Powering up industrial manufacturing

Reindustrialization drives growth

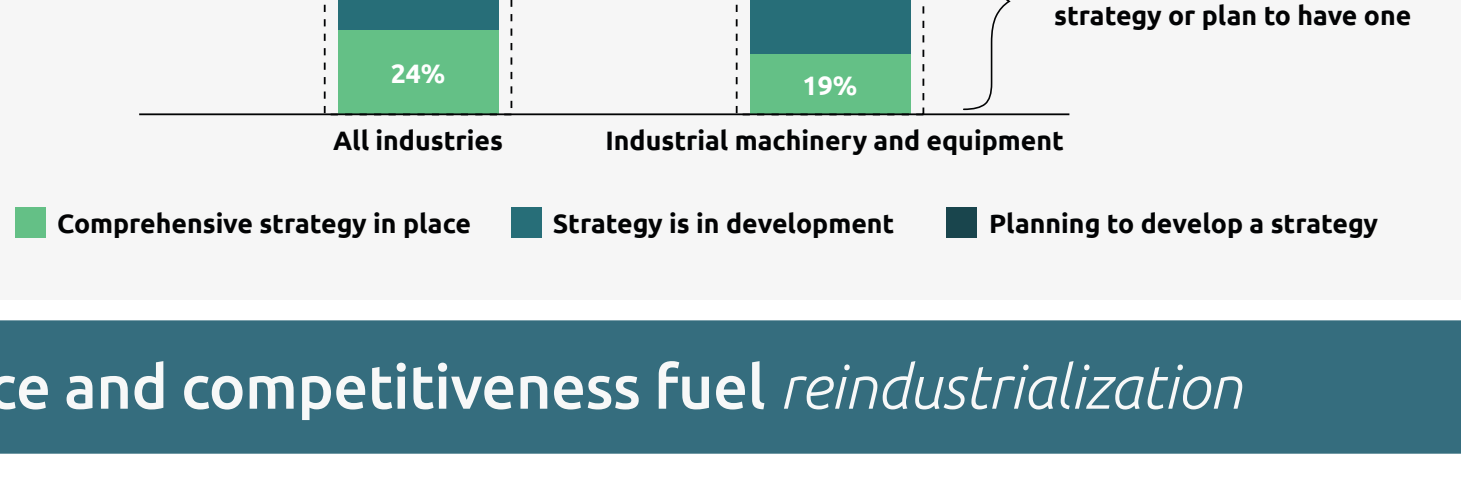
Reindustrialization is transforming industrial manufacturing. Driven by the need for resilient supply chains, a focus on sustainability, and the promise of technological innovation, companies are investing heavily in domestic production and advanced capabilities.

Investment in this sector is set to soar in the coming years. According to our Capgemini Research Institute report *The resurgence of manufacturing: Reindustrialization strategies in Europe and the US*, 72 percent of organizations are already developing or implementing comprehensive reindustrialization strategies.

What is reindustrialization?

Reindustrialization is the re-establishment of global supply chains and manufacturing operations, often with the aim of bringing them closer to – or even within – domestic markets.

Percent of organizations with a reindustrialization strategy

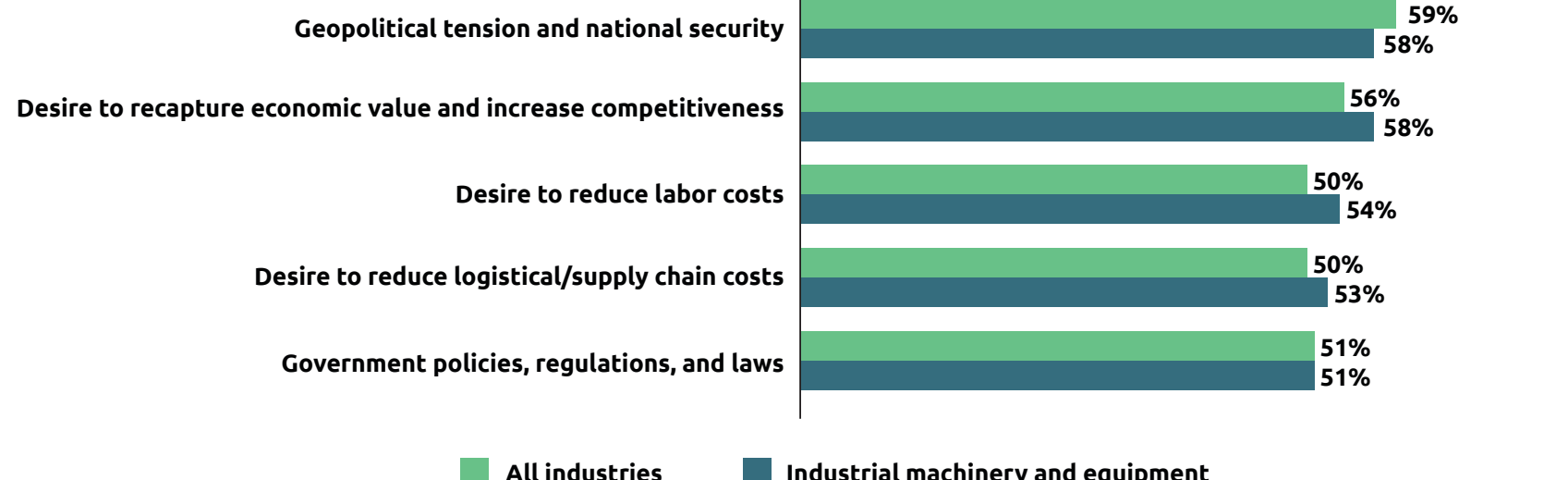


Resilience and competitiveness fuel reindustrialization

Supply chain resilience is the top priority for industrial manufacturers, with 73 percent citing it as a primary driver. Additionally, a desire to recapture economic value and increase competitiveness is a significant motivator, shared by 58 percent of organizations. This dual focus on stability and growth is propelling the reindustrialization movement.

73% prioritize supply chain resilience | **58%** aim to recapture economic value and increase competitiveness

Percent of organizations stating the below is a top driver of their reindustrialization strategy and initiatives

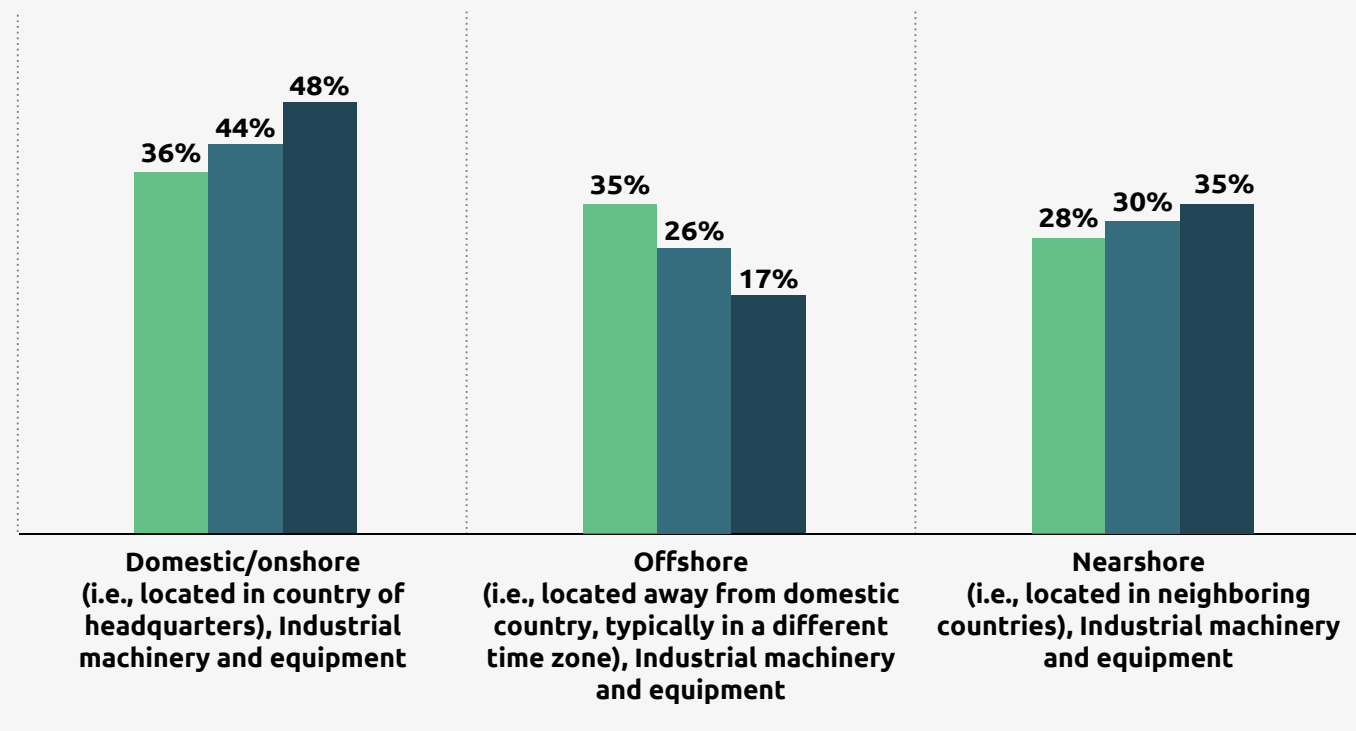


Strategic focus on domestic manufacturing and supply chains

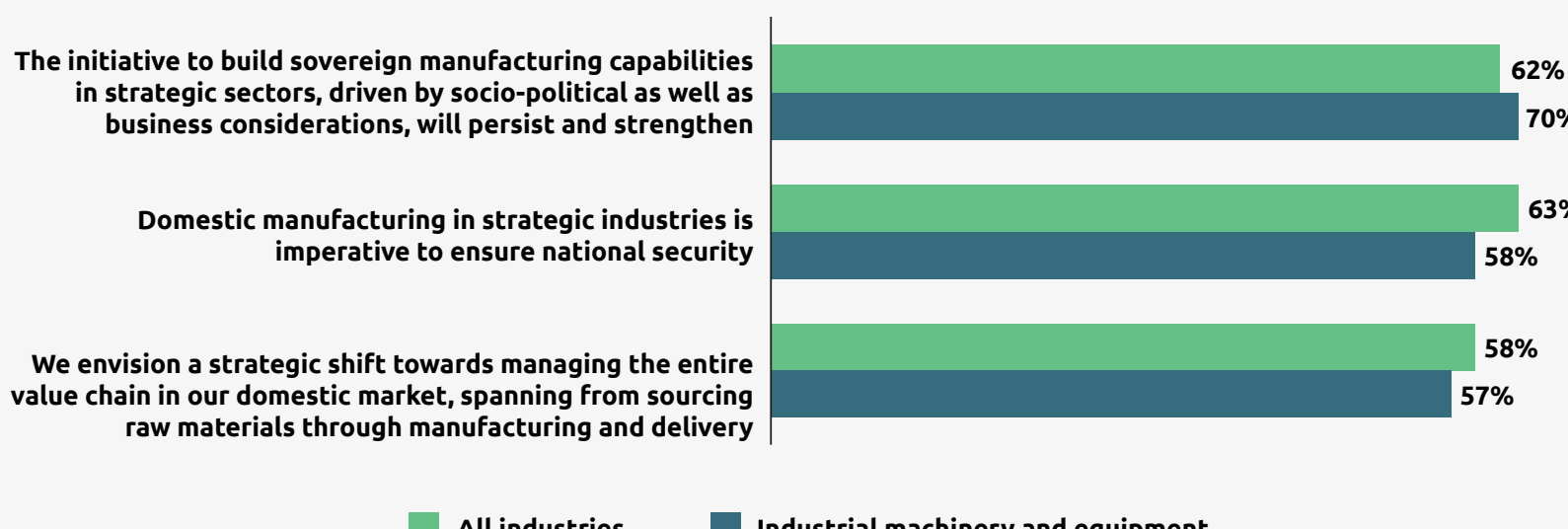
The majority of industrial manufacturing organizations believe the drive for sovereign manufacturing capabilities will persist.

70% believe the drive for sovereign manufacturing capabilities in strategic sectors, driven by socio-political as well as business considerations, will persist and strengthen | **58%** recognize domestic manufacturing in strategic industries is imperative to ensure national security | **57%** envision a strategic shift towards managing the entire value chain in our domestic market, from sourcing raw materials to manufacturing and delivery

Distribution of manufacturing facilities by location as a percent of total production capacity in the industrial machinery and equipment industry



Percent of organizations that agree with the below statements

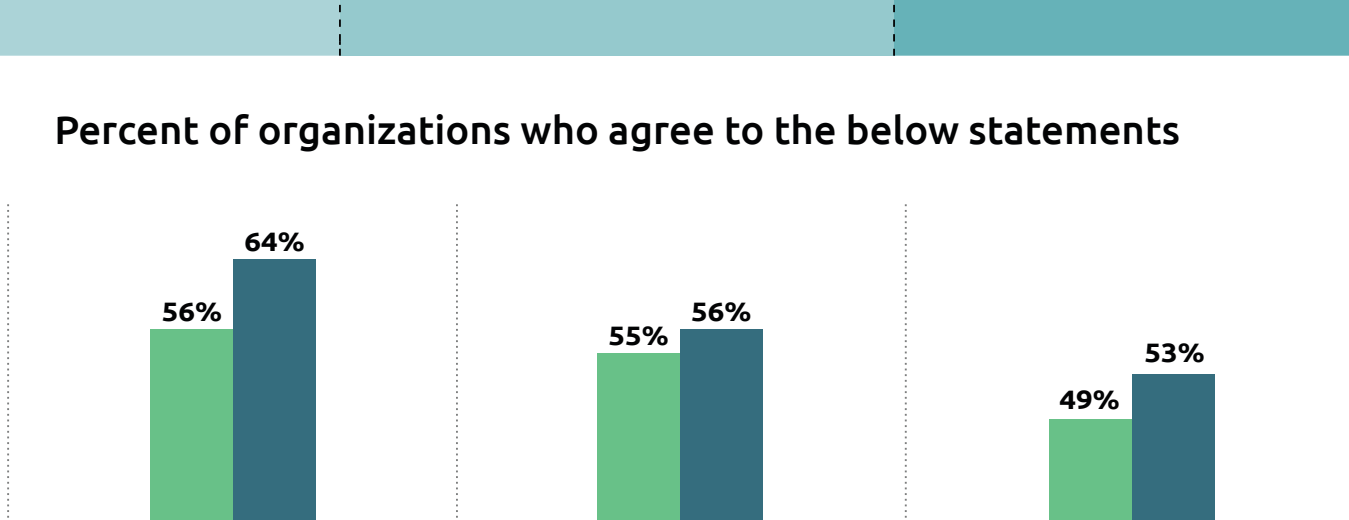


Climate ambitions and the sustainability imperative

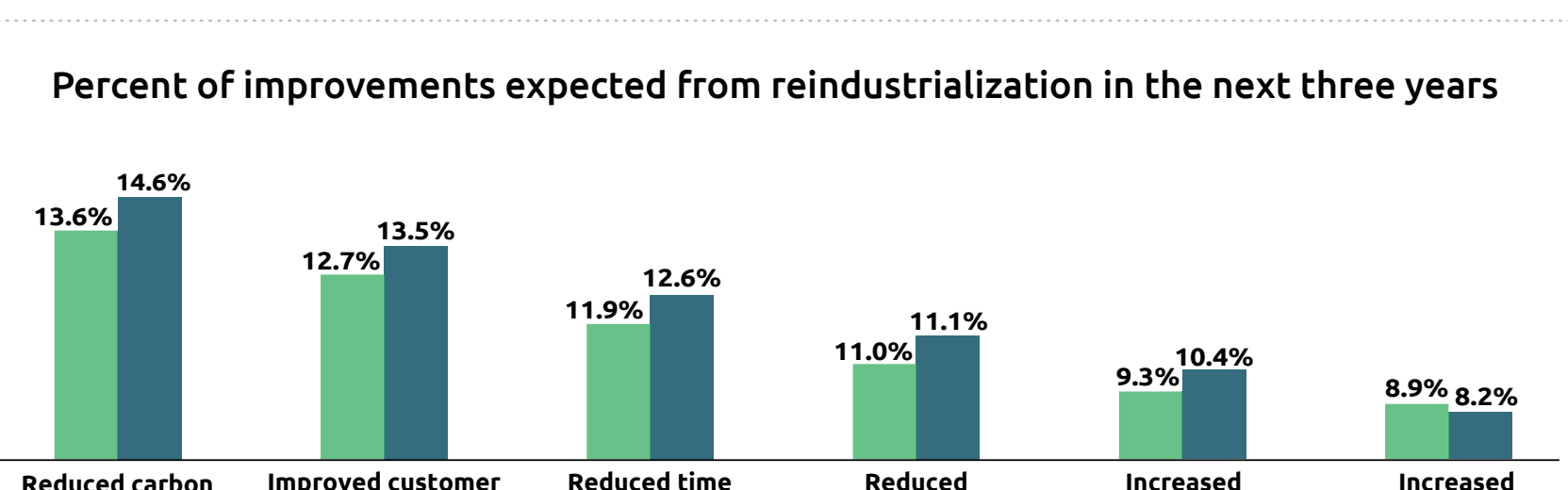
Reindustrialization is seen as a key enabler for achieving climate goals. Our research revealed a two-way relationship between reindustrialization and sustainability.

56% believe reindustrialization will help meet climate ambitions | **64%** view reindustrialization as a catalyst for sustainable manufacturing | **14.6%** anticipated reduction in carbon emissions in the next three years

Percent of organizations who agree to the below statements



Percent of improvements expected from reindustrialization in the next three years



“Our commitment to reindustrialization extends beyond economic growth. It encompasses job security for future employees, the nurturing of local talent, imparting social education, championing environmental benefits, and diligently mitigating all risks – whether they stem from supply chain vulnerabilities, natural disasters, or ecological impact. Reindustrialization is not just about profits; it's about shaping a natural and resilient future for all.”

– Supply chain executive from a US-based global automotive organization

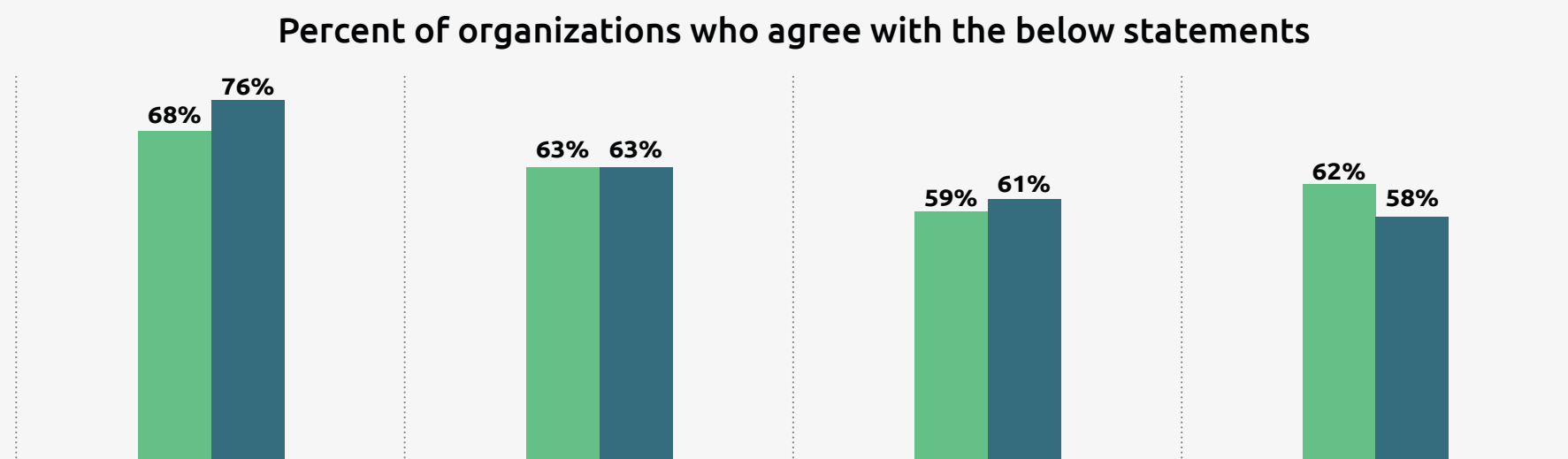
Technology as a driver of innovation and sustainability

The industrial manufacturing industry is highly optimistic about technology's transformative potential. Seventy-six percent believe reindustrialization will drive innovation and advancement, and 63 percent are increasing investments in digital technologies like AI, cloud, and data analytics to boost productivity. Notably, 58 percent of organizations are also using these technologies to combat climate change, illustrating the symbiotic relationship between digitalization and sustainability.

76% Optimistic about reindustrialization driving innovation | **63%** Increasing investments in digital technologies | **58%** Using technology to combat climate change

Organizations will amplify their investments in digital technologies to bolster reindustrialization

Percent of organizations who agree with the below statements



A highly skilled workforce for a new industrial era

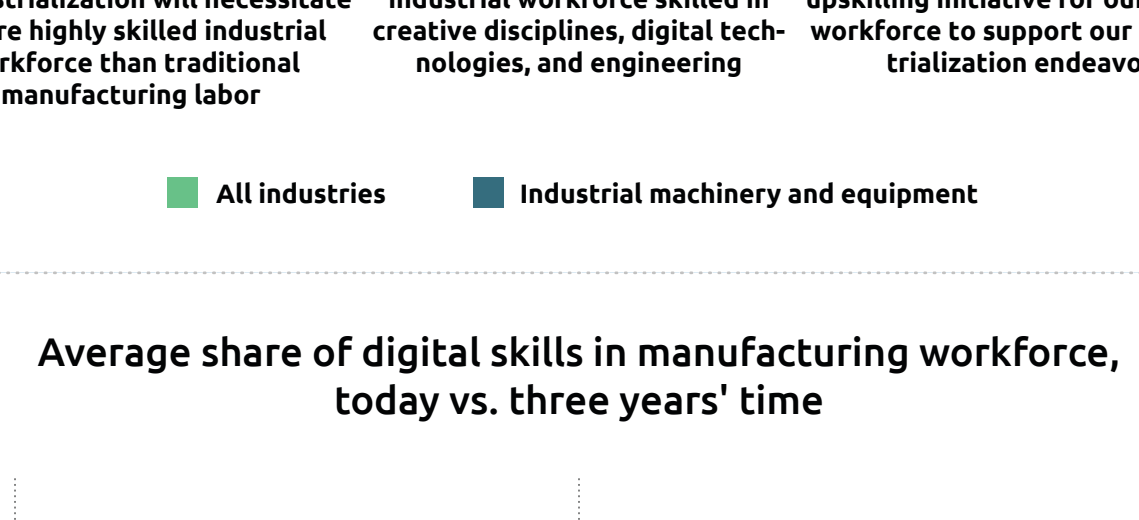
Reindustrialization requires a new kind of workforce – one that is highly skilled in both traditional manufacturing and advanced digital technologies. Most organizations acknowledge this share, and 50 percent are actively upskilling their employees. A significant shift is projected, with the share of the workforce possessing advanced digital skills expected to jump from 31 to 53 percent within three years.

71% acknowledge the need for a more highly skilled workforce | **50%** actively upskilling employees

Percent of organizations that agree to the below statements



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

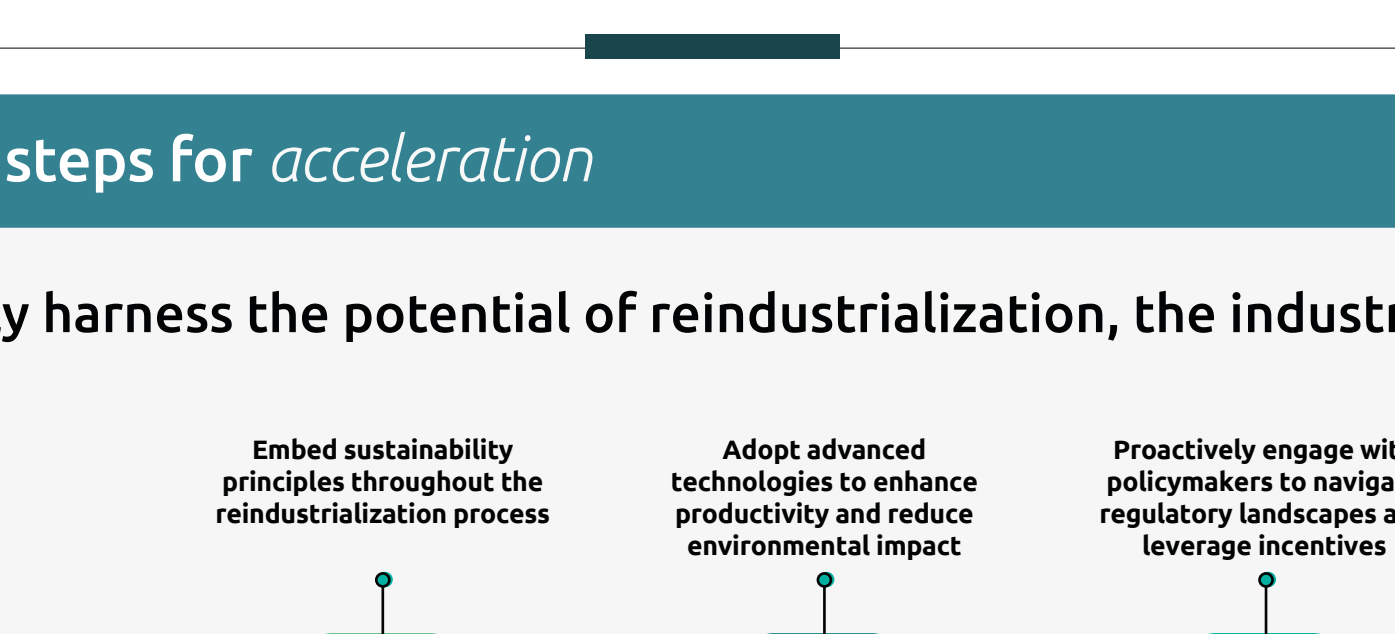


“To bridge the skills gap within the organization, we are enhancing the capabilities of existing employees, fostering education in EV manufacturing, collaborating with universities, and advocating for science, technology, engineering, and mathematics (STEM) education.”

– A supply chain executive from a US-based automotive organization

Action steps for acceleration

To fully harness the potential of reindustrialization, the industry must:



The industrial manufacturing industry is undergoing a profound transformation through reindustrialization. By prioritizing resilience, sustainability, and technology, the sector is positioning itself for renewed growth, competitiveness, and a more sustainable future.

Read the full Capgemini Research Institute report, *The resurgence of manufacturing: Reindustrialization strategies in Europe and the US*, to learn how leaders plan to revitalize their industrial sectors, create jobs, boost production and strengthen supply chains.

[Download report](#)

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