

RESILIENCE, RESPONSIBILITY AND ROBOTICS: OUR SUPPLY CHAIN PREDICTIONS FOR 2024.

We look into the crystal ball to predict the supply chain trends we see shaping this year.




THE CONTINUING RISE OF MULTI-SHORING AND FRIEND-SHORING

Why?

Situating warehouses and factories in multiple locations mitigates the risk of supply chain disruption.

How?

 Taiwan Semiconductor Manufacturing, the world's leading silicon wafer foundry, has built a \$12 billion USD plant in Arizona to serve its US semiconductor customers.¹




India, Japan and Australia have agreed a Supply Chain Resilience Initiative to reduce reliance on imports of natural resources from China through 'friendshoring'.²

GROWING INFLUENCE OF CLIMATE CONSIDERATIONS

Why?

Climate change will become an ever more important part of supply chain decision-making, both for customers – who need to factor in their supply chain partners' Scope 3 carbon emissions – and supply chain businesses – who themselves face disruption from extreme weather events.

How?

 A survey found that one third of company CEOs are actively reducing their total Scope 3 emissions, with half transitioning to circular business models.⁵



Transport and supply chain infrastructure including ports, railways, and highways will be threatened by increases in sea level of between 0.5 and 2 meters by 2100.⁶


URGENT IMPROVEMENTS IN CYBERSECURITY

Cyberattacks can cause havoc across the supply chain – and the number of attacks is rising. 2024 will see an increased focus on improving defenses.

Why?

"When a whole supply chain can't be fulfilled because one of your systems has been hacked and you can't process orders – it's horrific. Mitigating against that and partnering with companies who have the most resilient supply chain protections is non-negotiable." Saul Resnick, CEO, DHL Supply Chain, UK & Ireland.

How?

 The average cost of cyberattacks on supply chains is \$4.35 million per incident.¹⁰



In 2022, cyberattacks hit the supply chains of 1,743 organizations in the U.S. – an increase of 235% year-on-year.¹¹


EVEN MORE RELIANCE ON RESILIENT, FLEXIBLE 3PL PARTNERS

Why?

International conflicts, climate impacts and the pandemic have emphasised the need for strong, scalable supply chain partners who offer financial stability and have a workforce with the skills to adapt to change.

How?

 The Third-Party Logistics market is estimated to grow from \$1.22 trillion in 2023 to \$1.59 trillion by 2028.³

 Growing maturity of e-commerce requires the flexibility that 3PLs can provide, as well as the speed of delivery. Around 25% of customers are willing to pay a premium for same-day delivery.⁴


ROBOTICS, DATA...AND MORE DATA

Why?


The importance of technology and data to the supply chain isn't new. But in 2024 we can expect to see it leveraged more than ever to problem-solve, reduce errors and inefficiencies, and drive resilience to disruption. Cobots will continue to drive warehousing efficiency through picking and packing, loading and unloading, and moving heavy objects.

How?

 Around 75% of European and 62% of U.S. businesses plan to invest in robotic automation by 2025.⁷

 In 2024, 50% of supply chain organizations will invest in applications that support artificial intelligence and advanced analytics capabilities.⁸

Generative AI – a form of machine learning – is expected to become integral to nearly all enterprise software offerings in 2024.

 IBM says: "Generative AI is unlike any technology we've ever seen before in supply chain. It's a game changer...Over the next five years, generative AI will fundamentally change the way we work in supply chain."⁹



FOR FURTHER INFORMATION

Contact our supply chain experts [here](#) >
or visit our [website](#) >



¹ <https://www.nytimes.com/2022/12/06/technology/tsmc-chips-factory-phoenix.html>

² <https://www.dfat.gov.au/news/media-release/joint-statement-supply-chain-resilience-initiative-australian-indian-and-japanese-trade-ministers-0>

³ <https://www.mordorintelligence.com/industry-reports/global-3pl-market>

⁴ <https://www.mckinsey.com/industries/travel-logistics-and-infrastructure/our-insights/the-promise-and-challenge-of-multi-client-fulfillment-for-e-commerce>

⁵ <https://www.accenture.com/gb-en/insights/supply-chain-operations/supply-chains-key-unlocking-net-zero-emissions>

⁶ <https://e360.yale.edu/features/how-climate-change-is-disrupting-the-global-supply-chain>

⁷ https://www.ey.com/en_gl/innovation/three-tailwinds-for-robotics-adoption-in-2024-and-beyond

⁸ <https://kpmg.com/xx/en/home/insights/2023/12/supply-chain-trends-2024.html>

⁹ <https://www.ibm.com/blog/how-generative-ai-is-revolutionizing-supply-chain-operations/>

¹⁰ <https://www.washingtonpost.com/creativegroup/ibm/cyber-threats-real-world-consequences/>

¹¹ <https://www.statista.com/statistics/1367208/us-annual-number-of-entities-impacted-supply-chain-attacks/#:~:text=In%202022%2C%20supply%20chain%20cyber,highest%20reported%20number%20since%202017.>