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Industry Insights

Spring 2024



Executive Summary

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2.1mn

workers are missing from the U.S. labor force compared to Q1 2020

64%

of surveyed manufacturers anticipate increased near-shoring or on-shoring efforts through 2030

84%

of surveyed participants anticipate increased automation solutions throughout the decade

56%

of strategic initiatives through technological advancement are focused within two to five years

Executive Summary

Overview

- Global manufacturing is expected to exhibit robust growth while navigating regulatory, economic and supply chain uncertainties. Businesses are leveraging technological innovations to establish more responsive and resilient supply chains, helping them adapt to changing market conditions, anticipate disruptions and increase production efficiencies. The continued investment in technological innovation suggests that businesses are not reacting to short-term challenges but instead are strategically positioning themselves for long-term success.
- Collaborative supply chains require organizations to effectively manage both machines and humans—developing strategies that are both tech-driven and human-centric.
- Economic trends indicate a shift toward domestic manufacturing and a necessity to train employees for the integration of automated processes.



December 2023 orders of manufacturing technology outperformed analysts' best expectations, totaling \$491 million, up nearly 22% from November 2023, and nearly 12% above December 2022.

[Read More](#)



Reshoring efforts by domestic manufacturers and implementation of advanced automation are among trends shaping the future of the manufacturing industry.

[Read More](#)

Market Update

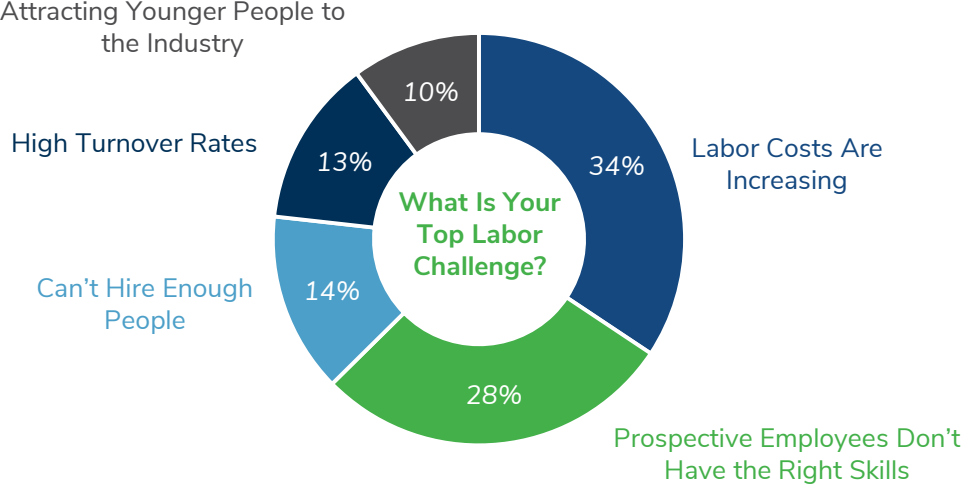
Economic Corner: Trends in Labor Dynamics

The pervasive labor challenges of industrial manufacturing create significant opportunity for automation adoption

- Labor costs are impacting margins while **unfilled roles are cutting into productivity**.
- An estimated **25%** of all U.S. manufacturing workers are **55 and older**, with many retiring every day.
- Approximately **65%** of industry leaders recently agreed that the skills needed for technology enabled manufacturing jobs are outpacing the current workforce.
- In total, **36%** of manufacturing frontline workers felt they were not equipped to adapt to digital tools and technology.

Economic Corner: Trends in Labor Dynamics

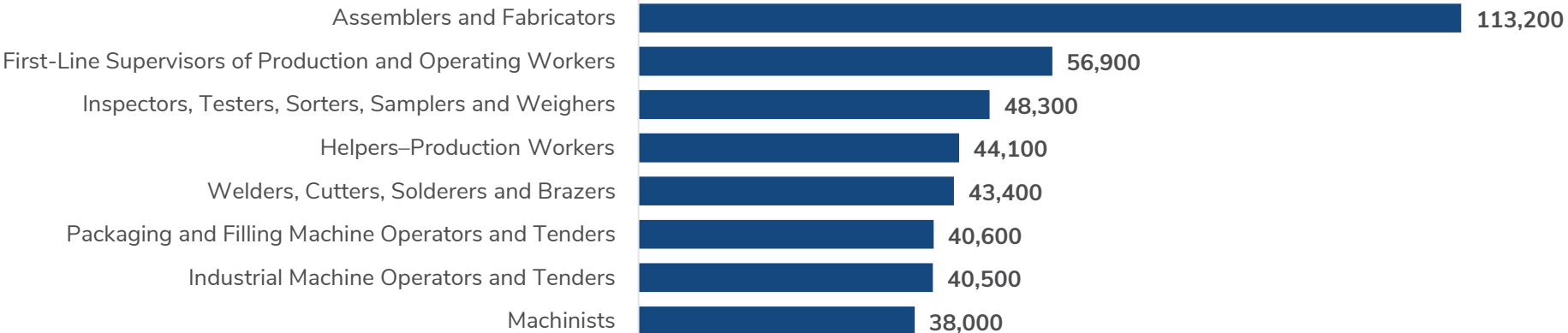
Labor Force Shortage Challenges – December 2023



Multitude of labor factors impacting the manufacturing industry

2.1 million workers are missing from the U.S. labor force compared to February 2020

Projected Open Roles for Manufacturing Companies, 2019 – 2029



Sources: U.S. Chamber of Commerce Analysis, U.S. Bureau of Labor Statistics, Analysis of Data from O*Net

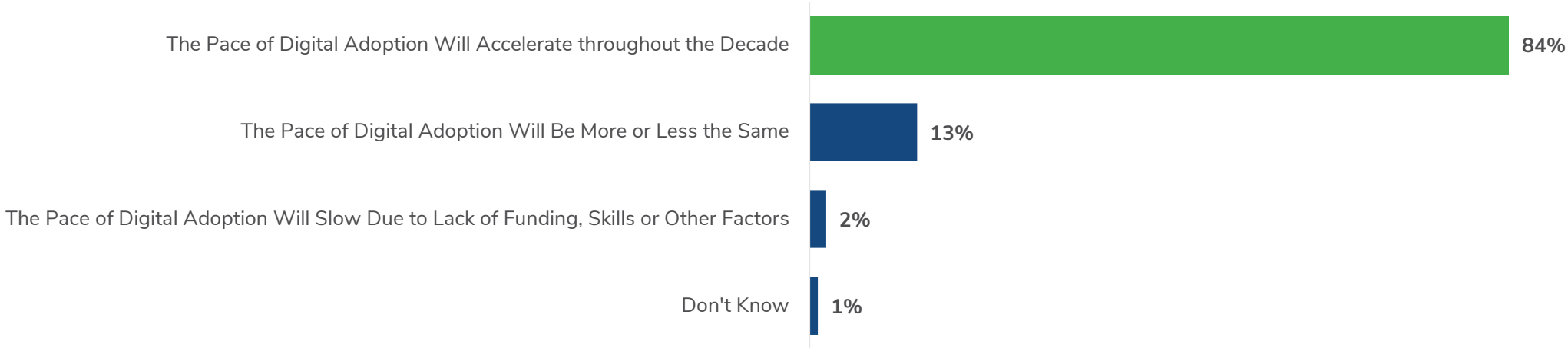
Economic Corner: Trends in Technological Advancement

The Manufacturing Leadership Council surveyed over 260 senior manufacturing industry executives

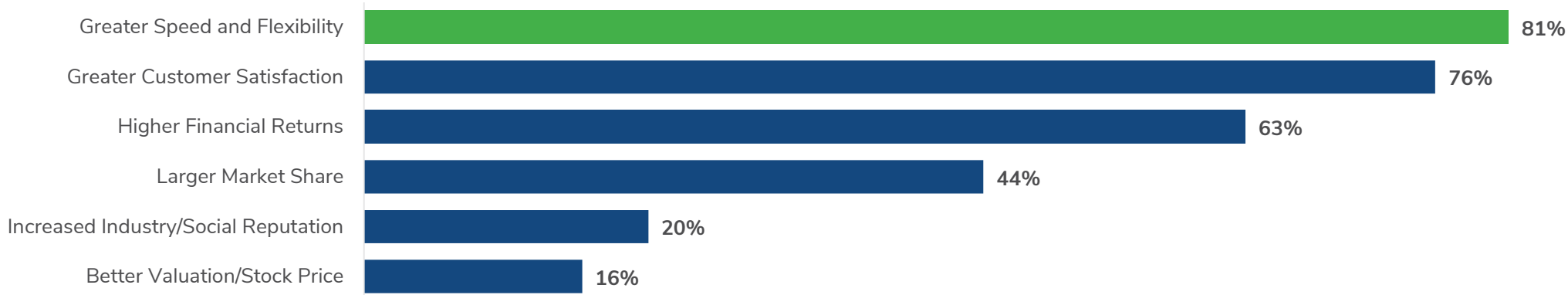
- Survey participants predicted **machine learning and collaborative robots** will have the greatest impact on manufacturing and production operations by 2030.
- **Greater speed and flexibility** and **greater customer satisfaction** are the most prevalent aspirational outcomes to **autonomous operations**.
- Approximately **68%** of survey participants believe factories and plants will become largely autonomous by 2030, requiring significant capital investment over the next decade.
- About **56%** of strategic initiatives are focused within a **two– to five–year** time frame.

Economic Corner: Trends in Technological Advancement

Acceleration of Manufacturing Technology – Surveyed Results



Desired Outcomes by Addressing Technological Advancement – Surveyed Results



Sources: Manufacturing in 2030 Project – Survey Results

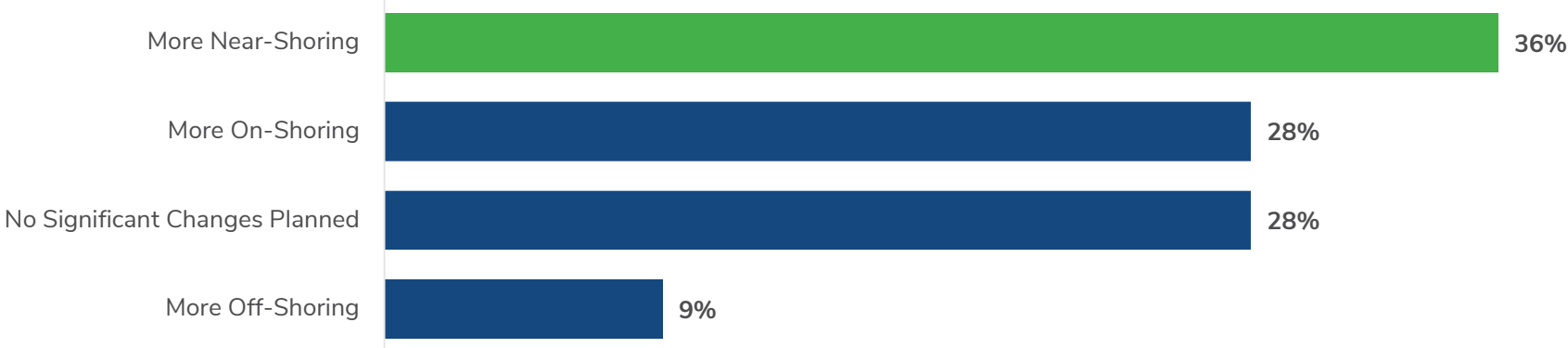
Economic Corner: Trends in Near- and On-Shoring

Geopolitical risks incentivize U.S. manufacturers to minimize supply chain costs and disruptions through near- and on-shoring




- On-shoring efforts **aim to reduce dependency on foreign suppliers** and mitigate supply chain disruptions.
- An increase in domestic manufacturing will **foster innovation and quality improvement** across local industries.
- More than a third of U.S. imports, valued over **\$3 trillion**, come from Mexico, China and Canada.
- Between 2022 and 2023, the value of goods imported to the U.S. from Mexico rose **5%**, while Chinese imports fell **20%**.

Economic Corner: Trends in Near- and On-Shoring

Anticipated Production and Supply Chain Networks in 2030 – Surveyed Results



Mexico Surpassed China in Terms of U.S. Imports in 2023

| Country | Mexico | China | Canada |
|--------------------------------------|--|--|--|
| Percentage of U.S. Tariffs |  15.0% |  14.6% |  13.0% |
| Advantages to Mexican Imports | | Disadvantages to Chinese Imports | |
| Geographic Proximity | | Economic Tension | |
| Zero Tariffs | | High Tariffs | |
| Low Labor Costs | | Security Concerns | |
| Relatively Mature Manufacturing Base | | Lower U.S. Production Output | |

Sources: Manufacturing in 2030 Project – Survey Results, Business Insider, U.S. Bureau of Economic Analysis


Relevant Kroll Experience

Select Experience in the Industrial Technology Sector


Selected Case Studies

Additional Industrial Technology and Engineered Products Experience


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