

# The resurgence of manufacturing

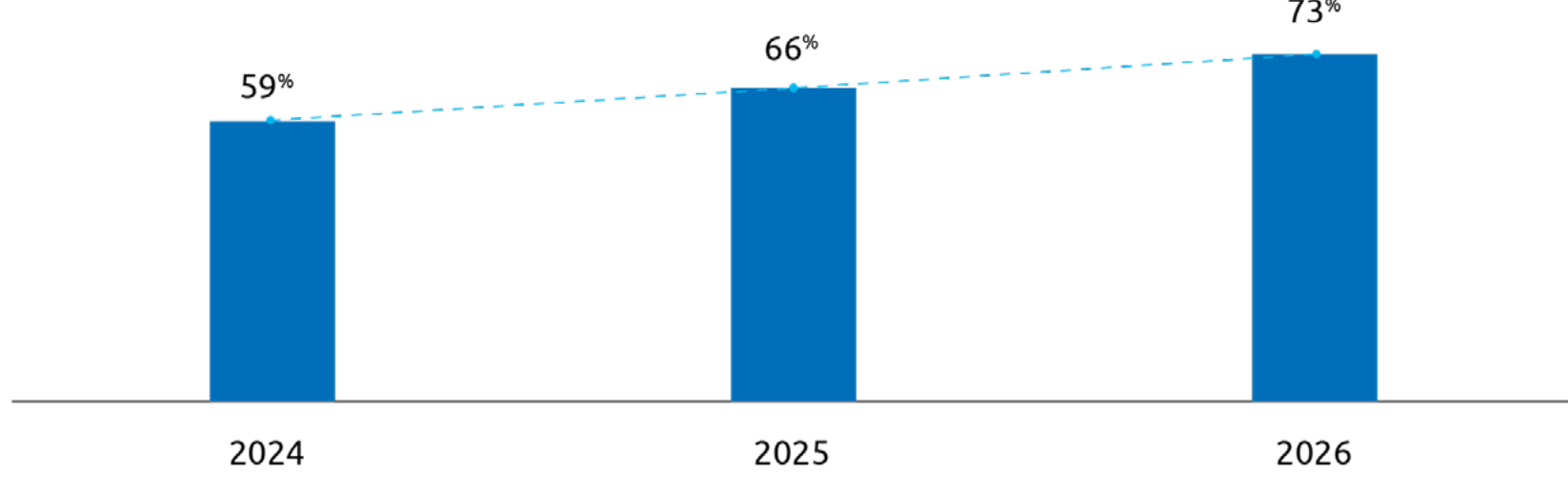
Reindustrialization strategies in Europe and the US – 2026

Make it real.

## Reindustrialization remains a strategic priority even as planned investments show a decline

Strategic intent to reindustrialize continues to grow globally

Percentage of organizations with a reindustrialization strategy in place or under development



Driven by need to

- Achieve pragmatic industrial sovereignty
- Build supply chain resilience
- Manage geopolitical tensions and national-security concerns

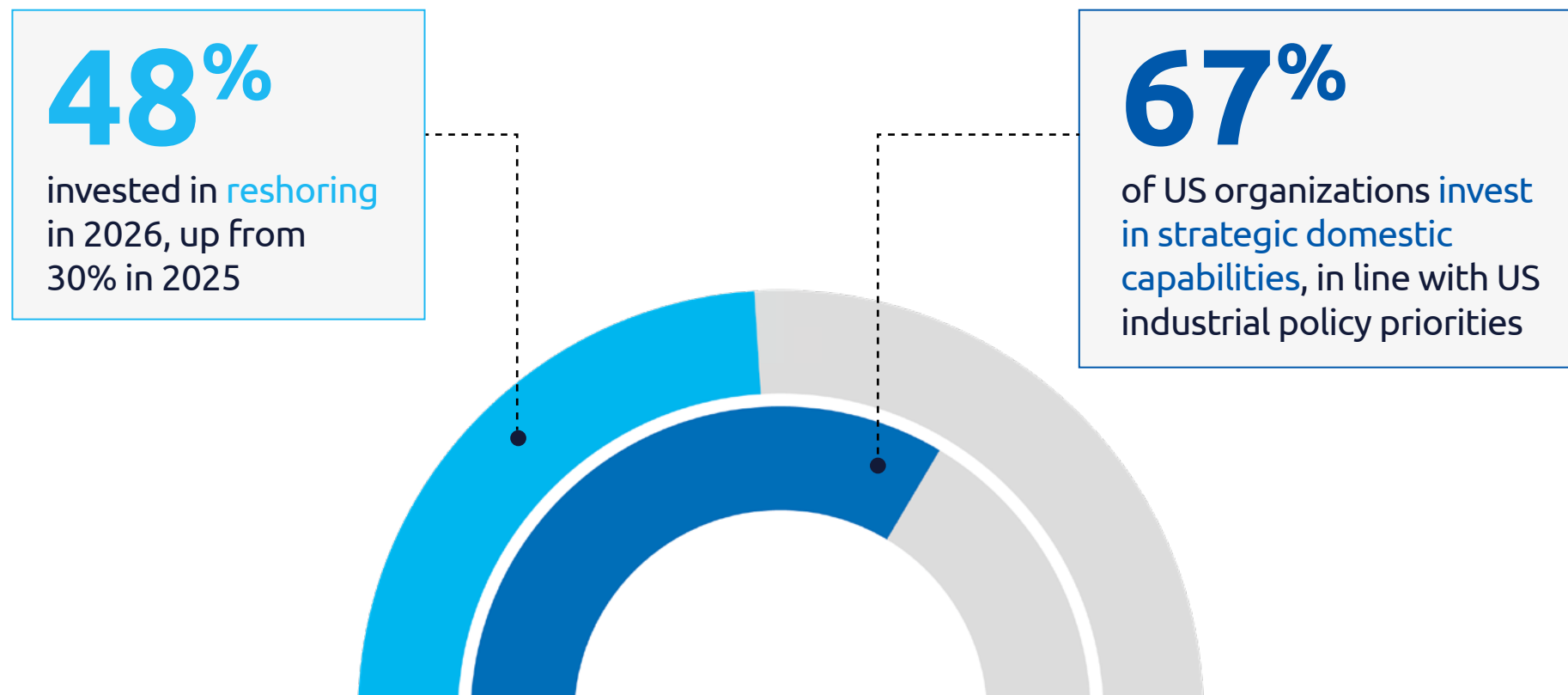
Despite strong intent, investments are on the wane

Potential reasons include

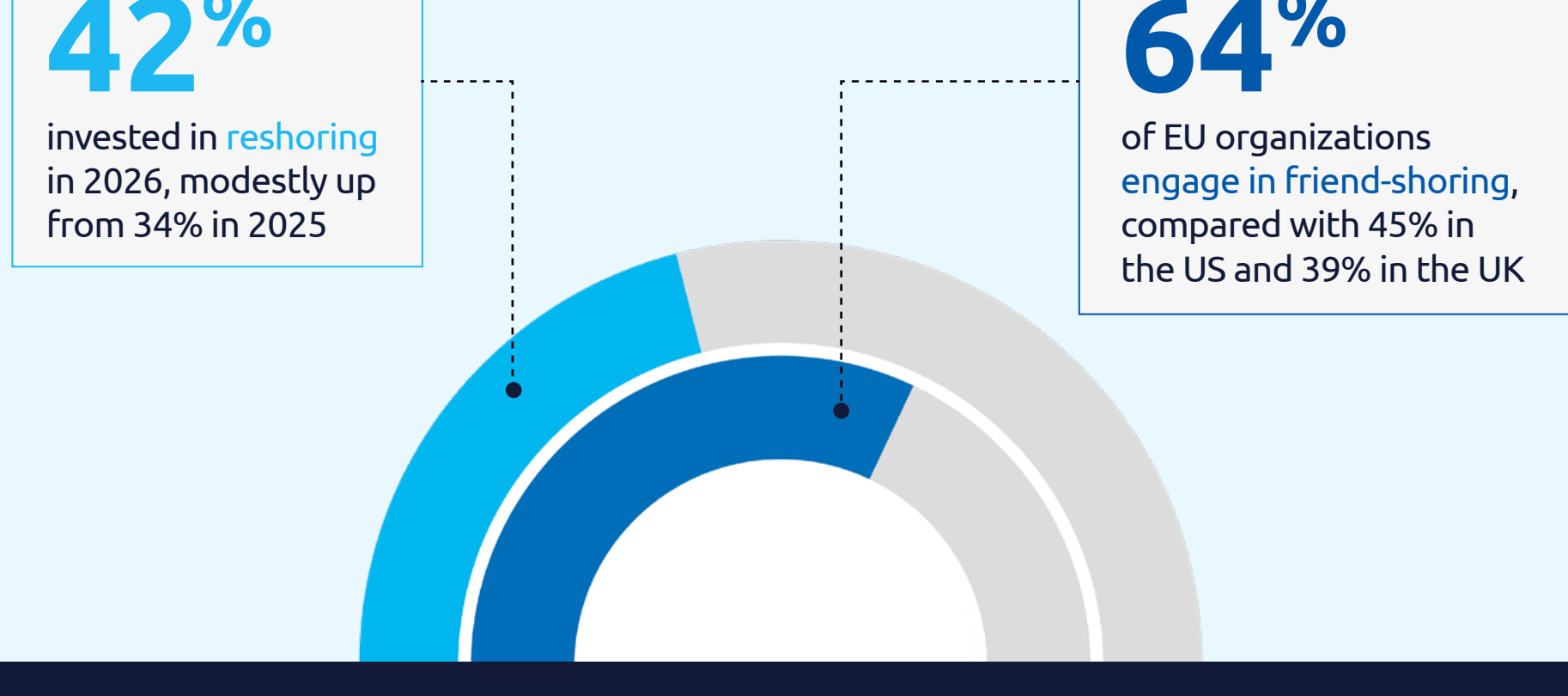
Geopolitical and policy uncertainty | Bleak economic conditions | Tighter capital allocation | Shift to capital-light, shared manufacturing models

## The approach to reindustrialization varies by region

US receives a reshoring boost with sovereignty agenda and government policies playing a significant role

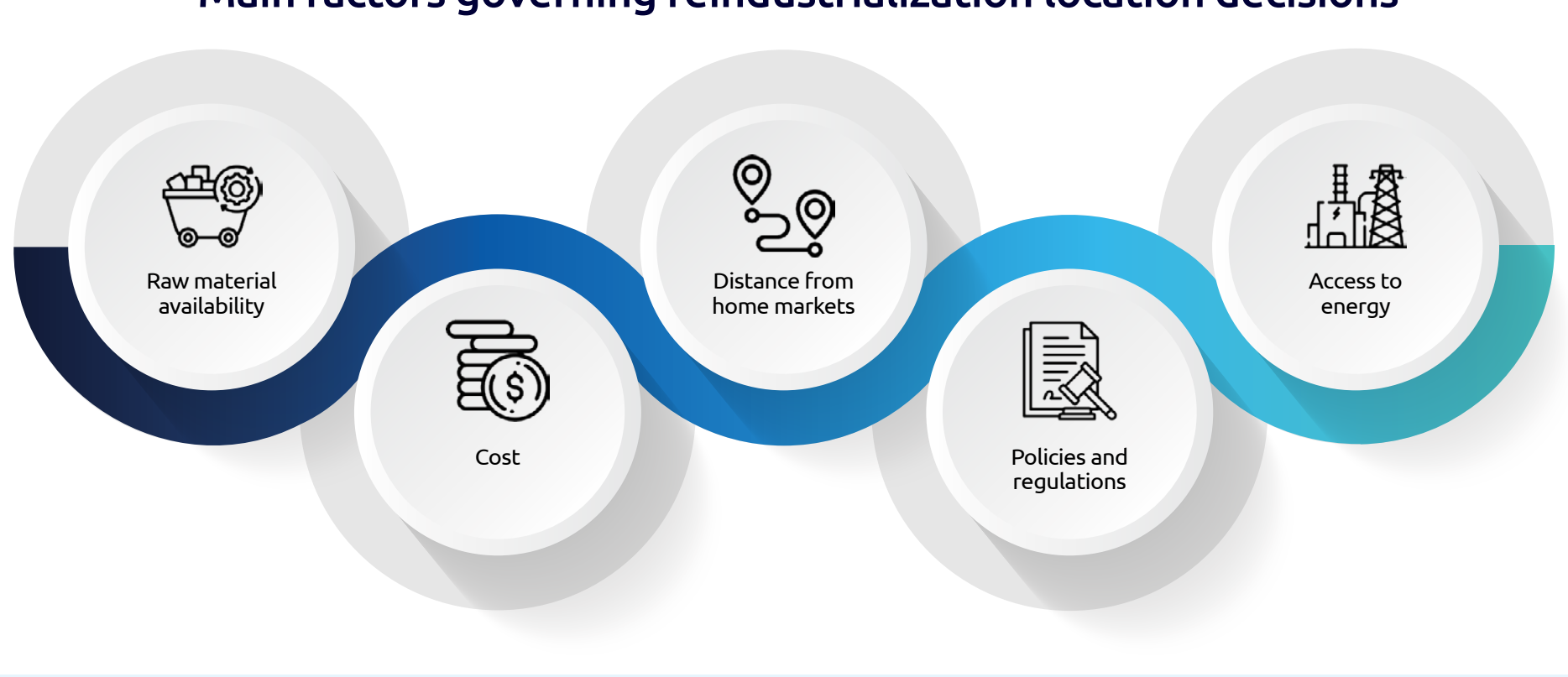


Europe turns to friend-shoring amid geopolitical instability, labor and energy issues, and regulatory hurdles at home



## Organizations are reconfiguring, not redrawing their global supply chain ecosystems

Main factors governing reindustrialization location decisions

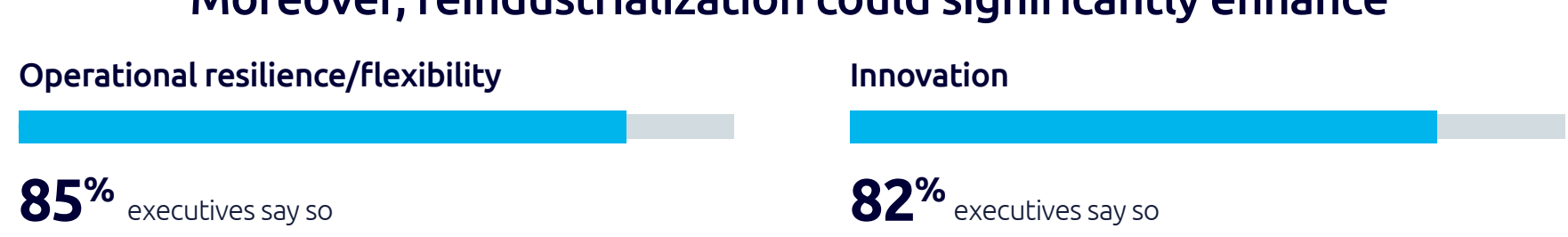


- US and EU organization are increasing their presence in India, followed closely by Vietnam, Mexico, and Canada, underscoring a broader reconfiguration of global supply chains around diversified ecosystems
- The US is becoming more attractive – not just for domestic organizations, but also for non-US firms
- China remains important, especially for Europe, as organizations avoid abrupt exits, selectively rebalance operations, and adopt risk-mitigating collaboration models

## Organizations prioritize long-term strategic value in reindustrialization decisions

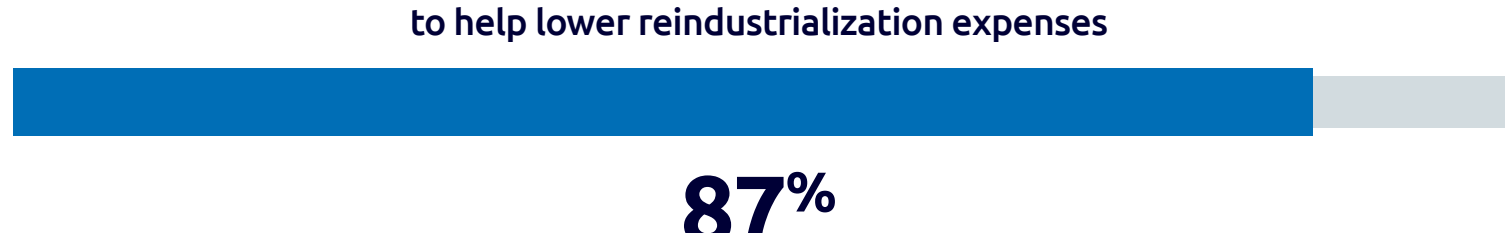


Moreover, reindustrialization could significantly enhance



## Reindustrialization and technological advances are symbiotic forces

Organizations plan to invest in technologies such as AI, automation, and digital twins to help lower reindustrialization expenses



However, shortage of hybrid talent – skilled industrial workers with tech proficiency – poses a significant challenge to their reindustrialization efforts

## Recommendations: How to build a resilient, adaptive manufacturing and supply chain ecosystem

- Anchor reindustrialization decisions in a holistic, financially aware value assessment
- Adopt hybrid, market-specific pathways for reindustrialization that balance costs and resilience
- Build adaptive industrial capacity with a digital backbone
- Harness sustainable manufacturing to strengthen industrial resilience and sovereignty
- Redesign workforce models to support next-gen manufacturing and supply chain

Source: Cappgemini Research Institute analysis. Cappgemini Research Institute, *Reindustrialization of Europe and the US (Edition 1)*, February 2024, N = 1,300 executives from organizations with a reindustrialization strategy in place or planned; *Reindustrialization of Europe and the US (Edition 2)*, January 2025, N = 1,401 executives from organizations with a reindustrialization strategy in place or planned; *Reindustrialization of Europe and the US (Edition 3)*, January 2026, N = 1,208 executives from organizations with a reindustrialization strategy in place or planned.

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