

Powering the future of *utilities*

Reindustrialization sparks transformation

A wave of reindustrialization is sweeping across the utilities sector, driven by climate change concerns, the push for resilient supply chains, and technological innovation. Reindustrialization is a transformative force that is already reshaping the industry and offers utility companies a unique opportunity to secure their operations and lead the transition to a more sustainable energy future.

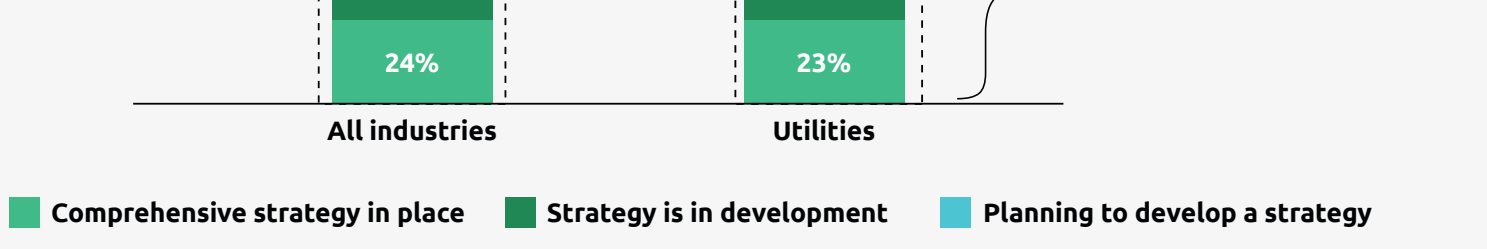
The Capgemini Research Institute's report, *The resurgence of manufacturing: Reindustrialization strategies in Europe and the US*, found that 74 percent of utilities organizations have a reindustrialization strategy or plan to develop one.

This shift promises to boost competitiveness, accelerate innovation, and enhance sustainability by embracing sustainable practices, investing in technology, and developing a highly skilled workforce.

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



Climate change and competitiveness fuel *reindustrialization*

The utilities sector recognizes the urgency of climate change, with 67 percent citing sustainability concerns as the primary driver of reindustrialization. At the same time, they are strategically focused on enhancing competitiveness and recapturing economic value through domestic manufacturing.

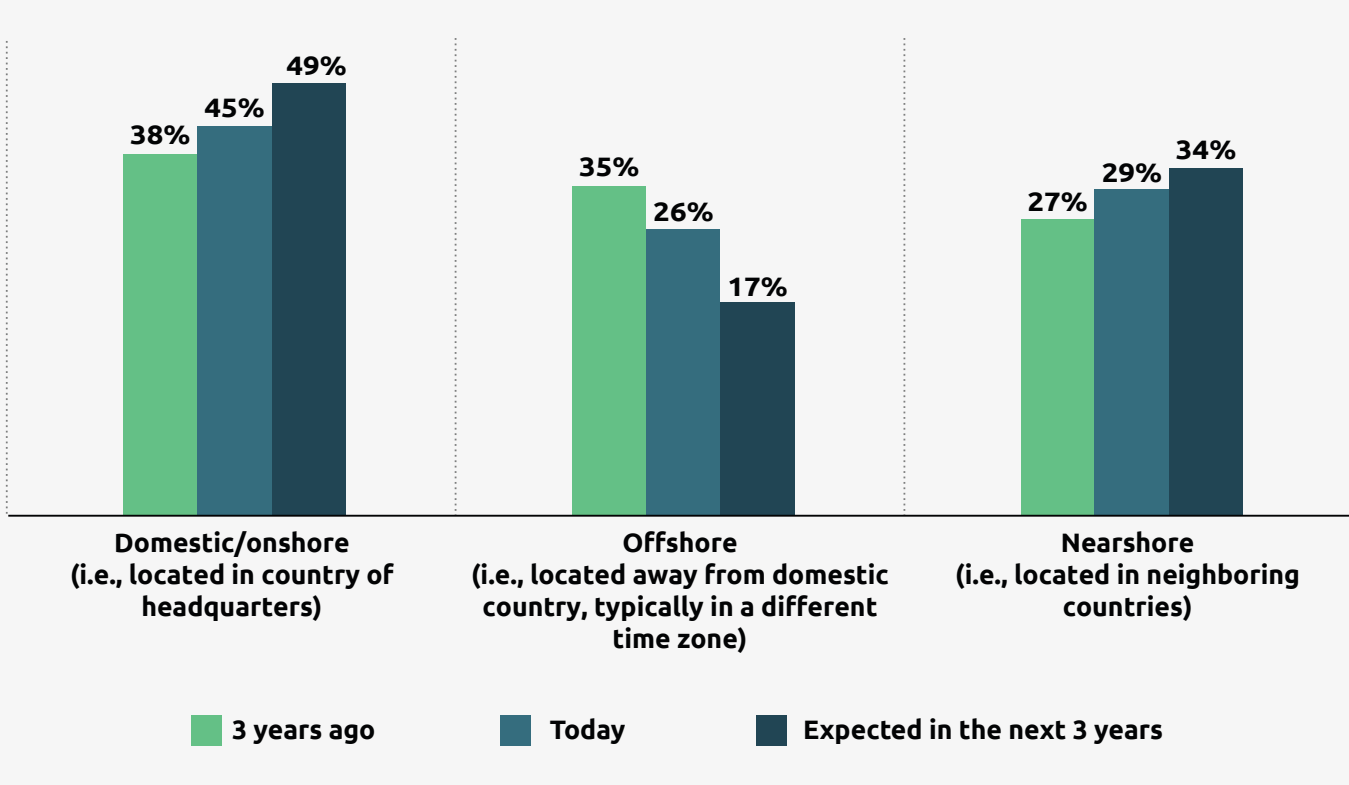


A strategic shift towards domestic *manufacturing*

Utilities organizations are increasingly emphasizing domestic manufacturing to ensure national security and to create a more sustainable energy infrastructure. While 43 percent have invested in reshoring initiatives, the future holds even greater promise, with domestic facilities projected to account for 54 percent of production capacity within three years, up from 50 percent today.



Distribution of manufacturing facilities by location as a percent of total production capacity in the utilities industry

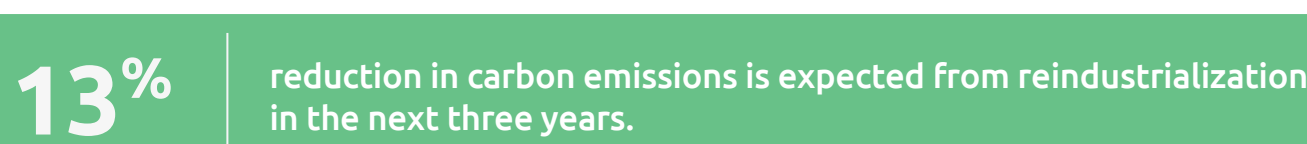
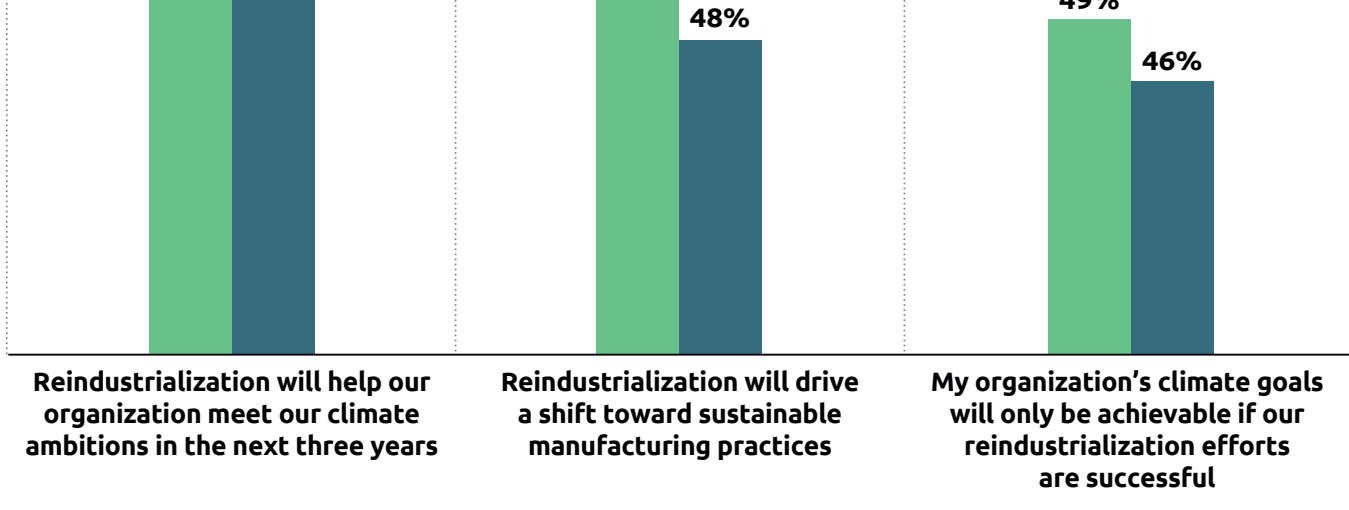


Sustainability: A central theme in *reindustrialization*

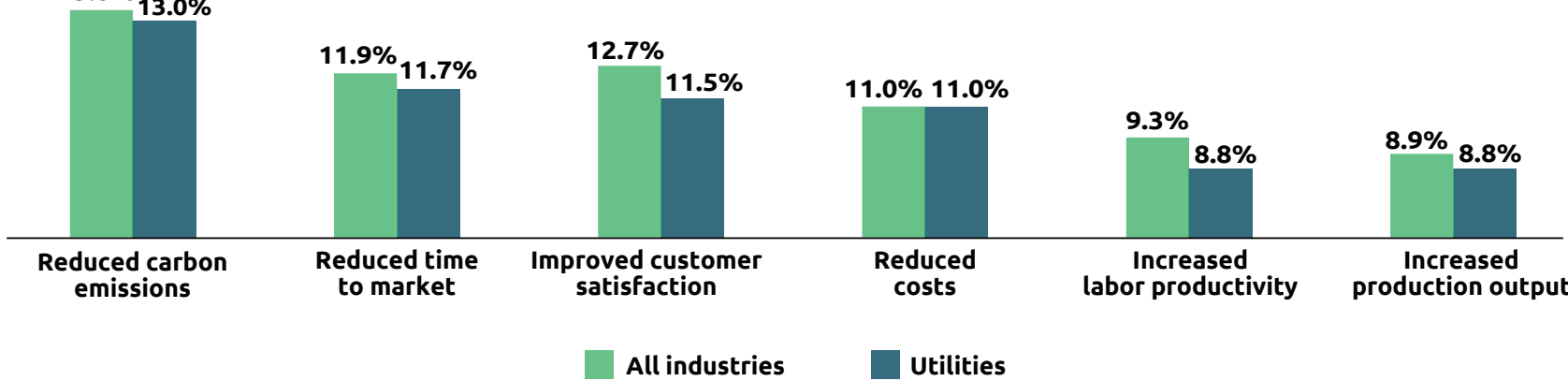
The utilities industry is strongly committed to environmental sustainability, with reindustrialization playing a pivotal role.



Percent of organizations who agree to the below statements

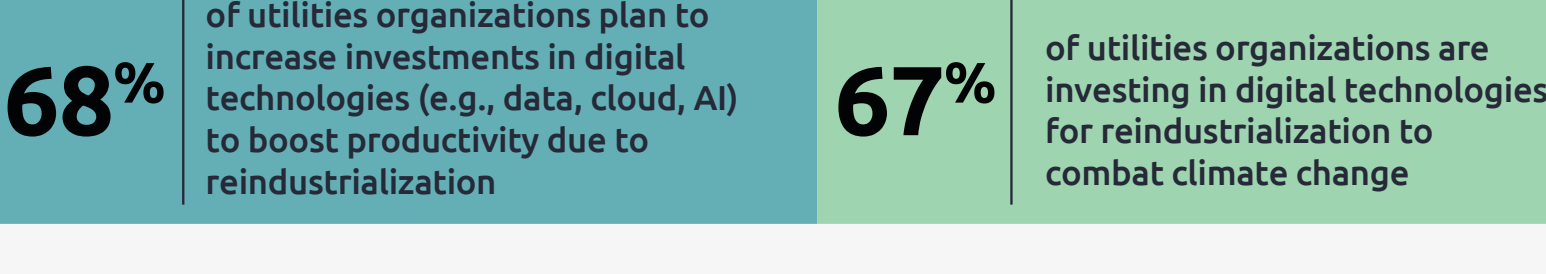


Percent improvements expected from reindustrialization in the next three years

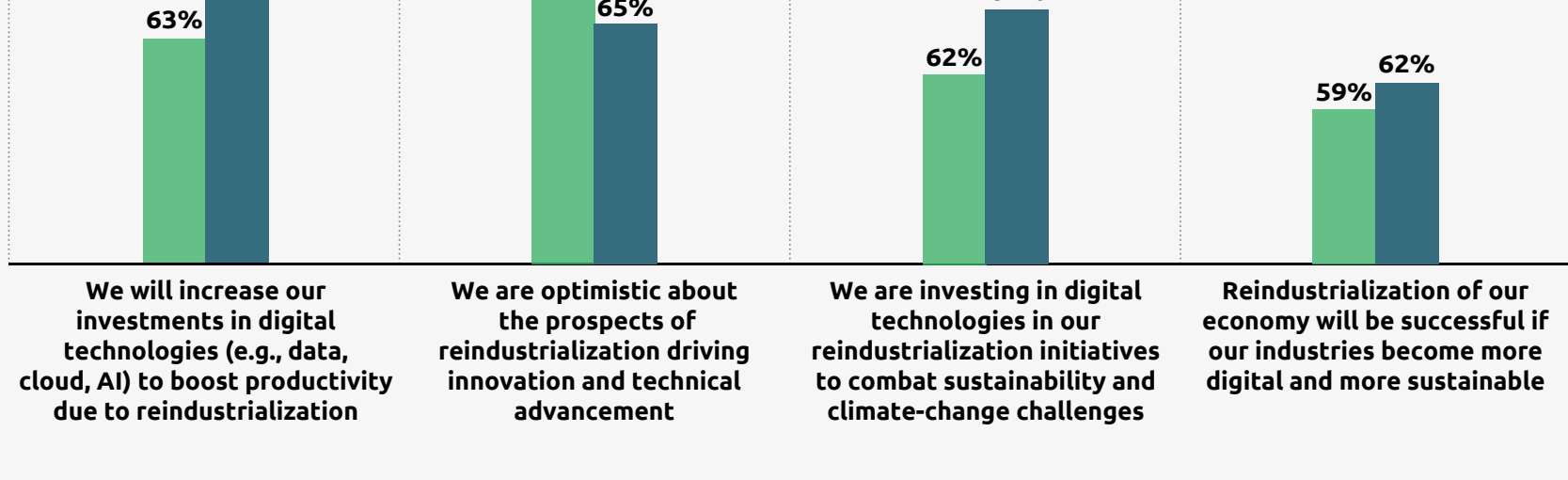


Technology as a key enabler for a *sustainable future*

The utilities sector is embracing digital technologies as a cornerstone of reindustrialization. A significant majority are increasing investments in digital technologies to boost productivity and combat climate change. This demonstrates a strong belief in technology's transformative power to create a more sustainable and efficient energy landscape.



Percentage of organizations who agree with the below statements

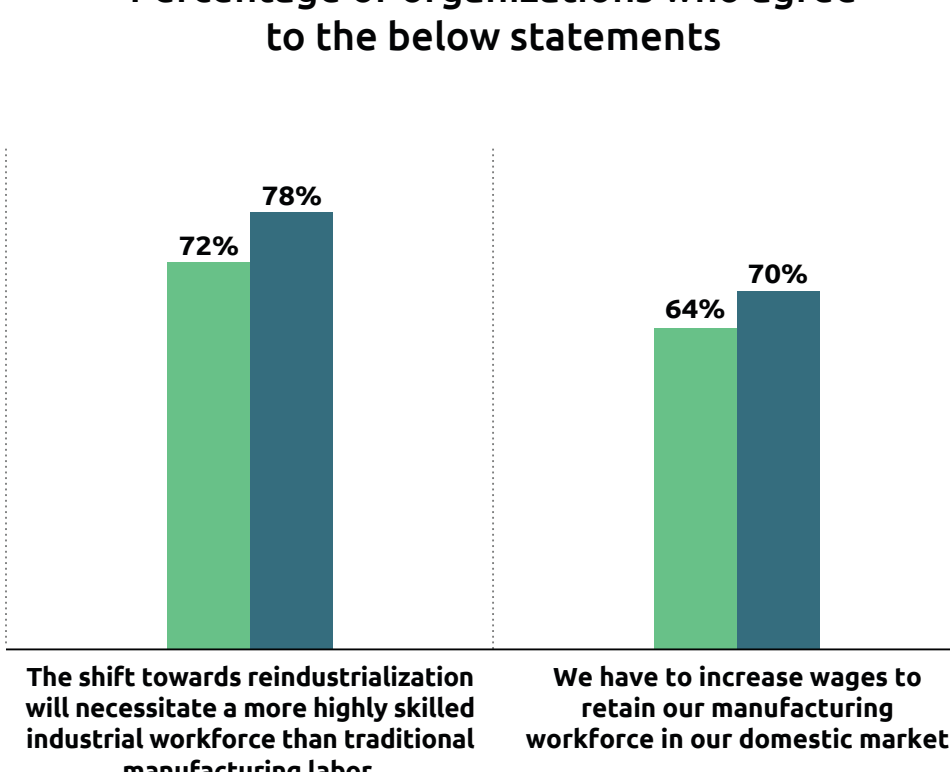


A highly skilled workforce for a sustainable *energy transition*

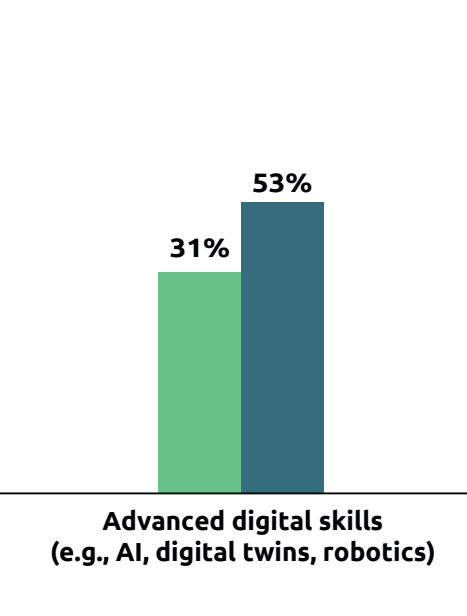
Utilities organizations recognize that reindustrialization will require a highly skilled workforce. A significant 78 percent acknowledge the need for upskilling current employees and attracting new talent with expertise in digital technologies, engineering, and creative problem-solving. The share of the manufacturing workforce in the utilities sector with advanced digital skills is anticipated to increase from 30 percent to 52 percent in the next three years.



Percentage of organizations who agree to the below statements



Average share of advanced digital skills in manufacturing workforce, today vs. in three years from now in the utilities industry



Action steps for *acceleration*

Reindustrialization offers immense potential to reshape the utilities sector and accelerate the transition to a sustainable energy future. To seize this opportunity, utilities organizations should prioritize the following actions.



Strategic planning: Conduct thorough assessments to formulate robust reindustrialization strategies that align with sustainability goals and address the challenges of an evolving energy landscape.



Sustainability focus: Embed environmental sustainability into every aspect of reindustrialization, from supply chain management to energy production and distribution.



Workforce development: Invest in comprehensive upskilling and reskilling programs to develop a workforce proficient in both traditional utility skills and emerging technologies.



Technology adoption: Accelerate the adoption of digital technologies like AI, data analytics, and smart grid solutions to optimize operations, enhance efficiency, and drive innovation.



Collaboration: Forge partnerships with industry peers, research institutions, and government agencies to share knowledge, develop best practices, and create a supportive ecosystem for reindustrialization.



Policy advocacy: Engage with policymakers to advocate for supportive regulations and incentives that encourage domestic manufacturing, renewable energy investment, and a sustainable energy transition.

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

Download report