

# Reshoring to US and Europe accelerates, now also serving CO2 emission reduction objectives

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NIJMEGEN, THE NETHERLANDS, October 2, 2023 /EINPresswire.com/ -- Reshoring to US and Europe accelerates, now also serving CO2 emission reduction objectives

Reshoring accelerates as American and European companies want to de-risk their supply chain from geopolitical developments and supply chain disruptions. But companies prioritize this [decentralization](#) of production from China and Asia to Europe and the US now also to reach their CO2 emission reduction objectives.

This concludes supply chain and location strategy consulting firm BCI Global in a very extensive study (supported by SCM) in which 150 supply chain leaders from large European and US companies participated.

## [Reshoring & Decentralization of Production and Distribution](#)

Already 50% of the interviewed companies implemented re-shoring initiatives in the last 3 years, amounting up to 20% of their Asia-based production capacity. "It is not only nearshoring locations like Mexico, Central and Eastern Europe and Southeast Asia who benefit from this change, but also on-shoring locations in major markets like Germany, the UK, France and the US themselves are getting more and more new production plants", explains René Buck, CEO BCI Global. "The proximity of main customers, a more resilient value chain and reduction of transportation costs favor decentralization of production. That is also why 50% of the companies who have not implemented yet such reshoring initiatives will do that in the next three years". Barriers are selecting cost-effective production locations and finding the right suppliers. One out of four companies who re-shored is disappointed about the cost savings, according to the research.

Distribution networks will change substantially in the next few years. Centralized distribution networks with a single DC in the US or European market will lose ground while central distribution centers with satellite hubs or regional distribution networks with multiple distribution centers are on the rise.

## [Decarbonization](#)

Nine out of ten companies want to decarbonize their supply chains, mainly driven by own

company's strategic objectives. But compliance with regulations and customer requirements are for 50% important drivers as well. Patrick Haex, Managing Partner BCI Global: "Many companies struggle with prioritizing carbon reduction over their service levels, total landed costs, risk and cash. But the CO2 emission reduction efforts accelerating. Reshoring is ranked as number one measure as large distances from Asia to Europe and the US can be avoided. Waste reduction, elimination of carbon intense products and energy efficiency improvements are other preferred measures".

Carbon accounting, i.e. exact measurement of carbon emission from an end-to-end supply chain perspective is still in an early stage. "Only one out of three companies does it completely, the others not. Till now it is mainly based on annual estimates and not measurements, without using specific tools. Lack of budgets, standards and knowledge at the supplier side are stated as main barriers. But reporting regulations in Europe and the US are now in place, so companies really have to hurry", says Patrick Haex.

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