

Supply Chain Recap and Predictions 2023-2024

In 2023, new disruptions and risks became more prevalent for global supply chains. Gaps in regulatory and process execution, skilled labor shortages, financial risk scenarios and more impacted global supply chains, increasing the need for multi-tier mapping, monitoring, and supply chain risk management (SCRM). View this infographic to learn how global supply chains measured up and the megatrends expected for 2024.

16,268

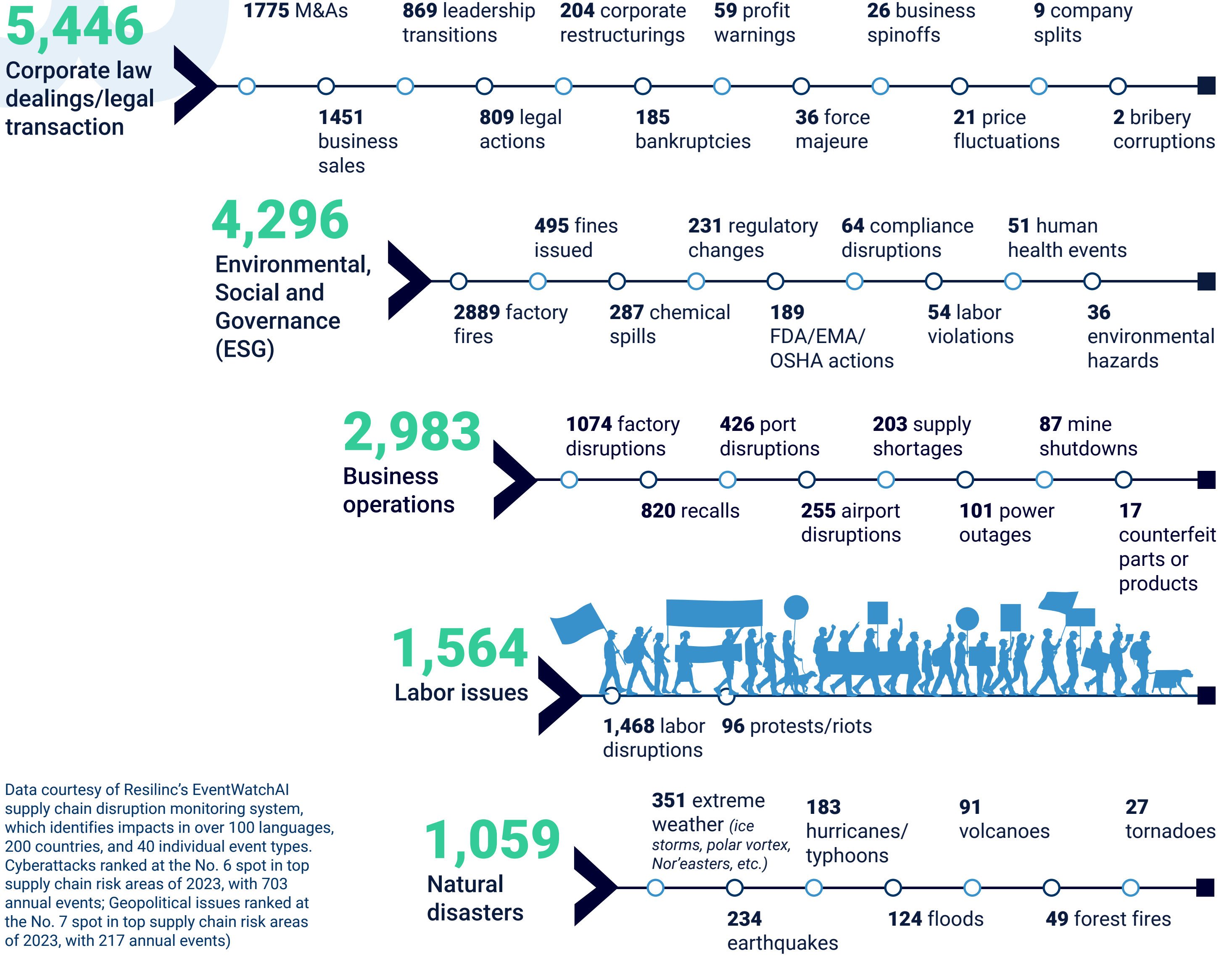
Total supply chain disruptions tracked in 2023

Data courtesy Resilinc EventWatchAI

2023 year in review: supply chain trends

- The economy and financial markets**
Companies watched for signs of a recession as global inflation continued amidst high interest rates and falling demand.
- Increased geopolitical risk**
Concerns around raw material shortages and production impacts take hold with increased U.S. and China tensions and the ongoing Russia-Ukraine war.
- Cybersecurity takes precedence to address cyberattacks**
Departmental ownership and responsibility for prevention of cybersecurity risks becomes more prevalent and requires a zero-tolerance holistic organizational approach.
- Regionalization of sourcing**
Shifts in sourcing strategies take precedence as a result of greater global export/import restrictions and geopolitical tensions.
- Climate risk**
A sharp increase in climate-based disruptions (from 30-70 extreme weather events in 2015-2017, to more than 250 in 2021-2023) is set to continue.

Top 5 supply chain risk areas of 2023



Data courtesy of Resilinc's EventWatchAI supply chain disruption monitoring system, which identifies impacts in over 100 languages, 200 countries, and 40 individual event types. Cyberattacks ranked at the No. 6 spot in top supply chain risk areas of 2023, with 703 annual events; Geopolitical issues ranked at the No. 7 spot in top supply chain risk areas of 2023, with 217 annual events.

The Future of Supply Chain in 2024

The labor shortage megatrend:

will serve as one of the biggest disruptions for global supply chains moving forward

Supply chain leaders agreed—the greatest supply chain workforce challenges of 2023 included:

57%

Hiring and retaining qualified workers

56%

Talent shortage

Data courtesy MHI and Deloitte, March 2023¹

“With an aging workforce, a shortage of skilled laborers, and the popularity of flexible gig work, this trend is set to only get worse in the coming years.”

—Bindiya Vakil, CEO and Co-founder, Resilinc

The median age of the U.S. labor workforce in 2022

42

Data courtesy U.S. BUREAU OF LABOR STATISTICS²

The number of U.S. job openings

9.5m

The number of U.S. unemployed workers

6.5m

Data courtesy U.S. Chamber of Commerce, Dec. 2023³

“As of September 2023, all industries have a worker shortage except for nondurable goods manufacturing, wholesale and retail trade, construction, and transportation and utilities.”

—U.S. Chamber of Commerce⁴

Labor shortage causes:

- Early retirement
- Aging population
- Less women in the workforce
- Increased focus in at-home family care
- Younger age demographic prioritization of new skills growth, education or training vs. a return to workforce



Regulatory compliance for labor standards to take precedence in 2024.



In some states, certain legislation exists allowing younger employees to work. As a result, greater compliance around child labor regulations will be key in 2024.

+69%

The increase in children being employed illegally by companies since 2018



Data courtesy the U.S. DEPARTMENT OF LABOR⁵

\$15,138

The maximum civil monetary penalty under current law for a child labor violation—“not high enough to be a deterrent for major profitable companies”



Data courtesy the U.S. DEPARTMENT OF LABOR⁶

Agriculture

The most dangerous industries for child labor: over half of the 452 work-related fatalities among children over the last two decades were in agriculture



Data courtesy U.S. Government Accountability Office⁶



Gain more insights into what other supply chain megatrends—such as geopolitics and cyberattacks—are set to impact global supply chains in 2024.



References

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2. U.S. BUREAU OF LABOR STATISTICS, “Median age of the labor force, by sex, race and ethnicity.” Published Sept. 2023. Accessed Dec. 2023. <https://www.bls.gov/>
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5. U.S. DEPARTMENT OF LABOR, “Departments of labor, health and human services announce new efforts to combat exploitative child labor.” Published Feb. 2023. Accessed Dec. 2023. <https://www.dol.gov/>
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