

The New Geography of Global Sourcing: Demand Anchors, Rising Exporters and the Logistics Divide

While industrial demand remains concentrated in the U.S., China and the EU, a new generation of emerging-market exporters is expanding within global production networks, reshaping the geography of industrial sourcing.

Highlights:

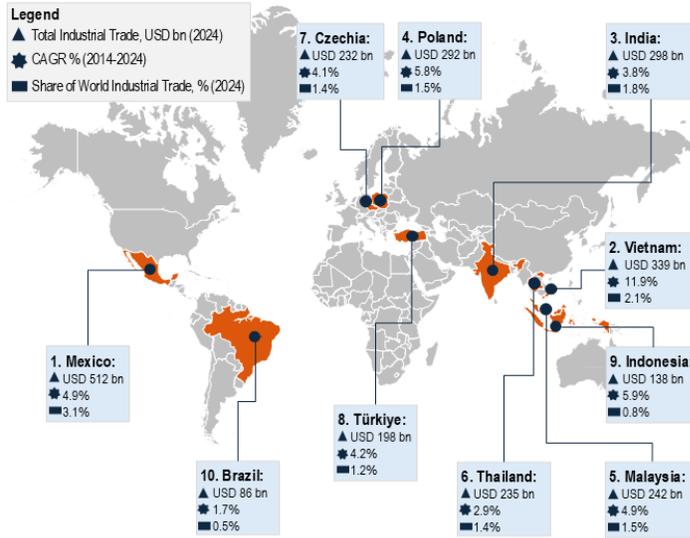
- ◆ Global trade outlook: Global merchandise trade continues to expand at a moderate pace, providing a stable environment for international sourcing despite recent volatility.
- ◆ Three industrial demand anchors: The U.S., China and the EU remain the core demand centres shaping global industrial supply chains.
- ◆ Emerging industrial exporters: A diverse group of fast-growing emerging economies is expanding its role in global manufacturing, creating new sourcing options across Asia, Europe, the Middle East, Africa and the Americas.
- ◆ Logistics and supply chain capabilities: Logistics performance varies widely across emerging exporters, making operational reliability a key factor in sourcing decisions.
- ◆ Strategic implications: The most resilient sourcing strategies combine scale, sectoral specialisation and logistics readiness rather than relying on short-term supply chain shifts.

Introduction

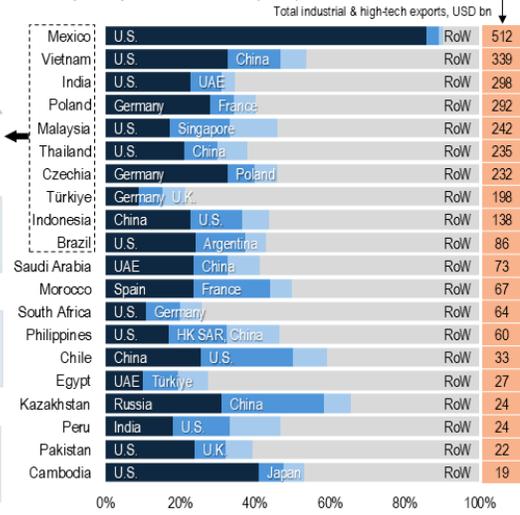
Global merchandise trade has stabilised after the volatility of the early 2020s. In 2024, world trade reached approximately USD 22.5 trillion, and early indicators for 2025 point to continued moderate expansion of around 2-3% annually. Industrial and high-tech goods, including machinery & electronics, industrial inputs, metals, automotive equipment and light manufacturing, are the backbone of cross-border production networks and the core of global sourcing decisions.

Demand for these products remains highly concentrated. The U.S., China and the European Union (EU) continue to anchor global industrial demand, accounting for a substantial share of global imports. The U.S. remains the single largest industrial demand centre; China combines large-scale import demand with its central role in East Asian manufacturing networks; and the EU functions as the world's largest integrated regional market for industrial goods. Production and sourcing systems continue to organise themselves around these three major demand ecosystems.

Top Emerging Market Industrial Exporters



Top 20 Emerging Exporters of Industrial & High-Tech Products and Top 2 Export Destinations (2024)



Note: Industrial & high-tech products include machinery & electronics, industrial chemicals & inputs, metals, automotive & transportation and light manufactured goods. Source: UN Comtrade, ANDAMAN PARTNERS Analysis

The supply landscape, however, is evolving rapidly. A cohort of twenty emerging market economies has recorded the fastest growth in industrial and high-tech exports over the past decade. These exporters, led by Mexico, Vietnam, India, Poland and Malaysia, are expanding rapidly within established production systems, supplying key components and manufactured goods to the world’s largest demand centres.

Beyond these scale leaders, a wider group of emerging exporters is gaining traction across multiple regions. Thailand, Czechia and Türkiye are strengthening their roles within European and Eurasian manufacturing networks, while Indonesia and the Philippines are expanding electronics and resource-linked industrial exports in Southeast Asia. In other regions, economies such as Brazil, Morocco, Saudi Arabia and South Africa are developing specialised industrial niches. At the same time, smaller but rapidly growing exporters, including Chile, Egypt, Kazakhstan, Peru, Pakistan and Cambodia, are increasingly present in specific segments of global supply chains.

What distinguishes this group is not entirely new industrial networks, but their integration into existing regional ecosystems. Mexico is deeply embedded in North American supply chains; Central and Eastern European economies such as Poland and Czechia are tightly linked to the EU manufacturing system; and Southeast Asian exporters, including Vietnam, Malaysia and Indonesia, form part of East Asia’s complex electronics and industrial production networks.

For procurement managers, the geography of global sourcing is not fragmenting, but expanding. While demand remains anchored in a small number of large markets, the set of viable supply platforms within those systems is broadening rapidly. Understanding this evolving landscape, in

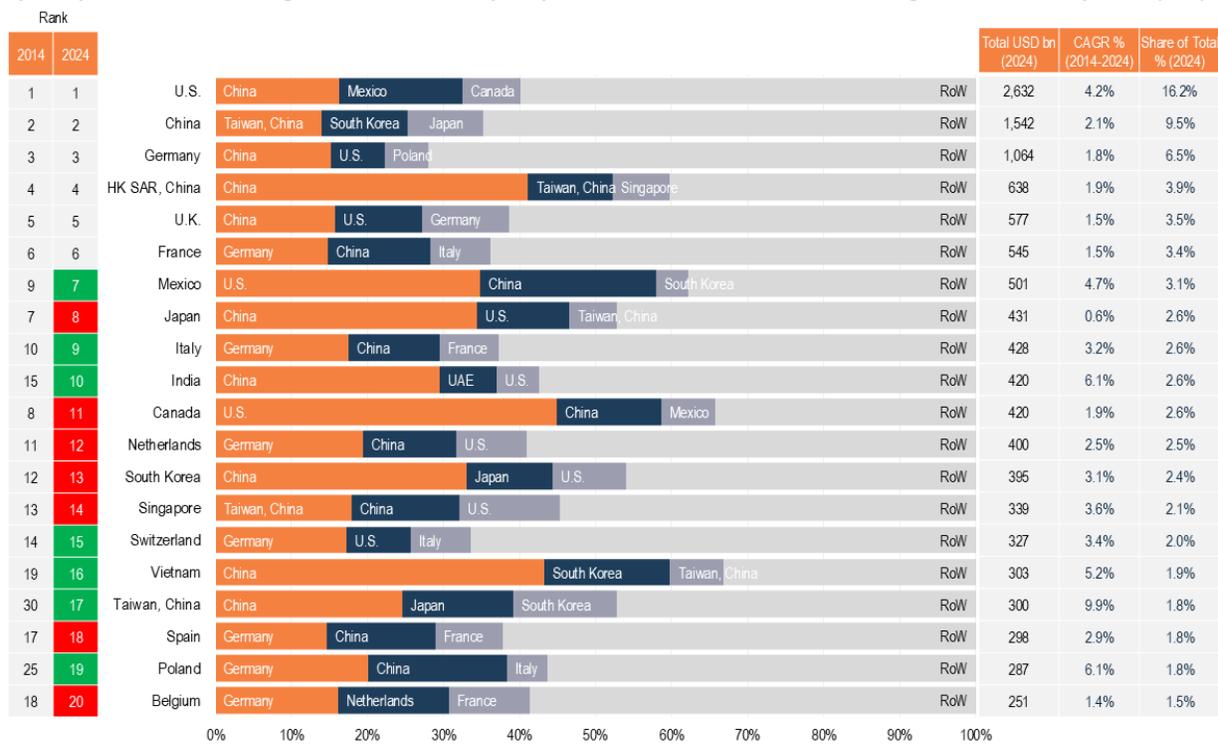
which demand is concentrated, emerging exporters are scaling fastest and operational capabilities differ across these markets, is now central to an effective global sourcing strategy.

Global Demand Structure 2024-2026: Stable and Moderate Growth in Trade

Industrial and high-tech goods, including machinery & electronics, industrial inputs, metals, automotive equipment and light manufacturing, account for a substantial share of global merchandise trade. These categories form the backbone of cross-border production networks and therefore sit at the centre of most international sourcing decisions.

Demand for these products remains highly concentrated. In 2024, the U.S. imported approximately USD 2.6 trillion in industrial and high-tech goods, making it the largest single demand centre globally. China followed at roughly USD 1.5 trillion, while Germany imported just over USD 1 trillion, reflecting its role as the central industrial economy within Europe. Together, these three economies account for a significant share of global industrial demand.

Top 20 Importers of Industrial & High-Tech Products and Top 3 Import Partners, Share of World Industrial & High-Tech Products Imports, % (2024)



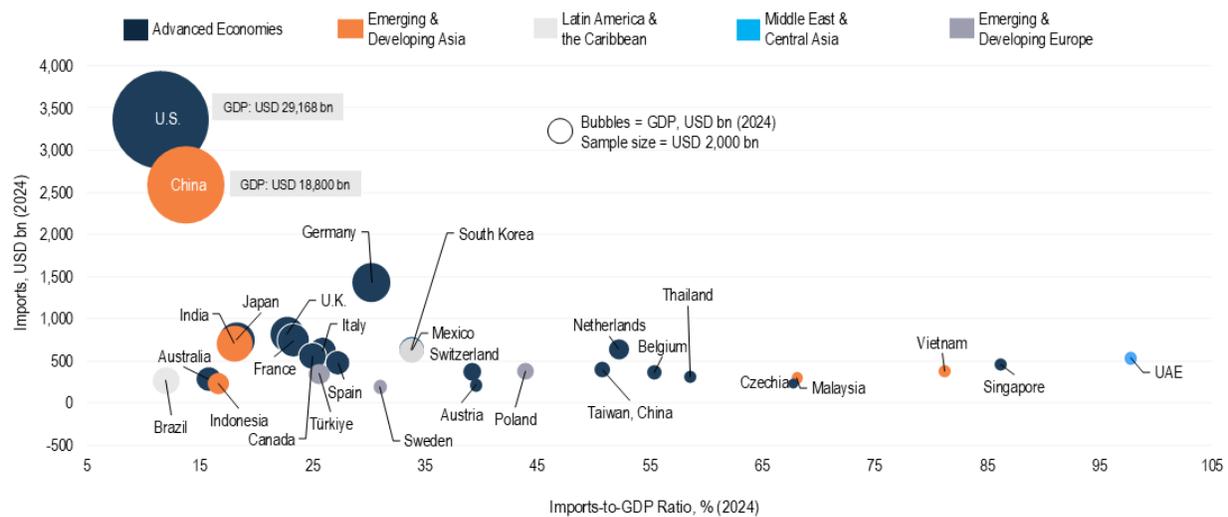
Note: Industrial & High-Tech Exports include machinery & electronics, industrial chemicals & inputs, metals, automotive & transportation and light manufactured goods. Source: UN Comtrade, ANDAMAN PARTNERS Analysis

The broader group of leading importers reinforces this concentration. The U.K., France, Japan, Italy, Mexico, Canada, the Netherlands and South Korea all rank among the world's largest industrial importers. Collectively, the top 20 importing economies account for more than three-

quarters of global merchandise imports, indicating that a relatively compact group of markets drives the majority of industrial trade flows.

Over the past two decades, China has moved from a mid-tier importer to one of the world's largest buyers of industrial and high-tech products, reflecting the scale of its domestic market and the complexity of its manufacturing ecosystem. The U.S. has consistently remained the largest importer, while Germany continues to anchor industrial demand across the European production system.

Major Global Importers: Imports, USD bn, Imports-to-GDP Ratio, % and GDP, USD bn (2024)



Source: IMF, Trade Map, ANDAMAN PARTNERS Analysis

Imports relative to GDP provide additional perspective. Smaller, highly open economies such as Singapore, the UAE and the Netherlands exhibit very high import-to-GDP ratios, reflecting their roles as global trade and logistics hubs. Larger continental economies, including the U.S. and China, combine substantial absolute import volumes with lower import intensity relative to GDP, reflecting deeper domestic production ecosystems. Both models shape how global sourcing flows are organised.

Regional clustering remains a defining feature of industrial trade. Mexico is deeply integrated into U.S. supply chains, particularly in automotive and advanced manufacturing. Germany anchors a dense intra-European production network extending into Poland and Central Europe. In East Asia, China, South Korea, Taiwan (China) and Japan form an interconnected manufacturing system in which components cross borders multiple times before final assembly.

The overall picture is therefore one of structural stability in global demand. Industrial trade continues to be organised around a relatively small number of large markets. Even as new emerging-market exporters expand the supply base, production and sourcing networks still orient themselves around these major demand centres.

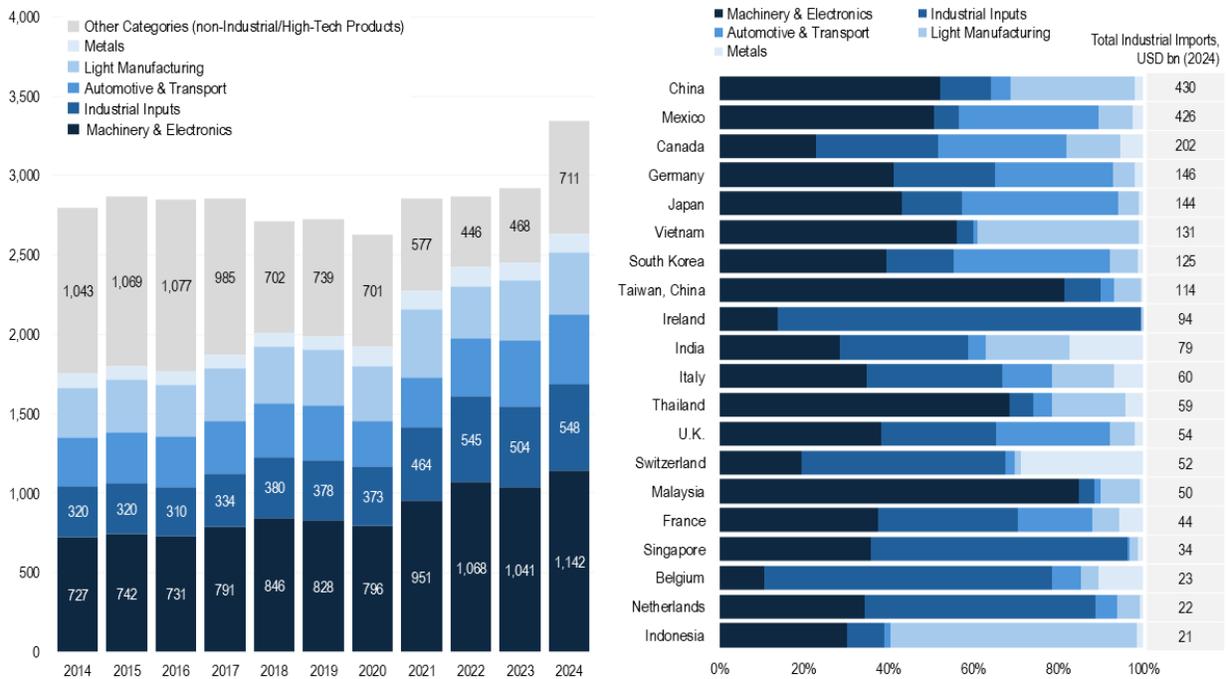
Industrial Demand Anchors: China, the U.S. and the EU and Their Supplier Networks

The U.S.: Diversification Within Scale

The U.S. remains the largest single industrial demand centre globally. In 2024, U.S. imports of industrial and high-tech products totalled approximately USD 2.6 trillion, representing the largest national market for globally traded industrial goods.

The composition of U.S. industrial imports reflects the scale and diversity of its economy. Machinery & electronics dominate, reaching roughly USD 1.14 trillion in 2024. Industrial inputs account for approximately USD 548 billion, while automotive and transportation equipment imports total about USD 434 billion. Light manufacturing and metals represent smaller but still substantial segments. The U.S. import structure is broad, supporting production networks across manufacturing, technology, infrastructure and consumer industries.

U.S. Imports of Industrial & High-Tech Products by Category & Import Partners (2024)



Note: Industrial Imports include machinery & electronics, industrial inputs, metals, light manufacturing, automotive & transportation. Other include agriculture, food, textiles and rest of exports.
Source: UN Comtrade, ANDAMAN PARTNERS Analysis

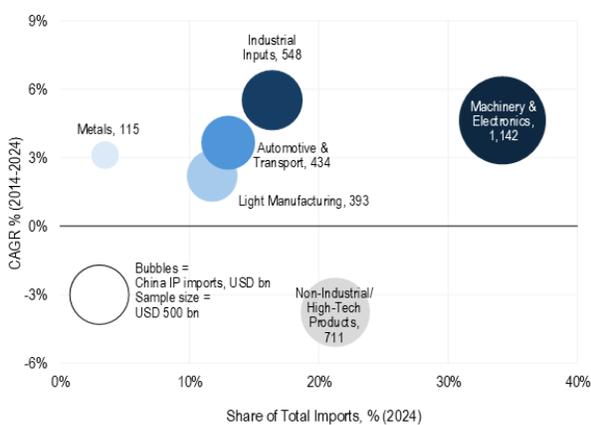
Supplier concentration remains significant but is evolving. In 2024, China and Mexico were effectively tied as the two largest suppliers, each exporting roughly USD 430 billion in industrial goods to the U.S. China remains deeply embedded across machinery, electronics and consumer-linked industrial goods. Mexico, however, plays an increasingly central role in

automotive, transportation equipment and integrated North American manufacturing supply chains, reflecting the continued deepening of regional production networks.

Beyond these two anchors, the supplier base is gradually broadening. Vietnam has emerged as one of the fastest-growing suppliers, particularly in electronics, machinery and light manufacturing. Taiwan (China) and South Korea remain critical providers of advanced components, including semiconductors and specialised electronics inputs that underpin U.S. technology industries. Germany and Japan continue to supply high-value industrial machinery, while India and Thailand have expanded their presence in selected industrial segments.

Category growth patterns reinforce this diversification trend. Imports of industrial inputs and automotive equipment have expanded steadily, reflecting both the continued integration of North American manufacturing and ongoing global sourcing for specialised components. While machinery & electronics remain structurally dominant, growth across multiple categories indicates that supplier networks are broadening rather than contracting.

U.S. Imports of Industrial & High-Tech Products by Category (2024)



Note: Industrial Imports include machinery & electronics, industrial inputs, metals, light manufacturing, automotive & transportation. Other include agriculture, food, textiles and rest of exports.
Source: UN Comtrade, ANDAMAN PARTNERS Analysis

Top 20 Partners for U.S. Industrial & High-Tech Imports (2024)

| Import Partners | Machinery & Electronics | Industrial Inputs | Automotive & Transport | Light Manufacturing | Metals | CAGR of Total IP Imports |
|-----------------|-------------------------|-------------------|------------------------|---------------------|--------|--------------------------|
| China | -1.0% | 2.4% | 3.5% | -1.0% | -2.3% | -0.5% |
| Mexico | 6.5% | 5.1% | 7.2% | 3.7% | 1.9% | 6.2% |
| Canada | 3.8% | 2.6% | -0.6% | 1.6% | 4.7% | 1.7% |
| Germany | 3.6% | 2.2% | 0.7% | 1.9% | 3.7% | 2.3% |
| Japan | 1.1% | 3.2% | 0.3% | 0.9% | -1.6% | 1.0% |
| Vietnam | 26.7% | 19.3% | 17.0% | 10.6% | 16.3% | 17.3% |
| South Korea | 5.6% | 7.4% | 8.4% | 3.5% | 6.4% | 6.6% |
| Taiwan, China | 14.8% | 3.6% | 2.5% | 1.9% | 2.6% | 11.2% |
| Ireland | 6.9% | 12.7% | 5.1% | 3.8% | -4.5% | 11.6% |
| India | 18.3% | 7.9% | 9.1% | 5.1% | 2.9% | 8.0% |
| Italy | 5.0% | 10.6% | 3.0% | 3.6% | 3.2% | 5.8% |
| Thailand | 10.7% | 9.5% | 13.5% | 8.1% | 3.4% | 9.8% |
| U.K. | 3.0% | 2.4% | 5.6% | 1.5% | -1.9% | 3.2% |
| Switzerland | 3.5% | 7.2% | 8.2% | 2.4% | 21.1% | 8.5% |
| Malaysia | 5.9% | 3.8% | 12.2% | 3.6% | 13.4% | 5.7% |
| France | 1.7% | 4.8% | 0.7% | 1.1% | 6.3% | 2.6% |
| Singapore | 4.6% | 13.8% | 1.0% | 5.1% | 2.1% | 9.0% |
| Belgium | 2.0% | 9.0% | 4.0% | 0.9% | -5.5% | 4.5% |
| Netherlands | 1.7% | 8.6% | 6.6% | 2.0% | 3.5% | 5.2% |
| Indonesia | 8.8% | 4.0% | 14.1% | 1.7% | 2.8% | 3.7% |

Regional integration is particularly visible within North America. The U.S.-Mexico industrial corridor has become deeply embedded, especially in automotive, aerospace and advanced manufacturing. Canada remains an important supplier of energy-related equipment and industrial materials. At the same time, East Asia continues to provide high-value components, linking U.S. manufacturing to the broader semiconductor and electronics ecosystem.

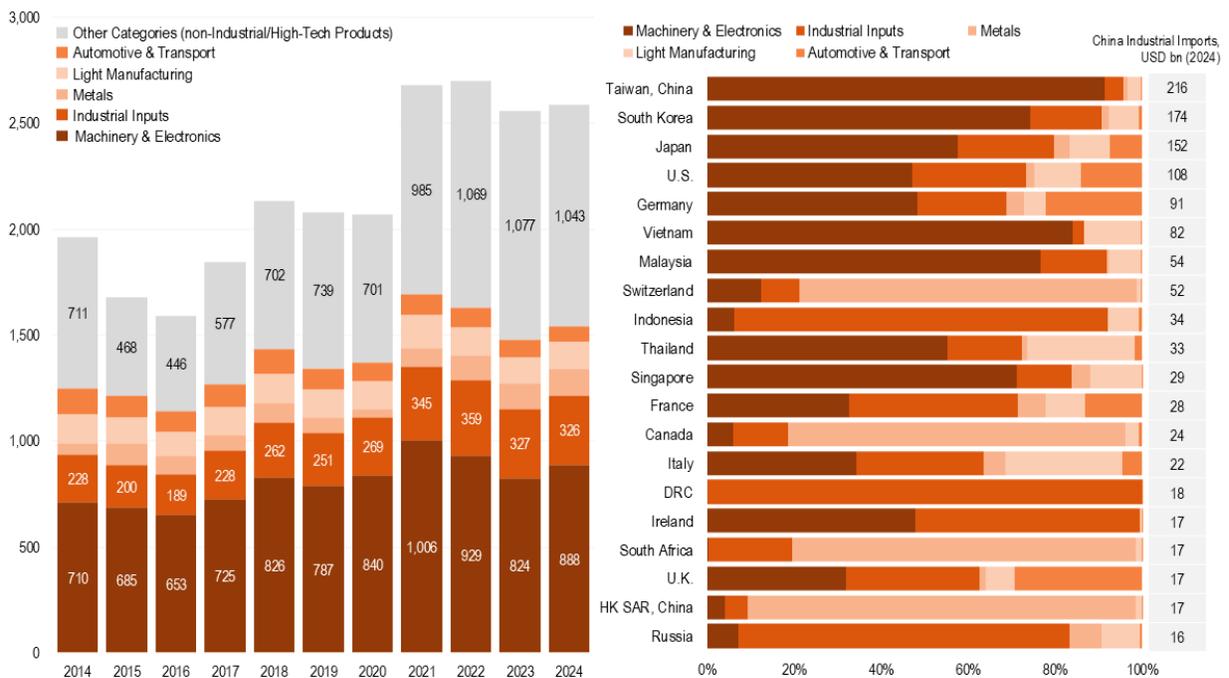
In terms of global sourcing strategy, the U.S. market illustrates a central feature of the current trade environment: scale remains concentrated, but supplier networks are steadily diversifying. The data points to the expansion of sourcing options layered onto an already large and complex import base. The U.S., therefore, serves as both an anchor of global demand and a driver of diversification within industrial sourcing networks.

China: Scale, Components and Regional Integration

China is both a manufacturing superpower and one of the world’s largest industrial import markets. In 2024, China imported approximately USD 1.5 trillion in industrial and high-tech products, making it the second-largest industrial demand centre globally after the U.S.

Industrial categories account for the majority of China’s imports. Machinery & electronics dominate, totaling USD 888 billion in 2024 and accounting for the largest share of China’s industrial import basket. Industrial inputs, including chemicals and intermediate materials, account for approximately USD 326 billion, reflecting the scale of China’s downstream manufacturing sectors. Metals, light manufacturing and automotive products represent smaller but still meaningful shares.

China Imports of Industrial & High-Tech Products by Category & Partners (2024)



Note: Industrial Imports include machinery & electronics, industrial inputs, metals, light manufacturing, automotive & transportation. Other include agriculture, food, textiles and rest of exports.
Source: UN Comtrade, ANDAMAN PARTNERS Analysis

The category structure highlights an important structural feature of China’s role in global trade: imports are concentrated in upstream and midstream industrial inputs rather than finished consumer goods. High-value components, specialised machinery and advanced materials flow into China’s manufacturing ecosystem, where they are integrated into complex production systems before being exported or consumed domestically.

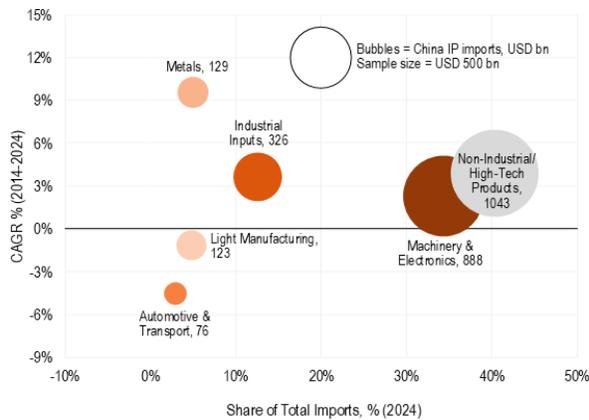
Supplier patterns reinforce this production structure. Taiwan (China), South Korea and Japan are China’s most important partners in machinery & electronics, reflecting the technological

depth of the East Asian semiconductor and advanced-component ecosystem. The U.S. and Germany continue to supply specialised industrial equipment and high-value machinery.

At the same time, emerging Asian exporters are gaining visibility within these networks. Economies such as Vietnam and Malaysia are increasingly prominent suppliers in the machinery & electronics segments, while Indonesia has expanded rapidly in industrial inputs, linked in part to downstream metals processing and resource-based manufacturing. These shifts illustrate a layering of production across the region rather than a replacement of established suppliers.

Growth dynamics over the past decade reinforce this pattern. While overall import expansion has moderated compared with earlier phases of China’s industrialisation, imports of industrial inputs and selected material categories have continued to grow, reflecting ongoing investment in manufacturing capacity and industrial upgrading.

China Imports of Industrial & High-Tech Products by Category (2024)



Top 20 Partners for China Industrial & High-Tech Imports (2024)

| Import Partners | Machinery & Electronics | Industrial Inputs | Automotive & Transport | Light Manufacturing | Metals | CAGR of Total IP Imports |
|-----------------|-------------------------|-------------------|------------------------|---------------------|--------|--------------------------|
| Taiwan, China | 5.4% | -5.7% | -0.3% | -6.7% | -0.9% | 3.8% |
| South Korea | 1.1% | 0.1% | -13.8% | -3.2% | -12.8% | -0.2% |
| Japan | 0.0% | 0.2% | -3.6% | -1.6% | 3.5% | -0.3% |
| U.S. | 0.3% | 3.2% | -6.5% | 0.4% | 0.5% | -0.5% |
| Germany | -1.0% | 1.9% | -4.5% | -2.2% | 15.8% | -1.2% |
| Vietnam | 21.8% | 16.6% | 10.9% | 10.6% | -8.3% | 19.2% |
| Malaysia | 1.1% | 9.2% | -0.7% | 0.1% | 2.7% | 1.8% |
| Switzerland | 3.1% | 6.0% | 1.0% | 3.0% | 58.0% | 20.2% |
| Indonesia | 2.6% | 24.7% | 3.4% | -0.2% | 9.6% | 16.3% |
| Thailand | 1.5% | 5.0% | 10.5% | -1.8% | -10.0% | 0.9% |
| Singapore | 3.6% | -3.4% | -20.8% | -2.6% | 30.4% | 1.6% |
| France | 2.1% | 7.3% | -8.2% | 3.6% | 18.5% | 1.8% |
| Canada | -3.6% | 1.2% | -15.7% | -1.4% | 81.8% | 13.7% |
| Italy | -0.3% | 6.3% | -3.7% | 6.0% | 10.7% | 3.0% |
| DRC | -15.8% | 28.6% | - | -45.2% | 13.0% | 28.5% |
| Ireland | 19.3% | 19.7% | 9.7% | 5.5% | 0.0% | 19.3% |
| South Africa | -12.5% | 4.6% | -9.7% | -3.7% | 6.9% | 5.9% |
| U.K. | 0.9% | 4.3% | -7.5% | -0.6% | -5.0% | -2.1% |
| HK SAR, China | -11.0% | -11.1% | -27.5% | -18.0% | 28.5% | 7.4% |
| Russia | 12.3% | 14.4% | -4.1% | 8.4% | 8.8% | 12.8% |

Note: Industrial Imports include machinery & electronics, industrial inputs, metals, light manufacturing, automotive & transportation. Other include agriculture, food, textiles and rest of exports.
Source: UN Comtrade, ANDAMAN PARTNERS Analysis

China’s supplier network remains predominantly regional. East Asia forms a tightly integrated production ecosystem in which components often cross borders multiple times before final assembly. Advanced component producers in Japan, South Korea and Taiwan (China) coexist with fast-growing manufacturing platforms in Southeast Asia, creating a multilayered supply system centred on China.

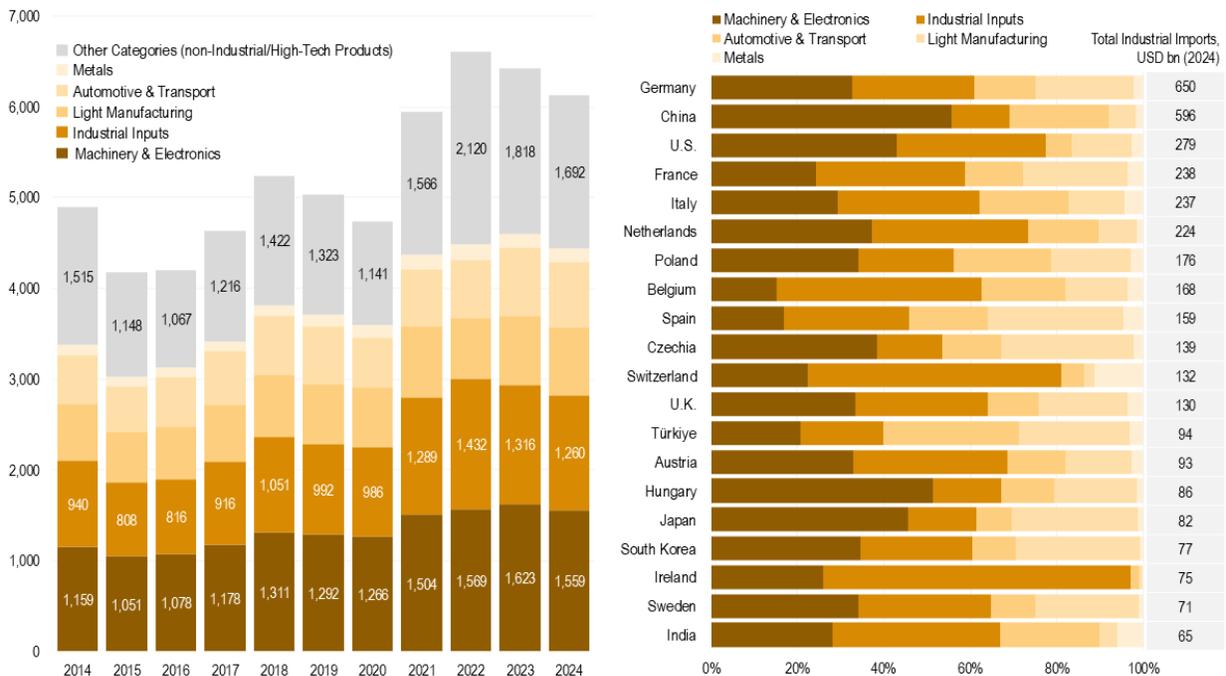
In terms of global sourcing strategy, China remains a central demand anchor not only because of its scale, but because of its embedded position within regional manufacturing networks. Even as companies diversify production locations, supply chains connected to China tend to reconfigure within Asia rather than relocate entirely outside the region.

The EU: Regional Integration With Global Reach

The EU represents the largest bloc of collective industrial demand globally. In 2024, EU merchandise imports exceeded USD 6 trillion, with industrial and high-tech goods accounting for the majority of this total. The scale of the European market makes it a central anchor of demand in the global industrial economy.

The structure of EU industrial imports reflects the continent’s diversified manufacturing base. Machinery & electronics dominate, reaching roughly USD 1.56 trillion in 2024, followed by industrial inputs at approximately USD 1.26 trillion. Automotive and transportation equipment, light manufacturing and metals also account for substantial shares. Compared with the U.S. and China, the EU’s industrial import structure is relatively balanced across multiple production categories, reflecting the breadth of Europe’s manufacturing ecosystem.

EU Imports of Industrial & High-Tech Products by Category & Import Partners (2024)



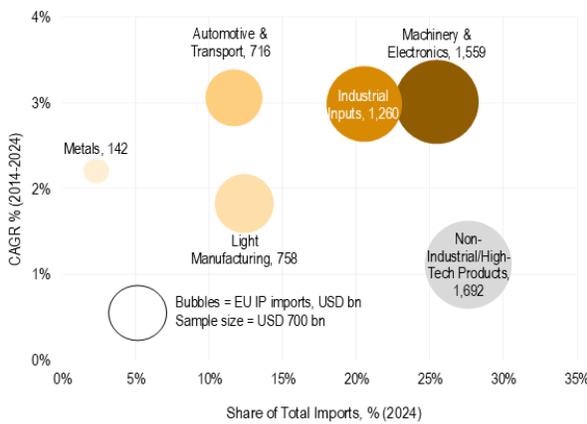
Note: Industrial Imports include machinery & electronics, industrial inputs, metals, light manufacturing, automotive & transportation. Other include mineral fuels, agriculture, food, textiles and rest of exports.
Source: UN Comtrade, ANDAMAN PARTNERS Analysis

A defining feature of the EU import system is its deep regional integration. Intra-European trade accounts for a large share of industrial flows. Germany functions as the central industrial node, importing components and intermediate goods from across the continent and integrating them into advanced manufacturing supply chains. Economies such as France, Italy, the Netherlands, Poland and Belgium form part of this dense network, while Central and Eastern European economies, including Poland, Czechia, Hungary and Austria, operate as key production platforms within the broader European system.

External suppliers are layered onto this regional structure. China remains the largest external supplier of industrial goods to the EU, particularly in machinery, electronics and selected industrial inputs. The U.S. supplies specialised equipment and advanced technologies, while Türkiye has strengthened its role as a regional manufacturing partner, particularly in automotive and light-industrial segments linked to European production networks.

At the same time, the supplier base continues to broaden. South Korea and India have expanded their presence in industrial inputs and specialised components, reflecting the gradual integration of additional global suppliers into European value chains. Major logistics hubs such as the Netherlands and Belgium facilitate these flows, acting as entry points for goods distributed across the single market.

EU Imports of Industrial & High-Tech Products by Category (2024)



Top 20 Partners of EU Industrial & High-Tech Imports (2024)

| Import Partners | Machinery & Electronics | Industrial Inputs | Automotive & Transport | Light Manufacturing | Metals | CAGR of Total IP Imports |
|-----------------|-------------------------|-------------------|------------------------|---------------------|--------|--------------------------|
| Germany | 1.7 | 2.0 | 0.7 | 1.6 | 2.4 | 1.6% |
| China | 5.4 | 7.3 | 2.6 | 15.1 | 3.0 | 5.2% |
| U.S. | 3.7 | 4.6 | 3.3 | 1.8 | 2.9 | 3.6% |
| France | 1.0 | 1.3 | -0.2 | -2.1 | 5.1 | 0.2% |
| Italy | 1.9 | 3.6 | 0.7 | 2.6 | 4.1 | 2.3% |
| Netherlands | 2.6 | 1.5 | 0.3 | 5.6 | 3.8 | 2.0% |
| Poland | 5.5 | 4.4 | 4.8 | 6.5 | 3.9 | 5.2% |
| Belgium | 1.1 | 1.7 | 0.0 | 1.3 | 2.3 | 1.2% |
| Spain | 2.7 | 4.0 | 3.0 | 3.7 | 6.5 | 3.6% |
| Czechia | 3.1 | 2.1 | 1.5 | 5.0 | 1.2 | 3.2% |
| Switzerland | 0.3 | 5.0 | -0.3 | 0.3 | 3.5 | 3.1% |
| U.K. | 0.1 | 2.4 | 3.4 | 1.6 | 3.5 | -1.6% |
| Türkiye | 5.4 | 8.8 | 2.9 | 7.1 | 6.8 | 5.5% |
| Austria | 0.7 | 2.3 | 0.1 | 2.9 | 0.7 | 1.5% |
| Hungary | 3.4 | 3.0 | 2.2 | 4.0 | -0.4 | 3.2% |
| Japan | -1.8 | 1.8 | 1.8 | 3.8 | 0.7 | 0.4% |
| South Korea | 1.2 | 13.4 | 2.4 | 5.6 | 2.7 | 4.7% |
| Ireland | 2.4 | 9.1 | -1.8 | 4.0 | 2.3 | 6.5% |
| Sweden | 0.4 | 2.0 | 0.9 | 5.1 | 1.1 | 1.9% |
| India | 13.6 | 9.8 | 1.8 | 3.0 | 0.8 | 7.0% |

Note: Industrial Imports include machinery & electronics, industrial inputs, metals, light manufacturing, automotive & transportation. Other include agriculture, food, textiles and rest of exports.
Source: UN Comtrade, ANDAMAN PARTNERS Analysis

This dual structure (dense intra-regional production combined with global supplier integration) distinguishes the EU from both the U.S. and China. While North American trade is heavily anchored in the U.S. and East Asian networks centre on China, Europe’s industrial system is structurally continental yet globally connected.

In terms of global sourcing strategy, this has two implications. First, Europe remains one of the world’s largest industrial markets and cannot be marginal in global sourcing decisions. Second, successful participation in European demand often requires integration into regional supply networks rather than purely external export relationships.

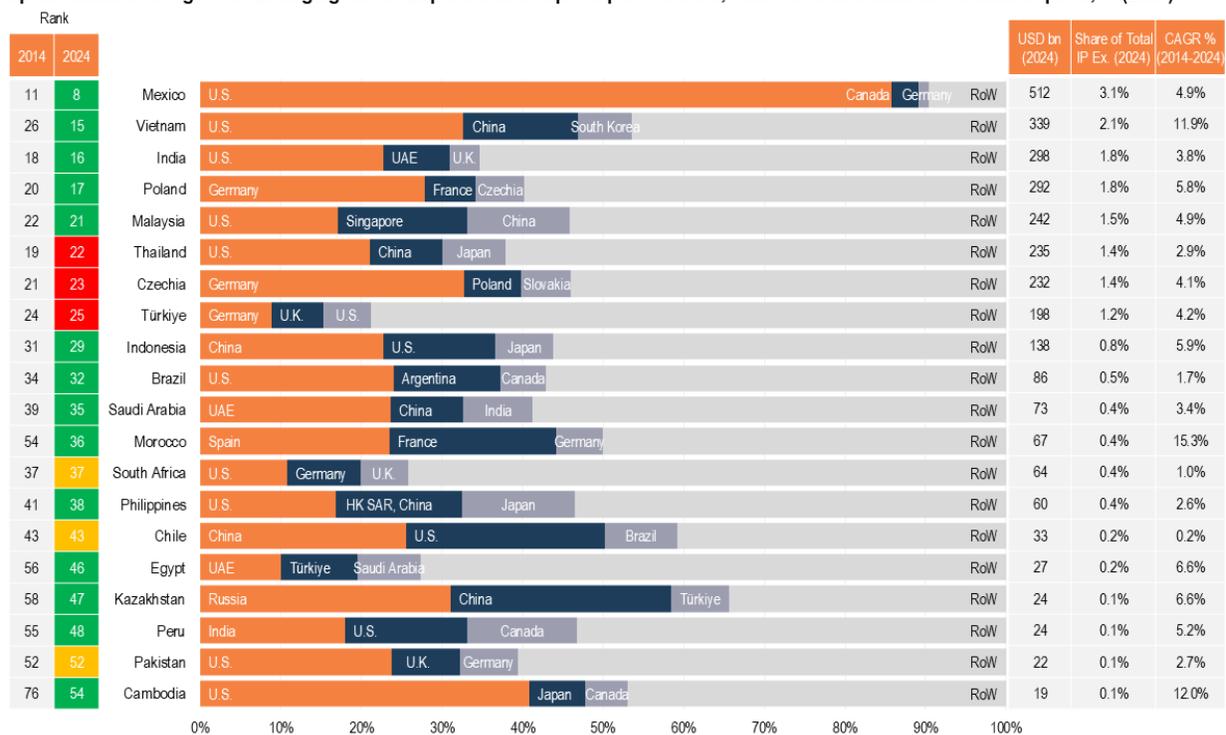
The EU, therefore, functions both as a major demand anchor and a highly integrated regional industrial ecosystem within the broader global trade system.

Emerging Industrial Exporters: Growth Leaders in the Global Sourcing Landscape

Beyond the established industrial powers, a cohort of emerging market economies has recorded the fastest growth in industrial and high-tech exports over the past decade. The 20 economies outlined below, ranked according to compound annual export growth between 2014 and 2024, represent the most dynamic segment of the evolving global sourcing landscape.

These economies vary widely in scale and industrial depth. Some already operate at substantial export volumes and are deeply embedded in global supply chains, while others remain smaller but are expanding rapidly from a lower base. What unites them is sustained momentum in industrial production and increasing integration into international manufacturing systems.

Top 20 Industrial & High-Tech Emerging Market Exporters and Top 3 Import Partners, Share of Total Industrial Products Imports, % (2024)



Note: Industrial & High-Tech Exports include machinery & electronics, industrial chemicals & inputs, metals, automotive & transportation and light manufactured goods. Source: UN Comtrade, ANDAMAN PARTNERS Analysis

Scale Leaders with Expanding Global Integration

Several economies combine significant export scale with sustained growth, making them central to current sourcing strategies. Mexico stands out as the largest among the emerging exporters. With more than USD 500 billion in industrial and high-tech exports in 2024, it is deeply integrated into U.S. manufacturing supply chains, particularly in automotive, electronics and industrial equipment. Its geographic proximity and established production base make it structurally central to North American sourcing strategies.

Vietnam (USD 339 billion) has emerged as one of the fastest-growing industrial exporters globally. Strong expansion in electronics, machinery and light manufacturing has positioned the country as a key production platform within Asian supply chains while maintaining strong export links to the U.S. and other global markets.

India represents another major growth platform. Industrial exports approaching USD 300 billion reflect expansion in electronics assembly, engineering goods and automotive components, with strong demand from the U.S., the Middle East and European markets.

Asian Manufacturing Platforms

Southeast Asia continues to play a pivotal role in the evolving global sourcing landscape. Malaysia (USD 242 billion) and Thailand (USD 235 billion) remain deeply embedded in regional manufacturing networks, particularly in electronics, semiconductors, automotive components and industrial machinery. Both economies benefit from long-standing participation in East Asian supply chains while continuing to expand their global export reach.

Indonesia (USD 138 billion) has strengthened its industrial export base through downstream processing of metals and resource-linked manufacturing, supported by domestic industrial policy and growing regional demand.

The Philippines (USD 60 billion) and Cambodia (USD 19 billion) represent smaller but rapidly expanding production platforms within Southeast Asian networks. Cambodia has grown rapidly in electronics assembly and light manufacturing, while the Philippines has expanded its role in electronics components and industrial supply chains linked to U.S. and Asian markets.

European Production Platforms

Within Europe, several emerging exporters are deeply integrated into EU manufacturing systems. Poland (USD 292 billion) and Czechia (USD 232 billion) function as key industrial production hubs within the broader European supply chain. Their growth reflects continued investment in automotive, machinery and electronics manufacturing connected to German and wider European industrial networks.

Türkiye (USD 198 billion) plays a bridging role between Europe, the Middle East and Asia. Its diversified industrial base, spanning automotive production, machinery and consumer manufacturing, has supported steady export growth to multiple regional markets.

Resource-Linked and Regional Industrial Hubs

Several emerging exporters combine industrial expansion with resource-based advantages or strategic geographic positioning. Brazil (USD 86 billion) and Chile (USD 33 billion) play important roles in supplying industrial inputs and manufactured products to global markets, particularly within the Americas and Asia.

Saudi Arabia (USD 73 billion) and Egypt (USD 27 billion) have expanded their industrial exports as part of broader economic diversification strategies, strengthening their roles within Middle Eastern and regional trade networks.

Kazakhstan (USD 24 billion) reflects growing industrial exports linked to energy and metals, as well as regional trade integration across Central Asia.

Morocco (USD 67 billion) and South Africa (USD 64 billion) act as important manufacturing and industrial hubs within Africa. Morocco has built strong automotive and aerospace supply chains connected to European markets, while South Africa maintains a diversified export base in automotive components, metals and industrial machinery.

Finally, Peru (USD 24 billion) and Pakistan (USD 24 billion) are smaller but steadily expanding exporters within the broader emerging-market landscape, supplying industrial inputs and specialised manufactured products to regional and global supply chains.

Momentum and Maturity in the Emerging Exporter Landscape

Taken together, these 20 economies illustrate the multi-regional character of the new global sourcing geography. Some economies, such as Mexico, Vietnam, India and Poland, already operate at substantial scale within established production networks. Others remain earlier-stage industrial exporters but are expanding rapidly as new manufacturing platforms.

For procurement managers, the key consideration is not simply growth, but the combination of export scale, sectoral specialisation and integration into major demand markets. The final layer of evaluation, therefore, is logistics and supply chain capabilities, which determine whether export growth can translate into reliable sourcing capacity at scale.

Logistics & Supply Chain Capabilities Across Emerging Market Exporters

The World Bank's Logistics Performance Index (LPI) benchmarks the efficiency and reliability of cross-border supply chains across 139 economies. Countries are scored from 1 to 5 across six operational dimensions: customs efficiency, infrastructure quality, ease of arranging international shipments, logistics competence, tracking and tracing and delivery timeliness. Higher scores and lower rank numbers indicate stronger logistics systems.

Across the 18 emerging-market industrial exporters with available data (Morocco and Pakistan are excluded due to missing LPI data), logistics performance varies significantly, ranging from near advanced-economy execution standards to systems that remain structurally constrained.

Logistics Performance Index of Top 20 Industrial & High-Tech Emerging Market Exporters (2023)



Note: The Logistics Performance Index (LPI) is a World Bank benchmarking tool that ranks 139+ countries on the ease, speed, and reliability of moving goods across borders. No data for Pakistan and Morocco. Source: World Bank, ANDAMAN PARTNERS Analysis

High-Performing Logistics Platforms

At the top of the group, South Africa ranks 19th globally with an LPI score of 3.7, the strongest logistics performance among the emerging exporters in this analysis. The country performs particularly well in logistics competence (3.8) and timeliness (3.8), reinforcing its role as a regional logistics gateway for Southern Africa.

Malaysia and Poland follow closely, both ranking 26th globally with scores of 3.6. Malaysia benefits from strong international shipments performance (ranked 8th globally) and solid logistics competence (3.7), supporting its role as a major semiconductor and electronics export platform. Poland combines EU-integrated infrastructure (score 3.5) with strong timeliness (3.8), reflecting its deep integration within European industrial supply chains.

These economies demonstrate that sustained export growth can be reinforced by institutionally mature logistics systems and infrastructure depth.

Fully Operational Emerging Logistics Systems

A second group operates within solid but mid-tier logistics performance bands. Thailand (rank 34, score 3.5) maintains strong infrastructure (3.7) and competitive performance in international shipments. India, Saudi Arabia and Türkiye (all ranked 38, with a score of 3.4) form a cluster of

large industrial exporters with broadly functional logistics systems. However, customs efficiency and infrastructure remain areas for improvement.

Within Europe's extended industrial network, Czechia (rank 43, score 3.3) benefits from strong integration into EU logistics corridors. In contrast, Vietnam and the Philippines (both rank 43, score 3.3) demonstrate operational supply chains that support their growing roles in electronics and manufacturing exports. These economies represent fully viable sourcing platforms, though operational complexity can vary depending on infrastructure quality and supply chain maturity.

Mid-Tier Logistics Systems with Structural Constraints

A third group combines expanding industrial exports with more moderate logistics performance. Brazil (rank 51, score 3.2) operates a large but geographically complex logistics system. Egypt (rank 57, score 3.1) continues to expand its logistics infrastructure, although customs and tracking performance remain mid-tier.

Chile, Indonesia and Peru (all rank 61, score 3.0) demonstrate similar execution profiles: functional logistics networks that support export activity but face infrastructure limitations and longer transit times compared with higher-ranked peers.

Mexico (rank 66, score 2.9) is the largest industrial exporter in this emerging cohort, but its logistics performance remains mid-tier, with customs efficiency ranked 84th globally and infrastructure 63rd. Its deep integration into U.S. manufacturing networks partially offsets these structural logistics constraints.

Structurally Constrained Logistics Systems

At the lower end of the cohort, Kazakhstan (rank 79, score 2.7) reflects logistical challenges associated with landlocked geography and longer transport corridors across Central Asia.

Cambodia (rank 115, score 2.4) records the weakest logistics performance within the group, with low infrastructure scores (2.1) and weak international shipment rankings (121). While its industrial exports have grown rapidly, logistics systems remain significantly less developed than those of other emerging exporters.

Morocco and Pakistan do not appear in the World Bank's 2023 LPI, and are therefore not included in the comparative chart above. However, earlier data provide some context on their logistics capabilities.

In the 2018 LPI edition, Morocco recorded an overall score of 2.54, reflecting mid-tier logistics performance with moderate infrastructure and customs efficiency but weaker tracking, shipment reliability and logistics services compared with higher-ranking emerging exporters. Pakistan posted a 2.42 LPI score in 2018, indicating more constrained logistics systems, with weaker customs processes and infrastructure performance that affected supply chain efficiency.

Despite these structural challenges, both economies have continued to expand their industrial export bases in recent years. Morocco has strengthened its logistics infrastructure around major ports such as Tangier-Med, supporting automotive and aerospace supply chains linked to Europe, while Pakistan's industrial exports have expanded gradually within South Asian and Middle Eastern trade corridors.

Structural Patterns Across Emerging Exporters

Three broader patterns emerge from the data. First, logistics capabilities vary widely among emerging exporters, meaning export growth alone does not guarantee reliable supply chain execution.

Second, economies integrated into major regional production systems tend to perform better. Poland and Czechia benefit from EU logistics infrastructure, while Malaysia, Thailand and Vietnam are embedded within the highly developed East Asian manufacturing ecosystem.

Third, extensive export scale does not necessarily correlate with logistics strength. Mexico and Brazil demonstrate substantial industrial export capacity despite mid-tier logistics rankings, highlighting the role of industrial depth and regional integration in offsetting infrastructure constraints.

In terms of global procurement strategy, this implies that industrial export growth must be evaluated alongside logistics capabilities. Execution reliability, encompassing customs efficiency, infrastructure quality and shipment reliability, ultimately determines whether emerging exporters can support large-scale, time-sensitive sourcing operations.

Strategic Implications for Global Procurement Managers in 2026

- **Global trade remains resilient:**
International merchandise trade continues to expand at a moderate pace. The key strategic question for companies is how to position sourcing within an evolving geography of production.
- **Industrial demand remains anchored in three major markets:**
The U.S., China and the EU continue to dominate global industrial demand. Effective supplier strategies still adhere primarily to these three production ecosystems and their surrounding regional supply chains.
- **Emerging exporters are expanding within established supply systems:**
High-growth economies such as Mexico, Vietnam, India, Poland and Malaysia are not replacing existing manufacturing networks; they are scaling within them, strengthening North American, European and Asian production corridors.

- **Export growth must be assessed alongside logistics capability:**
Industrial export momentum varies widely across operational readiness levels. Logistics data indicate substantial differences in customs efficiency, infrastructure quality and shipment reliability among emerging exporters.
- **Resilient sourcing requires structured diversification:**
Effective sourcing strategies balance scale platforms (Mexico, India), specialised manufacturing hubs (Malaysia, Czechia, Thailand) and emerging growth markets (Indonesia, Egypt, Cambodia), while aligning supplier selection with operational risk tolerance and logistics capabilities.



Also by ANDAMAN PARTNERS:

- [The Next Wave of Global Industrial Export Growth Is Consolidating in Key Emerging Markets](#)
- [A Small Set of Emerging Markets Is Driving Machinery & Electronics Export Scale to the World's Largest Markets](#)
- [Supply Chain Stress Remains Elevated in 2026, Demanding Clear Procurement Leadership](#)

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