

Global Manufacturing Risk Index, 2021

August 25, 2021

In news- India has overtaken the United States (US) to become the second-most sought-after manufacturing destination globally in 2021 Global Manufacturing Risk Index.

Key updates-

- **China has remained at number one** position and India is at 2nd position.
- The US is at third position, followed by Canada, Czech Republic, Indonesia, Lithuania, Thailand, Malaysia and Poland.
- In the 2020's report, the US was at second position while India ranked third.
- The switch in ranking is attributed to the plant relocations from China to other parts of Asia due to an already established base in pharma, chemicals and engineering sectors, that continue to be at the centre of the US-China trade tensions.
- The growing focus on India can be attributed to India's operating conditions and cost competitiveness.

About the index-

- Cushman & Wakefield's Global Manufacturing Risk Index assesses the most advantageous locations for global manufacturing among 47 countries in Europe, the Americas and Asia Pacific.
- The countries are assessed based on **four key areas:**
- **Bounce Back:** Projected ability to restart manufacturing operations as vaccines are rolled out and business begins to return to normal
- **Conditions:** Business environment, including the

availability of talent/labor and access to markets

- **Costs:** Operating costs including labor, electricity and real estate
- **Risks:** Political, economic and environmental
- The baseline ranking for top manufacturing destinations is determined on the basis of a country's operating conditions and cost effectiveness.