



For Immediate Release

China still the place to be for manufacturing; Asia dominates globally as increased costs, risks see other regions slide in rankings

- *China ranks top, Asia markets hold the most top quartile places across all scenarios*
- *Europe, US slip in rankings as increased costs, low unemployment and increased exposure to natural disasters impacts profiles.*

SINGAPORE, December 1, 2022 – Asia markets have dominated an annual study ranking top manufacturing destinations according to baseline, cost and risk scenarios, holding the most top quartile rankings of any region across each of the scenarios.

China remains the top destination across all three scenarios, according to Cushman & Wakefield's 2022 Manufacturing Risk Index.

The report assesses the most suitable locations for manufacturing among 45 countries in Europe and the Middle East, the Americas, and Asia Pacific regions based on variables grouped by cost, risk and general business conditions.

In the baseline scenario – which attributes 40% weight to both business conditions and cost, and 20% to risk – Asian markets accounted for six of the 12 top quartile positions, including all of the top five. The report noted that India, Indonesia, Malaysia and Thailand all benefited from the availability of relatively low-cost labour combined with governments actively seeking both domestic and foreign investment in manufacturing and production.

These markets have also benefited from the China+ approach, which has seen companies looking to improve supply chain resilience by diversifying their production bases beyond China.

MEDIA CONTACT

Amy Kelly | Associate Director, Public Relations | Amy.Kelly@cushwake.com | +65 8725-0663

| 2022 BASELINE | | | |
|----------------|--------------------|----------------|-----------------|
| TOP QUARTILE | SECOND QUARTILE | THIRD QUARTILE | FOURTH QUARTILE |
| China | Portugal | Singapore | Germany |
| India | Sri Lanka | Morocco | France |
| Indonesia | Bulgaria | Finland | Austria |
| Malaysia | Korea, Republic of | Japan | Norway |
| Thailand | Philippines | United Kingdom | Netherlands |
| Poland | Turkey | Greece | Belgium |
| Vietnam | Canada | Brazil | Denmark |
| Czech Republic | Peru | Sweden | Ireland |
| Colombia | Romania | Tunisia | Switzerland |
| United States | Lithuania | Argentina | |
| Hungary | Spain | Australia | |
| Slovakia | Mexico | Italy | |

Figure 1: Baseline scenario 2022 (40% conditions, 20% risk, 40% cost)

| 2021 BASELINE | | | |
|----------------|--------------------|----------------|-----------------|
| TOP QUARTILE | SECOND QUARTILE | THIRD QUARTILE | FOURTH QUARTILE |
| China | Colombia | Japan | Tunisia |
| India | Romania | Slovakia | Greece |
| United States | Portugal | Australia | Germany |
| Canada | Hungary | Philippines | Austria |
| Czech Republic | Singapore | Argentina | Italy |
| Indonesia | Bulgaria | Finland | Denmark |
| Lithuania | Turkey | United Kingdom | Ireland |
| Thailand | Korea, Republic of | Brazil | Belgium |
| Malaysia | Mexico | Morocco | Norway |
| Poland | Sri Lanka | Sweden | Switzerland |
| Vietnam | Russian Federation | Netherlands | Venezuela |
| Spain | Peru | France | |

Figure 2: Baseline scenario 2021 (40% conditions, 20% risk, 40% cost)

On a cost basis – 60% weight attributed to cost and 20% each to conditions and risk – Asia’s dominance increased further, with Thailand, Sri Lanka and the Philippines bringing the regional total to eight of the 12 locations in the top quartile. The same seven markets from 2021 reappeared, albeit mildly reordered, in the top quartile this year; all experienced relatively stable costs year-on-year, especially compared to markets in the US and Europe which have seen significant cost increases for the key variables of electricity and labour.

MEDIA CONTACT

Amy Kelly | Associate Director, Public Relations | Amy.Kelly@cushwake.com | +65 8725-0663

| CONDITIONS (BASELINE) | RISKS | COSTS |
|---|-----------------------|---|
| Talent/Labor Force | Natural Disaster Risk | Manufacturing Labor Costs Per Hour |
| Logistics/Access To Markets | Economic Risk | Electricity For Industrial/Heavy Use (Price Per Hour) |
| Business Environment | Corporate Risk | Construction Building Costs |
| Sustainability/Corporate Responsibility | Energy Risk | Registering Property Cost (% Of Income Per Capita) |

Figure 3: The Tier 2 variables upon which each scenario is calculated. Additional Tier 3 variables are also considered.

Global shocks work to Asia Pacific’s advantage

Globally, increased risks saw some markets in Europe – traditionally holders of strong risk profiles – slide down the rankings, most notably as a result of the war in Ukraine and its impact on economic risks and energy costs. The United States and Canada both experienced relatively stable cost environments, although exposure to natural disasters¹ and challenges to business conditions – particularly a drop in the unemployment rate and therefore access to labour – impacted their risk profiles.

Cushman & Wakefield’s **Head of Insight and Analytics Asia Pacific Dr Dominic Brown** said *“While Asia Pacific traditionally performs well under the cost scenario, this year has seen it make significant improvements under the risk scenario.*

“Advanced markets have typically tended to dominate the risk scenario given their maturity and stability, but as global shocks continue the risk differential between markets has narrowed. Risks in Europe are significantly elevated on a year ago which has had the effect of making Asia Pacific more attractive as a manufacturing destination.”

¹ Natural disaster risk methodology has been altered from 2021 to include measures for both exposure and vulnerability. The US now ranks relatively high for exposure but relatively low for vulnerability.

MEDIA CONTACT

Amy Kelly | Associate Director, Public Relations | Amy.Kelly@cushwake.com | +65 8725-0663



Asia Pacific Head of Investor Services and Logistics & Industrial Dennis Yeo said that *“Demographic and economic drivers have spurred growth across Asia Pacific for some time now, so it is not surprising to see so many of these markets ranked in the top quartile across all scenarios.*

“China retains top position across all scenarios, which is testament to its strength in the manufacturing space. Although there continue to be local headwinds, China’s supply chain stress has reduced to almost pre-pandemic levels.

“India continues to outperform as a destination for manufacturing in south Asia and we expect the Southeast Asia markets including Thailand, Malaysia, Vietnam, and Indonesia to continue benefiting from companies pursuing a China+ strategy.”

View the full results >> [Global Manufacturing Risk Index | Industrial Research | Cushman & Wakefield \(cushmanwakefield.com\)](https://www.cushmanwakefield.com/global-manufacturing-risk-index)

Note to editors

MRI is compiled from various external data sources. When comparing 2022 and 2021 it is important to note that some of the external sources and methodologies used have changed. While every effort has been made to ensure consistency within the data available, it is not a direct year-on-year comparison. [More details on the report methodology can be found here.](#)

- ENDS-

About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in over 400 offices and approximately 60 countries. In 2021, the firm had revenue of \$9.4 billion across core services of property, facilities and project management, leasing, capital markets, and valuation and other services. To learn more, visit www.cushmanwakefield.com or follow [@CushWake](https://twitter.com/CushWake) on Twitter.

MEDIA CONTACT

Amy Kelly | Associate Director, Public Relations | Amy.Kelly@cushwake.com | +65 8725-0663