

Technology Adoption Contributes to China Securing Top Spot in Index of Global Manufacturing Locations

- *Cushman & Wakefield's Manufacturing Risk Index report shows formerly low-cost locations such as China and India are moving up the value production chain through country-sponsored support of technological adoption*
- *Growing concern for intellectual property protection, combined with skilled labour availability, keeps United States top when the index is weighted to minimise geopolitical risk*
- *Low-cost locations in South East Asia still highly attractive for labour-intensive manufacturing*
 - *European production lines, and the free flow of goods, potentially threatened by 'no-deal' Brexit*

London, 24 April 2019 - Global real estate services firm Cushman & Wakefield has today published new research assessing 48 of the most suitable locations for global manufacturers to expand or relocate their operations in EMEA, the Americas and Asia-Pacific. While manufacturers' individual requirements will vary, China performs strongly thanks to increasing Government investment in the adoption of technology, while the United States is most attractive for those seeking to minimise exposure to economic and political threats.

Cushman & Wakefield's Manufacturing Risk Index (MRI) scores each country against 20 variables that make up three final weighted rankings which cover conditions, cost and risk. The data underpinning the MRI comes from a variety of reliable sources, including the World Bank, UNCTAD and Oxford Economics.

The report reveals that China is the leading country when viewed from a baseline scenario which gives equal importance to a country's operating conditions and cost competitiveness. The United States is in second followed by Taiwan, India and Canada making the top five. The Czech Republic is the highest ranked European country in sixth with Poland, Lithuania and Hungary also featuring highly.

When the data is looked at from a cost scenario - which gives a higher score to countries where operating outlay, including labour costs, is lower - China remains on top with Asian countries dominating the top 10. Only Lithuania and Romania, in eighth and ninth respectively, feature prominently from elsewhere.

The third ranking - the 'risk' scenario - takes into account rising geopolitical risk by favouring countries with lower levels of economic and political threat. In this scenario, North America leads the way with the US and Canada first and second respectively and China slipping to fifth. European locations account for half the top 10, led by the Czech Republic, which places fourth in the index, with Germany, Denmark, Finland and Austria also featuring in the top 10.

Report author Lisa Graham, Cushman & Wakefield's EMEA Head of Logistics and Industrial Research & Insight, said: *"These rankings provide a critical insight into the rapidly-evolving manufacturing landscape and the decision-making factors behind locations. Global manufacturing has entered a new era, marked by the growing influence of technology in addressing productivity, labour shortages and safety in production and logistics."*

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“We are seeing formerly low-cost locations such as China and India moving up through the value production chain through country-sponsored support of technological adoption. That is why Asian countries featured so prominently in our rankings. There are still concerns over intellectual property issues in the region which mean, that despite higher costs, countries in North America and Europe will continue to thrive as manufacturing bases.”

Cushman & Wakefield Manufacturing Risk Index 2019			
Global Rank	Baseline Scenario	Cost Scenario	Risk Scenario
1	China	China	United States
2	United States	Taiwan	Canada
3	Taiwan	Malaysia	Taiwan
4	India	Vietnam	Czech Republic
5	Canada	Indonesia	China
6	Czech Republic	India	Singapore
7	Poland	Thailand	Germany
8	Malaysia	Lithuania	Denmark
9	Lithuania	Romania	Finland
10	Hungary	Sri Lanka	Austria

Rob Hall, Cushman & Wakefield’s Chair of EMEA Logistics & Industrial, said: *“We are seeing an element of protectionism and nationalism putting global and regional and supply chains at risk. In Europe, the outcome of the ongoing Brexit negotiations will redefine regional production lines as well as reshape domestic and international flow of goods.*

“Countries which invest in platforms that facilitate flows in and out of production lines will succeed. China’s seamless supply chain connections have resulted in substantial investment in infrastructure and multi-modal transport, including the New Silk Road rail and maritime projects, in addition to incentives. These factors are off-setting concerns regarding intellectual property.”

Joanna Sinkiewicz, Partner, Head of the Industrial and Logistics Agency, Cushman & Wakefield, said: *“This year’s Manufacturing Risk Index report assessing the best global manufacturing locations provides some interesting new insights. First of all, Far Eastern countries such as China, Taiwan and India remain in top spots. Their key strengths include a favourable business environment and very competitive operating costs for manufacturers. These locations also benefit from the country’s active policy of supporting technology development, including sustainability. China now leads the way in investment in renewable energy sources globally.*

“The US and Canada also feature prominently as attractive locations for manufacturing requiring skilled labour and manufacturers who value economic and political security in particular.

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“Poland remains in the top tier in seventh place for overall operating conditions (of European countries, only the Czech Republic is ranked higher in sixth). Risk of operating in Poland continues to be considered relatively high. Improvements to investor perception would help Poland be ranked higher and attract new investments.”

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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 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow [@CushWake](https://twitter.com/CushWake) on Twitter.

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