

# Global High Tech Supply Chain May Be Reconfigured

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A new UPS-sponsored survey suggests that high-tech manufacturers may be the first to decrease their dependence on China for sourcing.

According to a survey conducted by IDC Manufacturing Insights, rising costs in [China](#) are prompting high-tech companies in Asia to explore alternative sourcing locations within the region as well as in North America.

Carla Huang, UPS director of marketing, high-tech/electronics segment told LM – a sister publication – in an interview that as part of this shift, half of all high-tech trade lanes in five years' time are expected to involve intra-Asia movements.

“These shifts in sourcing strategies will impact high-tech supply chains in Asia as well as in North America, creating long-term implications for the industry on a global level,” said Huang. “To prepare for these changes, high-tech companies should re-examine their sourcing strategies and their supply chain as a whole to ensure they are in a position to continue meeting customer demand.”

The survey revealed that 19 percent of high-tech company respondents plan to source supplies and raw materials from North America in the next three to five years. Forty-two percent of respondents reported they currently source supplies and raw materials from mature APAC countries, including Thailand, Malaysia, Hong Kong and Singapore. When looking ahead to the next three to five years, this figure jumps to 55 percent.

Similarly, 16 percent of companies now source from emerging countries such as the Philippines and Vietnam, while 24 percent plan to source supplies from these countries in the future.

Findings come from an annual survey sponsored by UPS, “Change in the (Supply) Chain,” which is designed to uncover top business and supply chain trends driving change in the high-tech/electronics industry. The 2011 survey queried senior-level decision makers at high-tech companies in the Asia Pacific region.

Source: Supply Chain Management Review

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