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2026

APAC Distributors

Navigate a Changing
Electronics Market



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APAC Distributors Navigate a Changing Electronics Market

Shifting demand, new manufacturing investment and evolving country roles are changing component sourcing across Asia-Pacific.

A region that’s long been the center of gravity for the global electronics supply chain, Asia-Pacific (APAC) continues to handle much of the world’s electronics production as 2026 reaches its mid-point. China still has the manufacturing scale, Taiwan remains central to semiconductors and Vietnam continues to serve as a major assembly base. India is also gaining ground in electronics manufacturing, while Southeast Asia is taking on more testing, packaging and specialized production.

The market is also going through some changes. Demand related to AI, data centers, electric vehicles and advanced manufacturing is pushing new investment into APAC. At the same time, tariffs, material constraints and capacity limits are making sourcing decisions more complicated.

Distributors are working with a lot of moving pieces in this evolving, competitive environment. Customers need access to APAC’s manufacturing base, but they also need help finding

available components, weighing country risk, managing tariff exposure and adjusting sourcing plans.

Expanding Production Markets

According to [Mordor Intelligence](#), the Asia-Pacific electronics manufacturing services market is expected to exceed \$416 billion this year, up from roughly \$386 billion in 2025. Looking further out, the market is expected to exceed \$592 billion by 2031, and is posting a 7.32% compound annual growth rate (CAGR).

Mordor says the growth is being driven by a broader shift toward multi-country production footprints, more automation and deeper process know-how across the region. It notes that original equipment manufacturers (OEMs) are adding new production lines in India, Vietnam and Thailand, while China and South Korea continue to invest in more advanced semiconductor and electronics manufacturing capabilities.

Some of the faster-growing categories include printed-circuit-board assembly, which accounted for 43% of the region’s electronics manufacturing services market in 2025. Electromechanical and box-build integration is expected to grow at an 8.21% CAGR through 2031, while automotive applications are projected to grow at a 9.11% CAGR during that same period.

Looking ahead, distributors serving APAC customers will likely see continued demand for power modules, battery-management systems, high-frequency boards and the components that support more complex production programs.

New Country Choices

Today, Asia accounts for more than 65% of global electronics output, but U.S.-bound imports are facing higher tariffs and longer lead times, according to [Titoma](#). Thanks to its deep supplier network, China remains the largest manufacturing base, although rising wages and tariffs are eroding some of that long-held advantage.

Titoma says other countries are gaining ground. For example, Vietnam has become a major electronics exporter, yet it still depends heavily on imported components and foreign-owned tier-one suppliers. India is positioning itself as a global electronics manufacturing hub—with higher local value addition and more domestic component production—but the country is still addressing key infrastructure and yield issues.

Chip Investments Expand Across APAC

Strong global chip demand is driving some new investment across Southeast Asia and India this year, [Astute Group](#) reports. Governments and manufacturers are trying to reduce supply chain concentration and secure future component availability. In the near term, those investments could expand semiconductor packaging, testing and electronics assembly across the region.

Vietnam is one example of this. The country’s electronics exports reached about \$164 billion in 2025 and are projected to reach \$200 billion in 2026. Samsung is also planning to invest \$1.5 billion in a semiconductor testing facility in Thai Nguyen province, with operations expected to begin in November 2027.

“The important development here is not a single factory announcement but the gradual spread of semiconductor capacity across multiple countries,” says Damian Semple of Astute Group. “Supply chains remain exposed to material shortages and regional concentration, so buyers should continue monitoring lead times and qualifying alternative sources before demand tightens further.”

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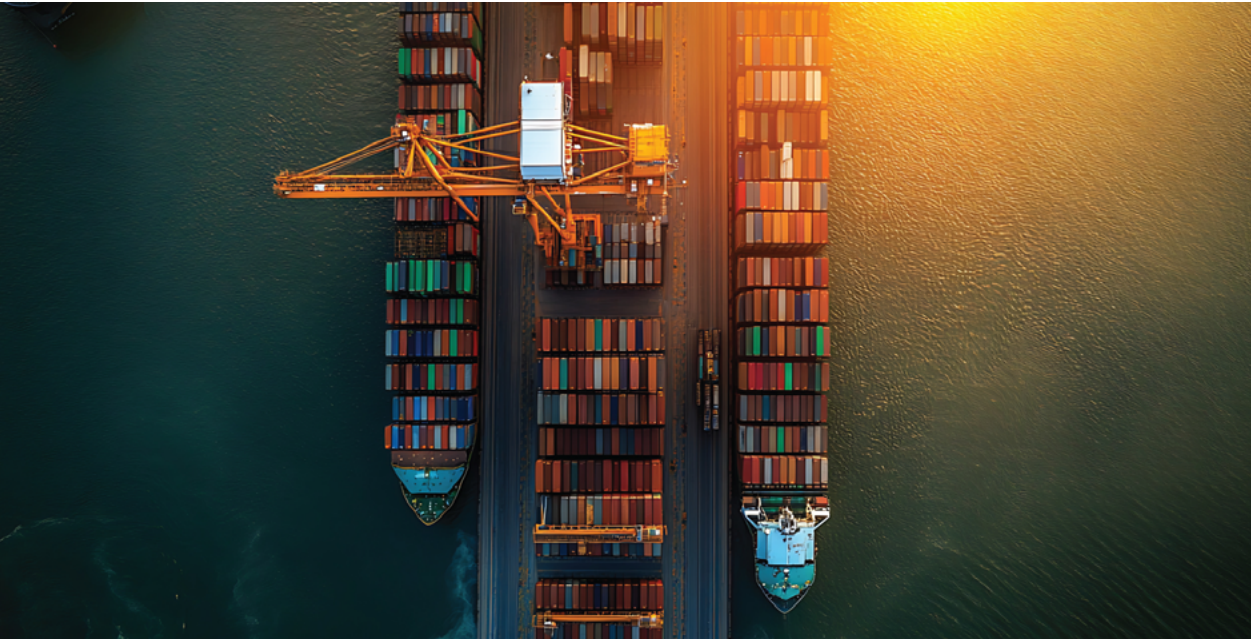
Memory Chip Shortage Drives Up Electronics Prices

DRAM chips are getting harder to find and more expensive as AI data centers consume more of the global memory supply.

The laws of supply and demand are once again hard at work in the global electronic component space, where DRAM memory chips are the latest product to get hit by the scarcity bug. This, in turn, has pushed up prices while making it more difficult for companies to get the chips they need to make cars, smartphones, consumer electronics, medical devices and telecom equipment.



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The Race to Build Connected, AI-Driven Supply Chains

Manufacturers and distributors are linking data, suppliers and AI to spot disruptions sooner and respond before problems spread.

The race to get global supply chains connected, in sync and operating from a common playbook is on. Using a mix of people, technology, automation and artificial intelligence (AI), companies are continually optimizing their networks in new ways that weren't even possible just a few years ago. Credit the uptick in AI usage with driving some of that momentum, but the threat of new disruption is also playing a role in the movement.

For example, new geopolitical issues, rising business costs, labor shortages and evolving buyer preferences are all putting pressure on supply chain operations this year. According to the latest [GEP Global Supply Chain Volatility Index](#), global supply chain pressures remained elevated in June despite falling oil prices and lower transportation costs, reflecting uncertainty surrounding the U.S.-Iran ceasefire in the Strait of Hormuz.

"Reports from manufacturers of backlogs rising due to shortages of critical inputs were their highest since late 2022," GEP says. "The data suggests supply-chain bottlenecks are likely

to persist into at least the third quarter as businesses wait for materials needed to complete customer orders." To offset the uncertainty, many companies are "safety stockpiling" at a rate not seen since January 2023. "...businesses still don't trust the global trading environment to remain stable," GEP notes in its report.

These conditions may be unprecedented in modern times, but companies also now have more tools and solutions to help them manage the complexity. According to the [2026 Thomson Reuters Global Trade Report](#), 58% of the executives and managers surveyed use trade and supply chain data analytics. And more than half use supply chain management and visibility technology to monitor conditions and respond to changes.

Connecting More Than Just Tech

Technology may help create a connected supply chain, but software alone won't get the job done. In its [State of Supply Chain Report 2026](#), Inspectorio says companies also need to

connect product data, supplier records, compliance requirements and operating systems across the production chain.

"Global supply chains in 2026 are operating under a new mandate: move faster, absorb more volatility, and produce stronger proof with fewer disconnected processes," the company points out. "Retailers, brands, and manufacturers understand that regulation, tariff volatility, sustainability expectations, and AI are reshaping how products move from design to delivery. The gap is in the systems, data, workflows, and supplier engagement models required to execute consistently."

6 Steps Toward a Connected Supply Chain

Inspectorio says organizations that want to respond faster when conditions change can take these six steps:

1. Connect the data to the product. Companies need product-level information that connects materials, suppliers, purchase orders, inspections, testing, documentation and shipping records. Inspectorio says AI depends on "structured, credible, product-linked information" that can be traced to the right product, order and supplier.

2. Address compliance before production begins. Compliance problems can start with material selection, supplier approval, testing, packaging or labeling, long before a product reaches final inspection. Connecting those requirements earlier can keep problems from reaching production, shipment release or customs review.

3. Get separate systems talking to one another. Quality, sourcing, compliance, sustainability and trade teams often keep their information in different systems. Inspectorio calls data fragmentation a major obstacle, noting that critical information frequently "lives in separate systems that do not communicate."

4. Keep product-specific proof in one place. Companies increasingly need evidence covering product origin, materials, chain of custody and environmental impact. Facility-level records may not provide enough detail when regulators, customers or business partners ask for documentation tied to a specific product, shipment or order.

5. Get suppliers involved in the process. Suppliers often receive overlapping requests from multiple customers, departments and platforms. Common requirements, shared processes and ongoing performance records can reduce duplication and give buyers a fuller picture of supplier performance and potential problems.

6. Give AI the data it needs. AI use in supply chain operations rose from 24% in 2024 to 40% in 2026, according to Inspectorio. Companies are using it for quality inspection, supplier risk monitoring, supplier performance and compliance screening. But as the report cautions, "AI is only as effective as the data it operates on."

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Why Uncle Sam is Betting Big on Quantum Computing

Federal quantum investments could strengthen domestic technology, support manufacturing and help solve complex supply chain problems.

Quantum computing used to sound like the stuff of sci-fi movies, not supply chain planning. But the technology is moving out of the far-off-future category as governments invest in its potential to solve problems with too many variables for today's computers to handle efficiently. For supply chains, that could eventually mean better ways to model risk, test routing options, improve materials development and protect sensitive data.



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1. APAC remains the center of global electronics manufacturing, but production footprints continue to evolve. How are you seeing manufacturing activity shift across the region, and what does that mean for distributors?

APAC manufacturing is not moving out of China at scale, it is becoming more layered. China remains central for scale, supplier depth and logistics, while Vietnam, Malaysia, Thailand, India and Singapore are gaining roles in assembly, advanced packaging, semiconductors, EVs, data infrastructure and industrial electronics. For distributors, regional coverage matters. Customers need supply visibility across production sites, consistent quality documentation and faster cross-border allocation decisions.

2. How are China+1 and broader supply chain diversification strategies affecting demand patterns across APAC markets?

China+1 has shifted demand from one large production base to a more distributed bill-of-materials environment. The same OEM may now build subassemblies in Vietnam, qualify EMS capacity in Malaysia or Thailand, and source design or semiconductor support in India or Singapore. This creates fragmented demand signals, smaller but more frequent replenishment requirements, and greater need for component equivalency, lifecycle monitoring and local inventory planning.

3. Which APAC countries or sub-regions present the greatest growth opportunities for electronic component distributors over the next three to five years, and why?

Southeast Asia and India offer the strongest incremental growth. Malaysia has depth in semiconductor assembly, substrates and electronics manufacturing. Vietnam is moving from assembly toward a broader semiconductor and high-tech base. Thailand benefits from automotive electronics and EV investment. Singapore remains important for high-value semiconductor, R&D and regional decision-making functions. India’s opportunity is larger but longer-cycle, driven by domestic demand, policy support and semiconductor and EMS build-out.

4. Government initiatives aimed at strengthening domestic electronics and semiconductor industries are expanding across the region. How are these policies influencing customer investment and sourcing decisions?

Government incentives are turning sourcing into a strategic location decision. Customers are evaluating not only labor cost or unit price, but also tax incentives, import rules, local-content requirements, infrastructure, talent availability and policy stability. These policies encourage earlier supplier qualification and more regionalized sourcing. They also increase the importance of compliance support, origin documentation and traceability.

5. What unique challenges do distributors face in APAC compared with North America or Europe, particularly when serving diverse markets with different regulatory, logistical and customer requirements?

APAC is not one market. A distributor may face different languages, customs rules, tax structures, payment practices, regulatory frameworks and delivery expectations within a single customer program. Logistics can be highly efficient in one corridor and difficult in another. Customer profiles also vary widely, from global EMS companies to local manufacturers and government-linked projects. The challenge is maintaining speed without losing compliance discipline.

6. Many of the world's largest EMS providers and OEM manufacturing operations are concentrated in APAC. How are their procurement strategies and expectations evolving, and what does that mean for distributors?

Large EMS providers and OEMs are becoming more data-driven and risk-sensitive. They expect distributors to support forecast changes, multi-site allocation, approved alternates, shortage mitigation and quality documentation. Procurement is no longer judged only by purchase price variance; it is also measured by continuity, responsiveness and total landed cost. Distributors must combine inventory access with analytical capability and disciplined execution.

7. As geopolitical tensions continue to reshape global supply chains, how are APAC-based customers balancing resilience, cost and proximity when making sourcing decisions?

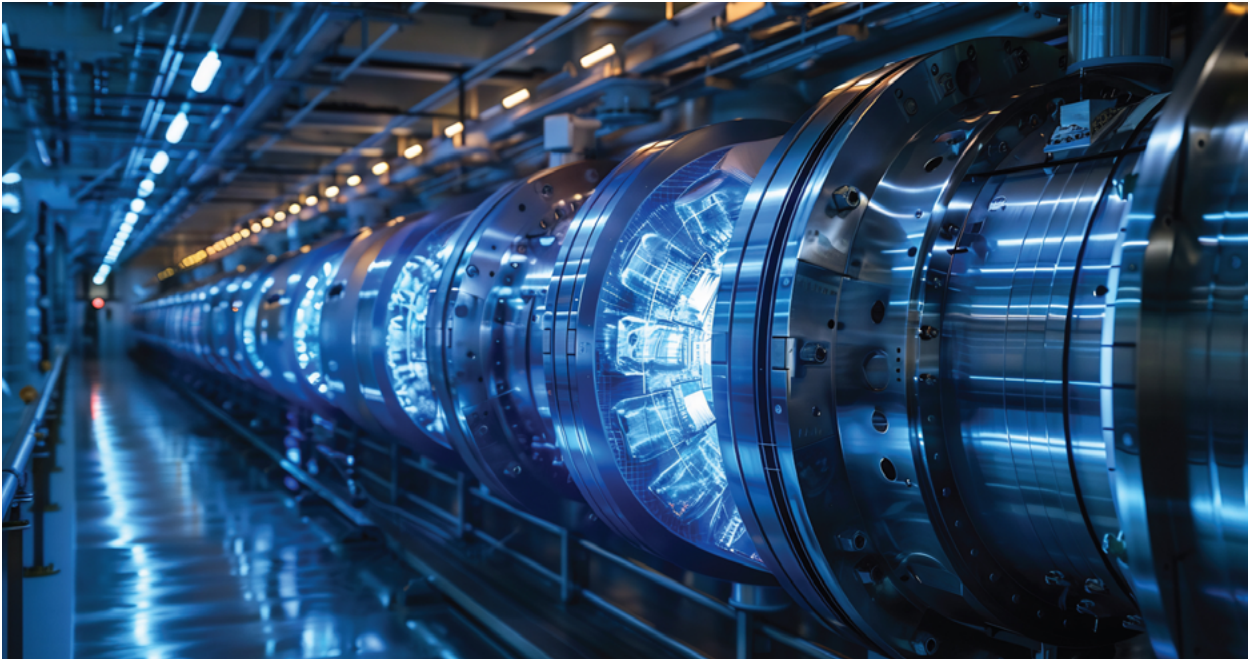
Customers are trying to avoid overcorrection. Pure lowest-cost sourcing is less attractive, but resilience cannot be pursued without regard to cost. Many are building dual or regional sourcing models, keeping China for scale while adding nearby alternatives for risk control, customer requirements or tariff exposure. Proximity matters most when it improves response time, documentation control and production continuity.

8. Looking ahead, which technologies, market shifts or business model changes do you believe will have the greatest impact on electronic component distribution across APAC during the next five years?

AI infrastructure, advanced packaging, automotive electronics, power semiconductors, industrial automation and energy systems will shape demand. The bigger change, however, will be business model transformation. Distribution across APAC will become more predictive, compliance-led and digitally integrated. The winners will be distributors that can connect inventory, data, quality and regional execution into one reliable sourcing system.

2026 TOP ASIA PACIFIC Distributors

	Company	Locations	Employees	Founded	Headquarters	2025 Global Revenue
1.	Interine Components Co	13	51-200	1987	Hong Kong	Publisher's Estimate
2.	ARS Electronics Company Limited	10	225	1999	China (Mainland)	\$2,800,000,000
3.	Weyland Electronics Group Pte. Ltd	3		2020	Singapore	\$1,200,000,000
4.	Win Source Electronics	16	369+	1999	China (Mainland)	\$658,000,000
5.	Amble Electronics Asia Limited	21	330+	2010	Hong Kong (Greater China)	\$538,000,000
6.	AI Chiplugin Limited	10	100	2017	China (Mainland)	\$500,000,000
7.	Unikey Electronics Pte., Ltd.	4	51-200	2008	Singapore	\$470,000,000
8.	Digisino Electronics Limited	3	136	2018	Hong Kong (Greater China)	\$268,391,400
9.	Shenzhen Unibetter Technology Co., Ltd.	7	200+	2009	China (Mainland)	\$260,000,000
10.	Compo Electronics Asia Limited	16	300-400+	2003	Hong Kong	Publisher's Estimate
11.	LCSC Electronics	4	300-500	2011	China	Publisher's Estimate
12.	Flying Technology Co., Ltd.	13	270+	2010	Hong Kong (Greater China)	\$240,000,000
13.	Changzhou Aohong Electronics Co., Ltd.	4	2100	1973	China (Mainland)	\$228,000,000
14.	Shenzhen Shengyu Electronics Technology Ltd.	4	36	2016	China (Mainland)	\$223,864,903
15.	Ample Solutions	7	243	2008	Singapore	\$215,000,000
16.	Cytech Systems Limited	16	200	2013	Hong Kong (Greater China)	\$200,000,000
17.	3A components Limited	80	100	2013	Hong Kong (Greater China)	\$160,000,000
18.	Özdisan Elektronik A.Ş	5	385	1980	Türkiye	\$104,900,000
19.	THJ (HK) Technology Limited	3	50	2012	China (Mainland)	\$80,000,000
20.	Ameya 360	50	117	2004	China	Publisher's Estimate
21.	Supreme Components International Pte Ltd.	14	75	2001	Singapore	\$52,000,000
22.	DGT Technology (HL) Co., Limited	2	11 to 50	2010	China (Mainland)	Publisher's Estimate
23.	LIXINC Electronics Co., Limited	3	11 to 50	2018	China (Mainland)	\$50,000,000
24.	ICGogogo (Hightech Semiconductor Co., Ltd.)	2	less than 50	2011	Hong Kong	Publisher's Estimate
25.	Jotrin Electronics		50-200		China	Publisher's Estimate
26.	JAK Electronics Limited	2	11 to 50	2018	Hong Kong (Greater China)	\$39,000,000
27.	RX Electronics Limited	2	30+	2004	Hong Kong (Greater China)	Publisher's Estimate
28.	ODG (Origin Data Global)	2	51-200	2010	China	Publisher's Estimate
29.	All True Tech Electronic Co., Ltd.	4	50	2011	China (Mainland)	\$30,000,000
30.	Shanghai Leiditech Electronic	1	50-150	2014	China (Mainland)	Publisher's Estimate
31.	RYX Electronic (HK) Limited	4	50-60	2010	China (Mainland)	Publisher's Estimate
32.	Chipmall Electronics	3	11 to 50	2006	China	Publisher's Estimate
33.	BD Electronics	1	250	2015	Malta	Publisher's Estimate
34.	Heisener Electronics	3	150+	2014	Hong Kong (Greater China)	Publisher's Estimate
35.	Kehuite Technology Development (HK) Ltd.	2	38	2004	Hong Kong	Publisher's Estimate
36.	Bonase Electronics Co., Ltd.	2	79	2006	China (Mainland)	\$5,500,000
37.	CH Global Co., Ltd.	3	15	2004	Korea, Republic of	\$5,000,000
38.	Fairstock HK Limited	3	106	2013	Hong Kong (Greater China)	Publisher's Estimate
39.	Fixchips Technology	4	20-200	2011	China	Publisher's Estimate
40.	PNEDA Technology	2	under 50		Hong Kong	Publisher's Estimate
41.	Assion Electronics	4	11 to 50	1981	China	Publisher's Estimate
42.	Fly-Wing Technology	1	51-200	2012	Hong Kong	Publisher's Estimate
43.	Shenzhen Augswan Electronics		5 to 10	2019	China	Publisher's Estimate
44.	IC Components Limited	2	35	2001	Hong Kong (Greater China)	\$3,000,000
45.	CJJ HK Technology Limited	2	less than 50	2013	Hong Kong	Publisher's Estimate
46.	ARIAT Technology Limited	2	30	2000	Hong Kong (Greater China)	\$1,900,000
47.	Perceptive Components Limited	2	11 to 50	2019	Hong Kong	Publisher's Estimate
48.	Smart Pioneer Electronics	2	12	2021	Hong Kong (Greater China)	Publisher's Estimate
49.	China Golden Sun Technology	1	95	2015	China (Mainland)	Publisher's Estimate
50.	Chip Source Co., Limited	2	100	2007	China (Mainland)	\$200,000



Fusion Moving From Lab Breakthrough to Supply Chain Test

As AI increases power demand, fusion developers need suppliers and a supply chain that can help move the technology toward commercial scale.

As countries around the globe look for new clean power sources, and as artificial intelligence (AI) drives up electricity demand, the fusion industry is working to turn a decades-long scientific goal into a commercial energy source.

By definition, **nuclear fusion** happens when two light atomic nuclei combine to form a single heavier one while releasing massive amounts of energy. Fusion reactions take place in a state of matter called plasma, which is a hot, charged gas made of positive ions and free-moving electrons with unique properties distinct from solids, liquids or gases.

In simpler terms, fusion is the process that powers the sun. Scientists are working to recreate this on Earth by forcing atoms together under extreme conditions, which releases a large amount of energy. Fusion could become a viable source of clean power if the technology reaches commercial scale, but it'll also need a supply chain that can make the specialized components, materials and systems behind it.

“Ever since the theory of nuclear fusion was understood in the 1930s, scientists and increasingly also engineers have been on a quest to recreate and harness it,” the **International Atomic Energy Agency (IAEA)** explains, noting that fusion could generate four times more energy per kilogram of fuel than fission (used in nuclear power plants) and nearly four million times more energy than burning oil or coal.

Fusion’s Biggest Selling Points

As an environmentally friendly energy source, fusion is of major interest for governments, researchers and energy companies looking for a long-term source of power that doesn’t emit carbon dioxide during operation. ITER (International Thermonuclear Experimental Reactor) says fusion’s advantages include:

- **No CO₂.** Fusion doesn’t emit harmful substances like carbon dioxide or other greenhouse gases into the atmosphere. Its major byproduct is helium, an inert, non-toxic gas.

- **No long-lived radioactive waste.** Nuclear fusion reactors produce no high activity, long-lived nuclear waste. “The activation of components in a fusion reactor is anticipated to be low enough for the materials to be recycled or reused within 100 years,” it says, “depending on the materials used in the ‘first-wall’ facing the plasma.”
- **Limited proliferation risk.** Fusion doesn’t employ fissile materials like uranium and plutonium. (Radioactive tritium is neither a fissile nor a fissionable material.) There are no enriched materials in a fusion reactor like ITER that could be exploited to make nuclear weapons.
- **No meltdown risk.** The quantity of fuel present in the vessel at any one time is enough for a few seconds only and there is no risk of a chain reaction.
- **Lower cost over time.** The power output of the kind of fusion reactor would be similar to that of a fission reactor. “The average cost per kilowatt of electricity cannot yet be extrapolated, however, as this would require the operational experience which will only be available after ITER has been operated for some years,” ITER explains. “As with many new technologies, costs will be more expensive at first, when the technology is new, and gradually less expensive as economies of scale bring the costs down.”

share their supply chain spending data spent \$538 million, and that’s expected to increase to \$681 million this year (a 27% increase).

“Our fourth annual report sees considerable progress in the relationship between fusion developers and their supply chain. We see signs of the “chicken and egg” gridlock raised in previous reports easing, as supplier relationships improve and new and existing suppliers invest in scaling up capacity to meet the sector’s growing needs,” says FIA CEO Andrew Holland, in a [press release](#). “Nonetheless, we are still in the engineering phase of the challenge, and while there is much to be optimistic about, demands on the supply chain will expand to serve commercial fusion machines.”

Marc Lachaise, director at **Fusion for Energy**, is bullish on the future of nuclear fusion as a clean energy source, and says it’s currently moving from long-term promise to an emerging

industrial reality. “The supply chain will be a decisive factor in scaling it,” he adds. “In Europe, the ecosystem developed through ITER over the past two decades has created an unparalleled base of industrial expertise, innovation, and skills. Building on this foundation will be essential to accelerate the transition from large-scale experiments to future fusion power plants.”

The Future Looks Bright

According to FIA’s *2026: The Fusion Industry Supply Chain report*, supply chain spending by the fusion industry increased by 24% in 2025. The private fusion companies that

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Supply Chain AI Shifts From Planning Tool to Decision Support

As supply chain AI moves from dashboards to decision support, companies are learning that they need better data, stronger workflows and human review.

As more supply chain technology providers embed AI functionality into their platforms, the technology is moving deeper into the space. Some recent high-profile announcements point to just how quickly the conversation is shifting from copilots and dashboards to systems that can plan, test scenarios and act.



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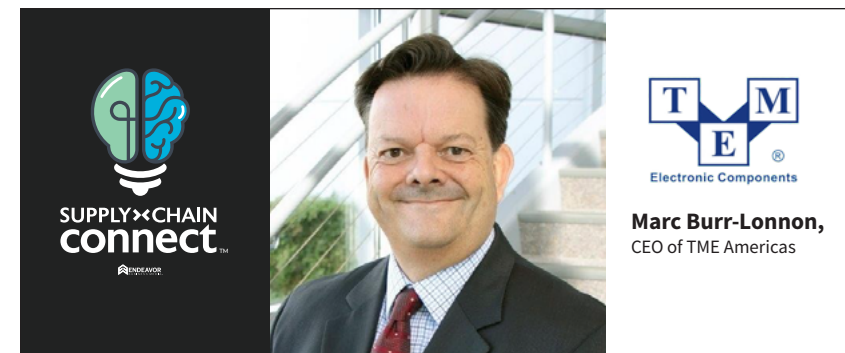
Supply Chain Connect provides supply chain and purchasing professionals with essential news, information and analysis about the technology and business trends that impact the global supply chain industry.



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Red-Hot Demand: Inside Aerospace & Defense Component Distribution

FDH Aero leaders Ian Walsh and Mitch Enright reveal why electronic component distribution for aerospace and defense is running red hot and how AI, automation and top-tier talent are helping them keep critical production lines moving.



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From Data to Demand: How AI Is Reshaping Distribution

TME Americas CEO Marc Burr-Lonnon breaks down the booming electronic component distribution market, from AI-driven pricing and robotic warehouses to geopolitical shocks, supply chain stress points and where growth will come from next.



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From Visibility to Predictability: Modernizing the Electronics Supply Chain

Newark's Vice President of Sales & Services, Richard Diaz, unpacks how AI, automation and shifting geopolitics are reshaping electronic component distribution, from extending lead times and rising customer expectations to the agent-to-agent supply chains poised to define the future.

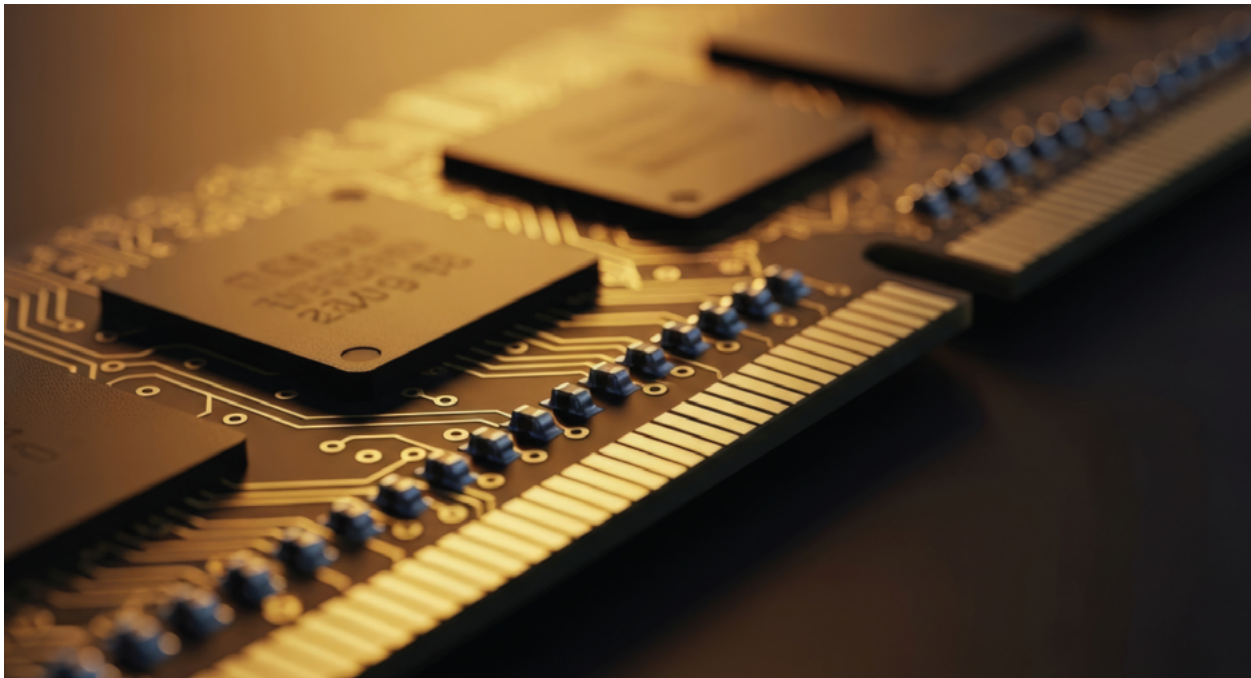


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How Manufacturers are Meeting the Expectations of Electronics Engineers

Murata's Vice President of Digital Experience, Tom Kuhl, explores how AI, data centers and shifting geopolitics are reshaping electronic component manufacturing as evolutions in demand sensing, supply chain planning and the expectations of engineers necessitate fast, digital self-service support.

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Memory Chip Shortage Squeezes Industrial Buyers

The memory crunch is spreading beyond phones and laptops as industrial buyers compete for tighter DRAM and NAND supply.

The memory chip shortage is hitting industrial supply chains as artificial intelligence (AI) data centers consume more computer memory (DRAM) and flash memory (NAND) capacity. Hyperscalers like Microsoft, Google, Amazon and Meta are buying aggressively for AI servers, high-performance computing and storage-heavy workloads, leaving manufacturers, electronics suppliers and component buyers competing for a smaller pool of parts.

That puts memory chips directly in the sourcing lane for industrial controls, automation systems, embedded devices, communications equipment and connected products. If recent reports are accurate, the problem isn't going to ease anytime soon.

"There's no quick fix, as the Great AI Infrastructure Buildout pits tech hyperscalers (think Meta, Google, and Amazon) against consumer electronics makers (think Apple, Xbox, and

scores of other gadget makers) jockeying for capacity from the memory manufacturers," Steven Tweedie writes in "The memory shortage is expected to get even worse."

"Memory suppliers are faced with unprecedented demand and deciding which type of memory chips their manufacturing lines will make," he adds, "and many have been seizing the moment and re-jiggering allocation in favor of the deep-pocketed AI hyperscalers."

Getting to the Root of the Problem

In "AI's Hidden Cost: The Global Memory Shortage Threat To Affordable Tech," Tim Bjarin reflects back to 1985, when an IBM PC cost about \$6,000 (nearly \$20,000 in current terms). Today, consumers can buy a Tecno Spark Go smartphone, which is thousands of times more powerful than that legacy PC, for \$30-120.

"That price-performance trajectory is unlike anything else in the history of consumer goods," Bjarin says. "But that era is ending because memory is becoming the bottleneck. Something fundamental has changed, and the industry needs to wake up to it: computer memory (DRAM) is becoming the bottleneck that will reshape consumer technology."

Some of the bottleneck can be traced to the amount of time and money it takes to build a new chip plant. They're massive undertakings that can't be spun up overnight, and they require a lot of planning, resources, money and infrastructure. Building a world-class DRAM fabrication facility costs between \$15 billion and \$20 billion, Bjarin points out.

Industry contraction hasn't helped at all. The industry has been whittled down to just three major players that supply over 90% of the world's memory chips: Samsung and SK Hynix in South Korea and Micron in the U.S.

Throw in high demand for chips from the automotive sector and consumers' insatiable appetite for the latest-and-greatest devices, and you get a recipe for tight supply, rising prices and longer lead times.

4 Ways to Manage the Strain

With no major easing expected in the second half of the year, memory buyers should be planning earlier, talking to suppliers more often and giving engineering teams more approved options before allocations get even tighter. With AI data cen-

ters, automotive and consumer electronics sectors all competing for DRAM and NAND capacity, waiting for the market to settle down isn't a good strategy.

Z2Data offers these four tips for buyers working through the shortage:

- 1. Use market data to guide inventory decisions.** Factor in demand forecasts, supplier reliability, current lead times and market conditions to decide which memory parts need more coverage.
- 2. Get closer to your key suppliers.** Longer-term agreements, earlier conversations and better demand signals can help buyers compete for supply when capacity gets tight.
- 3. Broaden your sourcing options.** Review approved vendor lists, qualify alternate parts where possible, and look for supplier or regional exposure that could create problems later.
- 4. Explore alternative memory technologies.** Z2Data points to MRAM, ReRAM and neuromorphic memory architectures as longer-term options that may give design teams more choices as the market changes.

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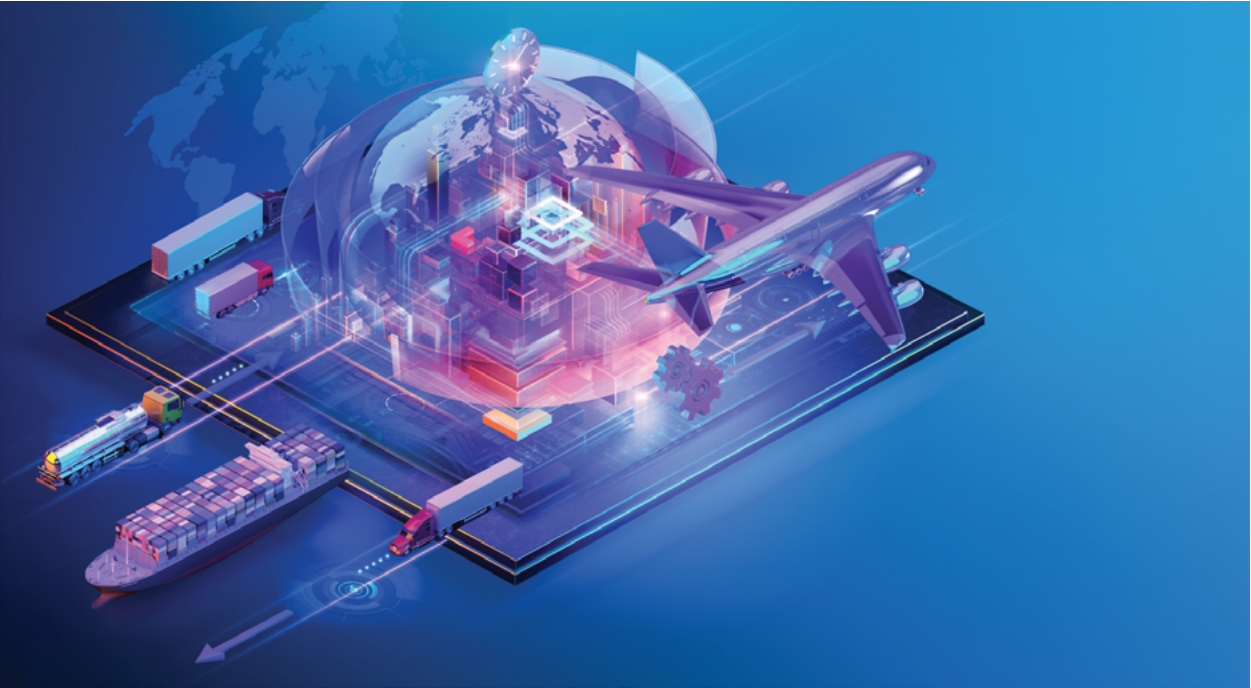
Supply Chains Under Pressure

Global disruptions, tariff worries and rising costs are pushing companies back into stockpiling mode.

The war in the Middle East, ongoing tariff concerns, component shortages, rising input costs and other factors are keeping supply chain managers up at night in 2026. And just when one problem is solved, multiple others seem to jump right in behind it. Supply networks are forced to navigate this complexity while also dealing with outside factors like inflation, economic uncertainty and changing customer behaviors.



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8 Supply Chain Tech Trends to Watch

Technology is moving deeper into supply chain planning, execution and governance as AI-driven systems take on more complex operational roles.

Across the supply chain, technology is becoming less of a back-office function and more of a core operating tool. Artificial intelligence (AI) is helping companies plan better transportation routes, software is generating more accurate forecasts, and robots are picking, packing and moving orders through warehouses.

These shifts are happening at a time when supply chain managers are being asked to do more with less room for error. Companies are still managing labor constraints, rising costs, changing customer expectations and more frequent disruption. The question now is, how much of the planning, sensing, decision-making and execution can be handled by systems that learn, adapt and act quickly and efficiently?

Gartner's new *Top Trends in Supply Chain Technology for 2026* report answers those questions, plus a few more. The research firm groups the trends into three different buckets: autonomy and agency, specialization and intelligence, and trust and governance. It says the themes reflect "a shift toward intelligent,

self-directed and accountable systems that operate seamlessly across digital and physical environments."

AI Takes the Lead

Naturally, agentic AI and physical AI (systems that perceive, reason and act within the real world, versus just processing information) sit at the top of Gartner's list this year. It says advances in AI technologies help CSCOs drive business value, strengthen resilience and reimagine operating models.

"This year's trends highlight the growing role of AI as the foundation for more autonomous, intelligent and adaptive supply chains," says Christian Titze, VP analyst, in a [press release](#). "As organizations move toward hyperconnected, AI-driven environments, leaders must focus not only on deploying advanced technologies, but also on ensuring they work together to deliver measurable value and long-term resilience."

(Continued on page 20)

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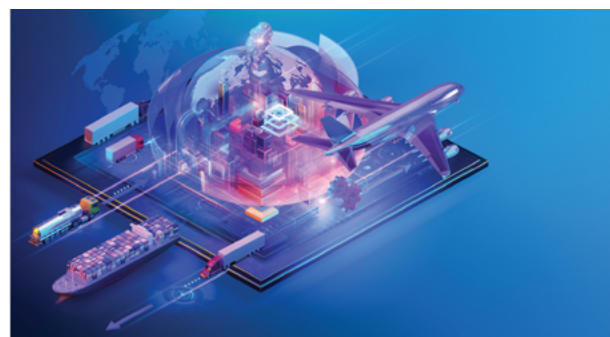
Here are the eight tech trends that Gartner says organizations should be paying attention to this year:

1. **Polyfunctional robots.** Advances in AI, machine learning and robotics engineering are enabling robots to take on multiple tasks beyond their original design. Gartner says these flexible systems offer a new workforce model, particularly in environments facing labor shortages.
2. **Physical AI.** Bringing AI into physical operations, this technology combines AI models with IoT sensors, robotics and automation systems to enable real-time sensing, analysis and execution across supply chain environments.
3. **Agentic AI.** Gartner says a class of AI systems is emerging that introduces a virtual workforce of agents that move beyond insights to execution, and are capable of planning, acting and adapting to achieve goals in complex environments.
4. **Collaborative multi-agent systems (MAS).** Extending the capabilities of individual AI agents, these systems enable multiple agents to work together across workflows and environments, each specializing in a specific task or domain.
5. **Intelligent simulation.** Enhancing traditional modeling approaches, intelligent simulation integrates AI, machine learning and advanced analytics into simulation models to improve predictive capabilities and decision-making.
6. **Domain-specific language models.** Designed for targeted business needs, these models are trained or fine-tuned for specialized supply chain use cases, delivering greater accuracy, reliability and compliance than general-purpose AI models.
7. **Product provenance.** Gartner says growing demand for transparency and regulatory compliance is driving the need to trace and verify the origin and journey of products across the supply chain.
8. **Decision governance.** Finally, as AI adoption scales, organizations are implementing frameworks and guardrails to govern AI-enabled decision-making, ensuring transparency, accountability and compliance.

Action Steps to Take Now

In the full report, Gartner also outlines actions organizations can take for each trend. Specific to physical AI, it says companies should start with use cases that can deliver measurable value, such as logistics planning, predictive maintenance and safety monitoring. It also recommends employing cross-functional teams, simulations, digital twins, stronger oversight and IoT expertise to manage implementation, integration and risk.

On the decision governance topic, Gartner recommends phasing in governed decision-making, updating existing processes and adding human oversight as AI takes on more complex supply chain decisions. “Overall,” it adds, “the primary implication of decision governance is to enable AI-powered decision making at the speed of trust.”



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Closing the Sustainability-Finance Gap

A new survey of 2,000+ global executives finds that very few organizations are successfully translating sustainability into financial metrics like EBITDA, cash flow and capital expenditure impacts.

Even as the acronym “ESG” takes a backseat or disappears from corporate reports and press releases in the U.S., the broader idea of sustainability continues to be prioritized both by domestic companies and their overseas counterparts.

Federal priorities are shifting, certain programs are being eliminated and organizations are talking less publicly about ESG, but customers, partners and investors still want to buy from, work with and invest in responsible companies. States like California, Colorado and Washington are also expanding their own ESG reporting and disclosure requirements as federal policy heads in a different direction.

Translating those commitments into financial terms that companies can use in decision-making is the new challenge—one that many organizations haven’t yet figured out. A new KPMG survey found that while many organizations have sustainability strategies in place and include them in planning, most still can’t quantify the impact on profits, cash flow or valuation. In

fact, the survey found that while 72% of executives understand their organization’s sustainability strategy, only 19% can calculate how it will affect their firm’s future financial performance.

It Started with *Who Cares Wins*

In all fairness, sustainability has always been difficult to quantify. A company that installs an auto-boxing line in its warehouse can count how much less corrugated material and dunnage it uses, for example, but it may not know whether right-sized boxes with less filler improve customer retention. A company that switches to paper straws and eliminates plastic across its corporate campus can track the reduction in plastic use, but probably can’t connect that decision to financial performance.

That disconnect has been around since ESG entered the business lexicon in 2004 with the release of *Who Cares Wins*, a UN Global Compact report calling for environmental, social and governance issues to be incorporated into investment

decisions. More than two decades later, many companies are still struggling to connect those commitments to profits, cash flow, capital spending and valuation.

In its new *Closing the sustainability valuation gap* report, KPMG puts a bright spotlight on the disconnect between sustainability strategy and financial decision-making. Based on a survey of over 2,000 executives in 19 countries and territories, the study found that sustainability is now firmly on the boardroom agenda, with 60% of organizations considering sustainability risks and opportunities in financial planning, and half of them embedding it into their core strategies.

However, KPMG says few organizations have succeeded in translating sustainability into financial metrics such as EBITDA, cash flow and capital expenditure impacts, challenging whether it is considered in financial planning, and creating a disconnect between sustainability initiatives and enterprise value. “As a result,” KPMG said in a [press release](#), “companies risk overlooking both the cost of inaction and the potential value creation opportunity of sustainability investments.”

Turning the Tide

Boardrooms worldwide broadly understand sustainability-related risks and opportunities, but KPMG says this still hasn’t had a tangible impact on financial decision-making. Here are some survey results to back that up:

- 72% of executives have a detailed understanding of their sustainability strategy, metrics and performance, or are familiar with the key aspects.
- 60% consider sustainability-related risks and opportunities in financial planning.
- 50% say sustainability is an integral part of their strategies.
- 40% integrate sustainability into innovation and product development.
- But only 19% use robust quantification approaches to measure how sustainability impacts financial outcomes, operational gains and innovation.

With macroeconomic headwinds, geopolitical shocks, climate impacts and rising stakeholder expectations all impacting revenues, margins and the cost of capital right now, KPMG says it’s time to recognize sustainability for what it really is: a way to strengthen growth resilience and improve capital efficiency, but only when it’s properly quantified and embedded into both business strategy and financial planning.

“Companies that take the initiative now will be better prepared to protect and create value and competitive advantage at their own organizations,” the firm points out. “When it comes to sustainable value creation, leadership is not just about waiting for the herd to move; it’s about acting early in the face of inevitable change.”

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5 Reasons to Automate Your Supply Chain

Supply chain disruption, labor shortages and volatile demand are pushing companies to automate operations and replace legacy systems.

Supply chain, logistics and fulfillment automation is a hot topic right now as organizations work to make their global networks more efficient, responsive and effective. Key drivers include issues like tariff uncertainty, supply chain disruption and customer demands that are changing by the day. Geopolitical events, skilled labor shortages and other forces are also pushing more organizations to experiment with automation at different nodes in the supply chain.



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The Sustainability Blind Spot Beyond Tier 1

New report finds that 80% of Tier 1 suppliers aren’t managing sustainability risks in their own supply chains.

Knowing what your suppliers are doing is a constant struggle for organizations that not only need to monitor what’s going on within their own four walls, but also out across the broader supply chain. This has never been easy, but technology does give companies more connectivity, power and oversight over something that can quickly turn into a mysterious “black box” of the supply chain.

The supplier oversight challenge is particularly thorny once you get into the Tier 2 and Tier 3 levels, where smaller suppliers and vendors that don’t deal directly with the buying organization often operate with much more autonomy. One supplier that misreports its emissions or one vendor that overlooks a labor violation can throw a customer’s entire sustainability program into disarray.

And while it’s always been known that visibility beyond Tier 1 is elusive, findings from the new [EcoVadis Sustainability Ratings Index](#) highlight a starker reality: 80% of Tier 1 suppliers have no documented process for identifying or managing sustainability risks within their own supply chains. Seventy-three percent don’t report upstream Scope 3 emissions, while 77% don’t track downstream emissions.

“Organizations have built sophisticated tools to analyze supplier sustainability data, [but] the suppliers either don’t have that data or can’t report it in a form the tools can use,” said Sylvain Guyoton of EcoVadis, in a [press release](#). “Better software does not close that gap. The measurement problem lives in the supply base itself, and closing it requires sustained engagement over time: structured assessment, scored performance, and documented follow-through.”

Sustainability Programs Need Some Work

U.S. companies may not be talking as much about environmental, social and governance (ESG) programs right now, but that doesn’t mean they’ve taken their foot off the sustainability gas pedal. In many cases, they’re just using different language and folding those priorities into procurement, compliance, emissions reporting, supplier management and risk programs.

The problem is that those programs often don’t extend far enough into the supply chain. According to EcoVadis:

- **Four out of five suppliers aren’t managing sustainability risks deeper in the chain.** Most suppliers (80%) have no documented process for identifying or addressing those risks within their own supplier networks.
- **Scope 3 reporting remains sparse.** Seventy-three percent of EcoVadis-rated companies don’t report upstream emissions and 77% don’t track downstream emissions.
- **Most workers have no outside channel for reporting violations.** Just 2% of suppliers assessed by EcoVadis have an external grievance mechanism that workers can use to report human rights concerns.
- **Buyers still aren’t getting detailed supplier data.** Less than 1% of companies assessed by EcoVadis provide granular sustainability information that customers can use to make purchasing and supplier-management decisions.
- **Environmental performance is improving inside company operations.** Forty-six percent of rated suppliers purchase or generate renewable energy and 38% provide climate training for employees.
- **Most suppliers still lack science-based carbon targets.** Despite the improvement in environmental scores, 78% haven’t established science-based emissions reduction goals.
- **Supplier verification still relies heavily on paperwork.** Forty-two percent of companies use unverified supplier questionnaires, while just 20% conduct onsite audits. That audit rate has barely changed in the last four years.
- **Artificial intelligence is running into the same data problem.** Sixty-eight percent of corporate buyers have deployed AI in sustainable procurement programs, but 30% of suppliers provide no carbon data and 26% provide only aggregated estimates.

EcoVadis says companies can start closing these gaps by setting specific supplier expectations, collecting better emissions and labor data and following up when problems arise. The company also recommends using audits, corrective-action plans and regular supplier reviews instead of relying mainly on self-reported information.

On a Positive Note...

Some companies and institutions are making measurable strides on the sustainability front this year. According to the [Global Electronics Council \(GEC\)](#), the winners of the 2026 EPEAT Purchaser Awards collectively bought more than 1.5 million EPEAT-registered products, cutting an estimated 224,000 metric tons of greenhouse gas emissions. Those purchases also reduced energy use by 978 gigawatt-hours, conserved 2.25 billion liters of water and kept 20,400 metric tons of solid waste out of the waste stream.

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Securing Real-Time Freight Visibility with Cloud-Based EDI Systems

Real-time freight visibility has become essential as supply chains grow more complex. Cloud-based EDI systems help companies connect trading partners and gain timely information needed for better, faster decisions.

Global supply chains generate large amounts of data every day, yet many companies may still struggle to accurately track and predict shipping schedules. This uncertainty affects operations across the board, from production scheduling delays to strained customer relationships.



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Supply Chain Worker Shortage Looms

A new report predicts that there will be a shortage of more than 1.1 million supply chain workers by 2035.

Just when it felt like supply chains couldn't come under any more pressure or have the room to manage any other challenges, a new Accenture report finds that the sector is going to be short more than 1.1 million workers by 2035. Technology, automation and artificial intelligence (AI) may help pick up some of the slack, but the number is staggering in an industry that requires a human touch, expertise and oversight to run right.

Accenture does the math in its new report, [Turning the supply chain talent shortage into strength](#). The bottom line: demand across core supply chain occupations in the U.S. will rise by 1.34 million roles by 2035 (19% growth), but the labor force will only add roughly 221,000 workers (just 3.2% growth). That leaves a gap of over 1.1 million.

"Supply chains in the US are facing a serious labor shortage, which threatens the efforts to reshore supply and production," Tracey Countryman, global lead, supply chain and engineering at Accenture, says in the report. "Companies can tackle this challenge with AI and other technologies, but only if they reshape their workflows and roles within it."

Accenture says several forces are driving the demand, including economic expansion, nearshoring, agentic commerce, delivery compression, supply base diversification and rising compliance complexity. "Simply hiring more workers is not enough; the math doesn't work," it says. "Reshoring efforts, AI-driven commerce, faster delivery expectations and rising regulatory requirements are all accelerating demand for supply chain talent at once."

Can't Keep up With Industry Growth

Warehousing, logistics, transportation and everything else that goes into running a supply chain hasn't historically been a big draw for recent grads, professionals or even career-changers. The global pandemic altered that, bringing supply chain up onto the radar screen of individuals, professional organizations (ASCM, CSCMP, ISM, etc.) and educational institutions, many of which have since rolled out new supply chain-related programs and certifications or refreshed existing ones.

Still, the industry is growing at a clip that's outpacing those programs—right at a time when roughly [11,000 Baby Boomers](#)

reach retirement age every day. That combination, along with various other factors, is leaving a gap in the supply chain sector that can't always be filled through the usual means (i.e., posting an opening on LinkedIn and expecting the right candidate to come along).

The good news is that technology is helping to even out the imbalance a bit. For example, Accenture simulated how technology adoption could flip the script: In one scenario, the 1.1-million worker shortfall turns into a surplus of approximately 360,000, but that's only if 75% of the existing supply chain workforce adopts agentic AI, autonomous vehicles, drones and exoskeletons.

3 Ways Tech Can Help Close the Gap

As some industries use AI in place of people, supply chain organizations face a different problem: not enough workers to fill open jobs. Accenture recommends that supply chain executives use technology to reduce routine work, rethink job responsibilities and prepare employees for new duties.

- **Target routine work first.** Identify the repetitive tasks consuming employees' time, such as inventory tracking, record updates, shipping documentation and shipment scheduling, then determine where technology can take

over. Accenture says this can help operations handle higher volumes without hiring at the same rate while employees concentrate on exceptions, customer problems and decisions that require judgment.

- **Redefine roles as tasks change.** Decide which responsibilities employees will take on as technology absorbs more administrative work, including system oversight, exception management, data validation and decision-making. Review each occupation separately, Accenture recommends, because office-based jobs may change substantially while roles requiring physical presence or judgment may not.
- **Train employees for the new work.** Focus less on systems that AI and automation can handle (e.g., entering and updating information in enterprise resource planning [ERP] systems, recordkeeping and workflow coordination) and help employees learn how to manage more value-added projects. For example, show them how to review AI output, validate data, manage exceptions and intervene when automated systems fall short.

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Less Than Half of Global Firms Are Prepared for Supply Chain Disruption

New research from ISM and Amazon Business reveals that 65% of global firms are using manual reporting and just 45% feel prepared to manage supply chain disruptions.

When it comes to handling unpredictable demand spikes, geopolitical conflicts, shipping interruptions and catastrophic events, less than half of the world’s organizations feel prepared. U.S. firms rate themselves slightly less prepared, while those in Asia rate themselves somewhat better. Organizations with larger supply chain groups report the highest preparedness, according to new research from the Institute for Supply Management (ISM) and Amazon Business.

“Supply chains have undergone a fundamental shift as a result, with a relentless pursuit of lowest unit price evolving into a more complex mandate [of] balancing cost and risk,” the companies note in “Balancing Cost and Risk: An Operating Model for Supply Chains.” “That balance has become a board-level priority, framed in terms executives understand: revenue protection, margin stability, and continuity of operations.”

Balancing Cost and Risk is the Default

Across all regions and organization sizes, respondents say balancing cost and risk is becoming the “default operating posture.” In the report, David C. Dowty of Amazon Web Services says COVID-related supply chain shocks have merged with geopolitical challenges to create new financial stressors on raw material sourcing. “That has created an environment where everybody is reevaluating everything we thought we knew about industrial supply chain management,” he adds.

Meanwhile, ISM’s data finds that even as disruptions accelerate, many teams still rely on manual reporting and a narrower set of risk signals. Among the other key findings in the report:

- **Manual reporting is still widespread.** Two-thirds (65%) of respondents use manual reporting to gather data; larger departments rely less on manual methods and more on automation.

- **Most organizations report balancing cost and risk.** 71% said balancing cost and risk is a primary goal, with respondents in Asia reporting greater emphasis on risk mitigation and larger firms placing emphasis on cost savings.
- **Risk evaluation still skews to traditional measures.** Financial health assessments and quality management systems remain the primary supplier risk evaluation tools for organizations. “U.S. respondents report higher use of cybersecurity measures; larger organizations report more use of geographic concentration analysis and environmental compliance checks,” the companies note.
- **Tools are common, but sophistication varies.** Respondents noted that their organizations largely rely on e-procurement solutions (58%) and supplier portals (51%). “Larger organizations more frequently use contract management systems, risk monitoring and predictive analytics,” they add, “while Asian firms report lower usage of supplier portals and risk-monitoring tools.”

4 Ways to Build Supply Chain Resilience

As organizations weigh cost against risk, ISM and Amazon identify four common practices that companies can use to build supply chain resilience in this uncertain environment:

1. **Diversify supply and fulfillment.** Companies increasingly see single-supplier strategies, once prized for efficiency, as vulnerabilities. “You don’t need five suppliers for everything,” say ISM and Amazon, “but you do need options where it matters.”
2. **Improve visibility deeper into the supply chain.** New data and analytics tools help organizations monitor price, availability and supplier events in near real time. Multi-tier mapping tools reveal dependencies that companies couldn’t see before: “When you can see six or eight levels down, it changes the conversation. It makes risk real.”
3. **Shorten decision cycles.** Traditional procurement processes like lengthy RFP cycles no longer cut it in our fast-moving world. “The market can be fundamentally different six months after an RFP, making decisions obsolete by the time contracts are implemented,” the organizations caution.
4. **Use scenario planning to manage risk.** Simulate potential disruptions, from geopolitical events and natural disasters to supplier failures and cyberattacks, and map out responses in advance. “It’s hard, it takes time, and it’s not always comfortable, but when something happens, you’re ready.”

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Sustainability As a Resilience Discipline: Wired to Procure

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Americans Say “NIMBY” to the AI-Driven Data Center Construction Boom

As AI usage increases, communities nationwide are pushing back against the data centers needed to power it.

Love it or hate it, artificial intelligence (AI) has become part of everyday life for most Americans. According to a recent [YouGov survey](#), 81% of U.S. adults have used some form of AI, including chatbots, recommendation systems, voice assistants and AI agents. And nearly half (48%) are using AI at least once a week.

YouGov also found that 18% of Americans use AI every day, including 25% of millennials. A different YouGov survey revealed that 11% of Americans use AI tools multiple times a day, 10% use them daily and another 21% use them at least once a week.

As more Americans use AI for a wide range of tasks, many of them don’t understand the raw computing power required to train and run large language models (LLMs) like ChatGPT, Claude and Gemini.

These and other systems rely on massive networks of servers housed in data centers that are springing up all over the country. By 2030, [JLL expects](#) global data center capacity to nearly double to 200 gigawatts, up from about 103 gigawatts last year. It credits demand for AI and hyperscale cloud (i.e., those cloud-computing operations run by companies like Amazon, Microsoft and Google) with driving much of that growth.

70% Oppose the Plans

Americans may have embraced chatbots and other AI-driven tools, but the last thing most of them want is a new data center in their backyard. That opposition has turned into a modern-day version of the “not in my backyard” (NIMBY) mindset that took hold in the 1970s and 1980s, when communities acknowledged the need for power plants, waste facilities and other major infrastructure but fought to keep them away from their own homes.

The U.S. currently has more than 3,000 operational data centers. That number is expected to grow substantially in the years ahead, with more than 1,500 new data centers currently in various stages of development, according to [Pew Research Center](#). Of these facilities,

- 67% of planned data centers are in rural areas.
- 87% of existing data centers are in urban ones.
- 39% of planned data centers are in counties that currently don’t have any.

Pew says most of the planned construction of U.S. data centers will take place in the South and Midwest. Three-quarters of all planned data centers will be built in these two regions, with the South alone accounting for nearly half of them (48%).

According to a recent [Gallup](#) survey focused specifically on AI-based data centers, 70% of people oppose constructing such data centers in their local area. And nearly half (48%) are “strongly opposed” to these projects. It’s the first time Gallup has polled Americans about data center construction, a topic that local residents in many parts of the country have been speaking up about.

“These data centers house computing equipment that helps power AI technology used by businesses, universities and other institutions,” Gallup reports. “The centers cover large areas of land, require extensive amounts of electricity to operate and need substantial water to cool the equipment, raising concerns about their impact on the environment and local electric bills.”

Why Communities Are Pushing Back

Gallup’s survey also included some open-ended questions meant to dig deeper into the issue. It says about half of the detractors mention data centers’ excessive use of resources, with 18% each citing water and energy use as the biggest issue. Sixteen percent cited related pollution concerns, including noise, air and water pollution.

About one in five opponents is worried about the impact on local quality of life, including increased population, increased traffic and preferring that the land be used for other purposes. “A similar share mentions potentially negative economic consequences,” Gallup says, “including higher utility bills, cost-of-living increases, and the cost of building the data centers (which could involve the use of taxpayer funds).”

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U.S. Manufacturing Sector Continues to Expand

The latest ISM report shows U.S. manufacturing grew again in May, even as costs and uncertainty kept rising.

External forces be darned, the U.S. manufacturing sector is chugging along and registering consistent, month-over-month expansion according to at least one leading indicator. The latest ISM Manufacturing PMI Report says economic activity in the manufacturing sector expanded in May for the fifth consecutive month.



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