

PROLOGIS' 2027

Supply Chain Outlook Report



Prologis Supply Chain Outlook: Where Power Meets Speed

Introducing Prologis' 2027 Supply Chain Outlook Report

Prologis proudly presents the findings of the 2027 Supply Chain Outlook report, our third annual comprehensive study commissioned to capture the evolving landscape of supply chain management as it continually transforms. This survey was conducted by The Harris Poll on behalf of Prologis from August 3rd-20th, 2026, among a sample of 1,821 business leaders who play pivotal, supply chain decision-making roles in their organizations.

The study details insights from 519 U.S. executives, 262 U.K. executives, 259 German executives, 265 Indian executives, 259 Chinese executives, and 257 Mexican executives, offering a truly global perspective on the challenges and opportunities shaping supply chain management for 2027 and beyond. The survey includes respondents acting at the Director level or higher from companies with over 250 employees, representing a diverse range of industries (including technology, healthcare, manufacturing, retail, and financial services) and organizational scales.

Executive Summary: Supply Chain 3.0: Where Power Meets Speed

In its third year, Prologis' Supply Chain 3.0 captures a supply chain environment that feels meaningfully different from even 12 months ago. Energy, AI, trade policy, and consumer expectations are no longer separate pressures. They are forces that have converged, rewriting where companies build, how they operate, and what they demand from logistics real estate. Leaders are not waiting out volatility; they are rebuilding around it.

Energy Reshapes the Map: Power First, Everything Else Second. Power reliability ranks as the #1 factor in logistics location decisions, ahead of transportation access, automation readiness, and rent. Two-thirds of leaders say energy costs are significantly squeezing operations, and half now systematically factor energy premiums into site and lease decisions. Comprehensive backup systems have expanded 12 points year over year, yet only 23% have achieved on-site energy independence. The gap between demand for power-ready facilities and the supply of them is the defining constraint in logistics real estate.

The Agility Imperative: Regionalize, Diversify, or Fall Behind. Rising tariff rates are the top disruptor, and for two-thirds of leaders, tariffs have reshaped the pace or scope of their regionalization efforts, whether by accelerating execution, jumpstarting planning, or restarting paused initiatives. Organizations are not choosing one path; they are diversifying, regionalizing, nearshoring, and reshoring simultaneously. Meanwhile, the share choosing to hold their current global footprint has dropped 15 points year over year. The underlying conviction is clear: 93% agree that by 2030, agility will matter more than cost efficiency as a source of competitive advantage.

AI as Operating System: From Efficiency Tool to Competitive Divider. AI-driven demand forecasting (43%) and agentic execution systems (39%) are the top two transformative technologies. The investment is paying off: 67% say AI is already differentiating them competitively. Primary applications span operational efficiency (58%), workforce augmentation (49%), and customer experience (49%). But scaling remains hard: legacy integration (27%), cybersecurity (26%), and upfront costs (23%) block progress.

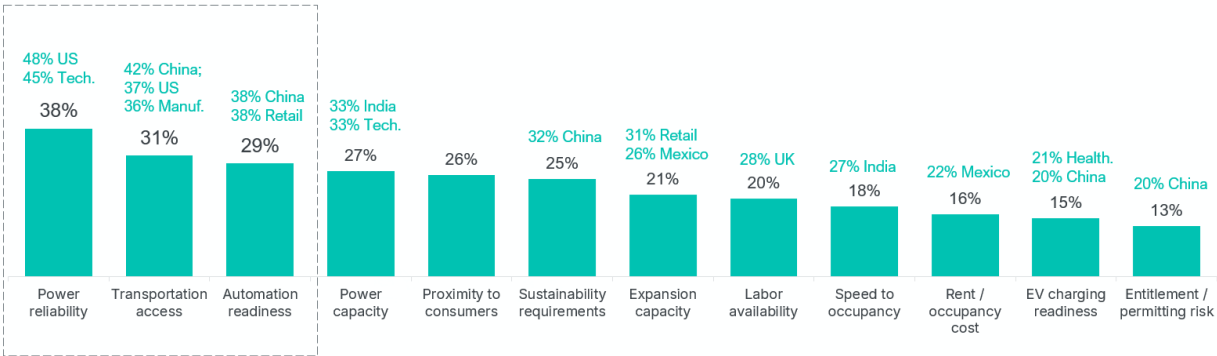
Speed as the New Baseline. Same-day or next-day delivery has surged from 24% to 58% of organizations in seven years. Speed now ranks as the #1 competitive differentiator (39%), more than double the weight given to pricing (18%). Yet 84% acknowledge a gap between what retailers promise and what warehouses can deliver. To close it, 91% say the industry needs more decentralized fulfillment networks, translating speed expectations directly into demand for logistics nodes closer to consumers.

Top Insights

Energy Shapes Where and How Companies Build

Power reliability outranks every other factor in logistics location decisions, including transportation access, automation readiness, sustainability requirements, and rent.

 Attributes with greatest influence on next logistics location
Total, Select up to 3

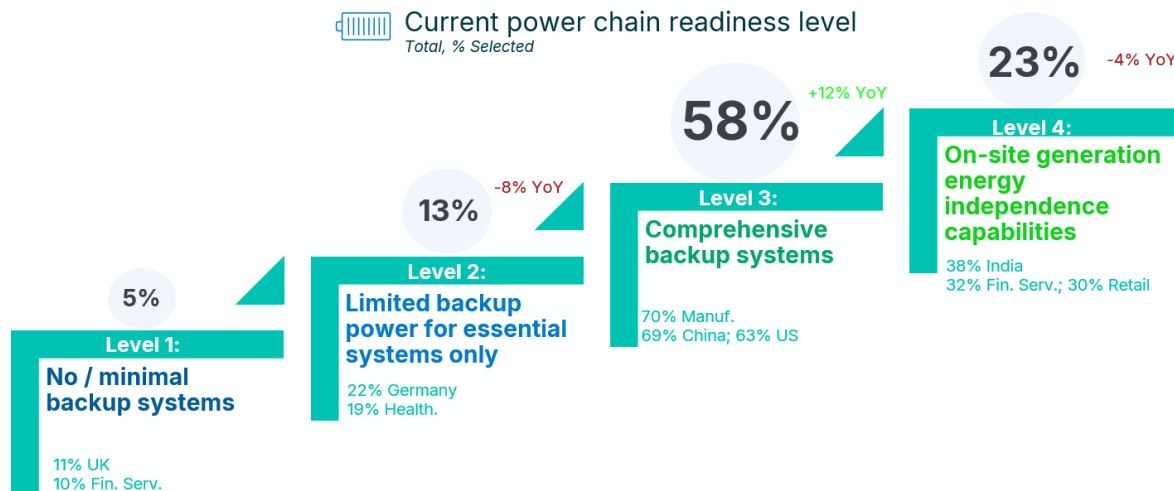


Implications:

Over the past year, to ensure this power reliability, leaders have made or accelerated investments in battery energy storage (43%), demand flexibility and load management (41%), on-site backup generation (40%), and long-term renewable energy agreements (40%). But two-thirds of leaders report that energy is having a significant impact on their supply chain's overall operating costs, particularly from higher energy bills (39%) and transportation fuel costs (39%). To protect margins long-term while still maintaining their power supply, leaders are putting capital behind efficiency upgrades (59%) and long-term contracts (49%).

Comprehensive Resilience Expands, On-Site Independence Stalls

58% now have comprehensive backup systems, expanding 12 points year over year. Yet, only 23% have achieved on-site energy independence.

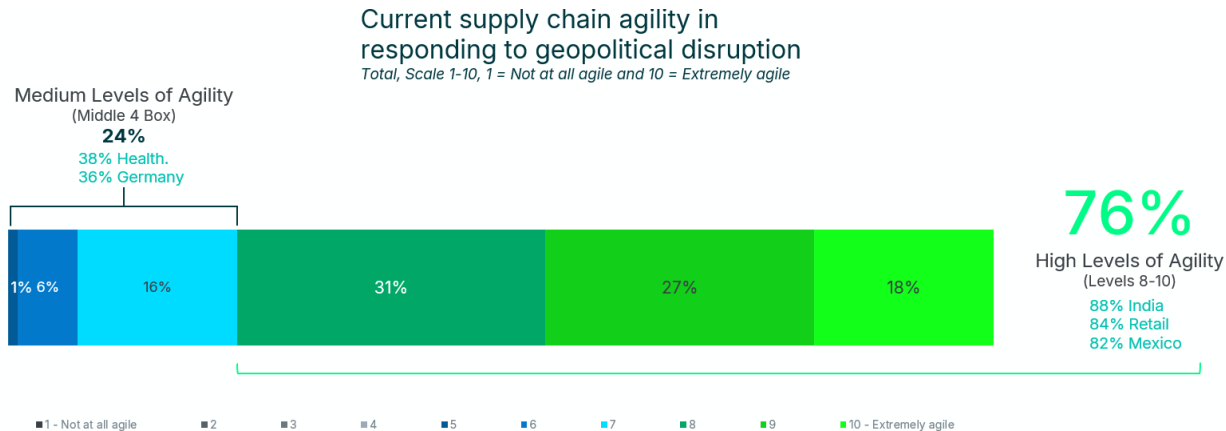


Implications:

Power-ready facilities are a defining constraint in logistics real estate, with demand outrunning supply. Most organizations that faced energy crises say their preparations held, yet over a third were left exposed when facing events like regional power grid failure or sustained energy price volatility. With 95% now factoring reliable energy infrastructure into lease decisions, leaders are treating resilience as a priced-in requirement; even if it comes at a premium, the coming years will demand power-ready sites and resilient infrastructure that closes the gap between backup systems and true energy independence.

Geopolitical Disruptions Create an Agility Imperative

When thinking about their ability to respond to geopolitical disruption, 76% rate their supply chain agility as high.

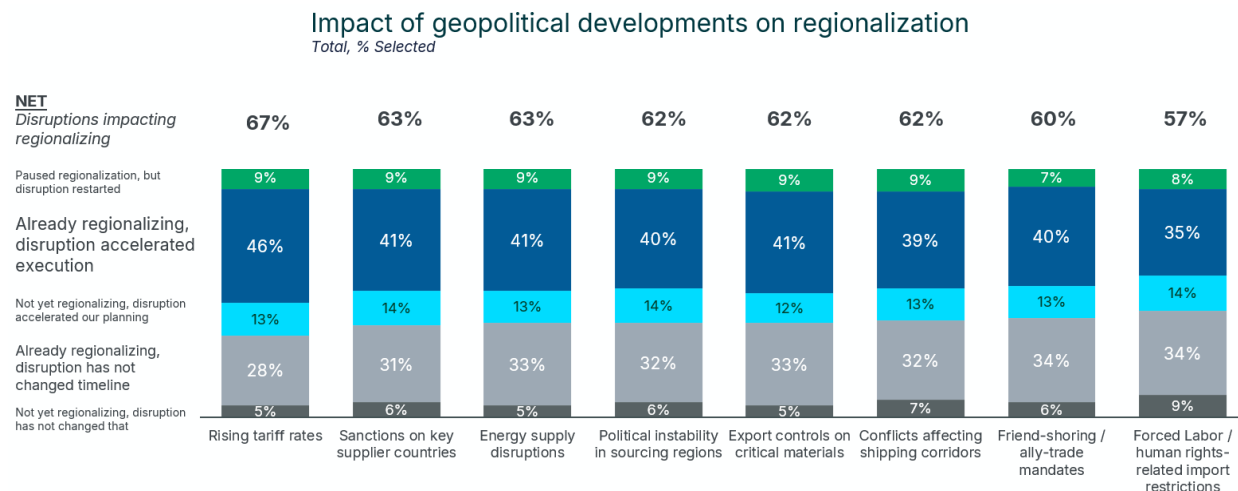


Implications:

Agility is a deliberate strategy, with 34% now describing their supply chain planning mindset as “aggressive transformation” (up 10 points YoY); this agility is more essential than ever in the face of geopolitical disruptions like rising tariff rates (55%) and conflicts affecting shipping corridors (53%) that are impacting production / sourcing operations. Leaders see this as the new normal: 93% agree that by 2030, agility will matter more than scale or cost efficiency as a competitive advantage.

Fragmenting Global Footprints: Trading Stability for Optionality

In last year’s survey, 77% of leaders reported implementing regional supply chain networks. This year, geopolitical developments like rising tariff rates, supplier sanctions, and energy disruptions have accelerated regionalization strategy.

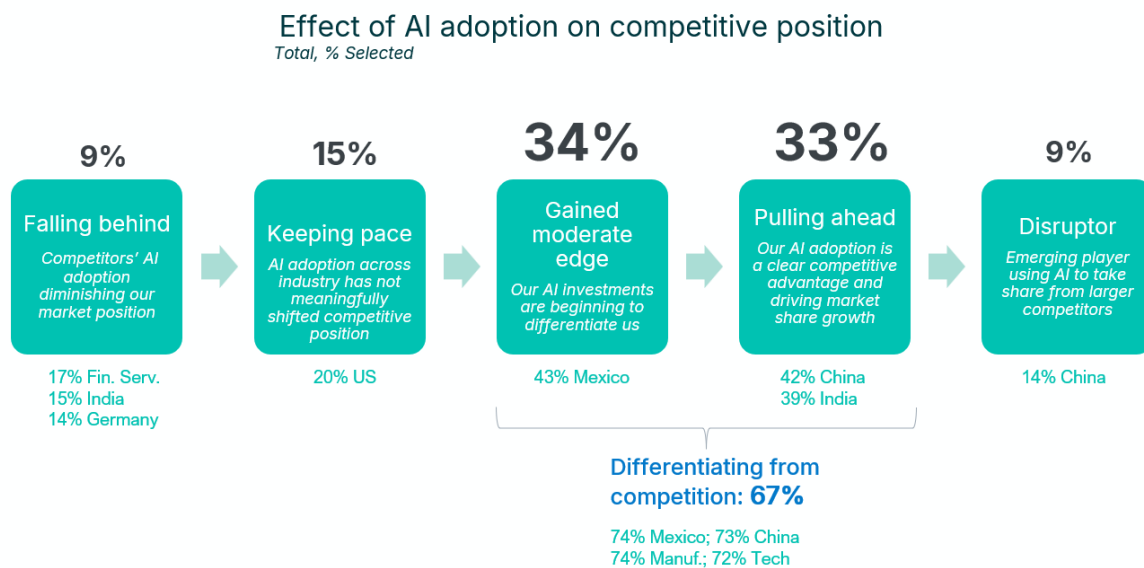


Implications:

Global footprints are fragmenting by design. With only 36% maintaining their current global footprint (down 15 points YoY) and organizations diversifying, regionalizing, nearshoring, and reshoring at the same time, leaders are pursuing network flexibility as an advantage. But as a result of this regionalization acceleration, two-thirds report contending with significant local regulatory impact, with emissions standards exerting the greatest pressure. In 2027, rewriting these footprints aren't just logistics decisions, they're compliance ones.

AI As the Next Competitive Divider

Two-thirds say AI adoption has given their organizations a leg up, and nearly 1 in 10 are using it to take share from larger competitors.

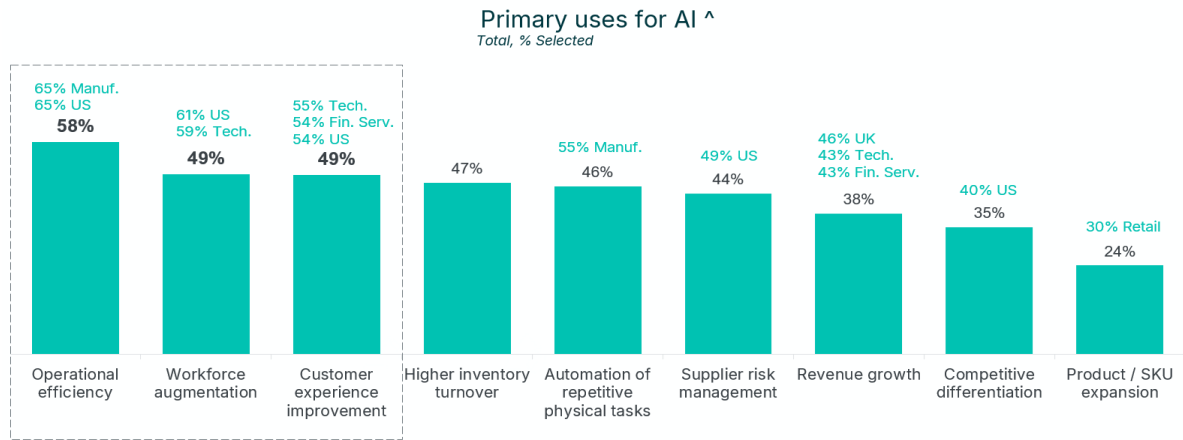


Implications:

AI is a competitive divider, and the agenda for emerging supply chain technology shows leaders know it. AI-driven demand forecasting (43%) and agentic execution systems (39%) are the top two transformative technologies for supply chain operations over the next three years; moreover, 75% and 71% are planning significant investment in forecasting and agentic systems, respectively. leaders should treat AI-powered supply chains as a route to market advantage and market share.

AI As an Operating System

Organizations are using AI for operational efficiency (58%), workforce augmentation (49%), and CX improvement (49%).

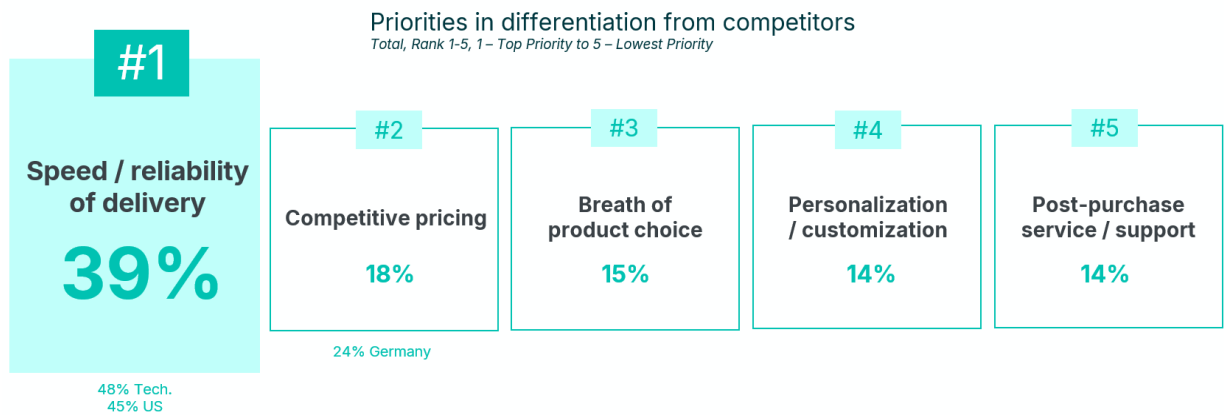


Implications:

AI is proving its value across applications, yet legacy integration (27%), cybersecurity (26%), and upfront costs (23%) still stand between strategy and scaling. The reward for breaking through is worth it: over the next five years, leaders expect these investments to deliver greater speed and throughput across logistics and fulfillment (49%), a stronger ability to anticipate and respond to disruptions (47%), and end-to-end supply chain visibility (45%). Leaders who will win the long-term payoffs will be able to connect AI to legacy systems, lock down security, and scale affordably.

Speed as the New Baseline: Consumer Pressure Reshaping Fulfillment

Speed now ranks as the #1 competitive differentiator (39%), more than double the weight given to pricing (18%). And 92% of leaders agree, “Delivery speed is now nearly as important as price in determining where consumers choose to shop.”



Implications:

Speed is the price of staying in the race. Same-day or next-day delivery has surged from 24% to 58% of organizations in seven years, and 91% report that same-day or next-day delivery is becoming the baseline expectation for consumers in their sector. But expectations outpace execution: 91% admit that consumer expectations around delivery speed rise faster than most supply chains can adapt, and 84% are acknowledging a gap between what retailers promise and what warehouses can deliver. The industry is already moving to close the gap: 92% are investing in last-mile innovation, 91% are calling for more decentralized fulfillment networks, and 88% say early drone adopters will gain a meaningful advantage in select markets.

What This Means for Logistics Real Estate

The forces of energy, AI, trade policy, and consumer expectations converge on a single point: *demand is intensifying for modern, power-ready, automation-capable facilities in locations with proximity to consumers and resilient infrastructure.*

Organizations choosing where to build next are prioritizing power and automation readiness over rent and traditional cost factors.

As regionalization accelerates and speed expectations compress fulfillment timelines, the logistics footprint of the future will be more distributed, more energy-intensive, and more technologically demanding.

Scarcity of land, power, and modern facilities in core markets will increasingly separate the organizations that can execute from those that cannot.

Methodology

The research was conducted online by The Harris Poll on behalf of Prologis from August 3rd-20th, 2026, among a total of 1,821 business leaders across six countries (U.S., U.K., Germany, India, China, Mexico), with respondents distributed as follows: U.S. (519), U.K. (262), Germany (259), India (265), China (259) and Mexico (257). All respondents hold director-level or higher titles, are employed full-time at organizations with 250 or more employees and serve as supply chain decision-makers at their organizations.

This report also references data from last year's report, which included research conducted online across the same six countries among 1,816 business leaders. That survey was conducted from August 10th-15th, 2025, by The Harris Poll on behalf of Prologis.

This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated.