The Harris Poll | PROLOGIS®

PROLOGIS' 2026

Supply Chain Outlook Report

Introducing Prologis' 2026 Supply Chain Outlook Report

Prologis proudly presents the findings of the 2026 Supply Chain Outlook Report, our second annual comprehensive study commissioned to capture the evolving landscape of supply chain management as it enters a new era of transformation. This survey was conducted by The Harris Poll on behalf of Prologis from August 10th-15th, 2025, among a sample of 1,816 business leaders who play pivotal roles in their organizations.

The study includes insights from 507 U.S. executives, 268 U.K. executives, 270 German executives, 258 Indian executives, 255 Chinese executives and 258 Mexican executives, offering a global perspective on the challenges and opportunities shaping supply chain management for 2026 and beyond. The survey includes respondents from companies with over 250 employees, representing a diverse range of industries and organizational scales.

This report reveals how global business leaders are navigating the transition characterized by AI-driven decision making, regional self-sufficiency and energy resilience as core operational pillars.

Executive Summary: The Dawn of a New Supply Chain Era

Global supply chain leaders are orchestrating a fundamental transformation driven by AI, regional self-sufficiency and energy resilience as core operational pillars.

The Great Recalibration reveals an optimistic but strategically cautious industry. While 82% of leaders express optimism about 2026 performance, they are implementing sweeping changes: 56% have deployed new technology, 50% have installed risk monitoring systems and 48% have increased safety stock in response to recent disruptions.

Geographic Realignment is accelerating toward localized production, aligning around major cities as high consumption centers and labor bases. After decades of chasing the cheapest global labor, companies are reversing course. 58% forecast more regionalized supply chains by 2030, with 77% already implementing regional self-sufficient networks. This shift is driven primarily by energy reliability concerns (40% of leaders) rather than traditional factors like labor costs (36%).

AI + Automation has reached a decisive tipping point. Currently, 70% of organizations have transformational or advanced AI implementation, with these investments delivering strong returns. By 2030, leaders anticipate AI will drive the majority of supply chain decisions across all major functions.

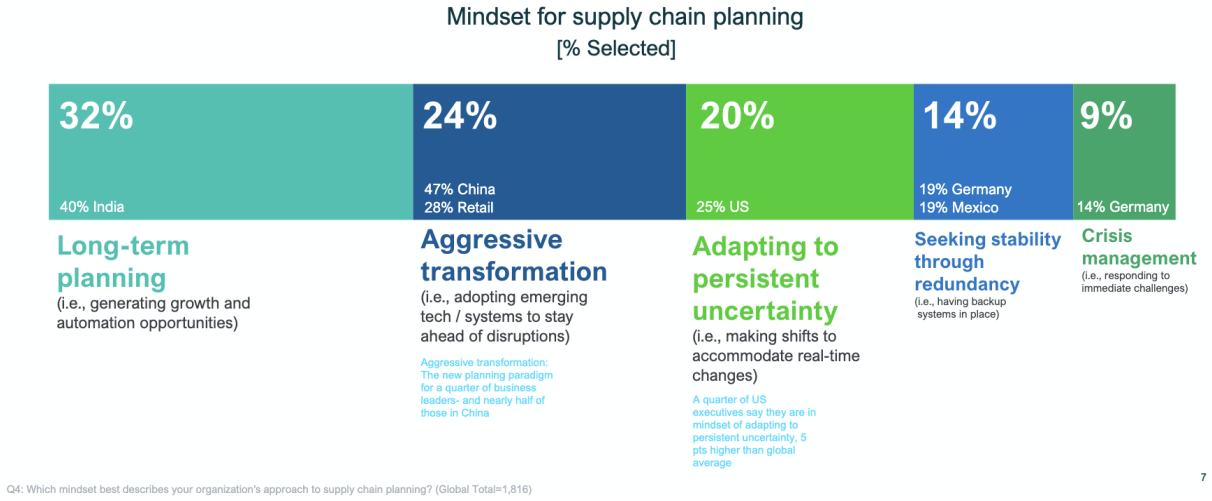
The Power Chain emerges as the critical fourth pillar. Energy disruptions have become a top executive fear, with 89% experiencing energy-related disruptions in the past year and 83%

believing energy reliability will be the next major supply chain crisis. With 76% expecting 10-50% increases in power requirements over the next five years, energy resilience is reshaping location decisions and operational strategies.

Top Insights

Strategic Mindset Divergence: The Planning Paradigm Split

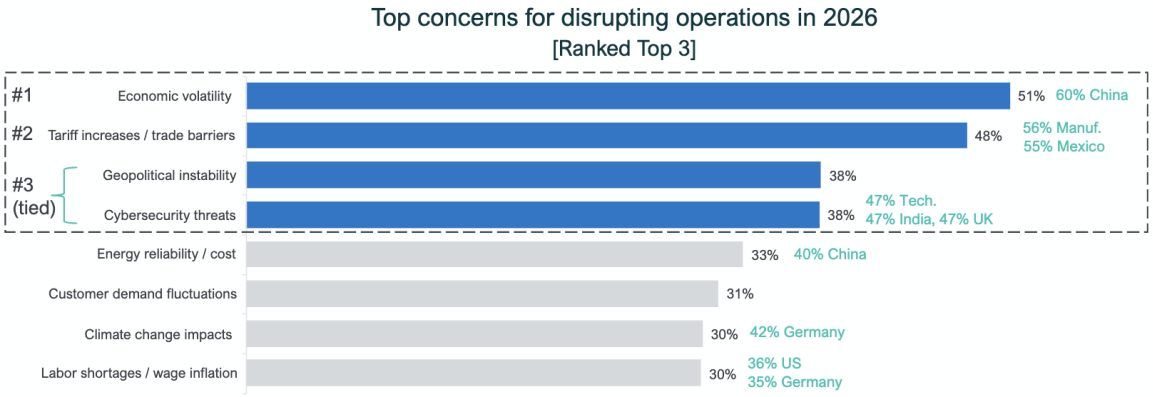
Supply chain leaders have adopted distinct strategic mindsets reflecting their organizations' risk tolerance. About a quarter are pursing aggressive transformation as their primary planning approach.



Implications: Companies must choose between long-term stability (32%) and aggressive transformation (24%) approaches. Organizations pursuing aggressive transformation, particularly those in China (47%) and retail (28%), are positioning themselves to outpace uncertainty through innovation, while others focus on sustainable growth trajectories. Strategic adaptability will be crucial for maintaining competitive advantage in an environment where both conservative and aggressive approaches face distinct risks.

Economic Volatility and Trade Concerns: The 2026 Risk Landscape

Economic volatility and tariff increases emerge as leading executive concerns for 2026 operational disruptions.

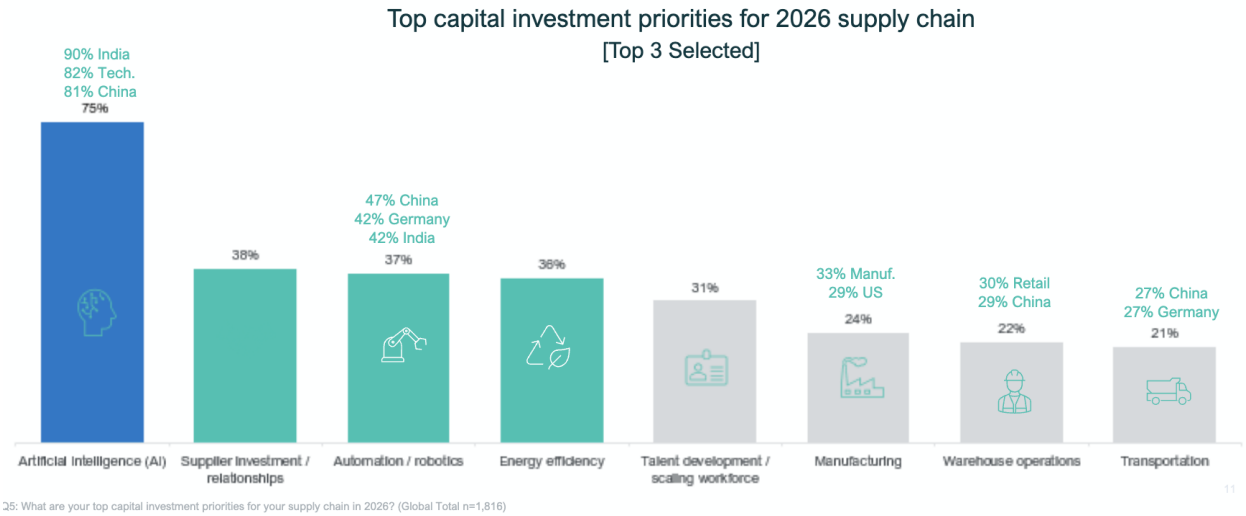


Q2: As you look ahead to 2026, how concerned are you about the following potential business challenges disrupting your operations? (Global Total n=1,816)

Implications: The convergence of economic and trade policy risks requires sophisticated hedging strategies. Organizations must develop contingency plans that address both macroeconomic volatility (51% concerned) and trade policy changes (48% concerned) simultaneously. Companies need agile partnerships with forward-looking firms that excel in navigating complex economic and political landscapes to remain proactive rather than reactive.

AI Investment Supremacy: The Technology Priority Revolution

AI leads 2026 investment priorities at 75%, followed by supplier relationships (38%), automation (37%) and energy efficiency (36%).

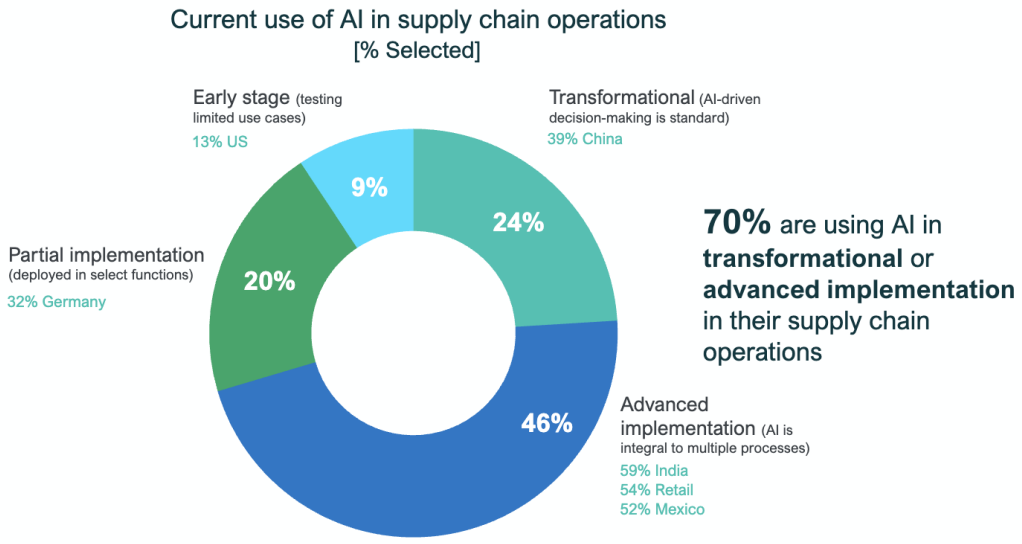


Q5: What are your top capital investment priorities for your supply chain in 2026? (Global Total n=1,816)

Implications: AI's dominance in investment priorities, particularly in India (90%) and technology companies (82%), signals a fundamental shift toward intelligent operations. Organizations must accelerate AI adoption or risk competitive obsolescence as automation becomes table stakes. The gap between AI leaders and laggards will widen rapidly, making immediate strategic commitment to AI implementation essential for long-term competitiveness.

AI Implementation Maturity: The 70% Transformation Threshold

70% of organizations now have transformational or advanced AI implementation in supply chain operations, with 24% achieving AI-driven decision-making as standard.

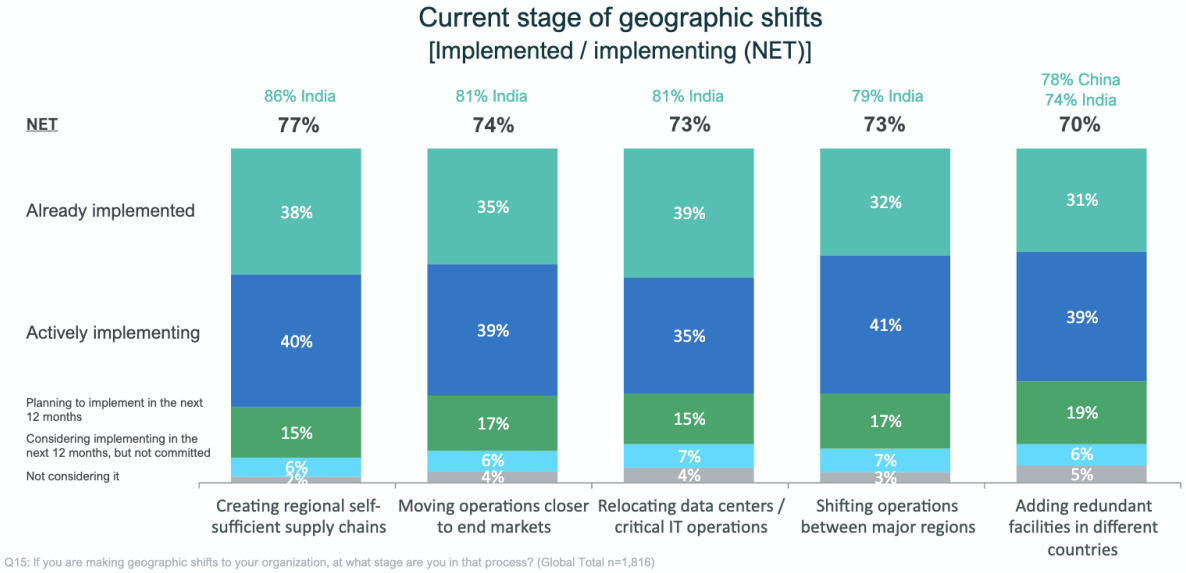


Q19. How would you characterize your organization's current use of AI in supply chain operations? Please select one (Global Total n=1,816)

Implications: The supply chain industry has crossed the AI adoption threshold, positioning it at the forefront of AI commercialization. Organizations still in early-stage AI implementation (9% globally, 13% in U.S.) risk competitive obsolescence as AI-driven decision-making becomes the operational standard. Companies must transition from AI experimentation to AI-dependent operations to remain competitive.

Regionalization Implementation: Active Transformation Underway

Major cities have long-been the focus of supply chains and leaders are actively creating regional supply chains (77% implemented/implementing) and moving operations closer to end markets (74% implemented/implementing).

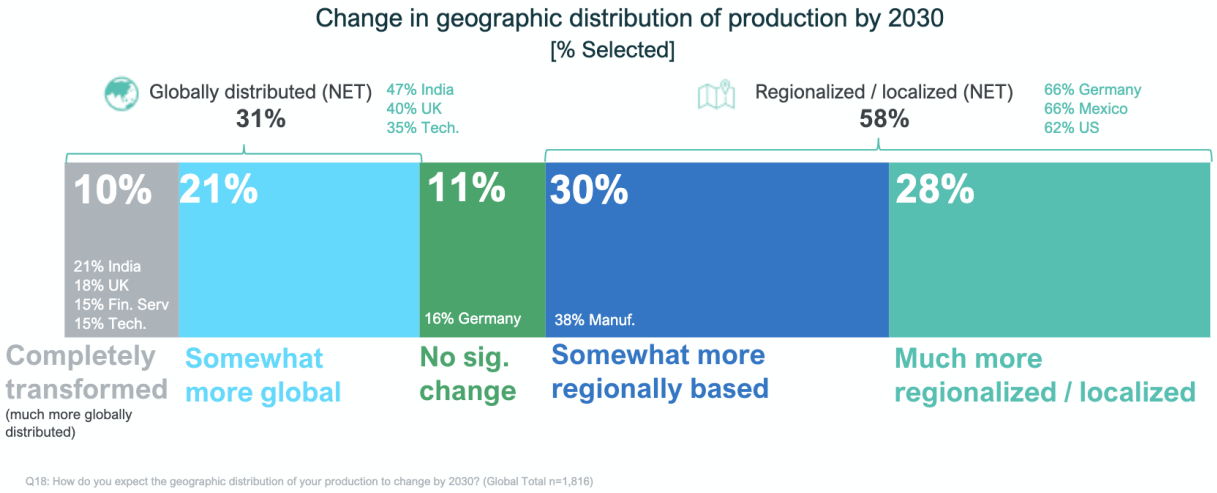


Q15: If you are making geographic shifts to your organization, at what stage are you in that process? (Global Total n=1,816)

Implications: Geographic transformation has moved from planning to execution phase, with India leading implementation across all categories. Organizations lagging in geographic diversification face increasing competitive disadvantage as supply chain resilience becomes a market differentiator. Companies must accelerate regional capability building to avoid being left behind in the shift toward localized operations.

The Globalization Reversal: 2030 Localization Forecast

After decades of chasing the cheapest global labor, companies are reversing course: 58% forecast more localized supply chains by 2030, with only 31% expecting continued globalization.



Implications: This represents a fundamental shift from cost-optimization to risk-mitigation as the primary business strategy. Organizations must prepare for a post-globalization era where proximity and control outweigh traditional cost advantages. Strategic planning must account for higher operational costs offset by reduced risk exposure and improved operational reliability, marking the end of the globalization era in supply chain design.

Regional Implementation Reality: The Energy-Driven Geographic Shift

77% of leaders are actively implementing regional self-sufficient supply chains, with energy reliability (40%) now outranking labor costs (36%) and tariffs (37%) as the top location driver.

90%

BUSINESS LEADERS

"Energy reliability is becoming a primary factor in our supply chain location decisions."

94% China

Top drivers for geographic supply chain decisions
[Top 3 Selected]

			Top drivers per country
#1	**Energy reliability and costs**	**40%**	#1 India (44%) #1 Mexico (40%)
#2	**Tariff avoidance / trade policy changes**	**37%**	#1 US (42%)
#3	**Labor costs and availability**	**36%**	#1 UK (43%) #1 Germany (39%)
#4	Transportation / logistics costs	35%	#1 China (49%)
#5	Customer / market proximity	34%	
#6	Geopolitical risk mitigation	31%	
#7	Government mandates / restrictions	26%	
#8	Lead time reduction	25%	
#9	Government incentives / subsidies	25%	
	N/A - There are no top drivers for our geographic supply chain decisions	1%	

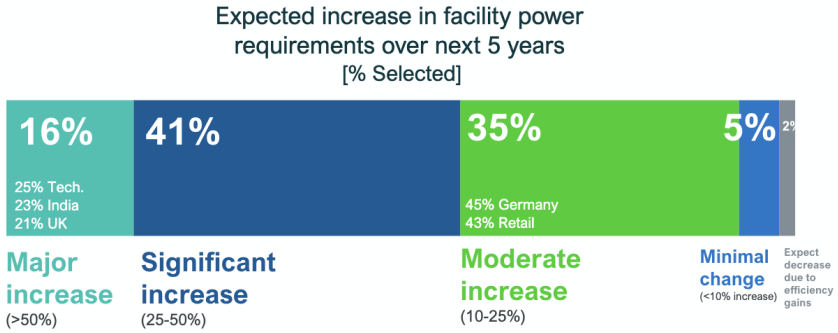
US is making decisions based on tariffs, while China is thinking about transportation / logistics

Q16: What are the top 3 drivers for your geographic supply chain decisions? (Global Total n=1,816)
Q30: How much do you agree or disagree with the following statements? (Top 2 Box, Strongly agree / Somewhat Agree) (Global Total n=1,816)

Implications: Geographic transformation has moved from planning to execution phase, driven by energy concerns rather than cost factors. With 90% willing to pay premium prices for reliable energy infrastructure, organizations must integrate energy assessment into all location decisions. The tipping points are clear: 79% would relocate after logistics cost increases of 16% or more, and 78% after just 1-5 major power outages per year. Companies lagging in this energy-driven regional buildout face increasing competitive disadvantage.

Future Power Demand Crisis: 76% Expect Major Increases

76% of organizations expect 10-50% increases in facility power requirements over the next five years, with AI (71%) driving the largest power demands.



90%

BUSINESS LEADERS

"We expect to significantly increase energy storage capacity at our facilities over the next 5 years."

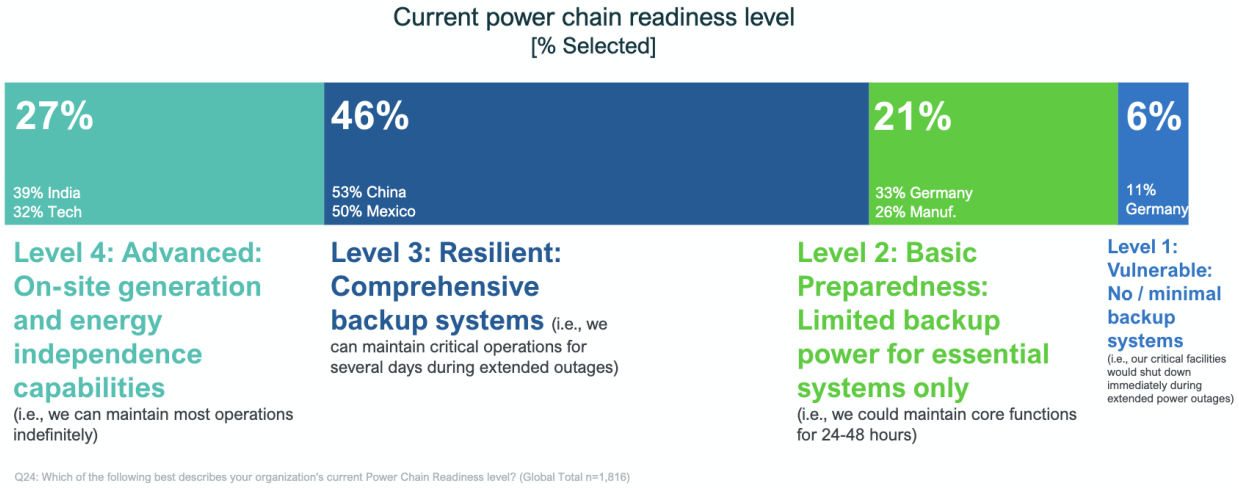
97% India
95% China

Q27: What is your expected increase in facility power requirements over the next 5 years due to technological advancement? (Global Total n=1,816)
Q30: How much do you agree or disagree with the following statements? (Top 2 Box, Strongly agree / Somewhat Agree) (Global Total n=1,816)

Implications: The convergence of AI adoption and power demand creates an unprecedented infrastructure challenge that most organizations are unprepared to handle. Companies must immediately begin upgrading electrical infrastructure (53% are doing so) and implementing energy efficiency measures (54% current rate) while exploring advanced energy technologies. The organizations that solve the energy-AI equation first will gain significant competitive advantages.

Power Chain Vulnerability: The Infrastructure Crisis

Only 27% of organizations have advanced power resilience, and over half of organizations (56%) are not prepared for extended power loss.



Implications: The disconnect between current capabilities and future demands creates a critical vulnerability that threatens operational continuity. Organizations must immediately prioritize power resilience investments as foundational infrastructure rather than optional upgrades. Companies need comprehensive energy strategies that address both current vulnerabilities and future capacity requirements, making energy infrastructure a core competency rather than a supporting function.

Energy Crisis Reality: Power Outages as Primary Fear

83% of business leaders believe energy reliability will be the next major supply chain crisis, and the data suggests it's already here: 89% experienced energy disruptions in the past year, with 70% worrying more about power outages than any other supply chain disruption.

83%

BUSINESS LEADERS

"Energy reliability will be the next major supply chain crisis."

88% India
88% China

Top energy-related disruptions experienced in past year
[Top 3 Selected]

#1	Energy price spikes	44%	53% UK 51% India
#2	Weather-related energy disruptions	42%	50% India
#3	Voltage fluctuations affecting equipment	37%	45% India 44% Germany
#4	Energy rationing during peak demand	36%	52% India 42% Healthcare
#5	Complete power outages	31%	41% India 36% Fin. Serv.
#6	Fuel / natural gas shortages	30%	38% Germany
#7	Rolling blackouts / brownouts	30%	41% Mexico 38% Germany
	N/A - We haven't experienced energy-related disruptions in the past 12 months	11%	22% China 16% Retail

Q23: What types of energy-related disruptions has your organization experienced in the past 12 months? (Global Total n=1,816)
Q30: How much do you agree or disagree with the following statements? (Top 2 Box, Strongly agree / Somewhat Agree) (Global Total n=1,816)

Implications: The energy crisis is no longer a future threat but a present reality requiring immediate strategic response. With 44% experiencing energy price volatility, 42% affected by weather-related disruptions and 31% being hit with complete power outages, organizations must treat energy reliability as their primary operational risk. Companies need partners who can provide comprehensive energy resilience solutions while enabling rapid transitions to energy-independent operations that can withstand the increasing frequency and severity of power disruptions.

The Path Forward

The 2026 Prologis Supply Chain Report represents the most significant transformation in supply chain management since the advent of global trade. Organizations that recognize the convergence of AI, regional resilience and energy security as the defining characteristics of competitive advantage will position themselves to thrive in the decade ahead. Those that fail to adapt risk being left behind in an increasingly complex and demanding operating environment.

The transformation is already underway. The question is not whether supply chains will evolve, but whether organizations will lead or follow in implementing these changes.