



RESILIENCE AND REGIONALIZATION REDEFINE GLOBAL SUPPLY CHAINS

NEARSHORING, TRADE POLICY SHIFTS, AND DIGITAL INFRASTRUCTURE ARE TRANSFORMING SUPPLY CHAIN STRATEGIES IN AN ERA OF GLOBAL DISRUPTION



DP WORLD



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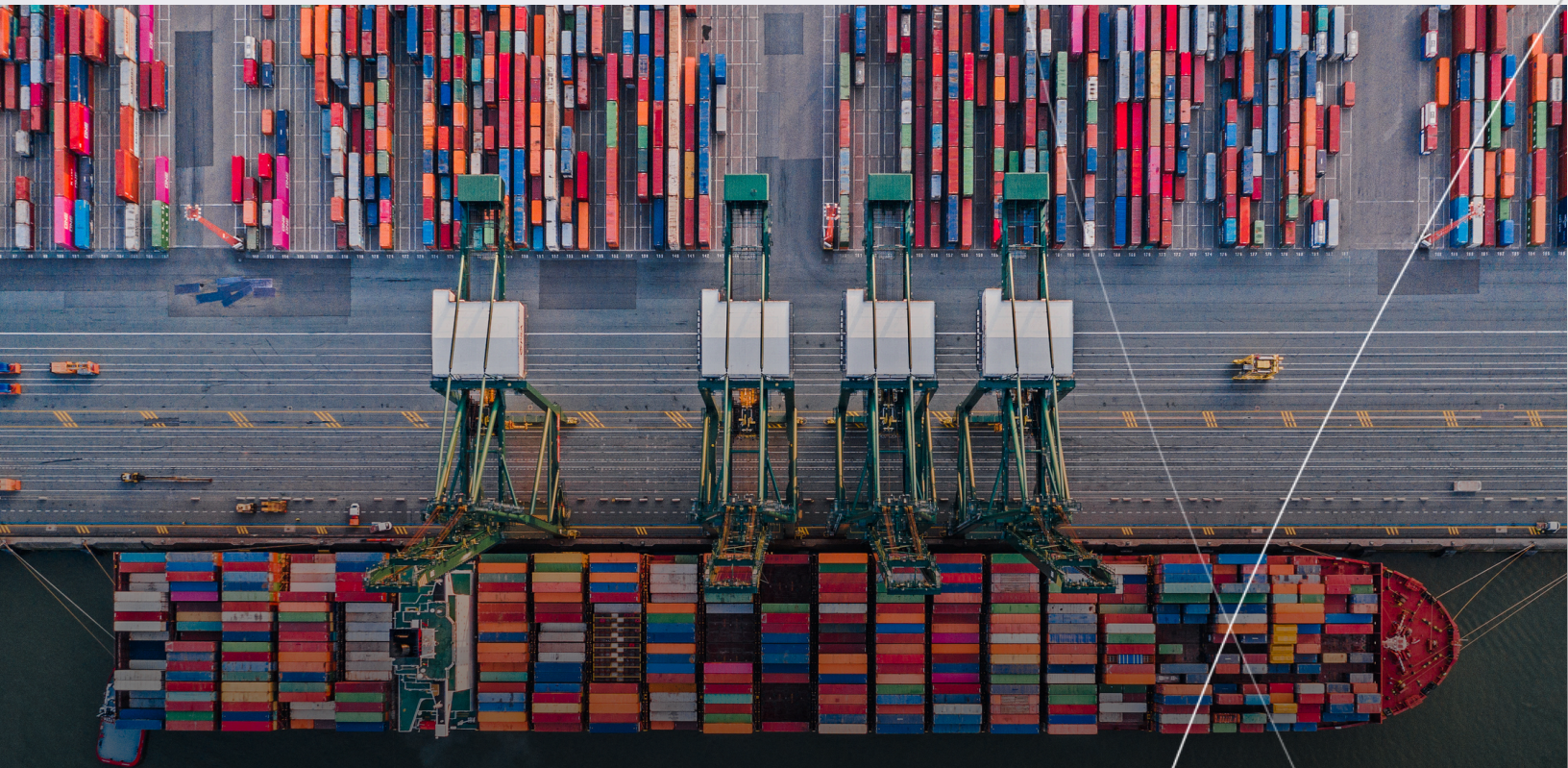
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INTRODUCTION

Global supply chains are being reshaped by a perfect storm of disruption – geopolitical tensions, economic nationalism, and the accelerating integration of digital technologies. In 2025, resilience supersedes efficiency as the top priority for supply chain leaders, as successive shocks – from the COVID-19 pandemic to rising tariffs – exposed vulnerabilities in decades-old logistics models.

With the introduction of sweeping new U.S. tariffs in early 2025 and targeted levies on key imports from Canada, Mexico and China, companies are moving beyond reactive responses – they're proactively positioning for resilience. Nearshoring and regionalization have become cornerstones of a new supply chain strategy, as businesses prioritize flexibility, market proximity, and risk diversification.

This white paper explores how the changing policy landscape is accelerating the nearshoring imperative – and how logistics partners like DP World are helping businesses transition from vulnerability to resilience through smarter infrastructure, digital innovation, and a more connected Americas.



THE NEARSHORING IMPERATIVE

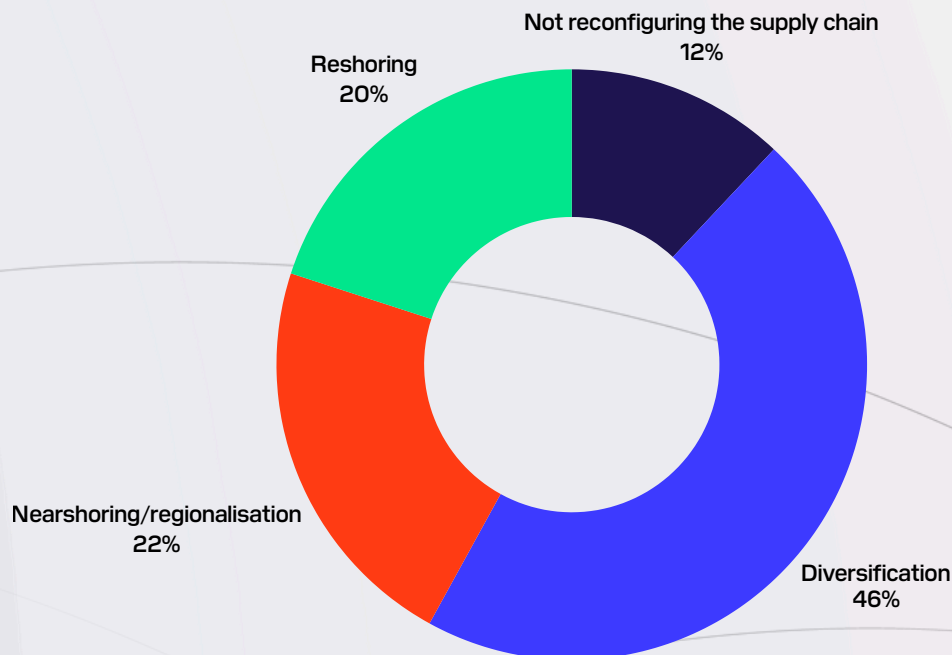
According to [McKinsey](#), major supply chain disruptions now occur roughly every 3.7 years. The costs are immense: in 2023 alone, global supply chain interruptions resulted in an estimated \$1.5 trillion in losses, with [more than half of businesses](#) reporting significant financial impact.

Trade volatility is accelerating a shift toward regional supply chains. New U.S. tariffs implemented in early 2025, including a 10% universal tariff on most imports and specific tariffs on Canadian, Mexican, and Chinese goods, are compelling businesses to rethink sourcing strategies. This presents a large opportunity for the Americas, particularly Central and South America, to play a stronger role in global supply chains in the coming years.

JOC [survey results](#) from July 2024 reinforce the importance of dedicated inter-Americas supply chains. Among survey respondents, an overwhelming 92% of shippers and freight forwarders consider inter-Americas supply chains to be important to their organization's strategic planning.

Building on these findings, the Economist Impact's 2025 global [Trade in Transition](#) report found that 46% of businesses surveyed are diversifying geographically in response to geopolitical tensions, with 37% specifically looking to reduce their dependence on individual markets like China (Figure 1).

Figure 1. Geographical Reconfiguration Strategy
How companies are geographically reconfiguring their supply chains.



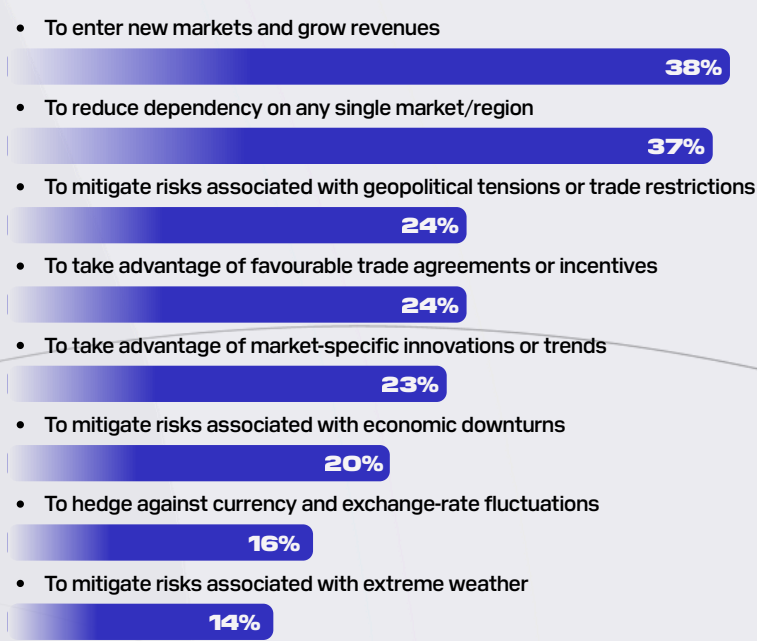
Source:
Economist Impact Trade in Transition survey, August-November 2024

Specific to North America, the report found that “diversification is a growth engine, not just a safety net,” noting that of the executives surveyed, 50% stated that this was their main approach to supply-chain reconfiguration, compared with the global average of 46%.

“**American firms have different motivations than those in other regions, largely viewing diversification as a growth strategy rather than a risk mitigation technique.**”

The report states that companies are motivated by the desire to enter new markets (38%), reduce dependencies on single entities (37%), and take advantage of favorable trade agreements (24%), among other top reasons (Figure 2). While diversification remains the primary strategy for the region’s supply chains, nearshoring and reshoring are gaining traction, with 38% of respondents prioritizing these strategies.

Figure 2. Top Five Motivations for Adopting a Diversification Strategy in Supply Chains



Source:
Economist Impact Trade in Transition survey, August-
November 2024





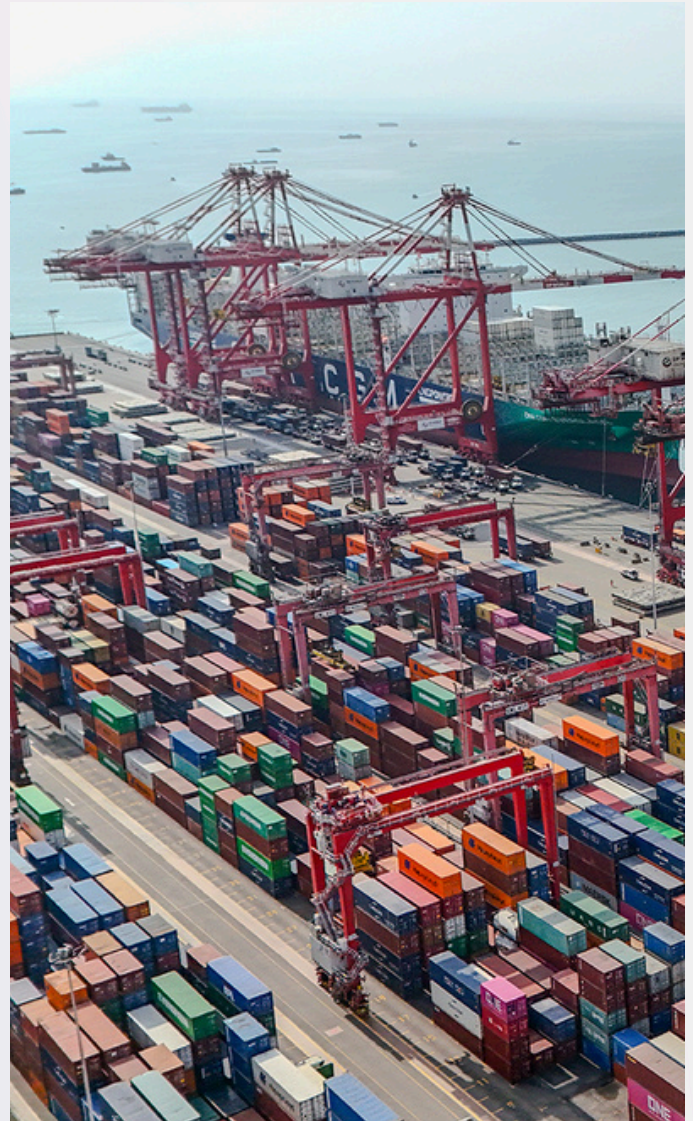
TRADE POLICIES AND REGIONAL STRATEGY

As part of a broader initiative to strengthen domestic manufacturing and secure supply chains, the current U.S. administration is emphasizing protectionist trade policies. While the specific impacts of these evolving policies are felt globally, they significantly affect sourcing from Asia, particularly China.

These factors have highlighted the fragility of “just-in-time logistics,” driving businesses to rethink these traditional models that drove efficiency for decades. This question is particularly pressing for businesses that previously relied on Chinese sourcing, as China’s share of U.S. imports dropped from 21.6% in 2018 to 13.4% in 2024. Businesses are now seeking alternatives, shifting toward multi-sourcing, friendshoring, and in some cases, reshoring.

The push for regional supply chains is no longer hypothetical. In Mexico alone, nearshoring drove GDP growth to 3.1% in 2023 and generated over \$36 billion in foreign investment in 2024 as companies invested heavily into new factories and expansions. Mexico has now surpassed China as the United States’ top trade partner, claiming 15.4% of U.S. market share – a significant jump from 12.6% in 2017.

Similarly, Latin America experienced significant growth in 2023, with 6.1% GDP growth in Panama and 4.9% GDP growth in Costa Rica. As a region, it benefits from more stable trade relationships with the U.S. compared to major trading partners – making it a desirable area for diversification as companies shift operations.



LATIN AMERICA: A RISING SUPPLY CHAIN HUB

U.S. engagement with Latin America is deepening, as the first international visits by top officials focused on strengthening ties across the region. Secretary of State Marco Rubio's first international trip was a five-country visit to Latin America, while Defense Secretary Pete Hegseth visited Panama to expand cooperation and discuss Chinese influence in the region. Private sector investment is also following suit: 70% of industry leaders expect growth in South America.

While there is promise, logistical infrastructure in Latin America requires further development compared to Asian markets. The World Bank ranks Mexico 66th globally on logistics performance; in comparison, China ranks 19th. This suggests that Mexico (and many Latin peers) still has significant ground to cover regarding transportation infrastructure, customs efficiency, and supply chain services compared to leading Asian markets.

Despite these gaps, the potential is strong. DP World is investing heavily to close those gaps, with expansion projects underway in Peru, Brazil, Ecuador, and the Dominican Republic.

In the Dominican Republic, DP World manages the Port of Caucedo and an adjacent 86-hectare Free Trade Zone. Since 2003, the company has invested more than \$700 million to increase capacity from 900,000 TEUs to 2.5 million. A new \$760 million agreement will add 600,000 TEUs and expand the Free Trade Zone by 225 hectares, expected to generate \$4 billion in manufacturing output and attract nearly \$4 billion in foreign investment.

The company's customers perform regional redistribution from the Dominican Republic, using DP World's integrated ecosystem that combines port facilities, warehousing, logistics services, and manufacturing capabilities to create optimal conditions for businesses looking to nearshore.



In May, the company announced that it signed a landmark \$760 million Memorandum of Understanding (MoU) with the government of the Dominican Republic to expand the Port of Caucedo and its Free Trade Zone, setting the stage for the country to become a leading manufacturing and logistics hub for the Americas.

Under the terms of the MOU, DP World will increase container-handling capacity to approximately 3.1 million TEUs and expand the Free Trade Zone by 225 hectares. This combined project is estimated to attract \$3.9 billion in FDI, driving \$4 billion in new manufacturing output, supporting thousands of new jobs.

DP World's \$2.5 billion investment plan for 2025 also directly supports this regional shift to nearshoring. The investment will fund major development initiatives across four continents, including key projects like the expansion of the Port of Posorja in Ecuador and ongoing development of logistics infrastructure throughout Latin America.

Analysts suggest Latin America could become a more attractive destination for international investors seeking alternatives to the disrupted U.S.-China trade landscape. Despite market volatility following President Trump's recent tariff announcements, the MSCI Latin American stocks gauge is outperforming the S&P 500 by over 20 percentage points in 2025, signaling resilience.



ECONOMIC ZONES: A SOLUTION FOR MANAGING REGULATORY COMPLEXITY

The U.S. regulatory environment is evolving quickly. Tariffs, origin rules, and compliance requirements are increasing friction in global trade. Companies must ensure goods meet U.S. transformation requirements, or risk penalties and disruption.

Enhanced scrutiny on country-of-origin standards requires companies to verify local transformation processes rigorously. Importantly, goods must undergo substantial transformation to meet U.S. trade requirements, rather than merely being assembled from Chinese components in countries like Mexico. Failing to meet these standards can result in severe penalties and supply chain disruptions.

Integrated economic zones like those developed by DP World offer a path forward. These zones offer ideal environments for businesses to ensure proper origin verification, avoid penalties, and reduce compliance-related disruptions. By consolidating logistics, manufacturing, and distribution within these zones, companies can maintain proximity to U.S. markets while optimizing their regulatory compliance processes.

IMPLEMENTING STRATEGIC DIVERSIFICATION

Transitioning to nearshoring is a process, not a switch. Many companies are beginning with "China-plus-one" models, gradually diversifying production while maintaining legacy capacity. For example, the [Trade in Transition report](#) found that up to 88% of businesses plan to reconfigure their supply chains in 2025, indicating that a vast majority of manufacturers have moved resilience and proximity to the forefront of their strategy.

Overall, nearshoring is fueled by more than trade risk. It's about building faster, more resilient, and more responsive supply chains. Regional warehousing, contract logistics, and real-time data integration are now must-haves for reliable delivery to end markets.

DP World supports this shift with its expanded freight forwarding network and proprietary Cargo's Flow freight management platform, providing tailored logistics solutions across the Americas.



TECHNOLOGY AS A RESILIENCE ENGINE

Digital tools are redefining supply chain agility. Technologies like AI, machine learning, and IoT allow for real-time visibility, predictive planning, and automated processes. Gartner projects that by 2025, half of global companies will utilize advanced analytics, AI, and IoT for improved supply chain visibility and agility.

At DP World's Jebel Ali Free Zone, AI-powered predictive analytics have streamlined container handling, reducing container moves by 350,000 annually and boosting truck turnaround time by 20%. In the Dominican Republic, DP World leverages digital twins – advanced virtual replicas of physical equipment – to enable real-time monitoring, predictive maintenance, and sophisticated scenario planning.



CONCLUSION SUPPLY CHAINS BUILT FOR AGILITY

The supply chains of tomorrow will be built around agility, not just recovery. As global disruptions become more frequent and more complex, companies must go beyond reactive fixes and embrace proactive transformation.

Nearshoring, regional diversification, and digital integration are no longer optional – they're foundational. Companies that invest now will be best positioned to adapt, compete, and grow in a more fragmented and fast-moving global economy.

DP World is driving this shift by delivering the infrastructure, capabilities, and partnerships that power resilient supply chains. From integrated economic zones to AI-driven logistics platforms, we are helping our partners reimagine what's possible across the Americas. In the decade ahead, resilience will belong to the adaptable. And supply chain leadership will belong to those bold enough to build for what's next.