MANUFACTURING
Ten critical risks shaping the manufacturing landscape today.

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SKILLS GAP • About 2.4 million manufacturing positions requiring critical thinking, programming, and digital skills will go unfilled between 2018 and 2028.

BLOCKCHAIN • Due to a lack of technology standards and real-world testing, the regulatory and legal implications of blockchain are unclear.

TARIFFS • Experts estimate that tariffs on imported raw materials like aluminum and steel cost U.S.-based manufacturing companies nearly $9 billion in 2018.

DIRECT-TO-CONSUMER MODELS • Selling direct-to-consumer shifts liabilities to manufacturers that retailers normally accept, including cyber and GL exposures associated with running an e-commerce business.

IP PROTECTION • Of 225 surveyed manufacturing executives, 36% said protection of IP was a top concern, especially in China, Russia, India, and Mexico, where regulatory protections are lax compared to the U.S.

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GLOBAL SUPPLY CHAINS • Global supply chains are highly vulnerable to disruption, which could interrupt production, damage reputation, and result in loss of market share.

“SMART” FACILITIES • IoT-connected equipment opens more doors for hackers. Through the first half of 2017, 31% of all cyber attacks on industrial control systems targeted the manufacturing sector.

CO-BOTS • Malfunction or incorrect programming of a collaborative robot could result in product defects, increased safety risks and potentially business interruption.

Note: The Risk Matrix is produced by the Risk and Insurance editorial team. Liberty Mutual Insurance is the presenting sponsor and has no responsibility for the content.