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Manufacturing Industry at High Risk of Severe Impact from COVID-19 Pandemic

November 16, 2020



The State of the Manufacturing Industry Q3: A COVID-19 Impact Study

Allentown, PA, Nov. 16, 2020 (GLOBE NEWSWIRE) -- The manufacturing industry in the United States is standing at the precipice of severe negative impacts due to COVID-19, according to a new report from the global business intelligence experts, Creditsafe. According to the report, many manufacturers could see a significant decrease in their revenue, which may bring about difficult decisions on how best to navigate these difficult times.

The data shows that the following manufacturing sectors are the most likely to be severely impacted.

- Printing and Publishing
- Miscellaneous Manufacturing
- Industrial Machinery and Equipment
- Fabricated Metal Products
- Apparel and Other Textile Products

When combined, these industries represent over half a million businesses across the United States, with over 17% of them expected to experience a severe negative impact from the Coronavirus.

“Manufacturing represents a significant amount of revenue, jobs, and businesses within the US,” comments Matthew Debbage, Creditsafe Americas and Asia’s CEO, “Our research and analysis shows that the 10 most affected states could see a decrease \$400 billion from the manufacturing industry alone. This type of impact will have long term effects for the entire country.”

Mandatory closures, changes in buyer behavior, disruptions to the supply chain, amongst other factors, are all contributing to the overall risk that the manufacturing industry is facing. In turn, the industry could cause ripples of its own through a loss of employment, decreases in revenue, and notable delays in production.

The pandemic has caused the U.S., and specifically manufacturers, to look to a more localized supply chain and bring several types of critical manufacturing sectors back to U.S. soil. John Boyd, president of Boyd Co., a corporate relocation consulting firm, says, “The pandemic has made it clear that overextended and risky supply chains can no longer be tolerated. The U.S. pharmaceutical and medical devices sectors—now dangerously concentrated in China—will be the first in line to disinvest there and reinvest back in the U.S. Bi-partisan legislation is being crafted in Washington to encourage this reshoring through tax breaks and other incentives.”

Unfortunately, the return to US-based manufacturing will take time and money. The pandemic may impact \$ 400 billion in revenue in 2020. The report describes how States such as Nevada and California are the top two most affected regarding manufacturing, according to Creditsafe. Leaders of these states will have to figure out how to help their local manufacturers survive while attracting new businesses to their regions.

The outlook of the manufacturing industry is far from certain; one thing is sure, business, as usual, will no longer be enough, and manufacturers, like so many other industries, must find a way to adapt to an ever-evolving economic landscape.

To learn more about the effects of COVID-19 on the manufacturing industry download the full report for free.

About Creditsafe USA

Creditsafe is the world's most used supplier of company credit reports. Privately owned and independently minded, Creditsafe is looking to change the way business information is used by providing high-quality data in an easy to use format that everyone in an organization can benefit from.

Creditsafe's global database is one of the most rapidly expanding in the industry and also one of the most comprehensive. Each day over 500,000 users around the world leverage the company's database to gather strategic, insightful business information. Creditsafe's database is updated over a million times a day with information gathered from thousands of sources. In 99.9% of the cases, reports requested by customers are delivered instantly. Over forty percent of Creditsafe's customers leverage the company's internationally reporting capabilities.