

Global Skills Gap Leaves 10 Million Manufacturing Positions Open

Manufacturing's future looks to be a global competition for top talent, according to the

report "The Future of Manufacturing: Opportunities to Drive Economic Growth," released this year by the World Economic Forum in collaboration with Deloitte Touche Tohmatsu Limited.

The report estimates that currently 10 million manufacturing jobs worldwide cannot be filled due to a growing skills gap. This shortage exists despite high unemployment rates in many developed economies where companies are struggling to fill manufacturing jobs, such as highly trained workers and engineers. Concurrently, emerging economies cannot fuel their growth without more skilled production workers.

"In the race to future prosperity, nothing will matter more than talent," said Craig Giffi, vice chairman and consumer and industrial products industry leader at Deloitte LLP in the United States, who helped produce the report. "The skills gap that exists today will not likely close in the near future, which means companies and countries that can attract, develop and retain the highest skilled talent — from scientists, researchers and engineers to technicians and skilled production workers — will come out on top."

Innovation Leads to Differentiation

According to the report, innovation will play a key role in determining which



countries and companies can succeed in global manufacturing looking two decades down the road.

“Companies regarded as more innovative grew net income nearly two times faster from 2006 to 2010 than their non-innovative counterparts,” said John Moavenzadeh, senior director for mobility industries at the World Economic Forum. “Meanwhile, countries that are more successful at fostering innovation performed better when it comes to both gross domestic product and GDP per capita.”

According to the Deloitte LLP press release, “The bottom line is that manufacturers must innovate to stay ahead of competition. They must also be enabled by infrastructure and a policy environment that better supports university and research lab breakthroughs in science and technology.”

Surging Energy Consumption Top Priority

The report also explores the role that energy will play in the future of manufacturing. Findings include that affordable and effective clean energy strategies and policies will be a top priority for manufacturers and policymakers.

“By 2035, the U.S. Energy Information Administration expects world energy consumption will more than double from a 1990 baseline,” said Tim Hanley, global leader for manufacturing at Deloitte LLP. “Manufacturers will need to seek new energy-efficient ways of manufacturing, from energy efficient product designs to more efficient production and logistics. Collaboration between manufactures and policymakers will increasingly be an imperative to solve the global energy puzzle.”

“The Future of Manufacturing” report is the result of a year-long effort combining primary and secondary research, including a review of academic and industry literature, interviews with more than 30 manufacturing business, academia, and policy leaders, and virtual task force meetings. In addition, industry, policy and

academic stakeholders provided valuable input to the report during seven face-to-face global workshops.

Summarizing the report, Giffi said collaboration between governments and private sectors will be critical. “With competition increasing for so many resources and capabilities — and with the prosperity of nations hanging in the balance — policymakers will be actively looking for the right combination of trade, tax, labor, energy, education, science, technology and industrial policy levers to generate the best possible future for their citizens.”

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