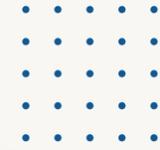




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# Global Supply Chain Disruptions

“There cannot be a good plan for economic progress without adequate data and there cannot be adequate data without a good plan for collecting them...”

-P.C Mahalanobis, Scientist



# Meaning & Causes

Global supply chain disruptions refer to unexpected events that interrupt the smooth movement of goods and services across international networks. These disruptions can occur at any stage from sourcing raw materials to delivering finished products to consumers. They result in delays, increased costs, shortages, and losses for all stakeholders, including suppliers, manufacturers, and retailers.

## Causes of Global Supply Disruptions

- **Natural & Health Crises**
- **Geopolitical & Political Instability**
- **Economic & Supplier Failures**
- **Operational & Technological Disruptions**



# Types of Global Supply Disruptions

## Internal Disruptions

When factors from within a company cause the disruption, it is called an internal disruption. The issues include poor inventory management, machinery breakdown and labour problems.

## External Disruptions

When the causes of supply chain disruption are beyond the control of a company, they are called external disruptions. These include natural disasters, economic sanctions, wars and conflicts and pandemics.

## Sudden Disruption

Some events, like natural disasters, occur without warning. There is no time to prepare for the damage they create. Although businesses usually keep a BCP/DRP (Business Continuity Plan / Disaster Recovery Plan) protocol individually, it might not be enough to recover the entire supply chain disruption.

## Planned Disruption

Some activities that disrupt the supply chain are pre-planned. These include renovation or infrastructure development, technology upgradation, machine overhauling, strikes or conflicts, hoarding and hostile takeovers. These activities do cause supply chain disruption, but only temporarily. However, there can be notoriously planned cyberattacks, terrorism, wars, conflicts or coups that are aimed at causing widespread disruption.

# Geopolitics & Global Supply Chain Disruptions

Supply chains are no longer purely economic: they are strategic.  
Global supply chains are becoming regionalised, risk-managed, and politically influenced



Trade conflicts, sanctions, and economic fragmentation disrupting global trade flows



Wars and regional tensions (Russia-Ukraine, Red Sea, Indo-Pacific) are increasing shipping time and costs



Export controls on semiconductors, energy, and critical minerals are reshaping production networks



Shift from efficiency to security-driven supply chains (friend-shoring, near-shoring)

# India's Position in Emerging Supply Chains

## CHALLENGES

- Import dependence (energy, semiconductors, critical minerals)
- High logistics costs and infrastructure bottlenecks
- Exposure to global demand and trade shocks

## OPPORTUNITIES

- China+1 strategy positioning India as an alternative manufacturing hub
- PLI-led manufacturing expansion, integrating India into global value chains
- Strategic location in Indo-Pacific trade corridors
- Strong digital & services ecosystem supporting resilient supply chains



## Net Position

India is both vulnerable to disruptions and strategically positioned to benefit from supply chain realignment



Diversifies export markets to reduction of over-dependence on single regions



Strengthens trusted India-Europe supply chain corridor

## INDIA-EU FTA 2026



Supports labour-intensive exports, and Improves technology access, regulatory alignment, and investment flows



*Enhances long-term supply chain resilience & global value chain integration*



Positions India in China+1 diversification strategy

## Budget(2026)-Linked Supply Chain Strategy

### Logistics & Infrastructure

PM Gati Shakti, port modernisation, cost reduction

### Domestic Manufacturing

PLI expansion, semiconductor & critical minerals focus

### Trade Integration

FTAs for diversification and market stability

### Strategic Resilience

Early warning systems, strategic reserves, supply chain monitoring

### Technology & Digitalisation

Real-time tracking, secure and transparent logistics

### MSME Integration

Financing, standards, and participation in global value chains

**Overall Goal: Build resilient, diversified, and strategically secure supply chains**

# Policy Recommendations



**Track Risks in Real-Time: Deploy IoT, blockchain, and GSCSI alerts to spot disruptions early and boost cybersecurity.**



**Diversify & Stockpile Smartly: Mandate dual-sourcing, nearshoring, strategic reserves, and emergency trade corridors for unbreakable chains.**



**Partner for Resilient Future: Forge PPPs, validate supplier plans, and embed climate equity for SMEs and global fairness.**



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[appointments@bridgethinktank.com](mailto:appointments@bridgethinktank.com)

