

TARIFF FEARS DRIVE U.S. STOCKPILING IN AUGUST, WHILE MANUFACTURING WEAKENS IN EUROPE AND ASIA: GEP SUPPLY CHAIN VOLATILITY INDEX

- North America's supply chains get busier, with sharp stockpiling of components to guard against tariff-driven shortages and price inflation
- Asia's manufacturers cut purchases, led by Japan and Taiwan, and to a lesser extent China
- Europe weakens further, dragged down by Germany and a sharp downturn in the UK

Clark, N.J., Sep 11, 2025 – [GEP Global Supply Chain Volatility Index](#), a leading economic indicator based on a monthly survey of 27,000 businesses, slipped to -0.39 in August, from -0.35 in July, signaling rising spare capacity as global supply chain activity cooled.

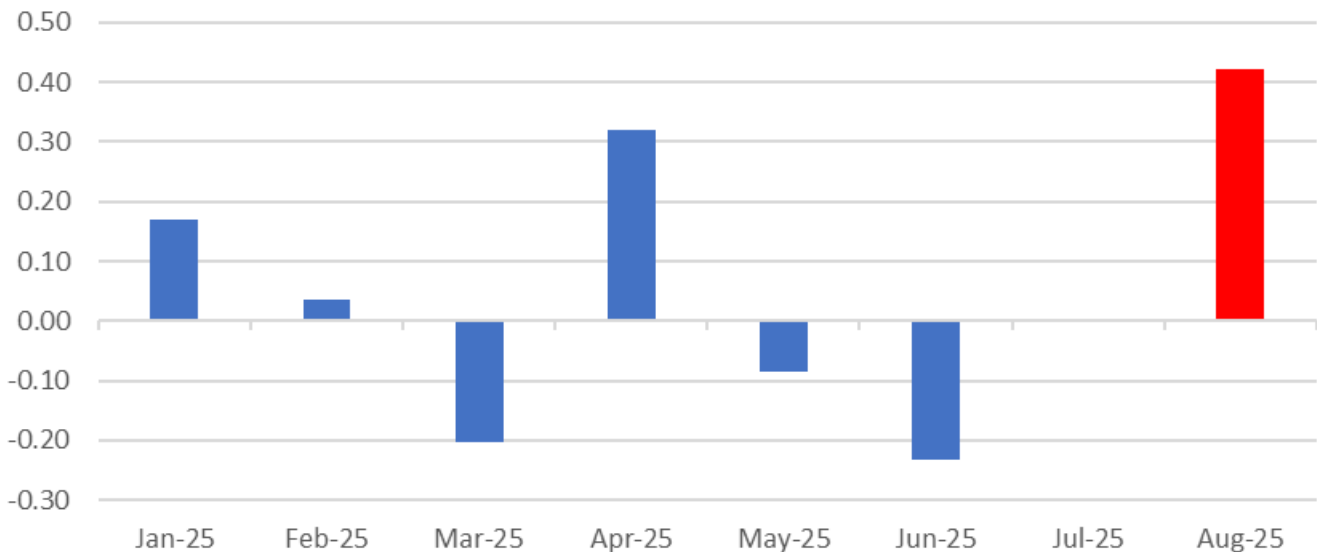
The global figure concealed stark regional contrasts. North America was the outlier, with supply chains running close to full capacity as companies in the continent stockpiled raw materials and components to protect against tariff-driven shortages and delivery delays. This was particularly true for the US consumer goods sector, which includes industries such as food & beverages and household products.

By contrast, Asia's index fell to a three-month low as purchasing activity weakened in China's consumer non-cyclicals sector, although the region's weakness was predominantly across Japan and Taiwan. Europe also deteriorated, with Germany's basic materials sector faltering and UK manufacturing plunging deeper into contraction. The index here (-0.90) signaled one of the steepest declines since 2024.

"It's now clear that tariffs have neither spurred growth nor triggered collapse," said **Michael DuValle**, GEP's global head of supply chain strategy. "Tariff uncertainty is no longer temporary, it's a structural

reality in the supply chain. Companies need to manage it by reinvesting in resilience, diversifying suppliers, and building critical capabilities like demand sensing to make faster, smarter decisions.”

GEP Global Supply Chain Volatility Index
 Monthly change in North America "safety stockpiling" indicator



Sources: GEP, S&P Global PMI

Interpreting the data:

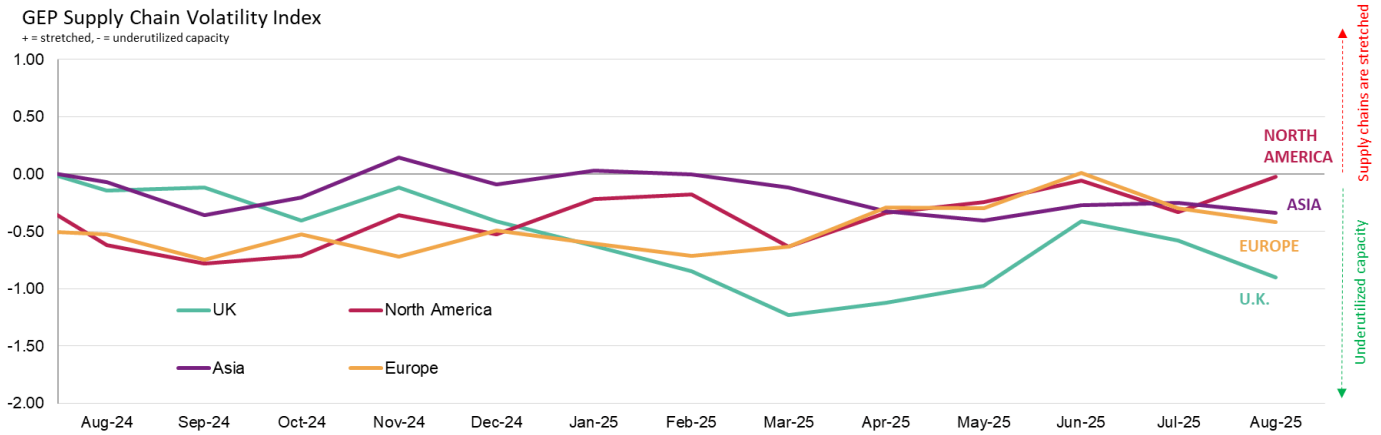
Index > 0, supply chain capacity is being stretched. The further above 0, the more stretched supply chains are.

Index < 0, supply chain capacity is being underutilized. The further below 0, the more underutilized supply chains are.

REGIONAL HIGHLIGHTS

- **ASIA:** Index fell to a three-month low to indicate rising spare capacity across Asia’s supply chains as purchasing volumes in China was flat. In contrast, South Korea, Indonesia and particularly India saw greater factory procurement activity.
- **NORTH AMERICA:** Supply chains were practically running at full capacity as recent orders were delivered and companies added to stock.
- **EUROPE:** Index falls again as factories purchased fewer intermediate goods and destocked. The data continue to highlight the fragile nature of Europe’s industrial recovery.

- **U.K.:** Index falls sharply as U.K. manufacturers cutback on procurement and inventories.



Sources: GEP, S&P Global PMI.

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For more information, visit www.gep.com/volatility.

Note: Full historical data dating back to January 2005 is available for subscription. Please contact economics@spglobal.com.

The next release of the GEP Global Supply Chain Volatility Index will be 8 a.m. ET, Oct. 10, 2025.

About the GEP Global Supply Chain Volatility Index

The [GEP Global Supply Chain Volatility Index](#) is produced by S&P Global and GEP. It is derived from S&P Global’s PMI® surveys, sent to companies in over 40 countries, totaling around 27,000 companies. The headline figure is a weighted sum of six sub-indices derived from PMI data, PMI Comments Trackers and PMI Commodity Price & Supply Indicators compiled by S&P Global.

- A value above 0 indicates that supply chain capacity is being stretched and supply chain volatility is increasing. The further above 0, the greater the extent to which capacity is being stretched.
- A value below 0 indicates that supply chain capacity is being underutilized, reducing supply chain volatility. The further below 0, the greater the extent to which capacity is being underutilized.

A Supply Chain Volatility Index is also published at a regional level for Europe, Asia, North America and the U.K.

For more information about the methodology, click [here](#).

About GEP

GEP® delivers AI-powered procurement and supply chain solutions that help global enterprises become more agile and resilient, operate more efficiently and effectively, gain competitive advantage, boost profitability and increase shareholder value. Fresh thinking, innovative products, unrivaled domain expertise, smart, passionate people — this is how GEP SOFTWARE™, GEP STRATEGY™ and GEP MANAGED SERVICES™ together deliver procurement and supply chain solutions of unprecedented scale, power and effectiveness. Our customers are the world's best companies, including more than 1,000 Fortune 500 and Global 2000 industry leaders who rely on GEP to meet ambitious strategic, financial and operational goals. A leader in multiple Gartner Magic Quadrants, GEP's cloud-native software and digital business platforms consistently win awards and recognition from industry analysts, research firms and media outlets, including Gartner, Forrester, IDC, ISG, and Spend Matters. GEP is also regularly ranked a top procurement and supply chain consulting and strategy firm, and a leading managed services provider by ALM, Everest Group, NelsonHall, IDC, ISG and HFS, among others. Headquartered in Clark, New Jersey, GEP has offices and operations centers across Europe, Asia, Africa and the Americas. To learn more, visit www.gep.com.

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