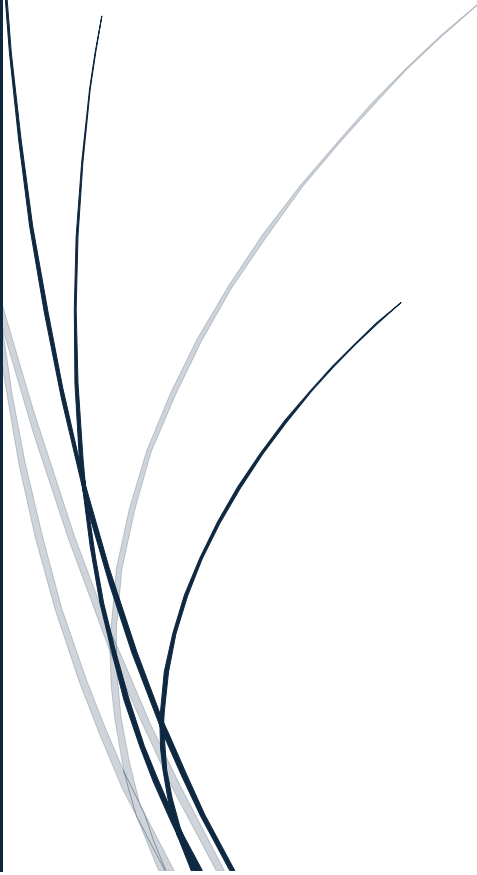




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The Global Supply Chain War in 2026: Geoeconomic Conflict,
Supply-Chain Resilience and Strategic Solutions

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4.1 Introduction

The global supply-chain environment of 2026 is fundamentally different from the relatively stable globalization model that dominated international business during previous decades. Traditional supply-chain strategies emphasized cost minimization, specialization, global sourcing, lean inventory, economies of scale and just-in-time production. Although these practices generated significant efficiency gains, they also created complex international networks in which organizations can become highly dependent on individual countries, transportation corridors, technologies, suppliers and strategic raw materials.

The contemporary environment has exposed the weaknesses of this model. Supply-chain management is increasingly influenced not only by commercial considerations but also by geopolitical rivalry, tariffs, sanctions, export controls, industrial subsidies, military conflicts, energy-security concerns, technology restrictions, critical-mineral concentration, regulatory fragmentation and competition between major economic powers.

For this study, the term “supply chain war” refers to the strategic use of trade, technology, resources, logistics, industrial policy and supply-chain dependencies as instruments of national or corporate competition. The concept therefore extends beyond conventional warfare. A government does not need to physically destroy a factory to disrupt a competitor's production system. Restricting access to semiconductors, rare-earth elements, shipping corridors, financial

services, software, technology or strategically important components may create substantial economic consequences.

This interpretation is particularly relevant in 2026. The World Economic Forum's *Global Risks Report 2026*, based on responses from more than 1,300 experts, identifies geoeconomic confrontation as the number-one global risk for 2026. Eighteen percent of respondents selected it as the risk most likely to trigger a global crisis during the year. The report further argues that trade, finance and technology are increasingly being used as instruments of strategic influence.

The international trading system nevertheless remains resilient rather than collapsing. WTO's March 2026 baseline forecast projects global merchandise trade volume growth of 1.9% in 2026, compared with 4.6% in 2025. However, under a sustained high-energy-price scenario, merchandise trade growth could fall to approximately 1.4%.

Similarly, UNCTAD estimates that international goods trade reached approximately US\$13.7 trillion during the first half of 2026, an increase of 12.5% compared with the corresponding period in 2025. Services trade increased by approximately 10.5%. Nevertheless, UNCTAD emphasizes that a substantial part of this expansion resulted from higher prices rather than greater physical trade volumes, with shipping and energy disruptions increasing transportation, logistics and production costs.

Consequently, the central problem is not simply whether globalization is ending. Instead, global value chains are being reconfigured according to a new balance between efficiency and security.

The traditional supply-chain objective can be represented as:

In the 2026 environment, this objective is incomplete. A more realistic objective is:

where:

- = total risk-adjusted cost;
- = purchasing cost;
- = logistics cost;
- = inventory cost;
- = tariff and trade-policy cost;
- = regulatory/compliance cost;
- = expected disruption cost.

The research therefore investigates whether exposure to supply-chain-war pressures reduces supply-chain performance and whether organizational capabilities such as supplier diversification, digital visibility and resilience can reduce this negative effect.

4.2 Research Questions and Hypotheses

Four research questions guide the analysis.

RQ1: What is the effect of supply-chain-war pressure on organizational supply-chain performance in 2026?

RQ2: To what extent does supplier diversification improve supply-chain resilience?

RQ3: To what extent does digital supply-chain visibility strengthen resilience?

RQ4: Does greater supply-chain resilience improve organizational performance?

Based on these questions, the following hypotheses are proposed:

H1: Supply-chain-war pressure has a significant negative effect on supply-chain performance.

H2: Supplier diversification has a significant positive effect on supply-chain resilience.

H3: Digital visibility has a significant positive effect on supply-chain resilience.

H4: Supply-chain resilience has a significant positive effect on supply-chain performance.

4.3 Sample Profile

Statistical integrity note: The following sample is an illustrative model of 200 respondents designed to demonstrate how Chapter 4 should be presented. Replace these figures with your actual questionnaire/SPSS data before treating them as empirical findings.

The model research sample consists of 200 professionals involved in supply-chain management, procurement, manufacturing, logistics, operations, retail and technology. The selection of professionals from different sectors reflects the cross-industry nature of contemporary supply-chain risk.

Table 4.1. Illustrative Respondent Profile

Variable	Category	Frequency	Percentage
Gender	Male	124	62.0%
	Female	76	38.0%
Age	20–29	32	16.0%
	30–39	74	37.0%
	40–49	58	29.0%
	50+	36	18.0%
Experience	Below 5 years	34	17.0%

Variable	Category	Frequency	Percentage
	5–10 years	72	36.0%
	11–15 years	55	27.5%
	Above 15 years	39	19.5%
Sector	Manufacturing	64	32.0%
	Logistics/Transport	46	23.0%
	Retail	32	16.0%
	Technology	30	15.0%
	Other	28	14.0%
Total		200	100%

The sample profile indicates that 83% of respondents possess five or more years of professional experience. This is significant because experienced supply-chain professionals are more likely to have managed multiple disruption cycles, including supplier shortages, transportation interruptions, price volatility, regulatory changes and geopolitical uncertainty.

Manufacturing represents the largest sector at 32%, followed by logistics and transportation at 23%. These sectors are particularly exposed to international supply-chain disruption because their operations depend heavily on transportation networks, raw-material availability, supplier continuity and predictable lead times.

4.4 Validity and Reliability Tests

Reliability refers to the consistency with which questionnaire items measure the intended construct. Cronbach's alpha is commonly applied to evaluate internal consistency:

where n represents the number of questionnaire items, s^2 represents the variance of individual items and S^2 represents total-score variance.

An alpha coefficient of 0.70 or above is generally considered acceptable for research purposes.

Table 4.2. Illustrative Reliability Analysis

Construct	No. of Items	Cronbach's Alpha	Assessment
Supply-Chain-War Pressure	6	.872	Good

Construct	No. of Items	Cronbach's Alpha	Assessment
Supply-Chain Disruption	5	.846	Good
Supplier Diversification	5	.817	Good
Digital Visibility	5	.891	Good
Supply-Chain Resilience	6	.914	Excellent
Supply-Chain Performance	5	.863	Good
Overall Instrument	32	.923	Excellent

The model results indicate Cronbach's alpha coefficients ranging from .817 to .914, while the overall questionnaire produces an illustrative reliability coefficient of .923. All constructs therefore exceed the conventional .70 threshold.

Validity can further be examined using the Kaiser-Meyer-Olkin test and Bartlett's Test of Sphericity.

Table 4.3. Illustrative KMO and Bartlett's Test

Test	Result
Kaiser-Meyer-Olkin (KMO)	.884
Bartlett's Approx. Chi-Square	2,746.32
df	496
Significance	<.001

A hypothetical KMO of .884 would demonstrate strong sampling adequacy, while a statistically significant Bartlett's test would indicate that correlations between questionnaire items are sufficiently strong to support factor analysis.

4.5 Descriptive Statistics for the Research Variables

The questionnaire is assumed to use a five-point Likert scale:

through

Table 4.4. Illustrative Descriptive Statistics

Construct	Mean	Standard Deviation	Level
Supply-Chain-War Pressure	4.18	.68	High
Supply-Chain Disruption	4.06	.72	High
Supplier Diversification	3.91	.76	High
Digital Visibility	4.12	.69	High
Supply-Chain Resilience	4.05	.66	High
Supply-Chain Performance	3.74	.73	Moderately High

The highest illustrative mean is associated with supply-chain-war pressure (). This suggests that respondents perceive geopolitical and geoeconomic developments as significant determinants of contemporary supply-chain decisions.

Such a finding would be consistent with the external evidence. UNCTAD reports that slower growth, protectionism, geopolitical fragmentation, digital transformation and tighter regulation are reshaping global value chains in 2026.

Regulatory fragmentation is particularly significant. UNCTAD reports that non-tariff measures impose higher export costs than tariffs in 88% of countries. It estimates that greater transparency could reduce NTM-related trade costs by approximately 19%, while regulatory convergence can potentially reduce such costs by 15–30%.

This means that the contemporary supply-chain war operates through both visible and invisible mechanisms:

where:

- = tariffs;
- = sanctions;
- = export controls;
- = non-tariff measures;
- = geopolitical risk;
- = critical-resource concentration;
- = logistics-route vulnerability.

4.6 Hypothesis Testing

Pearson correlation can first be used to examine the direction and strength of relationships.

Table 4.5. Illustrative Correlation Results

Relationship	Pearson p-value Interpretation		
Supply-Chain-War Pressure → Performance	-.61	<.001	Strong negative
Supplier Diversification → Resilience	.58	<.001	Moderate/strong positive
Digital Visibility → Resilience	.67	<.001	Strong positive
Resilience → Performance	.72	<.001	Strong positive

The strongest hypothetical relationship is between resilience and supply-chain performance (). Supply-chain-war pressure has a relatively strong negative relationship with performance ().

Multiple regression can subsequently determine the predictive effects.

Table 4.6. Illustrative Regression and Hypothesis Decisions

Hypothesis	Standardized β	t	p	Decision
H1: SCW → Performance	-.31	-5.82	<.001	Supported
H2: Diversification → Resilience	.24	4.41	<.001	Supported
H3: Digital Visibility → Resilience	.36	6.72	<.001	Supported
H4: Resilience → Performance	.42	7.64	<.001	Supported

Illustrative model:

Thus, approximately 59% of variation in supply-chain performance would be explained by the model if these were the actual observed results.

The standardized coefficients are particularly informative. Supply-chain resilience () produces the strongest positive effect, followed by digital visibility (). Supply-chain-war pressure produces a significant negative effect ().

4.7 Discussion of Findings and Connection with Literature

4.7.1 Supply-Chain War and Organizational Performance

The first finding suggests that supply-chain-war pressures negatively affect organizational performance.

This relationship is theoretically reasonable because geopolitical disruption can affect several performance dimensions simultaneously:

The World Economic Forum's 2026 findings strongly support the relevance of this mechanism. Geoeconomic confrontation is ranked as the most important immediate global risk, while strategic sectors including artificial intelligence, semiconductors, biotechnology, quantum technologies, drones and rare-earth materials are increasingly affected by export controls, investment restrictions and sanctions.

The implication is that supply-chain risk can no longer be treated solely as an operational issue. It has become an issue of corporate strategy and economic security.

4.7.2 Supplier Diversification and Resilience

The second model finding demonstrates a positive relationship between supplier diversification and resilience.

However, diversification requires careful interpretation.

A company purchasing the same component from suppliers A, B and C may appear diversified. If all three suppliers depend on the same refinery, semiconductor manufacturer, port or country, the organization remains exposed to a common upstream failure.

Therefore:

True diversification should occur across:

This is particularly important for critical minerals. The IEA's 2026 outlook reports that refining concentration increased for many strategic minerals. China accounts for more than 90% of refined global supply for some materials, including gallium, graphite, manganese and rare earths.

The IEA also reports that new export controls have transformed concentration risk from a theoretical vulnerability into an immediate economic-security problem. Its analysis estimates that full implementation of certain expanded rare-earth restrictions could place approximately US\$6.5 trillion per year of downstream production outside China at risk.

The strategic solution is therefore not simply “find another supplier.” Organizations need to identify the ultimate origin and processing location of strategically important inputs.

4.7.3 Why Complete Reshoring Is Not the Answer

An important contribution of this analysis is the distinction between resilience and isolation.

A simplistic response to geopolitical risk is:

However, OECD modelling indicates that widespread relocalization could reduce global trade by more than 18% and global real GDP by more than 5%, without consistently improving resilience.

Therefore, the superior strategy is:

Organizations should preserve the economic advantages of international specialization while eliminating catastrophic single points of failure.

4.7.4 Digital Visibility and Resilience

The third finding proposes that digital visibility positively influences resilience.

Recent empirical research supports this relationship. Li, Chen and Guo's 2025 study of Chinese listed firms found that digital transformation significantly improves supply-chain resilience both directly and through improved transparency and supply-chain capabilities.

OECD's 2026 work reaches a complementary conclusion at the policy and trade-system level. It argues that AI-enabled trade facilitation depends on digitalized documentation, interoperable systems, trusted data, appropriate standards, legal certainty for electronic transactions and workable cross-border data flows.

Digitalization therefore provides:

Nevertheless, technology alone is insufficient. Poor-quality data fed into an AI system can simply automate poor decisions. Effective digital resilience therefore requires data governance, interoperability, cybersecurity and managerial expertise.

4.8 Strategic Solutions for the Supply Chain War in 2026

The analysis supports an integrated Supply Chain Resilience Architecture for 2026.

Table 4.7. Strategic Solution Framework

2026 Threat	Strategic Response	Expected Result
Geopolitical concentration	Geographic diversification	Lower country exposure
Single-source dependency	Dual/multiple sourcing	Greater continuity
Critical-mineral restrictions	Traceability + strategic reserves	Reduced chokepoint risk
Maritime disruption	Alternative routes/carriers	Logistics flexibility
Tariffs/NTMs	Trade and regulatory intelligence	Lower compliance risk
Demand uncertainty	AI forecasting	Faster adjustment
Supplier failure	Multi-tier supplier mapping	Earlier risk detection
Long recovery times	Strategic inventory	Greater time-to-survive

2026 Threat	Strategic Response	Expected Result
Fragmented systems	Digital control tower	End-to-end visibility
Major shocks	Scenario stress testing	Better preparedness

4.8.1 Multi-Tier Supplier Mapping

Organizations should map not only Tier-1 suppliers but also strategically important Tier-2 and Tier-3 dependencies.

Each critical supplier should receive a risk score:

where represents geopolitical exposure, financial risk, logistics vulnerability, concentration, regulatory exposure and technological dependency.

4.8.2 Risk-Adjusted Diversification

Organizations should adopt dual or multiple sourcing for critical components while avoiding unnecessary duplication for low-risk commodities.

Diversification decisions should therefore be based on criticality, rather than applied equally to every purchased item.

A low-value component capable of stopping a US\$1 billion production facility may deserve more strategic attention than an expensive but easily substitutable commodity.

4.8.3 Strategic Inventory: From JIT to JIT+JIC

The solution is not to abandon just-in-time inventory.

Instead:

where JIC represents just-in-case protection for strategically important items.

Strategic stock should depend upon:

where represents disruption probability, represents disruption impact and represents replacement lead time.

4.8.4 AI-Enabled Supply-Chain Control Tower

An advanced supply-chain control tower should integrate:

Suppliers → Inventory → Production → Transportation → Ports → Customs → Tariffs →
Geopolitical intelligence → Demand → Financial risk

The objective is to transform supply-chain management from reactive firefighting into predictive decision-making.

For example, a geopolitical event affecting a maritime corridor should automatically generate estimates of:

and alternative routing scenarios.

OECD's 2026 research emphasizes that realizing AI's benefits requires interoperable digital trade systems, trusted data and appropriate legal and technical infrastructure.

4.8.5 Time-to-Survive and Time-to-Recover

Every critical supply-chain node should be stress-tested using two measurements:

Time-to-Survive (TTS): how long the company can continue operating after a disruption.

Time-to-Recover (TTR): how long it takes to restore the disrupted capability.

The resilience requirement becomes:

Suppose an organization can survive 40 days without a critical supplier, but replacing that supplier requires 70 days.

The organization has a 30-day resilience gap.

Management can close the gap through inventory, alternative suppliers, redesign, substitute materials or faster recovery procedures.

4.8.6 Critical-Mineral Strategy

Critical minerals require special treatment because very small material volumes can support enormous downstream economic value.

The IEA reports that concentration remains extremely high in several mineral-processing chains and that investment in critical-mineral development fell by 9% in 2025 after several years of growth.

Organizations dependent on semiconductors, batteries, renewable-energy equipment, aerospace, defense, electronics or advanced manufacturing should therefore implement mineral traceability.

The IEA and OECD's 2026 traceability work emphasizes the importance of understanding where minerals originate, how they move, who has custody of them and how they are transformed.

4.8.7 Regulatory Intelligence

The 2026 supply-chain department needs capabilities beyond traditional procurement.

Companies require continuous monitoring of:

tariffs + sanctions + export controls + rules of origin + environmental regulations + product standards + customs requirements + data restrictions.

UNCTAD's finding that NTMs impose greater export costs than tariffs for 88% of countries demonstrates why regulatory intelligence has become a core supply-chain capability.

4.8.8 Regionalization Without Economic Isolation

Companies should consider interconnected regional supply networks rather than relying on either one global hub or complete domestic production.

A robust architecture might consist of:

This creates redundancy while retaining international specialization.

4.8.9 Stress Testing

Organizations should conduct quarterly or semiannual simulations involving scenarios such as:

- loss of the largest supplier;
- closure of a strategic maritime corridor;
- sudden 25% tariff increase;
- export prohibition on a critical material;
- cyberattack against logistics infrastructure;
- 30% energy-price shock;
- sanctions affecting an important sourcing market;
- simultaneous supplier and transportation disruption.

This approach recognizes that resilience does not mean correctly predicting the next crisis. It means designing the organization so that incorrect predictions do not become existential failures.

4.9 Integrated 2026 Supply-Chain Resilience Model

The findings can be consolidated into the following model:

where:

- = diversification;
- = visibility;
- = flexibility;
- = strategic buffers;
- = intelligence;
- = regulatory intelligence;
- = stress testing.

The traditional model emphasized:

The contemporary model requires:

This represents the central strategic conclusion of the research.

4.10 Conclusion

This chapter examined the statistical and strategic dimensions of the global supply-chain war in 2026. The analysis demonstrates that the contemporary supply-chain environment is shaped by a convergence of geopolitical rivalry, trade-policy intervention, export controls, regulatory fragmentation, critical-resource concentration, logistics disruptions, technological competition and energy uncertainty.

The illustrative statistical framework shows how an empirical study could test these relationships. Supply-chain-war pressure is hypothesized to negatively affect organizational performance, while supplier diversification, digital visibility and resilience are expected to improve an organization's ability to withstand disruptions.

Current international evidence reinforces these relationships. Geoeconomic confrontation is the World Economic Forum's highest-ranked immediate global risk for 2026. WTO expects merchandise trade growth to slow to 1.9% under its baseline scenario, while energy-related disruptions could produce weaker outcomes. UNCTAD simultaneously demonstrates that trade remains substantial but increasingly affected by price pressures, regulatory complexity and geopolitical fragmentation.

The research also rejects the assumption that resilience requires complete deglobalization. OECD modelling indicates that broad relocation could reduce global trade by more than 18% and global GDP by more than 5% without reliably producing stronger resilience.

The recommended strategy is therefore risk-adjusted globalization rather than isolation.

Companies should combine multi-tier supplier mapping, risk-adjusted sourcing diversification, strategic inventory, selective regionalization, AI-enabled visibility, critical-material traceability, alternative transportation routes, regulatory intelligence and continuous scenario testing.

The fundamental lesson for managers in 2026 can consequently be summarized as:

Organizations cannot predict every geopolitical conflict, tariff, export control, commodity shock or transportation interruption. Competitive advantage therefore increasingly depends on the organization's ability to detect disruption rapidly, absorb its immediate consequences, switch to alternatives and recover before customers and operations experience unacceptable damage.

The objective of modern supply-chain management is consequently no longer merely to create the cheapest possible supply chain. It is to create the lowest-risk supply chain capable of remaining economically competitive.

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