

# Supply chains face stress test amid trade shifts: PwC India

**RUCHIKA CHITRAVANSHI**

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Supply chains are evolving from operational backbones to strategic growth enablers for organisations, though they remain underleveraged and struggle for recognition at the executive level, a report by PwC India said. The survey highlighted that recent developments in the trade and tariff landscape represent both a stress test and a strategic inflection point for supply chains.

“Geopolitical uncertainty and shifting tariffs are driving a need for adaptive and compliant supply chains... While short-term disruptions are inevitable, they also offer a critical opportunity to assess value chains and incorporate greater agility, sustainability, and foresight,” the PwC survey said.

The PwC report provides an eight-step framework for global trade strategy, centred on diversification, localisation, and digital trade intelligence, which companies can leverage to thrive despite tariff and taxation pressures.

A survey of 156 respondents, including chief executive officers and senior supply chain leaders, found that despite their critical role, 32 per cent of respondents believe supply chains remain underleveraged in strategic contexts and that more ground must be covered to secure a seat at the table.

“The day is fast approaching when a health-care company will partner a mobility provider and a technology firm to deliver personalised care at scale, enabled by a supply chain that integrates patient data, logistics, and artificial intelligence-driven diagnostics,” said Arnab Basu, partner and

leader, clients and industries, PwC India.

While 16 per cent of survey participants said they were well prepared for supply chain disruptions and could thrive in such situations, 35 per cent still perceive their supply chains as fragile and vulnerable. The PwC report noted that although AI and generative AI (GenAI) have the potential to revolutionise supply chains, only 13 per cent of organisations have implemented AI use cases that deliver tangible value. For GenAI, the figure is just 1 per cent. Companies are primarily using AI to monitor supply chain risks and manage stakeholder communication.

The survey also highlighted the growing adoption of digital twin technology — creating virtual replicas of physical supply chains to visualise “what-if” scenarios — with 58 per cent of business leaders planning to invest in it over the next one to two years.

Supply chains today face multiple challenges, including disruptions from geopolitical conflicts, natural disasters, pandemics, and cybersecurity risks, all of which affect efficiency through delays and increased costs.

As attention on supply chain sustainability grows, a global PwC survey found that 50 per cent of business leaders expect environmental, social and governance compliance to have a high impact on their business by 2030.

The report also observed that the journey of supply chains from the backroom to the boardroom is well underway. “As supply chains evolve into regenerative, alliance-driven systems blending sustainability, technology, and customer-centricity, they are poised to become the core engines of reinvention, resilience, and trust for every enterprise,” the PwC report said.

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