



Annual Risk Survey: 2025

Supply chain disruption trends and their
economic impact on global supply chains

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Executive summary

RapidRatings' Annual risk survey: 2025 provides a timely and essential perspective on the challenges organizations face and the strategies they are adopting to mitigate risks.

In an age where disruption is the norm, the question is no longer if your supply chain will face challenges—but when and how prepared you'll be to respond. How can organizations build resilience?

“Understanding a supplier’s financial position—its liquidity, debt structure, and long-term viability—can mean the difference between continuity and costly disruption.”

— JAMES GELLERT, EXECUTIVE CHAIR, RAPIDRATINGS

The challenges ahead are immense, but so are the opportunities to innovate and adapt. At RapidRatings, we remain committed to empowering our clients with the insights needed to thrive in this environment of uncertainty.

RESPONDENTS REVEALED THAT...

68% expect significant risk escalation in 2025.

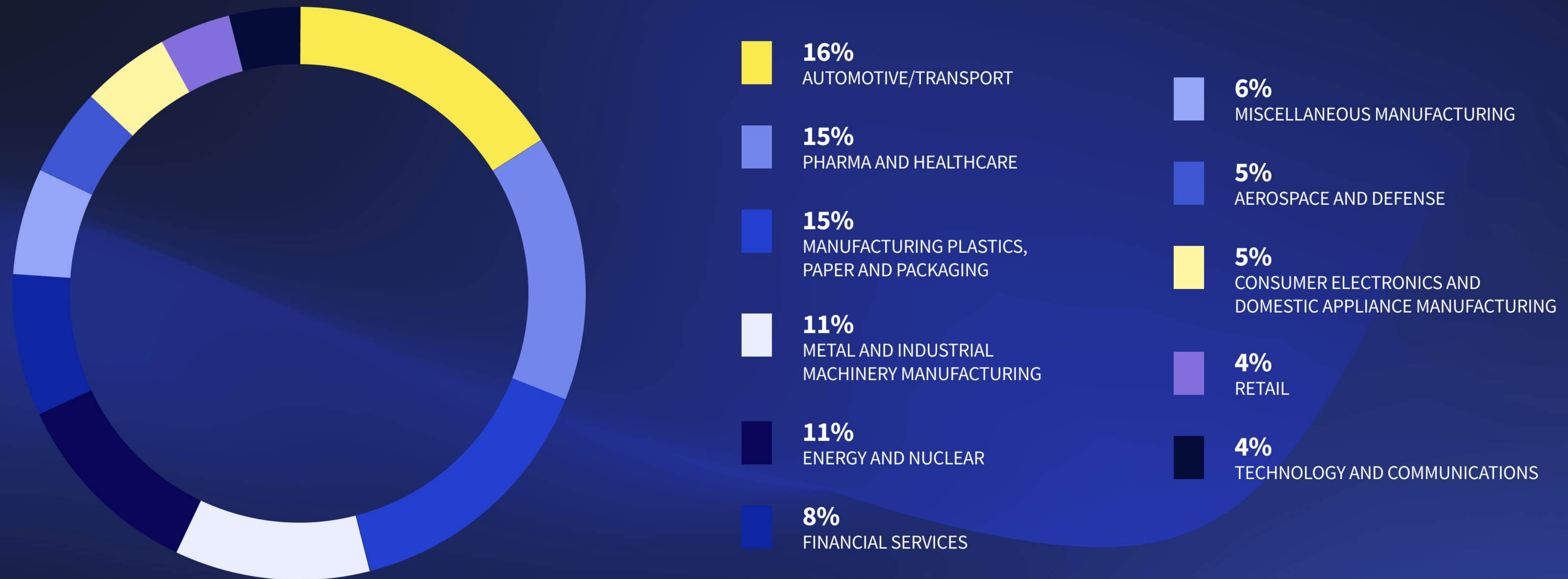
81% have experienced disruption in the past 24 months.

30% of disruptions cost in excess of \$5 million each.

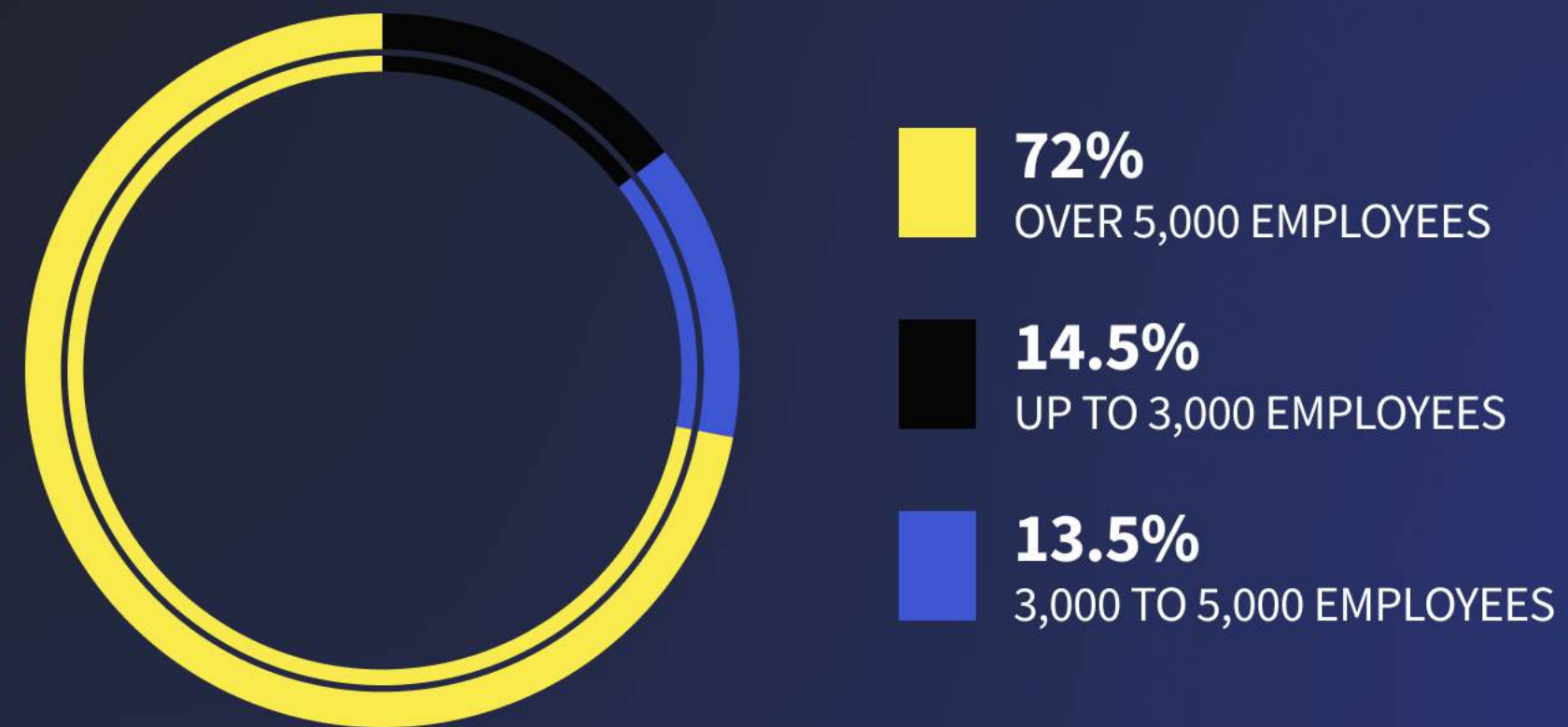
Methodology and demographics

The survey targeted global supply chain and procurement professionals, capturing insights into perceived risks, disruption costs, business impacts, and mitigation strategies. By including diverse sectors, organizational sizes, regions, and roles, the data captures cross-industry challenges and offers a solid foundation for actionable strategies.

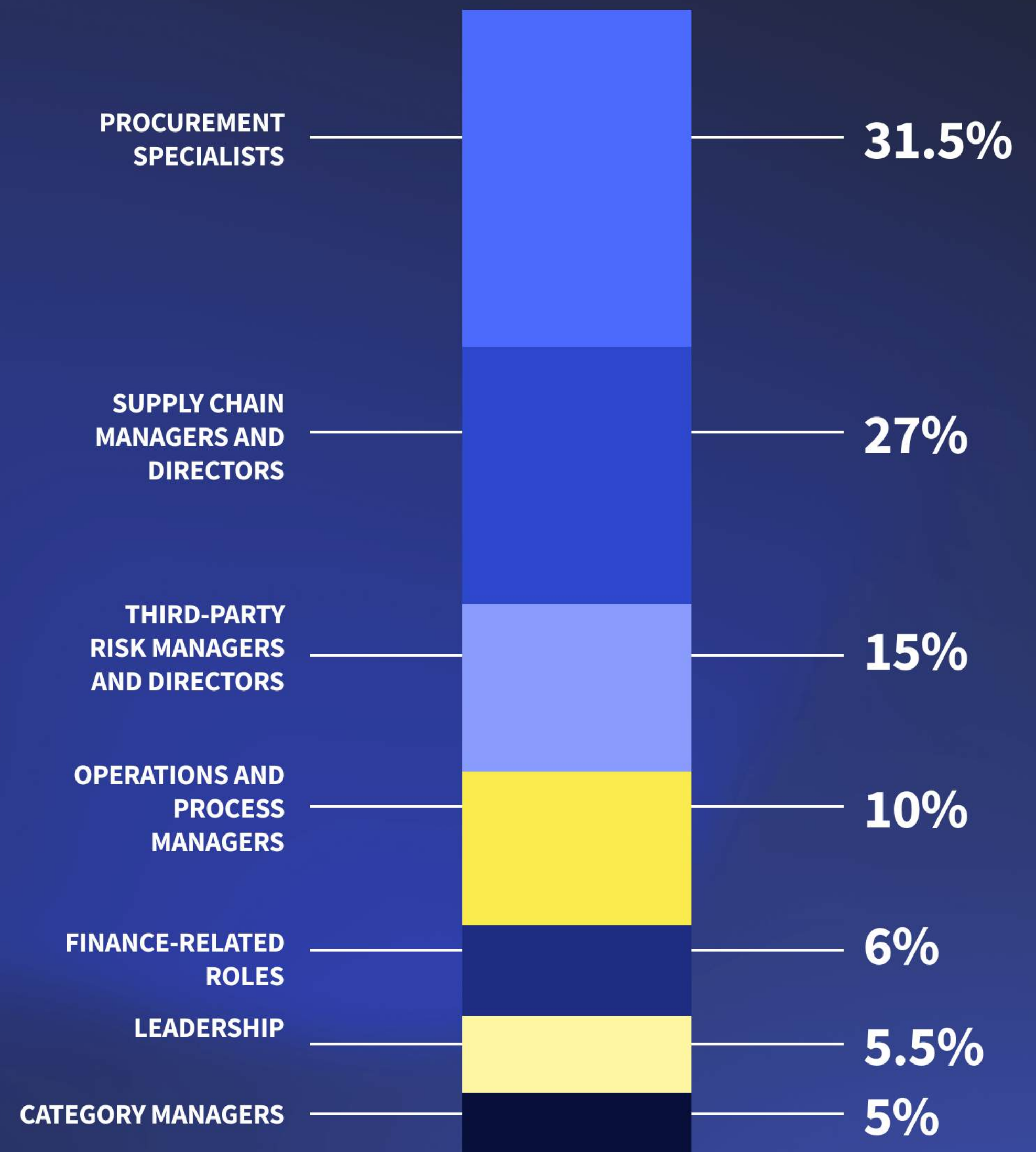
SECTOR REPRESENTATION



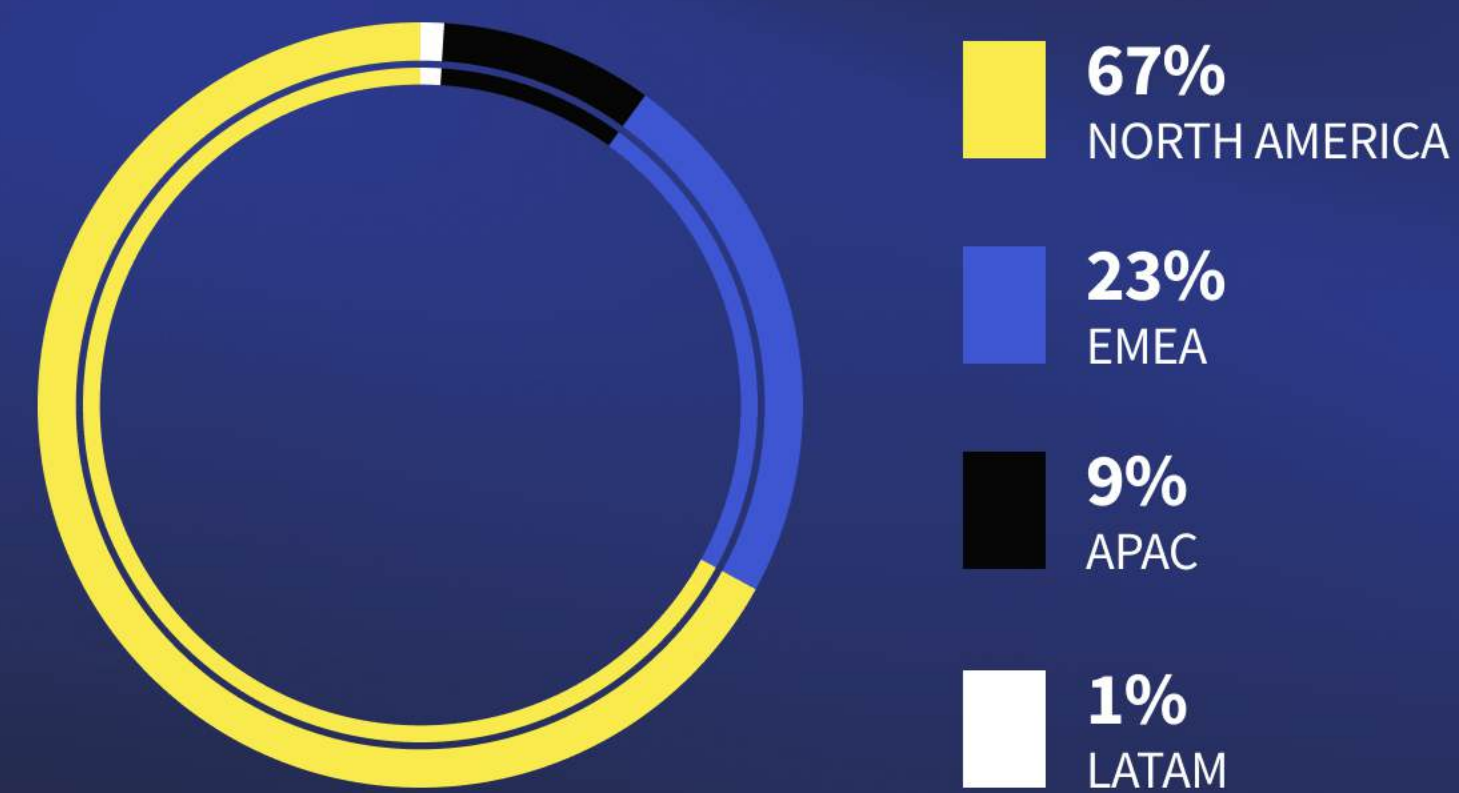
ORGANIZATIONAL SIZE



ROLES OF RESPONDENTS



REGIONAL REPRESENTATION

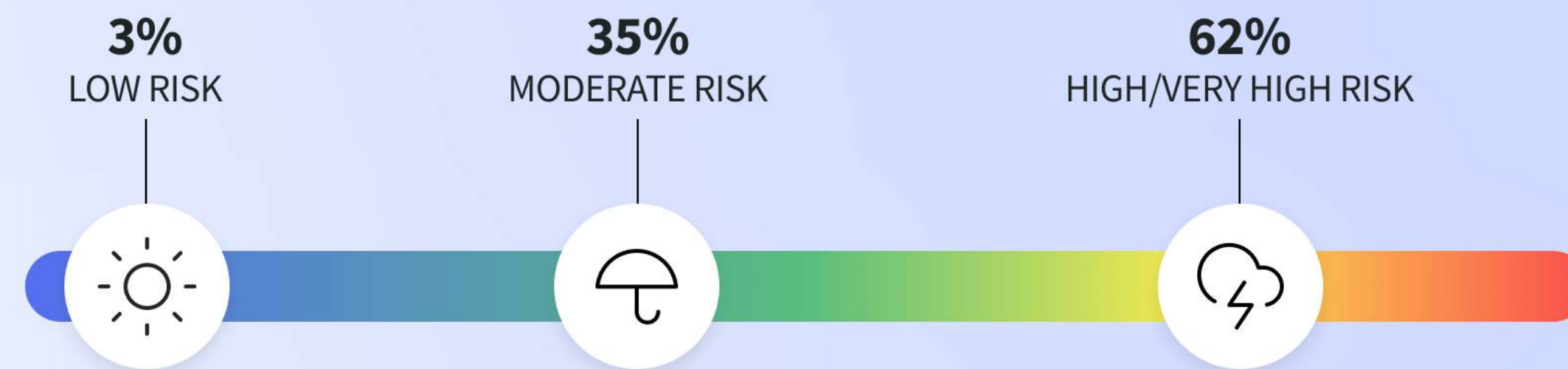


The risk forecast: Trend analysis

Risk levels surged in 2024, driven by geopolitical tensions, labor shortages, and rising supplier bankruptcies. These challenges are escalating rapidly in 2025 fueled by tariffs, the prospect of trade wars, and growing geopolitical and economic volatility. This instability is amplifying existing vulnerabilities across multiple industries.

We asked respondents to share their experience of supply chain risk levels in 2024 and forecast how they expect risk levels to evolve in 2025.

2024 SUPPLY CHAIN DISRUPTION LEVELS



ⓘ TAKEAWAY:

Global supply chains will face greater risks in 2025.

2025 DISRUPTION FORECAST








Mapping risk: Regional and sector-specific insights

Asia, and particularly China, is viewed as a major risk to global supply chains in 2025. Although China remains a cornerstone of global manufacturing supply chains by providing critical components and raw materials for automotive, technology and pharmaceutical companies, rising US-China tensions—and the prospect of tariffs—have increased the risk of a trade war and potential disruptions.

These fears are reflected in survey respondents' identification of the regions, countries, and sectors they perceive as posing the greatest risks to their supply chains in the coming year.

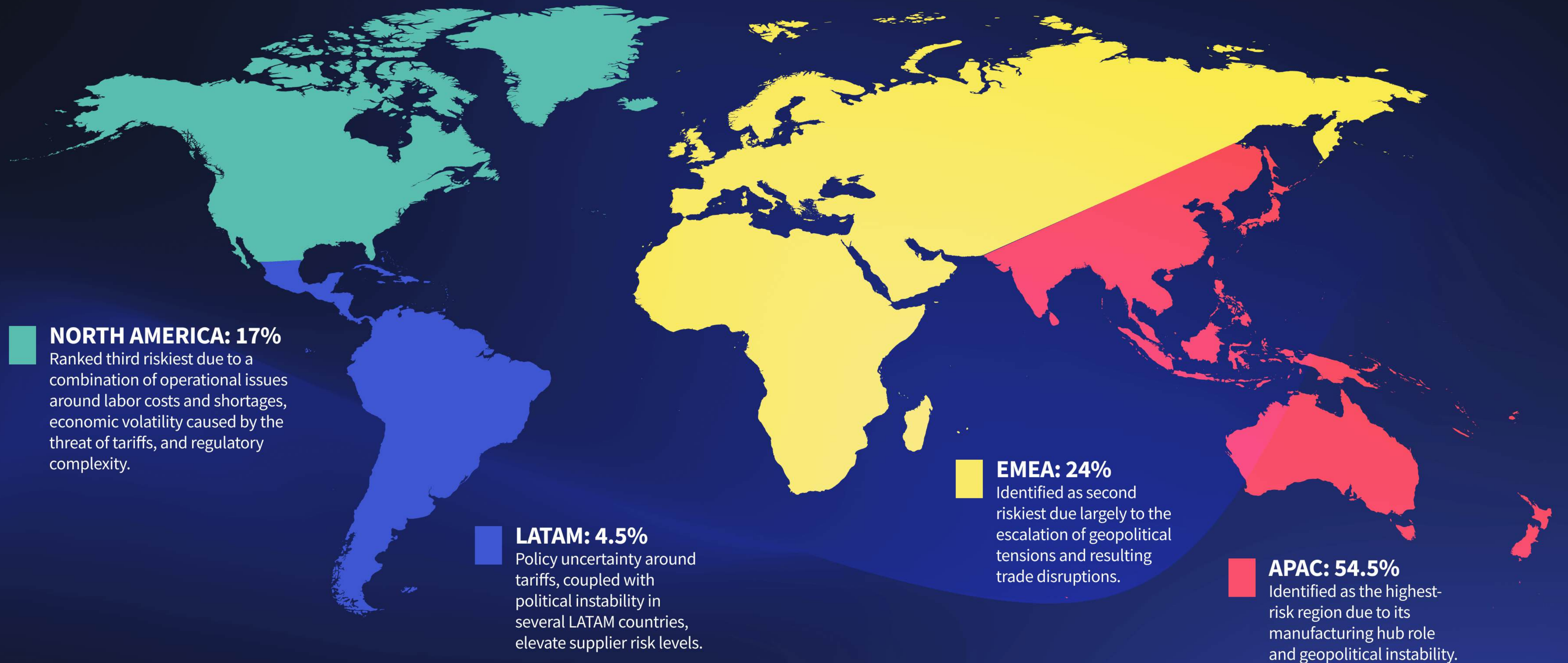
RISK BY SECTOR

The top five sectors causing concern to respondents, in order of significance:

-  **COMPUTER AND ELECTRONIC PRODUCT MANUFACTURING**
-  **ELECTRICAL EQUIPMENT AND APPLIANCE MANUFACTURING**
-  **MACHINERY MANUFACTURING**
-  **FABRICATED METAL PRODUCT MANUFACTURING**
-  **CHEMICAL MANUFACTURING**

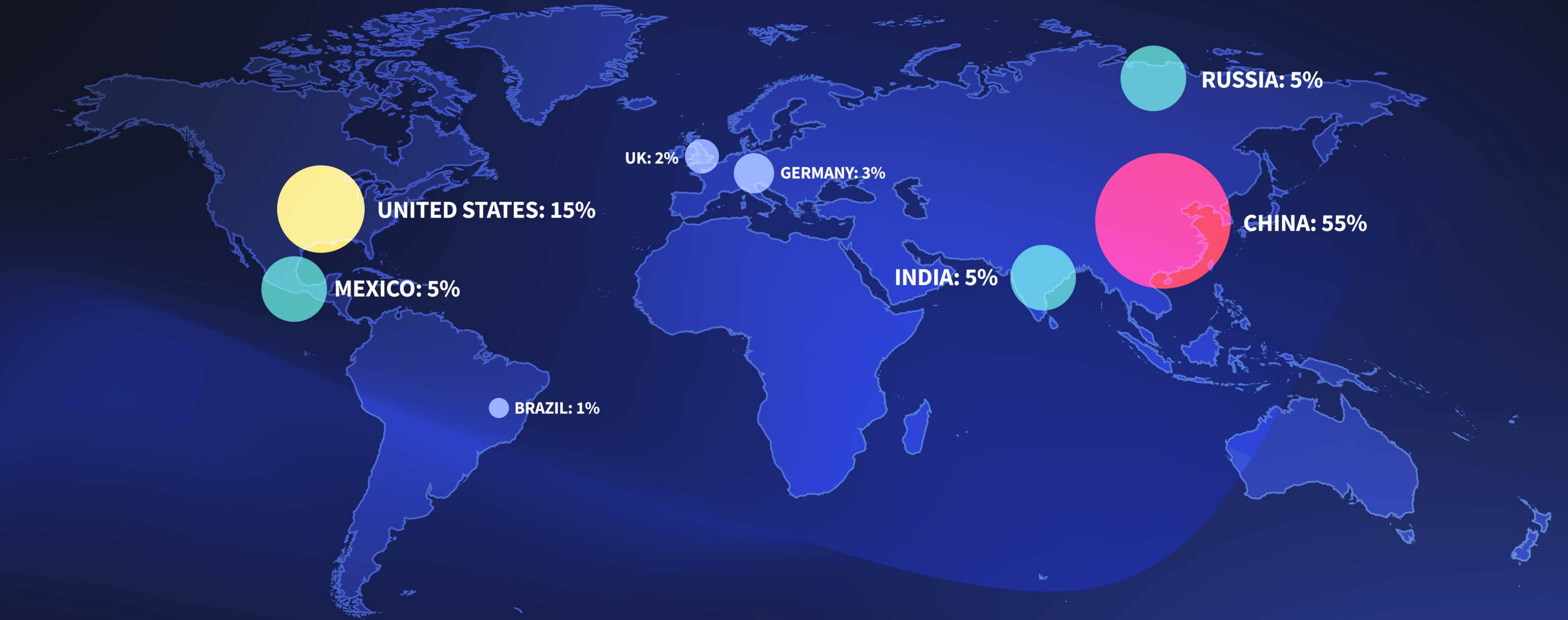
RISK BY REGION

Respondents identified the global trade region they see as the biggest disruption risk to their supply chain.



RISK BY COUNTRY

Respondents identified the country they perceive as being the most likely source of supply chain disruption for their business.



Disruption breakdown: Financial impact and drivers

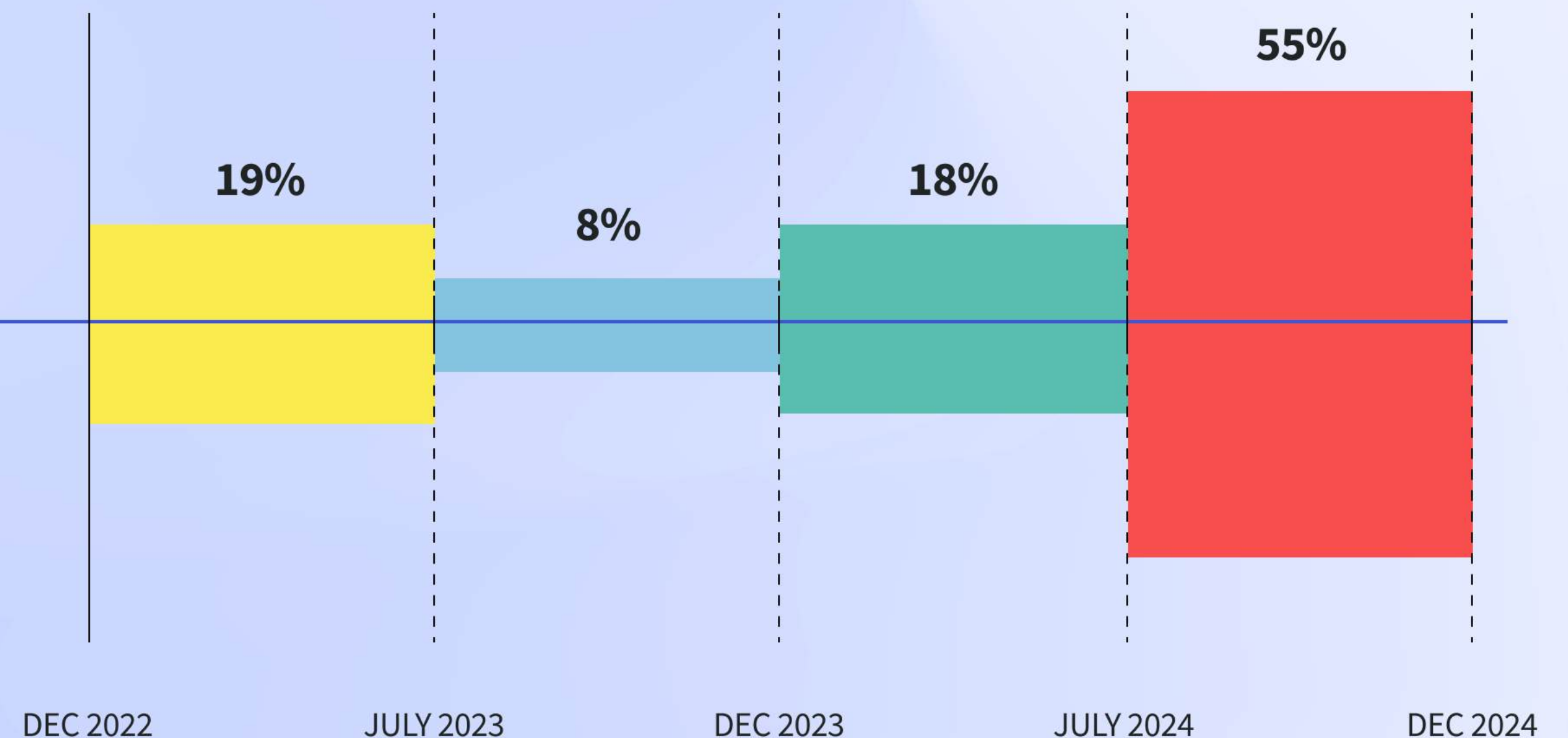
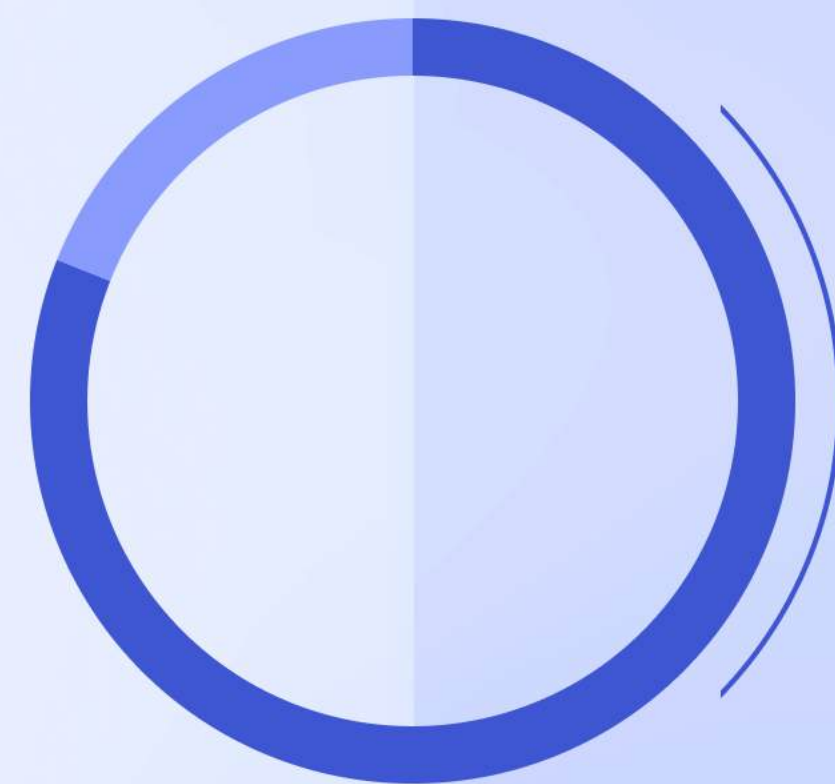
More than half (**55%**) of respondents faced a supply chain disruption in the last six months of 2024, while almost three quarters (**73%**) experienced a disruption at some point during all of 2024.

Additionally, **39%** of respondents experienced an increase in the frequency of disruptions last year, and **68%** of respondents expect risk levels to increase in 2025.

CONCENTRATION OF SUPPLIER DISRUPTIONS OVER TIME

81%

of respondents have had their business impacted by supplier disruption in the past two years.



Financial impact: Reducing profitability and growth

Disruptions are a significant financial burden, with nearly 30% of events costing over \$5 million. Increased expenses from emergency sourcing, production delays, higher logistic costs, and lost sales all reduce profitability.

COST PER DISRUPTION



📌 TAKEAWAY:

The need for robust supplier assessments and predictive risk management tools is urgent.

Organizational impact

When assessing how supply chain disruptions impact critical business areas, the majority of respondents identified operational costs, revenue targets, and productivity as the hardest-hit.



OPERATIONAL COSTS

78.4% consider supply chain disruptions extremely damaging to operational costs.



REVENUE TARGETS

72.6% stated that extreme or very high financial losses are a direct consequence of disruption.



PRODUCTIVITY

67% say disruption has an extremely negative impact on productivity.



INVENTORY MANAGEMENT

60.2% reported high and very high levels of damage to inventory levels as a consequence of supply chain disruption.

ⓘ TAKEAWAY:

Disruptions trigger a cascade of impacts through organizations. Productivity, cost centers, and resources are all hit. The ultimate impact? A direct hit to the bottom line.

Key disruption drivers

Respondents ranked the events most likely to have the greatest impact on supply chain disruptions in 2025.



Sector snapshot:

Impact on key sectors

AUTOMOTIVE

CHALLENGES

Semiconductor shortages and fluctuating raw material costs.

IMPACTS

Production delays, increased costs, and reduced competitiveness.

RAPIDRATINGS RECOMMENDS

Focus on diversifying suppliers and developing alternative sourcing strategies for critical components.

ACCELERATING TENSION IN AUTOMOTIVES

In 2024, the EU imposed up to 38.1% tariffs on Chinese electric vehicles in response to concerns about the impact of state subsidies on the market. The dispute was escalated to the World Trade Organization by China, disrupting supply chains and triggering further challenges for businesses reliant on Chinese imports.

Aston Martin suffered a serious disruption due to delays in receiving components from suppliers in China. The impact on production cycles caused a significant reduction in sales forecasts and knocked 25% off the share price.

Sector snapshot:

Impact on key sectors

AEROSPACE AND DEFENSE

CHALLENGES

Dependence on high-spec materials, and regulatory hurdles.

IMPACTS

Project delays, cost overruns, and increased regulatory compliance costs.

RAPIDRATINGS RECOMMENDS

Leverage supplier financial transparency early in the sourcing and procurement process to optimize supply chain resilience and to expedite supplier onboarding.

AEROSPACE SUPPLIER BANKRUPTCY

In 2024, the aerospace industry faced several high-profile disruptions due to the financial instability of key suppliers. Notably, major parts distributor Incora filed for bankruptcy causing disruptions for multiple manufacturers reliant on its components.

This incident underscores the critical role of supplier financial health metrics when evaluating the stability of critical suppliers. It provides the most predictive early warning of potential disruption, allowing companies to develop and implement mitigation and contingency plans.

Sector snapshot:

Impact on key sectors

PHARMA AND HEALTHCARE

CHALLENGES

Geopolitical restrictions and climate events impacting raw material supply chains.

IMPACTS

Drug shortages and increased costs in medical device manufacturing.

RAPIDRATINGS RECOMMENDS

Standardize and integrate transparency around supplier financial health to make it a regular part of ongoing supplier check-ins.

TECHNOLOGY

CHALLENGES

Dependence on APAC-based suppliers for semiconductors and rare earth materials.

IMPACTS

Delayed product launches and increased costs.

RAPIDRATINGS RECOMMENDS

Implement stress testing and portfolio analysis of suppliers for a more proactive and preventative approach to supplier risk.

Sector snapshot:

Impact on key sectors

FINANCIAL SERVICES

CHALLENGES

Regulatory shifts from DORA in the EU and Interagency Guidance in the US require vendor management across the relationship lifecycle.

IMPACTS

Increased operational costs and reputational risks.

RAPIDRATINGS RECOMMENDS

Implement ongoing monitoring of critical suppliers' financial health to meet third-party risk management and compliance expectations.

FINANCIAL FAILURE

In April 2024, Synapse Financial Technologies, a fintech company providing banking-as-a-service, filed for bankruptcy. This significantly disrupted numerous financial services that depended on the company for critical banking tech infrastructure. Around 116,000 accounts were affected with \$100 million frozen in accounts held by partner banks. The situation left thousands of consumers unable to access their funds.

For the financial services sector, US Interagency Guidance strongly recommends that financial services companies and banks conduct ongoing due diligence into the financial health of critical suppliers throughout the relationship lifecycle. In the EU, 2025 DORA legislation mandates financial health oversight of all critical technical infrastructure and IT services used by EU-based banks and financial services companies.

Transparency: The key to risk mitigation

Effective risk management depends on assessing suppliers' financial health to identify vulnerabilities.

This includes monitoring:

→ **LIQUIDITY**

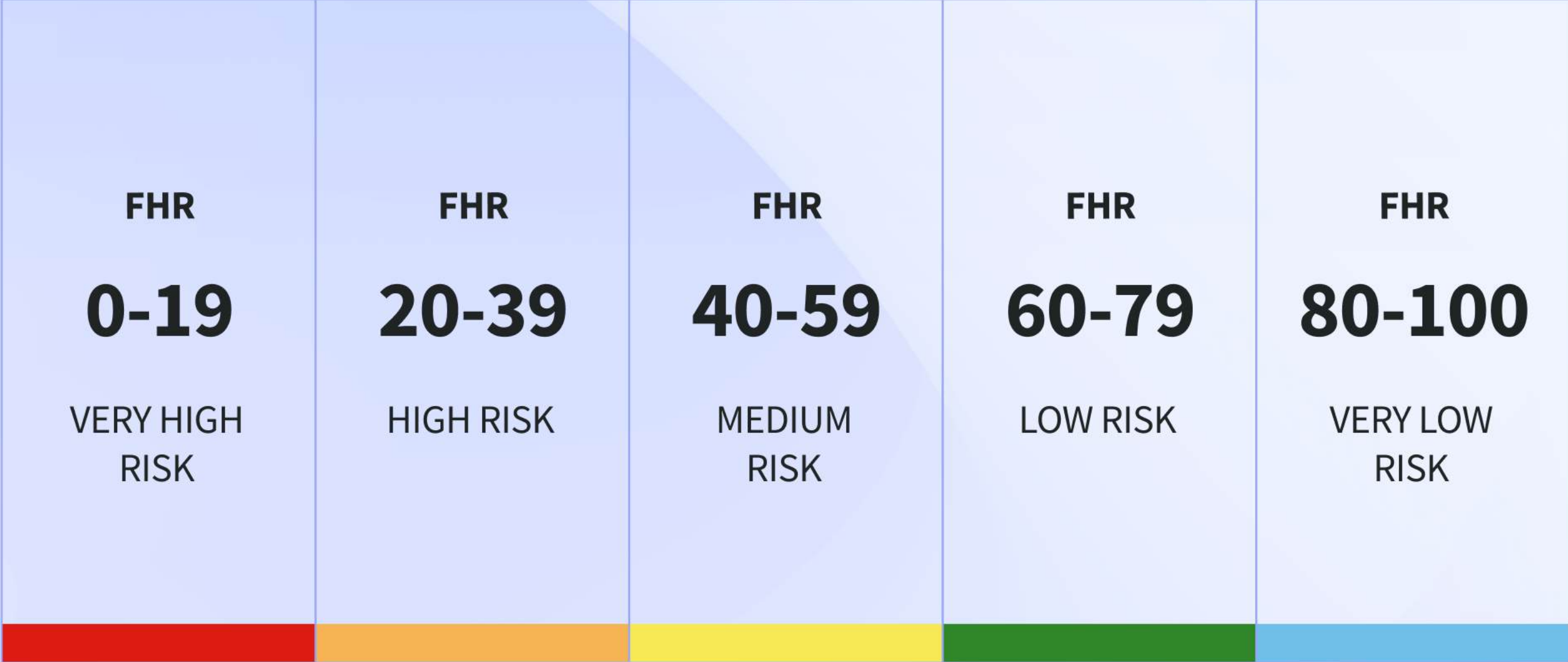
Ensuring suppliers can sustain operations during disruptions.

→ **DEBT RATIOS**

Evaluating leverage to assess stability under economic stress.

→ **PROFITABILITY**

Identifying financially resilient partners.



The FHR® rating scale is based on the ratios of a supplier's liquidity, debt, and profitability, providing a clear measure of their financial health and stability.

📌 **TAKEAWAY:**

Financial health metrics are the leading predictors of disruptions, making transparency critical to effective risk management—especially during uncertain times.

CONCENTRATION RISKS AND CONSOLIDATION

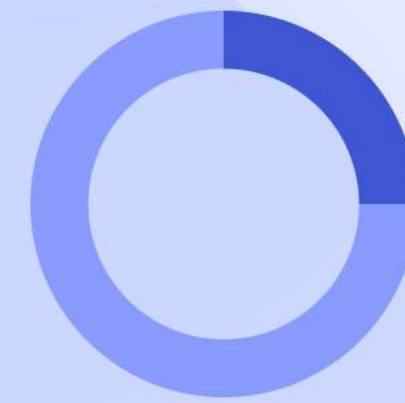
Businesses are tackling the risks of having too few or too many suppliers, with most planning to adjust their supplier count in 2025.



39%
will maintain existing
supplier numbers



36%
plan to consolidate and
reduce supplier numbers



25%
will increase supplier
numbers

STRATEGIC RECOMMENDATIONS

EXPAND SOURCING

Reduce dependence on high-risk regions, particularly APAC, to improve resilience.

LEVERAGE ANALYTICS

Use quantitative analysis of supplier financials—the most predictive risk indicator.

STRENGTHEN COLLABORATION

Establish strong partnerships and transparency with suppliers to enhance resilience.

UPSKILL TEAMS

Equip supply chain teams with data-driven tools and decision-making frameworks for timely risk mitigation.



The wrap-up

The increasing complexity and fragility of global supply chains demand a paradigm shift in how organizations assess and manage risk. By prioritizing supplier financial transparency, diversifying sourcing strategies, and leveraging predictive tools, businesses can build resilience against future disruptions.

The automotive, aerospace and defense, pharma and healthcare, technology, and financial services sectors must take proactive measures to mitigate risks, protect revenue, and safeguard reputations. As supply chain risks intensify in 2025, only organizations that adopt a holistic and data-driven approach will succeed in navigating these challenges.

RapidRatings helps global supply chain and procurement teams

- Predict supplier risk with Financial Health Ratings
- Understand supplier stability and viability
- Make timely, proactive sourcing and risk mitigation decisions
- Build stronger, more resilient supply chains
- Avoid costly disruptions

Get risk-ready.

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