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Fabienne FEL
ESCP Business School

ESCP RESEARCH INSTITUTE OF MANAGEMENT (ERIM)

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Fabienne Fel*

ESCP Business School

Abstract

Based on a study of 81 French companies that reshored production activities between 2014 and 2026, this article examines how the motivations behind industrial reshoring in France have evolved since the Covid-19 pandemic. While traditional drivers such as cost reduction, quality improvement and production control remain important, new concerns emerged in the post-Covid context. Supply chain disruptions, rising transport and energy costs, geopolitical instability and fears of industrial dependency have increased the importance of risk management and sovereignty in corporate decision-making. Sustainability has also become more visible in corporate discourse, although it generally appears as a complementary benefit rather than a primary driver. The article further highlights the role of public subsidies and industrial automation in supporting reshoring projects. Overall, post-Covid reshoring in France appears less as a large-scale return of industry than as a targeted and partial adjustment by a limited number of firms seeking to adapt their supply chains to a more uncertain global environment.

Keywords: reshoring, drivers, France, supply chain

*Associate Professor, ESCP Business School

Industrial reshoring in France under turbulence: evolving corporate motivations

Since the Covid-19 pandemic and the supply disruptions that followed, industrial reshoring has returned to the centre of public debate in France. It is often presented as a guarantee of "industrial sovereignty", more relevant than ever in this turbulent period, when foreign supplies may be subject to blockages or spectacular price increases. The search for independence from foreign countries, particularly distant ones, is now stated as a priority by the government, members of parliament and mainstream media alike. Reshoring is frequently associated with the need for a "sovereign and sustainable industry", as often highlighted by the French Ministry of the Economy.

But what are companies really looking for today when they reshore their production?

Analysing the evolution of reshoring drivers

To answer this question, we analysed the evolution of the motivations of 81 French companies, 37 of which had reshored between 2014 and 2019, and 44 since 2020. We did not differentiate reshoring operations based on whether offshore production was in-sourced or out-sourced. We included industrial firms as well as distribution firms when the reshoring operation resulted in increased production in France.

This research was conducted using the European Reshoring Monitor (ERM) database[1] (as of September 29, 2025) together with a systematic review of articles published in the French national press through the Europresse database. Our analysis covered the exhaustive set of companies that had publicly announced reshoring operations in France during the period studied. We therefore examined the motivations publicly stated by these companies at the time they announced their reshoring decisions and compared the motivations highlighted before and after 2020 (Fel, 2026).

Our analysis provides a better understanding of how these motivations have evolved. While some factors remain unchanged, others have clearly gained momentum since 2020.

Before the health crisis, reshoring was primarily driven by traditional industrial considerations: reducing costs as the gap between production costs in France and in host countries narrowed, improving product quality, gaining greater control over production, bringing manufacturing sites closer to customers to improve responsiveness, and reconnecting design and production in order to foster innovation (Fel and Griette, 2017). Although some companies also referred to the value of "Made in France" label and the possibility of reducing the supply chain's carbon footprint, these motivations remained relatively marginal at the time. Sustainability concerns had already been identified before 2020 (Fratocchi and Di Stefano, 2019) but they appeared in only 28 articles out of the 105 analyzed in their review.

Since 2020, these traditional motivations have remained important for companies that reshore, but new concerns have also emerged at a statistically significant level.

1

[1] Eurofound, European Restructuring Monitor (ERM), available at: https://apps.eurofound.europa.eu/restructuringevents

The rise of risk-related concerns

One new concern in particular has become prominent: securing supplies. This motivation, which was almost never mentioned before 2020, now concerns nearly one-third of companies that have reshored since then, especially those that previously sourced from China. The shortages observed during the pandemic exposed the vulnerability of highly stretched value chains. Producing far away, particularly in Asia, used to be merely a question of cost, now it also raises issues of risk.

Taking rising freight costs into account

The dramatic increase in transport costs between 2020 and 2022 (and again in 2024, although to a lesser extent) also weighed heavily on corporate decisions. Although labour costs abroad often remain lower, transport-related costs as a whole have become increasingly volatile.

In this context, reshoring can appear as a way to regain greater control over these variables.

Sustainability: more prominently displayed than truly decisive

Environmental concerns now appear more in corporate discourse: reducing transport distances and therefore the associated greenhouse gas emissions is a motivation cited by 45% of companies that have reshored recently, compared with only 11% of those that reshored before 2020. The social benefits of reshoring (enabling employees in France to enjoy better working conditions and social protection than in certain distant countries) are, however, rarely mentioned.

In practice, however, the search for a lower supply chain carbon footprint rarely appears to be the decisive factor behind reshoring decisions. It is frequently associated with the "Made in France" label motivation: 55% of the companies wishing to reshore for this latter reason also state that improving sustainability is one of their objectives.

The promotion of "Made in France" therefore appears to function as a lever for improving environmental performance, mainly through reducing transport-related greenhouse gas emissions, while also offering employees more favourable working conditions than those observed in emerging economies. This finding echoes the conclusions of Xiao and Myers (2022), who demonstrate that country of origin significantly influences consumers' perceptions of product greenness and the credibility of environmental claims. Companies reshoring production in order to market "Made in France" products may therefore expect to benefit from this effect and, consequently, tend to emphasise both drivers simultaneously.

Statistically, sustainability is not associated with any other factor; however, it is almost always mentioned alongside more economic or strategic motivations. These results suggest that sustainability acts more as a strategic co-benefit than as a primary determinant of reshoring decisions. In other words, companies appear to integrate environmental considerations into a broader economic rationale rather than treating them as an independent objective.

The growing importance of sovereignty

Finally, another major driver that has emerged in recent years is the search for sovereignty. The term was entirely absent from the communications of companies that reshored before 2020. Now it is explicitly mentioned by more than 20% of firms that have reshored since then. Before the pandemic, sovereignty concerns were largely confined to strategic sectors such as energy and digital technologies. However, the Covid-19 crisis and ongoing geopolitical tensions have considerably broadened and redefined the concept. The shortages experienced during the pandemic, together with the growing awareness of industrial dependencies, transformed sovereignty from a relatively technical notion into a central theme of public debate. It has since become a key concept shaping economic and industrial discourse, extending well beyond its original sectors to include healthcare, food production, electronics, digital technologies and telecommunications, all sectors explicitly targeted by the France Relance 2020 recovery plan.

The increasing role of reshoring enablers

The motivations examined above help explain why companies decide to reshore. However, reshoring decisions also depend on a set of contextual factors that function less as drivers than enablers. These factors do not constitute objectives in themselves, but they can significantly influence the feasibility and attractiveness of reshoring projects. Since 2020, the digital transformation of manufacturing, together with the public support schemes that have facilitated these investments, have gained importance and contributed to shaping the recent reshoring landscape.

The industrial transformation behind reshoring

Reshoring does not, however, mean a return to traditional production models. In 41% of the cases studied, reshoring involved either building a new factory or expanding an existing site. Moreover, more than half of the companies that reshored after 2020 report having invested in highly automated production lines or equipment, suggesting that automation has become a key condition for narrowing the cost gap between production in France and production in previous offshore locations.

Some companies have gone even further in their efforts to reduce production costs: 12% of the firms studied reported simplifying product design in order to reduce the number of components and facilitate assembly, while 10% developed innovative production processes. These initiatives indicate that reshoring is sometimes accompanied by a broader transformation of products and production methods aimed at improving the competitiveness of domestic manufacturing.

In earlier research (Fel, Cayla and Carbone, 2019), we highlighted the connection between reshoring and Industry 4.0, arguing that the development of advanced manufacturing technologies could facilitate the return of production activities. At the time, however, the scale of the required investment appeared to be one of the main obstacles, leading us to conclude that reshoring into Industry 4.0 factories in France could be limited by the necessary financial commitments.

The structuring role of public policies

Recent public policies appear to have played a decisive role in overcoming this barrier. Since 2020, a significant proportion of reshoring projects has benefited from financial support, particularly under the France Relance 2020 plan and its "(Re)localise" component (Fel, 2022). Thus, 43% of reshoring operations carried out since 2020 received public support, mainly from the French state through the France Relance 2020 plan (more than €800 million was allocated to companies conducting reshoring projects), but also through regional investment subsidies, European structural funds and national investment programmes.

Many of the press articles analysed during our research explicitly stated that these reshoring projects, often involving highly automated production facilities, would not have been possible without public support. Although these measures cannot be considered drivers in themselves (companies do not reshore solely to obtain subsidies), they have contributed to making technologically intensive reshoring projects economically viable, especially for small and medium-sized enterprises, which account for nearly three-quarters of the companies that have reshored since 2020.

Persistent limitations

Beyond these enabling factors, our research also highlights several persistent limitations regarding the potential for reshoring. Indeed, 70% of the companies studied have only reshored part of their production. Press releases frequently emphasise the impossibility of fully relocating production from China because of cost considerations. Firms often report starting with high-margin products and only considering the reshoring of additional product lines in the longer term. Although automation and advanced manufacturing technologies help reduce production costs, the remaining cost differential is still considered too large to justify reshoring low-margin products.

Another limitation concerns the French labour market. Access to labour was identified as a driver by only two high-technology firms seeking highly qualified engineers, making it a largely anecdotal motivation. On the contrary, many firms that reshored by internalising production explicitly reported recruitment difficulties. Three-quarters of these firms also indicated that they had to implement substantial training programmes, particularly in relation to Industry 4.0 technologies. Among firms relying on external suppliers in France, many also reported difficulties in finding suitable domestic partners, reflecting the long-term effects of deindustrialisation on the French industrial base.

A marginal adjustment rather than a structural shift

At the end of our research, we reach a mixed conclusion regarding the evolution of reshoring in France since 2020, which we consider the starting point of the major turbulence affecting the global economy. The Covid-19 pandemic exposed the vulnerability of global supply chains and was followed by a succession of disruptions, including geopolitical conflicts, energy price shocks, inflationary pressures and rising trade barriers, all of which have challenged supply chains designed for a more stable international environment.

Against this backdrop, the motivations underlying reshoring decisions have evolved. While the traditional drivers identified in earlier research (cost reduction, quality improvement, production control, proximity to customers and innovation…) remain important, our findings highlight the statistically significant emergence of new concerns linked to post-Covid turbulence. Supply risk reduction, concerns over rising and volatile freight costs, sovereignty considerations and sustainability issues now occupy a more prominent place in corporate decision-making.

However, these changes should not be interpreted as evidence of a large-scale return of industry to France. The number of companies that have reshored remains limited, and most reshoring operations are only partial. While our sample remains relatively small, it nevertheless includes all the reshoring cases that received at least one mention in the French media during the period studied, suggesting that reshoring remains a relatively marginal phenomenon. Moreover, as noted by the Economic Affairs Committee of the French National Assembly (Commission des affaires économiques, 2025), the number of industrial site closures has exceeded the number of openings since October 2024, following several years of relative improvement.

Taken together, our findings suggest that post-Covid reshoring is best understood as a targeted adjustment to a more uncertain environment. The firms involved seek to better manage risks and dependencies while placing greater emphasis on sustainability than in the past. Yet because these reshoring operations remain largely partial, the firms continue to operate within global value chains.

Finally, our research shows that many of these reshoring operations were made possible by the massive subsidies introduced in the immediate aftermath of the pandemic. As public support schemes for reshoring are now more limited, the question remains whether other companies will be willing, or able, to follow the same path.

Conclusion

Reshoring, presented in France by many political leaders as a guarantee of sovereignty, particularly important in today's turbulent environment, is probably not a relevant large-scale solution, despite the emergence of new drivers reflecting attempts to adapt supply chains to current turbulence.

This points to the limits of our research, which only enabled us to study reshoring cases on French soil. Given France's extensive deindustrialisation over recent decades, and the near disappearance of entire industrial sectors, it would be worthwhile to consider the design of European supply chains instead. This appears more realistic given the scale involved, and also would offer greater security than global supply chains. These conclusions are consistent with the propositions advanced by Barbieri et al. (2020), who call for a broader reconfiguration of supply chains at the regional rather than national level, supported by public policies and government incentives.

This perspective would appear particularly relevant in the French context, where many reshoring projects have depended on public subsidies and where the rebuilding of industrial ecosystems remains a major challenge. A European-scale approach could potentially offer a more suitable framework, given that several neighbouring countries have retained stronger industrial capabilities and denser supplier networks than France, which could facilitate the development of regional value chains compared with purely national ones. Moreover, in an increasingly turbulent global context, the European Union might offer a relatively stable economic and regulatory environment, potentially making regional value chains more resilient than globally dispersed ones.

Nevertheless, current developments suggest that Europe is not yet moving towards the widespread establishment of regional value chains. Although the European Union has strengthened industrial cooperation in strategic sectors such as batteries and semiconductors, recent European studies (Raza et al., 2021) conclude that the objective is primarily to increase resilience and reduce critical dependencies rather than to replace global value chains.

Beyond a limited number of strategic industries, the economic and organisational conditions required to rebuild complete European production ecosystems remain difficult to achieve. As a result, current trends point more towards a selective reconfiguration of global value chains than towards a broad regionalisation of production within Europe. The evidence therefore suggests that, despite growing geopolitical and economic turbulence, reshoring is unlikely to become the dominant response to the challenges faced by contemporary supply chains.

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