

Top Three Manufacturing Trends for 2024

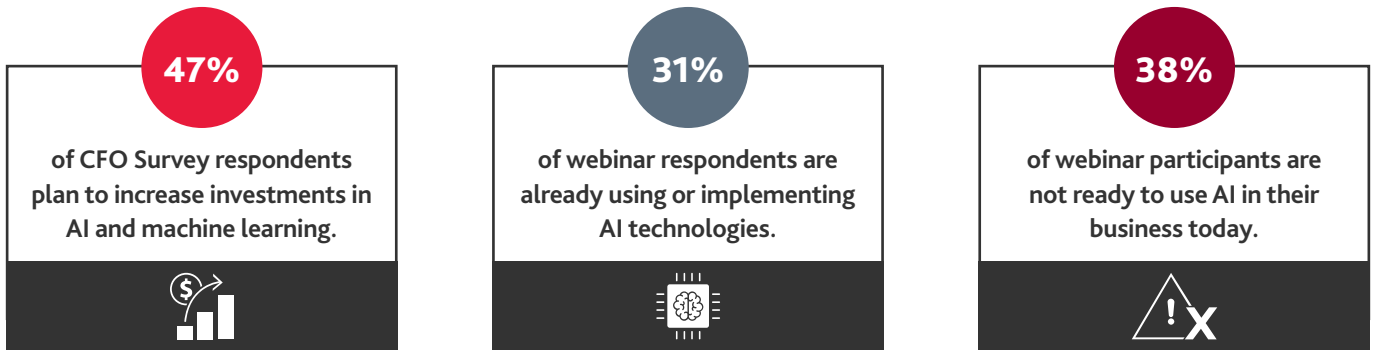
Earlier this year, BDO released our [2024 Manufacturing CFO Outlook Survey](#), which identified key manufacturing trends for the year ahead. To benchmark how these trends are evolving, we polled over 100 manufacturing professionals during our webinar, [Reshaping Manufacturing Resilience: The Evolving Role of CFOs in a Changing Landscape](#), on April 9.

Results from the webinar poll show that despite facing economic headwinds, **55% of manufacturers report a cautiously optimistic outlook for the rest of the year.**

While manufacturers continue to face major challenges like stubborn inflation, high interest rates, and weakening demand, they are also seeing opportunities to grow their businesses and improve their stability.

#1. MANUFACTURERS ARE EMBRACING ARTIFICIAL INTELLIGENCE

Manufacturers are keen to invest in artificial intelligence (AI) to increase production efficiency, keep employees safe, boost supply chain transparency, and bolster innovation. However, not all manufacturers are ready to use AI in their businesses.



#2. LABOR CHALLENGES PERSIST

The growth of the manufacturing sector is hindered by a significant skills gap and labor shortages, prompting companies to explore various strategies to acquire the talent they need.



To close the skills gap and fill critical roles, manufacturers should consider hiring professionals impacted by recent tech industry layoffs, upskilling their current workforce, evaluate involvement in Second Chance employer program, and leveraging outsourcing and co-sourcing.

#3. MISSED TAX OPPORTUNITIES HINDER GROWTH

Many manufacturers are not fully realizing tax opportunities that could support their growth, including tax credits created by the Inflation Reduction Act (IRA).



By increasing collaboration between tax and business leaders, manufacturers can more easily uncover tax planning opportunities to help improve their total tax posture.

WHAT'S NEXT

Manufacturers remain optimistic, even as high interest rates and consistent inflation dampen growth. In light of the uncertain economic climate, we expect that manufacturers will focus on stability and resilience rather than pursuing aggressive expansion this year.

