



Euromonitor  
International

# Navigating Geopolitical Risks: Strategies for FMCGs

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## EXECUTIVE SUMMARY

Navigating Geopolitical Risks: Strategies for FMCGs

Key findings

## INTRODUCTION

Geopolitical risks redefine FMCG strategies worldwide

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Rising geopolitical risks affect FMCG companies across the value chain

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The risk of taking no action is high as uncertainty rises

FMCG strategies amid rising geopolitical risks

## SMART NEARSHORING AND RESHORING

Nearshoring was driven by diversification beyond China over 2019-2024

Zara diversifies risks and shortens lead times by nearshoring

Rising trade volatility in 2025 accelerates near- and re-shoring strategies

Newell scales down production in China amidst tariff concerns

Companies will be investing in flexible solutions to mitigate future risks

## DIVERSIFYING INTO GROWTH EMERGING MARKETS

Growth emerging markets offer opportunity for diversifying beyond China

Growing urban middle class opens new markets for a range of consumer goods

L'Oréal captures growing premium beauty segment while also maintaining mass

Demand for low-cost essentials remains high as the consumer base expands

Unilever secures low-income reach while addressing environmental concerns

Dual strategy for penetrating diverse consumer groups in emerging markets

## SHARPENING CHINA STRATEGY

FMCG companies relocate from China due to increasing risks and challenges...

... while relocation is limited by lack of supporting industries

Shein adjusts its business model to mitigate tariff impact

China's diverse consumer segments require tailored, fast and digital strategies

Proya gaining ground with affordable premium skin care offer

Mitigating supply chain risks while precisely targeting consumer markets

## CONCLUSION

Key strategies form FMCG strategies to navigate geopolitical risks

Questions we are asking

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For more information on this report, further enquiries can be directed via this link [www.euromonitor.com/navigating-geopolitical-risks-strategies-for-fmcgs/report](http://www.euromonitor.com/navigating-geopolitical-risks-strategies-for-fmcgs/report).