

THE IMPACT OF GEOPOLITICAL UNCERTAINTY ON GLOBAL SUPPLY CHAIN RESILIENCE

Melyana R Pugu

Universitas Cenderawasih
puguratana@yahoo.com

Shinta Dzauharoh

Universitas Bandung
shintadzauharoh@gmail.com

Abstract

This research explores the influence of geopolitical uncertainty on the resilience of global supply chains. Through the analysis of geopolitical events such as international conflicts, economic sanctions, trade policy changes, and political fluctuations, the research identifies the significant impact they have on the flow of goods and raw materials, which includes delivery delays, increased operational costs, and product scarcity in the market. The research also underscores the importance of global companies managing risks due to geopolitical uncertainties to keep their supply chains running smoothly. With risk management strategies that include supplier diversification, building inventory reserves, strengthening relationships with suppliers, utilising the latest technology, and developing comprehensive contingency plans, companies can increase resilience to geopolitical disruptions. The findings of this study confirm that a proactive and sustainable approach to risk management is essential to strengthen a company's competitiveness and operational resilience in the long term.

Keywords: Geopolitical Uncertainty, Chain Resilience, Global Supply.

Introduction

Since the last few decades, globalisation has created highly complex and interconnected supply chain networks. Global supply chains are not only made up of local manufacturers and suppliers, but also involve various stakeholders around the world. The success of global supply chains depends heavily on the political, economic, and social stability of different countries. However, in recent years, geopolitical uncertainty has increased significantly, affecting the performance and resilience of global supply chains (Krykavskyy et al., 2023).

Geopolitical uncertainty is a situation where political, economic, and social events or dynamics at the global or regional level create uncertainty regarding international relations and their impact on stability between countries. Factors such as armed conflicts, political regime changes, volatile trade policies, economic sanctions, and shifting strategic alliances can change geopolitical conditions suddenly, affecting government policies and market behaviour (Gao & Xu, 2024). These uncertainties can destabilise the global economy, disrupt international supply chains, cause exchange