



## Friendshoring

**For Prelims:** Friendshoring, Ally shoring, Protectionism, Deglobalisation.

**For Mains:** Implications of Friendshoring.

### Why in News?

Recently, the US secretary of treasury has pushed for "friendshoring" to diversify trade away from countries that are present at geopolitical risk.

### What is Friendshoring?

- Friendshoring is a strategy where **a country sources the raw materials, components and even manufactured goods from countries that share its values**. The dependence on the countries considered a "threat" to the stability of the supply chains is slowly reduced.
- It is also called **"allyshoring"**.
  - For the US, Russia has long presented itself as a reliable energy partner, but in the Ukraine war, it has **weaponized the gas against the people of Europe**.
    - It's an example of how **malicious actors can use their market positions to try to gain geopolitical leverage** or disrupt trade for their own gain.
- Friend-shoring or ally-shoring has become **a means for the US to influence firms to move their sourcing and manufacturing sites** to friendly shores—often back to the **same shores in the case of the US**.
- The purpose of Friendshoring is **to insulate countries' supply chains** from less like-minded nations, such as China in case of the US.

### What can be the Implications of Friendshoring?

- Friendshoring may push the world towards a **more isolated place for trade and reverse the gains of globalization**. It is a part of the **"deglobalisation" process**.
- After the global economy has been influenced by the years-long lockdown of Covid-19, any form of protectionism **will further disrupt the already unstable global supply chain**.
- This new form of **protectionism will not be conducive to globalization** while affecting the global supply chain and economy. And in the long term, this could backfire if a company relies on some country—for lithium for batteries, say, or precious metals for computer chips—feels alienated.
- Also, as this becomes a trend, the **world will gradually be separated**, and it will be hard for countries to work together for the well-being of humanity.

### Conclusion

- Today's world has reached its prime by countries working together.
- By having each country use its best advantage to contribute to the world's economy, everyone's disadvantage gets compensated.

- Although we are still way far from complete globalization, and there are many differences and even controversies between countries, still, friend-shoring does not seem like a good solution for a better future for the global supply chain.

[Source: BS](#)

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