INDUSTRIAL – DEC 2025

Savills North America **Manufacturing** Report

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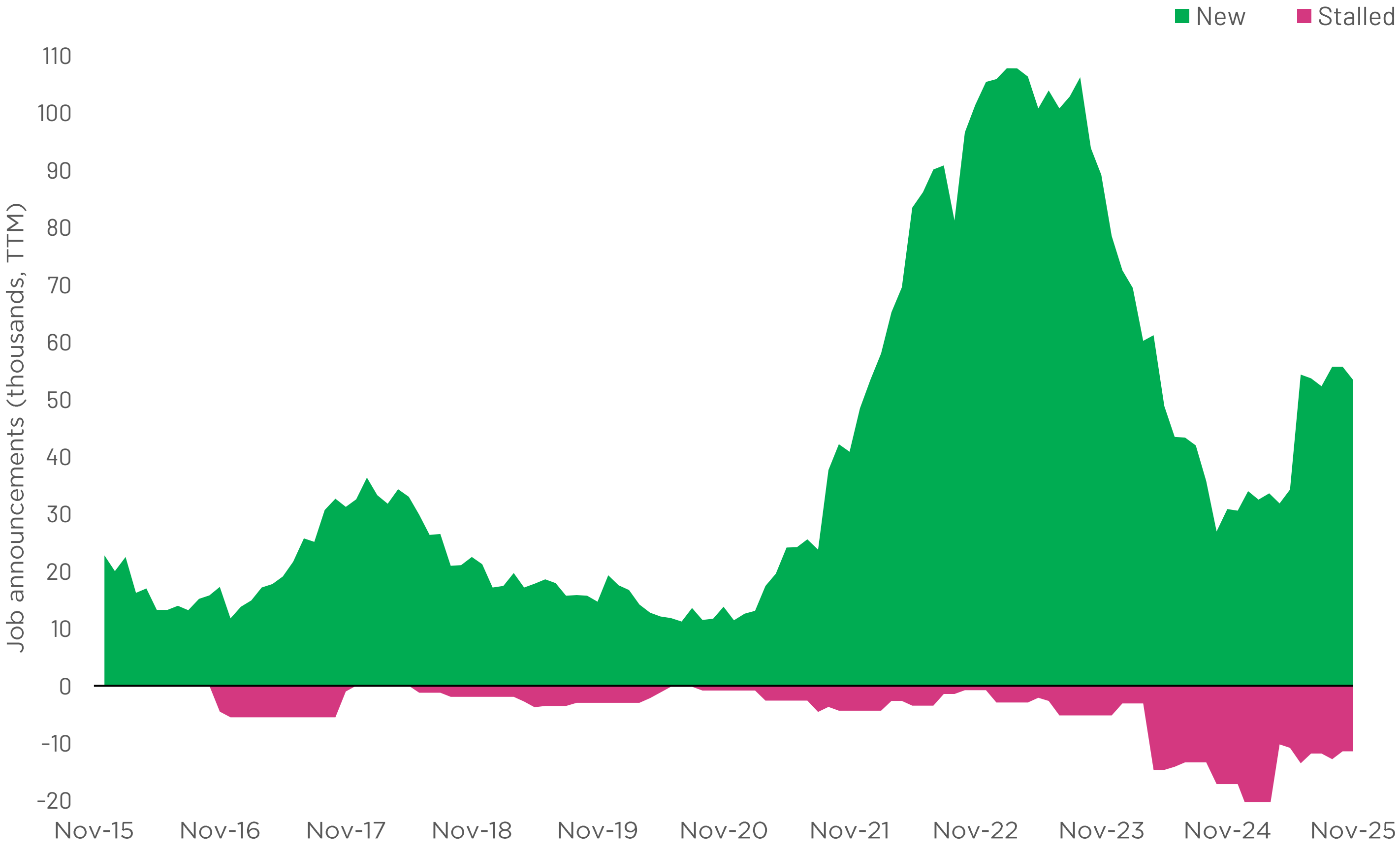
Taking the pulse of manufacturing between rhetoric and reality

Manufacturing in 2025 reflects both progress and pullback. Announcements remain strong, but many projects are advancing unevenly as market conditions, financing and shifting demand test their economics. Some sectors—like defense and energy—are expanding, while others tied to earlier incentive cycles are slowing or being restructured. Canada and Mexico continue to move on their own tracks, shaped by trade and policy dynamics, but the center of activity remains in the U.S. This report focuses on what is real: where manufacturing investment is materializing, where it is stalling and what those trends reveal about the next phase of industrial growth.

U.S. manufacturing jobs announced and stalled

2015-2025



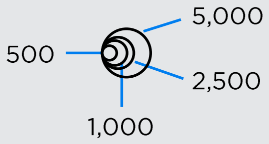
> Activity has risen over the past year, even as previously announced projects are being put on hold or canceled at historically high levels.

Source: Savills Research proprietary dataset tracking U.S. manufacturing projects announcing 500 or more jobs

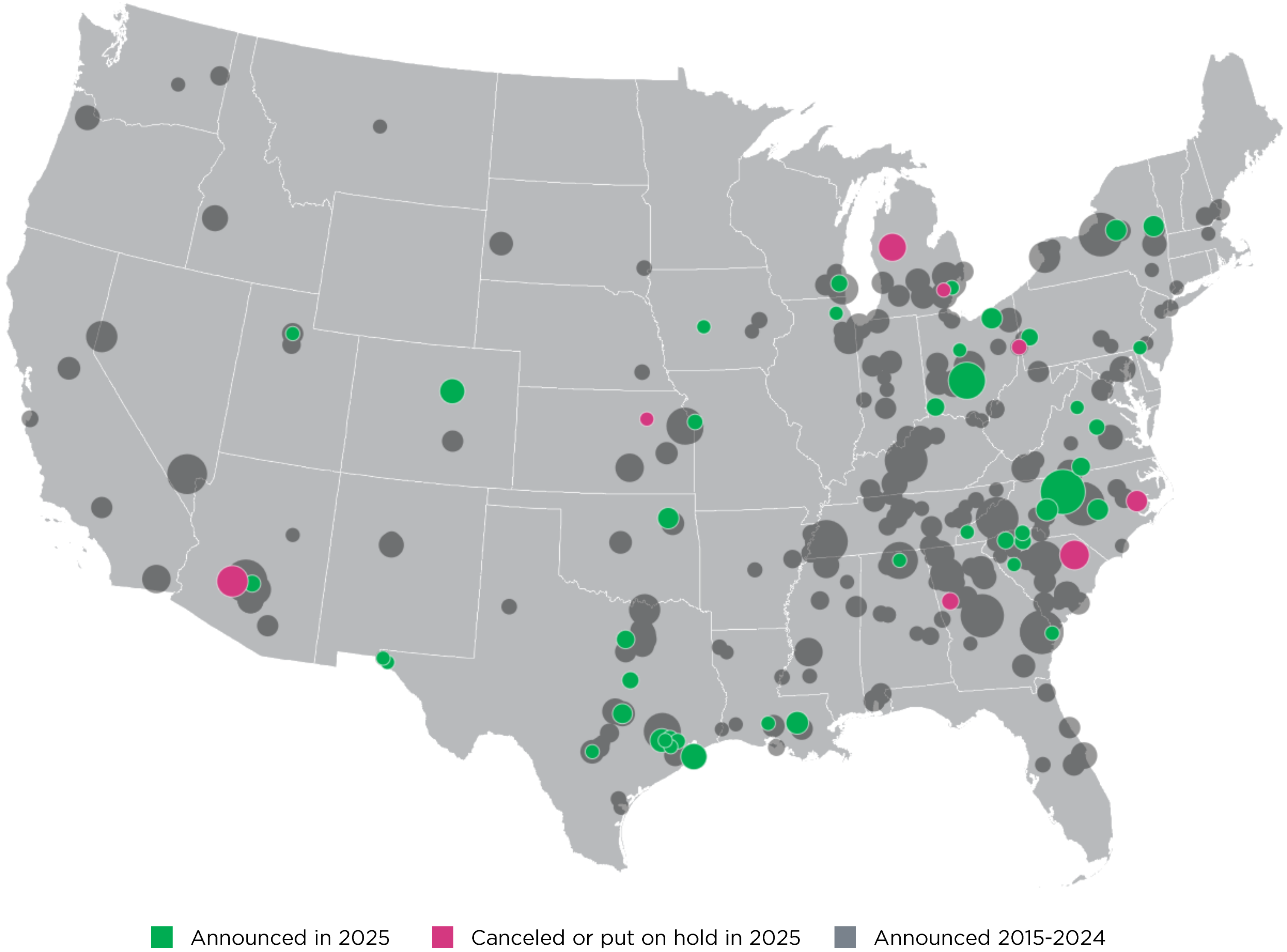
How Savills tracks manufacturing investment

The White House has published a running list of new U.S. manufacturing investments in 2025, citing trillions of dollars in announced commitments. Many of these are broad corporate pledges that signal intent but lack a defined site or timeline. Savills Research takes a grounded approach, counting only projects formalized for a specific location and tracking each through its full life cycle from announcement to completion, including whether it moves forward, is delayed or canceled.

Jobs announced



U.S. manufacturing job announcements 2015-2025



Source: Savills Research proprietary dataset tracking U.S. manufacturing projects announcing 500 or more jobs

The 2025 manufacturing policy reset

The 2021–2024 incentive-driven policy cycle—defined by the Inflation Reduction Act, CHIPS Act and Bipartisan Infrastructure Law—fueled a surge of manufacturing announcements concentrated in select industries such as semiconductors, electric vehicles (EVs) and clean energy. That wave was already losing momentum by 2024, as challenges in the EV market exposed limits to the incentives-led model.

Major policy shifts have defined 2025. H.R. 1, the "One Big Beautiful Bill Act," introduced 100% rapid depreciation for new equipment and facilities, alongside $150 billion in new defense funding, including shipbuilding and munitions. It also increased the semiconductor investment tax credit from 25% to 35%. The legislation has been a setback for the clean tech supply chain by phasing out the federal $7,500 EV tax credit and the 30% credits for residential and commercial solar. Together, these changes mark a pivot toward cost recovery and defense-driven industrial policy, though the long-term direction remains uncertain. These policy shifts also align with where early-stage innovation capital has been moving, particularly toward defense, energy and advanced industrial technologies.

> Savills data shows U.S. manufacturing projects average three years from announcement to completion, with complex facilities like chip fabs extending to a decade—far outlasting political cycles.

Tariffs are the defining policy variable of 2025, and their impact on manufacturing is mixed. The immediate challenge has been uncertainty as rates have shifted repeatedly throughout the year. That volatility makes long-range planning for new manufacturing sites difficult, regardless of whether the policy proves beneficial in the long run. It also raises a broader question: whether tariffs meaningfully support U.S. manufacturing. A recent Yale University analysis estimates that the current tariff regime (implemented through November 17, 2025) could raise long-run manufacturing GDP by 2.9 percentage points overall, led by gains in the traditional durable sector. However, current tariffs will not provide a net boost for advanced manufacturing output, which relies more heavily on imported inputs.

2025. H.R. 1 "One Big Beautiful Bill Act"

100% ↗
rapid depreciation for new equipment and facilities

$150B ↗
new defense funding

35% ↗
Semiconductor investment tax credit

$7,500 ↘
EV tax credit phase out

30% ↘
solar tax credit phase out

Reality check on recent announcements

Between November 2024 and November 2025, 53,416 manufacturing jobs have been announced—a strong rebound from the previous year's total of 30,854. The year's most significant announcement came from JetZero, which plans an all-wing aircraft facility in Greensboro, North Carolina, projected to create 14,500 jobs and $5.0 billion in capital investment. Total capital investment from the past year's megaprojects reached $42.2 billion, an impressive figure but far short of the White House's tally in the trillions. Savills data includes only projects with a defined location and timeline, not long-term pledges.

While activity improved from last year, announced jobs still trail the five-year average by 15.4% and are less than half the peak level seen in 2022. It is also notable that project delays remain elevated. Announcements of stalled projects peaked in the 12 months ending January 2025 at 21,870 jobs put on hold or canceled and, though easing since, are 46.8% above the five-year average. For example, major projects with KORE Power, Gotion and FREYR Battery were canceled this year, while the $3.1 billion announcement with AESC was put on hold.

Major U.S. manufacturing project announcements in 2025

■ Aerospace & defense ■ Grid & energy ■ Digital infrastructure ■ Other

COMPANY	CITY, STATE	PRODUCTS	JOBS	CAPITAL INVESTMENT	YEAR OPEN
JetZero	Greensboro, NC	■ All-wing aircraft	14,500	$5.0B	2028
Anduril	Pickaway County, OH	■ Autonomous weapons	4,000	$1.0B	2026
Chantier Davie	Galveston, TX	■ Ice-class vessels	2,000	$1.0B	2028
Tesla	Brookshire, TX	■ Industrial batteries	1,500	$194.0M	2026
Hyundai Steel	Ascension Parish, LA	■ Electric-arc steel	1,300	$5.8B	2029
Jabil	Rowan County, NC	■ Data-center hardware	1,181	$500.0M	2026
Emirates Global Aluminium	Tulsa, OK	■ Aluminum products	1,000	$4.0B	2030
Chobani	Rome,NY	■ Dairy products	1,000	$1.2B	2026
Hitachi Energy	South Boston, VA	■ Power transformers	825	$457.0M	2028
Wistron Corporation	Fort Worth, TX	■ AI-server systems	800	$761.0M	2026

53,416 ↗
Job announcements
Past 12 months

$42.2B ↗
Capital investment
Past 12 months

15.4% ↘
Job announcements
vs. 5-year average

Source: Savills Research proprietary dataset tracking U.S. manufacturing projects announcing 500 or more jobs

AI and geopolitics realign manufacturing growth

New sectors are reshaping U.S. manufacturing as the industry mix evolves. In 2025, 48.7% of new manufacturing jobs announced were driven by the aerospace and defense sector, reflecting the continued national emphasis on security and advanced production. This shift reflects not only domestic policy but a broader global backdrop. Conflict levels that reached multi-decade highs in recent years have persisted into 2025, according to the Stockholm International Peace Research Institute (SIPRI) and the Uppsala Conflict Data Program (UCDP), and most geopolitical risk monitors expect elevated instability to continue in the near term.

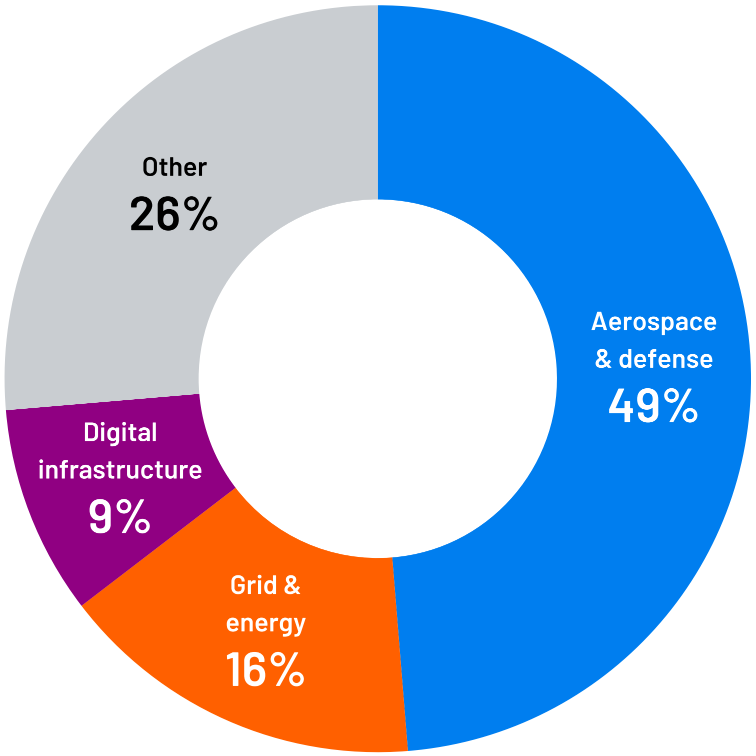
Venture capital trends point in the same direction. According to PitchBook, global venture investment in defense and aerospace has already surpassed $19 billion this year as of late November, nearly doubling last year's total of just over $10 billion. Innovation capital typically moves ahead of manufacturing investment, underscoring why these sectors now anchor much of the current project pipeline. Another 24.9% of recent announcements were tied to the grid and energy or digital infrastructure verticals—both closely linked to the growth of AI.

Tesla's new Megafactory in Brookshire, Texas, will produce large-scale "Megapack" batteries for grid energy storage, while Hitachi Energy and Eaton have announced transformer plants to meet surging grid demand. At the same time, Jabil is producing data-center hardware in North Carolina, underscoring how AI's rapid expansion is shaping industrial investment. According to BloombergNEF, data centers could account for 8.6% of total U.S. electricity demand by 2035—more than double their 3.5% share today.

The data on stalled manufacturing projects also reflect the shifting industry mix. Among projects announced since 2021 that have been placed on hold or canceled, 60.2% were linked to EV battery and related initiatives—a sector now facing headwinds from slowing demand, reduced subsidies and emerging global overcapacity. Another 13.3% were tied to medical-supplies manufacturing, a pandemic-era boom that has since lost momentum. Together, these patterns underscore how manufacturing growth is being redefined.

> Three sectors—aerospace & defense, grid & energy and digital infrastructure — made up 75% of new manufacturing projects in 2025.

2025 manufacturing job announcements by industry vertical



Source: Savills Research

North America's uneven manufacturing landscape

Manufacturing across North America continues to expand, but not evenly. In the U.S., activity remains concentrated in stronghold regions where local incentives, infrastructure and workforce continue to attract large-scale projects. Canada and Mexico are moving on separate tracks: Canada through public coordination and investment, Mexico through competitive costs tempered by policy uncertainty.

Sun Belt remains at the center of U.S. manufacturing growth

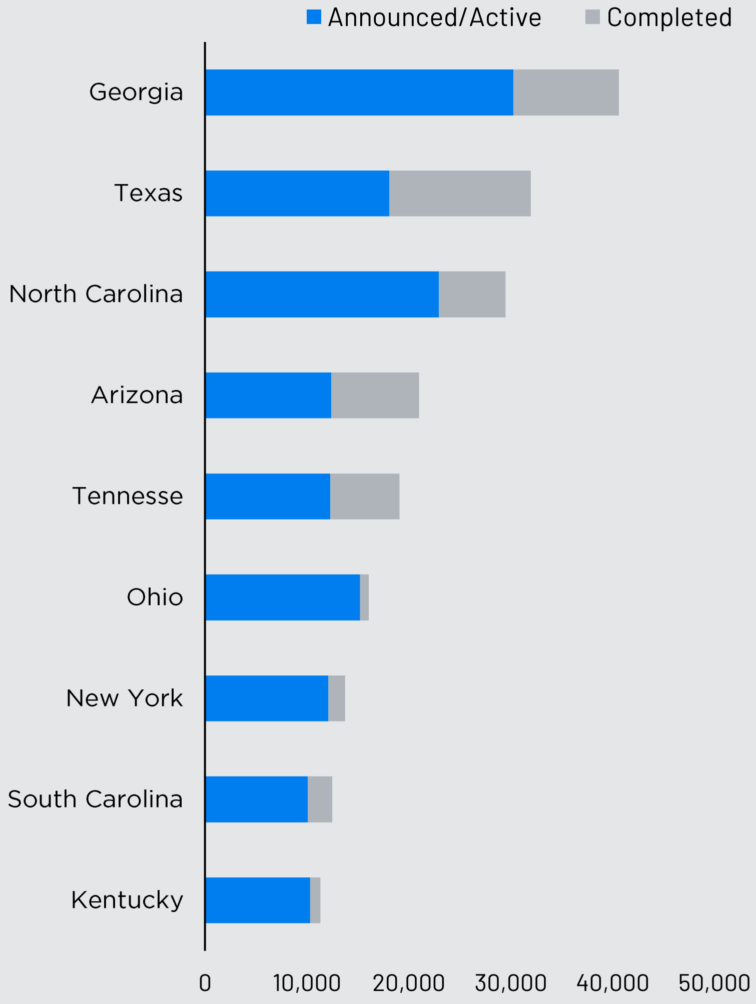
The geography of manufacturing investment continues to follow a familiar pattern. Despite shifts in policy and industry mix, the Sun Belt, Southeast and Mid-South remain at the center of new project activity. Competitive costs, workforce depth, infrastructure and available land keep these regions at the top of the list for site selection. The Midwest also continues to benefit from its legacy industrial base and logistics networks, but the broader momentum remains concentrated in the southern half of the country. This locational pattern is expected to hold even as the sectors driving manufacturing growth evolve.

> The top five states account for more than half of the manufacturing job announcements since 2021.

Source: Savills Research proprietary dataset tracking U.S. manufacturing projects announcing 500 or more jobs

Top states for manufacturing job announcements

2021–2025



Note: Excludes projects projects on hold or canceled

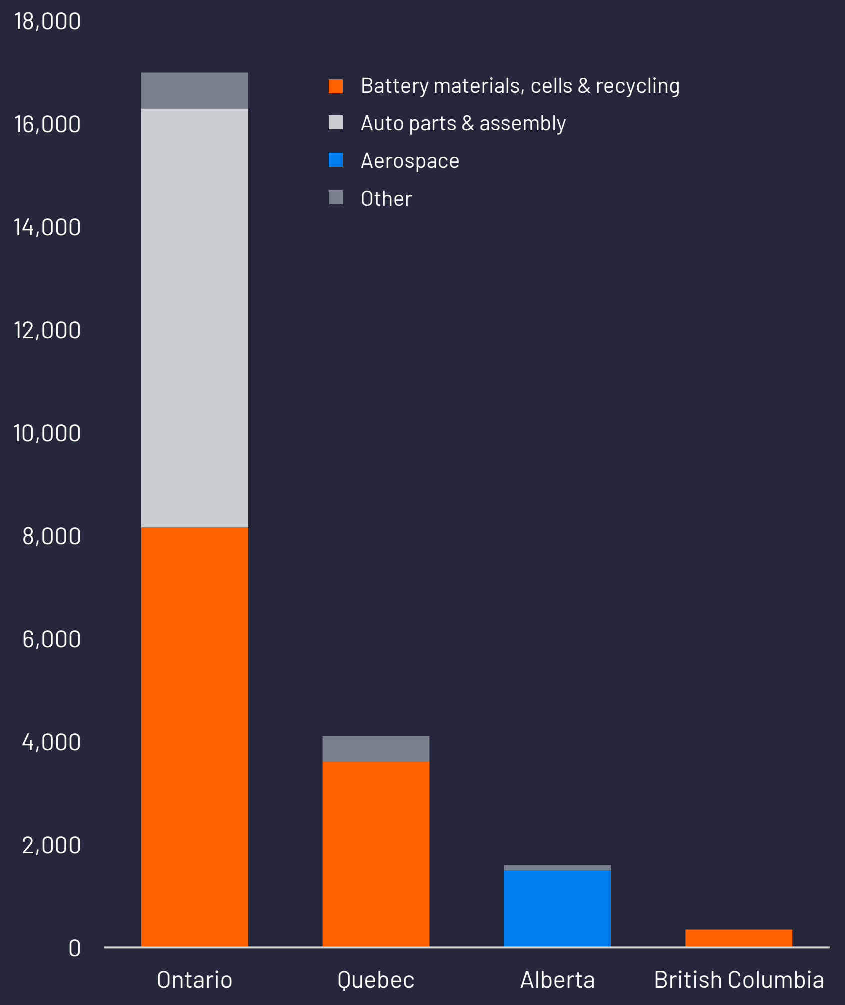
Canada charts its own course

Canada's manufacturing landscape has grown alongside public planning and direct federal participation in guiding industrial development, in contrast to the U.S. model, which relies more on private investment and incentives. Despite headwinds from U.S. trade policy and a slower domestic economy, more than CAD 2.3 billion in new manufacturing projects were announced this year.

Since 2022, total announcements have reached roughly CAD 48.5 billion, though several have been delayed or reevaluated—particularly in the EV and automotive sectors.

Federal and provincial governments, particularly in Ontario and Quebec, continue to pursue an integrated EV and battery supply chain that spans mineral extraction, component production, assembly and recycling. Ontario has attracted the majority of new manufacturing investment—78.4% of total announced capital investment, while Quebec secured 19.0%.

Manufacturing jobs announced by industry and province
2022–2025



Source: Savills Research

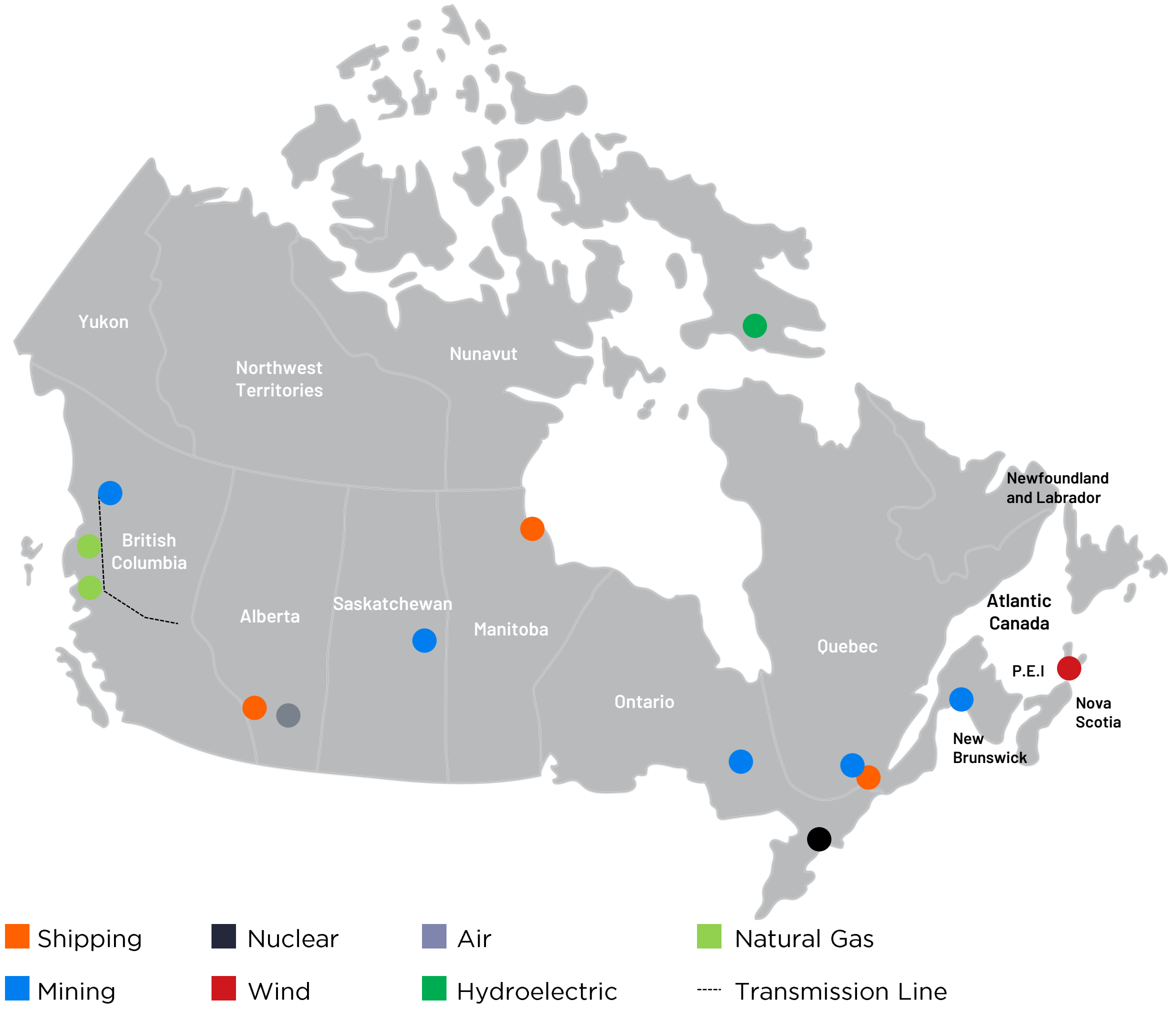
> The EV and automotive industries account for nearly 88 percent of the 23,000 manufacturing jobs announced in Canada since 2022

Beyond direct manufacturing announcements, the 2025 federal budget and the newly established Major Projects Office (MPO) are central to Canada's evolving industrial strategy. The government's focus on domestic production and infrastructure investment aims to reduce reliance on U.S. supply chains while positioning Canada as a secure supplier of critical materials and energy. Projects under review could double Canada's liquefied natural gas (LNG) output, expand critical-mineral extraction, boost East Coast export capacity and add hydroelectric and modular nuclear power generation.

Taken together, these developments signal a deliberate national effort to build long-term industrial capacity and energy resilience—reflecting a quieter but purposeful divergence in how Canada is shaping its economic future.

Significant industrial infrastructure projects in Canada

Proposed and under development



British Columbia	▪ Red Chris Mine (Copper) ▪ LNG Canada Phase 2 (LNG) ▪ Ksi Lisims LNG ▪ North Coast Transmission Line (Phase 1, Phase 2, Phase 3)
Alberta	▪ Prairie Economic Gateway (Inland Port) ▪ De Havilland + Lufthansa
Saskatchewan	▪ McIlvenna Bay Mine Project (Copper, Zinc)
Manitoba	▪ Port of Churchill (Port, Rail, & Road)
Ontario	▪ Darlington Nuclear Project (SMR) ▪ Canada Nickel's Crawford Project (Nickel)
Quebec	▪ Contrecoeur Container Terminal Expansion ▪ Noveau Monde Graphite's Matawinie Mine (Graphite)
Atlantic Canada	▪ Wind West Atlantic (60 GW offshore) ▪ Northcliff Resources' Sisson Mine (Tungsten)
Nunavut	▪ Iqaluit Nukkiksautiit Hydro Project (15 MW)

Source: Government of Canada, Major Projects Inventory (Natural Resources Canada), Savills Research

Structural strengths anchor Mexico's manufacturing sector in a volatile trade cycle

Mexico's manufacturing sector remains resilient, even as trade uncertainty and shifting global policy temper momentum. Through the first half of 2025, uncertainty around U.S. tariffs and the upcoming USMCA renegotiation weighed on decision-making and capital deployment. Still, core industrial regions continued to attract projects and expansions, reflecting the country's enduring cost and capacity advantages.

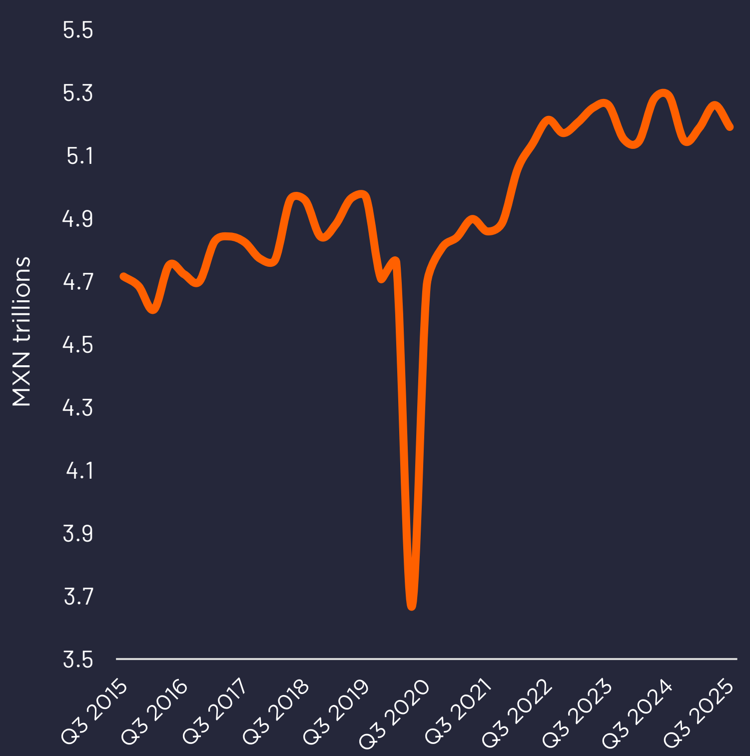
Coahuila emerged as a major beneficiary this year, with new facilities announced by Electrical Components International (ECI), Eran Group, and Dual Borgstena—each adding more than 1,000 jobs. The State of Mexico (Edomex) also moved to strengthen its industrial base, approving six new developments across Tultitlán and Tultepec totaling nearly $200 million in investment and supporting roughly 2,800 jobs.

Mexico's advantages—affordable labor, proximity to U.S. markets and adequate energy capacity—continue to underpin growth. These fundamentals will only grow more critical as advanced manufacturing becomes further embedded in Mexico's production base. Projects such as Kyungshin Cable's expansion of its battery module assembly plant in Durango and Laboratorios Carnot's new pharmaceutical facility in Hidalgo highlight this transition toward higher-value manufacturing.

However, the outlook depends heavily on upcoming policy decisions. The 2026 USMCA renegotiation, shifting U.S. trade priorities and domestic political dynamics all introduce risks that could influence long-term investment confidence.

> Manufacturing GDP is down 1.9% over the past year, after averaging 2.1% growth over the past five years.

Mexico real manufacturing output



Top 2025 Mexico manufacturing announcements

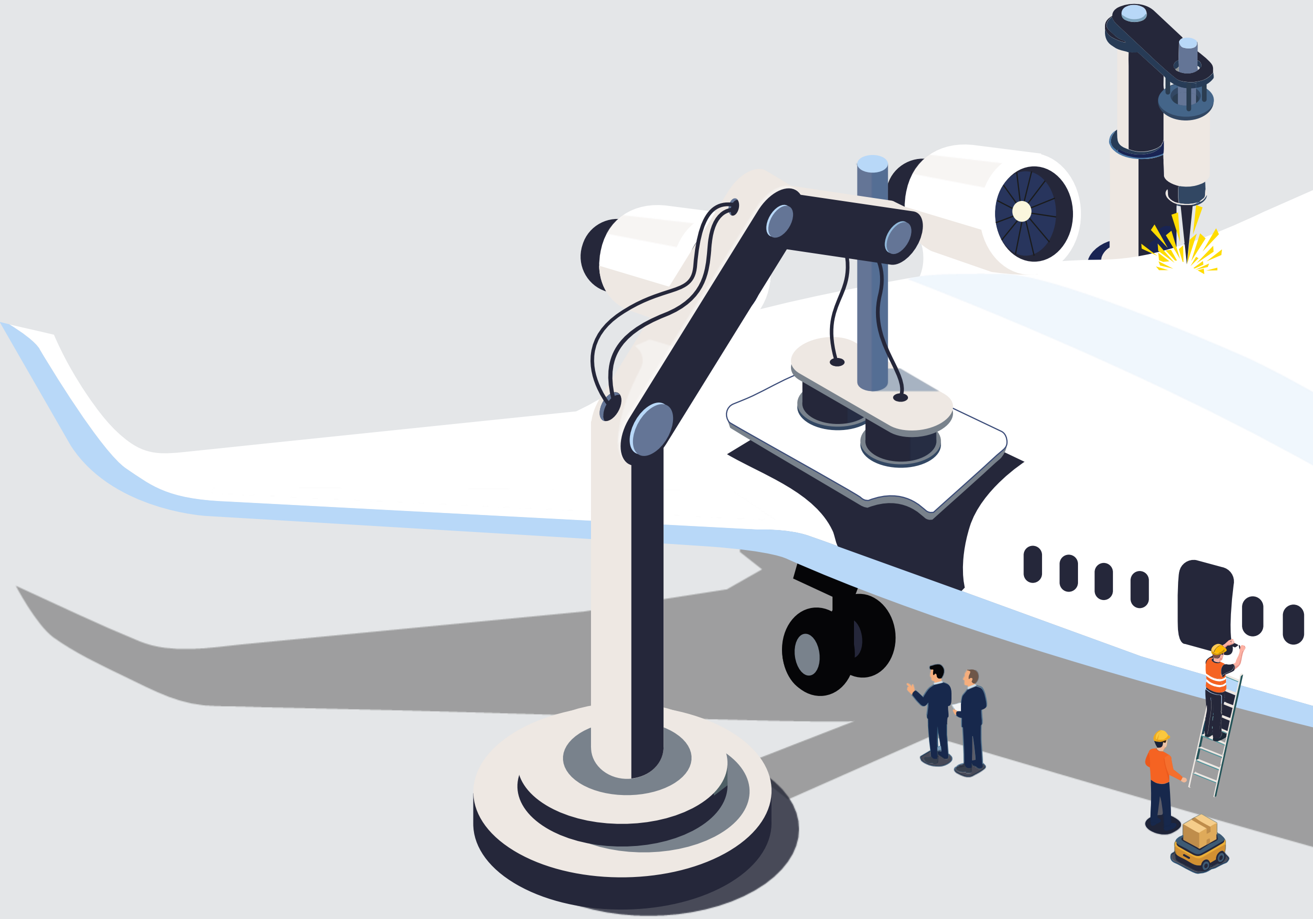
COMPANY	CITY, STATE	PRODUCTS	JOBS	CAPITAL INVESTMENT
Electrical Components International	Torreón, CO	Electrical systems & wiring	1,200	$32.0M
Giant Motors Latinoamérica	Ciudad Sahagún, HG	Vehicle assembly	1,000	$165.0M
Kyungshin Cable de México	Gómez Palacio, DG	EV battery modules	1,000	$50.0M
TYW Manufacturing	Irapuato, GT	Electronic dashboards	1,000	$50.0M
Eran Group	Nueva Rosita, CO	Lighting & climate systems	1,000	$28.0M

Source: INEGI (2018 base series), Savills Research

What really comes next?

The manufacturing outlook for the next few years is best described as partly cloudy. Momentum remains, but visibility is limited. Stability in trade and industrial policy will be critical, particularly as companies weigh long-term investments against the short life span of political priorities. Manufacturing decisions unfold over years, often outlasting the incentives and rhetoric that surround them. In this environment, **success will depend on focusing on what is durable—market demand, cost fundamentals and location advantages**—rather than chasing what is temporarily subsidized.

AI, energy and advanced transportation will remain structural growth themes, even as they move through near-term volatility. Projects may pause or recalibrate as costs and expectations adjust, but the underlying demand remains intact. Geopolitical risk is also likely to remain elevated, supporting continued demand for defense-related manufacturing even as other sectors move through periods of recalibration. Persistent constraints—labor, power and capital—will continue to determine when and where these projects get built. Just as incentives cannot make a weak location strong, the regions that have emerged as winners are likely to stay that way, supported by workforce depth, infrastructure and land availability.



Thank You

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