Sample Deliverable for Consideration

GLOBAL **CATEGORY** INTELLIGENCE

Q3 2025 | JULY - SEPTEMBER

Navigating the complex world of indirect spend requires actionable insights.

The Category Intelligence Report delivers critical *real-world operational perspectives* on energy, logistics, trade and materials compliance, CAPEX & OPEX, IT, contingent labor, sustainability, and pricing trends.

✓ *Gain a competitive edge by understanding market dynamics and making informed procurement decisions.*

JABIL | MADE **POSSIBLE.** MADE **BETTER.**

Executive Summary

INTRODUCTION TO Q3 2025 REPORT

Welcome to Jabil's Q3 2025 Global Category Intelligence Report, offering actionable insights into the indirect procurement ecosystem across energy, logistics, trade, and materials compliance, capital and operational expenditures, information technology, and contingent labor.

The global economy in Q3 2025 reflects resilience, with projected growth of 3.3% (IMF), led by the U.S. (2.7%) and emerging markets, such as India (6.2%), although Europe lags at 0.8%. Inflation moderates, but trade tensions, including U.S.-China tariff adjustments and geopolitical challenges, sustain supply chain volatility. Our latest report outlines the trends shaping procurement strategies, including:

- ***Energy:*** The $9.6T market sees 4.1% annual electricity demand growth through 2027, driven by AI data centers and EV adoption. Brent crude stabilizes at $83–$88 per barrel, but winter price spikes loom. Opportunities lie in securing long-term LNG and renewable contracts to hedge volatility.
- ***Logistics:*** The $3T global market faces disruptions from the rerouting of the Red Sea and U.S. tariff pauses, with ocean freight rates up 5% and air freight at $5.88/kg in the Americas. Procurement teams should lock in contracts before Q4 peak season to mitigate rate hikes.
- ***Trade & Materials Compliance:*** U.S. tariff reductions on China (10% for 90 days) ease costs, but Section 232 expansions and the EU's CBAM increase compliance burdens. Diversify suppliers and adopt AI-driven compliance tools by the end of Q4 to effectively manage risks.
- ***CapEx & OpEx:*** The automation ($209.49B) and warehouse automation ($24.1B) markets are growing, driven by labor shortages and e-commerce, although tariffs disrupt the SMT and solder supply chains. Secure contracts before Q4 to take advantage of soft pricing.

Executive Summary (continued)

- ***Information Technology:*** AI-driven demand boosts network infrastructure ($180B by 2032), cloud/server, and hardware markets, with PC prices up 5–10%. Invest in hybrid models and secure cloud contracts by the end of Q4 to manage costs effectively.
- ***Contingent Labor:*** The $650B market is projected to grow 5% in the Americas, with demand for healthcare and IT increasing by 6% and 5%, respectively. The APAC region faces a tight supply in China, while Europe's aging workforce constrains capacity. Fixed-rate contracts by Q4 mitigate wage volatility.

Despite trade uncertainties and regional disparities, opportunities exist in leveraging technology, building supply chain resilience, and securing long-term agreements. We trust this report provides clarity to optimize procurement strategies through Q1 2026.

For further discussion, please don't hesitate to contact me or Josh Wilson, our Market Intelligence Research Manager, directly.

Yours sincerely,

Heidi Banks

VP, Global Indirect Procurement

Table of Contents

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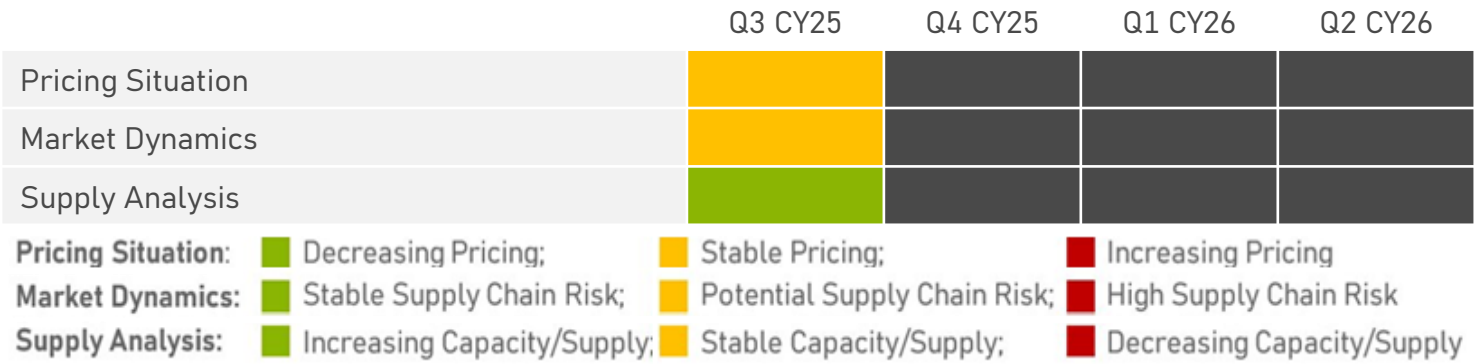
ENERGY

JABIL

Energy

Energy impacts the indirect commodities market by influencing costs, efficiency of operations, supply chain stability, sourcing strategies, risk management, and sustainability efforts.



MARKET OVERVIEW

The global energy market, encompassing oil, natural gas, electricity, and renewables such as solar, wind, and hydro, serves as a cornerstone of indirect procurement, profoundly influencing operational costs, sustainability goals, and supply chain resilience. Valued at $8.3 trillion in 2023, the market is poised to expand to $9.6 trillion by 2026, reflecting a compound annual growth rate (CAGR) of 5.0%, with renewables leading at over 10% CAGR due to robust policy support and escalating investments, according to the International Energy Agency (IEA) and U.S. Energy Information Administration (EIA).

Energy (continued)

The Green Deal accelerates the adoption of renewable energy, reshaping the global energy mix.

End-market trends, such as AI-driven data center expansion and the adoption of electric vehicles (EVs) in China and Europe, further amplify electricity demand. Strategically, procurement teams must navigate these dynamics by securing long-term LNG contracts to mitigate infrastructure bottlenecks and geopolitical risks, while leveraging market volatility to lock in favorable terms amid a transformative energy transition.

- **Scope and Importance:** The global energy market, encompassing oil, natural gas, electricity, and renewables (solar, wind, hydro), is critical for indirect procurement, impacting operational costs (e.g., fuel, electricity), sustainability targets (e.g., emissions), supplier pricing strategy, inherent collaboration, and supply chain stability. Unstable markets affect delivery costs/timing.
- **Market Size & Growth:** Valued at USD X.X trillion in 2025, the market is projected to reach USD Y.Y trillion by 2030, with a compound annual growth rate (CAGR) of Z.Z% 2025–2030. Renewables lead growth, with a CAGR ~Z.Z%, driven by policy support and investment.
- **Key Players:** ExxonMobil (oil & gas), TotalEnergies (oil, LNG, renewables), Shell (oil, LNG, renewables), Nextera (wind technology), NextEra Energy (clean energy, emerging battery tech).
- **Recent Developments:**
  - U.S. President Trump's shift to boost hydro (Jan–May 2025) supports U.S. offshore drilling and LNG export licenses (Feb 2025), suspends new wind leasing, and withdraws fossil fuel dominance (2025).
  - Europe's new LNG infrastructure (May–Apr 2025) fuel cracks Germany/Italy's floating terminals, diversifying from Russian gas.
  - China's Q2 2025 renewables surge displays record solar capacity, strengthening energy independence.
- **Economic and Geographic Factors:** U.S.-EU recession fears temper oil demand, the EU's Green Deal accelerates renewable energy adoption, reshaping the global energy mix (IMF, 2025).

Energy (continued)

PRICING TRENDS & INSIGHTS

- Europe's new LNG infrastructure (May–Apr 2025) has made Germany/Italy's floating terminals…diversifying from Russian gas.
- China's Q2 2025 renewable surge displays record solar capacity, strengthening energy independence.

1. **Scope and Importance:** The global energy market, encompassing oil, natural gas, electricity, and renewables (solar, wind, hydro), is critical for industrial procurement, impacting operational costs (e.g., fuel, electricity), sustainability targets (e.g., emissions), supplier pricing strategy, milestone collaboration, and supply chain stability. Volatility markets affect delivery commitments.
2. **Market Size & Growth:** Valued at USD 9.3 trillion in 2025, the market is projected to reach USD 14.4 trillion by 2035, with a compound annual growth rate (CAGR) of 4.4% (Mar 2026). Renewables lead growth, with a CAGR >10%, driven by policy support and investment.
3. **Key Players:** ExxonMobil (oil & gas), TotalEnergies (oil, LNG, renewables), Shell (oil, LNG, renewables), Nextera (wind technology), Iberdrola (clean energy, emerging battery tech).
4. **Recent Developments:**
   - U.S. President Trump's shift to fossil fuels (Jan–Mar 2025) reverses U.S. offshore drilling and LNG export licenses (Feb 2025), suspends new wind leasing, and withdraws fossil fuel disincentives (2025).
   - Europe's new LNG infrastructure (May–Apr 2025) has made Germany/Italy's floating terminals…diversifying from Russian gas.
   - China's Q2 2025 renewable surge displays record solar capacity, strengthening energy independence.
5. **Economic and Geographic Factors:** U.S.-EU recession fears temper oil demand, the EU's Green Deal accelerates renewable energy adoption, reshaping the global energy mix (2021–2025).

Energy (continued)

- **External Impacts:** EU manufacturers face ~5% cost increases due to high gas and electricity prices, Asian LNG importers pay $[illegible], which raises industrial costs.
- **Regional Variations:** EU electricity $[illegible] is volatile due to its reliance on gas; U.S. electricity $[illegible] is stable, with a mix of renewables and natural gas.
- **Forecast:** Brent to moderate to $[illegible] by Q1 2026 as non-OPEC production grows 2026. Natural gas to stabilize at $[illegible] by mid-2026, assuming normal weather. Risk in Q4/Q1 2026 Heat Map due to winter demand spikes. Yellow in Q1 2026 as spring reduces heating reliance.
- **Risks and Opportunities:** Winter 2025–26 may see gas prices in Europe spike by 20% or more. Lack in Texas grows ??TWh at $[illegible] to hedge volatility.

DEMAND TRENDS & FORECASTS

- **Recent Developments:**
  - U.S. President Trump's shift to fossil fuels (Jan. after 2025) negates U.S. offshore drilling and LNG export licenses (Feb 2025), suspends new wind leasing, and withdraws fossil fuel disincentives (2025).
  - Europe's new LNG infrastructure (May–Apr. 2025) kept Asia's Germany/Italy's floating terminals, diversifying from Russian gas.
  - China's Q2 2025 renewable surge deploys record solar capacity, strengthening energy independence.
- **Economic and Geographic Factors:** U.S./EU recession fears temper oil demand, the EU's Green Deal accelerates renewable energy adoption, reshaping the global energy mix (Q1 2025–2026).

Energy (continued)

The Green Deal accelerates the adoption of renewable energy, reshaping the global energy mix.

Exit market trends, such as AI-driven data center expansion and the adoption of electric vehicles (EVs) in China and Europe, further amplify electricity demand. Strategically, procurement teams must navigate these dynamics by securing long-term LNG contracts to mitigate infrastructure bottlenecks and geopolitical risks, while leveraging market volatility to lock in favorable terms amid a transformative energy transition.

- **Scope and Importance:** The global energy market, encompassing oil, natural gas, electricity, and renewables (solar, wind, hydro), is critical for indirect procurement, impacting operational costs (e.g., fuel, electricity), sustainability targets (e.g., emissions), supplier pricing strategy, inherent collaboration, and supply chain stability. Unstable markets affect delivery costs/timing.
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- **Key Players:** ExxonMobil (oil & gas), TotalEnergies (oil, LNG, renewables), Shell (oil, LNG, renewables), Nextera (wind technology), NextEra Energy (clean energy, emerging battery tech).
- **Recent Developments:**
  - U.S. President Trump's shift to boost hydro (Jan–May 2025) supports U.S. offshore drilling and LNG export licenses (Feb 2025), suggesting new wind leasing, and withdraws fossil fuel dominance (2025).
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Energy (continued)

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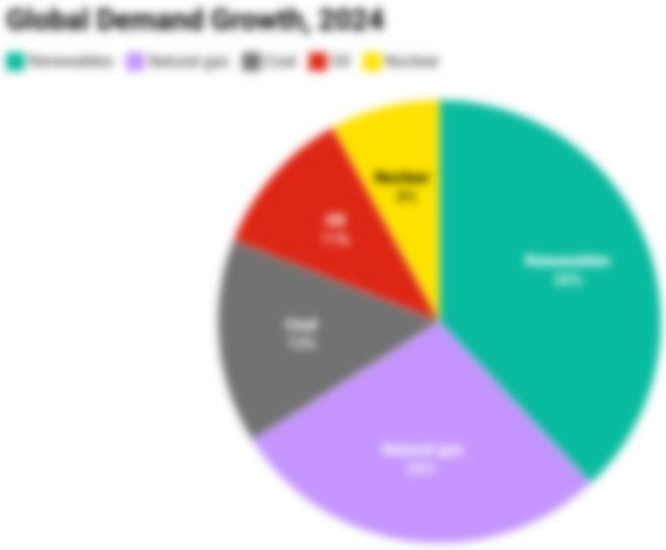
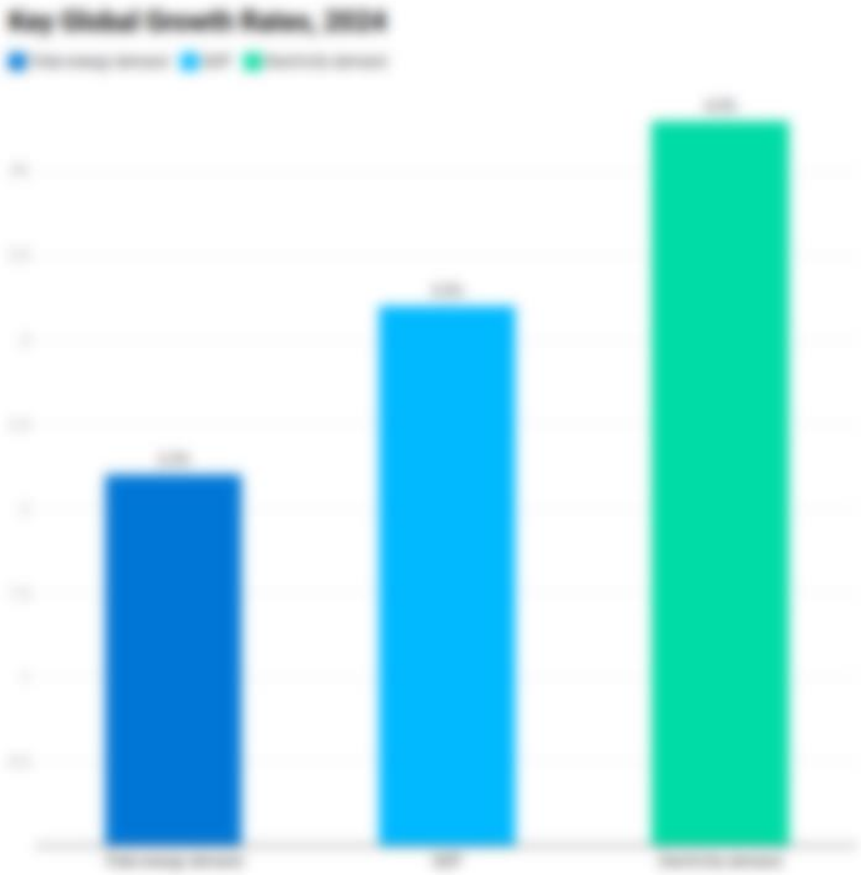
   c. [illegible]





Energy (continued)

SUPPLY ANALYSIS

The Green Deal accelerates the adoption of renewable energy, reshaping the global energy mix.

Key market trends, such as AI-driven data center expansion and the adoption of electric vehicles (EVs) in China and Europe, further amplify electricity demand. Strategically, procurement teams must navigate these dynamics by securing long-term LNG contracts to mitigate infrastructure bottlenecks and geopolitical risks, while leveraging market volatility to lock in favorable terms amid a transformative energy investment.

- **Scope and Importance:** The global energy market, encompassing oil, natural gas, electricity, and renewables (solar, wind, hydro), is critical for indirect procurement, impacting operational costs (e.g., fuel, electricity), sustainability targets (e.g., emissions), supplier pricing strategy, inventory optimization, and supply chain stability. Volatile markets affect delivery costs/timing.
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- **Key Players:** ExxonMobil (oil & gas), TotalEnergies (oil, LNG, renewables), Shell (oil, LNG, renewables), Nextera (wind technology), NextEra Energy (clean energy, emerging battery tech).
- **Recent Developments:**
  - U.S. President Trump's shift to boost Gulf of Mexico (May 2025) requires U.S. offshore drilling and LNG export licenses (Feb 2025), suspends new wind leasing, and withdraws fossil fuel determinations (Jan 2025).
  - Europe's new LNG infrastructure (May–Apr 2025) lead Uniper, Germany/Italy's floating terminals, diversifying from Russian gas.
  - China's Q2 2025 renewable surge displays record solar capacity, strengthening energy independence.
- **Economic and Geographic Factors:** U.S./EU recession fears temper oil demand, the EU's Green Deal accelerates renewable energy adoption, reshaping the global energy mix (IMF, IEA).

Energy (continued)

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End-market trends, such as AI-driven data center expansion and the adoption of electric vehicles (EVs) in China and Europe, further amplify electricity demand. Strategically, procurement teams must navigate these dynamics by securing long-term LNG contracts to mitigate infrastructure bottlenecks and geopolitical risks, while leveraging market volatility to lock in favorable terms amid a transformative energy transition.

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Energy (continued)

KEY TAKEAWAYS

The Green Deal accelerates the adoption of renewable energy, reshaping the global energy mix.

Grid market trends, such as AI-driven data center expansion and the adoption of electric vehicles (EVs) in China and Europe, further amplify electricity demand. Strategically, procurement teams must navigate these dynamics by securing long-term LNG contracts to mitigate infrastructure bottlenecks and geopolitical risks, while leveraging market volatility to lock in favorable terms amid a transformative energy transition.

- **Scope and Importance:** The global energy market, encompassing oil, natural gas, electricity, and renewables (solar, wind, hydro), is critical for multilevel procurement, impacting operational costs (e.g., fuel, electricity), sustainability targets (e.g., emissions), supplier pricing leverage, interstate collaboration, and supply chain stability, crucially for markets affect delivery costs/timing).
- **Market Size & Growth:** Valued at USD 9.5 trillion in 2025, the market is projected to reach USD 11.4 trillion by 2030, with a compound annual growth rate (CAGR) of 3.8% (2025–2030). Renewables lead growth, with a CAGR ~10%, driven by policy support and investment.
- **Key Players:** ExxonMobil (oil & gas), TotalEnergies (oil, LNG, renewables), Shell (oil, LNG, renewables), Nextera (wind technologies), NextEra Energy (clean energy, emerging battery tech).
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Energy (continued)

APPENDIX: DATA VISUALIZATIONS

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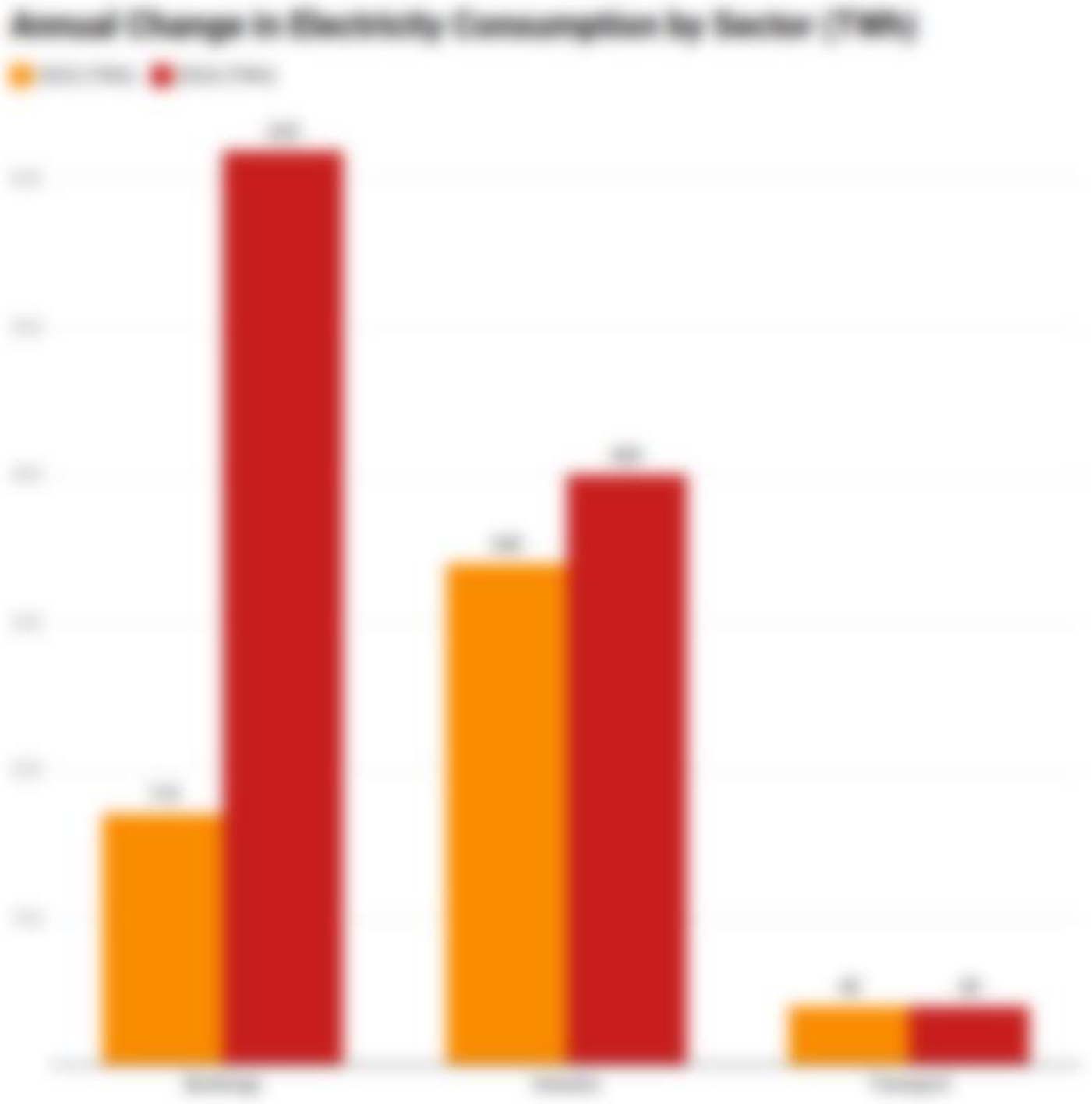

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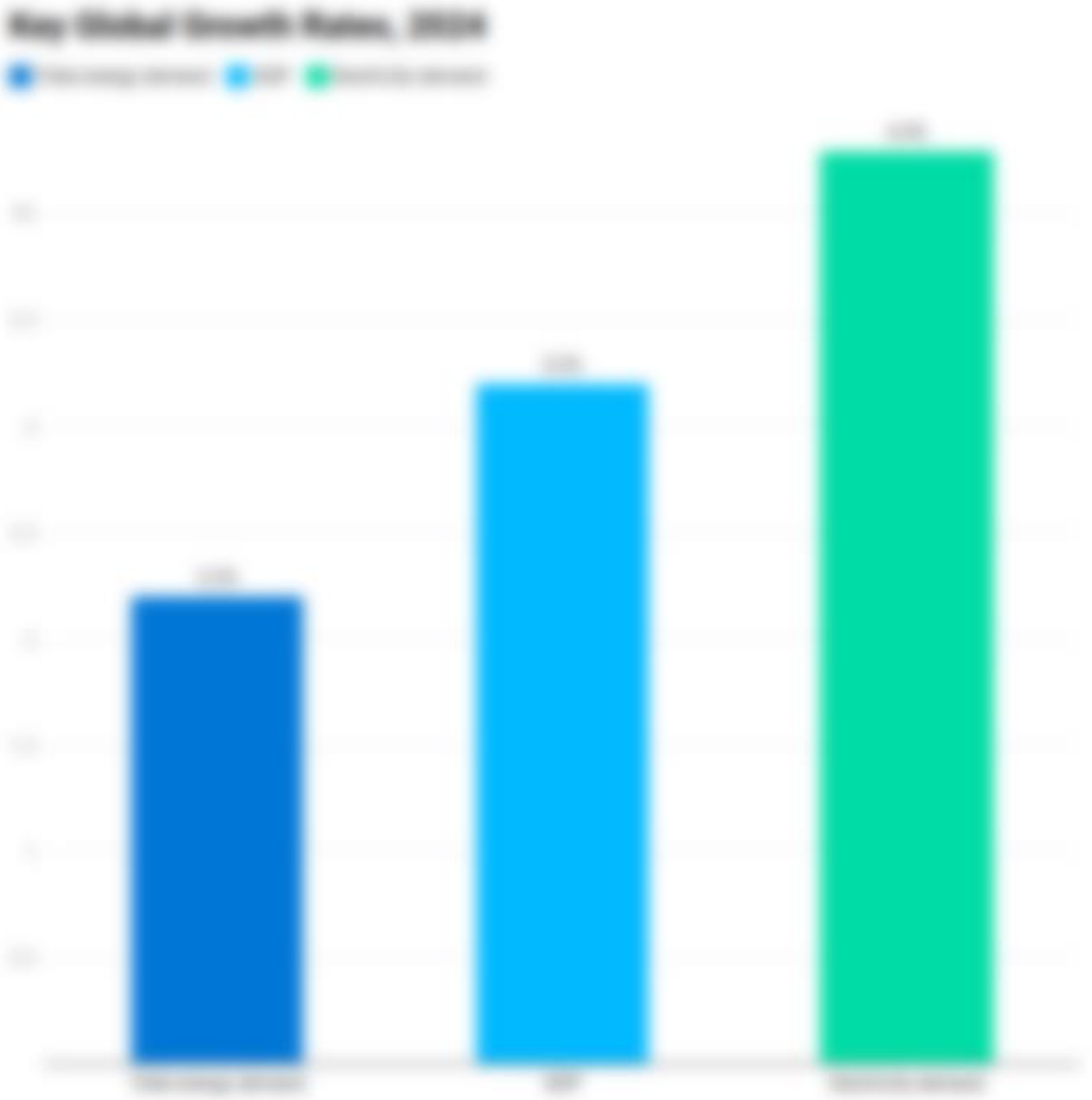

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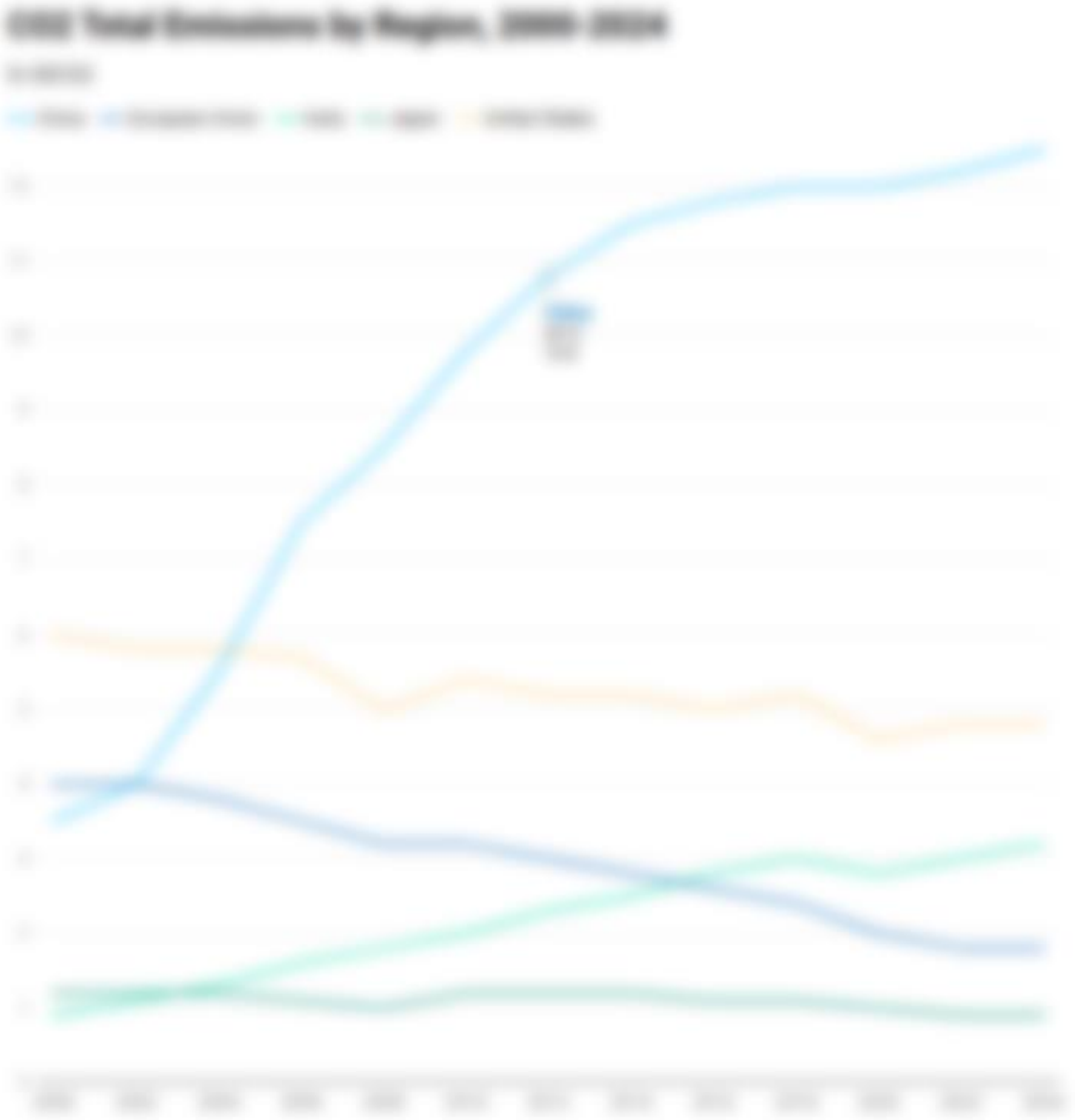

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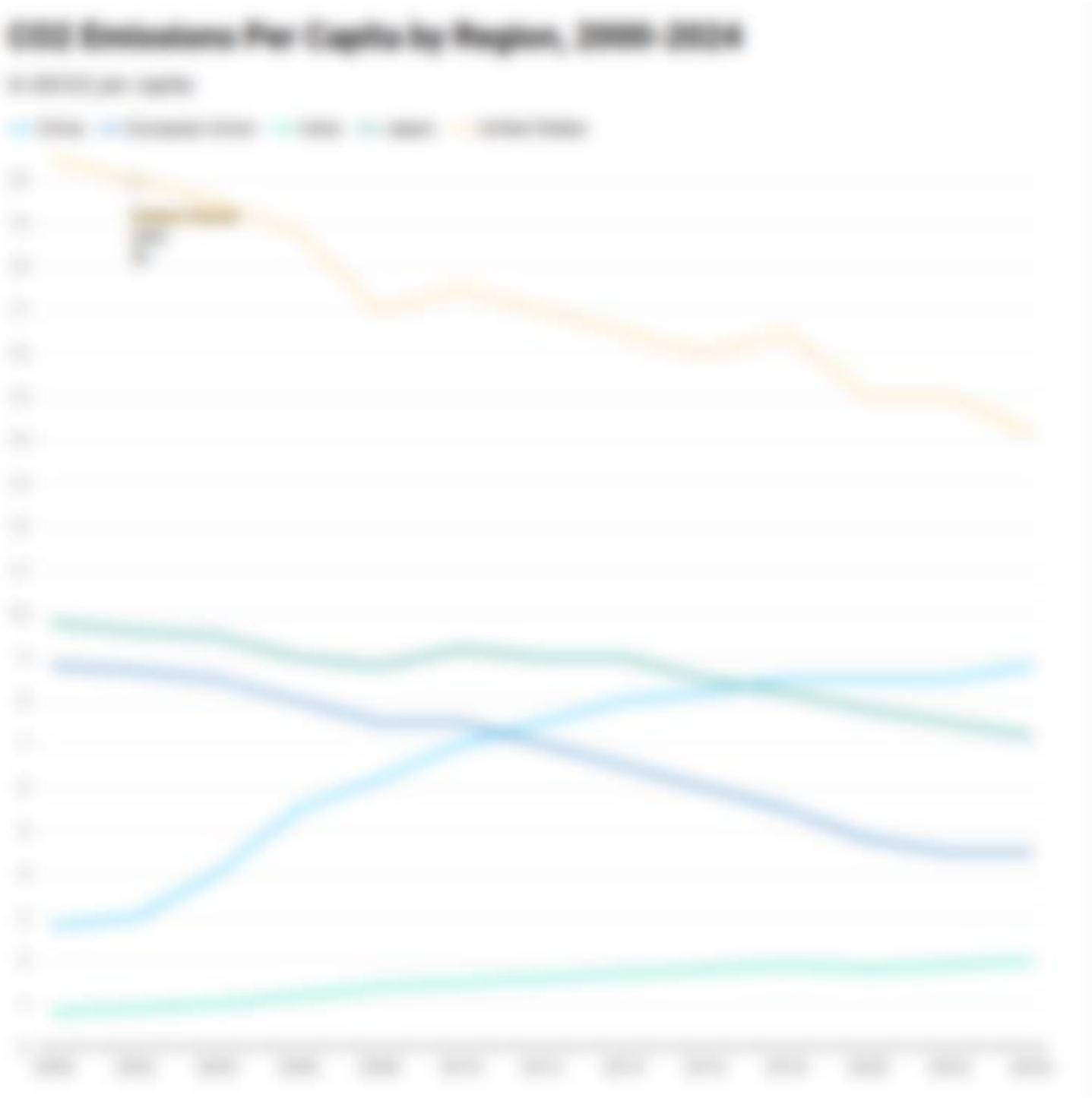

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