



Reshoring Initiative Data Report: Reshoring and FDI Boost US Manufacturing in 2014

The combined reshoring and related FDI trends continued strong in 2014, up about 20% from record levels in 2013. Nevertheless, these trends are still in their early stages. The purpose of this report is to provide trend data that will motivate companies to reevaluate their sourcing and siting decisions and assist them in making better decisions that consider all of the cost, risk and strategic impacts flowing from those decisions.

This document contains data on the following trends in U.S. Reshoring and FDI for the period 1997 thru 2014, but primarily 2010 thru 2014. All data is for the full period '97 to '14 period unless otherwise specified. All data is for the U.S. only unless otherwise specified:

Data Charts¹

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1. Reshored + FDI Manufacturing Jobs

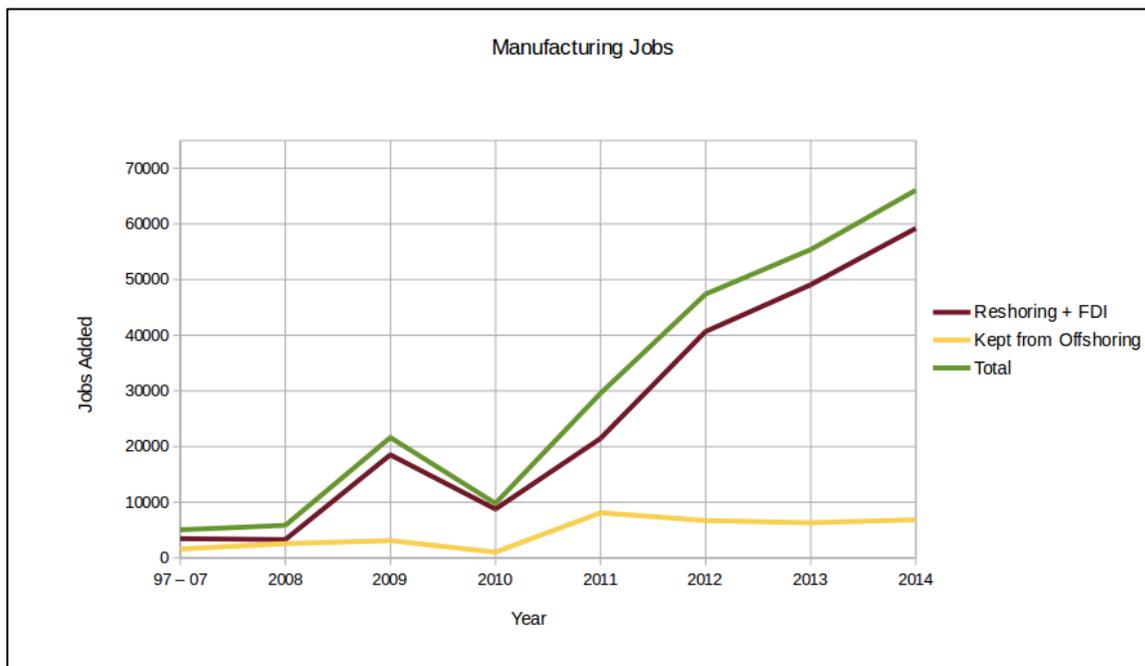
The bleeding of manufacturing jobs to offshore has stopped. In the last decade the U.S. has gone from losing about 140,000 manufacturing jobs per year to gaining 10,000 or more per year. There are still 3 to 4 million manufacturing jobs offshore, a huge potential for U.S. economic growth.



Manufacturing Jobs/Year 2014			
	2003	2014	% Change
New Offshoring	~150,000*	30,000- 50,000*	-70%
New Reshoring & FDI	12,000*	60,000**	+400%
Net Jobs Gained	~-140,000	~+10,000	N/A

* Estimated ** Calculated – Reshoring Library through Dec 31, 2014

2. Reshored + FDI Manufacturing Jobs



Reshoring Library through Dec 31, 2014

3. Reshoring + FDI by Tech Level

It is generally agreed that high tech manufacturing jobs are more desirable than low-tech: more investment, more R&D, higher pay, less risk of loss to low wage countries, etc. Reshoring is balanced between high and low tech while FDI is stronger in high tech.



Product Technology Level	Reshoring		FDI		Reshoring + FDI	
	Jobs	Companies	Jobs	Companies	Jobs	Companies
High	6763 (17%)	68 (19%)	13005 (20%)	53 (19%)	19768 (19%)	121 (19%)
Medium High	22654 (57%)	97 (27%)	27800 (43%)	113 (41%)	50454 (48%)	210 (33%)
Medium Low	5238 (13%)	119 (33%)	18076 (28%)	71 (26%)	23314 (22%)	190 (30%)
Low	4875 (12%)	73 (20%)	6271 (10%)	36 (13%)	11146 (11%)	109 (17%)

Ratings are based on classifications derived from NSF

(<http://www.nsf.gov/statistics/seind12/c6/c6s.htm#sb5>) and OECD systems (http://www.oecd-ilibrary.org/science-and-technology/revision-of-the-high-technology-sector-and-product-classification_134337307632). Reshoring Library through Dec 31, 2014

4. Reasons Cited for Reshoring & FDI

Understanding the reasons for reshoring is necessary for companies to proceed to quantifying those reasons, e.g. using the Reshoring Initiative's free online Total Cost of Ownership Estimator™. The reasons for reshoring and FDI are similar with the following major exceptions. Reshoring places higher emphasis on Made in USA image, automation and re-design of the product. FDI places more emphasis on government incentives and skilled workforce. Since reshoring is almost all from low-wage countries the companies have to minimize labor cost here to enable reshoring and can provide more perceived value by offering Made in USA. Since most FDI is from other developed countries Made in USA is a less powerful sales argument. The foreign company can be recruited by all 50 states and often has larger projects, thus more government incentives.

Positive Reasons for Reshoring and FDI	Total Citings	Negative Reasons Assoc. with Offshore	Total Citings
Government Incentives	175	Quality/rework/ warranty	193
Skilled workforce	140	Lead time	148
Image/brand (Made in USA)	118	Freight cost	114
Automation/technology/3D printing	96	Rising wages	86
Proximity to market, (to suppliers, to customers, product differentiation, difficulty of innovation, Improved customer service, Increased consumer demand)	91	Total cost, TCO	80
Eco-system synergies	74	Inventory	55
Re-design of the part	64	Delivery	53



U.S. price of natural gas, chemicals, electricity	63	Intellectual property risk (IP)	39
Higher productivity	50	Supply chain interruption risk	36
Lean or other business process improvements	48	Communications	32
Manufacturing and engineering joint innovation (R&D)	47	Green considerations; Loss of control	28 each
Walmart's Made in USA initiative; Infrastructure	46 each	Travel Cost	27
Proximity to customer	29	Currency variation	24
Customer responsiveness improvement	27	Price	18
Labor concessions	15	Duties/Tariffs/Customs	11
Raw Materials cost/availability	13	Emergency air freight; Political instability	7 each
Lower real-estate/construction cost	12		
Customization/Flexibility	8		
Other	64	Other	52

Reshoring Library through Dec 31, 2014. Note: Many of the positive and negative reasons are manifestations of proximity, e.g. inventory, travel, risk, communications, etc.

5. Reshoring by Industry

Only products that have been imported can be reshored. Thus, the products least suitable for offshoring never left. The most active reshoring is in those that left and probably should not have done so.

The table below is primarily sorted by 3-digit NAICS code industry. We also break out several active industries that are in the NAICS Miscellaneous Manufacturing category. Generally, reshoring is focused on products whose size and weight suggest offshoring never offered great Total Cost savings.

The Reshoring Initiative tracks actual cases of reshoring. Nevertheless, five of our top six industries are on the list of seven Tipping Point Industries that Boston Consulting Group projects to be reshored based on BCG's analytical studies based on wage rates, productivity, total cost, etc.

Industry	Reshoring	
	Jobs	Companies
Transportation Equipment	13823	33
Electrical Equipment,	9240	58



Appliances, Components		
Computer/Electronic Products	3483	25
Machinery	2860	20
Apparel/Textiles	2154	46
Fabricated Metal Products	1721	39
Food	1628	10
Wood Products	1028	18
Medical Equipment	738	17
Hobbies	723	29
Construction	577	4
Plastic/Rubber Products	470	16
Castings	57	8
Non-Metallic Mineral Products	12	1
Primary Metal Products	0	5
Chemicals	0	1
Other	1016	30

Reshoring Library through Dec 31, 2014

6. FDI by Industry

FDI is more heavily weighted towards transportation equipment because of the ongoing investment in automotive assembly plants and related suppliers.

Industry	FDI	
	Jobs	Companies
Transportation Equipment	25145	72
Fabricated Metal Products	8408	32
Plastic/Rubber Products	6389	19
Electrical Equipment, Appliances, Components	5676	22
Wood Products	2891	13
Computer/Electronic Products	2615	7
Apparel/Textiles	2577	15



Energy	2440	10
Chemicals	2110	29
Primary Metal Products	1872	6
Non-Metallic Mineral Products	1600	7
Food	1273	13
Machinery	1134	17
Medical Equipment	295	3
Castings	67	1
Other	660	7

Reshoring Library through Dec 31, 2014

7. Reshoring by Country From

Over 50% of reshoring has been from China. This is consistent with the huge percentage of offshoring that went to China but is a major change from the view in the decade of 2000 to 2010 that China was indomitable. The other leading countries are predominantly developing countries. Canada is prominent, perhaps due to a recent period of high currency value. Europe is disproportionately low, probably due to: more U.S. companies producing in-house there, as opposed to outsourcing to Asia; less rapid wage gains; low IP risk and higher quality. Mexico has been the destination for a lot of nearshoring but is also the #2 source of reshoring, primarily automotive and appliance.

Reshoring by Country From			Jobs/ Facility
Country	Jobs	Companies	
China	14273	194	74
Mexico	5363	27	199
India	1975	7	282
Japan	1920	8	240
Canada	1431	10	143
Brazil	870	1	870
Spain	450	1	450
Taiwan	150	9	17
Hungary	70	3	23
Italy	2	6	0



Russia	2	1	2
Korea, Malaysia	0 each	3 each	0
Vietnam, Australia, Indonesia, Germany, United Kingdom	0 each	2 each	0
Singapore, Sri Lanka, Egypt, France	0 each	1 each	0
Unknown Country	187	14	13

Reshoring Library through Dec 31, 2014

8. FDI by Country From

German auto manufacturers and Siemens drive Germany's high ranking. China's strong presence is consistent with the reshoring trend from China since reshoring and FDI are driven by the same financial advantages of producing in the market.

FDI by Country From			Jobs/ Facility
Country	Jobs	Companies	
Germany	17653	45	392
China	10415	45	231
Japan	6376	38	168
Korea	6032	12	503
Canada	4190	26	161
United Kingdom	2259	6	377
Singapore	1700	1	1700
Sweden	1590	5	318
Switzerland	1475	4	369
France	1443	11	131
Mexico	1100	3	367
Brazil	978	6	163
Denmark	860	4	215
Israel	815	5	163
Netherlands	750	6	125
Spain	667	7	95



India	661	10	66
Italy	647	9	72
Belgium	550	4	138
South Africa	500	1	500
Unknown Country	450	4	113
Greece	390	2	195
Turkey	370	2	185
Ireland	265	2	133
United Arab Emirates	172	1	172
Portugal	170	2	85
Poland	170	1	170
Latvia	150	1	150
Australia	130	1	130
Vietnam	75	1	75
Austria	72	2	36
Unknown Country	50	1	50
Thailand	20	1	20
Norway	7	1	7
Taiwan	0	5	0
Egypt, Oman, Chile, Iceland	0 each	1 each	0

Reshoring Library through Dec 31, 2014

9. Reshoring + FDI by International Region From

As previously mentioned, Asia dominated reshoring and Europe, esp. Germany, dominated FDI.

Reshoring + FDI by Region from			Overall Average Jobs/Facility
Region	Total		
	Jobs	Companies	
Asia	44916	358	119
Western Europe	29250	123	238
North America	12139	68	179



South America	2048	10	205
Middle East	1357	12	113
Africa	500	1	500
Eastern Europe	410	7	59
Australia/Oceania	130	6	22

Reshoring Library through Dec 31, 2014

10. Reshoring Cases by State

Reshoring is strongest in the southeast and Texas, consistent with BCG's forecast that that region would be the first to become competitive with China for products to be sold here. The tendency is for green-field factories to go into these lower wage, lower tax, right-to-work states. Reshoring in the north is more often into existing company facilities.

State	Reshoring		Jobs/ Facility
	Jobs	Companies	
SC	7530	8	941
TX	3792	13	292
KY	3412	4	853
GA	3145	8	393
TN	3137	15	209
OH	2739	24	114
MI	1742	16	109
NY	1165	19	61
NC	1020	15	68
KS	1000	2	500
MO	980	8	123
CA	884	34	26
CO	738	8	92
FL	611	13	47
MA	598	10	60
MS	540	5	108
IN	400	8	50
AL	397	4	99
PA	384	16	24



WI	349	17	21
AR	240	5	48
IL	232	14	17
OR	230	4	58
RI	200	3	67
NH	200	2	100
IA	193	2	97
WA	150	3	50
MD	90	6	15
ME	78	4	20
MN	64	10	6
NJ	60	3	20
MT	25	1	25
DE	0	2	0
VA	0	1	0
OK	0	1	0
LA	0	0	0
PR	0	0	0
WV	0	0	0
AZ	0	2	0
ID	0	1	0
UT	0	1	0
NV	0	1	0
NM	0	0	0
WY	0	0	0
CT	0	4	0
VT	0	2	0
ND	0	1	0
NE	0	0	0
SD	0	0	0
Unknown	1975	1	1975

Reshoring Library through Dec 31, 2014



11. FDI Cases by State

The geographic pattern is similar to that for reshoring.

State	FDI		Jobs/Facility
	Jobs	Companies	
TN	9482	14	677
SC	7593	26	292
AL	5571	18	310
VA	5380	14	384
GA	4773	17	281
NC	4315	21	205
NY	3372	10	337
MS	2861	8	358
MI	2150	8	269
TX	1690	13	130
CO	1425	6	238
KY	1279	10	128
OH	1206	12	101
IN	1184	9	132
LA	1175	5	235
FL	1025	4	256
NV	1000	2	500
PA	648	6	108
AR	550	5	110
NJ	548	5	110
SD	500	2	250
CT	495	1	495
PR	400	1	400
NM	400	2	200
CA	350	4	88
MD	320	3	107
MO	290	2	145
UT	288	3	96
IL	270	6	45
OR	200	2	100
ID	100	1	100
KS	100	2	50
WV	80	1	80



MA	50	1	50
ME	47	3	16
VT	40	1	40
DE	23	1	23
WI	22	1	22
WY	20	2	10
NE	20	2	10
OK	0	0	0
AZ	0	1	0
WA	0	1	0
MT	0	0	0
NH	0	0	0
RI	0	0	0
IA	0	2	0
MN	0	0	0
ND	0	0	0
Unk.	0	2	0

Reshoring Library through Dec 31, 2014

12. Reshoring + FDI by U.S. Region

The largest reshoring projects tend to go into the southeast and Texas. The Midwest is second based on reshoring to its strong industrial base.

Region	State	Reshoring		Jobs/Facility	FDI		Jobs/Facility
		Jobs	Companies		Jobs	Companies	
Subtotals	South	23914	100	239	46617	162	287
Subtotals	M.West	9674	103	94	5742	46	125
Subtotals	N.East	2739	63	43	5200	27	193
Subtotals	West	2027	55	37	3783	25	151
Nearshored	Mexico	1100	5	220	1500	1	1500
	Canada	130	5	26	1400	3	467

Reshoring Library through Dec 31, 2014. Note: Our nearshoring data is almost certainly understated, due to underreporting.



13. International Summary –Cases of Reshoring outside the U.S.

Reshoring is bringing the work back to the home country, especially to be sold in the home country. Reshoring efforts are underway in many countries, sometimes motivated by government actions. This table is our first effort to capture the reshoring activity in other countries. The completeness of this data is much lower because of our lack of ready access to the local media.

Country	Companies Reshored
United Kingdom	32
Canada	12
Japan	3
Kenya	2
Australia	1
Canary Islands	1
India	1
Ireland	1
Italy	1
Netherlands	1
Scotland	1
Spain	1

International Library through Dec 31, 2014

57 cases mentioned out of 254 articles on international reshoring. Our data is fairly complete on Canada but very partial on other countries.

Data refinement is ongoing.

- To see a full list of companies in the database [click here](#).
- If your company is listed, [email us](#) to request your company's data to review, edit and return. Please include your company name and detailed contact info.
- To add your company to the Reshoring Initiative's database [click here](#).