American Industries®

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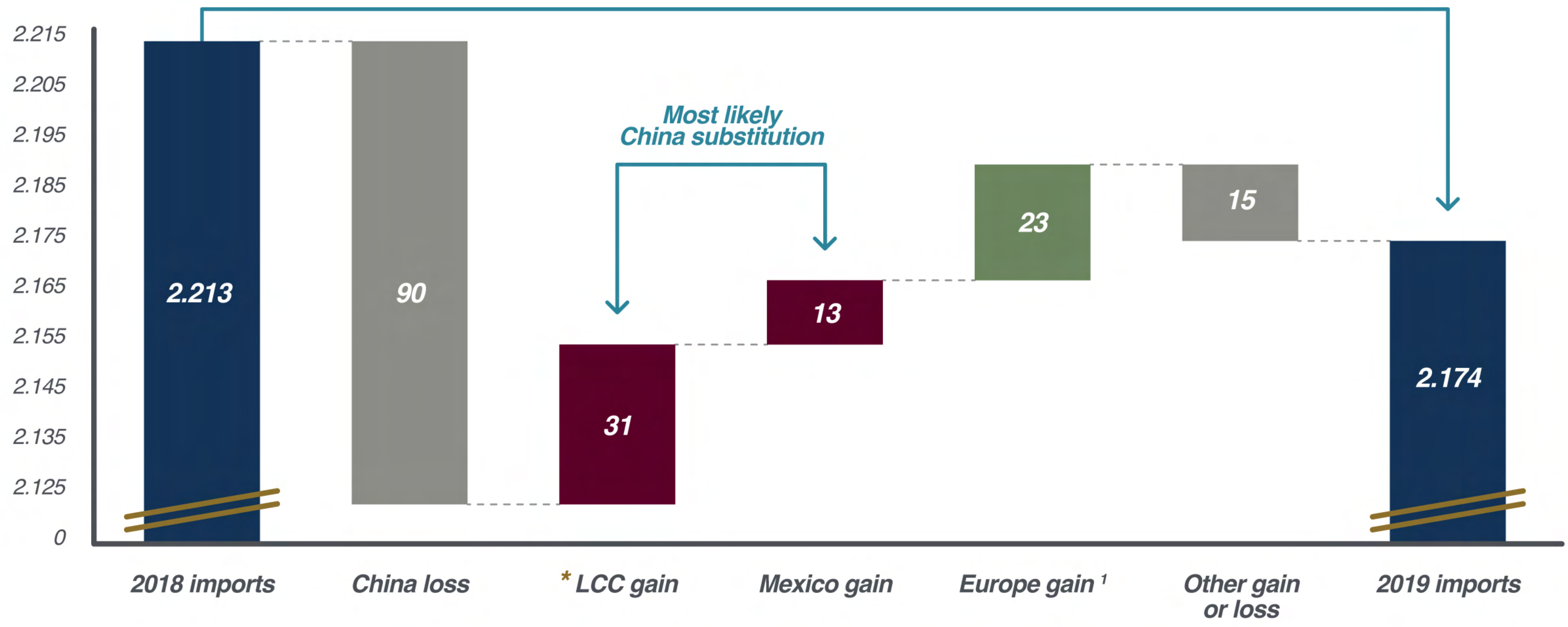
Reshoring: The Rise of Mexico

Change in US manufacturing import countries

Actual amounts billions USD, 2018-2019



*** Low Cost Countries:** Taiwan, Malaysia, India, Vietnam, Thailand, Indonesia, Singapore, Philippines, Bangladesh, Pakistan, Hong Kong, Sri Lanka and Cambodia.*

[1] Most likely due to increase in demand for European-specific imports (for example, luxury cars)

***Sources:** United States International Trade Commission, United States Department of Commerce, Bureau of Economic Analysis; Kearney Analysis*

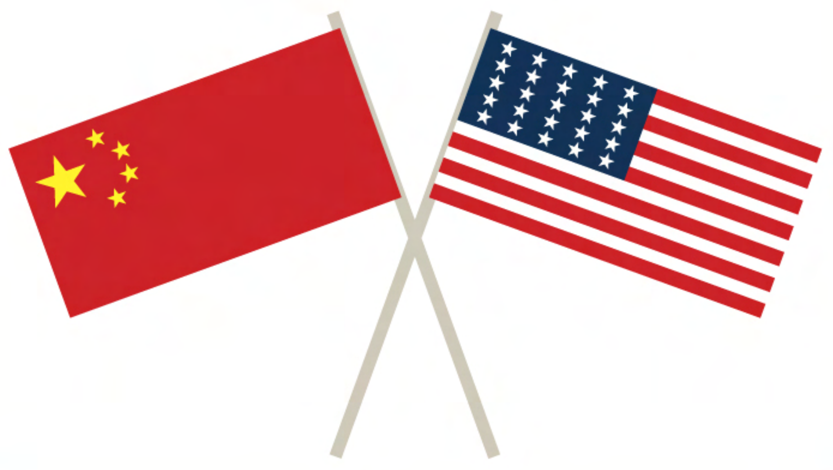
While manufacturing imports to the U.S. from China have declined, ***those from other Asian LCCs and Mexico have grown***

Global Companies

have shifted their strategies to focus more on restructuring ***global supply chains*** *to become more resilient, as well as to lower risk and costs.*

The Lingering Effects

of the China-US ***trade relationship***



A revised and updated Trade Agreement is taking effect

The Trend of Reshoring

manufactured goods from Mexico ***is growing.***

There is also an

accelerated production flow to Mexico due to:

Cost competitiveness:
Labor costs are just 14% of that for similarly skilled workers in the US.

20-30% savings in production costs
compared to production in the US (including cost of import/export, logistics, labor, etc.).

Components can be

sourced from the US, assembled in Mexico ***and shipped back to the U.S. in a short time.***

(It takes 75% less time to transport goods to Mexico compared to China.)

July 2020

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