Made in China. We’ve become **accustomed**(привыкли) to

seeing the label on products manufactured

in the world’s second biggest economy.

But buying one of these products in China instead

of say, the U.S., doesn’t guarantee you’re getting a better price.

So why is that? And what does it truly mean to be Made in China?

To start looking for some answers, I visited two shopping hubs:

Los Angeles in the United States and Beijing in China.

Chinese tourists have built a reputation for being big spenders abroad,

spending a whopping $277 billion in 2018,

much more than any other nationality.

A lot of times, people think that purchasing something in China will be inexpensive,

but that isn’t always the case.

So how much of a difference are we talking?

**I sought out**(Я искал) four products from four popular western brands to compare.

Starbucks,

H&M,

Adidas store,

a Godiva store.

U.S. brands are everywhere I look in this area.

I even just spotted a Red Lobster.

To keep things consistent, I’m using 2019's average foreign exchange rate.

The products I’m comparing are:

A standard black t-shirt at H&M.

Starbucks Grande Cappuccino.

Godiva Chocolates.

And an Adidas hat.

I feel like this shirt would be half the price in the U.S.

But I’m wrong, the shirt at H&M is priced nearly the same in the U.S. and China.

A Grande Starbucks cappuccino will cost you $4.63 in Beijing,

but in Los Angles, California, $3.95.

This case of Godiva chocolates, called Pearls,

is priced at $7.24 in Beijing, but only $3.95 in LA.

And this Adidas hat will set you back $42.27 in China,

nearly double the price of a similar hat in the U.S.

My small experiment has made one thing clear; pricing is complicated. So much so, that

websites have **popped up**(всплывал) like the Mac Index, a site that compares Apple product prices

from around the world.

So many ads for Apple here in this area.

According to an analysis done by Tech Insights,

the cost to make an Apple iPhone 11 Pro is $490.50.

Yet according to The Mac Index, the price to buy one is $1,318 in Japan,

$1,477 in the U.S., $1,658 in Mainland China

and more than $2,000 in Turkey and Peru.

Prices vary across countries due to factors like demand, tariffs and tax refunds.

And then there’s the supply chain: the network of people, organizations, **activities**(мероприятия), information and resources involved in the creation of a product.

Apple’s current CEO Tim Cook is **considered** **by some**(по мнению некоторых) to be a **mastermind**(вдохновитель) in supply chain.

He first joined Apple in 1998 with a mandate to clean up the company's manufacturing and distribution.

Over time, he closed factories and warehouses,

instead opting for contract manufacturers.

Many of those contract manufacturers are in China.

That’s great for Apple’s profit margins, but it’s certainly not praised by President Trump,

who has asked Apple to make its products in the U.S.

But that may be easier said than done.

If, say, iPhone production was moved to the U.S., instead of China, different analyses

show the price for the consumer could go up from anywhere from $30 or $40 to hundreds

of dollars to even $30,000-100,000.

That's partially why, despite Apple **pledging to invest**(готовность инвестировать) more money in American manufacturing,

it **maintains**(поддерживает) China as its hub for making its gadgets.

When you say made in country x, it's really an oversimplification of what it really is.

That’s Omar Slim, a senior portfolio manager at global asset manager, PineBridge.

When you hear about made in this country or that country is really quite relative and

it's a simplification of things because it's most likely made in a number of countries.

Here’s an example. Let’s say we want to make lasagna for dinner.

If Jeff cooks the ground beef and prepares the cheese, Sarah makes the tomato sauce and

layers the ingredients into a pan; and Blair, who bought all the ingredients, puts it in

the oven, **who gets the credit for making** the lasagna?

Now, let's apply that to Apple’s iPhone.

While the phone might say ‘Made in China,’ some of its parts come from other parts of

Asia, Europe and even the U.S.

But here's the catch.

Even though an iPhone may be **assembled** in China, it’s still tariffed in China as a

U.S. product because Apple is an American company.

The brand makes that clear with its **etching**(гравировка), ‘Designed by Apple in California.

**How they're treated in terms of customs**, they will be treated as a U.S. product.

So **regardless** of where they come, it's **essentially** a U.S. product. Same for Chinese products

going into the U.S. and same for, for instance, European cars.

China became a popular manufacturing hub in the 1980s after it started to open to the world.

It became known for its cheap labor costs, **lax regulations** and business-friendly environment.

As China’s manufacturing sector grew, it took the crown from Germany as the world’s

top exporter in 2010. Today, it’s followed directly by the U.S. and Germany.

While Made in China has become synonymous with cheap and low-quality products,

China is hoping to change that.

In 2015, it launched a Made in China 2025 initiative,

which aims to shift its economy from low-end manufacturing to high-end, high-tech products.

And it could already be well under way.

In 2017, Tim Cook said China lost its place as a low labor cost manufacturing nation many years ago.

So, if so, why is so much of its manufacturing done there?

Well, because of the skill and **sheer volume of engineers**, he said, saying Apple’s products

**require advanced tooling** and engineers.

In the U.S. you could have a meeting of tooling engineers and I’m not sure we could fill the room.

In China you could fill multiple football fields.

The U.S.-China trade war resulted in **a tit-for-tat increase in tariffs** on many products.

With increasing costs being passed on to consumers, many companies are looking to **diversify** their

supply chain, instead **of being so reliant** on China.

That **sentiment** has only grown, following the coronavirus pandemic’s

hit on the global manufacturing industry.

Along that supply chain, there will be some companies, that instead of manufacturing it

in China, if they could, they could try to replace.

In fact, companies including Apple, Microsoft and Google are reportedly looking into moving

some of their hardware production from China to Vietnam or Thailand.

But that might be harder than it sounds.

The other countries will have a hard time to compete along with the fact that the infrastructure

is shown that it's quite good, along with the fact that in certain countries would not want

to compromise the relationship with China.

The reality today is that a product likely has many components which are sourced globally.

A phone may be designed in the U.S, but its screen is sourced from South Korea, the sensors

and microchips may be from Taiwan or Germany, with its assembly in China.

So the next time you see a product with the words, “Made in China,” remember that

the full **story is seldom pure**, and never simple.