

Macro Roundup Article

Headline: [Nearshoring Shift Brings Production Hurdles Closer to Home](#)

Article Link: <https://www.wsj.com/articles/nearshoring-shift-brings-production-hurdles-closer-to-home-6fc418ee>

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Publication	Wall Street Journal
Publication Date	April 25, 2023

Tweet: China's share of American imports of electrical and electronics declined from 36.1% in 2013 to 26.8% last year. During the same period, Mexico's share increased 1.3pp and Vietnam's increased 5.6pp as American firms start to pursue nearshoring strategies.

Summary: Mexico appears to be ideal for some companies seeking sites outside Asia to make goods more cheaply than in the U.S. It is close to American consumers, has a relatively cheap labor force compared with other North American workers and is a member of a free-trade agreement with the U.S. and Canada, saving the cost of tariffs that are imposed on a raft of imports from Asia. Importers say that although the cost of manufacturing in Mexico may be higher than in some parts of Asia, the country also delivers cost savings from shorter shipping distances that reduce the need to carry so much inventory and that offset the risk of production disruptions and lost sales because of freight delays.

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Primary Topic: Trade (not deficits)

Topics: Factoid, GDP, Investment, News article, Productivity, Trade (not deficits)

Permalink: <https://www.edwardconard.com/macro-roundup/chinas-share-of-american-imports-of-electrical-and-electronics-declined-from-36-1-in-2013-to-26-8-last-year-during-the-same-period-mexicos-share-increased-1-3pp-and-vietnams-increased-5-6pp-a?view=detail>

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