Macro Roundup Artcile

Headline: Global Trade Is Shifting, Not Reversing

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Tweet: Bank of America notes evidence of reshoring to Mexico at the expense of China with imports of Mexican low-tech goods such as plastics and textiles up ~60% relative to pre-pandemic levels.

Summary: Another big winner in the U.S.-China trade war could be Mexico. It has lower wages than China, an established manufacturing sector anchored by the automotive industry, and the perfect geographic position for serving the U.S. market—particularly since the rise of videoconferencing, which has increased the importance of being in the same time zone. Analysts at Bank of America already see some evidence that this is happening, with U.S. imports of Mexican manufactured goods roughly 60% higher than before the pandemic as of October. Interestingly, Mexico has gained share of U.S. imports in some low-tech industrial sectors such as plastics and textiles, while China has lost share.

Primary Topic: Trade (not deficits)

Topics: Database, Factoid, GDP, Graph, News article, Sell-by Date, Trade (not deficits), Weekly

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