



Reshoring Initiative® 2023 Q1 Data Report

Reshoring Rides the EV Battery Wave,
Taking Aim for Another All-Time High



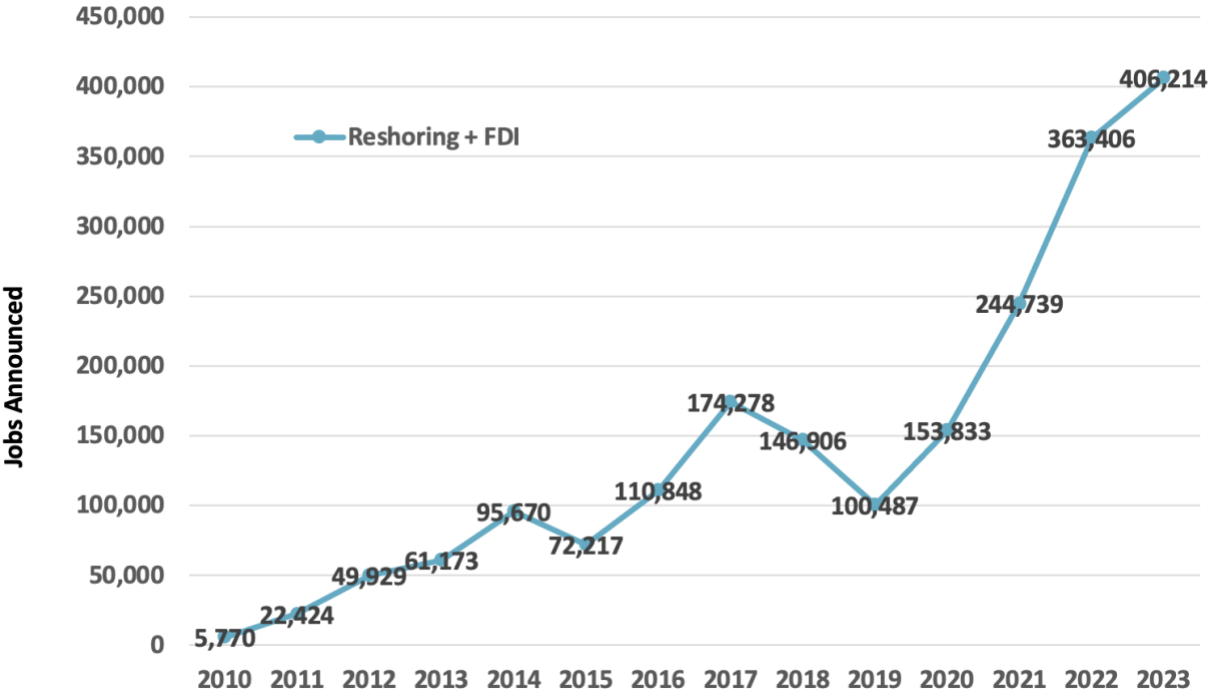
EV battery investments contributed the most job announcements in 2023 Q1.



Quarterly Snapshot

Reshoring + FDI manufacturing job announcements are continuing to outpace recent records, adding 101,500 jobs in 2023 Q1. If the current rate continues new job announcements will reach over 400,000 by year-end. Additionally, the cumulative number of jobs brought back since the manufacturing low in 2010 will reach two million - about 40% of what we lost to offshoring.

Exhibit 1 | Manufacturing Job Announcements per Year, Reshoring + FDI, 2010 thru 2023 projected



Distribution of Jobs

Reshoring continues to outpace FDI 62% to 38% - the most extreme rate in recent history - indicating that the country and domestic companies are finally recognizing the value of local production that FDI recognized a long time ago.



Exhibit 2 Reshoring vs. FDI, % of Jobs, 2022 vs 2023 Q1		
	2022	2023 Q1
Reshoring	58%	62%
FDI	42%	38%

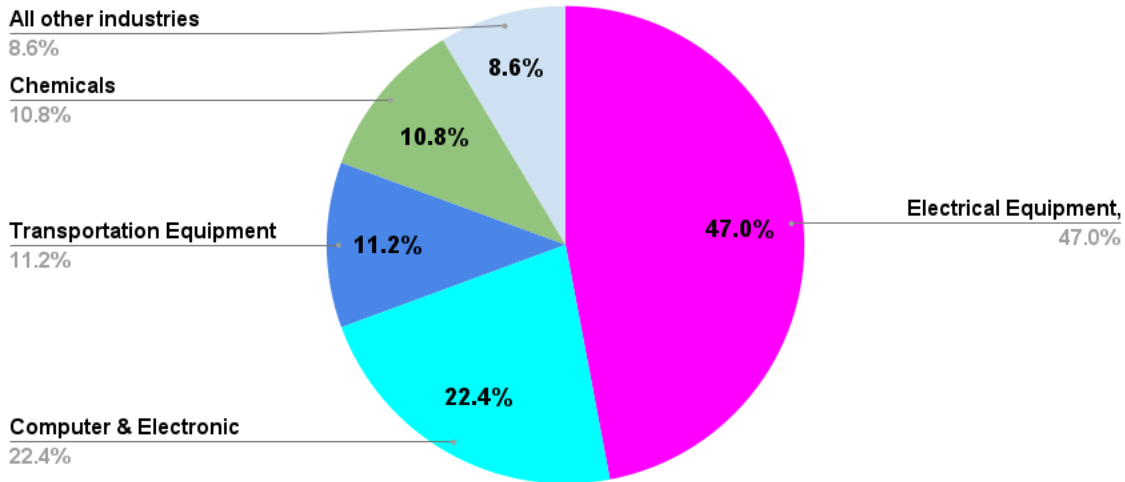
Currently, most reshoring is from cases of “automatic reshoring” - new investments and production that offset extreme rates of imports. In these cases, Country From is not often reported. Of FDI and reshoring where Country From is reported, Q1 data shows the most jobs coming back from Germany, China, Korea and Japan.

Exhibit 7 Jobs by Country From, Top 4 in Q1		
Country	Jobs	Category
Germany	7,755	100% FDI
China	7,699	90% Reshoring
Korea	7,392	100% FDI
Japan	4,142	100% FDI

Due to the many federal subsidies for manufacturing of essential products, four industries now account for over 90% of jobs added (Exhibit 3). Electrical Equipment is in the top place because EV batteries are categorized by NAICS code in that industry.

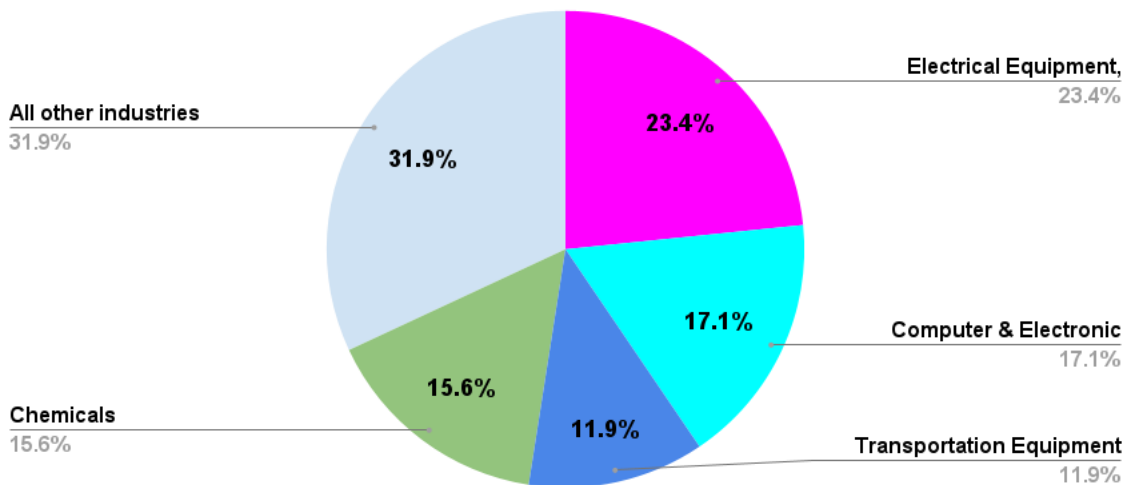
The lack of focus on manufacturing over the past 40 years got the U.S. so dependent on imports that it needed \$100’s billion in government incentives to start the recovery. It is imperative that the manufacturing industrial base maintain a strong recovery to return the U.S. to a safer and more self-sufficient state.

Exhibit 3 | Percent of Jobs by Industry, 2023 projected



Comparing Exhibits 3 (jobs) and 4 (company cases), one can see that Electrical Equipment’s large average factory size gives it a much bigger share of jobs than cases. As local supply chains strengthen from the recent large investments, we expect a trickle-down effect of more job creation in a broad range of industries.

Exhibit 4 | Percent of Cases by Industry, 2023 projected



Geopolitical Tensions



Supply chain gaps and the need for greater self-sufficiency set the stage for the current upward trend in reshoring. The risks of a Taiwan-China conflict or China voluntarily decoupling are focusing those concerns. Destabilizing geopolitical and climate forces have brought to light our vulnerabilities and the need to address them. The White House responded with the Inflation Reduction Act, Chips Act, and Infrastructure Bill, offering some direction and financial security to the companies and industries intent on filling the gaps. These government actions are necessary in the short run but are not sufficient since they do not improve the U.S.' uncompetitive cost structure. A true industrial policy is the best option to protect the U.S. from the increasing risks associated with geopolitical volatility. It should focus on leveling the cost playing field via comprehensive actions such as massive skilled workforce investments, a 25% lower USD and retention of immediate expensing of capital investments.

Top Drivers of the Trend

The top factors that companies are reporting as reasons for reshoring highlight the concerns, priorities and benefits of returning production to the U.S.

Exhibit 5 Projected Top Factors for 2023		
1	Eco-system synergies (i.e. healthy local supply chains)	384
2	Government Incentives	340
3	Proximity to customers/market	324
4	Skilled workforce availability/training	168
5	Infrastructure	160
6	Impact on domestic economy	156
6	Manufacturing/engineering joint innovation (R&D)	156
8	Image/Made in USA brand	132

The factors that are gaining momentum cover topics of efficiency, improving local supply chain, innovation and consumer preference for Made in USA.

Exhibit 6 Increasingly Reported Factors Influencing Reshoring in 2023 Q1			
Factor	2022	2023 projected	% increase
Customization/Flexibility	13	40	208%
3D Printing/Additive Manufacturing	9	24	167%
Strained offshore relationships	5	12	140%
Eco-system synergies (i.e. healthy local supply chains)	164	384	134%
Image/Made in USA brand	57	132	132%
Impact on domestic economy	91	156	71%
Manufacturing/engineering joint innovation (R&D)	102	156	53%
Infrastructure	122	160	31%

Conclusion



Reshoring Initiative reporting contains data¹ and analysis on trends in U.S. reshoring announcements by U.S. headquartered companies and FDI by foreign companies that are shifting production or sourcing from offshore to the U.S.

This Report should motivate companies to further reevaluate their sourcing and siting decisions by considering all the cost, risk and strategic impacts flowing from those decisions.

Reshoring's success has occurred despite uncompetitive U.S. manufacturing costs. Presently, shifting forces are creating more incentives and opportunities for companies to produce at home. The Reshoring Initiative can [help](#) government policymakers project the impact of applying industrial policy to bring millions more jobs back. Acceleration of the trend depends on the government leveling the playing field, making the United States more price competitive.

¹ Unless otherwise noted, the data for all charts comes from the Reshoring Initiative's Reshoring Library of over 9,000 published articles, privately submitted Reshoring Case Studies, and some other privately documented cases. Reshoring and FDI are both motivated by the same logic: the financial advantages the company achieves by producing near the customer. Cases must refer to a specific company, product and location to be included. Job numbers are assigned to the year in which the numbers are first announced and can include current hiring, recent prior years' hiring and future hiring. We estimate that actual hiring lags, on average, 12 to 24 months behind the announcements, i.e. occurs one to two calendar years later. We include work brought to an OEM's assembly plant and work newly outsourced to the domestic supply chain. The supply chain often receives more jobs than the assembly plant. Job and company numbers are first tabulated and then adjusted for under-reporting, especially in the domestic supply chain. More information on our calculation process is available on request. Total job and company count varies from chart to chart since we do not have data for all chart topics from all cases.



The Reshoring Initiative offers many tools and resources, which are listed below. Please [contact us](#) for help driving reshoring for your company, your region and our country.

RESHORING INITIATIVE RESOURCES

[Total Cost of Ownership Estimator®](#) - Free online tool helps companies account for all relevant factors — overhead, balance sheet, risks, corporate strategy, green and other external and internal business considerations — to determine the true total cost of ownership. It can be used by companies to make smarter sourcing decisions and to sell against imports. Analysis of TCO Estimator user data shows that [20 to 30% of imported products](#) can be made here more profitably. Call on the Reshoring Initiative for help using this and other tools.

[Import Substitution Program \(ISP\)](#) - Manufacturers select the products at which they excel. ISP identifies and qualifies the major relevant importers of those products. The manufacturers then use TCO to convince the importers to reshore. Offered directly to manufacturers and thru MEPs, EDOs (economic development organizations), trade associations and equipment sellers.

[Supply Chain Gap Program](#) - Identifies U.S. supply chain gaps. Helps U.S. manufacturers fill the gaps. Helps EDOs find foreign firms to fill the gaps.

[Competitiveness Toolkit](#) - Designed to quantify and select the optimal national policy changes to bring back a desired number of jobs.

Reshoring Library – You can use [Advanced Search](#) to identify companies that have reshored or done FDI in relevant industries or regions. Search for potential customers.

[Reshoring Initiative Data Report](#) – Annual reports track the drivers, impact and momentum of the trend.

Data refinement is ongoing

1. Companies, industry associations, states, EDOs and others are encouraged to send us information on reshoring and FDI cases. [Send us](#) links to articles and announcements.
2. To see a full list of companies in the database [click here](#).
3. 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 information.



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About Us

Reshoring is gaining momentum throughout the country. Many companies have already repatriated some of their manufacturing efforts, and the Reshoring Initiative is continuing to spread the “return-manufacturing-home” message to help other manufacturers realize America is an advantageous place to produce goods.

The Reshoring Initiative, founded in early 2010, takes action by helping manufacturers realize that local production, in some cases, reduces their total cost of ownership of purchased parts and tooling. The Initiative also trains suppliers how to effectively meet the needs of their local customers, giving the suppliers the tools to sell against lower priced offshore competitors.



Reshoring Initiative®

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