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## Few US 'reshorings' go ahead, study finds

By Robert Wright in New York [Author alerts ▾](#)

“Relatively few” of companies’ announced “reshorings” of manufacturing to the US have actually gone ahead and the trend’s effect on employment has been a “drop in the bucket,” research by a Massachusetts Institute of Technology academic suggests.

The work, by Jim Rice, deputy director of MIT’s Center for Transportation and Logistics, throws into doubt expectations that the US economy might enjoy significant growth in manufacturing employment through [job repatriation](#).



However, Mr Rice told the Financial Times that some manufacturing had returned to the US as companies moved production from single large centres in China to smaller plants closer to the world’s main consumer countries.

“If you look at the number of people they’re employing, it’s probably going to be a drop in the bucket when you compare it to overall employment,” Mr Rice said.

The preliminary results of Mr Rice’s research – conducted with Francesco Stefanelli, a visiting researcher – suggested that many companies that had said they would repatriate jobs to the US had not actually done so.

The research probed the reality behind announcements by about 50 companies – including [General Electric](#), [Apple](#), [Whirlpool](#) and [Caterpillar](#) –

to be moving jobs back from overseas to the US.

“In the majority of cases, the companies involved plan to invest in US-based production capacity; they have not actually made the move,” an article containing the findings reads. “The data indicate that there are relatively few published instances of reshoring.”

Mr Rice did not say which companies had announced reshoring but not gone ahead, but an article on the early results says technology companies have been particularly

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## prone to the practice.

Even among reshoring projects that had gone ahead, Mr Rice said, some had produced only modest employment growth. One widely touted case – the return of some manufacturing of Wham-O Frisbees to California – had led to the setting up of a factory employing eight people.

Among the highest-profile announced reshoring projects, [GE in 2012](#) invested \$1bn in moving some of its domestic appliance production for the US market back from Mexico and China to the US. Both Apple and Google have [moved some electronics production](#) back from Asia to the US.

Mr Rice said some companies had moved production back to the US because of [narrowing wage differentials](#) with China and concerns over the security of long supply chains. However, he said that reflected an apparent [trend](#) away from concentrating manufacturing in one low labour-cost country and distributing it to centres worldwide to cut down on travel time and cost.

“Transportation costs vary significantly by the type of product,” Mr Rice said. “If you’re talking about electronics, it’s going to be a different story from someone making furniture.”

The researchers had also monitored for cases where US manufacturers moved more production to China from the US but were not yet able to say whether such moves were still under way and on what scale.

“There’s always movement,” Mr Rice said. “It’s a sea change. The waves are going to keep coming, but we don’t know how big or how fast.”

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