News Release

TD Economics Report Heralds Revival of American Manufacturing Sector Through Reduced Offshoring of Jobs

Changing conditions both globally and domestically make U.S. manufacturing increasingly more competitive as ‘offshoring’ of jobs abates

PORTLAND, Maine and CHERRY HILL, N.J. – October 15, 2012 – TD Economics (www.td.com/economics), an affiliate of TD Bank, America’s Most Convenient Bank®, released a special report today crediting the revival of the U.S. manufacturing sector – one of the drivers in the economic recovery – for the slowdown in offshoring activity. This slowdown has kept in the U.S. some of the jobs that used to be rapidly offshored, especially ones in relatively capital-intensive industries such as computers & electronics, machinery, fabricated metals, and plastics and rubber, accounting for about one-quarter of the 200,000 manufacturing jobs added over the last 12 months.

The report indicates that since the trough occurring in January of 2010, the manufacturing sector has added nearly 500,000 jobs, in part due to the deceleration of shipping jobs overseas. The drivers behind the deceleration result from a unique combination of dynamic global and domestic conditions.

On the global scale, offshore wages have risen rapidly, while an appreciating renminbi and volatile transportation rates have weakened offshoring’s cost advantages. Domestically, existing intellectual property protection, flexibility arising from tighter supply chains, a trend toward mass-customization and access to natural gas energy from shale formations have begun to tip the manufacturing scales back in the favor of the U.S.

“Even though manufacturing has shed jobs in the past two months, it does not detract from the remarkable upswing that has been underway since the Great Recession ended. This resurgence has bucked a trend that has been in place for more than a decade allowing manufacturing jobs to be a key driver of the economic recovery,” said Michael Dolega, the TD Economist who authored the study. “We believe that capital-intensive manufacturing industries will lead this onshoring trend, while labor-intensive industries such as apparel and textiles will remain, or perhaps be pushed even further, offshore.”

The report cautions that ‘en masse’ industry onshoring isn’t likely to occur, nor will the trend replace the nearly six million jobs lost to offshoring since the peak in the mid-2000s. Also of note is that new manufacturing jobs will require less labor-intensive, but more high-skill, highly-productive positions that the U.S. has a competitive advantage in.
To view the full report, please visit:

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