

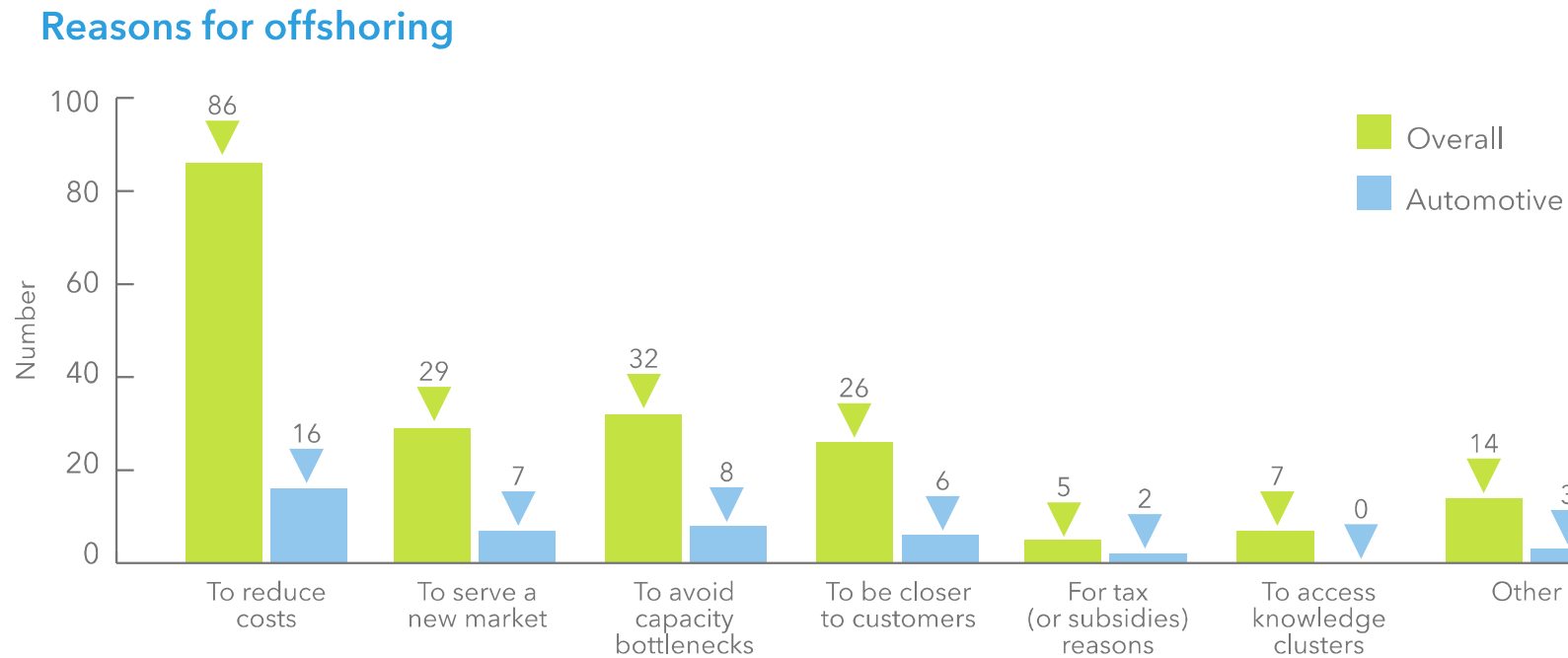
Reshoring – An automotive perspective

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Supply Chains in Practice Networking Event
26 September 2017

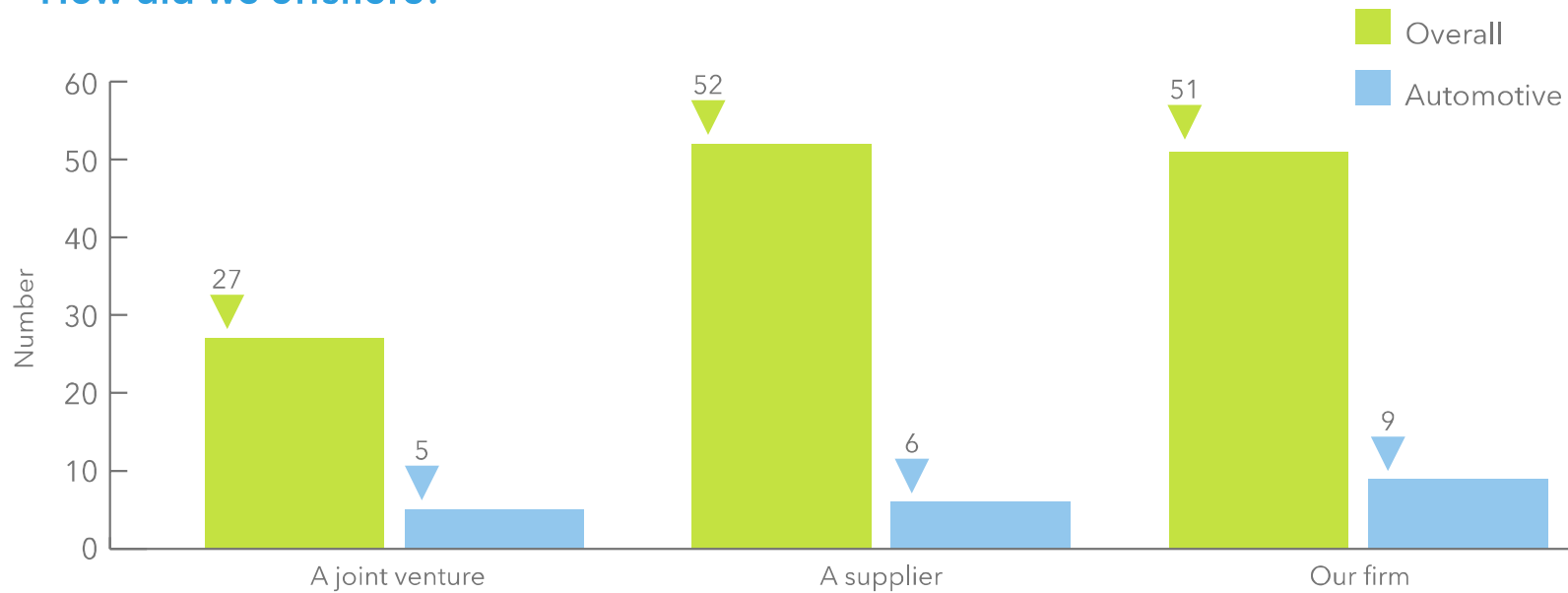


The reasons for reshoring were similar to the overall results...



But a lesser proportion used a supplier, preferring a JV or overseas expansion...

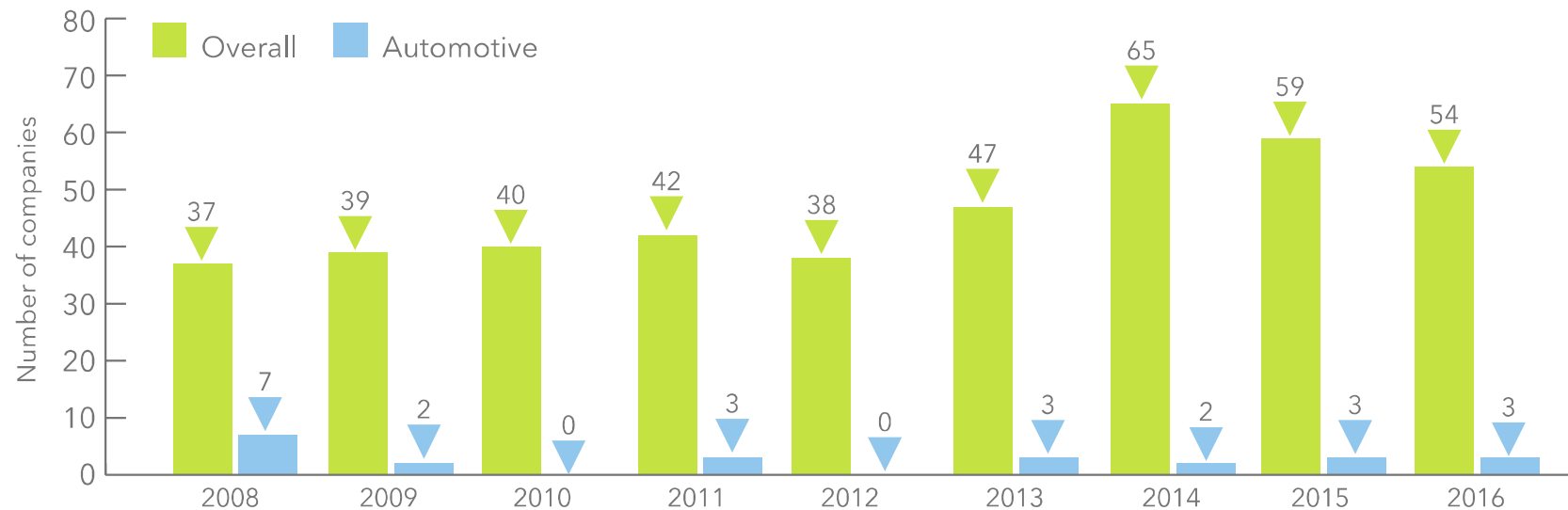
How did we offshore?



... perhaps to have greater control of the process?

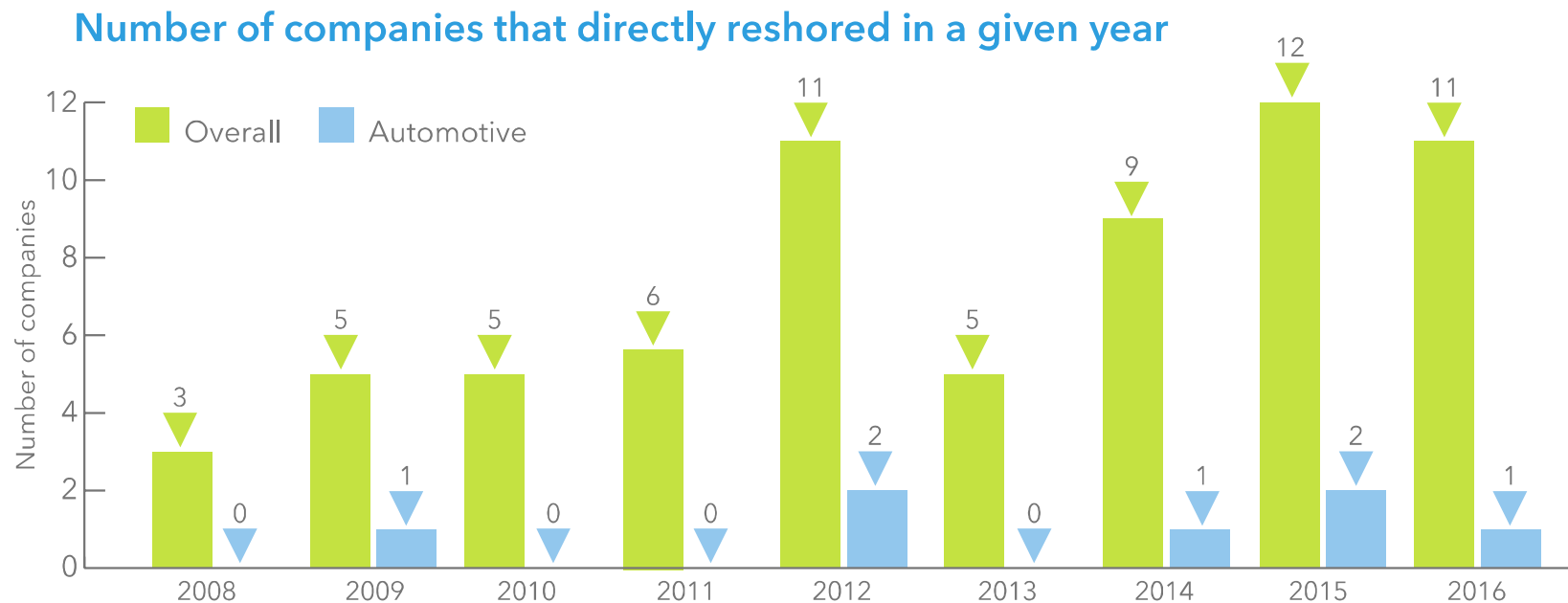
For automotive, there were a significant number of reshoring actions in 2008...

Number of companies that indirectly reshored in a given year



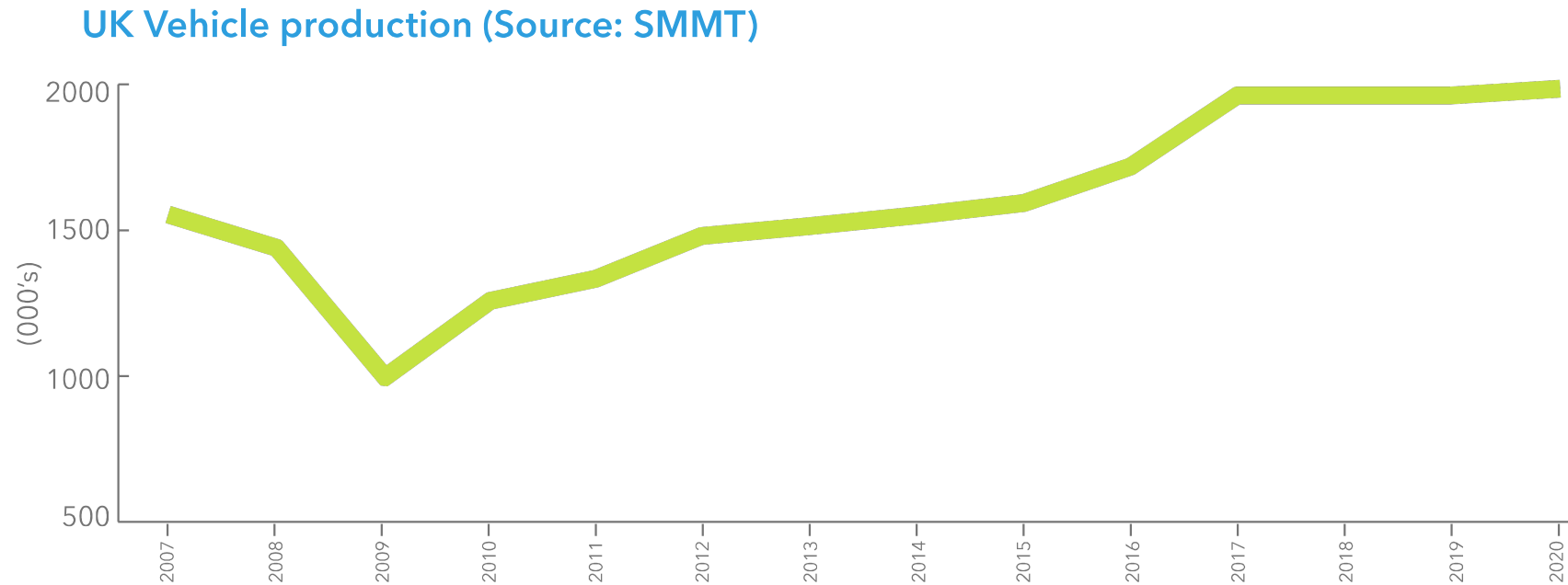
... at the onset of financial crisis when UK volumes fell by over 30%.

There was a corresponding drop of incidences of direct reshoring...



... as companies took a prudent approach to the crisis.

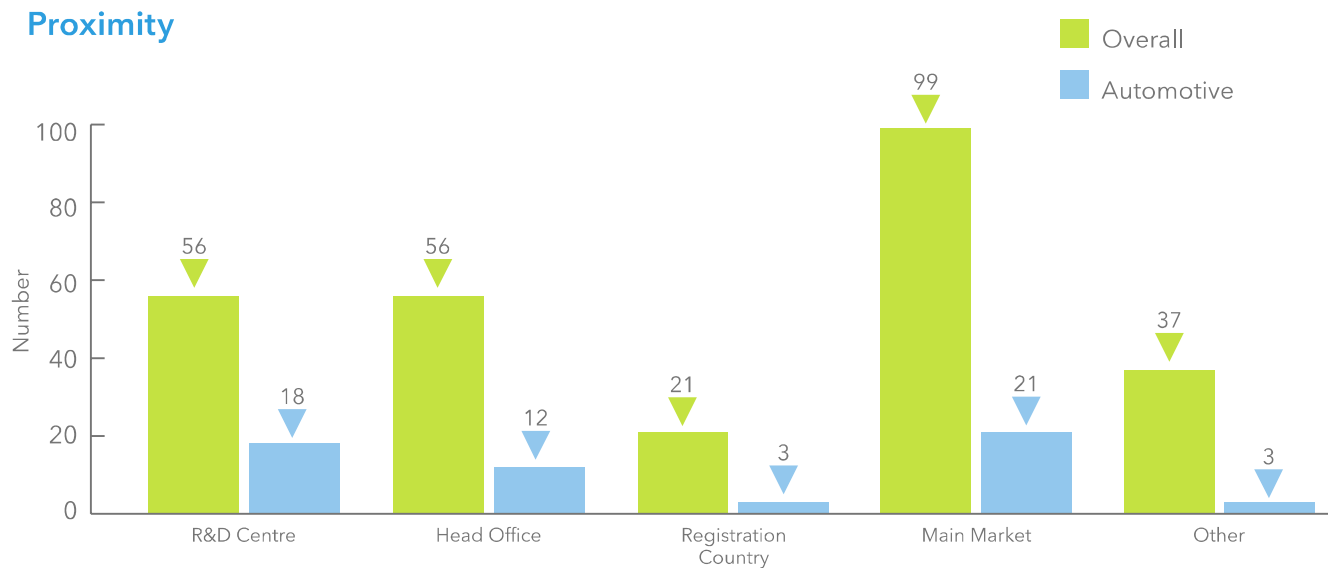
From the bottoming of UK production in 2009...



... volumes had risen 70% by 2016.



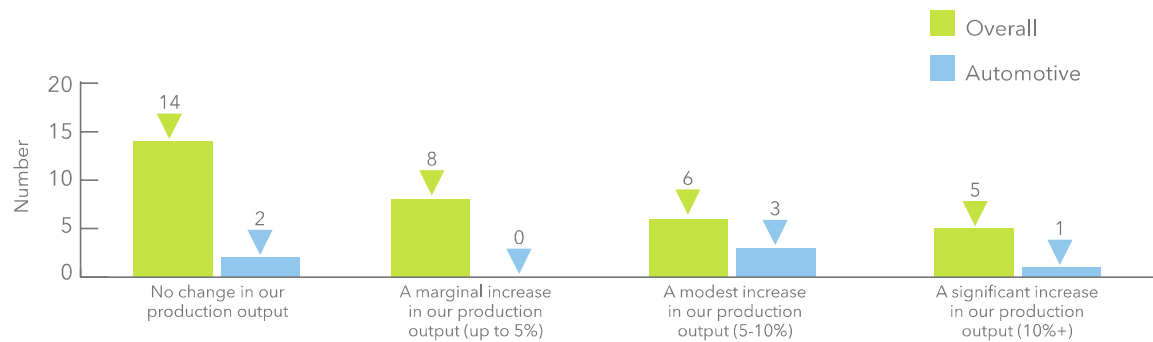
Automotive had a higher tendency to reshore to be close to an R&D centre...



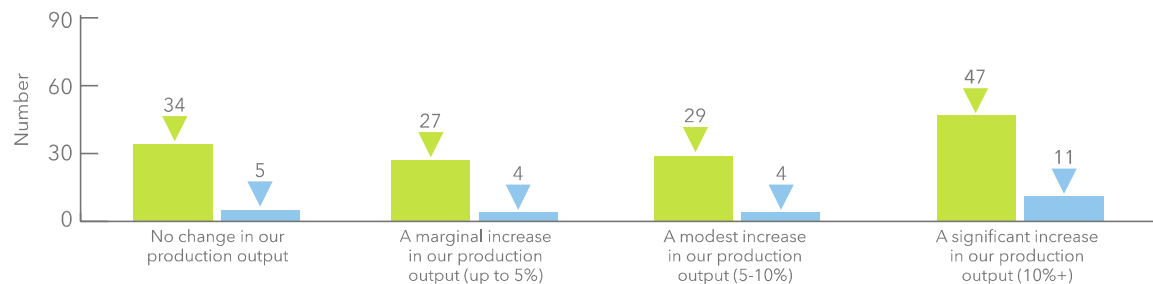
...than the sample overall.

The impact of reshoring on production output was broadly the same as the overall results...

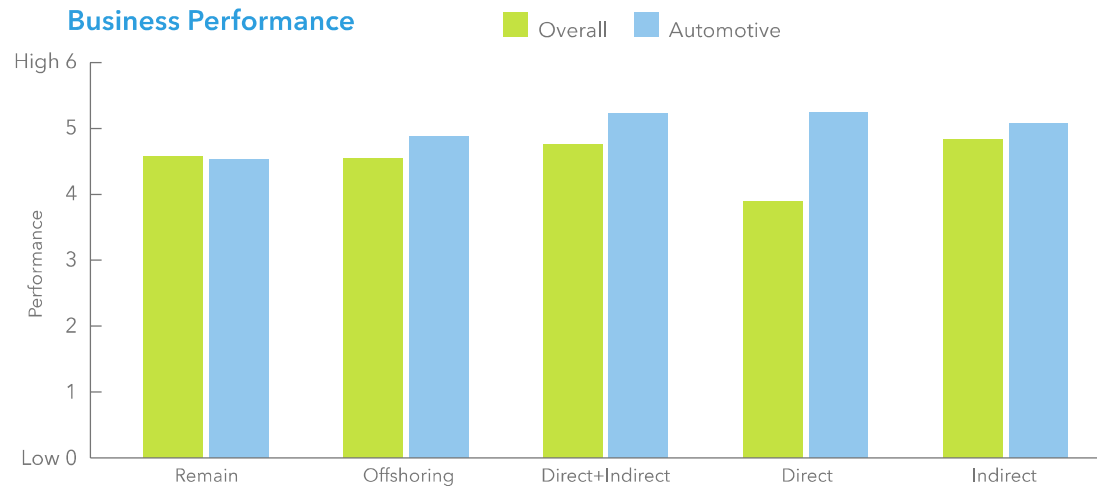
Production output
(Direct Reshoring)



Production output
(Indirect Reshoring)

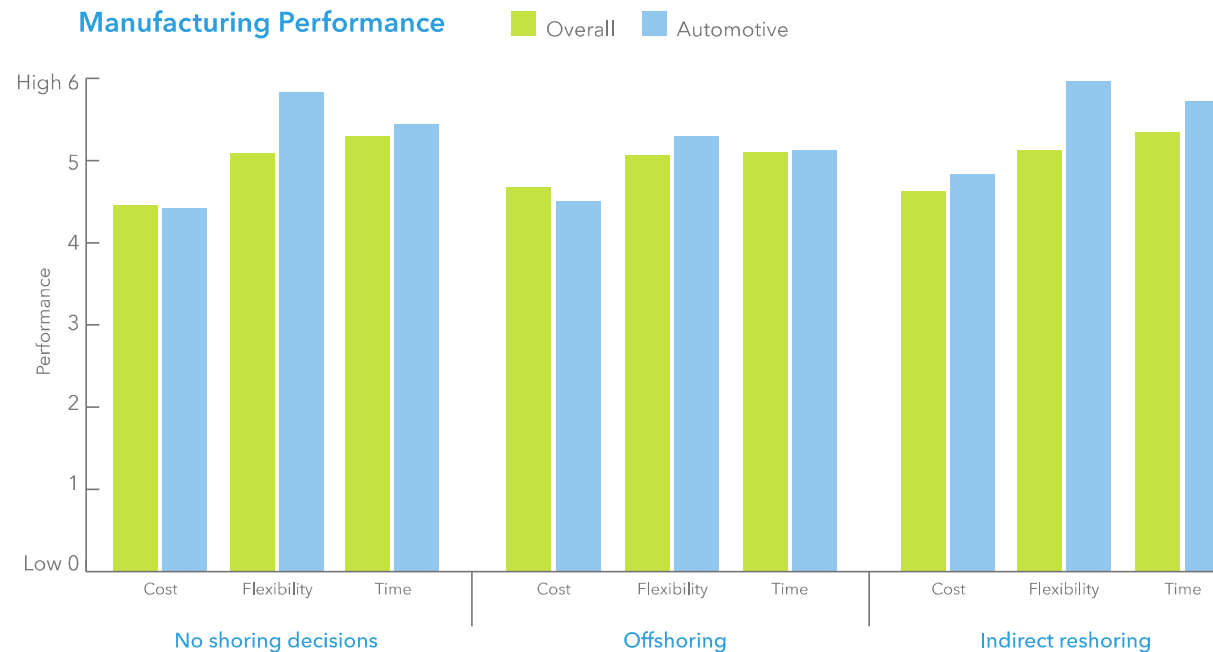


The business performance of automotive companies is better than the average...



...for both offshoring and reshoring.

Reshoring provided better benefits for the automotive industry...



...in terms of flexibility and delivery times.

To conclude...

- ▶ Financial crisis resulted in a peak of indirect reshoring in 2008
 - ▶ Sector recovery has since fuelled reshoring opportunity
 - ▶ There is still further opportunity, despite current Brexit uncertainties
 - Increase local content through FDI and organic growth
 - Develop the new EV technology supply chains here
 - ▶ Business performance is better than average for both off-shoring and reshoring
 - ▶ Reshoring provides benefits in flexibility and delivery time
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