



# Reshoring Initiative<sup>®</sup> 2024 Annual Report Including 1Q2025 Insights

U.S. Manufacturing Reshoring and FDI Top 244,000 Jobs; 2025 Outlook: Potentially Strong but Dependent on Stable Industrial Policy



*Many more announcements are on deck as companies await clarity on tariff policy.*

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## Executive Summary

In 2024, U.S. manufacturing reshoring and foreign direct investment (FDI) remained strong, driven by companies seeking to shorten supply chains, reduce exposure to geopolitical risks, and avoid costs associated with impending tariffs. In early 2025, global supply chains are grappling with uncertainty. Data from the Reshoring Initiative offers timely insight into how companies are responding to the changing environment.

President Trump’s objective of “reindustrialization” is synonymous with reshoring and FDI. All three processes are essentially import substitution—importing less and producing more. We encourage the Administration to utilize our data and insights to refine policies and measure their effectiveness.

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## Introduction

The Reshoring Initiative’s Annual Report provides detailed data and analysis on U.S. reshoring by domestic companies and foreign direct investment (FDI) by foreign-headquartered firms shifting production or sourcing to the U.S. In 2025, these trends are being shaped by the Trump administration’s shifting tariff, tax, and industrial policies. While we expect these measures to ultimately boost reshoring and FDI, ongoing uncertainty and mixed messaging have slowed many announcements and delayed action. There are many announcements of projects that are “in the works”, and many “solid” announcements from recent years that may be cancelled. In response, this year’s report has been shortened and adjusted to combine key findings from 2024 with updates and insights from 1Q2025. Results from our 1Q2025 National Reshoring Survey have also been included. As long as policy volatility continues, we will provide brief quarterly updates.

Since 2010, the Reshoring Initiative has built and maintained the nation’s most comprehensive database of reshoring and foreign direct investment (FDI) cases — a vital resource for understanding and advancing domestic production. This report presents aggregate data and insights on key trends, including job creation, motivating factors, and regional distribution. For those seeking deeper analysis, our full granular database — with detailed, case-level intelligence — is available for purchase and is widely used by financial analysts to identify reshoring-driven investment opportunities and by academic researchers to support timely and policy-relevant studies.

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### Note on Methodology

Unless otherwise specified, all data and charts in this report are sourced from the Reshoring Initiative’s internal Reshoring Library, which includes over 10,000 published articles, privately submitted case studies, and other verified sources. Reshoring and FDI cases are selected based on clear documentation of a specific company, product, and U.S. location.

Job numbers are based on company announcements of current, recent, or future hiring. Actual hiring typically lags announcements by 12 to 24 months. Our figures include work brought in-house to OEM assembly plants and newly outsourced work to the domestic supply chain, which often accounts for a greater share of job creation than final assembly.

All totals are adjusted for under-reporting, especially within the supply chain, and may vary by chart based on data availability. Additional details on our methodology are available upon request.

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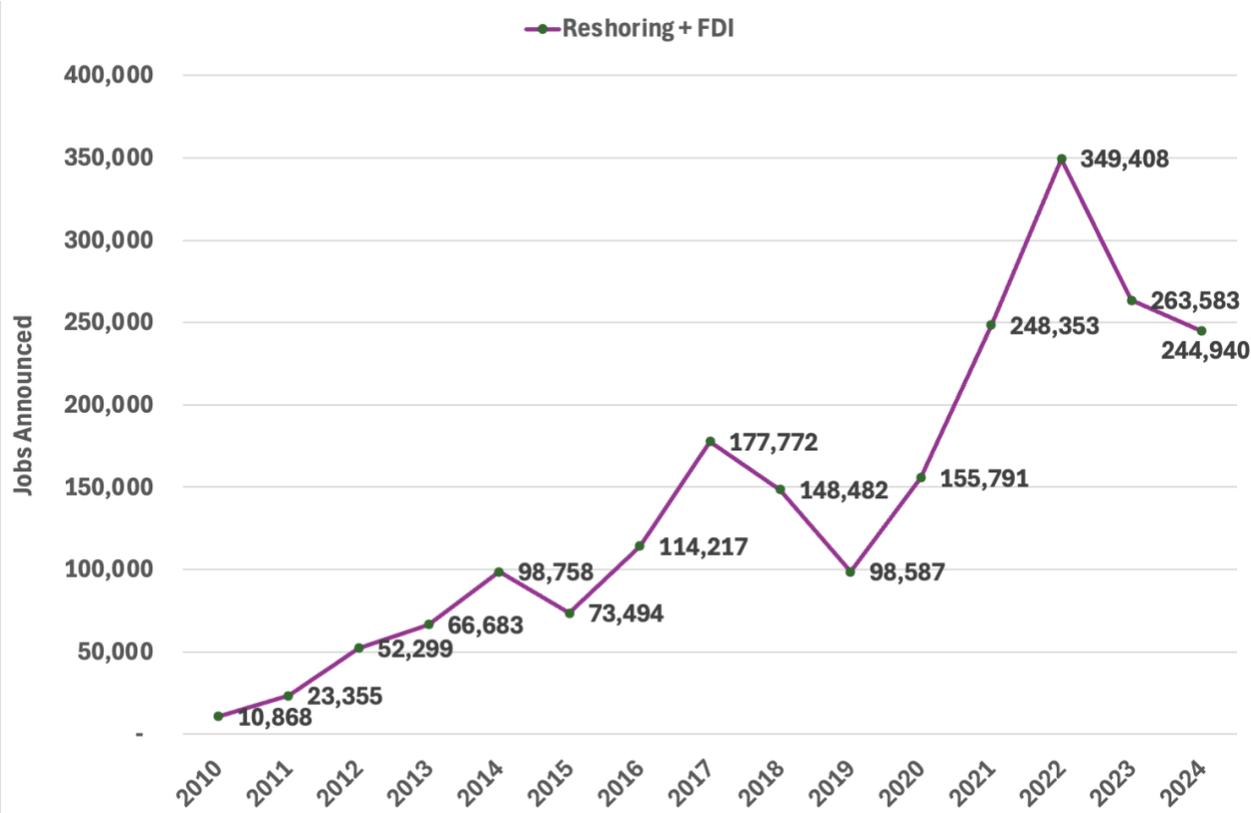
## Overview

**244,000 Reshoring and FDI jobs were announced in 2024**, continuing the strong trend of recent years.

Job announcements are the key metric in measuring reshoring and FDI because they directly reflect the long-term impact on employment and local economies. Reversing job losses from offshoring signals not only economic recovery, but also revitalization of U.S. manufacturing strength, a stronger defense industrial base and a strategic reduction in our dependence on foreign sources.



Exhibit 1 | **Reshoring + FDI Job Announcements by Year, 2010-2024**



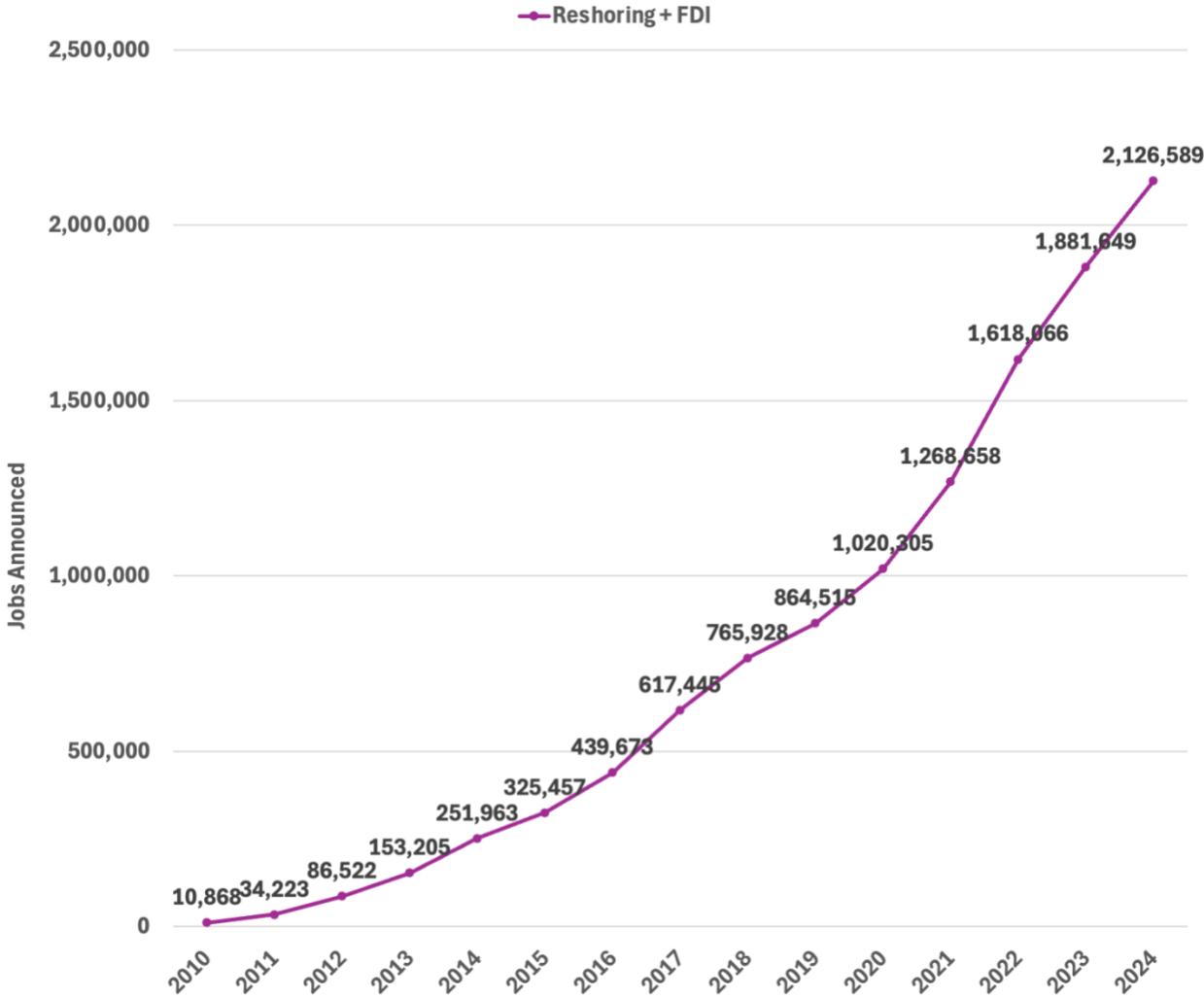
**Reshoring outpaced FDI by the widest margin to date.** In 2024 reshoring outpaced FDI by the largest margin recorded since tracking began in 2010.

Category	Jobs	% of Total Jobs	Cases	% of Total Cases
Reshoring	156,973	64%	929	66%
FDI	87,968	36%	483	34%
Total:	244,940	100%	1,412	100%

Over **2 million jobs have been announced** since 2010, highlighting a long-term trend toward domestic production. Of those, an estimated 1.7 million have been filled.



Exhibit 3 | **Cumulative Jobs Announced, Reshoring + FDI, 2010-2024**



The initial million jobs took 10 years to come back and were driven by a gradual recognition that numerous costs and assorted risks often outweighed the substantial differences in manufacturing costs and FOB prices. The accelerated rate of 1 million in the last 4 years was due to the added impact of massive government funding, such as IRA and CHIPS, and corporate recognition of the dramatically increasing levels of geopolitical risk in the global supply chain.



**Q1 2025 job announcements are trending lower, with projected 2025 totals around 174,000 — down from 244,000 in 2024.**

New policy expectations have triggered an unprecedented surge of large-scale reshoring and FDI announcements in early 2025, with more likely to follow. However, many of these announcements remain conditional. The Q1 data excludes tentative projects tied to pending tariffs. If finalized, the projected total for 2025 would exceed the 2024 level.

Without a stable, long-term policy framework, companies are hesitant to make irreversible commitments to increased U.S. manufacturing. Compounding the uncertainty, China and other countries are threatening retaliatory measures in response to President Trump’s proposed tariffs. Such actions could reduce U.S. exports, posing additional headwinds for domestic manufacturing, reshoring efforts, and job growth.

<b>Exhibit 4   Annualized 2025* Jobs Announced and Cases, Reshoring and FDI</b>				
<b>Category</b>	<b>Jobs</b>	<b>% Jobs</b>	<b>Cases</b>	<b>% Cases</b>
Reshoring	104,070	60%	718	59%
FDI	69,246	40%	498	41%
Total:	173,316	100%	1,216	100%

\*Projected from Q1 data

## Industries and Products

Significant growth continued in “essential product” industries in 2024. The Inflation Reduction Act (IRA) and other government incentives continued to support growth in Electrical Equipment, Appliances & Components and Computer & Electronic Products, driven by semiconductors, EV batteries, and solar, accounting for approximately 67% of all reshoring and FDI job announcements in 2024.

With the federal budget deficit at \$2 trillion in 2024 (projected at 5.5% of GDP annually through 2034), sustained reshoring progress will require broader policies that improve



U.S. manufacturing costs with less budget impact than the helpful but unsustainable government subsidies of the last few years.

Early 2025 data reflect a decline in the rate of reshoring in the sectors recently supported by subsidies:

- Electrical Equipment jobs: down 54%
- Computer & Electronics: down 20%

**Meanwhile, other industries are showing an early positive response to the tariffs.**

Transportation Equipment is up 139% from 2024, likely due to pending auto tariffs shifting entire assembly operations to the U.S. instead of only EV batteries.

The chart below highlights other industries with reshoring growth occurring in 2025.:

- Primary Metals (+4%)
- Fabricated Metals (+19%)
- Food & Beverage (+25%)
- Medical Equipment (+39%)
- Plastics & Rubber (+126%)
- Wood & Paper (+172%)
- Castings/Foundries (+187%)

Exhibit 5   2024 Reshoring + FDI by NAICS Code Industry, compared to 2025 Projected							
Industry	2024			2025 Projected			Change from 2024 to 2025 Projected
	Rank by Jobs	Jobs Announced	% of Total Jobs	Rank by Jobs	Jobs Announced	% of Total Jobs	
Computer & Electronic Products	1	86,127	35%	1	68,675	33%	20%
Electrical Equipment, Appliances & Components	2	75,900	31%	3	34,782	17%	-54%
Transportation Equipment	3	21,970	9%	2	52,524	25%	139%
Chemicals	4	21,349	9%	4	11,014	5%	-48%
Machinery	5	9,537	4%	7	5,454	3%	-43%

<b>Primary Metal Products</b>	6	8,587	4%	5	8,952	4%	4%
<b>Fabricated Metal Products</b>	7	4,866	2%	6	5,790	3%	19%
<b>Food &amp; Beverage</b>	8	4,309	2%	8	5,376	3%	25%
<b>Medical Equipment &amp; Supplies</b>	9	3,516	1%	9	4,887	2%	39%
<b>Nonmetallic Mineral Products</b>	10	2,343	1%	13	835	0%	64%
<b>Furniture and Related Products</b>	11	1,970	1%	14	600	0%	-70%
<b>Wood &amp; Paper Products</b>	12	1,689	1%	10	4,600	2%	172%
<b>Plastic &amp; Rubber Products</b>	13	1,146	0%	11	2,594	1%	126%
<b>Castings/Foundries - Subset of Primary Metal Products</b>	14	818	0%	12	2,350	1%	187%
<b>Apparel &amp; Textiles</b>	15	378	0%	15	377	0%	0%
<b>Hobbies (subset of Miscellaneous)</b>	16	245	0%	16	0	0%	-100%
<b>Miscellaneous</b>	17	192	0%	16	0	0%	-100%

The Chemical industry, which includes pharmaceuticals, remains an outlier – it was down year over year from 2023 to 2024 and is down again by 48% in 2025. Both the IRA subsidies and the tariffs are intended to correct our dependency on foreign countries for pharmaceuticals. So far, neither of the tactics has generated many cases firm enough to include in our data. That said, many of the large tentative announcements are by pharma companies, including Amgen, Eli Lilly, J&J, Merck, Roche, Novartis, Novo Nordisk, and others. We suspect pharma cases will have a high rate of firming. In addition to avoiding tariffs, the companies are also seeking favor with the administration to avoid price leveling relative to other high-income countries.

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## Technology Levels



Reshoring and FDI continue to add more High-Tech jobs than Low-Tech jobs since many of the subsidized national essential products are High-Tech. Higher-tech companies also tend to employ more people per case than lower-tech companies. In 2024, 88% of job announcements were in High or Medium-High tech products. 2025 is at 90%, an all-time high. This trend is significant since the U.S. has a large trade deficit in High-Tech products. The U.S. continues to experience substantial trade deficits in advanced technology products, as highlighted in various reports from the Bureau of Economic Analysis. (BEA) (BEA).

Exhibit 6a   2024 Job Announcements by Technology Level						
Product Technology Level	Reshoring		FDI		Reshoring + FDI	
	Jobs	Cases	Jobs	Cases	Jobs	Cases
High	36%	23%	21%	18%	29%	21%
Medium-High	52%	48%	61%	51%	56%	49%
Medium-Low	9%	23%	14%	22%	11%	22%
Low	3%	6%	5%	9%	4%	8%
H+MH	88%	71%	81%	69%	85%	70%
ML+L	12%	29%	19%	31%	15%	30%

Source: Reshoring Initiative Library data

Exhibit 6b   2025* Job Announcements by Technology Level		
Product Technology Level	Jobs	Cases
High	34%	23%
Medium-High	56%	51%
Medium-Low	6%	22%
Low	4%	4%
H+MH	90%	74%
ML+L	10%	26%

\*Projected from Q1 data

It will be interesting to see how tariffs impact the under-reshored low-tech industries and products that are massively imported, the so-called off-the-shelf items, such as clothing, furniture, toys, small electronics, toiletries, etc. Some analysts are predicting “Empty Shelves”, which will inevitably frustrate the public and aggravate inflation. In the event of an extended trade war, the U.S. is ill-equipped to fill in supply chain gaps for small



consumer goods, another unanticipated or ignored long-term offshoring consequence that will be difficult to correct.

## Factors

As Biden-era subsidies begin to expire, reshoring and FDI are increasingly motivated by the threat and reality of tariffs. The number of firm cases citing Government Incentives as a factor in 2025\* is down by 54% from 2024 while the number citing Tariffs as a factor is up 454%.

### Key Factors Driving Reshoring & FDI

*2024 Top Cited Factors:*

1. Government Incentives (736)
2. Skilled Workforce (357)
3. Proximity to Market (307)
4. Supply Chain Risk (261)
5. Impact on domestic economy (252)

*Annualized 1Q2025 Key Factors:*

1. Proximity to Market (412)
2. Government Incentives (403, down 45%)
3. Impact on domestic economy (356)
4. Skilled Workforce (310)
5. Infrastructure (283, up 100%)
6. Tariffs (61, up 454%)

Exhibit 7   Key Factors Driving Reshoring and FDI				
2025* Rank	Factor	2024	2025*	% change from 2024 to 2025*
1	Proximity to customers/market	311	431	39%

2	Government Incentives	747	384	-49%
3	Impact on domestic economy	247	374	51%
4	Skilled workforce availability/training	361	301	-17%
5	Infrastructure	114	283	148%
6	Eco-system synergies	143	277	94%
7	Supply chain interruption	253	250	-1%
8	Manufacturing/engineering joint innovation (R&D)	91	156	71%
9	Higher productivity	111	146	32%
10	Image/brand	100	110	10%
11	Lead time/Time to market	124	110	-11%
12	Automation/technology	56	91	63%
13	Green considerations	81	70	-14%
14	Tariffs	11	61	455%
15	Raw Materials Cost	55	55	0%
16	U.S. price of natural gas/chemicals/electricity	16	45	181%
17	Price	12	33	175%
18	Under-utilized capacity	67	30	-55%
19	Lean/other business process improvement techniques	13	28	115%
20	Geopolitical Risk	12	24	100%

\*Projected from Q1 data

[Reshoring Survey data](#) adds depth to the analysis. While many factors align with secondary reporting, geopolitical risk and the importance of keeping manufacturing close to R&D are cited more frequently in direct company surveys. More insights from the Survey are at the end of this report, and the full Survey is available [here](#).

### Geopolitical hotspots continue to influence activity:

- **Europe:** Russia's invasion of Ukraine accelerated reshoring\* and FDI from Europe to the U.S., driven by concerns over energy security.
  - Western European-origin job announcements\*:
    - 2021: 28,925 jobs (14%)
    - 2024: 36,127 jobs (39%)
- **Taiwan:** U.S.–China tensions continue to prompt reshoring as a form of geopolitical supply chain insurance.
- **China:** China poses the highest concentration of risk, combining heavy trade dependence, single sourcing, and geopolitical instability. 67% of Reshoring

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\* of those that report country from



cases that report country of origin came from China. Only 2% of all FDI came from China in 2024. More Chinese FDI is expected in response to the tariffs.

**Workforce development is crucial.** While manufacturing apprenticeships have increased by 83% over the past decade, the growing demand for skilled labor remains a major constraint to scaling reindustrialization efforts.

**More automation, immigration of skilled workers, recruitment and training of high school graduates** will be necessary to increase output, improve competitiveness and fill the current skills gap.

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## Geographic Shifts

The rate of jobs returning from Asia has been accelerating (moving from 39% in 2023 to 57% in 2025), signaling a decline in imports from the region and a corresponding reduction in U.S. dependence on it\*.

Exhibit 8a   2024 Reshoring + FDI by International Region From					
Rank by Jobs	Country	Jobs	Cases	Average Jobs/Case	% of Total Jobs
1	Asia	39,410	186	212	43%
2	Western Europe	36,127	245	148	39%
3	North America	7,151	48	149	8%
4	Australia/Oceania	4,118	12	343	4%
5	Middle East	3,030	11	289	3%
6	Eastern Europe	1,952	16	124	2%
7	Africa	138	3	46	0%
8	South/Central America	0	2	0	0%

Source: Reshoring Initiative Library data



Exhibit 8b   2025* Reshoring + FDI by International Region From					
Rank by Jobs	Country	Jobs	Cases	Average Jobs/Case	% of Total Jobs*
1	Asia	44,402	190	234	57%
2	Western Europe	28,510	270	105	37%
3	North America	3,720	42	89	5%
4	Australia/Oceania	1,098	12	92	1%
5	Eastern Europe	210	21	10	0%
6	South/Central America	60	6	10	0%
7	Middle East	0	6	0	0%
8	Africa	0	0	0	0%

Source: Reshoring Initiative Library data  
 \*Projected from Q1 data

The top three countries of origin (by jobs) in 2024 were South Korea, Germany and Canada.

Exhibit 9a   2024 Top 10 Country from, Reshoring (of those reporting country from) + FDI					
Rank by Jobs	Country	Jobs	Cases	Average Jobs/Case	% of Total Jobs*
1	South Korea	17,909	36	497	20%
2	Germany	10,045	72	140	11%
3	Canada	9,797	48	204	11%
4	Japan	6,483	62	105	7%
5	France	5,063	17	307	6%
6	China	4,933	45	110	5%
7	Australia	4,118	14	305	5%
8	Taiwan	4,095	18	226	5%

\* Of those reporting country of origin



9	Switzerland	3,518	27	130	4%
10	United Kingdom	3,327	24	139	4%

The top three countries of origin (by jobs) in 2025 are South Korea (24,444 jobs), China (10,280 jobs) and Germany (8,364 jobs).

Exhibit 9b   2025* Country from, Reshoring (of those reporting country from) + FDI					
Rank by Jobs	Country	Jobs	Cases	Average Jobs/Case	% of Total Jobs
1	South Korea	24,444	48	509	31%
2	China	10,280	52	199	13%
3	Germany	8,364	75	111	11%
4	France	5,160	48	108	7%
5	Ireland	4,200	6	700	5%
6	Japan	4,200	30	140	5%
7	India	4,020	24	168	5%
8	Canada	3,720	42	89	5%
9	Italy	2,256	24	94	3%
10	Luxembourg	2,148	12	179	3%

\*Projected from Q1 data

Many cases lack a specified country but likely displace Asian imports, particularly from China and Taiwan.

## U.S. Regional Trends

- Texas emerged as the top state for reshoring and FDI jobs announced in 2024 and 2025\*.

Exhibit 10a   2024 Reshoring + FDI by State, Top 20					
Rank by Jobs	State	Total Jobs	Cases	Average Jobs/Case	% of Total Jobs
1	TX	24,722	125	197	11%
2	KY	18,495	29	644	8%



3	NC	17,084	98	175	8%
4	TN	16,022	61	263	7%
5	OH	12,167	81	149	6%
6	GA	10,953	44	249	5%
7	MS	10,746	11	1,004	5%
8	MI	10,006	83	121	5%
9	WI	9,219	40	232	4%
10	NY	9,112	53	171	4%
11	VA	8,629	53	163	4%
12	AZ	7,936	46	174	4%
13	SC	7,256	62	118	3%
14	FL	6,448	38	170	3%
15	IN	5,445	33	163	2%
16	PA	4,964	59	85	2%
17	CO	4,955	21	232	2%
18	NV	4,115	16	257	2%
19	WV	3,488	15	228	2%
20	AR	3,253	23	142	1%

Exhibit 10b   2025* Reshoring + FDI by State					
Rank by Jobs	State	Total Jobs	Cases	Average Jobs/Case	% of Total Jobs
1	TX	40,224	158	255	23%
2	SC	24,836	85	292	14%
3	MS	12,084	33	364	7%
4	NM	9,800	15	645	6%
5	MI	8,684	67	129	5%
6	AL	8,560	43	200	5%
7	WA	7,900	30	260	5%
8	LA	7,800	15	513	5%
9	OH	6,430	61	106	4%
10	NC	5,194	73	71	3%
11	UT	4,600	18	250	3%
12	AR	4,352	34	130	3%
13	PA	3,228	42	76	2%
14	KY	2,916	18	162	2%



15	MN	2,733	34	81	2%
16	CA	2,700	70	39	2%
17	VA	2,350	21	111	1%
18	WI	2,320	15	153	1%
19	FL	2,284	40	58	1%
20	NJ	2,240	49	46	1%

\*Projected from Q1 data

The southern U.S. remains the most competitive region. Favorable costs, infrastructure, an established ecosystem for hot products, incentives and right-to-work make the Southeast the leading region for manufacturing investment. The Midwest is a strong second.

Exhibit 11a   2024 Reshoring + FDI by U.S. Region					
Rank by jobs	U.S. Region	Jobs Announced	Cases	Average Jobs/Case	% of Total Jobs
1	South	133,325	637	209	60%
2	Midwest	45,585	340	134	21%
3	West	25,156	247	102	11%
4	Northeast	16,955	166	102	8%

Exhibit 11b   2025* Reshoring + FDI by U.S. Region					
Rank by jobs	U.S. Region	Jobs Announced	Cases	Average Jobs/Case	% of Total
1	South	113,778	601	189	66%
2	West	27,300	180	152	16%
3	Midwest	24,538	264	93	14%
4	Northeast	7,700	146	53	4%

\*Projected from Q1 data

## Markets and Strategic Shifts

**Nearshoring showed momentum in 2024 but now faces uncertainty.** Trade and manufacturing collaboration with neighboring countries and allies was rising but is now at risk under the new “America First” policy shifts.

**Wall Street is signaling strong interest.** Mentions of reshoring in corporate earnings calls have surged, and corporate spending on the Reshoring Initiative’s detailed reshoring and FDI data has grown by **300%**, indicating increased investor and strategic attention to domestic manufacturing.



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## Summary: Industrial Policy and the Role of Reshoring

Reshoring is central to the effort to revitalize American manufacturing and correct longstanding trade imbalances. President Trump’s goal is to “reindustrialize America,” to produce more here and import less. That process is, by definition, reshoring and FDI. The root cause of offshoring and the key barrier to reshoring, is that U.S. manufacturing cost is, on average, 10 to 50% higher than the offshore cost. 50% for China, 10 to 20% for most developed countries. That price difference drives 80 to 90% of import decisions, per our national Reshoring Survey.

The best way to promote more reshoring and protect the U.S. from increasing geopolitical risks is to implement a true national industrial policy. Such a policy should

focus on leveling the cost playing field through comprehensive actions, including massive skilled workforce investments, a 20% lower USD, and the retention of immediate expensing of capital investments. The workforce investment should be modeled after programs like Germany's apprenticeships. More suggestions are available in our [Competitiveness Toolkit](#).

The Trump administration's approach to an industrial policy framework is still evolving and offers a revealing case study in both the potential and limitations of various reshoring strategies.

### **Trump 1.0 - A Mixed Impact**

In 2017, the Trump administration implemented a policy package aimed at stimulating domestic investment, primarily through tax cuts and regulatory rollbacks. Initially, these measures were successful: both reshoring and foreign direct investment (FDI) surged, signaling renewed interest in U.S.-based manufacturing. However, this momentum faltered in 2018 when the administration escalated trade tensions, particularly with China.

Tariffs proved effective in specific sectors, such as home appliances, where domestic production saw measurable gains. Yet, the broader impact was diluted as imports from China were often replaced by imports from other low-cost countries rather than by increased domestic production, highlighting our position that if tariffs are applied, they should be applied equally to all countries.

### **The Strategic Advantage of the U.S. Market**

One enduring strength of the United States is the size and attractiveness of its consumer market. Foreign producers remain heavily reliant on access to American consumers—an advantage the U.S. has historically underleveraged. By making imports less price competitive, companies will choose domestic production to access this market.

### **Setting a Long-Term Goal**

To evaluate industrial policy over time, the U.S. must define a clear, measurable objective. President Trump often frames the goal as "Reindustrialize America." A more concrete benchmark would be to balance the \$1.2 trillion goods trade deficit. This target would

provide a meaningful yardstick for policy effectiveness and help guide both public and private decision-making.

## Addressing Root Cause Problems

To achieve long-term success, the U.S. must confront two core challenges: a shortage of skilled labor and uncompetitive manufacturing costs.

### 1. Skilled Workforce Development.

The U.S. needs:

- A much larger workforce, e.g. 5 million more workers, to achieve balanced trade.
- A much better trained workforce to improve quality, delivery, cost and automation.

Solutions include:

- A dramatic increase in apprenticeships. In Germany, about 60% of youth enter apprenticeships. In the U.S., about 5%, mostly in construction. Our recommendations:
  - Departments of Labor and Education shift messaging away from “college for all” and towards “a good career for all”.
  - Stop classifying apprentice graduates as high school graduates. Show the income of apprentice graduates in all charts displaying the incomes of college graduates.
  - Offer Apprentice loans. Purpose: To make the apprenticeship attractive for the employer if the apprentice graduates and then quits for higher pay. The employer pays off the loan over 5 years if the apprentice stays.
  - For lower-credit manufacturers, SBA guarantee \$250,000 in debt to pay for automation for every apprentice added.
- Graduate more engineers, especially U.S. citizens or residents. In total, we graduate too few, and many of those are foreign nationals who return home to work. Our recommendations:
  - Make college loans dependent on the likelihood of the loan being repaid and the nation’s need for the skill. Many more engineers. Fewer dropouts and fewer liberal arts grads with college debt who are working in low-skill jobs and defaulting on their loans.

- Incentivize the apprentice graduates to continue to engineering degrees.
- Expand skilled immigration to fill talent gaps.

2. **Manufacturing Cost Competitiveness.** The driving force of offshoring has been and is U.S. manufacturing costs are 10–50% higher than in almost all competitor countries. To address this:

- A targeted revaluation of the U.S. dollar (e.g., by 20%) would improve cost competitiveness and drive both reshoring and more exports.
- If tariffs are used, they must be comprehensive:
  - Applied to all countries to avoid loopholes (e.g., Chinese goods rerouted through Vietnam or Mexico).
  - Applied to all products. Steel tariffs drive the U.S. price of steel above the international level, making U.S. steel users uncompetitive vs. imports.
  - Designed for permanence to support long-term investment decisions. Perhaps approved by Congress so they cannot be easily overturned by the next president.
  - However, tariffs alone have downsides, including retaliatory measures that hurt U.S. exports.
- Incorporating a Value-Added Tax (VAT) and encouraging the use of the [total cost of ownership \(TCO\)](#) metrics can mitigate the need for tariffs and support smarter decision-making.
- Reciprocal tariff arrangements may be politically effective, but could also risk trade disruptions with key allies. Also, taking all tariff and non-tariff trade barriers to zero might increase, rather than decrease, the trade deficit unless other actions, such as currency, are taken to remove our cost problem. Barriers are like friction. When they are removed, imports will increase. We will still not be competitive enough to increase exports.
- Invest in automation. Automation is a critical element in any reshoring strategy—but not a panacea. U.S. productivity growth has stalled at 0% for 15 years, compared to China’s 6% annual improvement. Despite this, political resistance to automation remains. For instance, Presidential candidate Trump opposed automation at U.S. ports, stating he does not believe in it. This

resistance could hinder productivity gains essential to making U.S. manufacturing competitive.

In conclusion, the reshoring landscape remains fluid, influenced by global cost competitiveness and labor availability. Reshoring efforts must go beyond reactive trade policy and instead focus on building a sustainable industrial base through skilled workforce development, cost competitiveness, strategic use of market access and universal use of TCO. Industrial policy must be long-term, coherent, and grounded in measurable objectives if it is to succeed in reindustrializing the United States and balancing the trade deficit.

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## Report Supplement: Findings from the National Reshoring Survey

Reshoring Initiative data shows detailed patterns of what companies have done under actual conditions. Survey data adds insights into what companies would do under various scenarios. Here are some ancillary insights from the 2025 Reshoring Survey.

### **Costing**

OEMs claim to use more complete costing methods than contract manufacturers (CMs) think they do. The largest segment of OEMs use Landed Cost, which ignores about 15% of additional offshoring costs and risks as compared to TCO. Others use Ex-Works Price, which ignores about 25%.

Our TCO user data shows that shifting all OEMs to a full-bodied TCO system could reshore \$200B of manufacturing with no government subsidies, no supply chain shock, no retaliation and no impact on inflation after factoring in all global risks and costs.

91% of CMs said a principal reason they lost orders to imports was price. This is consistent with OEMs' top reason for offshoring, where 69% said cost was their top priority.

### **Workforce Development**

OEMs placed much higher priority on a skilled workforce than on tariffs, currency, tax rates or regulations.

31% of OEMs and 26% of CMs said that deporting illegal immigrants would have a negative impact on their business, emphasizing the criticality of a robust labor force at all skill levels.

### **Competitive Factors**

When contemplating competitive factors, 52% of contract manufacturers felt that US environmental and OSHA regulations were a major factor in losing 10% or more of orders vs. imports. Since the vast majority of CMs are small businesses, this obstacle may be due to their smaller volumes and margins being unable to carry the fixed costs of adhering to regulations.

43% of OEMs were willing to pay 10% to 20% more for components if they could arrive 5 weeks earlier. This premium for shorter lead times points to a great opportunity for CMs. Typical delivery time by surface freight from inland China/Asia to the Midwest is about 6 weeks. Presumably, the benefit comes from much smaller inventories and better availability.

OEMs place considerably more emphasis on engineering's proximity to manufacturing (45%) versus CMs (22%). This differential suggests an opportunity for CMs—improving and promoting technical responsiveness.

Conversely, CMs rated quality as their #1 advantage, much higher than did the OEMs. The actual quality advantage vs. developing countries was higher 20 years ago. Almost all companies reflexively believe their quality is best. CMs should not assume a quality advantage until they prove it.

### **Trade and Geopolitical Risks**

On the possibility of China invading Taiwan, 77% of OEMs claim to be concerned, yet only 38% have worked with CMs to identify products to reshore as insurance. OEMs claim to be concerned about the issue, yet their actions with CMs do not reflect a consistent effort to find alternatives.

Despite geopolitical risks, 31% of OEM respondents said they were planning to offshore products over the next two years. Even more so, 41% of the business lost in the past two years by CMs was to Chinese competitors. This is an opportunity for CMs to sell more effectively using TCO, geopolitical risk and tariffs.

OEMs place a high emphasis on long-term sustainability and short-medium term profitability, rather than societal priorities like Environment and Social Governance (ESG), strengthening the U.S. economy, or improving communities. It's possible this emphasis

on profitability has led to the shortfall in a well-trained and robust labor force, which requires investment and community relationships.

### **OEMs**

OEMs' benefits of reshoring will come significantly from reductions in risk, enhanced customer satisfaction and improved balance sheets. Also, volume increases by taking domestic market share from competitors that do not sufficiently invest (FDI).

### **Small to Midsize Manufacturers**

CMs will experience greater increases in sales volumes as OEMs source more components first for current domestic assemblies and then for reshored assemblies. Of the 221 CMs who responded, 70% were small businesses with less than \$25 million in annual revenue. Based on responses, OEMs might be convinced to move to domestic CMs for faster deliveries, reduced freight and duty costs, lower geopolitical risk, higher quality products, and increased collaboration with engineering teams.

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## **Final Thoughts**

The Reshoring Initiative's reporting provides data and analysis on U.S. reshoring by domestic companies and FDI by foreign firms shifting production or sourcing to the U.S.

This report is intended to help companies reevaluate their sourcing and siting strategies by considering the full range of costs, risks, and long-term strategic impacts.

Reshoring has gained momentum even in the face of uncompetitive U.S. manufacturing costs. Today, shifting global dynamics—including tariffs, supply chain risk, and policy changes—are creating more opportunities and stronger incentives to produce locally.

The Reshoring Initiative offers a range of tools and resources to support sourcing decisions and to help when selling against imports. Please [reach out](#) to explore how we can help advance reshoring for your company, your region, and the nation.



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## Reshoring Initiative Resources

[Reshoring Initiative Database](#) – The full database of over 7100 cases of reshoring and FDI is available for purchase. It contains 70 fields of granular data detailing the cases. Use to identify the companies that will benefit the most from reshoring or to target marketing and sales programs. [Contact us](#) for more info.

[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. 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.

[Geopolitical Risk Report](#)- This report provides a geopolitical risk probability measure and broad geopolitical risk analysis to help guide stakeholders in assessing their unique risk exposure. Geopolitical risk (GPR) is the probability in one year of a major disruption in trade resulting in the cessation of exports from that country to the U.S. as a result of an adverse geopolitical event.

[National Reshoring Survey](#) – Unique survey of the reshoring actions and decision factors of OEMs and Contract Manufacturers. Joint project with [Regions Recruiting](#).

[Import Substitution Program \(ISP\)](#) - Manufacturers identify the products they excel at. 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 and semi-annual reports track the drivers, impact and momentum of the trend.



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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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