

PTI | LALIT K JHA | WASHINGTON | JAN 11, 2012

US Firms Insourcing Jobs From China, Japan, Mexico

American companies are now moving jobs back from countries like China, Japan and Mexico and India could be next as the White House will soon announce incentives for bringing employment to the country.

According to the information released by the White House, several top American companies have already started moving their jobs from overseas and the process is likely to gain momentum in the coming months once the new policy is announced.

For instance, auto major Fords, instead of adding production for the Fusion model in Mexico, plans to bring that additional work to its Flat Rock plant in Michigan. Ford incidentally has a considerably big presence in India.

This insourcing effort will ensure the viability of a key assembly plant in the US and add over 1,200 new jobs, the White House said.

Also, Ford has committed to in-source the production of F-650 and F-750 commercial trucks from a joint venture in Mexico to assembly plant in Avon Lake, Ohio, it said, adding that this will help retain 2,000 jobs in that plant.

Otis Elevator Company has recently invested in a major new plant in South Carolina that co-locates multiple functions from various geographic locations, including Mexico, into one highly efficient, state-of-the-art facility that will produce energy-efficient elevators for US and Canadian customers.

Master Lock, the world's largest manufacturer of padlocks and related security products, has moved approximately 100 jobs back to the US since mid-2010.

"The decision to bring these jobs back was partially motivated by economic reasons related to increasingly higher labor and logistics costs in Asia, and further, ongoing labor availability challenges especially in the coastal areas of China, which have negatively impacted continuity in supply to its key customers," the White House said.

GalaxE Solutions, established in 1990 and specialized in custom software application development for Fortune 50 corporations, with a particular focus on health care, has created "Outsource to Detroit" program which is a model for repatriating jobs back to the United States.

Key benefits include complex, quality solutions, geographic proximity to US customers, cost efficiencies, and elimination of linguistic issues.

GalaxE. Solutions opened operations in Detroit in 2010 and, with 150 professionals on board, is well on its way to its goal of hiring 500 IT specialists.

The firm is also working with the area's universities and community colleges to train and retrain professionals for the future, the White House said.

Mei Xu, the Co-Owner and President of Chesapeake Bay Candle, said that she believes consumers both in the United States and abroad are willing to pay a premium for products manufactured in America.

The company has opened a new facility in Maryland instead of expanding its manufacturing operation in China and Vietnam.

<http://news.outlookindia.com/items.aspx?artid=747359>