

7th Annual Integration Symposium

Panel I – Nearshoring

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October 19, 2023





Newsletter

US Nearshoring Wave Grows as Mexico Exports Jump Close to Record

By [Leda Alvim](#) and [Maya Averbuch](#)

June 28, 2023 at 6:00 AM CDT

Evidence is mounting that Mexico is a key beneficiary of a rejig in global supply chains that's seeing companies find ways to be closer to the US economy.

Total Mexican exports rose 5.8% from a year earlier in May to \$52.9 billion, the second-highest reading on record, the country's statistics institute reported on Tuesday.

Why is Nearshoring an Opportunity for Mexico?



Mexico's privileged location - proximity to the USA



Free Trade Agreements – USMCA



Competitive Labor Costs / Proven Quality of Work (i.e., Automotive Industry)

Network Optimization

02-1 - Network optimization (DCs)

02-1 - 3-5 DCs.Results

Experiments

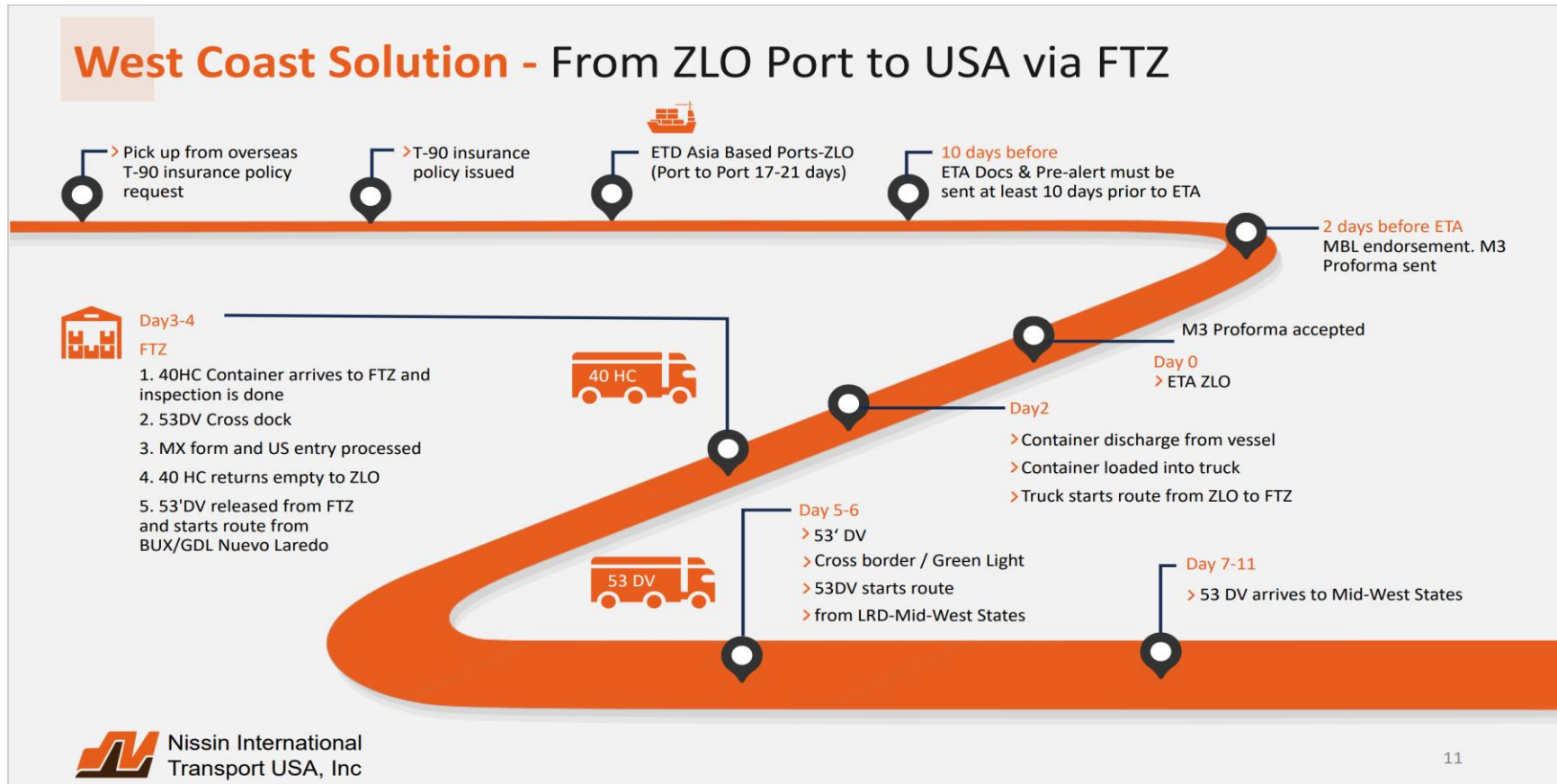
NetOpt: 02-1 - 3-5 DCs

External tables

#	Facility	Product	Policy Type	Policy Parameters	Initial Stock, units	Periodic Check	Period, days	Policy Basis	Stock Calculation...	Inclusion 1
1	Nashville	Lighting	Min-max policy	$s=0.0, S=0.0$	∞	0	0	Quantity	0	Include
2	Nashville	Furniture	Unlimited invent.	Unlimited	∞	0	0	Quantity	0	Include
3	Nashville	Small appliances	Unlimited invent.	Unlimited	∞	0	0	Quantity	0	Include
4	Nashville	Large home appl.	Unlimited invent.	Unlimited	∞	0	0	Quantity	0	Include

Source: Anylogistix (www.anylogistix.com)

Example of USA-Mex Solutions in place...



Why might Companies hesitate to relocate to Mexico?



Compliance of Mexican Laws



Security and Safety Issues



Labor and Environmental
Regulations



Supply chain and Procurement
concerns



Language and Cultural Barriers



Nearshoring might be a “Golden Opportunity” for Mexico, but...

