“Reshoring of EU industries in the framework of reindustrialisation”

Martin Verduyn
Bergamo, Italy
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The start: de-industrialisation NL

Dutch economy [% Industry - Manufacturing]

1964: 25%

Great Idea!
Let’s go from manufacturing to knowledge economy!

2014: 12,5%

Enormous economic growth after WWII

2020: aim @ 20%

One of the biggest economic crisis ever
Large scale outsourcing and offshoring

- Textile
- Paper
- Cigars
- Shipbuilding
- Cars
- Bicycles
- Shoes
The results …?

1. High unemployment rate, especially of non- and lower educated

2. Shortage on higher educated employees

3. Relative low percentage of sustainable labor participation of disabled
Mismatch supply vs demand

Old situation

Current situation
Reshoring - Jobcarving - Process Redesign

**NL hot Topics:**

- **ECONOMICAL CRISIS**
  - High unemployment

- **MISMATCH LABOR MARKET**
  - Aging / Hazing
  - High vacancy demands

- **PARADIGM SHIFT**
  - Participatiewet (legislation)
  - Social agreement
  - Quotum penalty

**Reshoring**

**Process redesign**

**Jobcarving**

**Jobs**

- Jobs
  - (Job creation for non / low educated and disabled)

**INCLUSIVE ORGANIZATIONS**

**INCLUSIVE AND SUSTAINABLE LABOR MARKET**
The way back, reshoring

Indexed Unit Labor Costs in the Manufacturing Sector of Selected Countries

Unit labour costs in manufacturing in US$

Source: Oxford Economics/Haver Analytics
Research office TNS Nipo did research for the Dutch „Financial Times” on Dutch entrepreneurs/companies on the topic of reshoring:

“One out of ten companies with offshore activities is responding being bussy bringing (parts of) activities back. One out of twenty is responding being bussy investigating or thinking about it”

Source: Financieele dagblad - September 28th, 2013
Some Dutch reshoring examples
Reasons for reshoring

The nr. 1 driver for offshoring: COST

The nr. 1 driver for reshoring: FLEXIBILITY

<table>
<thead>
<tr>
<th></th>
<th>Reason</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>1</td>
<td>Time-to-Market</td>
<td>73.7 %</td>
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<tr>
<td>2</td>
<td>Cost reductions</td>
<td>63.9 %</td>
</tr>
<tr>
<td>3</td>
<td>Product Quality</td>
<td>62.2 %</td>
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<td>4</td>
<td>More control</td>
<td>56.8 %</td>
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<tr>
<td>5</td>
<td>Hidden Supply chain costs</td>
<td>51.4 %</td>
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<tr>
<td>6</td>
<td>Protect intellectual property</td>
<td>48.5 %</td>
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Bron: M.I.T. Forum 2012
This is the moment …

1. **Social agreement:**
   125,000 Jobs for disabled in 10 years, or Quotum penalty

2. **Reshoring:**
   On the agenda

3. **Reindustrialisation:**
   European topic

4. **Inclusive thinking:**
   Trending in NL
Project Reshoring-ProcessRedesign (RPR)

INPUT
- VNO-NCW
- AWVN
- Ch. of Commerce

Pilot RPR
(Reshoring/process redesign)

OUTPUT
- Business cases
  "Ready to roll"
- TCO-E Tool
  Development and testing

EMPLOYER Pilot 1
EMPLOYER Pilot 2
EMPLOYER Pilot 3
EMPLOYER Pilot 4

Funding / subsidies pilot:
- SBCM
- Dutch Ministry Social Affairs (SZW)
- Technical University Delft
- Maastricht University

Funding / subsidies
TCO-estimator:
Chamber of commerce
Thank You For Your Attention
Glad To Answer All Your Questions Afterwards!

Martin Verduyn
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February 13th, 2014