Offshore manufacturing is a strategic decision any company operating in the industrial sector must consider. While China may be the first location to come to mind when making this choice, manufacturing in Mexico has unique nearshore advantages. Let's take a look at some of the key differences between manufacturing in Mexico and China.

### Cost of Labor

<table>
<thead>
<tr>
<th>Country</th>
<th>10 years ago</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>5x more</td>
<td>5x</td>
<td>19%</td>
</tr>
<tr>
<td>Mexico</td>
<td>10%</td>
<td>19%</td>
<td></td>
</tr>
</tbody>
</table>

#### Labor in China

Today, Mexican workers earn 11 percent less than their Chinese counterparts.

#### Liberalized Trade

- **Mexico** participates in **11 trade agreements** spanning 43 countries.
- China only participates in **8 agreements** in 14 countries.

#### Intellectual Property

- Mexico participates in 14 international agreements that protect intellectual property.
- 40 percent of online goods in China are counterfeit.

#### Economic Status

- Mexico’s GDP increased **0.8 percent** in Q3 2015, while China’s growth was at its lowest since 2009.

#### Supply Chain Efficiencies

- In Mexico, it costs $1,800 and takes one week to ship a 40-foot container to the U.S., compared to China where it costs $4,300 and takes five weeks.

### Barriers to Entry

- It takes 33 days and **13 total procedures** to start a new business in China.
- In Mexico, it takes **six days and six procedures**.

When comparing the two locations, Mexico is a stronger choice for offshore manufacturing.