

Manufacturing in Mexico vs. China



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

Labor in China costs five times more than it did **10 years ago**



Manufacturing labor costs in Mexico are projected to be **19 percent lower** than in China.

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



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**.



Researchers predicted the cost of outsourcing to China would be the same as manufacturing in the U.S. by the end of 2015.

Liberalized Trade

Mexico participates in **11 trade agreement** spanning 43 countries



China only participates in **eight agreements** in 14 countries



Intellectual Property

Mexico participates in 14 international agreements that protect intellectual property, while **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



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.

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