Businesses operating outside the USA may incur unexpected expenses and hidden risks. **Assess Costs Everywhere** (ACE) provides manufacturers with the top reasons for investing and sourcing in the United States. ACE provides case studies and links to public and private resources to help businesses assess total costs more accurately and enable informed decision making.

**Business travelers went abroad an average of 4.7 times in 2012, and the average length of each trip was 16.9 days.**

**Travel & Oversight**
Manufacturers who are considering locating plants overseas or sourcing their products should weigh the full array of travel costs, from direct costs like flights and lodging to indirect costs like time away from the office.

**Shipping Takes Time**
Documentation, customs clearance, handling, and inland shipping can **add 17 to 33 days** to the total shipping time from most emerging market regions and **another 6 days** once goods reach the United States.

**Time Required to Comply With All Procedures to Export Goods by Country**

- **5 - 14 days**
- **15 - 23 days**
- **24+ days**
- **No Data**

Customer demand often fluctuates unexpectedly, which makes maintaining the ideal inventory levels difficult, especially when relying on an overseas supply chain with long lead times. Stock outs as well as excess inventory can drain the savings that companies hoped for when offshoring. New research from the University of Lausanne in Switzerland estimates that the long-lead-time suppliers may need to be 20 to 30 percent cheaper, if not more, just to compensate for inventory mismatch costs.

**Trade Financing Costs**
Overseas supply chains may require special financing, such as letters of credit, as payment is usually required before taking delivery of goods. Other costs include taxes, surety bond premiums, customs broker fees, and storage expenses.

**Indexed Unit Labor Costs in the Manufacturing Sector of Selected Countries, 2000-2012**

- **Labor Costs Can Change Over Time**
- **China (economy-wide)**
- **Canada**
- **South Korea**
- **Germany**
- **Mexico**
- **United States**

- **U.S. Department of Commerce**

**Recalls Under Consumer Product Safety Commission Jurisdiction by Country or Administrative Area of Manufacture, 2002-2013**

- **Recalled goods account for $0.64 of every $100 of goods imported from China. In contrast, recalls account for just $0.11 of every $100 of goods made in the United States.**

- **Product Quality**

**Vulnerability**

- **Natural gas is an important source of both energy and raw materials in manufacturing, and booming domestic production has greatly lowered the price of this important input.**

**Intellectual Property**
The United States has the world’s strongest IP infrastructure, with the clearest and most cost-effective system for obtaining and enforcing IP rights.

**Examples of IP Breach Costs**

- **China**
  - Total: $482.2 b
  - High-tech & Manufacturing: $18.5 b
  - Trademark Infringement: $6.1 b
  - Patent and Trade Secrets: $2.4 b
  - Copyright Infringement: $23.7 b

- **Southeast Asia**
  - Software: $344 m
  - Pharmaceuticals: $221 m
  - Film Piracy: $125 m

- **Thailand**
  - Copyright Infringement: $23.7 b

- **Singapore & Philippines**
  - Losses: $100 m

- **Malaysia & Vietnam**
  - Software: $344 m
  - Film Piracy: $125 m

- **Indonesia**
  - Software: $344 m

**Time Required to Comply With All Procedures to Export Goods by Country**

**Source:** http://acetool.commerce.gov