U.S importers leaving China to manufacture goods elsewhere

U.S Importers Uncertain About Economic Conditions in Europe and China, Look to Move Manufacturing into U.S and other Countries

New York – September 27, 2012 -- Due to uncertain macroeconomic conditions in Europe and China, importers and manufacturers who sell to America's retailers continue to be concerned with the economic resources of manufacturers, according to Capital Business Credit (CBC), a non-bank lender that services the retail sector.

The CBC quarterly Global Retail Manufacturers and Importers Survey found that about a quarter (26 percent) of importers of retail goods surveyed have moved some of their manufacturing out of China, and 40 percent are considering moving some of their production out of the country.

When asked the same question in February of 2012, during the Spring 2012 Global Retail Manufacturers and Importers Survey, 50 percent of respondents said they would consider moving some of their production out of the country – as of this summer (July 2012) about half (26 percent) of retailers that were considering moving, actually did.

"While we at CBC continue to believe that China will remain a strong manufacturing partner for retail goods importers in the U.S., there is a shift taking place to either low cost manufacturing destinations like Vietnam and Pakistan, or on the opposite end of the spectrum, to cities in the U.S. where importers can keep an eye on quality control and produce goods faster due to the elimination of overseas shipping times," said Andrew Tananbaum, executive chairman of CBC. "CBC has the knowledge and products to accommodate changing supply chain models, both domestically and internationally".

"The manufacturer/importer relationship is as critical as ever in ensuring that enough goods are made and shipped to stock store shelves," said Marc Adelson, president and chief executive officer of CBC. "Small and medium-sized importers continue to grapple with many financial concerns when it comes to their manufacturer relationships, particularly because many manufacturers also sell to European clients who are currently facing economic hardships which could ultimately impact the production and delivery of goods across the board."

When clients were asked which countries they are moving their manufacturing to, the United States was most popular at 31.3 percent. Other countries that clients cited as recently beginning to manufacture goods were Vietnam at 18.8 percent, Pakistan at 10.9 percent, Bangladesh at 9.4 percent and the Philippines at 3.1 percent.

“At CBC, we understand inventory financing from opening letters of credit (LCs) to lending on in transits and LDP inventories,” Adelson continued, “We.work with our clients to ensure that their suppliers are financially sound, and have developed a Supplier Early Payment Program that enables the manufacturer to be paid as soon as the goods are shipped and provides the importer more time to pay.”

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