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‘Backshoring’ brings manufacturing jobs back to state

- by [Douglas Sams](#) Staff Writer Friday, June 12, 2009

Georgia is becoming a national example of a growing trend in manufacturing — “backshoring,” or moving jobs back to the United States from overseas.

In the past month or so, two companies have invested millions in new manufacturing operations in Georgia.

[NCR Corp.](#), the maker of ATMs and self-service kiosks, is bringing about 900 jobs to Columbus, the city southwest of Atlanta that has seen two of its big manufacturing plants move work to Japan and China since 2006. NCR was considering placing those jobs overseas before choosing Columbus.

In Lyons, a small town between Macon and Savannah, [Thai Union Frozen Products PCL](#) is opening canning operations for its subsidiary, Chicken of the Sea. The company, which state officials say could have moved those jobs offshore, will create 200 new positions in Lyons.

The backshoring trend comes at a difficult time for the Georgia economy.

The state has lost hundreds of manufacturing jobs in the past year, many due to the closing of its two major auto plants.

[General Motors Corp.](#) closed its plant in Doraville. The plant employed about 3,100 workers. [Ford Motor Co.](#) also shut down its facility in Hapeville. It employed about 2,100 workers.

More recently, [Rockwell Automation Inc.](#) said June 10 its plans to shutter a factory in Dublin. The plant employed 145 workers.

Georgia’s manufacturing employment has dropped 12 percent during the past year, according to the [Bureau of Labor Statistics](#).

Columbus lost hundreds of jobs when battery manufacturer [Panasonic](#) moved operations to Japan in 2007 and Char-Broil shifted work to China in 2006. The city of about 185,000 people also saw its textile industry get decimated during the past 10 to 15 years.

If Georgia hadn’t convinced NCR to locate in Columbus, the company could have taken those jobs abroad, a company spokesman confirmed.

Brazil and Mexico were among the considerations, state economic development officials said.

“A few years ago, you typically would have seen these jobs going overseas,” said Heidi Green, deputy commissioner for global commerce at the Georgia Department of Economic Development.

Now, as companies look to move jobs back to the United States, Georgia is one of several states seeing its economic prospects pick up because of backshoring. The biggest reason, economic development officials say, is that it’s not as inexpensive as it was three years ago to move jobs to

China. Wages there have increased, said Becca Hardin, who leads economic development in greater Columbus, a little more than an hour south of Atlanta, Hardin said.

NCR's Columbus plant is the first for the company in the United States since the 1970s.

"We've also had inquiries from call center operations that wanted to move their jobs back to the United States," Hardin said.

"I think it's a solid trend. The financial gap is closing. A lot of those jobs were going to China, but now they are having quality and safety issues."

Georgia isn't the only state benefiting from the trend.

Thomasville Furniture in North Carolina and [Fire Stone Home Products](#) LLC in Minnesota have each moved manufacturing operations back to the United States, according to the [National Association of Manufacturers](#).

"We hear of this, but it's more of a company here, or a company there, rather than a real big trend we can get hard data on at this point," said Hank Cox, a spokesman for the association.

"We are definitely getting reports, though, of production that was offshore now coming back to the U.S."

The reasons include a shrinking wage gap between the United States and China, and concerns about quality control in the Chinese manufacturing industry, Cox said.

Transportation costs have also been a big problem for some companies that shipped goods — the result of soaring oil costs, especially at the end of 2008, he said.

"We are starting to see some rays of sunshine from time to time in the industry," Cox said.

Backshoring, he said, could become one of the brightest.