

# Contents

<b>Executive summary</b>	<b>1</b>
<b>Introduction</b>	<b>3</b>
<b>1 Recent labour market and restructuring trends</b>	<b>7</b>
Introduction	7
Background and general trends	7
Sectoral employment shifts	9
Further restructuring evidence from the ERM	16
<b>2 Evidence of offshoring from the ERM</b>	<b>21</b>
Introduction	21
Scale of manufacturing offshoring	22
Geographical distribution of offshoring	23
Industries most involved in offshoring	26
Destination of offshored manufacturing production	28
Conclusion	30
<b>3 Recent evidence of reshoring</b>	<b>31</b>
Introduction	31
Scale of reshoring to Germany and the UK	31
Reasons for reshoring	33
Operational flexibility	35
Product quality	36
Transport costs	38
Production capacity	39
Labour costs	39
R&D and innovation	40
Other aspects	41
Conclusion	41
<b>Bibliography</b>	<b>43</b>
<b>Annex 1: NACE sector divisions</b>	<b>46</b>
<b>Annex 2: Employment levels by sector</b>	<b>48</b>