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**DCG****SESSION 2014****UE 12 – ANGLAIS APPLIQUÉ AUX  
AFFAIRES****Durée de l'épreuve : 3 heures – Coefficient : 1**

**Matériel autorisé : aucun matériel (agendas, calculatrices, traductrices) ni dictionnaire n'est autorisé.**

**Le sujet comporte 6 pages numérotées de 1/6 à 6/6**

## DOCUMENT 1

### Reshoring manufacturing

*A growing number of American companies are moving their manufacturing back to the United States*

IN 2005, A START-UP company from California decided to move its manufacturing operations to China. Yet, the company, which builds sophisticated irrigation devices for businesses, quickly started losing money, not least because it had so much capital tied up in big shipments of goods which took weeks to cross the oceans. Innovation suffered from the distance between manufacturing and design, and quality became a problem too.

When five years later the firm's chief executive investigated the difference between the total cost of production in China and America, including the cost of shipping, customs duties and other fees, he was amazed to find California was only about 10% more expensive than China.

According to a survey conducted by Harvard Business School last year firms are now discovering hidden costs in moving production a long way from home.

Given the political pressure, it is natural for companies to want to publicise anything that looks like reshoring. Lenovo says that its decision to bring back computer-making to North Carolina was a way of looking after the firm's reputation as well as bringing direct business benefits.

But reshoring amounts to much more than public relations. The crucial change that has taken place over the past decade or so is that wages in low-cost countries have soared. Pay and benefits for the average Chinese factory worker rose by 10% a year between 2000 and 2005 and speeded up to 19% a year between 2005 and 2010, according to the Boston Consulting Group (BCG). Their aspirations are rising and they are less willing to work long hours in boring factory jobs. A new labour law introduced in 2008 brought in more protection for workers, and workers are more aware of their rights. Strikes are becoming more frequent. By contrast, in advanced economies, the financial crisis actually reduced pay: real wages in American manufacturing have declined by 2.2% since 2005, high unemployment has brought a willingness to work for lower pay.

"China's labour market is so overstretched that all the high-quality labour has been exhausted, you have to hire people with lesser qualifications, and then quality becomes a problem," says Alain Deurwaerder who until recently ran a factory in Thailand for Ducati, an Italian motorbike-maker.

In the longer term reshoring will be boosted by the use of advanced manufacturing techniques that promise to alter the economics of production, making it a far less labour-intensive process. Robots are already making a difference to the share of labour in total costs.

Adapted from *The Economist*, January 19, 2013

## DOCUMENT 2

### Reshoring Best Practices for Manufacturers

Relocating manufacturing operations back to the U.S. is a growing trend. By setting up operations in the U.S., companies are experiencing certain advantages such as reduced energy and transportation costs. The recent drop in natural gas prices in the U.S. has created cost efficiencies and advantages for manufacturers. Rising oil prices have resulted in increased shipping costs for manufacturers bringing goods into the U.S.

Another factor in making the decision to reshore includes currency fluctuations. Combined with the weak U.S. dollar, American and overseas manufacturing companies can now get more return on their investment in the U.S. for expansion and production.

Labor issues is an important part of the cost equation as rising labor costs are challenging profitability for manufacturing companies. Concurrently, the increasing flexibility and productivity of the American worker, along with the increase in advanced manufacturing techniques that makes production less labor intensive, is also another part of the story.

Several manufacturers recently have been faced with inconsistent and low quality products coming from certain areas in Asia. Loss due to utilizing a cheaper labor pool of employees who are unable to provide the quality expected of customers is an important factor for consideration. Concerns over protection of intellectual property are also part of the equation.

However, reshoring presents significant challenges in some industries. A recent MIT survey reported that U.S. companies named corporate tax reductions, providing tax credits and R&D incentives as the top three government actions that will accelerate the reshoring process.

Adapted from *Industry Week*, February 22, 2013



**DOCUMENT 3****David Cameron tells Davos Economic Forum: British companies are winning jobs back from the Far East.**

British companies which transferred jobs abroad are coming home, David Cameron declared today as he launched a campaign to persuade other firms to follow suit.

About 1,500 manufacturing jobs which moved offshore to cut production costs have been brought back to the UK since 2011. Textiles, software production, call centres and company headquarters have also returned.

In a speech to the World Economic Forum in Davos, the Prime Minister said the Government will build on the “small but discernible trend where some jobs that were once off-shored are coming back from East to West.”

He announced a plan to make Britain “the re-shore nation.”

Mr Cameron admitted that some production will still move offshore, but argued that there is now an opportunity to reverse the trend.

“Part of the story is about rising costs in the emerging markets, a natural consequence of these economies developing and their people becoming wealthier,” he told delegates.

“At the same time, there are a number of factors pulling companies back home. Some companies are choosing to locate production nearer to their consumer markets in the West. By shortening their supply chains, they can develop new products and react more quickly to changing consumer demand.”

The returning firms include the model train manufacturer Hornby, which is bringing some manufacturing from India to Britain; food manufacturer Symingtons (China to Leeds); Raspberry Pi computers (switching production to Wales); Jaeger (10 per cent of its production to Britain) and Vent Axia (China to Crawley).

A survey by the Manufacturing Advisory Service (MAS) shows that companies cite costs, quality and reducing delays as the top three reasons for moving production back to the UK. The new Government campaign will also trumpet a strong and stable economy, competitive corporate tax rates, a good regulatory environment, strong legal frameworks and a dynamic labour market.

Vince Cable, the Business Secretary, said: “This is a sign that diverse, high-quality British manufacturing is on the rise once again. It also highlights the ability of British-based business to stand strong in the face of global competition.”

*The Independent, 24 January 2014*



DOCUMENT 4



*TIME*, April 22, 2013



## TRAVAIL À FAIRE PAR LE CANDIDAT

### **I – COMPRÉHENSION (10 points)**

En vous appuyant sur les quatre documents fournis, vous rédigerez en français une note de synthèse de 250 mots ( $\pm 10\%$ ) qui rendra compte de la problématique de ce dossier.

### **II – EXPRESSION EN LANGUE ANGLAISE (10 points)**

Les deux exercices doivent être rédigés en anglais.

1. Comment on Document 4: the cover of *TIME* (150 words  $\pm 10\%$ ).  
Specify the number of words used.

2. Vous êtes Emma / Peter Stern, PDG d'un fabricant d'ordinateurs américain.

Vous rédigez un courrier aux actionnaires de votre entreprise pour leur faire part de votre décision de rapatrier votre usine aux États-Unis. Mettez en avant les raisons vous ayant poussé(e) à cette décision (incitations fiscales, image de marque, création d'emplois, etc.)

Formules et présentation d'usage.  
150 mots ( $\pm 10\%$ ) pour le corps de la lettre.  
Vous indiquerez le nombre de mots utilisés.