



After many years of sub-contracting their industrial production in Asian countries and more particularly in China, many companies are considering reshoring their production in Europe, especially in Central and Eastern Europe where the advantages remain very attractive.

Sub-contracting in Asian countries is becoming less popular due to the rise of the Asian labour cost (more than 10 % per year in China), the volatile euro/dollar exchange rate but also due to the strong cultural differences, unfamiliar supply bases, long distances, and skills gaps.

Currently nearshoring in Eastern Europe is becoming one of the most attractive alternative.

Even if the labour costs are higher than Asia's ones, the costs are still much lower than European standards. Furthermore, sub-contracting in Central Europe has many assets:

- ✓ Proximity of sub-contractors with the European decision-makers.
- ✓ Improvement of production's quality standards and a "made in Europe" production process.
- ✓ Reduction of costs and time of delivery.
- ✓ Easier access to regulation and cultural approach



Expert's opinion

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" More and more companies are now interested in sub-contracting in Eastern Europe. Central and Eastern Europe is currently one of the best destination for sub-


contracting and an increasing number of companies consider to bring their production currently in Asia back to Europe. This trend is even more obvious that some local companies indicate that they start to be on overcapacity because many of their clients have relocated their Asian production. When visiting local plants, we are always positively surprise with the ultra-modern machines they have. Local companies took advantage of European Funds to modernize their equipment. Production reliability and quality, proximity with international decision-makers and of course costs are the main assets mentioned by industrials. In order to get the most competitive price, it is important to show to your local partner that you wish to establish strong and long lasting relationship with precise objectives."

The advantages of sub-contracting in Central and Eastern Europe

- Traditional know-how in many areas in each country : welding, machining, cutting... for various sectors : automotive, aeronautics, railway, home appliances, metallurgy, furniture...
- Presence of major foreign investors and international contractors : Volkswagen, General Motors, PSA, Alstom, Bombardier, Arcelor Mittal, Electrolux...
- Increase of productivity due to the acquisition of ultra-modern equipment thanks to the European Funds.
- Highly qualified engineering staff, multilingual, autonomous and productive.



I WISH TO SCHEDULE A MEETING WITH A VALIANS INTERNATIONAL EXPERT

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