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Presentation on APEC Remanufacturing Resource Guide

Purpose: Information
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REMANUFACTURED GOODS: AN OVERVIEW OF THE U.S. AND GLOBAL INDUSTRIES, MARKETS, AND TRADE

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PURPOSE OF THE REPORT

- To provide an overview of U.S. remanufactured goods industries and markets
- To estimate U.S. and global trade in remanufactured goods, and
- To examine factors affecting trends in remanufactured goods.

APPROACH

- Statistical analysis based on survey of U.S. firms engaged in remanufacturing, augmented by qualitative information.
- Covers period 2009-2011.
- Estimates the size and scope of the US remanufacturing industry; principal producers; levels of employment, investment and sales; the US market for remanufactured goods; US exports; and factors affecting sales, trade and investment in reman products in the United States.
- Assesses FDI in US remanufacturing; analyzes trade by foreign remanufacturers invested in the US, and provides an overview of global markets for reman goods.

SECTORS STUDIED

- Aerospace
- Consumer products
- Electrical apparatus
- Heavy-duty and off-road equipment
- Information technology (IT) products
- Locomotives
- Machinery
- Medical devices
- Motor vehicle parts
- Office furniture
- Restaurant equipment
- Retreaded tires

STRUCTURE OF FINDINGS

- Overall and case studies
- Case studies chosen on basis of (1) size, (2) if more likely to export, and (3) particular unique characteristics
- 8 case studies: aerospace, motor vehicle parts, HDOR equipment, IT products, medical devices, retreaded tires, “all other”
- Machinery sector is large, but is not a separate case study because sector is broad, includes a lot of different industries, covers a lot of products.

Foreign Remanufacturing Industries and Markets

- Overview of global trade, industries, and markets for remanufactured goods, including government measures that affect remanufacturers
- Focus on remanufacturing in EU, Brazil, India, China, Singapore, and Korea.
- Limited information provided on Canada, Malaysia, Mexico, New Zealand, Russia, Vietnam

Principal Findings

- Remanufacturing occurs across a diverse range of sectors, but is more common in sectors making capital-intensive, durable products with relatively longer life cycles
- US production was \$43B in 2011, supporting 180,000 full-time jobs
- US exports totaled \$11.7B, up 50% from 2009
- ~40% of US exports went to FTA partners, Canada and Mexico being largest markets
- SMEs comprise an important share of remanufacturing production and trade – e.g. 25% of US production, 36% of US employment, and 17% of US exports in 2011

Principal Findings (cont.)

- Foreign remanufacturers invested in the US about for about 1/6 of trade and supported 22,000 US jobs. Remanufactured machinery and auto parts were the largest sectors here.
- Trade in remanufactured goods is significantly affected by regulatory barriers in foreign markets, and by the price and availability of cores.
- Bans on imports of cores force foreign remanufacturers to rely on cores sourced from within their markets, where supplies are often limited.

Principal Findings (cont.)

- The United States and EU are the largest producers of remanufactured goods.
- Brazil, India and China are fast growing markets, but also restrict trade.
- Governments in the EU, China, Singapore and Korea have recognized that remanufacturing supports broader efforts to promote sustainability and reduce waste.

Web Link

- For more information or to read the report, go to:

www.usitc.gov

