



# Plastic Injection Molds and the Global Market



# Plastic Injection Mold Trade Deficit

- The U.S. trade deficit for plastic injection molds as of 2017
- We estimate more than 70% of the injection molds in the U.S. are imported
- We have not seen any advancement of mold purchase on-shoring efforts from U.S. molders

# Why are molds cheaper from China?

- Low cost labor?
- Government controlled supply chain of internal raw materials
- Rebate upon export
- World class infrastructure and logistical access
- Government subsidized utilities for manufacturers
- Currency manipulation
- Skilled labor improvements, large population to draw from

# Challenges of U.S. importers of molds from LCC's

- Risks
- Mold design expertise
- The molder must show up in China on a regular basis to get good results
- Threat of tariffs
- Lack of U.S. tooling support for warranty, revisions, or repairs
- Even with these challenges, it is clear many companies believe the savings are worth the risk..

# Challenges of a U.S. mold manufacturer

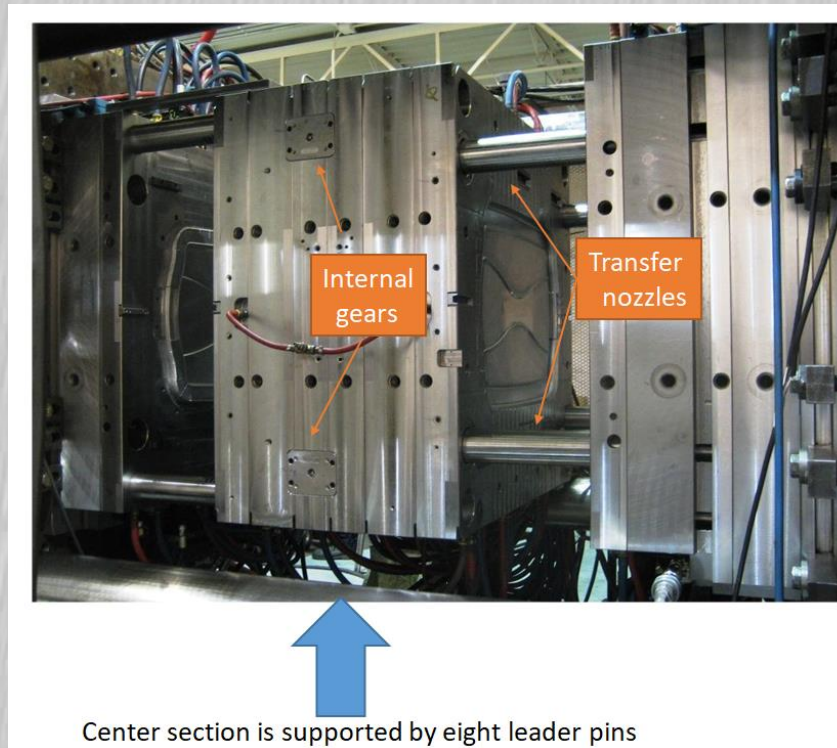
- Intensive price pressure from LCC's
- Lack of consistent new mold volume
- Skilled labor shortage
- High cost of capital equipment
- High cost of maintaining precision machines
- Increasing cost of raw materials and utilities

# How does a tool shop survive in the U.S.?

- Investment in machinery
- Investment in employees
- Standardized components
- Offer high performance molds

# How does a tool shop survive in the U.S.?

- Offer expertise in complex molds including containers, multi-shot, multi-action, stack, and tandem



## Credits

“U.S. lifts tariffs on China-made injection molds”, Automotive News, Steve Toloken, January 4, 2019

“Why are Chinese Products Cheaper” - Quora website

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