NEW YORK -- The chief executive of **Flextronics** this week became the latest to suggest the US is in line to reap a larger share of the manufacturing pie.

With labor costs in the self-styled World's Workshop soaring and expected to continue to do so, Flextronics, which between its contract assembly and printed circuit board fabrication division **M ultek**
has more than one million sq. ft. of manufacturing space in China, is delving deeper into the decision-making process over where to situate its plants.

Speaking at the annual **Raymond James** IT supply chain conference, CEO Mike McNamara said that as pressure rises on Flextronics' costs, it makes other options "more interesting."

Production costs rose 20% this year in China and are expected to rise 20% per year for the next five years, Flextronics said, while labor rates are also rapidly rising in Malaysia and Indonesia.

"What that is going to do is probably push more work into Mexico. And, over time, as those costs continue to go up, you'll probably see more things get pushed back in the USA," McNamara said. “With the costs continuing to go up around the world like they are, and with the cost in the United States staying relatively flat over the last few years, I would expect you would to see a little bit more coming back."

Still, the labor rate is just one component, and the US needs to move toward higher levels of automation as well, McNamara opined. "It is not just flipping a switch. You actually have to spend a lot of work in the design, all the way through to the manufacturing process, knowing where you are going to manufacture. So I think it is going to take time," he said.