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by Team of AllianceBernstein

President Trump’s administration wants US multinationals to bring offshore manufacturing and jobs back home. But Apple’s iPhone is an example of how international supply chains could make the job difficult.

In this infographic, we show how a sample of nine companies from Apple’s supply chain represent $122 billion in assets and 525,000 employees, all of which would need to be relocated to bring iPhone manufacturing back to the US. And the chain gets even more complex the further down it you go. Below these nine are even more layers of component and subcomponent suppliers outside the US, which could triple the costs and further complicate the logistical challenges of relocation.
Complex supply chains may obstruct US efforts to bring jobs and capital back home.

CASE STUDY
The iPhone

1. GLOBAL SUPPLY CHAIN

1,000+ COMPONENTS
2. MOST SUPPLIERS ARE IN ASIA
3. HYPOTHETICAL EXAMPLE: 13 SUPPLIER MODULES
<table>
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<th>Memory</th>
<th>Power Management</th>
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<td>Connectivity</td>
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<td>LCD Display</td>
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9 COMPANIES

525,000 EMPLOYEES

$122 BILLION TOTAL ASSETS*

4. WESTWARD HO? IT MIGHT BE SLOW...
UPSTREAM/DOWNSTREAM SUPPLY CHAIN COMPLEXITY

500,000+ EMPLOYEES TO RECRUIT AND TRAIN

\$100 BILLION+ INVESTMENT

MODULE SUPPLIERS NEED TO ESTABLISH OWN SUPPLY NETWORKS
As of December 31, 2016
Source: Bloomberg, company reports and AB
*Total assets based on third quarter 2016 figures from Catcher Technology, Hon Hai Precision, LG Display, LG Innotek, Luxshare, Samsung SDI and SK Hynix, as well as first quarter 2016 figures from AAC Technologies and year-end 2016 figures from Taiwan Semiconductor Manufacturing.