

## Why the Nearshoring Boom Marks the End of Globalization



The world's growing interconnectedness has unfortunately exposed weaknesses across the global supply chain. In recent years, supply chain decision makers have needed to adapt to a global pandemic, an ongoing trade war between the U.S. and China, and most recently, added complications from the Ukraine war, which has resulted in a restriction of raw materials out of Ukraine and Russia.

For the first time in 30 years, the ecological myth of "globalization," which has sought profits by removing trade barriers and seeking cheaper labor and resources while proclaiming "only ONE earth," may be collapsing.

"The decade to 2030 is likely to be one of transformation for global value chains (GVCs), reshaping the global trade and investment landscape", said James Zhan, director of investment and enterprises at the United Nations Conference on Trade and Development (UNCTAD).

What kind of evolutionary processes are businesses planning to thrive in this changing environment? According to McKinsey & Company, 71 percent of chief procurement officers (CPOs) surveyed last November plan to increase their nearshoring share by 2025, with 24 percent considering nearshoring in the same market where it currently operates.

With this in mind, offshoring, in which suppliers operate in countries with low labor costs, is coming to an end. On the other hand, nearshoring, which is the practice of relocating a business operation to a nearby country rather than a more distant one, is gaining traction.

For example, a California-based toy manufacturer announced this year that it would consolidate its manufacturing facilities at a plant in Monterrey, Mexico. To that end, the company is closing two Asian plants and investing \$47 million in its Mexican facility. The company's emphasis on supply is shifting away from cheaply procured larger quantities and toward receiving consistent delivery, even if it is more expensive.

The U.S. government appears to be actively participating in the trend of creating this new nearshoring ecosystem, with the current administration focusing its actions on Central America in particular. President Joe Biden has

No.382 Oct, 2022

recently encouraged industry representatives, such as American Apparel & Footwear Association (AAFA) members, to invest in strengthening cooperation with the Central American Triangle countries that have signed the CAFTA-DR free trade agreement.

Global companies with a high proportion of sales in the U.S. are experiencing an innovative transformation. Throughout its 40 years of history and expertise in apparel manufacturing, global fashion vendor Hansae Co. Ltd. has continuously grown and been recognized in its field. With partnerships with more than 30 buyers and retailers in the U.S., the company exports about 400 million pieces per year. The company has 10 distinguished apparel manufacturing factories in Central America (Guatemala, Nicaragua, and Haiti).

Hansae is gaining attention because it is making a large-scale investment in Guatemala to meet these buyers' nearshoring needs. In this burgeoning environment, Hansae's future-oriented investment is gaining importance, and the company anticipates further development and growth across these markets.

## **Link**

<https://sourcingjournal.com/topics/sourcing/hansae-nearshoring-end-globalization-supply-chain-central-america-apparel-379419/>

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## Nike Named in BPA Bra Bust



First, it came for the socks. Then, the workout gear.

On Wednesday, the Center for Environmental Health (CEH) revealed that it has dispatched legal notices to brands such as Asics, Athleta, Brooks Running, Nike, Target's All in Motion, The North Face, Reebok and Victoria's Secret's Pink after their sports bras and athletic shirts tested positive for levels of bisphenol-A up to 22 times the safe limit in California.

Better known by its acronym, BPA, the chemical is a "well-studied" hormone disruptor that mimics estrogen and can wreak havoc on the body's normal functions, including metabolism, reproduction and growth and development, the Golden State-based watchdog group said. In the production of polyester, BPA can be used as an intermediary step to create hygroscopic and antistatic fabrics that won't discolor in the wash.

"People are exposed to BPA through ingestion—e.g., from eating food or drinking water from containers that have leached BPA—or by absorption through skin—e.g., from handling

receipt paper," said Kaya Allan Sugerman, the CEH's illegal toxic threats program director. "Studies have shown that BPA can be absorbed through skin and end up in the bloodstream after handling receipt paper for seconds or a few minutes at a time. Sports bras and athletic shirts are worn for hours at a time, and you are meant to sweat in them, so it is concerning to be finding such high levels of BPA in our clothing."

Last year, the nonprofit found BPA at quantities up to 19 times higher than California's threshold in the socks of 75 brands that targeted babies and children. With the addition of adult socks a few months later, the CEH's list grew to 95. It initiated litigation with all of them—Asics, Athleta sister brand Gap, Reebok and Target's All in Motion included—resulting in the first settlement for BPA in socks under California's Proposition 65 in May. Several brands, the environmental group said, have since agreed to reformulate their products to remove all bisphenols, including BPA.

"The problem with BPA is it can mimic hormones like estrogen and block other hormone receptors, altering the concentration of hormones in our bodies, and resulting in negative health effects," said Jimena Díaz Leiva, science director at the CEH. "Even low levels of exposure during pregnancy have been associated with a variety of health problems in offspring."

No.383 Oct, 2022

These problems include abnormal development of the mammary glands and ovaries that can increase the likelihood of developing breast or ovarian cancer later in life. These effects occur even at low levels of exposure like those seen in people today.”

Defendants will have 60 days to work with the CEH to remedy the violations before it files a complaint to do so, the organization said.

A representative for The North Face said that the brand is aware of the CEH notice and is investigating the allegations.

“At The North Face, our commitment to product safety is uncompromising as is our compliance with all local, state and national laws regarding product safety,” the spokesperson told Sourcing Journal.

Brooks Running said that BPA is a banned substance in its restricted substance list and its practice is to only use materials that are either Oeko-Tex 100 Standard certified or Bluesign approved, which demonstrate compliance to its RSL, or materials that are certified as compliant with its RSL by an independent third party.

“We have no reason to believe any of our products do not meet any health/safety standards, but out of an abundance of caution, we are working urgently to investigate these claims,” a spokesperson told Sourcing Journal.

Other brands did not immediately respond to a request for comment.

As scrutiny over the intentional use of per- and polyfluoroalkyl substances, or PFAS, in garments heats up, attention to BPA has been more muted.

The Food & Drug Administration outlawed BPA from baby bottles and sippy cups in 2012, but there isn’t a similar ban for BPA in textiles. When the European Commission’s Scientific Committee on Consumer Safety published its final opinion on the use of BPA in clothing in 2021, it concluded that “there is no risk for adverse effects of the estimated exposure levels of BPA resulting from the use of clothes, independent of the age group of the consumer” because overall concentrations tend to be low.

Tyrone Hayes, professor of integrative biology at the University of California, Berkeley, takes a different view, however.

“BPA was originally designed as an estrogen,” Hayes said on behalf of the CEH. “Given the many adverse effects of exogenous estrogenic compounds, BPA should not be in our clothing, food packaging or anything else that humans—or any animal for that matter—will come in contact with.”

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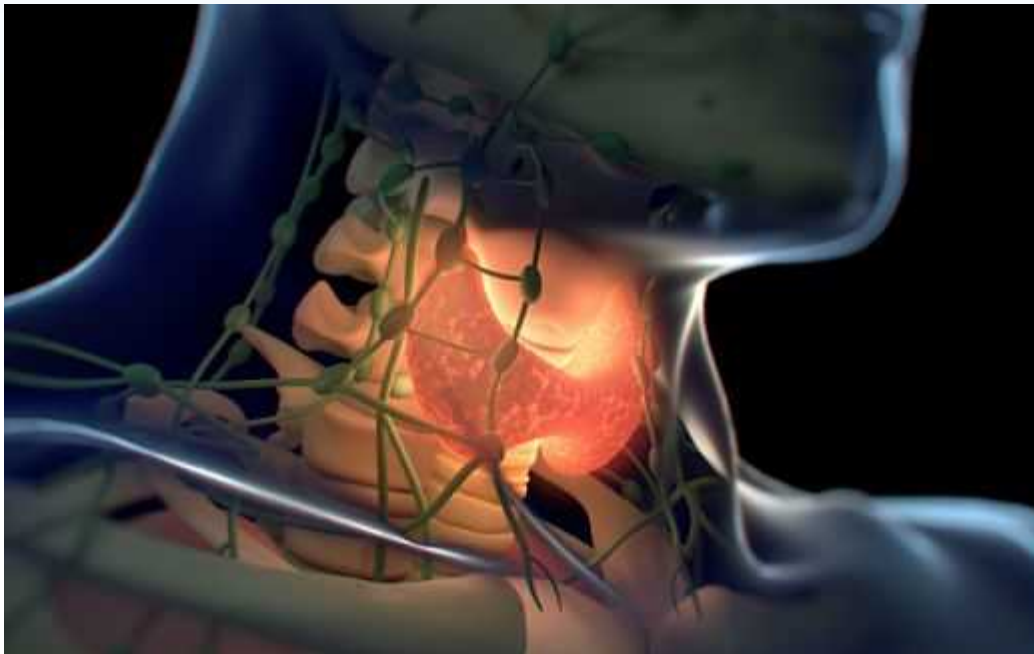
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**No.383 Oct, 2022**

## **BPA may increase thyroid cancer risk for obese people, study suggests**



BPA exposure may increase the risk of thyroid cancer for people who are overweight or obese, according to an Italian study of people suffering from thyroid disorders.

BPA is known to have thyroid effects, but previous studies have found little evidence for an association with thyroid cancer. A team led by Vincenzo Marotta from Salerno hospital say their study is the first to look at a "possible interplay" between BPA exposure and BMI in thyroid cancer development.

The researchers measured BPA levels in the blood of 96 thyroid patients, 41 of whom had thyroid cancer.

They found that BPA exposure was associated with higher levels of thyroid stimulating hormone (TSH) and an increased risk of cancerous nodules for overweight and obese patients with a body mass index (BMI) of 25 or above. The associations were not seen in people with a BMI below 25.

No.384 Oct, 2022

The results – published in the journal Environmental Pollution – suggest that BPA exposure is a "risk factor" for thyroid cancer in overweight and obese people, the researchers say. They hypothesise that the bisphenol may have a carcinogenic effect via increased TSH levels.

The study was based in the Campania region, which has been "plagued" by pollution from illegal waste dumping and burning, say the researchers. It also has a higher population of people who are overweight or obese than any other region in Italy.

As such, Campania represents an ideal scenario for "assessing the intersection between chemical contamination and excess body weight in producing harmful effects for humans," they say.

Fat-liking chemicals such as BPA can accumulate in adipose tissue, or body fat. The presence of a link between excess body fat, exposure to endocrine-disrupting chemicals and cancer "currently represents one of the most intriguing frontiers in the context of preventive oncology", say the researchers.

In the EU, BPA is a substance of very high concern (SVHC) and is included in the candidate list for reproductive toxicity and as an endocrine disruptor for human health and the environment.

German authorities are proposing a REACH restriction for BPA and related bisphenols.

In the US, California's Office of Environmental Health Hazard Assessment (Oehha) is advancing plans to list BPA as a carcinogen under Proposition 65.

## **Link**

<https://chemicalwatch.com/596219/bpa-may-increase-thyroid-cancer-risk-for-obese-people-study-suggests>

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No.384 Oct, 2022