

# THE WALL STREET JOURNAL.

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <https://www.djreprints.com>.

<https://www.wsj.com/articles/ross-coronavirus-outbreak-could-help-bring-jobs-back-to-u-s-from-china-11580400427>

POLITICS

## Ross: Coronavirus Outbreak Could Help Bring Jobs Back to U.S. From China

'It does give businesses another thing to consider when they do a review of their supply chains,' the U.S. commerce secretary said on Fox Business



Commerce Secretary Wilbur Ross speaking in New York in December PHOTO: BRENDAN MCDERMID/REUTERS

*By Bob Davis*

Jan. 30, 2020 11:07 am ET

WASHINGTON—U.S. Commerce Secretary Wilbur Ross on Thursday said the coronavirus outbreak in China could help bring jobs to America, a remark that was quickly criticized as insensitive to China's plight.

"The fact is, it does give businesses another thing to consider when they do a review of their supply chains," Mr. Ross said Thursday morning on Fox Business. "I think it will help to accelerate the return of jobs to North America, some to U.S., probably some to Mexico as well."

The coronavirus has sickened nearly 7,800 people across the world, the most in mainland China, and killed 170. The U.S. is evacuating Americans from Wuhan, the

Chinese city at the center of the outbreak. President Trump on Wednesday said he had formed a task force to address the virus.

Cornell University China scholar Eswar Prasad said the virus indeed demonstrates “vulnerability in global supply chain.”

“Relying only on China leaves manufacturers vulnerable,” he said. But, he said, “stated the way Mr. Ross put it, it seems like a low blow at a difficult time for China.”

“To suggest that there are potential economic benefits for the U.S. as a consequence of this terrible outbreak does seem beyond the pale,” he added.

Mr. Ross said on Fox that he didn’t want to do a “victory lap.”

Mr. Ross has long seen his job as trying to carry out the president’s wishes to drum up business in China, but has sometimes miscalculated what Mr. Trump wanted. Recently the president has applauded China’s efforts to contain the virus.

One U.S. trade-group executive said the remarks are likely to feed the view among many Chinese that the U.S. conducted its trade battle with China to halt the country’s rise, and is now looking to profit from its misery.

The last time China was hit by a similar infectious-disease outbreak, the SARS epidemic in 2003, American companies were looking to expand operations in China. This time, as a result of the trade war and rising wages in China, foreign firms have been looking to diversify their operations outside of China.

Mr. Ross said that Apple Inc. had already been “talking about figuring out how to replace some of the Chinese production.”

With the coronavirus and recent trade deals,” I think there’s a confluence of factors that will make it very, very likely more reshoring to the U.S. and some reshoring to Mexico.”

Mr. Trump on Wednesday signed the U.S.-Mexico-Canada Agreement, which updates the North American Free Trade Agreement. The U.S. sought the deal, in part, to encourage U.S. manufacturers in China to move there, if they couldn’t afford U.S. labor rates.

The U.S. and China recently signed a phase-one trade deal that paused the two-year

trade war between the two nations. China pledged to vastly increase purchases of American farm goods and other products.

A slowing Chinese economy could make it difficult for Beijing to carry out all the pledges. However, the deal also said that such purchases were dependent on “commercial considerations,” which Beijing could argue had turned sour.

**Write to Bob Davis at [bob.davis@wsj.com](mailto:bob.davis@wsj.com)**

Copyright © 2020 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <https://www.djreprints.com>.