



**GLOBAL  
NETWORK  
FORUM 2023**



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We are TRC!

# TRC Inc. Spotlight USA / Latin America

TRC Development in the Americas

&

Future Opportunities

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# TRC Inc. US Development



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1st Servicing Partner in US:  
Arthur J. Gallagher & Co.

TRC Inc.  
Incorporated

10 TRC US  
Members +  
2 Servicing  
Partners

Today  
35 TRC North  
American  
Partners

2023

1998

2010

2018

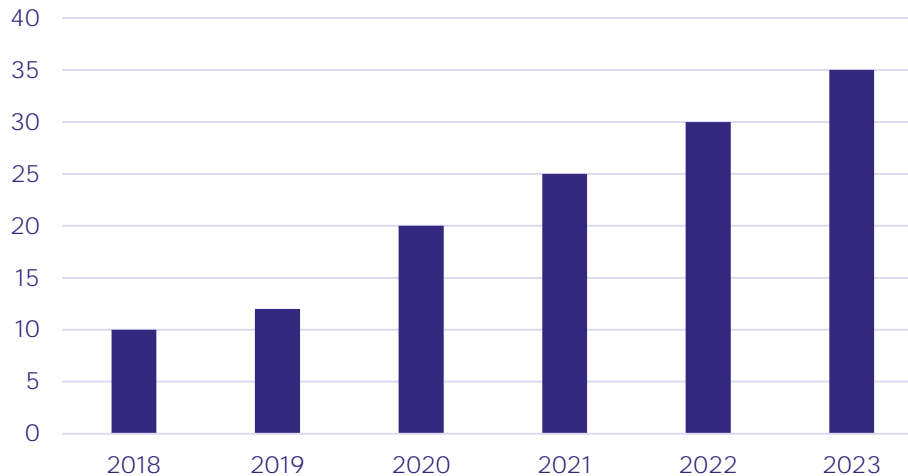
- Initial focus on establishing basis to service German linked accounts
- Administering Reverse Flow Accounts

- Good core basis for growth within the US market
- Geographical Diversification within the US started
- Segmentation Needs for Incoming Business
  - Upper Middle Market
  - Middle Market
  - SMEs
- Service Offer for outgoing Business

# Development of our Network Partners Worldwide (2018-2023)



# of USA + Canada TRC Partners



## TRC + Latin America



- Long Standing Relationships with many Latin American partners
- Risk Co. – TRC partnership since 2017
- Cenbrook – TRC partnership since 2020



# Diversified Supply Chain

## North + Latin America



- Defense Production Act
  - Redirection for medical products manufactured during Covid-19
    - Ventilators
    - Face masks
  - Tax advantages to establish US based production facilities
- Independent energy sources in the US
- Stable economic development in the US despite political divisions

# Diversified Supply Chain

Dependency in certain sectors manufactured in Asia



- Pharmaceutical Industries
  - APIs
- Medical Equipment
  - Face masks
- Automotive and Tech Industry
  - Chips
- Other products



# Diversified Supply Chain

## Dependency in certain sectors manufactured in Asia



**Table 4**  
**Top 10 country sources of Covid-19 related products**  
*(in billion dollars)*

	2005	2010	2015	2019
Ireland	2.11	1.07	4.82	14.17
China	2.99	5.61	8.19	12.32
Germany	1.50	1.72	2.28	12.23
Mexico	2.90	4.56	5.81	8.79
Canada	1.38	2.18	2.42	6.04
Belgium	0.40	0.83	1.18	5.95
Switzerland	0.28	0.47	0.78	5.08
Singapore	0.30	0.36	0.96	4.18
Japan	1.39	1.69	2.11	4.15
United Kingdom	1.28	1.51	1.38	3.42

Source: ECLAC using USITC Dataweb

# Diversified Supply Chain

Risk Exposure for supply chain disruptions



- Reliability on only one single country far-Off Shore supply
- Shutdown due to Communicable Diseases
  - Covid-19
- Increase in severe weather and NAT CAT events around the globe
- Change in Political relationships between countries

Examples:

- China and US
- Russia and Western Alliance





# Diversified Supply Chain

Change in decision making



- Pure pricing vs. resiliency in supply chain
- Far-offshore vs. Near-Shore or Repatriation of production
- Buy in to Diversification strategy to reduce dependencies
  - Example: Establish additional supply chain opportunities Near-shore vs. Far-East Asia

# Diversified Supply Chain

## Example Latin America Near-Shore Status



**Table 6**  
**U.S. imports from LAC countries of COVID-19 related products**  
*(in million dollars)*

	2005	2010	2015	2019
Mexico	2898.4	4558.6	5806.7	8793.6
Costa Rica	436.1	576.8	1168.4	1692.7
Dominican Rep	498.6	649.2	867.9	1008.6
Brazil	88.5	353.7	511.0	422.2
Honduras	65.6	68.4	97.7	96.2
Uruguay	0.6	0.8	28.9	43.3
Guatemala	12.4	7.4	20.1	28.4
Colombia	11.0	19.0	37.4	25.9
Nicaragua	0.8	1.2	3.7	13.5
El Salvador	1.0	1.8	3.6	7.6
Argentina	3.0	5.2	3.4	6.5
Panama	0.5	0.1	0.2	6.1
Chile	3.5	2.3	2.8	6.0
Ecuador	0.4	2.9	1.0	3.8
Peru	1.2	0.9	4.3	2.8
Haiti	1.5	0.3	0.8	1.3

# Diversified Supply Chain Goal



- Decrease dependencies on single supply chains
- Establish different supply chain options to shore up supplies in case of adverse events
- Reinforce/Create self and cost sufficient energy supply lines
- Leverage existing Trade Agreements near-shore
- Expand existing markets and open up new markets to increase trade opportunities
- Reduce US GDP trade deficit



# Diversified Supply Chain

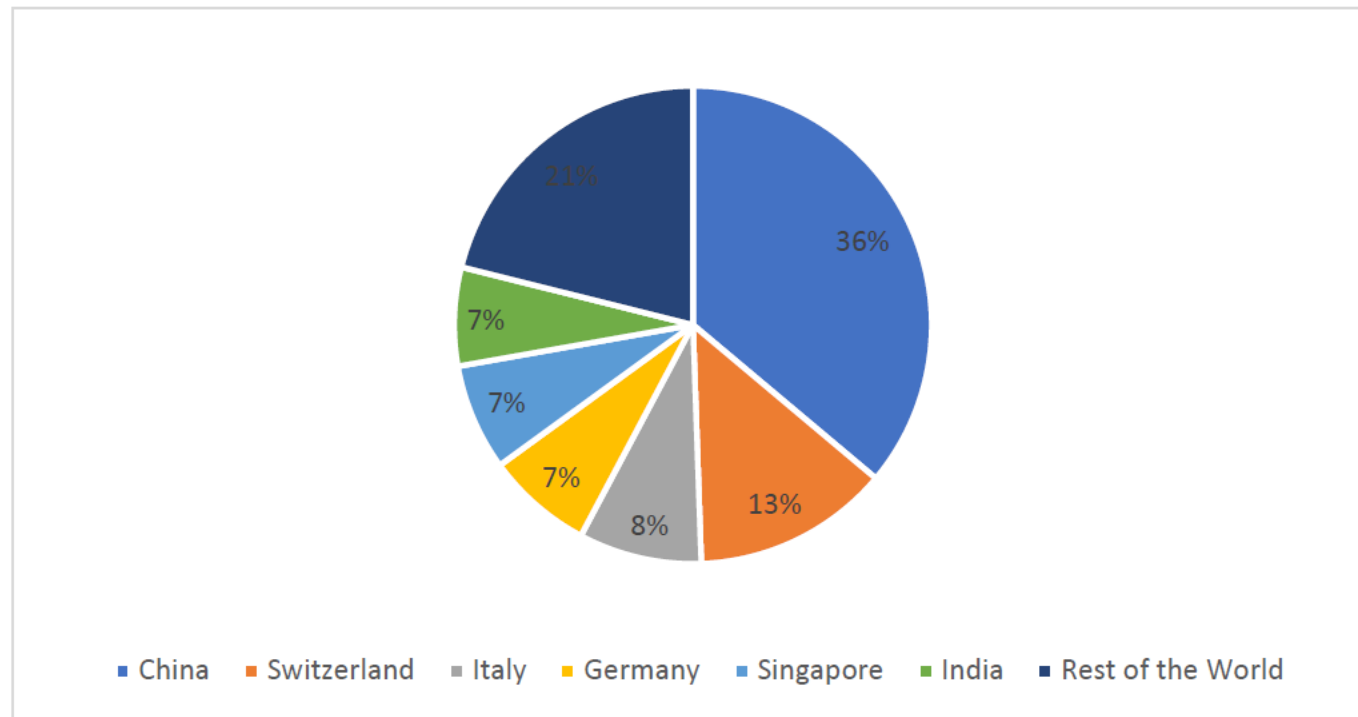
## Near-Shore Options

### Pharmaceutical Products / APIs + Antibiotics



- Active Pharmaceutical Ingredients

US imports of antibiotics and other API ingredients



# Diversified Supply Chain

Near-Shore Options

The Latin American Pharmaceutical market + industry



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- Traditional Pharmaceutical Industry in Latin America
  - Argentina
  - Brazil
  - Chile
  - Colombia
  - Mexico
- Establish new Production facilities to import Pharmaceutical products into the US
- Increase output on existing production sites in Latin America



# Diversified Supply Chain

Near-Shore Options

Challenges + Opportunities



- Willingness to invest for US/Western Companies into Latin countries depends also on Political Stability in Latin America
- Some countries switched to/stayed with Leftist Governments
  - Venezuela, Nicaragua, Colombia, Chile
- Other countries switched to/stayed with Centrist Governments
  - Ecuador, Panama, Costa Rica, El Salvador
- BUT political uncertainty also in many Asian countries
  - Myanmar, Afghanistan, Thailand



# Conclusion



- Within short-term future China and US have strong dependencies
- Exclusive Far-East Asia Option bears high supply chain risks for any US company
- Prudent companies will establish new alternative options
  - Repatriation through automated production in the US
  - Explore Near-Shore Options in Latin America
- From Planning to production 7 – 10 years
- Establish new markets in dedicated Latin American countries



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Thank you for your attention!