

The table shows that more than 80 percent of firms answered that lowering labour costs and accessing new markets were "important" or "very important" motives for an actual or possible foreign relocation of activity. Other reasons that were rated as important by a majority of firms are other costs and tax incentives. Furthermore, among the least important reason chosen by German firms is "to follow suppliers and competitors" which suggests that a "race to outsourcing" is not a predominant factor that triggers outsourcing decisions by German firms. Notice, finally, that individual firms generally consider multiple reasons simultaneously as important and different firms tend to attach different weights to different motives. This suggests that firms' decisions as to whether to start outsourcing or not are also strongly driven by firm specific intrinsic factors. There are no "one fits all" motives of outsourcing for all firms. They vary across firms and time, which may be difficult to pick up in specific surveys or econometric analysis.

Table 9 looks at another dimension of the location decision by asking firms (both those that did and did not relocate) what the possible barriers (actual or perceived) to such relocations are. Here, roughly two-thirds of firms rank language and cultural barriers, or other legal and administrative barrier as most relevant or highly relevant parameters that hinder relocation decisions. Furthermore, labour regulations, tax issues, distance to the foreign location and general cost-benefit concerns are important issues that play a role in firms' decision process to relocate production abroad

Table 9: Barriers to relocating production abroad

Barrier	Companies number	Importance				
		Very important	Important	Barely important %	Not important	Don't Know
Language and cultural barriers	16 631	27.4	43.2	19.0	6.5	3.9
Other legal and administrative barriers	16 631	13.0	49.9	26.6	6.2	4.2
Cost-benefit ratio	16 630	20.1	38.8	25.2	11.2	4.6
Distance to production facilities	16 628	19.5	36.5	27.6	12.2	4.3
Fiscal issues	16 631	11.7	41.5	34.9	7.7	4.1
Interests of employees	16 628	10.3	42.1	32.9	10.5	4.3
Business ethics problems	16 628	7.9	42.1	34.5	10.7	4.8
Uncertainty about international standards	16 631	9.3	40.4	36.0	10.0	4.3
Risk of patent infringement	16 631	16.0	32.9	32.5	14.5	4.2