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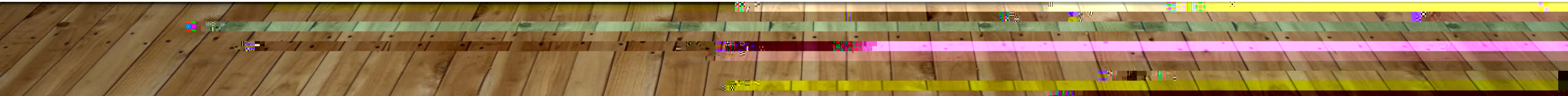
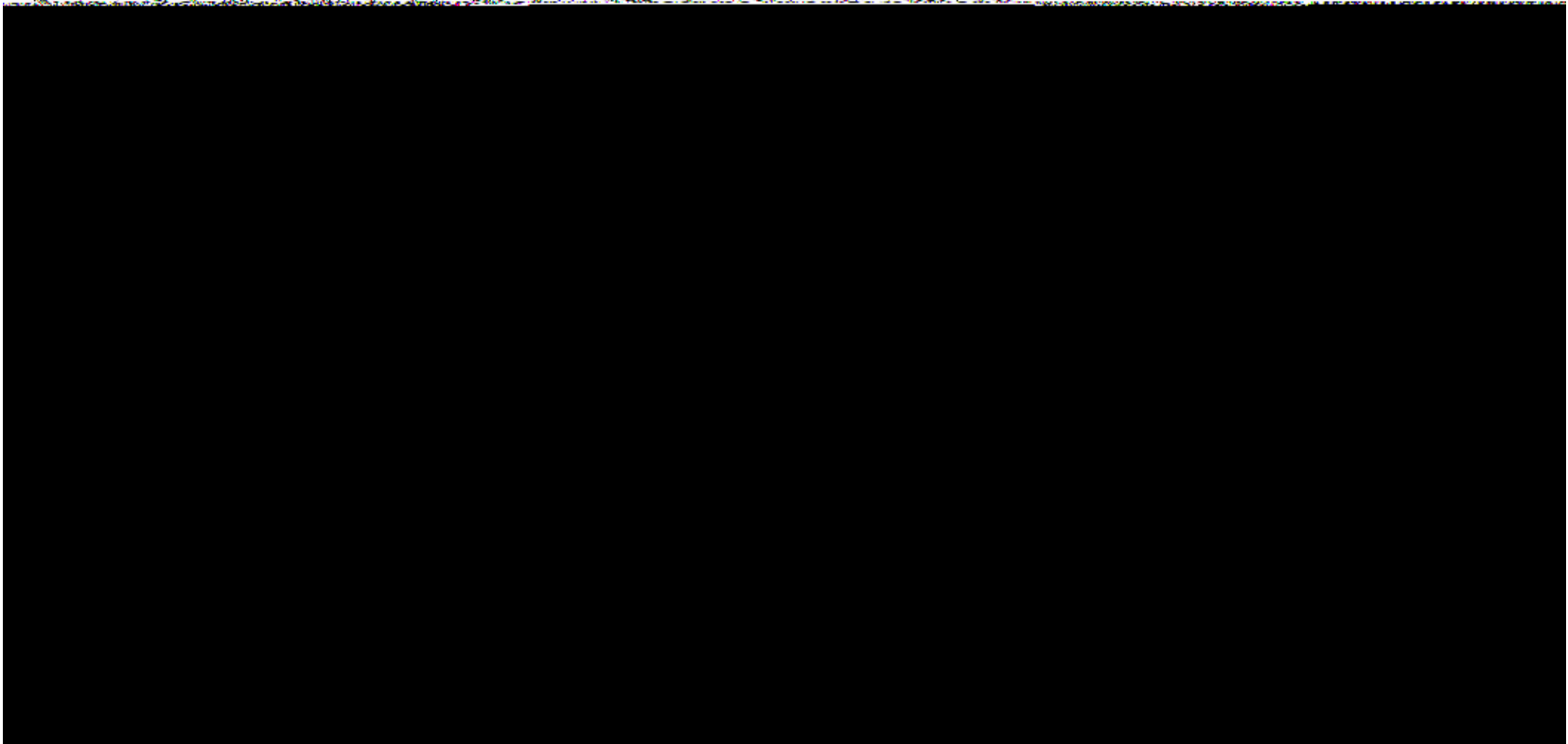
Cost savings (lower labor cost, lower taxes, cheaper energy, lower rents...)

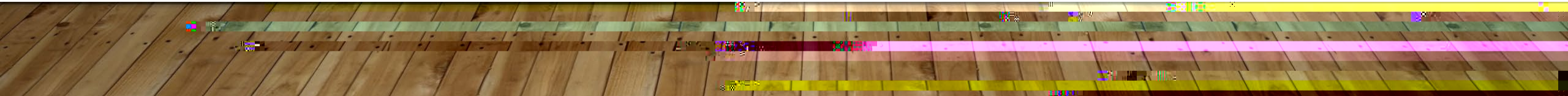
- x Least stringent environmental and labor regulations
- x Allows firm to focus on the core business (where it has a comparative advantage)
  - o Note: the outsourced task is the comparative advantage of the contracting firm



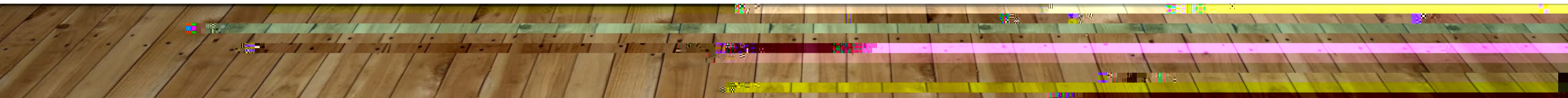
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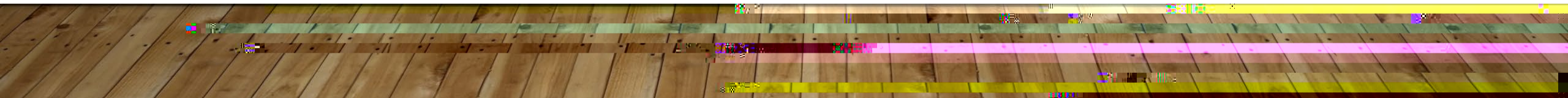
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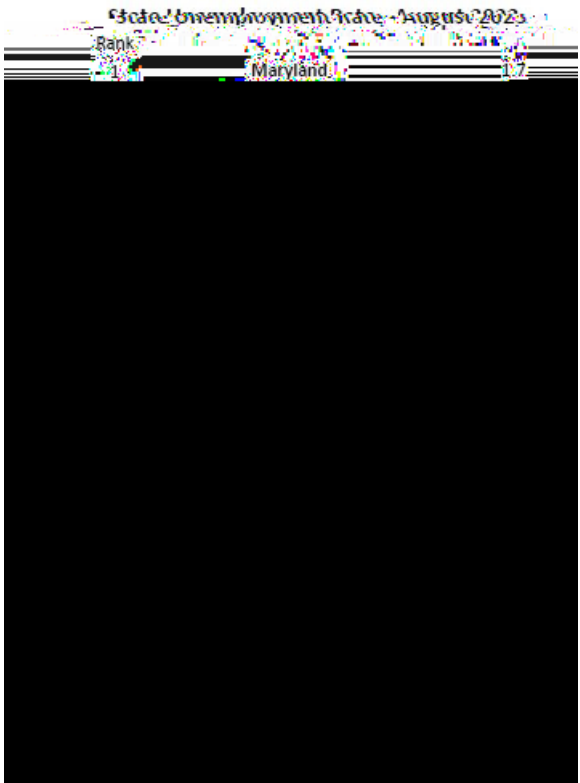
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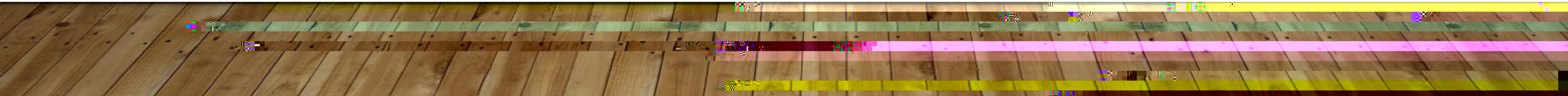
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