

WWD.com/business-news/government-trade/talking-made-in-usa-in-los-angeles-6942680

May 21, 2013

Talking Made in USA in Los Angeles

By KHANH T.L. TRAN



James Glassman

Photo By Courtesy Photo

LOS ANGELES — The U.S. is benefiting from a revival in manufacturing, although challenges persist in the domestic apparel industry, according to speakers and attendees at the West Coast Manufacturing Conference.

Held at the Biltmore Hotel here May 1, the conference attracted participants who work in key industries in Southern California: fashion and apparel, aerospace and defense, and consumer products. Among the attendees representing the local apparel sector were Leah Garvin, founder of a fashion incubator called FactoryLA, and David Perry, owner of The DSP Group, which handles design, production and business strategy for companies interested in producing clothes domestically.

“We’ve never seen the U.S. marketplace more attractive for manufacturing than it is today,” said James Glassman, senior economist at J.P. Morgan Chase, who delivered the opening keynote presentation.

Tracking a resurgence in manufacturing activity from Boston to Detroit to Silicon Valley, Glassman credited the resurrection of domestic manufacturing to two primary factors. The first is growing domestic demand buoyed by a recovery in the U.S. economy, while the second resulted from escalating costs, fueled by a weak U.S. dollar, in foreign countries that hosted many factories. Moreover, it’s not so fashionable anymore to shift operations to China, he said.

“There’s a new sound in manufacturing,” he said.

Glassman noted that the California economy still has a way to go on the road to recovery.

“You’ve recovered about 55 percent of the jobs lost in the recession [in California],” he said. “Nationally, we recovered two-thirds of the jobs.”

While he estimates another eight years before the national economy fully recovers, he said “things are moving in the right direction.”

The direction that Los Angeles fashion companies are taking is to innovate and elevate their brands with a close eye on costs. At the fashion and apparel panel, Pooneh Mohajer, founder and chief operating officer of Tokidoki, said the Pop graphics-driven company is looking beyond China as a source.

“The pricing we’re getting now from our vendors in South America is better than [that from] our vendors from China,” she said.

Charlotte Tarantola, founder and designer of a namesake contemporary label, said the argument for making clothes in the U.S. and abroad goes both ways.

“There are things I get done in China I could never do here,” she said, citing hand embroidery and printed sweaters. On the flip side, she said, “You’re not going to get great garment dye overseas.”

Ilse Metchek, president of nonprofit business group California Fashion Association, said: “The kids don’t care. What consumers under the age of 20 care about is “it has to be from Nasty Gal, it has to be cheap.”

That constant quest for bargains is the bane of Tarantola’s existence. Fast-fashion chains and other stores “train the customer to have a false idea of what it cost,” she said. “If you know what minimum wage is, can you make that in an hour and pay \$9.99 for it?”

It’s especially challenging for brands at retail, where major stores are promoting their own private labels. “There is a new brand every 10 weeks,” Metchek said.

Still, the saving grace for fashion designers is that “people are looking for innovation,” Tarantola said.

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