

# “Made in U.S.A.”

*not a passing trend?*

By:  
*Fibre2Fashion.com*



## "Made in U.S.A." not a passing trend?

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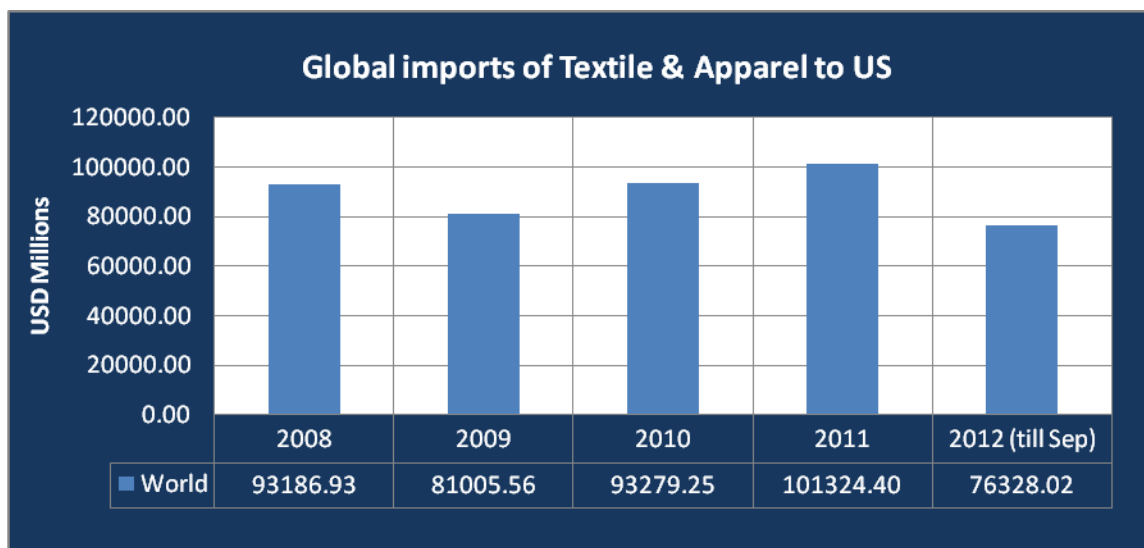
### ***What can the American consumers, manufacturers, and Government do to keep apparel manufacturing activities alive in the USA?***

Sweatshirts from Honduras, T-shirts from Sri Lanka, lingerie from China and more... Almost 98% of the clothing sold in the US is being imported from other countries. Slow dyeing of the apparel manufacturing companies in US, and a drastic increase in the outsourcing activities; overseas, have made it hard to find American made merchandise.

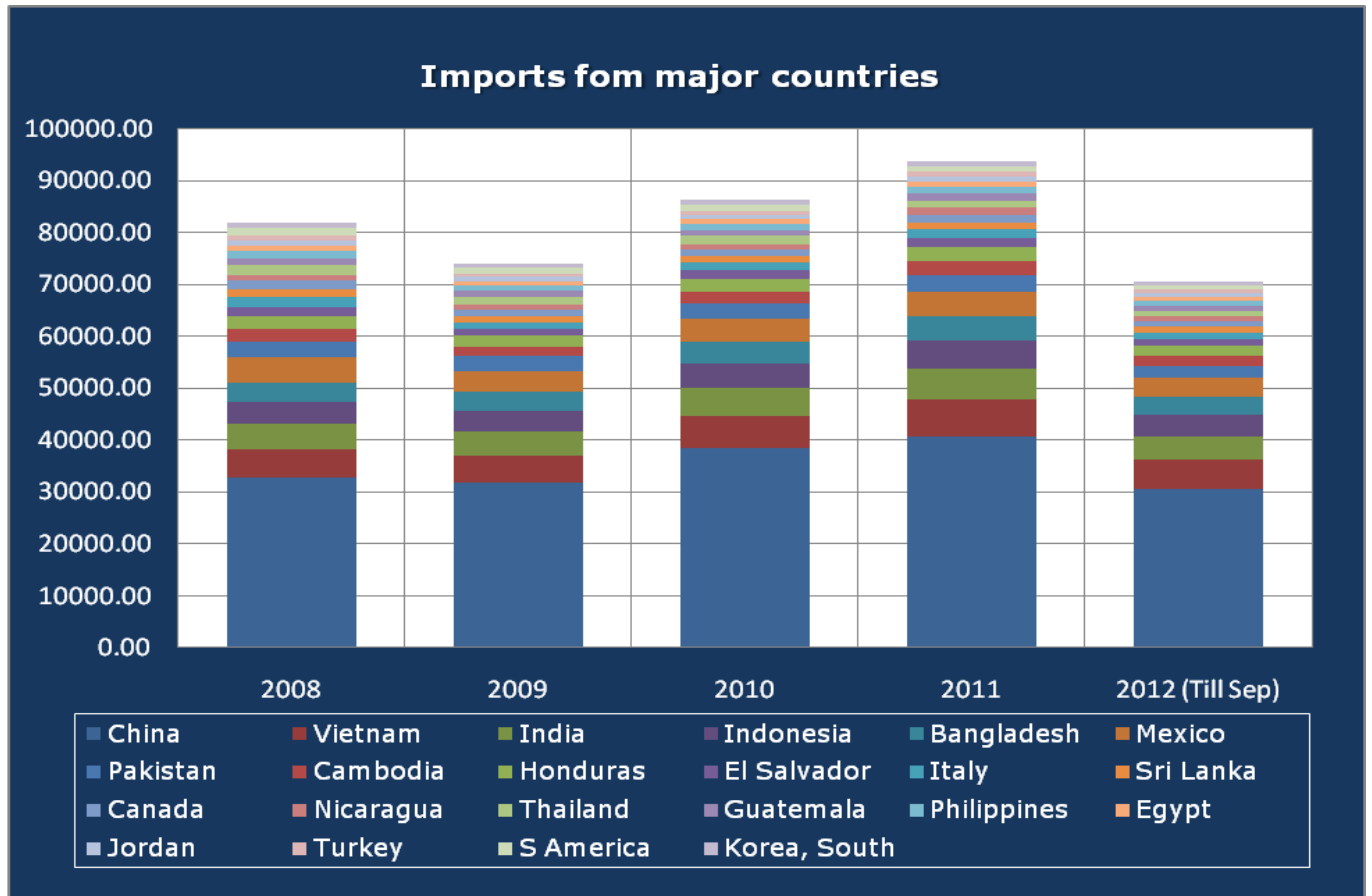
US apparel manufacturing was at its peak during the 70s with 1.5 million employees, being the biggest employer in the manufacturing sector. Cost of labor is high in US, which has initiated the outsourcing process. A garment worker in a Chinese factory makes approximately \$14 a day, whereas an American worker makes \$88 for a day. This stark difference has led to outsourcing options. Textile industries shifted their production base to countries with low labor and manufacturing costs.

Industry analysts state that price conscious US customers have generated a trend called fast fashion, focusing on which the US manufacturing industry has lost some of its competitiveness amid a booming market. American consumers prefer quick changing styles and new apparels in the store racks frequently. They also prefer to do shopping at affordable prices. Companies attempt to manufacture clothing in an inexpensive price range, lasting for a short period of time.

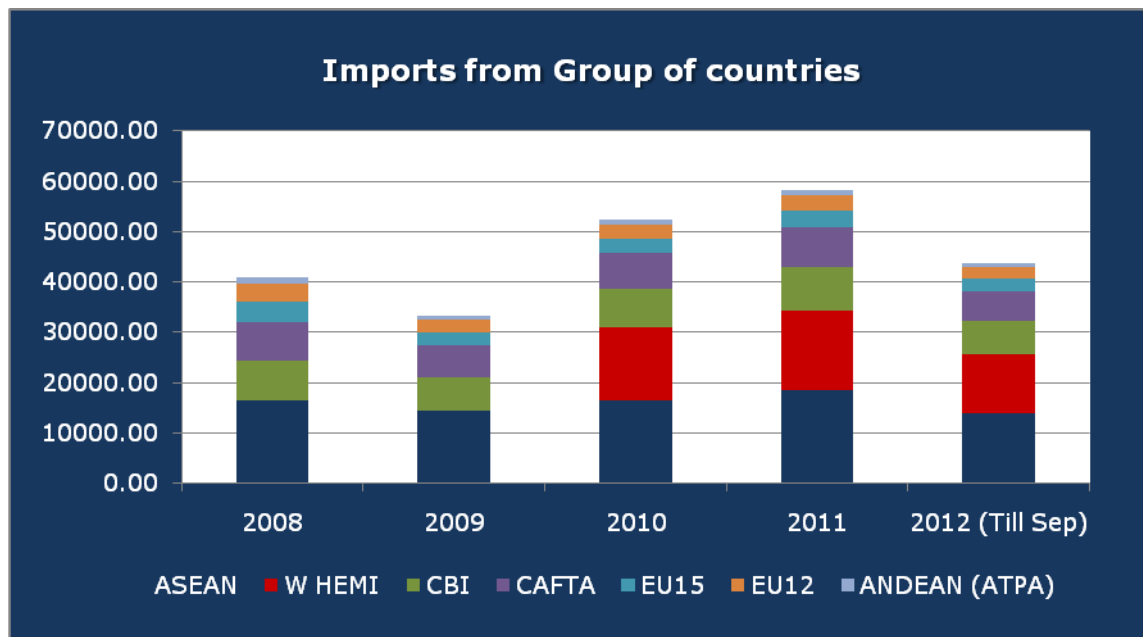
### **Textile & Apparel imports of the US**



(value in million USD)



(value in million USD)



(value in million USD)

**Textile & Apparel imports of the US**

Countries	2008	2009	2010	2011	2012 (till Sep)
World	93186.93	81005.56	93279.25	101324.40	76328.02
China	32678.46	31759.96	38470.01	40657.80	30534.99
ASEAN	16348.58	14360.07	16367.50	18407.88	13960.34
W HEMI	0.00	0.00	14664.82	15956.39	11779.09
CBI	8111.95	6731.29	7611.52	8643.15	6460.36
CAFTA	7673.38	6209.73	7087.52	7933.66	5920.02
Vietnam	5425.33	5331.53	6288.89	7195.96	5742.25
India	5078.14	4600.31	5375.20	5934.03	4529.34
Indonesia	4241.37	4021.09	4654.33	5318.92	3982.20
Bangladesh	3537.46	3522.80	4063.36	4652.87	3645.53
Mexico	4957.11	4142.22	4447.72	4761.88	3520.65
EU15	3844.14	2578.86	2847.97	3217.57	2478.92
EU12	3775.14	2530.12	2793.88	3161.47	2438.63
Pakistan	3078.14	2750.26	3063.90	3357.19	2299.64
Cambodia	2385.82	1887.77	2243.46	2622.02	1930.73
Honduras	2611.69	2039.30	2420.92	2626.53	1925.31
El Salvador	1571.27	1331.52	1678.74	1780.72	1416.35
Italy	2038.63	1315.11	1423.90	1640.88	1251.28
Sri Lanka	1475.57	1215.05	1228.63	1403.62	1111.32
Canada	1652.24	1310.61	1404.26	1446.90	1066.88
Nicaragua	934.36	893.35	1018.19	1357.84	1012.08
Thailand	1979.16	1451.24	1541.51	1411.65	957.59
Guatemala	1399.26	1110.95	1160.76	1331.47	951.12
Philippines	1426.56	1062.25	1075.91	1249.11	949.93
Egypt	913.83	890.28	1011.92	1080.29	793.63
Jordan	972.75	765.36	808.75	901.66	752.64
Turkey	930.76	643.19	777.77	901.61	752.52
S America	1498.91	1095.25	1205.07	1109.82	735.07
Korea, South	1119.55	805.81	857.21	928.06	697.32
ANDEAN (ATPA)	1221.35	883.70	996.59	1023.24	682.27

*Data Source: OTEXA  
(value in million USD)*

During the early 80s, US apparel industry motivated American consumers to buy 'Made in USA' clothing. This was done with a hope to acquire the support of US consumers, but the results were feeble. During the period 1995-2004, output of US apparel manufacturers declined by 40%. Though the overall US market for apparels expanded, it only fuelled the imports by 50%.

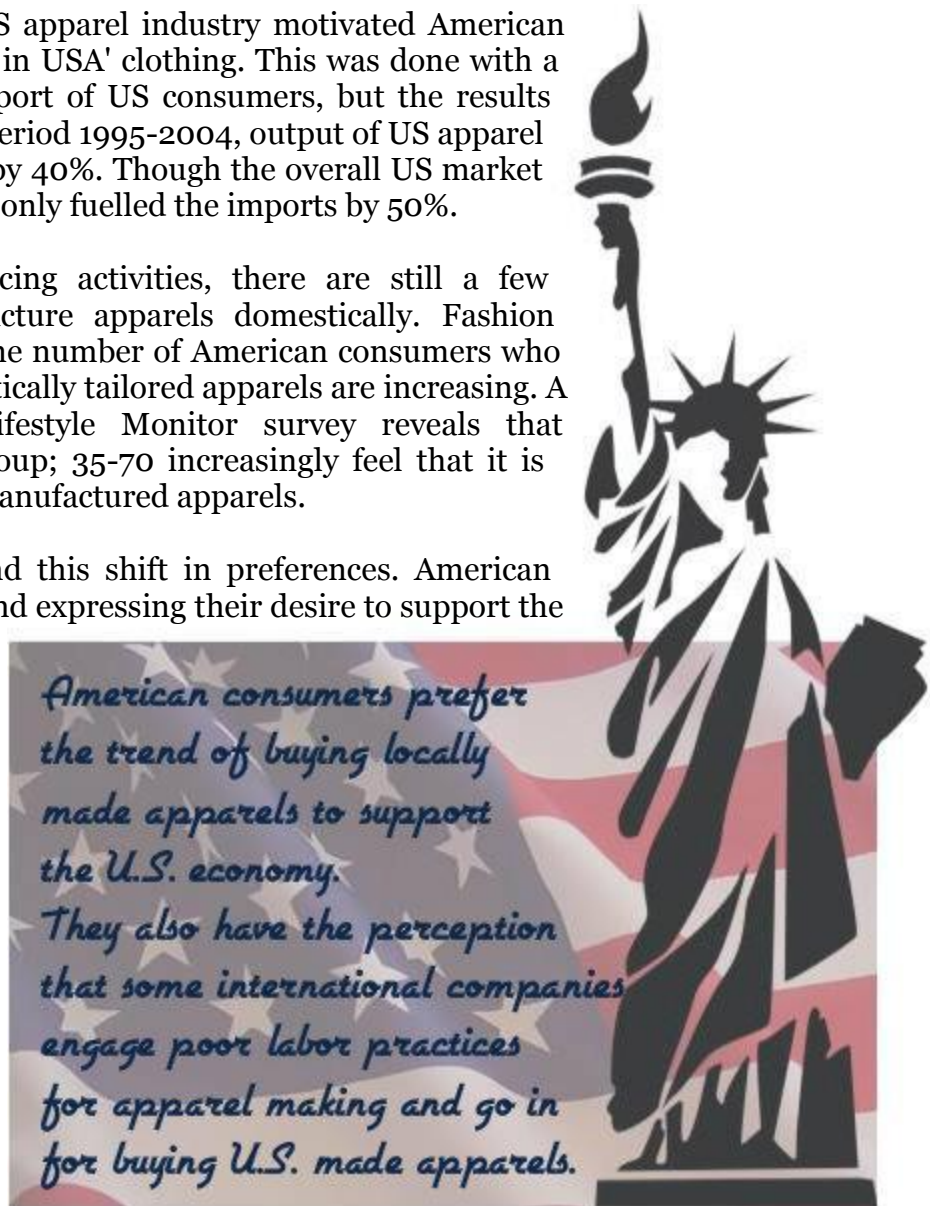
Despite all the outsourcing activities, there are still a few companies that manufacture apparels domestically. Fashion experts do predict that the number of American consumers who prefer to shop for domestically tailored apparels are increasing. A Cotton Incorporated Lifestyle Monitor survey reveals that customers in the age group; 35-70 increasingly feel that it is important to buy locally manufactured apparels.

There are reasons behind this shift in preferences. American consumers prefer the trend expressing their desire to support the US economy. They also feel environmentally conscious, and due to the perception that some international companies engage poor labor practices for apparel making, go in for buying American made clothing.

US apparel industry has a strong brand portfolio of international brands. When it comes to clothing, US needs to

focus on high technology clothing like water proof, and wind proof jackets. Abc news reports that at a lab in California, around 400 employees work attentively with a goal to design clothing line for the next generation which even foreign competitors cannot match. Exposure for U.S. made merchandise can also be increased through branding, customized product tags, business cards, carton labels, posters, POS displays, etc. Sale of American made goods can be featured through social media platforms. Apparel manufacturers need to maintain their focus on the key markets, serving them with quick and reliable service, in less expensive prices, and maintaining quality at the same time.

The US Government has come up with initiatives to showcase domestic suppliers of textiles, apparel, and footwear. A press release by the U.S. Department of Commerce, states the U.S. Department of Commerce Under Secretary for International Trade; Francisco Sánchez saying, "There is incredible demand for products stamped with the



label: 'Made in the USA' globally, but it's sometimes difficult to identify domestic resources for these products." It further emphasizes the significant role of the textile and apparel sector in achieving President Obama's National Export Initiative in doubling exports from US by 2014, and generating considerable job opportunities in America.

Apparel companies in US must be more socially responsible in their production by avoiding sweatshops, adopting environmentally friendly processes, and sustainable design and styles which will last for a long time. Keeping the American dreams alive, manufacturers can make apparels in America, and consumers can buy American. There is a steady growth in the interest of the American consumers to buy domestically manufactured apparels, and the country's apparel industry optimistically hopes the trend is here to stay.

### **References:**

- 1) Edition.cnn.com
- 2) Americanmadematters.com
- 3) Abcnews.go.com
- 4) Trade.gov
- 5) Data Source: OTEXA

### **Note - Group of countries:**

- *ASEAN – Association of Southeast Asian Nations*
- *W HEMI - Nations in the Western Hemisphere but not in the Americas*
- *CBI – 17 beneficiary countries of the Caribbean Basin Initiative*
- *CAFTA – Central America Free Trade Agreement*
- *EU-15 - 15 countries of the European Union*
- *EU-12 - 12 countries of the European Union*
- *ANDEAN - customs union comprising the South American countries*