

## 2003 Press Releases

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### **LAEDC SAYS THE LOS ANGELES FASHION INDUSTRY HAS SPUN A PATTERN OF “DESIGN TALENT, ECONOMICS, TECHNOLOGY AND SPEED TO MARKET” INTO A NEW BUSINESS MODEL**

*“There is a tremendous interest in the ‘L.A. Style,’ and the design talent coming out of L.A.’s schools is one of the greatest assets of the area’s fashion industry,” said Chief Economist Jack Kyser.*

**Los Angeles, CA**—Los Angeles County Economic Development Corporation (LAEDC) study (<http://laedc.info/pdf/fashion-2003.pdf>) released today (Feb. 10, 2003), reveals a new image and evolution for the Fashion Industry in America.

"The fashion industry is one of the most misperceived industries in Los Angeles, but it should be viewed in a new light," said Vice President Jack Kyser, chief economist, LAEDC, who authored "Los Angeles Fashion Industry Profile" with LAEDC Economist George Huang. Director Ilse Metchek of the California Fashion Association also contributed. "L.A.'s apparel industry is now driven by design talent, economics, technology and speed to market,"

"While employment is declining, sales revenue is actually growing for many firms. It is a \$24.3 billion industry that still has lots of potential," he explained.

Kyser noted that the public judges the current state of the local apparel industry by using the most readily available data -employment. Employment in the local industry has steadily declined since 1996, when there were 103,900 apparel jobs in Los Angeles County according to the study. The LAEDC estimate for 2003 is 67,900 jobs.

In Orange County, the trend was somewhat different, with the recent peak of 15,400 jobs (in apparel and textiles combined) in 2000, while the 2003 estimate is 12,800 jobs. However, apparel wholesaling employment in Los Angeles County is slowing growing, with the 2003 job total set at 19,700 according to the study results.

"Despite the job losses, Los Angeles is actually doing much better when compared to the national apparel industry job trend," explained Kyser. "The combined Los Angeles and Orange County share of U.S. apparel manufacturing employment has risen steadily since 1993, from 10.6 percent to 24.2 percent in 2002.

According to the study, the outlook for apparel and textile manufacturing employment in Southern California is not bright. Job losses are projected for both industries for the foreseeable future. Although Los Angeles does have a niche market in quick-turn fashion-forward merchandise, this market is simply not large enough to induce job growth.

"Although the economies of Los Angeles and Orange Counties are quite integrated, when it comes to fashion they have their own distinct personalities," said Kyser. "Los Angeles County is strong in 'contemporary' fashion, while Orange County is famous for its surf and active wear, with a formidable array of firms."

The "Los Angeles Fashion Industry Profile" also found that Los Angeles and New York are both facing cost pressures and the threat of imports. New York is current working on strategies to support its current apparel base. In comparison, Los Angeles has a larger apparel and textiles

industry job base than New York. "County Business Patterns," published by the Census Bureau, reported L.A. County with 120,255 jobs, compared with 96,042 in New York.

The study examined the pluses and minuses of the fashion industry, and found that the outlook for the Los Angeles apparel/textiles industry would appear to be bleak. Much of it due to the proliferation of low cost sources of production in Asia, and the lifting of apparel import quotas in 2005.

"The design talent coming out of L.A.'s schools is one of the greatest assets of the area's fashion industry," said Kyser. "Some of these students come from faraway places, and are attracted by the schools and by the perception of Los Angeles as a fashion leader, thanks to the entertainment industry. It is easier for young designers to get attention in L.A. than in New York because the industry here is less structured."

The LAEDC study also noted a big interest in "L.A. Style," and access to the local ports and Los Angeles International airport. The Pacific Rim is the center of apparel manufacturing in the world, not just East Asia but also Central America. Los Angeles, which excels in apparel design and marketing, is in the middle of this so-called "Ring of Sewing Machines."

The study also found there is still the negative image of the industry and that local manufacturers, who tend to be small have trouble selling to large retail chains. Research also revealed there is no major industry show such as "MAGIC," which moved from L.A. to Las Vegas, because the convention center wasn't large enough; and subtle barriers to export locally produced apparel.

Kyser believes there are several solutions. "It's marketing, marketing and more marketing of the 'L.A.' brand," he said. "The local apparel industry also needs more than great designers. There is a need for top-notch management talent, especially in a rapidly changing competitive environment. More attention also needs to be paid to the two annual 'fashion weeks.' More local support would help strengthen the reputation of Los Angeles as a design center, but these weeks also draw in large numbers of buyers, who book hotel rooms, dine in local restaurants, and do some casual shopping," explained Kyser.

The LAEDC is a private, non-profit organization whose mission is to attract, retain and expand business and jobs in the region. It provides economic and industry forecasts as well as strategic consulting in trade, infrastructure, logistic and land use. The LAEDC Business Assistance Program works one-on-one with businesses throughout the county. Visit [www.laedc.org](http://www.laedc.org) .

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**Contact:**  
George McQuade  
818-340-5300 or 818.618.9229.