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UPDATE:

California's DENIM Manufacturing Industry AT RISK Recent Headlines as a Result of CFA Interviews:

"Tariff Punches Holes in Jeans-Denim makers may shift work out of LA"

--(LA Business Journal)

"Europe's tariff on jeans threatens L.A. jobs"

--(LA Times)

"EU Slaps Big Duty on Women's Jeans Made in the USA"

--(California Apparel News)

"US denim makers mull relocation to Mexico as EU hikes tax"

--(Fibre2fashion News Desk - India)

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- With the cooperation and input from a number of engaged denim producers, the CFA office has reached out to government officials at the city, state and federal level, including: *Senator Dianne Feinstein, Under Secretary Francisco J. Sánchez, Ambassador Demetrios Marantis, Senator Barbara Boxer, Congresswoman Lucille Roybal- Allard, Congressman Xavier Becerra, Governor Jerry Brown, Assembly Member John A. Pérez, Congressman Devin Nunes, and Congresswoman Linda Sánchez.*
 - [Click here](#) to review the letter sent, which was accompanied by the newspaper articles and photograph below.
 - The **California Fashion Association** continues to ask our industry's denim brands and suppliers to contact state and federal officials, defining the amount of employees (direct and indirect) that would be adversely affected if production planning is altered to focused on off-shore.
 - Your own 'story', as a manufacturer or supplier, would be vital to our efforts to change the course of this retaliatory decision by the EU. [Click here](#) for for the addresses of the officials who have received our initial mailing.
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Background:

Effective May 1, 2013, the EU announced that tariffs on women's denim trousers will jump from 12% percent to 38%. Therefore, the growth of exports of those California denim brands, manufactured in the U.S. for EU markets, is doubtful for the next full year.

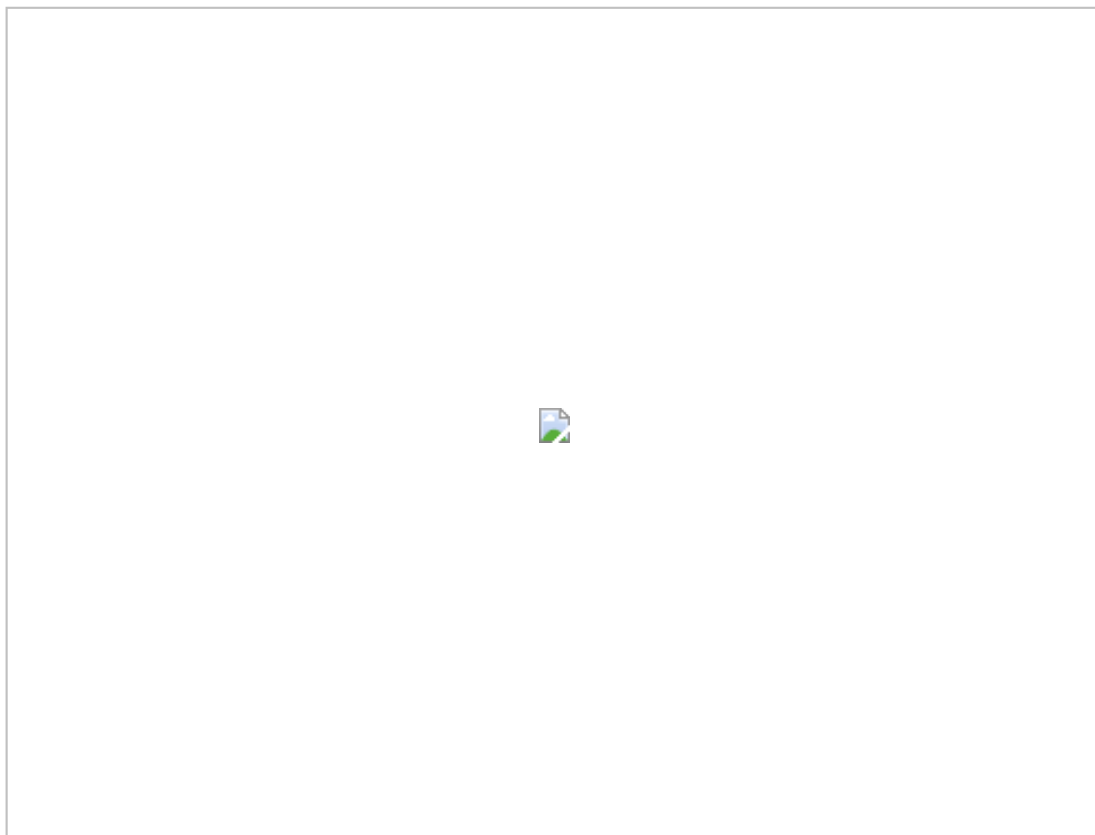
The Retaliation Effect: This duty rate hike on jean exports is a continuation of sanctions authorized by the World Trade Organization in retaliation for the U.S. failure to fully comply with a WTO ruling against the Continued Dumping and Subsidy Offset Act of 2000 (the Byrd Amendment).

The women's 'premium' jeans business represents 22% of the entire global jean's market; the global jeans market is projected to reach \$56 billion by 2018, according to research firm Global Industry Analysts, Inc. In the U.S., shoppers spent nearly \$16 billion on denim in 2011...***and 75% of the premium denim market comes from Southern California"***

(Source: The NPD Group / Consumer Tracking Service)

The immediate issue for U.S. jeans manufacturers is to figure out how to preserve their EU export business through this crisis, and how to plan for the future. The U.S. Department of Commerce, and California's Export Initiative have focused on increasing domestic manufacturing, AND the development of increased exports!

Jobs - jobs - jobs! This ruling affects domestic sewing contractors, cutting services, dye and wash facilities, textile suppliers, and a myriad of other indirect employee-based companies working on US-made denim brands.



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