

*The U.S. Textile and Apparel Industry: A
Revolution in Progress*

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Apparel Industry
A Revolution in Progress**

Special Report



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Foreword

America's textile and apparel industries are investing in new technology at an unprecedented rate. Productivity growth in textile manufacturing has been double the average growth of manufacturing as a whole for over a decade, and apparel production may be on the brink of a revolutionary increase. New information technologies have the potential to unify disparate elements of the industry, from fiber production and weaving to product assembly and retailing—linkages that can reduce costs and tailor products to changing patterns of consumer taste and preference. Such new technologies are rapidly changing the face of one of the Nation's oldest industries. The manufacture of textiles and apparel has the potential to remain a significant part of the U.S. economy.

Despite the optimism made possible by technical progress, U.S. textile and apparel firms are in danger. Little of the technology that allowed for increased productivity was developed by U.S.-based enterprises. The same advanced technology is available to firms throughout the world, including those in nations that pay workers a small fraction of the U.S. minimum wage. Sophisticated networks of U.S. and foreign companies use these factors to undercut U.S. supplier prices; apparel imports have grown from 25 to 50 percent of the U.S. market during the past 10 years. Technology alone may not be able to salvage major parts of the industry.

Increases in U.S. labor productivity and U.S. imports have led to significant job losses within the domestic textile and apparel industry. And while economic growth creates new job opportunities throughout the economy, plant closings and industrial reorganization can cause severe hardships for communities dependent on local textile and apparel firms. It also appears that the skills likely to be needed by future textile and apparel enterprises may require extensive training programs even for workers remaining in the industry.

The present state of the U.S. textile and apparel industry presents Congress with difficult choices on trade policy and on government support for research and development. We trust that this special report will provide a framework for making such decisions.

This special report supports a larger OTA project that analyzes the effects of technological change and international trade on the structure of the domestic economy and options for public policy. The textile and apparel industries were selected for special attention because they provide key insights into the problems of changing manufacturing enterprises.



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