

JUNE 29, 2020 5:10PM ET

Made in America's Inflection Point: Will Covid Hasten or Hamper a Revival?

By [Arthur Friedman](#)



The Repeve Bottle Processing Center, part of the Unifi textile company in Yadkinville, N.C.
CREDIT: Chuck Burton/AP/Shutterstock

“Don’t it always seem to go that you don’t know what you’ve got till it’s gone.”

Joni Mitchell’s famous lyric rings especially true for many in the wake of the broadscale body blow the [coronavirus outbreak](#) delivered to the U.S. in March, exposing the nation’s ineptitude and unpreparedness in producing critical textile-related personal protective equipment (PPE) at pandemic-ready scale.

For the most part, the factories that had survived the import era over the past three decades rallied and somehow came through with the materials and products such as face masks and gowns for frontline workers and the public. But it wasn’t easy and exposed deep fissures in the industry’s and country’s ability to make simple apparel and accessories for the retail value chain or in the event of an emergency.

That was partly because the U.S. textile and apparel industry had been undergoing a slow revival since the Great Recession awakened retailers and brands to the need to source closer to home for at least a portion of their merchandise that revolves around trends and replenishment.

Now, some executives believe the pandemic might provide further impetus for the domestic industry's future growth.

Now or never

If the nation's textile players are serious about regaining their position as producers, now is the time to seize the "outbreak opportunity" when the importance of stateside manufacturing is on everyone's minds.

"I think this is a critical time to be asking what's going to happen post the pandemic around the [Made in America](#) movement," Kim Glas, CEO of the National Council of Textile Organizations ([NCTO](#)), said. "Lawmakers and other key decision makers might move for policies and funding necessary to help solidify supply chains or to attract new supply chains here in the United States on critical products like masks, wipes, protective apparel, gloves, where there were critical shortages and continue to remain critical shortages in key areas."

Glas said the pandemic clearly exposed "extreme vulnerability in our USA-made supply chain" for essential materials used for some of these end products and for the end product production itself.

"So, this is a key time," she said. "We will never have this chance to amplify the need for reshoring."

Glas said "the extreme difficulty of securing lifesaving materials and products and the overreliance of our supply chain on China and Asia" is widely recognized "from lawmakers on Capitol Hill to the administration to people in the general public to those on the healthcare front line."

About 85 percent of production in some of these categories of PPE are in China or Asia, she added.

"And if we don't learn an important lesson here and now, there's never going to be a more right time for this conversation...when you're in the throes of chaos... not years from now," Glas said.

She noted that textiles and apparel manufacturing are in the same boat about figuring out how to enliven and reconstruct the supply chain, even though there are some differences in where they stand right now. For example, there is a significant supply of woven fabric and yarns in the United States and Western Hemisphere, as there is for nonwovens, Glas pointed out.

"There was such a global demand for that, that even though there's a significant industry here making that product, the demand is higher than the supply," Glas said. "We need to

build up those industries, however, so when you have a national emergency, we have more than enough supply. But I would say the most profound deficiency in the supply chain is on the finished product. We do not have a lot of cut-and-sew operations here in the United States. We have lost some of that skill.”

The domestic industry has invested in the machinery to automate some of these finished products to better compete with imports in speed and in lowering labor costs.

The U.S. textile industry invested \$18.7 billion in new plants and equipment from 2009 to 2018, according to NCTO. Recently U.S. manufacturers have opened new facilities throughout the textile production chain, including recycling facilities to convert textile and other waste to new textile uses and resins.

The U.S. textile industry supply chain—from textile fibers to apparel and other sewn products—employed 585,240 workers in 2019, according to NCTO. U.S. textile and apparel shipments totaled \$75.8 billion in 2019. Fiber, textile and apparel exports combined were \$29.1 billion in 2019.

Excluding raw cotton and wool, two-thirds of U.S. textile supply chain exports went to Western Hemisphere free trade partners in 2019. The entire U.S. textile supply chain exported to more than 200 countries, with 24 countries importing \$100 million or more. The U.S. textile industry also supplies more than 8,000 different textile products to the U.S. military.



The historic Ayer Mills building in Lawrence, Mass., which is now a New Balance factory store.

How to get there

According to Glas, “There’s too much risk associated when you’re dealing with foreign supply chains that have just trade distortions and how they value their product and how they sell it.”

The government does have a responsibility when something has been exposed, like supply chain deficiencies, Glas said, to help craft policy solutions engineered to support growth in those industries.

“The government can prioritize purchasing that includes the U.S. production chain and Congress could appropriate additional dollars to the U.S. government agencies to help the industry,” she said. “There’s a lot that government can do.”

Glas said when she talks to leaders in the administration or on Capitol Hill, “everyone wants to know what would it take to bring this supply chain back, so people are asking the right questions.”

As for the upcoming presidential election, she said these questions have come from Democrats and Republicans.

“There’s been no party label related to [Made in America](#) and PPE,” she said. “No one can ever determine what electoral politics will look like in any given year, but I do think that regardless of the outcome of the election in November, there’s a strong sense from across the party spectrum that we need a solution here.”

With that said, right now in the industry, there are textile companies that have had 80 percent to 90 percent of their orders cancelled.

“You cannot make that up with PPE production alone,” Glas said. “The production has helped some in our industry, but it’s not going to make up for what has transpired economically. My concern is, ‘what is the impact on this industry over the next year?’ What will it mean for employment in our sector and what will it mean for our manufacturing sector after this economic downturn, with so much manufacturing capacity idled or permanently shut down? We need to make sure that we are doing as much as possible for the industry.”

Sherry Wood, director of merchandising of Texollini, based in Long Beach, Calif., said through education, reworking of supply chains and upgrading production, the industry can start to build up and be more appealing to its customers to shift towards U.S. production, especially during a pandemic when there is a demand for products like masks and medical supplies.

“It makes us feel a bit helpless when we are depending on other nations to help us during a crisis when we should be able to rely on ourselves to produce the right product at a reasonable price with quick delivery times when we do have the capabilities, machinery and workers to do so,” Wood said. “At Texollini, we have always pushed the importance of Made in America textiles and our customers use the story of our mill plus their journey as a

marketing tool that is valued by many. This is a new era of responsibility within the fashion industry and it is time to embrace it.”

Mood swing

Glas said she is starting to hear some production is coming back online and orders are starting to pick up as stores reopen. However, many consumers are still reluctant to open up their wallets and spend, not to mention take on the risk of making a trip to the store.

“I do feel like brands and retailers will be looking to source more locally or closer to home,” she said. “They were already diversifying some of their sourcing strategies, so maybe this is an opportunity to further diversify. As a result of that, there is a dynamic in play to have more of your sourcing or offshoring of certain types of apparel in the U.S. So, there is a real opportunity here to see how we can strengthen the U.S. industry and the production chains that exist with our free trade agreement countries in the Western Hemisphere.”

Ed Gribbin, president of the Americas Apparel Production Network (AAPN), said the “leadership, speed and trust” the textile and apparel industry has shown in reacting to the pandemic is “going to define how we come out of this and deal with the next crisis.”

Gribbin said the fast pivot of AAPN members and nonmember U.S. and other Western Hemisphere manufacturers, from Gerber Technology and Parkdale Mills to Milliken and Burlington, is “building a foundation for true, Made in America permanent supply chain for critical medical supplies.”

He also feels it “bodes well” for a new positioning and stature for U.S. and Central American manufacturers in the supply chain.

“After the last recession we thought things were going to be back to normal...with a supply-based model, not a demand-based model,” Gribbin said. “This crisis has exposed that model for what it is...It’s not sustainable and the amount of clothing that ends up in landfills is not sustainable. Retailers and brands who will now focus more on demand and more on speed, and less on quantity are going to focus on this hemisphere and look to source more product here.”

Wood said she believes Made in America will be a key sourcing destination now and moving into the future.

“I do think there has been a shift for some time now, even before the pandemic, that consumers, including the fashion industry, have been slowly trying to move away from products [made in China](#),” Wood said. “Now with the pandemic, they are even more inspired to move to products made in the U.S., not only for the sustainability marketing and messaging that it provides, but for overall quality of goods and logistical reasons.”

Wood said many younger consumers “don’t even remember when products used to be made here, but for the older generations, they do remember that we did at one point produce all of the major business categories—fashion, automobile, technology—all here in the U.S. The only reason it was shifted to overseas was for price.”

Preeti Arya, assistant professor at the Fashion Institute of Technology, thinks if the country and industry converts this challenge into an opportunity to revise the supply chain, it can “empower the textile industry” and generate more jobs.

“Smart people and policy makers turn challenges into opportunities,” Arya said. “History has proved time and again that any country that needs to jumpstart its economy should start by laying the foundation for the textile industry, as this is an industry with maximum returns. We already have the foundation, all we need to do is revise the supply chain...to at least sampling, R&D and small manufacturing, especially of nonwovens and more sustainable yarns and fabrics.”

Hard realities

Julia Hughes, president of the United States Fashion Industry Association, said there are security reasons why PPE products should be made here in the U.S., but “that’s really a totally different thing than looking at overall sourcing trends.”

While Hughes acknowledged the pandemic has raised the conversation about supply chains and where companies should be manufacturing their goods, she said, “I’m not hearing people say that they’re shifting their [apparel] production back to the U.S. I think that would take really a more long-term strategy or trend.”

Even as the new U.S.-Mexico-Canada Agreement ([USMCA](#)) goes into effect, Hughes said it still face the problem of finding companies in the U.S. to make apparel on a scale that is cost competitive.

“Bringing apparel production back to the U.S. seems unlikely,” Hughes said.

On the textile side, Hughes said yarn and fabric production are “very competitive on the global market.” The industry has also begun to embrace [automation and robotics](#) into production, particularly on the knitwear side where the machinery is more advanced and requires less labor.

Hughes said some also think after the pandemic passes and the flag waving and consternation wanes, the industry might just revert to chasing the cheapest needle. The penchant for profit, especially as so many retailers go bankrupt, could arrest any Made in America revival, many experts have noted.

So the nation might end up with what Mitchell sang in her hit “Big Yellow Taxi”: “They paved paradise and put up a parking lot.”