

13-0002-575

RESOLUTION

MAY 8 2013

RULES, ELECTIONS & INTERGOVERNMENTAL RELATIONS

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, Europe has more than tripled a tariff on the high-end denim creations; beginning today, the European Union duty on women's denim trousers manufactured in the United States jumped to 38% from 12%; and

WHEREAS, this increase, if passed along to customers in the form of price increases, could diminish denim exports to Europe, currently a growing market for U.S. denim makers; and

WHEREAS, this action is expected to disproportionately affect California denim makers, who make roughly three-quarters of American high-end denim; low-end jeans are primarily manufactured abroad because of cheaper labor costs; and

WHEREAS, the tariff increase, which was announced April 17, is seen as retaliation by the EU against the U.S. for failing to fully comply with a 2002 World Trade Organization ruling against the Byrd Amendment, which was a law that allowed the U.S. to levy additional duties on "unfairly traded" goods; and

WHEREAS, this trade dispute is expected to slow sales of American jeans brands that are popular in European fashion markets; the women's "premium" jeans business -- involving pants that cost \$75 or more -- accounts for 22% of the global jeans market; and

WHEREAS, premium denim is the fastest-growing segment of the jeans market, with estimated sales of \$1.4 billion for the year that ended February, up 17.3% from a year earlier; and

WHEREAS, the biggest threat from the tariff is that other countries might jump at the opportunity to carve into the U.S.' market share; and

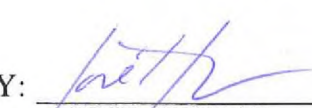
WHEREAS, the California Fashion Association, a Los Angeles-based trade group, in conjunction with local wash and dye houses, sewing contractors and textile fabricators that work with Southern California companies, is urging elected officials to put pressure on Europe to reverse the tariff; and

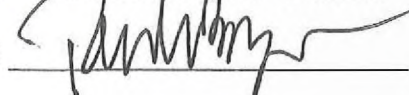
WHEREAS, this tariff will cause the Los Angeles area to lose jobs at a time when the county's unemployment rate is 10.2%; and

WHEREAS, the City of Los Angeles is considered by many to be the "Denim Capital of the World," with manufacturing by Lucky Brand Jeans, YMI, American Apparel, 7 For All Mankind and many others, bringing critical jobs, commerce and service to the City;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2013 and 2014 Federal Legislative Program support for legislation and administrative action which would reverse the new European Union duty on women's denim trousers manufactured in the United States which has been increased to 38% from 12%.


MAY 8 2013

PRESENTED BY: 
JOSE HUIZAR
Councilman, 14th District

SECONDED BY: 

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