



HONG KONG: Top industry executive calls for retail rescue

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A sourcing boss for US retailer JCPenney says the US government should consider the country's troubled retail sector for a bailout during the economic downturn.

JCPenney VP and director of sourcing Janet Fox said at The Prime Source Forum in Hong Kong that declining consumer spend in the US had changed the country's retail landscape.

She said the landscape was "littered with bodies already", citing the collapsed Goody's, Mervyns, and Steve and Barry's chains. The US retail industry, she said, lost 589,000 jobs during 2008, with a further 18,000 gone in February this year.

Fox said: "With an industry that lost so much business, how come we didn't get a bailout?"

"If you really want to put that into perspective let's talk about an industry that's in the news a lot... The US auto industry has in total 229,000 employees. The extended auto industry has 2.2m employees. The US retail industry, on the other hand, employs 25m people.

"That industry is second to one other in the US, which is the Government. It's really a shame that no one in Washington seems to want to hear this story."

Fox is a member of the US' National Retail Federation and is also the chairwoman of the US Association of Importers of Textiles and Apparel (USA-ITA).

Another initiative the USA-ITA is looking to push this year is punitive trade legislation.

Fox said any legislation that is going to impact prices was added tax for an already troubled US consumer. Fox added that an instant rebate for this would be no duties or tariffs on apparel.

Her suggestions were met with a loud applause by over 300 delegates attending the fourth edition of Prime Source last week.

She had said earlier that most major retailers "were not planning a rosy 2009", but were hopeful that the first quarter 2010 might bring some changes.

Fox said: "It's difficult to predict when this crisis is going to end or when we're going to see a little uptick in the economy."

By Joe Ayling, news editor.

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