

## Los Angeles Area Manufacturing Base Remains Strong

Trade: U.S. still competitive in world economy when it comes to making products. By [Mark Madler](#)  
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“No products are made in the United States anymore.”

I hear this all the time on the manufacturing beat, and it’s just plain...hyperbole.

Sure, there’s no doubt that domestic production falls short to foreign production in consumer sectors such as household items, electronic goods and clothing. But the average person’s perception about U.S. manufacturing output is skewed, largely by the fact that many of the products they come in contact with on a daily basis feature a “Made in China” label.

If only the naysayers had attended the Westec manufacturing expo and conference held March 27-29 at the Los Angeles Convention Center. Manufacturers making products for industry, and the like, were out in full force.

The event drew more than 8,000 registered attendees and 500 exhibitors. Attendees and businesses came from near and far with more than 20 representing companies with a presence in the San Fernando, Conejo, and Santa Clarita valleys, and east Ventura County.

Does the wrong perception about U.S. manufacturing frustrate these industry professionals?

Ray Elledge, manager of industry development with California Manufacturing Technology Consulting, said the general perception is not so much frustrating as it is perplexing. After all, he said, California is “the manufacturing center of the planet.”

A 2011 report from the Los Angeles County Economic Development Corp. called the six counties of Southern California “a national powerhouse” when it comes to manufacturing. Los Angeles County alone was responsible for 3.3 percent of the nation’s manufacturing jobs in 2009, according to figures from the Bureau of Labor Statistics. That is more than 40 states’ worth.

Not only is business-to-business manufacturing thriving in the U.S., the industry has entered a “renaissance” period, said Mark Tomlinson, the CEO and executive director of the Society of Manufacturing Engineers, the trade group behind Westec.

The perception problem starts with the mistaken notion that manufacturing is repetitive assembly work. In reality, Tomlinson said, it is work defined by four words: parts, process, machines, and systems.

“It starts with creation and ends with the supply chain and delivery mechanisms,” Tomlinson added.

More good news for manufacturing arrived a week before the Westec show when Boston Consulting Group released a report forecasting two million to three million new manufacturing jobs by 2015 as U.S. companies find it economical to make their products at home rather than overseas.

It didn't take much to get people at Westec talking about “re-shoring” or “insourcing” — the terms applied to manufacturing work returning to the U.S.

A rise in wages in China, coupled with higher transportation costs, is making certain manufacturers reconsider making products overseas.

Then there are what CMTC's Elledge called the “vampire costs” or hidden, budget-busting costs that are not apparent at first. These include the cost of international phone calls, expensive travel, language barriers, and the complexity of scheduling shifts across different time zones.

The benefits of domestic production often are overlooked but they are important to consider. “To be able to walk down from the design department onto the production floor to correct a problem has a multiplying effects on savings,” Elledge said.

Manufacturers in the Valley region are competing with China for a host of reasons. Delta Tau Data Systems Inc., a motion control systems manufacturer in Chatsworth, increased its use of automation to make its products.

Automation has become more efficient, accurate and has increased product quality, which has Delta Tau undercutting Chinese competition by about 5 percent, said Dominic Dimitri, the head of sales and marketing.

“It took about five or six years of constant tweaking to get there,” Dimitri said.

Ray Ariss is the president and CEO of Inductronix, the manufacturer of an induction heating device for soldering, heat treatment, and alloy casting. At his booth at Westec, Ariss demonstrated the device by heating up a titanium rod and then cooling it in a bottle of water.

Inductronix has corporate offices in Camarillo and development offices in Anaheim. The heating device, which uses a radio frequency field, is made by an East Coast contract manufacturer, an expense that Ariss is willing to pay.

“Yes, it costs more and gross profits are lower,” Ariss said. “So what? It's not going to kill my business.”

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