CBI
Ministry of Foreign Affairs

What is the demand for apparel on the European market?

October 2020

Part of the Netherlands Enterprise Agency (RVO.nl)

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European Union - A strong apparel market

TURNOVER

€162

billion (2019)

YOY:
-1.8%

IMPORT

€177.3

billion (2019)

AGR (2014-19):
5.0%

EXPORT

€126

billion (2019)

AGR (2014-19):
5.9%

GROWTH TRENDS OF TOP 6 EU COUNTRIES

Germany, France, UK, Spain, Netherlands and Italy; Poland with clear growth

CHINA – BIGGEST EXTRA EU IMPORTER

Showing signs of decline, leaving opportunities for other developing countries

KNITWEAR

The biggest product segment

FASHION & ACTIVE SPORTWEAR

The fastest growing and most attractive product segment

YOY: Year over year growth rate
AGR: Average growth rate

Tips to increase your chance of success in the EU apparel market

Focus efforts on top six EU markets – Germany, France, UK, Spain, Netherlands and Italy – and maybe Poland also while closely observing opportunities of other EU countries

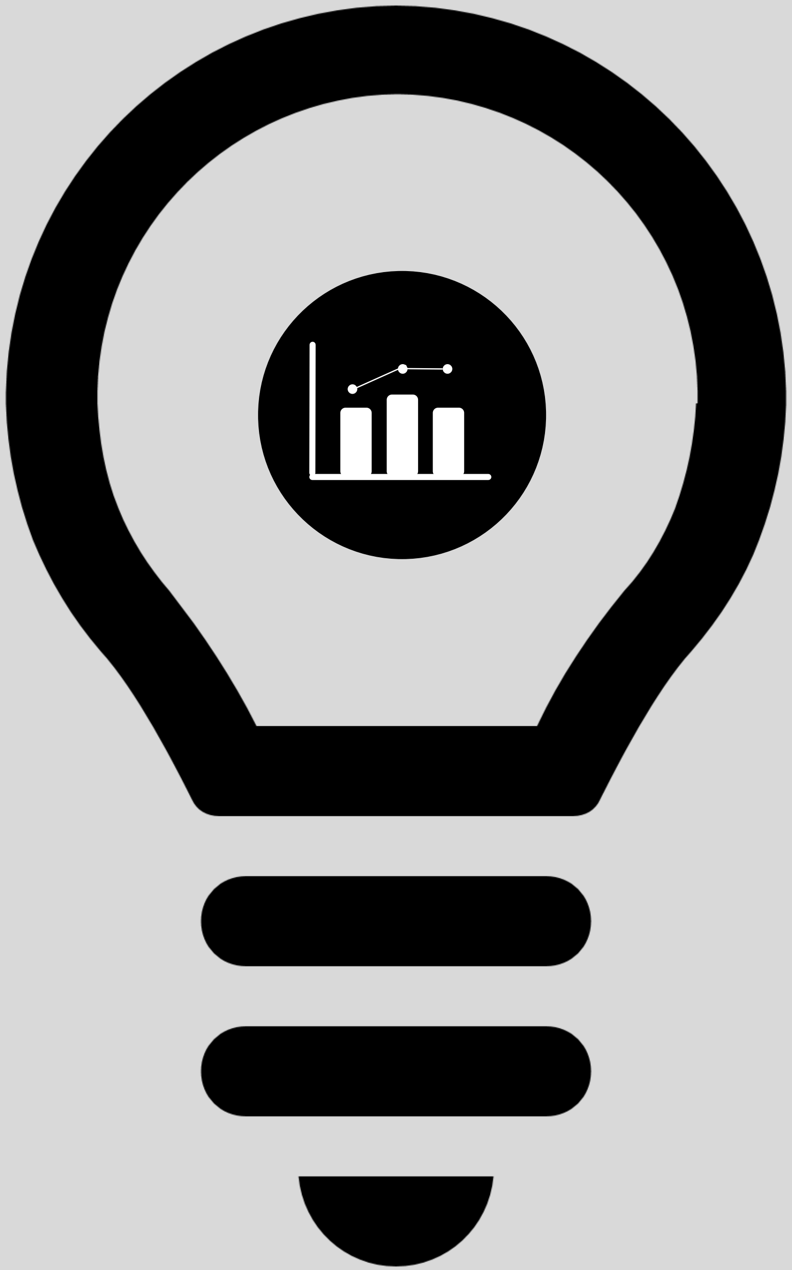
Understand European buyers with regard to their needs for alternatives to Chinese products and have convincing answers ready surrounding competitive costs with high quality, design and technical capacities which are more environmental friendly

Learn consumers' new habits and perceptions, including new trends about sustainability or wellness, and offer suitable products supported with an impactful marketing campaign via both traditional and new channels.

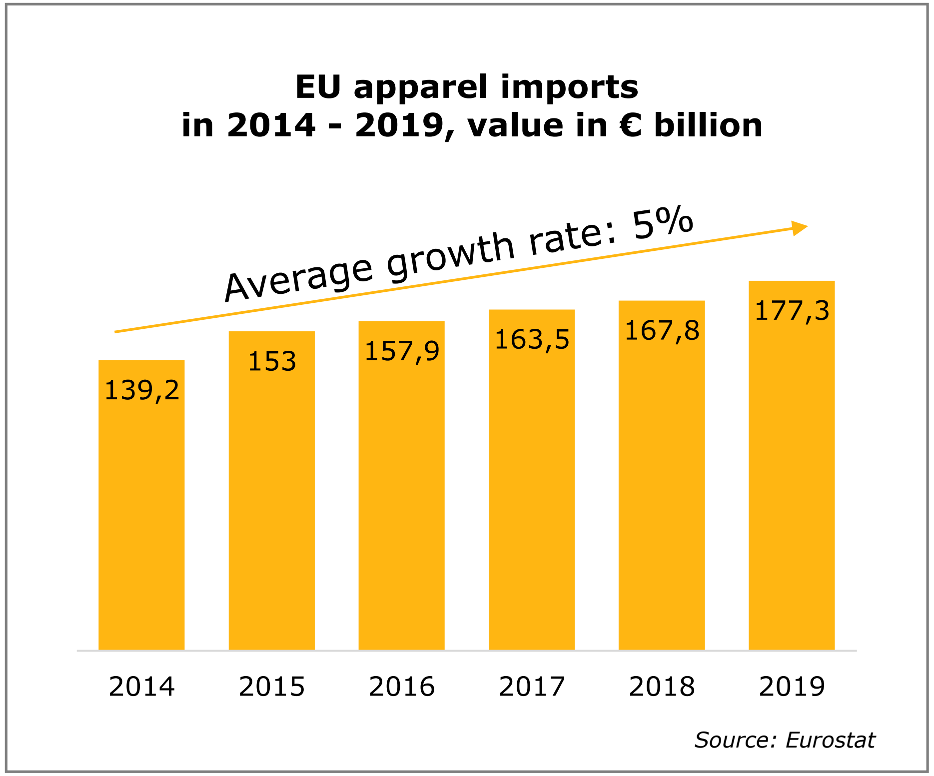
Successfully exporting products to Europe requires many decisions. Read this CBI study to learn about different topics ranging from payment terms to packaging, this CBI study to understand key requirements in the EU, and this CBI study to get tips on client acquisition.

1

What makes Europe an interesting market for apparel?



European Union - A major market for apparel exporters



21.3% of the global apparel and textile import value (2019) is imported by the EU; the largest apparel and textiles importer

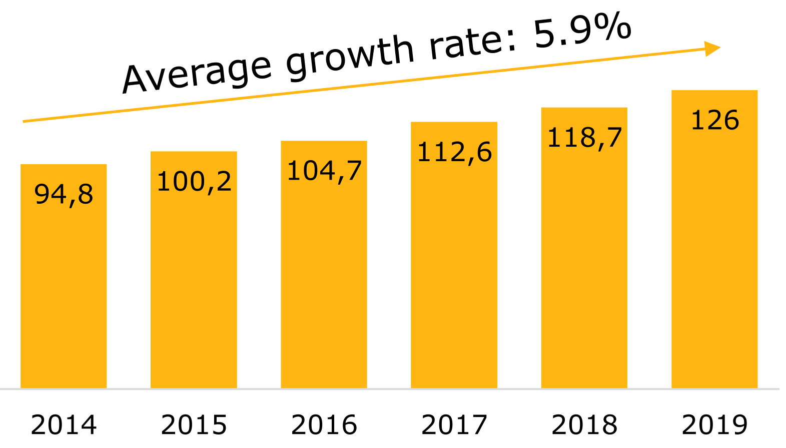
34.0 billion units (2019) up from 31.0 billion units in 2014

71.7% of EU apparel import value (2019) is from Germany, France, the UK, Spain, the Netherlands and Italy (top 6) together

Poland is a sizable market in EU with high growth in imports

European Union - A large re-exporter of apparel

Top 6 EU apparel exporters in 2019, value in € billion



Source: Eurostat

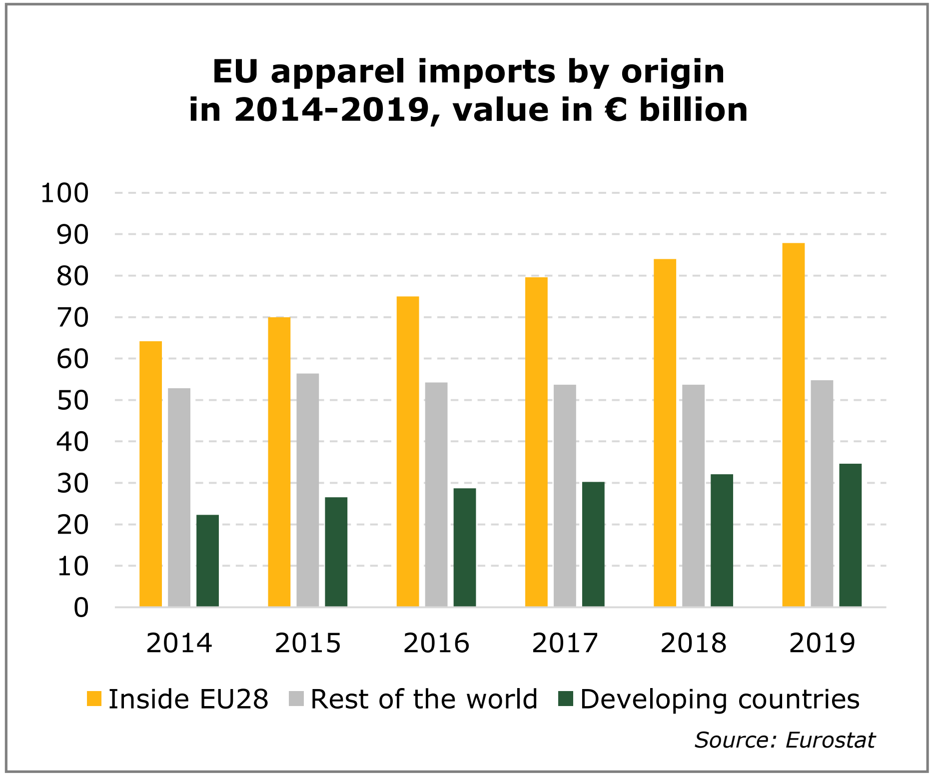
21.7% of the global apparel & textile export value (2019) is from EU, ranked second behind China

75.7% of EU apparel export value (2019) is exported to other countries in EU

70.6% of EU apparel export value (2019) is from Italy, Germany, Spain, the Netherlands, France and the UK together

Poland is the EU's 8th largest apparel exporter with 12.0% average annual growth in the 2014-19 period

Imports from developing countries growing faster than the EU's overall import rate



49.6% of EU apparel import value (2019) is from inside the EU, up from 46.1% in 2014.

30.9% of EU apparel import value (2019) is from the rest of the world, down from 37.9% in 2014

19.5% of EU apparel import value (2019) is from developing countries, up from 16.0% in 2014

9.2% average annual rate (2014 – 19) of imports originating in developing countries

Top extra-European Union apparel exporters

Top 10 extra-EU exporters to EU in 2019, value in € billion; average annual growth 2014-19

Country	Value	5-yr. growth
China	€27.1	↓-1.2%
Bangladesh	€17.7	↑9.7%
Turkey	€10.3	↑1.9%
India	€5.4	↑1.0%
Cambodia	€4.0	↑12.4%
Vietnam	€3.7	↑10.4%
Pakistan	€3.3	↑8.9%
Morocco	€2.8	↑3.6%
Myanmar	€2.4	↑59.6%
Tunisia	€2.0	↓0.6%

Source: Eurostat

Asian countries have been dominating Europe's apparel imports.

the largest apparel exporter to the EU

Despite a 1.2% decline in annual average growth in 2019, China solidly remained the largest apparel exporter to the EU with a 15.3% share, followed by Bangladesh (10%) and Turkey (5.8%)

Its fast fashion volume business is expected to move to other developing country suppliers.

Myanmar's apparel export value to the EU has grown the fastest, at a 59.6% annual average from €253 million in 2014 to €2.4 billion in 2019. Other strong growers include Cambodia, Vietnam, Pakistan and Bangladesh.

Top intra-European Union apparel exporters

Top 10 intra-EU exporters to EU in 2019, value in € billion; average annual growth 2014-19

Country	Value	5-yr. growth
Germany	€18.1	↑8.7%
Italy	€10.9	↑5.2%
The Netherlands	€9.4	↑9.4%
Spain	€8.4	↑8.8%
France	€6.8	↑6.1%
Poland	€6.4	↑17.1%
Belgium	€6.0	↑4.1%
United Kingdom	€4.7	↑5.1%
Denmark	€3.0	↑4.9%
Romania	€2.1	↓-2.6%

Source: Eurostat

In 2019, Germany and Italy both dominated intra-EU apparel imports with a combined 16.4% share, followed by the Netherlands (5.3%), Spain (4.7%) and France (3.8%).

Countries which have increased their shares of EU apparel imports during 2014–19 are Germany, Italy, the Netherlands, Spain, France and Poland.

the fastest growth between 2014-19

Poland's intra-EU apparel exports increased in value to €6.4 billion in 2019 from €2.9 billion in 2014, at an average 17.1% per year.

Other strong growers after Poland were the Netherlands, Spain and Germany.

COVID-19 - impact on the apparel industry

Key figures

3%	drop in global trade values in Q1 2020
11.5%	drop in EU imports in Q1 2020
28.1%	drop in production among EU's clothing sector in Q1 2020
22.4%	drop in the sales volumes of textiles, clothes and footwear in specialised shops in EU between Feb–Jun 2020
17.4%	increase in the sales volumes of textiles, clothes and footwear via the Internet in EU between Feb–Jun 2020

Key impacts

- Due to lockdowns, consumers no longer need to purchase clothes as frequently or at all.
- Many European fashion companies have put all their orders on hold or have even cancelled them.
- Lockdowns in many countries around the world lead to difficulties in shipment.
- COVID-19 could trigger the biggest economic contraction since World War II, affecting all industries from finance to hospitality.

Please refer to this CBI study for tips to respond to COVID-19 in the apparel sector

Tips to prepare for entry into the EU apparel market

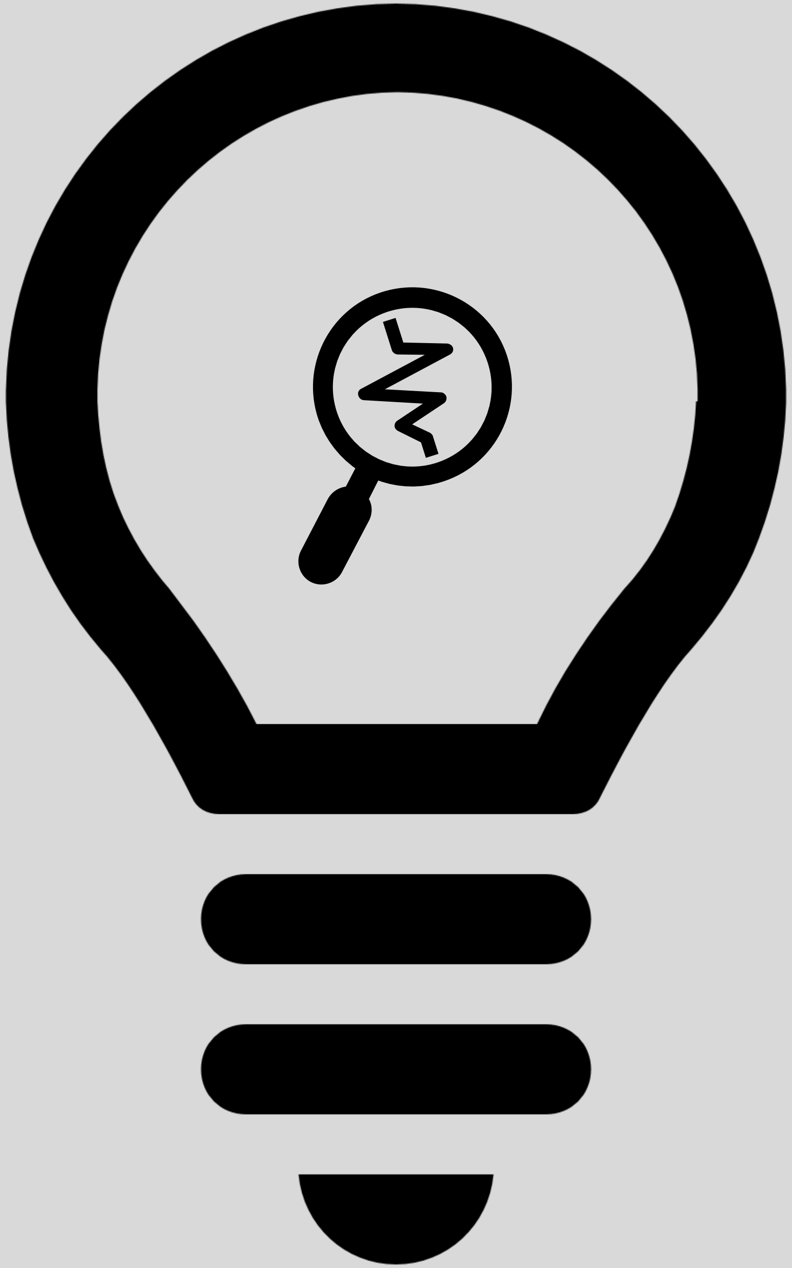
Be ready to compete against other suppliers for big buyers from the top six markets (Germany, France, the United Kingdom, Spain, the Netherlands and Italy). You can do this by 1) monitoring other suppliers' offerings and 2) building trust so that buyers reveal their real needs and expectations.

Many EU clients may slowly move away from China, mainly because of raising costs and a negative reputation ("Made in China" is seen as synonymous with "low quality" and poor working conditions), or become more captive to suppliers from other countries, so make sure to your sales pitch ready for when an opportunity presents itself.

Monitor the impact of COVID-19 and be ready with immediate "must-do's" as well as medium and long-term actions to overcome setbacks and seize new opportunities

2

Which European markets offer most opportunities for apparel exporters?



Top EU importers of apparel

Top 10 EU importers of apparel in 2019, value in € billion; average annual growth 2014-19

Country	Value	5-yr. growth
Germany	€34.9	↑4.4%
France	€22.4	↑3.5%
United Kingdom	€20.7	↑2.6%
Spain	€17.8	↑7.0%
Netherlands	€16.1	↑6.4%
Italy	€15.2	↑3.9%
Belgium	€8.2	↑2.7%
Poland	€7.5	↑14.1%
Austria	€6.1	↑5.6%
Sweden	€4.4	↑5.2%

Source: Eurostat

Western European apparel markets are larger and more developed than Central and Eastern European markets. While Eastern European markets, especially Poland, are growing at much higher rates than those in Western Europe, they are still comparatively small.

71.7% of EU apparel import value (2019) is from the top 6 countries together. These are Germany, France, the United Kingdom, Spain, the Netherlands and Italy

The fastest growing EU markets for apparel imports were Romania (14.7%), Poland (14.1%) and Hungary (11.8%) between 2014-19. These three countries together, however, accounted for only 6.1% of the EU apparel imports. Poland is a market to watch, being the eighth largest importer with a high growth rate.

Germany has the biggest apparel import value with a declining share of imports from China

IMPORT VALUE

€34.9

billion (2019)

AGR (2014-19):
4.4%

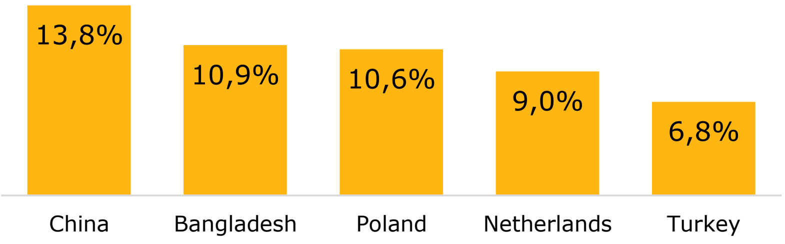
IMPORT VOLUME

6.4

billion units
(2019)

AGR (2014-19):
1.7%

SHARE OF EXPORTS OF TOP 5 EXPORTERS



IMPORT DYNAMICS

- Intra-EU imports grew at a much higher five-year rate (8.4%) than Extra-EU imports (1.2%).
- In the last five years, China's share decreased from 21.9% to 13.8%.
- Poland increased its shares of imports significantly and Bangladesh also grew its share.

IMPORTANT MARKET PLAYERS

- Leading brands: Hugo Boss, Adidas, Escada, Tom Tailor, Jil Sander, Joop!, PUMA
- Leading retailers: Zalando, C&A, H&M, Peek & Cloppenburg, KiK, New Yorker, Takko, s.Oliver

Source: M-Brain analysis based on Eurostat data

France decreases its import from China by 5.1% but China is still the main supplier

IMPORT VALUE

€22.4

billion (2019)

AGR (2014-19):
3.5%

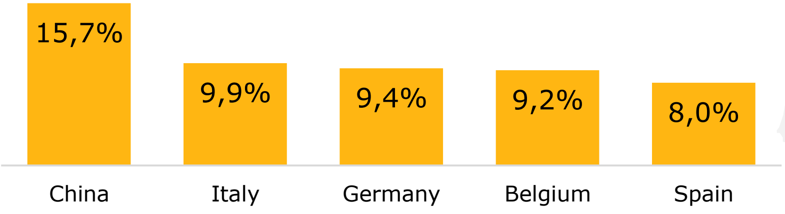
IMPORT VOLUME

3.6

billion units (2019)

AGR (2014-19):
0.4%

SHARE OF EXPORTS OF TOP 5 EXPORTERS



IMPORT DYNAMICS

- Intra-EU imports grew at a higher rate than extra-EU, 3.8% and 3.3% respectively;
- In five years, China's share of imports decreased by 5.1%. Belgium also decreased;
- The Netherlands, Spain, Vietnam and Bangladesh grew their shares.

IMPORTANT MARKET PLAYERS

- Leading brands: Louis Vuitton, Chanel, Dior, Givenchy, Yves Saint Laurent, Balenciaga, Hermès, Balmain, Lacoste
- Leading retailers: Amazon, Decathlon, Galeries Lafayette, Kiabi, La Halle, Camaieu, C&A, H&M

Source: M-Brain analysis based on Eurostat data

The UK's total import volume decreases but intra-EU import volume has grown significantly (7.6%)

IMPORT VALUE

€20.7

billion (2019)

AGR (2014-19): **2.6%**

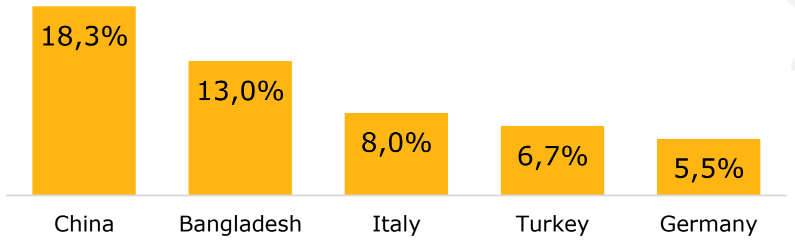
IMPORT VOLUME

3.6

billion units (2019)

AGR (2014-19): **-3.4%**

SHARE OF EXPORTS OF TOP 5 EXPORTERS



IMPORT DYNAMICS

- Intra-EU import volume grew by 7.6% compared to 0.2% growth for extra-EU imports;
- China lost 7.7% in market share in the last five years. Turkey and India have also declined;
- Bangladesh, the Netherlands, Italy and Germany grew their market shares.

IMPORTANT MARKET PLAYERS

- Leading brands: Alexander McQueen, Burberry, Stella McCartney, Temperley London, Vivienne Westwood
- Leading retailers: ASOS, Marks&Spencer, Next, Primark, Arcadia, Debenhams, New Look, TKMaxx, H&M

Source: M-Brain analysis based on Eurostat data

The growth of Spain’s import value is the highest among the top 6 EU countries

IMPORT VALUE

€17.8

billion (2019)

AGR (2014-19):
7.0%

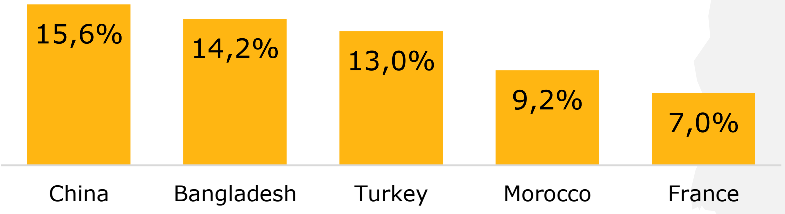
IMPORT VOLUME

3.3

billion units (2019)

AGR (2014-19):
4.5%

SHARE OF EXPORTS OF TOP 5 EXPORTERS



IMPORT DYNAMICS

- Extra-EU imports grew at a five-year rate of 8.5%, while intra-EU imports grew at 3.9%.
- Imports from China, Portugal, Vietnam and Italy decreased over five years.
- Imports from Bangladesh, Turkey, Cambodia and Myanmar grew during the same time.

IMPORTANT MARKET PLAYERS

- Leading brands: LOEWE, DELPOZO, Adolfo Dominguez, Desigual, Bimba y Lola, Uterqüe
- Leading retailers: El Corte Ingles Group, Mango, Tendam, Stradivarius, Bershka, Massimo Dutti, Pull and Bear, Oysho

Source: M-Brain analysis based on Eurostat data

The Netherlands still imports a relatively high share from China - highest in top 6 EU importers

IMPORT VALUE

€16.1

billion (2019)

AGR (2014-19):
6.7%

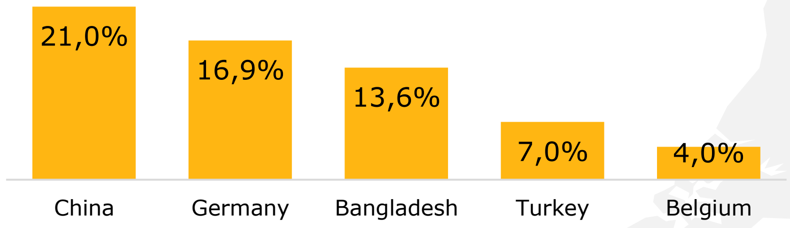
IMPORT VOLUME

3.2

billion units (2019)

AGR (2014-19):
1.7%

SHARE OF EXPORTS OF TOP 5 EXPORTERS



IMPORT DYNAMICS

- Average annual growth rate of intra-EU imports (10.5%) was higher than extra-EU imports (4.7%). Imports from China, Turkey, Poland and Bangladesh dropped in the last five years.
- Imports from Germany, Myanmar and Vietnam grew during the same time.

IMPORTANT MARKET PLAYERS

- Leading brands: Scotch & Soda, Laundry Industry, Mexx, Viktor & Rolf
- Leading retailers: G Star, WE, C&A, H&M, Zalando

Source: M-Brain analysis based on Eurostat data

Italian intra-EU import is growing significantly

IMPORT VALUE

€15.2

billion (2019)

AGR (2014-19):
3.9%

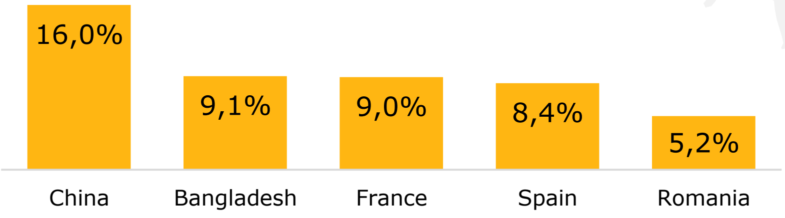
IMPORT VOLUME

2.5

billion units (2019)

AGR (2014-19):
1.3%

SHARE OF EXPORTS OF TOP 5 EXPORTERS



IMPORT DYNAMICS

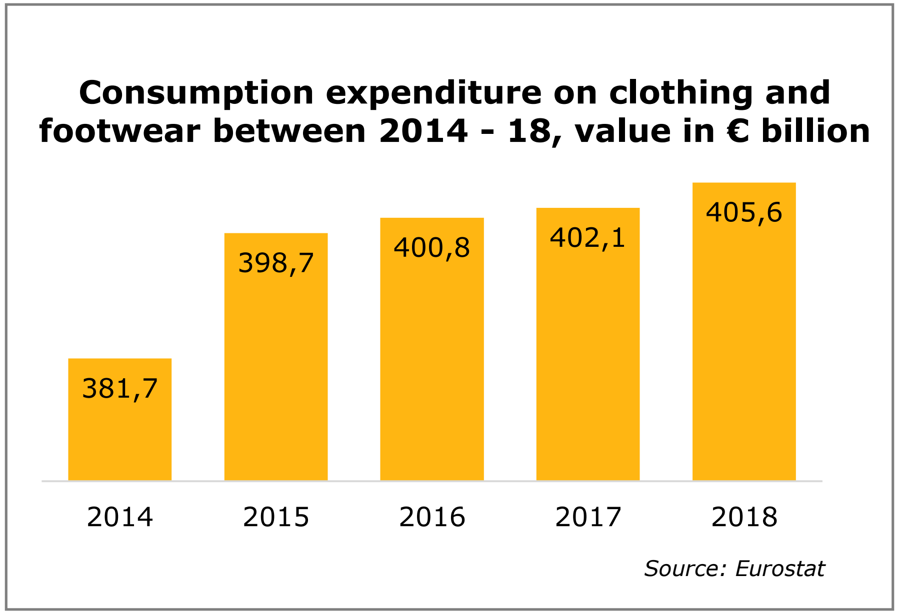
- Intra-EU imports grew more than extra-EU imports at an average annual growth of 5.8% versus 2.4%.
- China lost 6.1% of market share. Romania Turkey and Tunisia also observed declines.
- Spain, France and Bangladesh grew their market shares by 1.9%, 1.2% and 1.6%, respectively.

IMPORTANT MARKET PLAYERS

- Leading brands: Armani, Prada, Zegna, Dolce & Gabbana, Valentino, Salvatore Ferragamo, Versace, Gucci.
- Leading retailers: Yoox, Benetton, Calzedonia, H&M, Max Mara, Teddy, Rinascente

Source: M-Brain analysis based on Eurostat data

European households are spending more on clothing and footwear



Growing consumption expenditure on clothing and footwear between 2014–18

EU countries with the highest share of household expenditure spent on clothing and footwear: Estonia (6.2%), Italy (6.1) and Lithuania (6%)

EU countries with the lowest share of household expenditure spent on clothing and footwear: Bulgaria (3.2%), Czech Republic and France (3.6% each) and Hungary (3.7%)

The United Kingdom, the third largest European importer of apparel and third largest European export market for developing country suppliers, finally left the EU in January 2020.
Trade conditions for developing countries seem to be determined on a case-by-case basis.

Top EU importers from developing countries

Top 10 EU importers from developing countries, 2019
value in € billion; average annual growth 2014-19

Country	Value of developing country imports	5-yr. growth	Developing country share of imports
Germany	€7.07	↑8.8%	20.2%
Spain	€6.22	↑13.5%	34.9%
United Kingdom	€4.77	↑6.3%	23.0%
France	€3.98	↑7.1%	17.8%
Netherlands	€3.81	↑6.9%	23.7%
Italy	€2.88	↑6.0%	18.9%
Belgium	€1.73	↑5.2%	21.2%
Poland	€1.08	↑41.9%	14.4%
Denmark	€0.92	↑16.5%	22.5%
Sweden	€0.76	↑13.2%	17.4%

Source: Eurostat

83% of EU apparel imports from developing countries (2019) are from Germany, Spain, United Kingdom, France, the Netherlands and Italy together.

Germany is the single largest apparel importer from developing countries (2019, in value)

Spain has the strongest growth (2014–19) among the top six EU importers from developing countries.

Poland has the strongest average annual growth in imports from developing countries, followed by Austria and Denmark. Poland's largest clothing company controls Reserved, Cropp, House, Mohito and Sinsay brands.

Other EU importers from developing countries

Apparel imports from developing countries into other Eastern European markets are still very small in comparison to the top EU markets.

Apparel imports from developing countries

€85.6
million (2019)

€12.4
million (2019)

Other countries

Below €12.4
million (2019)

Some emerging brands from Eastern Europe include Dzhus, RCR Khomenko, Anna K, The Knotty Ones, Nehera.

Despite the low base, apparel imports from developing countries into other Eastern European markets such as Romania, Hungary, Lithuania, Bulgaria and Latvia are growing at very high annual growth rates. These countries may not be major markets yet for suppliers from developing countries but should be observed for future opportunities.

Average import unit prices have increased the fastest in the United Kingdom

Average unit prices of intra and extra-EU imports at top 6 EU importers, 2019 value in €; Five-year change 2014-19

Country	Average unit price of intra EU imports	5-yr. change	Average unit price of extra EU imports	5-yr. change
Germany	€9.06	+€1.83	€3.96	+€0.04
Spain	€7.60	+€0.81	€4.88	+€0.67
United Kingdom	€15.89	+€4.38	€4.12	+€0.80
France	€7.63	+€0.94	€5.16	+€0.80
Netherlands	€9.57	+€1.11	€3.79	+€0.70
Italy	€9.10	+€1.57	€4.70	+€0.31

Source: Eurostat

Highest prices: Scandinavian countries
Lowest prices: Eastern European countries

Denmark the highest prices for clothing and footwear in 2018 (38.8% higher than the EU average), followed by Sweden (26.2%) and Finland (20.9%)

Bulgaria the least expensive country for clothing and footwear (22% lower than the EU average), followed by Romania (17.5%) and Hungary(12%)

Apparel imported from other European countries is typically 1.5 to 3.9 times more expensive per unit than apparel imported from outside the EU. More specifically for imports from developing countries, average unit prices have declined in Germany and Italy in the last five years, whereas in other top EU import markets the prices grew. Spain had the highest price growth for apparel imports from developing countries in the last five years.

Tips on how to quickly get established in the EU apparel market

- Provide competitive offers for mass production and develop your capacities for high-value items and accessories to provide a cheaper and reliable alternative to Chinese production
- Reach out to major brands and retailers that are successful in many European countries, such as H&M, for potential subcontracting opportunities
- Visit the apparel page of CBI Market Information to find information that helps you get your garments or apparel products on the European market
- Monitor the economic impact of Brexit, understand the UK customs import tariff that will replace the standard EU customs import tariff after the end of the transition period

3

Which products from developing countries have the most potential on the European apparel market?

EU apparel import value by product category

EU apparel import value by product category, 2019 in € billion; average annual growth 2014-19

Product category	Value	5-yr. growth
Knitwear	€21.5	↑4.9%
Pants, trousers and shorts	€16.1	↑4.7%
Bodywear	€15.3	↑3.8%
Fashion sportwear	€15.2	↑7.2%
T-shirts	€13.7	↑5.0%
Coats, jackets, blazers	€11.0	↑5.4%
Dresses	€11.2	↑9.4%
Denim	€9.2	↑3.6%
Women’s tops, blouses shirts	€7.6	↑1.8%
Men’s shirts	€7.6	↑2.1%
Babywear and children’s wear	4.0	↑3.8%
Active sportswear	3.1	↑9.7%
Leather	2.9	↑0.2%
Skirts	2.6	↑6.9%
Swimwear	2.2	↑8.5%
Suits and ensembles	1.5	↓-0.8%
Other product categories	32.6	↑5.2%
TOTAL	**177.3**	**↑5.0%**

Source: Eurostat

Knitwear is the largest apparel category imported into the EU with €21.2 billion in value (2019), accounting for 12.2% of all apparel imports

46.1% of all apparel imports to the EU (2019) consists of pants, trousers and shorts, bodywear, fashion sportswear and T-shirts

Active sportswear is the fastest growing product category (9.7%) by import value, while the other top categories each grew between 7.2% and 9.4% per year

Suits & ensembles were the only product categories whose imports declined in that period with 0.8% drop on average (2014-2019)

Sustainable clothing and wearables are the emerging categories

Sustainable
apparel category growing steadily in the EU

- Europe, especially Northern Europe, is a major market for sustainable apparel exports.
- Despite increased demand for sustainable apparel, European consumers are not always willing to pay more for this product category, although this is slowly changing
- There are regulatory initiatives at national and European level promoting sustainability, including the Dutch Agreement on Sustainable Garment and Textile. On the supply side, the number of sustainable brands is growing and all the leading labels and retailers are implementing various sustainability strategies and measures.

Wearable technology and smart clothing

- The European wearables market is estimated to reach 72.8 million units in 2020 (around €11 billion). Examples of wearable technology include fitness tracking bands, such as Fitbit, Runtastic, Mio and Misfit; smart sports bras; smart watches, such as the Apple Watch; smart glasses, such as Google Glass and Sony's SmartEyeGlass; wearables for pets and outerwear, such as jackets with built-in LEDs.
- While the smart clothing segment is not growing very fast in Europe yet, due to popularity, some analysts believe that smart clothing is a promising future market.

EU import value from developing countries by product

EU apparel import value from developing countries by product category (2019) in € billion, annual average growth 2014–19

Product category	Value	5-yr. growth
Pants, trousers and shorts	€4.8	↑7.3%
Knitwear	€4.7	↑9.0%
T-shirts (men's and women's)	€3.9	↑5.8%
Denim	€2.9	↑5.4%
Fashion sportwear	€2.4	↑19.4%
Men's shirts	€2.1	↑4.6%
Bodywears	€2.2	↑12.3%
Women's tops, blouses, shirts	€1.2	↑6.3%
Dresses	€1.3	↑14.3%
Coats, jackets, blazers	€1.3	↑16.3%
Babywear and children's wear	€0.9	↑10.7%
Leather	€0.34	↓-1.4%
Skirts	€0.38	↑9.0%
Swimwear	€0.29	↑11.1%
Active sportwear	€0.30	↑17.6%
Suits and ensembles	€0.12	↑3.9%
Other product categories	€5.4	↑12.6%
TOTAL	€34.6	↑9.2%

Source: Eurostat

€18.7 billion in value (2019), 54.1% of all developing country apparel exports to the EU consists of knitwear, pants, trousers and shorts, T-shirts, denim and fashion sportswear

Fastest growth categories in import from developing countries are fashion sportswear, active sportswear and coats, jackets and blazers

Fashion sportswear shows an average annual growth of 19.4%

Developing country exports accounted for 27.6% to 31.5% of all imports in denim, pants, trousers and shorts, T-shirt and men's shirts, which are focused categories for developing countries. Other growing categories were knitwear, bodywear, and coats, jackets and blazers.

Average unit prices of imports originating from developing countries

Average unit prices of imports originating from developing countries by selected product category, 2019 in €, five-year change

Product category	Value	5-yr. change
Coats, jackets, blazers	€13.9	+€0.26
Fashion sportwear	€11.49	+€1.09
Denim	€7.27	+€0.30
Suits and ensembles	€7.01	-€1.24
Pants, trousers and shorts	€6.00	+€0.21
Dresses	€5.51	+€0.43
Skirts	€5.12	+€1.08
Knitwear	€5.05	+€0.34
Men’s shirts	€4.49	+€0.39
Women’s tops, blouses, shirts	€4.31	+€0.38
Swimwear	€4.09	+€0.26
Leather	€3.84	-€1.94
T-shirts (men’s and women’s)	€1.79	+€0.13
Bodywear	€1.26	+€0.12
Overall average for imported apparel items	€3.83	+€0.37

Source: Eurostat

- Average unit prices of apparel imported to the EU from developing countries vary greatly depending on the product.
- Most product categories have seen positive price development in the last five years.
- Coats, jackets and blazers, and fashion sportswear cost more and have average unit import prices of €13.90 and €11.49 respectively.
- T-shirts and bodywear are low-value apparel with average import unit prices of €1.79 and €1.26 respectively.
- Skirt prices increased the most from an average unit price of €4.04 in 2014 to €5.12 in 2019
- Prices of two categories went down in 2014–2019: Leather (by 50.5%) and suits and ensembles (by 15%)

Tips on how to decide on the most potential apparel items to export to EU

Utilise the potential of sportwear which has shown significant growth in the past years. See the CBI study Exporting Sportswear to Europe for more details.

Take advantage of opportunities for items with a higher unit price, such as dresses. Learn about trends and follow the new trends to offer items that best fit consumers' taste.

Unit prices for leather as well as suits and ensembles have been declining; to be successful, it is best to have exceptional unique selling points.

Sustainability is undeniably a long-term tendency. It is necessary to understand these expectations and focus not only on materials or zero-CO2 manufacturing, but on the entire supply chain to sustainably capture the hearts and minds of consumers.

This study has been carried out on behalf of CBI by M-Brain GmbH.

Please review our market information disclaimer.

Do you have a question about this research?

Ask a question

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