The European market potential for babywear

Last updated:
05 July 2022

The Babywear import market is worth approximately €7.3 billion in Europe, and it is split between Babies' garments, clothing and accessories, knitted or crocheted, which accounts for up to 77% of the value, and Babies' garments and clothing accessories, non-knitted and non-crocheted, which cover the remaining 23%. The market is growing at an average annual compound rate of 2.1%.

The European Babywear market follows the general apparel trends related to sustainability, technological innovation and increased emphasis on corporate and social responsibility. For more information, see the CBI study on Trends in the Apparel market. Aside from these general trends, the Babywear market has its own, segment-specific trends: declining birth rates coupled with increasing purchasing power, fashion consciousness of children and parents, and the growing importance of organic clothing.

Contents of this page

1. Product description

Babywear includes clothing designed for and worn by babies and toddlers from 0 to 2 years of age. This segment includes the following categories: Babies' garments, clothing and accessories, knitted or crocheted and non-knitted and non-crocheted, of wool or fine animal hair, cotton, synthetic fibres and of other textile materials (HS Codes include: 6111, 61111000, 61111010, 61111090, 61112000, 61112010, 61112090, 61113000, 61113010, 61113090, 61119000, 6209, 62091000, 62092000, 62093000, 62099000).

Sizing in Babywear is based on the height of the child and in some markets on age, or on both. Up to the age of 2 years, sizes in Europe are expressed in months (e.g. 0-3 months, 3-6 months, etc.). Babywear sizes vary across the European countries, especially between Northern and Southern Europe, with the Northern European sizes being larger.

Babywear special requirements include washability and increasingly natural materials. Washability in high temperatures without the risk of shrinking and fading is important because babies' clothes become quite dirty. Natural materials are preferred for their wearability and hypoallergenic qualities. Babywear in Europe is manufactured primarily with cotton. Organic cotton is becoming an especially popular material as it is perceived to be better for young children and for the environment.

Figure 1: Babywear examples

Photo Source: Unsplash

2. What makes Europe an interesting market for Babywear

The Babywear market is 1 of the most lucrative markets in the garment industry, with department stores and supermarkets giving it more and more floor space. Europe is a significant world importer of Babywear. In 2021, the value of Babywear imports to Europe accounted for €7.3 billion, up from €6.6 billion in 2016. During the last 5 years, the value of the European Union's Babywear imports has been growing on average by 2.1% annually. It is expected that in the years to come, the demand for Babywear will continue to grow at a similar rate.

The European Union is also a large exporter of Babywear. In 2021, it exported €4.2 billion worth of Babywear apparel (up from €3.0 billion in 2016). EU Babywear exports grew at an average yearly rate of 7.3% between 2016 and 2021. The biggest EU exporters in 2021 were Spain (€814 million), Poland (€714 million), Germany (€546 million), France (€497 million), the Netherlands (€425 million) and Italy (€315 million). Together, these 6 countries represent over 78.2% of the EU's Babywear apparel exports. Poland, Spain, and Germany have seen the strongest export growth within this group, with an average yearly increase between 9.6% and 21.1%. In comparison, France and Italy have experienced lower average yearly increases of 1.2% and 2.7%.

Currently, 54.0% of European Babywear imports originate in extra-EU countries, and 46.0% originate in Intra-European Union countries. In 2021, suppliers from developing countries contributed 48.0% to all Babywear imports into the European Union in terms of value (down from 56.4% in 2016), and suppliers from the rest of the world accounted for 10.3% of the import value (up from 3.9% in 2016). The value of European Union Babywear imports originating from developing countries corresponded to €3.86 billion in 2021 and has grown at an average yearly rate of 0.8% since 2016.

Europe's Extra-EU Babywear imports are dominated by China, Bangladesh, and India. Together, these 3 countries account for 38.2% of all Babywear imports into the European Union. China is the single largest Babywear exporter to the EU with 16.7% of the EU imports value in 2021. It is followed by Bangladesh with 15.2%, India with 6.3% and Turkey with 4%. Other extra-EU Babywear exporters have market shares of less than 2% of the overall Babywear import value. Ukraine (+71.5%) and Myanmar (+35.7%) had the highest growth rates within the last 5 years. Ukraine's exports reached €121 million in 2021 (up from €8 million in 2016), while, on average, Extra-European Union countries experienced an average annual decrease of 0.1% during the same period.

The Intra-European Union Babywear trade is dominated by Spain, Poland and Germany. 26.6% of the total Intra-EU Babywear imports originates in these 3 markets. They are followed by the Netherlands with 4.3%, France with 4.0% and Italy with 2.8%. All these countries have increased their shares within the last 5 years.

Table 1: Top 10 Extra-EU and Intra-EU Babywear exporters to the European Union, 2021 EUR value; average yearly growth

Country	Value	5-yr growth
Top Extra-EU Babywear Exporters		

China	€1,217 million	↓-4.6%
Bangladesh	€1,106 million	↑3.9%
India	€460 million	↓-0.5%
Turkey	€289 million	↑6.2%
Morocco	€131 million	↑7.1%
Ukraine	€121 million	↑71.5%
Cambodia	€102 million	↓-2.3%
Pakistan	€89 million	↑6.9%
Myanmar	€63 million	↑35.7%
United Kingdom	€54 million	↓-22.0%
Top Intra-EU Babywear Exporters		
Spain	€680 million	↑20.0%
Poland	€668 million	↑18.8%
Germany	€592 million	↑1.6%
The Netherlands	€313 million	↑4.6%
France	€294 million	↓-7.0%
Italy	€206 million	↑2.6%
Portugal	€94 million	↓-10.4%
Belgium	€84 million	↓-8.0%
Denmark	€78 million	↓-1.7%
Slovakia	€69 million	↑1.0%

Source: Eurostat

Impact of COVID-19 on the European apparel market

The COVID-19 pandemic strongly influenced sales and processes within all segments of the fashion industry in

2020. In most European countries, many local shops had to close during the lockdowns. Some survived thanks to support from their governments, a mix of heavy discounts and a shift to digital sales. Overall, Babywear sales experienced a sales decline in 2020, although it was not as severe as in other apparel segments.

According to industry experts, the pandemic may change all market dynamics in the long run. Asian countries are expected to lose stakes due to local lockdowns and delivery problems, while companies in Africa or other regions could potentially win market share by being a reliable and present partner. Additionally, the pandemic created new trends and demands among consumers. E.g., some Chinese manufacturers have been observed providing buyers with antibacterial and antiviral fabrics.

Further information about the impact of the coronavirus and how to respond have been collected and can be found in the CBI market information about the impact of the coronavirus.

Brexit created great uncertainty

The United Kingdom left the European Union in 2020. As a result, new trade agreements for all product categories, including apparel, were needed to maintain business partnerships with countries located in the European Union and other partners worldwide.

The value of the UK's apparel imports is right behind Germany's, which would make it the second-largest market in the European Union if it were still a member of the Union. Following Brexit and the accompanying withdrawal from the European Union, the UK does not share its official trade figures with Eurostat anymore. This makes an exact and official comparison of product segments and product quantities impossible, but the overall approximate import market values are still available from the ITC Trade Map.

ITC Trade Map figures show that the United Kingdom has deeply felt the consequences of both Brexit and the COVID-19 pandemic. The value of overall apparel imports decreased from €22.2 billion in 2019 to €17.6 billion in 2021, which is an average annual decrease of 11.1% over 2 years.

At this point, the long-term consequences of Brexit cannot yet be foreseen. However, in 2021, the country experienced dramatic shortages in supermarkets and the workforce. This hampered the country's recovery from the pandemic and could turn out to be some of the long-term consequences of Brexit.

In the meantime, the European Union has initiated an EU-UK Trade and Cooperation Agreement. This is intended to facilitate trade between the countries of the Union and the United Kingdom, but it cannot fully replace the trade relationship that the UK enjoyed with the EU before Brexit. In 2021, the United Kingdom signed various trade agreements with non-EU countries.

3. Which European countries offer the most opportunities for Babywear?

Western European markets are much larger and better developed than Central and Eastern European markets in terms of supply chain organisation and quality control. The top Babywear import markets in the EU are Germany, France, Spain, Poland, Italy, and the Netherlands. These top 6 countries together account for 72.8% of Babywear imports in the EU and have been growing at an average rate of 1.5% per year in the last 5 years.

Table 2: Top 10 EU importers of babywear, 2021 EUR value; average yearly growth

Country	Value	5-yr growth
Germany	€1,334 million	↑4.8%

France	€1,245 million	↓-0.4%
Spain	€1,037 million	↑1.7%
Poland	€664 million	↑10.5%
Italy	€548 million	↓-3.7%
Netherlands	€481 million	↓-4.2%
Belgium	€287 million	↓-4.2%
Denmark	€271 million	↑19.3%
Austria	€187 million	↑5.3%
Portugal	€176 million	↑6.2%

Source: Eurostat

Table 3: Top 10 EU importers of babywear from developing countries, 2021 EUR value; average yearly growth

Country	Value of imports from developing countries	5-yr growth	Share of imports from developing countries
Austria	€25 million	↑5.1%	↑0.7%
Belgium	€105 million	↓-8.5%	↑2.7%
Bulgaria	€7 million	↑27.0%	↑0.2%
Cyprus	€5 million	↑130.0%	↑0.1%
Czechia	€2 million	↓-15.0%	↑0.1%
Germany	€582 million	↓-0.4%	↑15.1%
Denmark	€205 million	↑22.1%	↑5.3%
Estonia	€282 million	↓-11.5%	↑0.0%
Spain	€799 million	↑4.9%	↑20.7%
Finland	€10 million	↑2.8%	↑0.2%

Source: Eurostat

Germany

Germany is the largest Babywear market in Europe with a value of €1,334 million in 2021 (up from €1,054 million in 2016). Germany's fertility rate has decreased from 1.60 children per woman in 2016 to 1.54 children per woman in 2019, but prior to that, it had been showing a consistent growth trend, thanks to policies aimed at improving access to childcare, expanding maternity and paternity benefits and the influx of immigrants. In 2019, approx. 778,000 children were born in Germany.

The most popular German Babywear brands include Carolina Zapf and Ernsting Family.

In the last 5 years, the value of Germany's Babywear imports has grown at an average rate of 4.8% per year, making it the second-fastest growing Babywear market in the top 6 European countries. Currently, 55.6% of German Babywear imports originate in European countries and 44.4% in the developing countries, mainly in Bangladesh and China. The makeup of Germany's Babywear imports has been very dynamic in the last 5 years. China has lost 10.8% in market share due to its increasing prices. This void has been filled largely by Poland and Bangladesh, which are now the top 2 Babywear exporters to Germany. Austria, Poland and Spain have also marked a very strong growth in the last 5-year period.

France

France is the second-largest Babywear market in Europe with a value of €1,245 million in 2021 (down from €1,270 million in 2016). This corresponds with the fact that France has the highest fertility rate in Europe. Its fertility rate stood at 1.86 children per woman in 2019 with approx. 753,000 children were born in France that year. France's fertility rate has been growing steadily since 1995, although in the last few years it has noted a slight drop, which was reflected in the slowdown in the growth of France's Babywear imports. The most popular French Babywear brands include Jacadi, Petit Bateau, Louise Misha, Tartine & Chocolat, Bonpoint, Carrement Beau.

During the last 5 years, the overall value of France's Babywear imports declined at a compound average rate of 0.4% per year and the value of its Babywear imports from the developing countries declined at 2.6% per year during the same time. Despite the downward trend, the country remains the biggest importer of Babywear from developing countries, with 68% of its imports coming from developing country producers and 32% from other EU countries. China, Bangladesh and Spain are the biggest exporters of Babywear to France, with China responsible for 29% of the Babywear import flow. In the last 5 years, the value of Babywear exports from China declined significantly, at an average compound rate of -9.7% per year, while imports from Spain and Germany increased by 8.7% and 3.4%, respectively, indicating that there are opportunities for gaining market share from China.

Spain

Spain is the third-largest Babywear market in Europe with a value of €1,037 million in 2021 (up from €954 million in 2016). It has the second lowest fertility rate in Europe at 1.23 children per woman in 2019, down from 1.34 in 2016. In 2019, approx. 359,770 children were born in Spain. The most popular Spanish Babywear brands include Oliver Baby and Kids, Caramel Baby and Child, Tootsa and Indikidual.

In the last 5 years, the overall value of the Spain's Babywear imports has grown at an average rate of 1.7% per year but the value of Babywear imports from the developing countries has grown at a much higher yearly rate of 4.9%. Currently, 77% of Spain's Babywear imports originates in the developing countries and 23% in other European countries. While China remains the top Babywear exporter to Spain with €221 million, it is closely followed by Bangladesh with €209 million. Turkey and Morocco are expected to be encroaching on China's market share in this segment, as their 5-year compound growth is at 12% and 18%, respectively, as compared to China's 1.2%.

Poland

Poland is the fourth-largest Babywear market in Europe with a value of €664 million in 2021 (up from €403 million in 2016). In 2019, the Polish fertility rate was at 1.44 children per woman, with approx. 375,000 children born in the country in 2019. Spain is 1 of the major exporters of Babywear to Poland via its popular brands that include Zara Kids, Mango Kids, Mayoral and Tiny Cottons.

In the last 5 years, the value of Poland's Babywear imports has grown at an average rate of 10.5% per year, making it the fastest-growing market for Babywear in the top 6. At 23.4%, Poland also has the highest growth of Babywear imports from developing countries in the top 6 of European countries. Currently, 46% of Poland's Babywear imports originate in developing countries, and the remaining 54% originate in Europe. Germany, Bangladesh, Spain and China are the largest exporters of Babywear to Poland. Although Germany remains the top exporter, it has lost significant market share during the last 5 years due to an explosive growth in exports from Bangladesh and Spain (30-40% per year). Other countries that have been growing their Babywear exports to Poland during that period, include China (13.9%), India (11.6%), and the Netherlands (18.9%).

Italy

Italy is the fifth largest Babywear import market in Europe with a value of €548 million in 2021 (down from €660 million in 2016). During the last 5 years, the value of Italy's Babywear imports declined at an average rate of 3.7% per year, making it the second slowest market for Babywear in the top 6 European markets. This is in part caused by the fact that Italy has 1 of the lowest fertility rates in Europe, at 1.27 children per woman in 2019. In 2019, there were only 417,614 children born in Italy, more than 100,000 fewer than 10 years before. The most popular Italian Babywear brands include Prenatal, Susie and Toto.

Currently, 58% of Italy's Babywear imports originate in developing countries, 41% in other EU countries, and 1% in other countries. During the last 5 years, the value of Italy's Babywear imports from developing countries has been declining at an annual average rate of 5.5%. This is mainly caused by a considerable decline of imports from China and Bangladesh. China declined on average by 9.7% each year and Bangladesh by 3.3%. During the same time, Spain's exports to Italy increased on average by 24% each year.

Netherlands

The Netherlands is the sixth-largest Babywear market in Europe with a value of €481 million in 2021 (down from €596 million in 2016). The Netherlands' fertility rate was at 1.57 children per woman in 2019, with approx. 169,680 babies born in 2019. The most popular Dutch Babywear brands include Donsje and Scotch & Soda.

Currently, 62%% of the Netherland's Babywear imports originate in developing countries, 37% in other European countries and 1% in other countries. During the last 5 years, the value of the Netherland's Babywear imports declined at an average rate of 4.2% per year, while Babywear imports from developing countries declined at an average rate of 8.4%. China, Bangladesh and India are currently the biggest Babywear exporters to the Netherlands. The value of Chinese and Bangladeshi imports has been declining by approx. 11.6% each year over the past 5 years. During the same time, imports from Spain have been growing at close to 54% each year.

Tips:

- Focus your export efforts on the top 6 markets: Germany, France, Spain, Poland, Italy and the Netherlands because they are both the biggest baby apparel consumers in Europe and the biggest importers of apparel from the developing countries. All of these countries have a high acceptance of Extra-EU suppliers. France, Germany and Spain may be particularly interesting due to the high market size, imports growth and growth of sourcing from the developing countries.
- Visit the websites of the most popular Babywear brands in Europe such as H&M, Zara Kids and Petit Bateau to understand the aesthetic of European Babywear.
- Keep an eye on the development of Brexit especially if you are an exporter to the UK. Check how the

free trade agreements are impacted and whether you will be subject to new tariffs or other procedural export difficulties. Visit the website 'get ready for Brexit' for more information on Brexit and the impact on your business.
- Consider exporting to Poland, as it is currently Europe's fastest growing importer of baby apparel and apparel from the developing countries. At the moment, the penetration of its Babywear imports by developing country producers is low so there is a lot of room to grow.

4. Which trends offer opportunities threats for the European Babywear market?

The European Babywear market follows the general apparel trends related to sustainability, technological innovation, and increased emphasis on corporate and social responsibility. For more information, see the CBI study on Trends in the Apparel market. Aside from these general trends, the Babywear market has its own, segment-specific trends:

Declining birth rates coupled with increasing purchasing power

While Europe continues to be 1 of the largest markets for Babywear, it has been overtaken by Asia-Pacific in terms of size. For a number of years, the birth rates have been declining in Europe, placing pressure on the Babywear segment. Couples are starting families later in life, meaning that they can allocate a larger share of their disposable income to baby products. At the higher-end, premiumization of Babywear is creating opportunities with luxury brands also investing heavily in this market. Consumers are increasingly willing to spend serious money on premium brands for their children. Besides, the purchasing power of working women is also supporting market growth.

Kids are fashion conscious

European Babywear market has become a fashion market. The influence of social media and influencers has caused this market to evolve into a trend leader, with kids aware of trends more than ever. Instagram has become awash with both "mummy bloggers" and "kid-fluencers" who are paving the way for a new outlet for kids' fashion. Leading children's clothing retailers have significant "kids-oriented" presence on the social media especially Instagram, e.g. H&M Kids Instagram, Zara Kids Instagram, Petit Bateau Instagram or Mayoral Instagram. On the Harper's Bazaar website, you can find an overview of the top 15 kid fashion influencers on Instagram.

Organic clothing is becoming more important

European parents are increasingly interested in buying organic clothes, especially those who can afford upmarket prices. Large retail chains are setting the trend in organic clothing for children, with smaller designers and retailers following. Some examples are H&M's Conscious-Sustainable Style for Kids and Zara's Join Life sustainable collection, Britain's Frugi, Piupia, Toby Tiger, Peacheyboo or Sweden's Mini Rodini. Organic clothes are more expensive than non-organic clothes, which means that consumers also expect outstanding quality and design.

Tips:

- Consider entering the premium segment of Babywear based on the demand for higher quality children's clothes in Europe. Design and quality will be the most important aspects in this segment as it covers both the trend of rising fashion-consciousness among children and parents and the higher disposable incomes available for children's clothing. Some examples of premium segment brands include Kenzo Kids, Stella McCartney Kids, or Burberry Kids.
- Think about your sustainability strategy and consider using organic materials in your Babywear production as this is increasingly demanded and eventually will become the standard in the European

market. Organic clothing should have Global Organic Textile Standard certificate. For more information and information on sustainable materials, see the CBI Study on Sustainable Cotton.
- Follow top kid’s apparel brands social media accounts as well as the accounts of top kid fashion influencers to keep on top of the trends and to see what is popular in Europe.

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