

# Entering the European market for fashion sportswear

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Fashion sportswear has become a staple in European wardrobes and a major product category for most brands and retailers, with items that can be worn during athletic activities and non-active occasions such as work, school and casual events. If you want to export fashion sportswear to Europe, you must comply with several legal requirements and expect additional, company-specific requirements. Interesting sales channels are intermediaries, (small) brands and retailers and multi-brand online platforms. Fashion sportswear has several interesting sub-categories.

## Contents of this page

1. [What requirements must sportswear comply with to be allowed on the European market?](#)
2. [Through what channels can you get fashion sportswear on the European market?](#)
3. [What competition do you face on the European sportswear market?](#)
4. [What are the prices for sportswear on the European market?](#)

## 1. What requirements must sportswear comply with to be allowed on the European market?

If you want to sell fashion sportswear in the European market, you need to comply with several requirements, some of which are mandatory, whether they are legal requirements or not. Others are voluntary, but meeting them can give you a competitive advantage. Some requirements only apply to certain niches in the fashion sportswear market.

### What are the mandatory requirements?

There are many legal requirements for exporting fashion sportswear to Europe, including those concerning product safety, the use of chemicals (REACH), quality and labelling. Check the [EU Access2Markets online help desk](#) for an overview.

Follow these steps to ensure that your product complies with the relevant legal requirements:

Product safety. Make sure that your product complies with the EU's General Product Safety Directive ([GPSD: 2001/95/EC](#)). If your buyer supplied the product design, it is their responsibility to guarantee it is legally safe for consumers to use.

Use of chemicals. Make sure that you comply with the EU's [REACH Regulation](#). This restricts the use of chemicals in apparel and trims, including certain azo dyes, flame retardants, waterproofing and stain-repelling chemicals, and nickel.

Use of restricted substances. Ask your buyer if they use a Restricted Substances List (RSL). These are often inspired by the guideline on safe chemicals use of the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation. Download the ZDHC Conformance Guidance [here](#).

Labelling. Specify the material content of every item that you export to the EU, in accordance with EU [Regulation 1007/2011](#). Check the [EU Access2Markets online help desk](#) for information on how to do this.

Intellectual property. Do not violate any [intellectual property \(IP\) rights](#) and do not copy designs from or share designs with other buyers. If your buyer supplied the design, they will be liable in case the item is found to violate a property right.

## Special requirements for children's sportswear

The EU has a [specific standard for the safety of children's wear](#). This standard contains requirements to ensure that cords and drawstrings are placed safely on apparel for children up to 14 years. This is to avoid strangulation and choking hazard.

## Additional regulations for the use of chemicals

Some EU countries have additional national regulations for specific chemicals. For example, Austria, Finland, Germany, Norway and the Netherlands have specific regulations for formaldehyde in textiles. Austria, Denmark, Germany and the Netherlands also have specific regulations for PCP, while Germany also has regulations for dispersing dyes in textiles. Switzerland has its own regulation for chemicals, the [ORRChem](#).

## Non-legal mandatory requirements

In addition to the legal requirements mentioned above, you may be required to comply with non-negotiable terms and conditions that buyers have created for their suppliers. Such requirements are not required by law, but they are still mandatory.

## Certifications

Many buyers in Europe are increasing their demands in terms of sustainable production and social responsibility. At the very least, buyers will ask you to open your factory doors for them, so they can conduct personal inspections of your factory. Additionally, you may be requested to comply with the following independent standards.

Regarding harmful substances and organic production, European buyers may request standards such as the Standard 100 by [Oeko-tex®](#), [EU Ecolabel](#), [BCI](#) (Better Cotton Initiative), [GOTS](#) (Global Organic Textile Standard) or [Bluesign®](#).

Brands and retailers in Europe are increasingly demanding recycled content in their items, in line with a new EU-regulation that aims to promote a 'circular economy' by increasing circularity in textiles. This includes new directives about the [durability of textile products](#) and a 'right to repair' for end consumers. This is particularly relevant for the use of recycled polyester in garments. Check for the following certifications:

- The [Recycled Claim Standard \(RCS\)](#) tracks recycled raw materials through the supply chain using the chain of custody requirements of the [Content Claim Standard](#).

- The [Global Recycled Standard \(GRS\)](#) is a product standard that incorporates recycled material verification, including social and environmental responsibility criteria, as well as chemical management.

The ideal situation for European brands and retailers would be to close the loop in their own value chain. This means having end consumers return worn items. These items can then be either:

1. processed into new input materials to produce new styles;
2. repurposed, remanufactured, refurbished or repaired to be resold as a second-hand product (a fast-growing market in Europe).

Tapping into such an opportunity requires a radical new partnership between manufacturers and buyers. Suppliers should think of different strategies to take back used clothing for recycling and/or refurbishment.

Regarding social compliance [Amfori BSCI](#) (Business Social Compliance Initiative) is the most popular (and often only) certification that European buyers will require. Other popular social standards are [WRAP](#), [SEDEX](#), [ETI](#), [SA8000](#), [ISO 26000](#), [FWF](#) and [Fair Trade](#).

Supply chain transparency is another increasingly popular topic in the European apparel industry, in part motivated by ever stricter laws at both the EU and national levels. For instance, the EU's new [Corporate Sustainability Reporting Directive \(CSRD\)](#) will require all large European companies to disclose how they manage social and environmental challenges from 2023.

Transparency means you should disclose information about your own operations to buyers, but also help them gain as much insight as possible into their (and consequently your) entire supply chain, all the way to the production of raw materials.

Read about how to comply with transparency requirements on the websites of the [Clean Clothes Campaign](#) and [Human Rights Watch](#). To see how European brands are doing, check the [Fashion Revolution's Transparency Index](#). It shows how 250 apparel companies are performing in this regard. The Transparency Pledge is supported by 90 brands that have committed to publishing information about their first-tier suppliers.

### Tips:

Provide buyers with as much information about your product as possible. The more information you can give about the origin of your materials, the better.

Check the [Open Apparel Registry](#). Many European companies have published the names of their suppliers here.

Study the various required certifications for your target market. Also study the type of buyer and prepare for audits.

Other sustainability requirements may be:

- Use of organic cotton. This is cotton grown without the use of GMOs ('genetically modified organisms') and synthetic chemicals. Read more about organic cotton in the CBI study on Sustainable cotton.
- Use of fabrics blended with eco-friendly fibres. These include hemp, regenerated fibres such as Tencel®, Modal® and Refibra™ (by yarn manufacturer [Lenzing](#)), other sustainable fibres such as [Recover](#), [REPREVE](#) or [Infinited Fiber](#), or even innovative bio-based polymer fibres such as PLA, milk, seaweed and soy.
- Saving water during production by dyeing fabrics with new techniques (using CO2 instead of water) such as [Dyecoo](#).

- Fabrics dyed with only natural ingredients such as [Rubia](#), [Fibre Bio](#) or [Greendyes](#) or dyes made from recycled materials such as [Recycrom](#).

## Packaging requirements

In most cases, your buyer will give you a manual with instructions about how to package the order. If you agree with your buyer that they will clear customs in the country of import (which is the norm in the apparel industry), it is their responsibility to make sure that the instructions comply with EU import procedures. Your buyer will also appreciate any efforts you make to reduce the environmental impact (and financial cost) of the use of packaging materials.

## Payment terms

For a first-time order, European buyers may agree to a down payment (e.g. 30%). They will pay the remainder (70%) after the order has been completed. The safest payment method for you as a manufacturer is the [Letter of Credit](#) (LC). An LC obligates a buyer's bank to pay the supplier when both parties meet the conditions they have agreed upon. However, many buyers no longer favour LC payments, as this will block their cash flow. Be aware that LCs do not offer financial protection against bankruptcies!

For any further orders, most European buyers will ask for a Telegraphic Transfer (TT) after 30, 60, 90 or sometimes even 120 days. This means you as a manufacturer finish production and hand over the shipment to the buyer, including the original documents, before payment is due. Payment will be made after the number of days that you have agreed with the buyer. This is a risky payment agreement, because you are taking the full financial risk.

### Tip:

The COVID-19 pandemic and its effects have shown the negative impact of extended payment conditions for manufacturers. It is advisable to negotiate a down payment on every order and a balance payment before handover. This reduces the risk of a cancellation due to a lockdown.

## Buyer manual

When you do business with a European buyer for the first time, they will typically give you a contract and/or a manual to sign. By signing the contract, you confirm that you will comply with all the listed requirements. This means you will be held accountable in case of a problem after the delivery of an order. Complying with REACH can be particularly challenging. With small orders, most European buyers will not ask for expensive testing, but if illegal chemicals are discovered after delivery, you will bear all expenses involved.

## Acceptable quality limit

To guarantee product quality, your buyer may set an acceptable quality limit (AQL) for you. This refers to the lowest acceptable quality level. For instance, AQL 2.5 means that your buyer will reject a batch if more than 2.5% of the whole order quantity over several production runs is defective.

### Tips:

Read the CBI study [on buyer requirements](#) for an extensive overview of the legal, non-mandatory and niche requirements you will face as an exporter of leather fashion accessories to Europe.

Check the [EU Access2Markets online help desk](#) for an overview of all legal requirements set for your

product. Here you can identify your product code to get a list of requirements applicable.

Check the freely accessible [CSR Risk Check database](#) to discover the social and environmental risks associated with apparel production in your country and ways to manage them.

Do not take financial risks with new buyers. Insure your orders via an insurance company or insist on Letter of Credit.

Never agree to comply with requirements you cannot realistically meet. Always be ready to negotiate a workable solution with your (potential) buyer.

## What additional requirements do buyers often have?

In addition to non-legal, but mandatory requirements like standards and certifications, there are many services that buyers implicitly expect or at least highly appreciate if you want to do business with them. These requirements can differ from buyer to buyer.

### Product design and development

European buyers are always looking for special designs, materials or production methods that will help them stand out in the market. In recent years, the following interesting innovations have been applied to fashion sportswear entering the European market:

- Stretch materials for maximum movement and comfort
- Performance-increasing materials (for instance special knits that improve blood circulation or give extra support in specific body areas)
- Integrated wearable technologies (headphones, pedometers, heart rate and blood pressure sensors, et c.)
- Light-weight fabrics and insulation materials
- Highly breathable materials
- Moisture-wicking fabrics
- Recycled polyester
- Anti-bacterial nano-finishes that keep fashion sportswear fresh and odour-free
- UV-protection

To insure quality (and in some cases also environmentally respectful production methods), buyers may require you to source your base materials at a preferred supplier. For instance:

- [DuPont](#) for Lycra®
- [Gore](#) for Gore-tex™ and Gore-tex Infinium™
- [ECONYL®](#) for regenerated Nylon or [Waste2Wear®](#) for rPET (recycled PET)

Figure 1: The hoodie and the jogging trouser are a staple in many European's wardrobes





Photo by [whereslugo](#) on [Unsplash](#).

## Styles

Popular fashion sportswear styles include the jogging trouser (sweat pants with drawstring waistband and ankle cuffs), the sweatshirt (a sporty, comfortable cotton long sleeve shirt), the hoodie (a comfortable cotton long sleeve shirt with or without front closure and hood), the yoga pant (a very tight trouser from stretch material that started the fashion sportswear trend), T-shirt (simple jersey shirt with varying sleeve lengths and necklines) and the tracksuit (a loose top with zipper closure and a matching loose pant with drawstring waistband).

## Printing

Printed fashion sportswear items are often included in European fashion collections. There are different printing techniques: lithography (using printing plates and rollers on fabric); digital printing (inkjet and laser, allows for small production runs) and screen printing (transferring images onto fabric or garments using a fine material or mesh/film. Printing can be outsourced, but having your own printing and embroidery machines increases your flexibility.

## Communication

Smooth communication is an implicit requirement of all buyers. Always reply to every email within 24 hours. Even if it is just to confirm that you have received the email and will send a more complete reply later. If you have a problem with a production order, immediately notify the customer and try to offer a solution. Another good tip is to create a T&A (time and arrival) of every order and share it with your buyer. This file will help you to manage expectations, monitor progress and is the best guarantee of on-time delivery.

### Tip:

Be proactive and prompt in your communication. Provide short updates to your buyer via text, photo or video, using [WeChat](#), [WhatsApp](#) or [Signal](#). To make free video calls, try [Skype](#) or [Google Meet](#). Register all confirmations to prevent any unclarity in a later stage.

## Flexibility

Many factories focus only on getting convenient orders: simple designs, large quantities and long delivery times. However, if you want to start a business relationship with a European buyer, be prepared to accept complicated orders first. Buyers will want to test your factory before giving you large, easy orders. Make sure at the start that a buyer will not continue to place only difficult orders with you and convenient orders elsewhere. Every business starts with solving a buyer's problem.

Expect a European buyer to require in their first order:

- high material quality and impeccable workmanship;
- order quantities below your normal minimum order quantity (MOQ);
- a price level that is lower than you normally would accept for small quantity orders.

## Niche requirements

As a hybrid of sportswear and casual wear, there are as many subcategories in fashion sportswear as there are sports and clothing styles. Consumers increasingly wear sports items when they are not exercising, and classical casual items such as chinos and jeans take on sporty features such as stretch and breathability. Fashion sportswear is about creating clothing lines that boost performance and comfort while looking amazing

at the same time.

## Loungewear

An even more informal offshoot of the Fashion Sportswear trend is loungewear: extremely comfortable styles designed for wearing in and around the house. Check [Rituals](#) or [Anthropologie](#) for inspiration. Even before the COVID-19 pandemic forced Europeans to stay home, an increasing number of people preferred to spend more time there, both for work and recreation (the 'Netflix generation').

## Sustainable fashion sportswear

Ever more European fashion sportswear companies are using sustainable materials in their collections. Check out, for instance, UK brand [Adrenna](#) or French company [Picture](#). Buyers may focus on natural materials (for instance organic cotton or merino wool, bamboo, bio-degradable plastics), while others will require the use of recycled fabrics such as regenerated nylon and polyester. Check for inspiration this article on recycled sportswear on the [ISPO website](#).

## Special sizes

Ever more European fashion brands have started to include silhouettes in their size range for specific body types, such as plus size, petit, tall and maternity fashion. Check out, for instance, the UK brand [Tala](#). If you are a manufacturer of tubular knits, you may be required to invest in bigger machinery to make large-sized styles. Check this article by fashion consultancy Edited about [the growing market for special sizes](#).

## Adaptive wear

Adaptive apparel is a niche that caters to the individual requirements of consumer groups such as disabled people and the elderly. The target group is underserved but growing. This category has much in common with fashion sportswear, regarding styling and comfort. Be aware that adaptive wear has very specific requirements regarding safety and functionality. Check the [CBI study on Adaptive apparel](#).

## Retro styling

Following the growing interest in retro styles, many European fashion brands and retailers are adding nostalgic silhouettes, styling and prints to their fashion sportswear collections. The fit may differ from what you are used to producing.

## 2. Through what channels can you get fashion sportswear on the European market?

Before you start to approach European sportswear and fashion sportswear buyers, you need to determine what market segment fits your company best and through what channel(s) you want to sell your product. The market is segmented by price and quality. The most interesting channels to get your product on the market are intermediaries (such as private label companies), sportswear retail, (fashion) sportswear brands and fashion retailers.

### How is the end market segmented?

European fashion sportswear buyers can best be classified by price/quality level.

Table 1: Fashion sportswear market segmentation

Consumer type	Price level	Fashionability	Material use	Functionality	Order Quantities
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Luxury consumers	Very high retail prices	High comfort, fashionable designs	Highly innovative, luxury materials	Very high requirements regarding functionality and design	Low order quantities
Amateur athletes and fashionable consumers	Medium retail prices	Combination of sports and casual multi-purpose items, brand image	Good quality, sometimes sustainable materials	Low - medium requirements on functionality High on comfortability	High order quantities
Price conscious consumers	(extremely) low retail prices	Basic styles with a focus on comfort with a sporty design	Medium-low quality materials	Low functionality	High order quantities

### Luxury consumers

High fashion consumers shop at luxury brands and retailers such as [Moncler](#) or [Colmar](#) and high-fashion brands such as [Gucci](#) or [Burberry](#). These consumers expect their fashion sportswear to represent a strong brand image and the latest fashion trends in sportswear, with a focus on maximum comfort. Fashion sportswear brands in the luxury market require top-quality materials and manufacturing, the latest technical innovations and highly comfortable designs. This market is growing.

### Amateur athletes and fashionable fashion sportswear consumers

In the middle market, lifestyle sportswear brands such as [Adidas](#), [Puma](#) or [Brunotti](#) cater to amateur athletes and fashion sportswear consumers. These companies sell collections created around a brand image and offer a good-quality product for a mid-level price. Products must have the technical look of a high-end product, but retail prices are substantially lower. This market is growing.

### Price conscious consumers

The budget market includes companies such as [Decathlon](#), [H&M](#) and [Sport 2000](#), which cater to the price-conscious recreational athlete and fashion sportswear consumer. Design and technical innovation are less important, but the apparel item needs to give the impression that it is fit for its purpose and in line with the latest fashion trends. Prices are low and competition is heavy in this market segment, both with regard to retail and to manufacturing. This market is growing.

### Sustainability-conscious consumers

It is worth mentioning that an increasing number of European end consumers are willing to pay more for fashion sportswear that is produced sustainably, including consumers that shop on the second-hand market. They appreciate fashionability, but are more accepting of toned-down designs. Their requirements regarding material use and functionality are similar to those of amateur athletes and fashionable consumers.

#### Tip:

Check online shopping platforms for fashion sportswear wear such as [Yoox](#) (luxury and upper middle market segments) [Zalando](#) (all market segments) or [Asos](#) (middle and budget market) for inspiration on styles and colours.

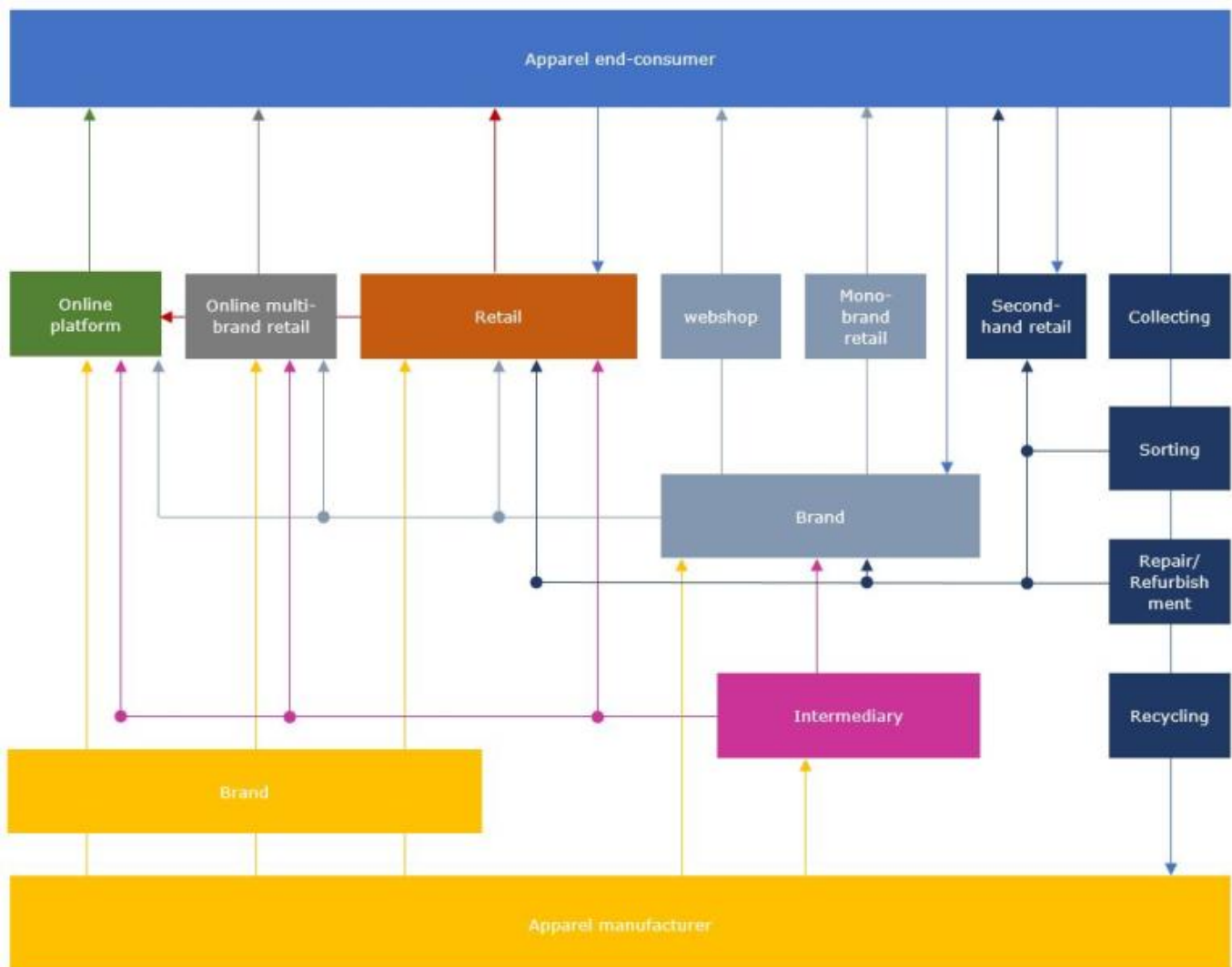
## Through what channels does the product end up on the end market?

The most marked difference among your potential buyers is their place up the value chain, because that will determine how they do business with you. Within each part of the value chain, you will find buyers of different market size, with different requirements regarding MOQ and price.

Each type of buyer requires a specific approach. Always try to find out in what part of the value chain your buyer is operating, what challenges they face in the market and how you can contribute to their sales strategy.

- If you want to target European end consumers, try selling via platforms such as [Alibaba](#), [Wish](#), [Amazon](#) or [Wolf & Badger](#) for independent brands. Most online consumers can be found in countries in Europe's northwest. You will need to invest in a web shop, stock, order management and customer service. Your biggest challenge will be return policies and a lack of brand awareness, making it difficult to find buyers outside the budget market.
- The growing second-hand market in Europe is serviced by online platforms such as [vestiairecollective.com](#), [vinted.com](#), [depop.com](#) or national websites such as [marktplaats.nl](#) (the Netherlands). Some brands and retailers have launched their own second-hand platforms, such as [Sellpy](#), by H&M.
- Online multi-brand retailers such as [Zalando](#), [Asos](#) and [Yoox](#) sell existing fashion sportswear brands and develop their own private collections, mostly value brands. They can detect market interest very fast and will immediately react upon sales data. Usually such companies will place a small test order first. If the item is selling well, they will place the actual production order. Fast delivery is a must.
- If you want to sell to retailers, the biggest names in fashion sportswear are sportswear retailers such as [Decathlon](#), [Intersport](#) and [Sport 2000](#) and large European fashion retailers such as [H&M](#), [Only](#) and [Jack&Jones](#). Retailers can place an order relatively easy as they only need one development sample for order confirmation. Order quantities are usually high, just as price pressure.
- Fashion sportswear brands such as [Adidas](#) or [Fila](#) typically develop a collection 12 months in advance. You will need a large sample room as brands require salesman samples (SMS) of each collection style. Every sample needs to be actual: meaning it must look exactly like the product will in the shop, with branded hangtags and accessories. It may take many months before orders are placed.
- Intermediaries such as agents, traders, importers and private label companies, sell your product to buyers up the value chain. They are price focused and require flexibility in quantities and qualities. Some are located near or in the production countries and primarily do sourcing and logistics, such as [Li & Fung](#). Others such as [Dewhirst](#) work from Europe and also do market research, design and stock keeping. Their service level determines the commission rate they charge.

Figure 2: Apparel market value chain



## What is the most interesting channel for you?

After intermediaries, sportswear and fashion sportswear brands, sportswear retailers and general fashion retailers that have expanded their collections into sportswear are likely the most interesting channels for you. These companies have the largest market share, they service every price/quality segment of the market and they are used to working with suppliers in different sourcing destinations worldwide.

## Intermediaries

Agents, traders, importers and private label companies are the most adventurous types of buyers and are usually the first to investigate new sourcing destinations and factories. By working with this type of buyer, you will have access to many different buyers up the value chain and you can learn how to service them by following their instructions.

## Sportswear retail

Sportswear retailers are the most interesting channel because they have the biggest market share and they develop their own products. Present all over Europe through large megastores, plus their own online shops, these retailers require large order quantities. Price pressure is equally high and competition from other manufacturers is strong, as producers from many countries service this market.

## Sportswear/fashion sportswear brands

Europe has many sportswear and fashion sportswear brands, including fast-growing online-only brands such as

**Gymshark.** Many develop special outlet collections. This is a good entry point for manufacturers to do business with European brands because the items will have a relatively simple design and order quantities are large. If the buyer is satisfied with the quality of your product and your service, you may be able to produce items for the buyer's mainstream collection.

## Fashion retail

Large European fashion retailers are increasing their market share in the fashion sportswear market. They are also used to doing business with manufacturers in developing countries. In addition to delivering a good-quality product for a competitive price, your service level needs to be high. Retailers may lack professional expertise in fashion sportswear, so they may seek your advice on product quality and development.

### Tips:

Find potential buyers on the exhibitor list of the [ISPO](#) trade fair for sportswear and fashion sportswear in Germany. Due to COVID-19, most trade fairs are cancelled, but many have shifted to online matchmaking. If you do plan to meet a (potential) buyer at a(n online) fair, check what collections they have, buy one or two items and prepare matching or even improved samples. Also work out the costing before you introduce your company and your samples to a potential buyer.

You can find intermediaries specialised in fashion sportswear by using an online search engine. Use keywords such as 'full service', 'garment' or 'fashion sportswear' plus 'solution'. Trader's websites usually show the brands they are working with.

Be on top of new technical developments in the market. Be an advisor next to a producer to create advantages over the competition.

## 3. What competition do you face on the European sportswear market?

Fashion sportswear is manufactured worldwide, so you will likely face stiff competition in this market. The most important ways to create a competitive advantage over manufacturers in other countries are: technical knowledge, service level, flexibility to accept lower MOQs, efficiency and beneficial trade agreements.

### Which countries are you competing with?

Table 2: Competing countries

Country	Strengths	Challenges
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China	China is the biggest exporter of fashion sportswear and sportswear worldwide. Technical innovation, high efficiency, excellent customer service and the local availability of fabrics and trims give Chinese manufacturers an advantage over competitors in developing countries.	High MOQs, rising labour and production costs and no <a href="#">General Scheme of Preferences (GSP)</a> that removes import duties to the EU all work against Chinese exporters. China is also facing <a href="#">claims about employing forced labour</a> .
Bangladesh	Bangladeshi producers specialise in making cheap basic apparel, including fashion sportswear. The country benefits from low production and labour costs and the GSP.	The biggest challenge for Bangladesh will be to increase technical expertise, facilitate smaller orders and to get more factories to comply with international safety and sustainability standards.
Vietnam	Vietnam's apparel industry has developed a large capacity and high efficiency levels, thanks to investments from mainly Chinese factory owners looking to benefit from the low production costs and a new free trade agreement with the EU.	Vietnamese producers' challenges include high MOQs, lack of local fabrics, accessories and trims and in general a lack of capacity (especially in the factories that operate in the North and South of the country).
Cambodia	Cambodia is another upcoming production country for apparel, including for fashion sportswear brands such as Nike and Puma. Just as in Myanmar, many factories are being set up by foreign investors, which also supply their expertise.	Sub-optimal production quality due to an inexperienced and relatively small workforce work against Cambodia. Just as Myanmar, Cambodia has caught Europe's attention over social compliance concerns and political repression. As a result, Cambodia <a href="#">lost its duty-free GSP status in 2020</a> , seriously affecting trade.

Jordan	Jordan has been manufacturing sportswear for many years, primarily supplying larger brands based in the US market. However, with new export-promoting regulations to the EU, Jordan is growing fast and turning into a country that exports sportswear globally.	Still relatively unknown to European buyers, relatively high labour costs.
Turkey	Turkey has the main advantage of being close to Europe, which results in very short lead-times. The country produces high-quality apparel in small quantities, including fashion sportswear and it has a European business culture. Among other things, Turkish manufacturers will accept payment in Euros.	Turkish prices are relatively high.

### Tips:

Study the countries you are competing with, compare their strengths and weaknesses to yours and advertise the competitive advantages of doing business with you. Besides GSP, consider factors such as distance to Europe, [ease of doing business](#) and [transparency](#).

Check the freely accessible [CSR Risk Check database](#) to discover the social and environmental risks associated with apparel production in different countries, including your own. Use this information to mitigate risks and to advertise the advantages of sourcing in your country.

Check if and how other countries benefit from the Generalised Scheme of Preferences on [the EU's website on international trade](#).

Most online search engines will let you create a news alert on a topic, so you can automatically follow the latest developments in the apparel industry in a specific country.

## Which companies are you competing with?

[Dopoo Sportswear](#) in China is a full-service manufacturer of fashion sportswear and sportswear items. The company offers inhouse design, printing, cutting, sewing and packing. Dopoo is a flexible company (low MOQs) with short lead-times. Its services are described on a user-friendly website, including a concise FAQ-page (frequently asked questions). The company is ISO9001 and WRAP certified.

[Eco Couture](#) is a vertically integrated full-service apparel manufacturer in Bangladesh. The company exports fashion sportswear and sportswear to buyers such as PUMA, VF Company and Marks & Spencer. Eco couture is part of the Viyellatex Group, which invests in sustainable operations (energy saving technology, waste



treatment) and [social compliancy](#). The company is ISO 14001, GOTS, CmiA and Oeko-Tex 100 certified. VIYELLATEX prides itself in being the only organisational stakeholder in Bangladesh of the [Global Reporting Initiative \(GRI\)](#).

[Eclat](#) is a Taiwanese publicly listed vertically integrated full-service fashion sportswear and sportswear manufacturer with production in both Taiwan and Vietnam. The company develops and produces highly technical fabrics and innovative fashion sportswear items and performance wear for buyers such as Nike, PVH and ASOS. It is also highly dedicated to saving energy and water during production. Eclat is ISO14001, ISO14061-1, Oeko-Tex 100 and Bluesign® certified.

### Tips:

Check the free online database [Open Apparel Registry](#). This website lets you look up the suppliers of hundreds of European fashion brands, including buyers of sportswear.

Read the [CBI study 10 Tips for Doing Business with European Buyers](#) to learn how to approach and engage with buyers. This report also describes how you can get practical help with understanding European business culture, analysing your USPs and doing business with European buyers.

## Which products are you competing with?

Fashion sportswear hardly faces competition from other fashion categories or alternative products. It is rather the other way around: sportswear is entering other categories and creating completely new trends. The rise of fashion sportswear proves this. Only in material use we see fierce competition: from new fabrics over traditional ones.

Traditional sportswear fabrics such as nylon and polyester are increasingly being replaced by new materials. Some of these materials are appreciated by buyers for their natural qualities, such as bio-cotton, (merino) wool, bamboo and Tencel®. Others are primarily used because of their sustainability, such as recycled polyester, nylon and elastane. The weakness of such materials is mainly low availability and high price point.

### Tip:

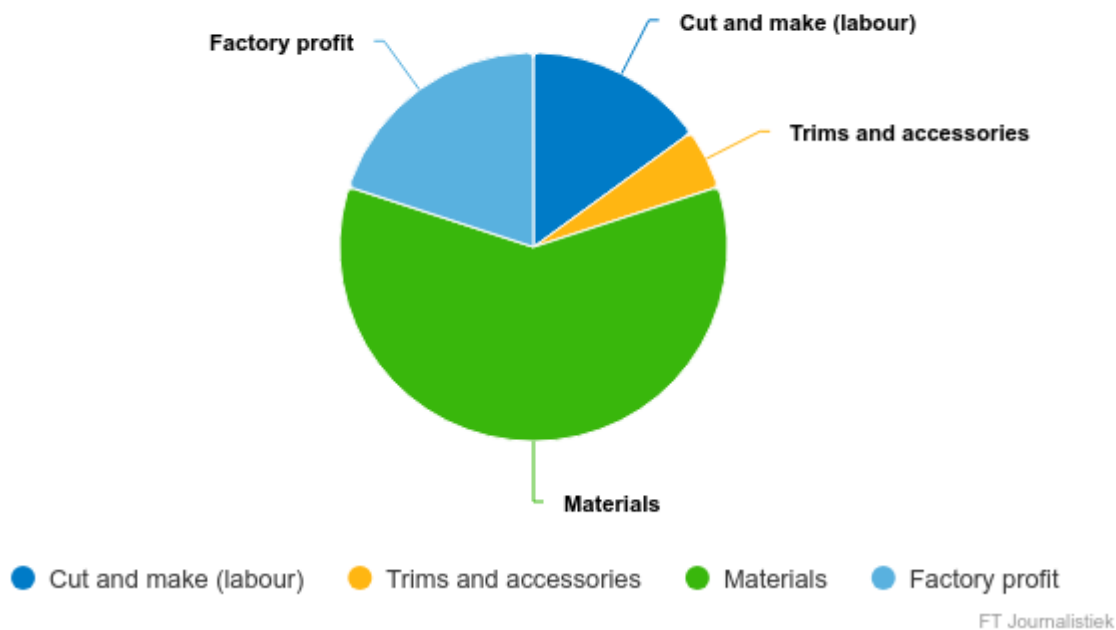
Because of its origins in sportswear, a lot of fashion sportswear is polyester-based. Do not forget to use natural materials. Many consumers still prefer natural materials over synthetics, especially for fashion sportswear, as consumers tend to wear this during activities other than sports.

## 4. What are the prices for sportswear on the European market?

The price of your product, in fashion jargon often indicated as the FOB price (for [free on board](#)), is influenced by many factors, such as the cost of materials, the efficiency of your employees and your overhead and profit margin.

The following figure shows the average cost breakdown of a typical FOB price:

**Figure 3: Typical breakdown of an FOB price**



Note that these percentages may vary per factory and per order. Some factories accept lower profit margins during offseason periods, or when order volumes are high. In addition, the percentages for labour versus fabrics may differ, depending on the efficiency and wage level of the workforce and the price of the materials. Efficiency goes up and material prices go down when producing large volume orders.

## Retail pricing

The retail price of a sportswear item is on average four to eight times the FOB price, which is called retail markup. It follows that the FOB price is on average 12,5%–25% of the retail price of the product. Exceptions do exist. In the budget market, some large European retail chains may sell products for a markup of just twice the FOB price. Retailers mark the FOB price up four to eight times because they need to account for import duties, transport, rent, marketing, overhead, stock keeping, markdowns, VAT (15%–27% in EU countries), among other costs.

According to [Eurostat's 2020 comparison of retail prices for apparel](#), France has the highest price level of the top six European importers of apparel and footwear at 107.6 points compared to the European average of 100, followed by the Netherlands (106.1), Italy (101), Germany (98.2), and Spain (92.2). The UK, which is now out of the EU, had a score of 90.7 in 2019. Note that brands and retailers that sell in multiple European countries usually keep prices equal or deviate only slightly from the standard retail price.

Online commerce and a strong budget segment have made consumers in Europe accustomed to low prices. However, an increased focus on sustainability and rising costs for materials and production (due to the global COVID-19 pandemic and political instability) as well as shipping have put manufacturers, suppliers and buyers under enormous price pressure. In the first quarter of 2022, this resulted in sharply rising European retail prices for many consumer goods. Check [Eurostat for](#) actual information on retail price inflation in the EU.

This study was carried out on behalf of CBI by Frans Tilstra and Giovanni Beatrice for [FT Journalistiek](#).

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