

The European market potential for childrenswear

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Childrenswear represents 13.3% of the overall apparel market in Europe and offers opportunities to specialise in more sustainable and durable apparel in both the volume and premium segments. Birth rates in the European Union (EU) have been declining in recent years. Nevertheless, children still make up 15% of the entire European population, totalling 66.9 million children in 2022, and the market for childrenswear is expected to grow at a rate of approximately 2% per year

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1. Product description

Much of the statistical data in this report only concerns children between the ages of 0 and 14 years. Unlike other apparel categories, the end consumers of childrenswear are usually not the purchasers. Parents usually make the final purchasing decisions, especially for younger children, though children do have influence. Children's clothing items are also often bought as gifts by family members and friends.

Clothing for younger children tends to be colourful, with elaborate and playful designs and prints. Larger retailers in particular carry a range of licensed character collections.

In the apparel market for babies, toddlers and younger children in particular, there are 5 key requirements that reflect the main concerns of European parents when purchasing clothing for these age groups. They are: health, safety, practicality, comfort and washability.

For older children, fashionability is the top consideration. Style choices therefore tend to follow adult trends, and many older children shop adult brands, which increasingly are offering smaller sizes for this segment.

While HS codes exist for babywear (defined as garments for babies aged up through 24 months), no HS codes exist for childrenswear. Boys' apparel categories are combined with menswear and girls' apparel categories are combined with womenswear. As a result, there is no data available specifically on childrenswear imports and exports.

Figure 1: Despite declining birth rates, the EU childrenswear market is expected to grow annually by around 2% in the coming years



Source: Photo by [Annie Spratt](#) on [Unsplash](#)

2. What makes Europe an interesting market for childrenswear?

According to the World Trade Organisation's 2022 [World Trade Statistical Review](#) report, the EU is the world's largest importer of apparel and textiles. The EU is also the region with the highest market share (27% in 2022) of developing country apparel exports, defined here as those on the OECD DAC list. Between 2017 and 2022, the EU apparel import market grew by an average of 6.75% per year. By 2021, imports had recovered to pre-pandemic levels, and 2022 saw year on year growth as high as 27%.

Statista predicts that revenues in the [European children's apparel](#) segment will reach US\$64.43 billion in 2023, with an expected annual market growth of 2.03% (CAGR 2023-2027). Top product categories by volume are nightwear and underwear, babywear and trousers. Europe has a big market for baby gifts, a large share of which is clothing that is new, high quality and uniquely designed. Holding baby showers for expectant mothers is an increasing trend across Europe, with the exception of Germany, where it is considered unlucky to purchase gifts before the birth of a child. In France, baby showers are held at the first birthday.

Children between the ages of 0 and 14 years make up 15% of the total population of the European Union, and 24.3% of the 198 million households in the EU have children. In many of these households, a large share of spending is on child-related expenses, including clothing.

The short lifespan of childrenswear – due to children's rapid growth and their tendency to damage or soil clothing – makes many parents hesitant to pay high prices. As a result, both the budget and second-hand clothing segments have become increasingly important. In the budget segment, many garments are sold in multi-packs. Larger retailers also offer more sustainable options (such as organic cotton) in their childrenswear collections at prices that do not differ significantly from their core collection.

Spending across different segments

Overspending on childrenswear is common in the first few years of life. A study by [Ergo baby](#) revealed that 90% of parents overspend on newborn baby products. [53% of millennials](#) in Europe are now parents. They are active

on social media, have a greater desire to keep up with the latest trends and are more eco and health-conscious. This is driving growth in the sustainable, premium and luxury childrenswear segments.

With couples having children later in life (in 2020, [the average age](#) at which mothers in the EU had their first child was 29.5 years), they can spend a larger share of their disposable income on baby products. Growth in dual income families is also contributing to a premiumisation of childrenswear, with consumers increasingly willing to spend a lot of money on premium brands for their children.

Most brands in the premium segment are small to medium-sized specialist baby and childrenswear brands. While French and Italian premium brands focus heavily on design, craftsmanship and high-quality materials, Scandinavian brands tend to focus more on the sustainability of materials as well as processes.

The cost-of-living crisis (caused in part by the war in Ukraine) is expected to increase pressure on disposable income in the coming months and years. According to [Eurostat](#), wages in the European Union increased by an average of 4.4% in 2022, while [total inflation](#) reached 9.2%. However, clothing and footwear inflation was significantly lower than most other consumer categories, at just 3%.

Childrenswear consumers have to replace garments more often. This makes demand more resilient in economically challenging times, compared to adult clothing. In 2020, for example, UK [childrenswear sales](#) fell by only 11.1%, compared to 23.7% for menswear and womenswear combined.

Stricter EU legislation presents opportunities for transparent, compliant suppliers

EU REACH is the world's strictest law on chemical substances in consumer goods, including textiles. Under EU REACH legislation, many restricted chemicals have stricter (lower) limits for children aged 3 years and under. It includes the following substances and groups of substances: formaldehyde, heavy metals, organotin compounds, phthalates and polycyclic aromatic hydrocarbons.

The budget apparel segment, which is led by larger retailers, has been called to account for the use of hazardous chemicals in their supply chains. As a result, they are increasing their requirements for suppliers. Most have developed a restricted substances list (RSL) and manufacturing restricted substances list (MRSL) which they distribute to suppliers annually. Non-compliance can have serious consequences, usually resulting in termination of the business relationship.

Textile products offered on the EU market will soon also need to have an individual Digital Product Passport (DPP), providing a digital record of an individual product's complete lifecycle. Brands and retailers are starting to map out their supply chains and capture impact-related data. Suppliers that can support their need for reliable data will have a competitive advantage.

Currently, the most effective way to provide transparency is through certification. See the [CBI study on buyer requirements](#) for an overview of the most popular certifications for materials and facilities in Europe.

Tips:

Testing for (and certification to prove) chemical compliance with REACH legislation, Oeko-tex 100, GOTS or other standards is essential for childrenswear in Europe. Do individual risk assessments on garments to be sure they are not hazardous to wearers.

Consider using the [Higg Materials Sustainability Index](#) to calculate the environmental impact of materials used in product design. You can order Modint's sustainable materials guide [here](#). Check the [Textile Exchange](#) for news and information about sustainable materials.

Keep informed about the latest EU buyer requirements for restricted substances by consulting free

online resources such as [AFIRM's](#) Restricted Substance List and [ZDHC's](#) Manufacturing Restricted Substances List.

3. Which European countries offer most opportunities for childrenswear?

Though it ranks second in overall population size, France has the largest population of children in the European Union, followed by Germany, Italy, Spain, Poland and Romania. Together, these 6 countries accounted for almost 70% of the entire population of children in the European Union in 2022. Among the top ten countries, Sweden has the largest share of children as a percentage of the population (17.6%), closely followed by France and Germany. Among EU27 and EFTA countries, only Ireland's share is higher, at 19.7%.

In 2022, the average EU crude birth rate (number of live births per 1,000 people in the population) was 8.7, representing a drop of 1 birth per 1,000 people compared to 2017. Cyprus was the only EU27 country and Liechtenstein the only EFTA country to see a positive change in birth rates during the same period (0.4 and 0.3, respectively). Among the top ten countries, France, Sweden, Belgium, Romania, the Czech Republic, the Netherlands and Germany had birth rates above the EU27 average, while those of Italy and Spain were far below this average.

The childrenswear segment is particularly interesting for apparel manufacturers that can offer sustainable designs and materials. Use of organic cotton for health and comfort is well-established in baby and childrenswear, and this segment is predicted to grow in the coming years. Note that the [supply of organic cotton](#) (PDF) is currently lagging behind demand, which can make sourcing organic cotton difficult.

Table 1: Top ten countries by child population size, 2022

Country	Rank in overall population size	Number of children aged 0-14 years	Share of population	Child population growth (2017-2022)	Number of live births	Share of EU child population	Crude birth rate	Change in crude birth rate (2017-2022)
France	2	11,877,137	17.5%	-0.57%	723,567	17.7%	10.6	-0.9
Germany	1	11,606,935	13.9%	0.99%	738,856	17.3%	8.8	-0.7
Italy	3	7,489,795	12.7%	-1.75%	392,598	11.2%	6.7	-0.9
Spain	4	6,627,937	14.0%	-1.10%	329,892	9.9%	6.9	-1.5
Poland	5	5,813,444	15.4%	0.28%	305,132	8.7%	8.3	-2.3
Romania	6	3,089,023	16.2%	0.19%	183,630	4.6%	9.6	-1.2
Netherlands	7	2,712,461	15.4%	-0.50%	167,504	4.1%	9.5	-0.4
Belgium	8	1,931,651	16.6%	0.04%	114,095	2.9%	9.8	-0.7
Sweden	11	1,839,103	17.6%	0.87%	104,734	2.7%	10.0	-1.5
Czech Republic	9	1,693,408	16.1%	0.55%	101,299	2.5%	9.5	-1.3
EU27	N/A	66,919,789	15.0%	-0.29%	1,068,917	100.0%	8.7	-1

Source: EU population statistics

France - Europe's largest population of children

At 11.8 million, France has the largest number of children in the EU and the EFTA region, and children also made up the largest share of the total population in 2022 (17.7%). However, because both the annual birth rate and total number of children in France are decreasing, the childrenswear market is also shrinking slightly in volume. On the other hand, French purchasing power was higher than in most other top 6 countries in the EU, and inflation outstripped wage increases in 2022 by only 2.2%, compared to the EU average of 4.8%.

Table 2: French childrenswear market

Child population growth, 2017-2022	Estimated market revenue (euro), 2023	Estimated annual revenue growth, 2023-2027	Estimated per capita volume (pieces), 2023	Inflation-wage increase differential, 2022	Average per capita purchasing power, 2022
-0.57%	5.55 bn	0.89%	16.4	2.2%	21,942

Sources: Eurostat, Statista, GfK

France sources 48.6% of its general apparel imports from developing countries, which is less than most other Western European markets (the EU average was 49.5% in 2022). However, developing country imports are growing at a relatively high average annual rate of 3.2%.

It is a legal requirement in France to inform customers at point of sale if products contain any substances on the REACH Substances of Very High Concern (SVHC) list. France is also the first EU country to impose specific MOSH/MOAH regulations for mineral oils often used in printing ink on packaging materials and recycled paper. While complying with French buyer requirements will become more difficult, demand for more sustainable products will increase.

Larger budget retailers selling childrenswear include [Carrefour](#), [Bonprix](#) and [La Redoute](#). Smaller specialist childrenswear brands are also popular in France and famous French chains can be found all over Europe. The best known French brands offering childrenswear are [jacadi](#), [Okaïdi](#), [Petit Bateau](#), [Sergent Major](#), [Little Cigogne](#) and [Joli brin](#).

Germany - Europe's largest childrenswear market by revenue

Germany is the most populous country in Europe and, although its population is declining, had the highest number of births in 2022. Its overall child population is behind that of France, but this figure is growing. This can be explained in part by the fact that Germany has long been Europe's top destination for refugee and migrant children. Between January and June 2020, Germany registered [37% of all child asylum applications](#).

Table 3: German childrenswear market

Child population growth, 2017-2022	Estimated market revenue (euro), 2023	Estimated annual growth, 2023-2027	Estimated per capita volume (pieces), 2023	Inflation-wage increase differential, 2022	Average per capita purchasing power, 2022
0.99%	7.87 bn	1.7%	14.9	4.3	24,807

Sources: Eurostat, Statista, GFK

Germany has strict sustainability and circularity requirements. Some German legislation on harmful chemicals goes beyond EU REACH legislation. The country also has its own social and environmental standard, the Grüner Knopf label, which is displayed on garments at the point of sale.

Popular German childrenswear brands include [Noé & Zoë](#), [Liilu](#), [JAKO_O](#), [Tausendkind](#), [Boboli](#) and [Sterntaler](#).

Italy - A leader in luxury children's apparel

Italy has the third-largest number of children in the EU and the EFTA region, with 7.4 million, which represented 11.2% of the total EU child population in 2022. The country currently has the lowest birth rate of all EU and EFTA countries. The economic outlook for Italy is also relatively poor, with inflation outstripping wage increases in 2022 by 6.4 percentage points. Nevertheless, Italians are renowned for spending a large amount of money on their children and the estimated market revenue for 2023 is second only to Germany.

Table 4: Italian childrenswear market

Child population growth, 2017-2022	Estimated market revenue (euros), 2023	Estimated annual growth, 2023-2027	Estimated per capita volume (pieces), 2023	Inflation-wage increase differential, 2022	Average per capita purchasing power, 2022
-1.75%	6.96 bn	0.21%	13.1	6.4	18,905

Sources: Eurostat, Statista, GFK

Many of Italy's luxury apparel brands are leading the way in 'mini me' styling, a relatively recent trend in Europe. These brands are creating small collections of children's clothing that are either identical to or match well with garments in their adult collections. Matching garments are designed to be worn by parents and their children at the same time. Examples include [Fendi Kids](#), [Gucci Kids](#), [Dior Baby](#) and [D&G kids](#). However, production quantities are very low and design requirements and complexity are high.

Italian brands focused on childrenswear include [Prenatal](#), [Fantaztico](#), [La Stupenderia](#), [Il Gufo](#) and [Monnalisa](#). Several premium brands such as [Diesel](#) and [Armani Junior](#) have also launched special collections for children.

Spain - A long history of producing quality, traditional childrenswear

Spain has the fourth-largest child population in the EU and the EFTA region, with 6.6 million children, which represented 9.9% of the total EU child population in 2022. The country currently has the second-lowest birth rate of all EU and EFTA countries. The total number of children decreased by an annual rate of up to 1.1% during

the 2017-2022 period, compared to the EU average decline of 0.29%. The short-term economic outlook for Spain is relatively poor, with inflation outstripping wage increases in 2022 by 5.3%.

Table 5: Spanish childrenswear market in 2022

Child population growth 2017-2022	Estimated market revenue (euros), 2023	Estimated annual growth, 2023-2027	Estimated per capita volume (pieces), 2023	Inflation-wage increase differential, 2022	Average per capita purchasing power, 2022
-1.10%	3.1 bn	-0.48%	14.1	5.3	15,314

Sources: Eurostat, Statista, GfK

Spanish childrenswear favours classical styles and more formal weekend dressing. While Spain's sourcing from developing countries is well established (68.4% of all apparel imports come from developing countries), many brands are manufacturing closer to home and producing smaller runs in high-quality European fabrications.

Popular Spanish childrenswear brands include [Mayoral](#), [Tiny Cottons](#), [Pomerania Kids](#), [Cónдор](#), [M&H Babywear](#), [Martin Aranda](#) and [Mi Lucero](#). Spain's largest international retailer, Zara, also has an extensive collection of childrenswear.

Poland - Fastest-growing economy in Europe

Poland has the fifth-largest child population in the EU and the EFTA region, with 5.8 million children, which represented 8.7% of the total EU child population in 2022. While child population statistics show an average annual growth of 0.28% in 2017-2022, the crude birth rate fell significantly in the same period and the total number of children has been declining since 2019. Nevertheless, the Polish childrenswear sector is predicted to grow by as much as 6.3% between 2023 and 2027.

Table 6: Polish childrenswear market in 2022

Child population growth, 2017-2022	Estimated market revenue (euros), 2023	Estimated annual growth, 2023-2027	Estimated per capita volume (pieces), 2023	Inflation-wage increase differential, 2022	Average per capita purchasing power, 2022
0.28%	1.98 bn	6.32%	9.8	1.5	9,254

Sources: Eurostat, Statista, GfK

With a relatively low GDP and wages, and lagging far behind its Western European counterparts in sustainability awareness, Poland is not currently a suitable market for more value-added or sustainable products.

Poland imports the majority of its general apparel from other countries in the EU through more indirect distribution channels such as wholesalers. It also has a sizeable domestic apparel manufacturing industry and is becoming an important regional distribution hub for apparel.

In the future, as Poland's economy continues to expand and domestic brands establish themselves, Polish imports from developing countries are expected to continue increasing. Such imports already increased significantly in the 2017-2022 period (22.3% annually). With a 2022 share of just 35% compared to the European average of 49.5%, developing country exporters have many opportunities in both the short and medium term to increase exports to Poland.

Poland is home to the largest fashion clothing manufacturer in Central and Eastern Europe, [LPP](#). However, only one of LPP's multiple brands, Reserved, currently sells childrenswear. Top e-commerce platforms selling budget childrenswear in the Polish market are [Allegro](#) and [Pepco](#). Polish childrenswear brands include [SMYK](#), [KUKUKID](#), [Mrugała](#), [Pinokio](#) and [Endo](#).

Romania - An important production location for European brands

Romania has the sixth-largest child population in the EU and the EFTA region, with 3.1 million children, which represented 4.6% of the total EU child population in 2022. The child population grew at an average rate of 0.19% per year in the 2017-2022 period. While the birth rate is decreasing, it remains relatively high compared to the European average. Romania is the only EU country where average wages increased more than inflation in 2022, and the childrenswear market is forecast to grow by the highest percentage of all countries studied.

Table 7: Romanian childrenswear market in 2022

Child population growth, 2017-2022	Estimated market revenue (euros), 2023	Estimated annual growth, 2023-2027	Estimated per capita volume (pieces), 2023	Inflation-wage increase differential, 2022	Average per capita purchasing power, 2022
0.19%	1.25 bn	8.5%	7.82	-0.3	8,017

Sources: Eurostat, Statista, GfK

While there were as many as [5,130](#) apparel manufacturers active in Romania in 2020, the most successful brands and retailers selling on the Romanian market tend to be larger budget or middle market international and/or Polish retailers.

The UK's childrenswear market

While Eurostat does not track statistical data for the United Kingdom (UK) since it left the EU, it is worth noting that the UK is the European continent's biggest market for childrenswear. Revenue in the children's apparel segment is forecast to amount to US\$12.49 billion in 2023 and the market is expected to grow annually by 3.15% (CAGR 2023-2027).

The UK is home to many well-known international childrenswear brands and retailers that sell throughout Europe. The most popular are [NEXT Direct](#) and [Primark](#). According to a market intelligence [report](#) by MINTel, 61% of UK women surveyed shopped at supermarkets for childrenswear. However, the country is also home to many premium kidswear brands and brands that carry extensive kidswear lines, including [Frugi](#), [Little Green Radicals](#), [Pigeon](#), [Mama Owl](#), [Joules](#) and [Boden](#).

Tips:

Visit European trade fairs targeting childrenswear (or read post-fair published reports). They include [Le Salon Baby](#) (France), [Kindermoden Nord](#), [Kind + Jugend](#), [BabyWelt](#), (Germany), [Pitti Immagine](#)

[Bimbo](#) (Italy) and [CIFF](#) (Denmark).

Check industry media such as [Business of Fashion](#), [Sourcing Journal](#) or [FashionUnited](#) to keep up with new developments.

4. Which trends offer opportunities or pose threats on the European childrenswear market?

The EU [Circular Economy Action Plan](#) has singled out the textile and clothing sector as a priority sector for the EU's move towards sustainability and circularity. Under proposed new EU rules, textile producers such as fashion brands and retailers will have to cover the costs of textile waste management, creating an incentive for them to reduce waste and enhance the circularity of their products straight from the design stage.

Growth of circular business models for premium childrenswear

Sales of second-hand clothing are no longer limited to thrift shops and specialist second-hand childrenswear stores. More options have emerged, including online general apparel resale platforms such as [Vinted](#), as well as curated platforms for pre-loved and past season designer childrenswear, such as the [Kidswear Collective](#). 'Pre-loved' and 'vintage' clothing have gained not only acceptance but popularity across the apparel industry as a whole, and this trend will only continue given near-term inflationary pressures.

According to a 2023 report by [ThredUp](#) (PDF), the global second-hand apparel market grew by as much as 28% in 2022. By 2024, 10% of the global apparel market is expected to consist of second-hand apparel.

Rental services have also started to enter the childrenswear market. Platforms like [The Little Loop](#) (UK), [Räubersachen](#) (Germany) and [Circos](#) (Netherlands) specialise in rentals of high-end childrenswear, and some premium brands, such as Le Petit Bateau, have even launched their own rental service.

These circular trends will indirectly benefit producers of higher quality, premium products. By contrast, in middle market and budget market segments, the lack of branding, unique designs and/or lower quality and durability means garments are usually given away, thrown away or discarded in textile bins.

Designing for circularity

In the European Union, [5.8 million tonnes](#) of textiles are thrown away each year. Based on the size of the EU's child population, childrenswear is estimated to make up around 870 million tonnes of waste. As circular business models take hold, lengthening garment lifecycles is becoming increasingly important for childrenswear brands. To encourage parents to buy higher quality and more sustainable garments, which tend to be more expensive, childrenswear brands are starting to design circularity into their garments.

Some childrenswear garments are being developed with additional functionality to address the issue of children quickly outgrowing clothing, with garments that convert, adjust and/or 'grow' as the child grows. This is usually achieved using special fabrics, folds and/or additional hardware. Examples of global brands manufacturing innovative clothes specifically for growing babies include [Petit Pli](#), [Beya Made](#) and [kinder capsule](#).

Many retailers are choosing to do away with gender differentiation in baby and kidswear categories and also adopting more muted, neutral colours and minimalistic styling. While the gender-neutral trend has been driven by a growing desire amongst parents to not impose gender-based stereotypes onto children, it also has the very practical advantage that clothes can be reused for multiple children of different genders within the family.

Organic clothing

European parents are increasingly interested in buying organic clothes, the fibres of which are grown and processed without chemicals or synthetic fertilisers. This is better for both the environment and children's health. Organic clothes are generally more expensive than non-organic clothes, which means that consumers also expect better quality and design.

Cotton is breathable, soft, durable, highly absorbent and has great washability. Cotton is the most widely used fibre for young children's clothes for all of these reasons, and organic cotton is the leading organic fibre in the childrenswear market. The largest segment in organic childrenswear is babywear. The global organic babywear market alone was [valued at US\\$1.5 billion](#) in 2022 (around 1% of the whole childrenswear market) and is anticipated to reach US\$2.6 billion by 2031.

Demand for organic cotton is growing and is outstripping supply. A 2021 [survey](#) (PDF) of brands already engaged in organic cotton sourcing forecasts an 84% increase in organic cotton demand by 2030 compared to 2020. By supporting in-conversion cotton (cotton produced by farmers in the process of moving towards organic practices but who are not yet certified), an increasing number of European children's apparel brands such as [Tommy Hilfiger](#), [Smallkind](#) and [Frugi](#) are helping to support a new generation of organic farmers.

For suppliers, it is useful to note that organic in-conversion fibres can be processed in GOTS-certified facilities. Separate storage and processing of conventional, organic and organic in-conversion products is required. However, there is no separate audit required for GOTS in-conversion products.

While a range of more affordable organic products are sold by fast fashion manufacturers such as [H&M](#) and [C&A](#), many smaller brands have entered the market and are selling organic childrenswear at higher prices, including [Orbasics](#) (Germany), [Frugi](#), [Little Green Radicals](#), [Pigeon](#), [Mama Owl](#) (all UK), [Gray Label](#) (the Netherlands) and [Coq en Pâte](#) (France).

ADA Design

[ADA Design](#), in Izmir, is a Turkish apparel manufacturer established in 2019. The company supplies several well-known childrenswear brands and retailers in Europe, including H&M, Esprit and Benetton. ADA is Sedex and GOTS-certified and offers design and production of many styles in organic cotton.

Tips:

Consider investing in certification such as GOTS, Organic Content Standard or Fairtrade Organic.

Many brands don't have detailed plans for meeting their own future organic cotton needs. Team up with your competitors to collectively develop and market in-conversion cotton.

[FT Journalistiek](#) carried out this study on behalf of CBI.

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