

Entering the European market for recycled fashion

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This report explains what the most important opportunities and requirements are in the European market for recycled fashion. You will learn about the rules and regulations for exporting recycled fashion to Europe, about the best channels to get your product on the market, about the countries where your competitors are and the best ways to provide a quotation for a potential buyer.

Contents of this page

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

1. What requirements and certification must recycled fashion comply with to be allowed on the European market?

If you want to sell recycled fashion 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 recycled fashion market.

If you want to sell recycled fashion on the European market, there are several requirements that you need to comply with. Some are mandatory (both legal and non-legal). Others are voluntary and meeting them can give you a competitive advantage. Some requirements only apply to certain niches in the recycled fashion market.

Mandatory requirements

There are several legal requirements you need to comply with if you want to export recycled fashion to Europe, including requirements concerning product safety, the use of chemicals (REACH) and labelling. Additionally, buyers may have non-negotiable terms and conditions for their suppliers. need to respect. Although meeting these requirements is not required by law, you will have to comply with them if you want to do business with these buyers.

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

Make sure 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.

Make sure 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. The challenge with recycled yarns and fabrics is to make sure the input materials are REACH-compliant, so the final product also complies with REACH.

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

Specify the material composition of every recycled fashion item that you export to the EU, in accordance with EU [Regulation 1007/2011](#). Check the [EU Access2Markets online helpdesk](#) on how to do this.

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

Tips:

You may assume that clothing manufactured for the EU market that is recycled into new yarns and fabrics will comply with REACH. If you want guaranteed compliance with REACH, test each batch separately.

A fibre which accounts for up to 5% of the total weight of your product, or fibres which collectively account for up to 15% of the total weight, may be designated by the term 'other fibres', immediately preceded or followed by their total percentage by weight. This allows apparel manufacturers to account for fibre contamination, which is always a risk when recycling yarns into new fabrics. Include a 'rest category' of 15% on your composition label when you are working with mixed fibres; 5% when working with single-fibre recycled fabrics.

Country of origin ('Made in') labelling or care instruction labelling is not (yet) legally required in the EU. Including care labels is highly recommended though. [ISO 3758: 2012](#) is the preferred standard for care labelling. The care label symbols are the property of the company [GINETEX](#). You need to pay a fixed fee to GINETEX for the use of these symbols.

Non-legal mandatory requirements

Besides the legal requirements mentioned above, you may be confronted with non-negotiable terms and conditions that buyers have created for dealing with suppliers. Such requirements are non-legal, but still mandatory.

Content verification and social compliance standards

Recycled apparel is generally perceived by European buyers and end-consumers as an inherently sustainable choice. Buyers may however require verification of material content and social compliance. At the very least, buyers will ask you to open your factory doors for them, so they can conduct a personal inspection of your factory. Additionally, you may be requested to comply to the following independent standards:

- 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.
- [Cradle to Cradle Certified™](#) is a measure of products designed for [the circular economy](#). It includes criteria for material reutilisation and the use of chemicals, energy and water during production.
- Regarding social compliance [BSCI](#) (Business Social Compliance Initiative) is the most popular certification that European buyers will require. Other popular social standards are [WRAP](#), [SEDEX](#), [ETI](#), [SA8000](#), [ISO 26000](#), [FWF](#) and [Fair Trade](#).

Acceptable Quality Limit

To guarantee product quality, your buyer may set an [AQL](#) (acceptable quality limit). This refers to the worst tolerable quality level. For instance, an AQL of 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 (a mix of minor and major defects).

Buyers also set the product quality standard defining the level of physical standards for fabrics such as:

- Strength
- Pilling
- Shrinkage

The main challenge with mechanically recycled yarns is that the staple length of the fibres shortens during the recycling process. As the fabrics are physically torn apart to create new lint, the texture of the new yarn and thus of the fabric is negatively affected. For this reason, recycled yarns are often mixed with other virgin fibres such as (organic) cotton, regenerated cellulosic fibres or (recycled) polyester to stabilise the yarn and to improve the physical standards of the fabric.

Nevertheless, recycled yarns tend to have a lower pilling and shrinkage standard. The short staple length and irregularity of the fibres limits the fineness that can be achieved and often results in a relatively [nappy](#) (fuzzy) fabric. The higher the recycled yarn content in a fabric, the more prominent these characteristics will show.

Many spinners produce un-dyed yarns from recycled fibres, saving water and chemicals in the process and thus increasing its sustainability. The spinners will colour select the input fabrics to determine the colour of the final yarn. This process limits apparel buyers in their choice of colourways. Even if the recycled yarns are dyed, it can be difficult to predict the end-result if the yarn is spun from a mixed source of fabrics (both natural and synthetic fibres for instance). Buyers must therefore choose their colours from a pre-determined colour palette.

These limitations have the following consequences for different apparel sub-categories:

- For knitwear, achieving fine gauges such as 14GG and 16GG is still not possible using mechanically recycled un-dyed yarns, nor is optical white for colour.
- T-shirts are still difficult to manufacture using 100% mechanically recycled yarns, as T-shirt-fabric requires a very fine yarn. There are some exceptions. Dutch company Easy Essentials has managed to produce T-shirts and home textiles using fabrics made from 100% recycled pre-consumer textile waste.
- Denims made with 30-40% mechanically recycled post-consumer waste are available on the market, but 100% is not yet feasible. MUD Jeans for example has a 'wild dream' of one day selling [100% recycled denim jeans, made from a mix of mechanically recycled and regenerated yarns](#).
- Jackets can be made using 100% recycled polyester. Check for instance this [jacket collection by Kings of Indigo](#). Recycled polyester is made from (post-consumer) PET-bottles.

Figure 1: Old fishing nets, which make up roughly 10% of ocean plastic pollution, are a popular material for the production of recycled yarns



Photo by [Joshua J. Cotten](#) on [Unsplash](#)

Figure 2: Another popular yarn is rPET made from recycled PET



Photo by [tanvi sharma](#) on [Unsplash](#)

Packaging requirements

In most cases, your buyer will give you instructions on how to package the order, in a manual. If you agree with your buyer that they will clear customs in the country of import (which is the norm), it is their responsibility to ensure 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 (for instance, 30%). They will pay the rest (70%) after the order has been completed. The safest payment method for you as a manufacturer is the LC ([Letter of Credit](#)). 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 LCs, as these tie up 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 TT (Telegraphic Transfer) after 30, 60, 90 or sometimes even 120 days. This means you as a manufacturer finish the production and hand over the shipment to the buyer, including the original documents, before payment is due. The 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:

COVID-19 has shown the negative impact of extended payment terms 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.

The 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 that you will be held liable in case of a problem after the delivery of an order. Complying with REACH can be especially 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.

What additional requirements do buyers often have?

Next to legal and non-legal mandatory requirements, 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

Most buyers have their own design team and do not (solely) rely on the collections that factories present to them. Still, having your own ideas on product design and development will be highly appreciated, especially in the niche market that recycled fashion still is, with new innovative materials and production methods constantly being introduced on the market.

Buyers are always looking for special designs, materials or production methods that will help them stand out in the market. Check for the latest developments on recycled fabrics and designs for instance on [Innovation In Textiles](#) or [FashionUnited](#).

Communication

Smooth communication is an implicit requirement that all buyers have. You should always reply to every e-mail within 24 hours, even if it is just to confirm that you have received the e-mail and will send a more detailed reply later. If you encounter a problem with a production order, notify the customer immediately 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 for timely delivery.

Flexibility

Many factories focus only on getting 'convenient' orders: simple styles, 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 big, easy orders. Make sure at the start that a buyer will not continue to place only difficult orders with you and convenient orders elsewhere.

Expect a European buyer to require for his or her 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

Tip:

Stay updated on European policies regarding the circular economy. In 2019 the European Union presented the 'Green Deal'. The ambition is to remake Europe into the 'first climate neutral continent' by 2050. This includes the adoption of eco-design requirements to ensure that textile products are fit for circularity, ensuring the uptake of secondary raw materials, tackling the presence of hazardous chemicals and ensuring easy access to re-use and 'the right to repair' for end-consumers.

Niche requirements

Recycled fashion is itself still a niche. It is possible however to distinguish between mainstream recycled fashion and certain up-and-coming recycling methods and business models. Because they are still uncommon, these niches are often buyer-specific.

100% traceable recycled apparel

To increase the level of quality, sustainability and REACH-compliance, some buyers will only work with recycled fabrics made from a 100% traceable source. That source can be Europe, for instance, to guarantee input materials are REACH-compliant. Other brands, such as [MUD Jeans](#) will even go so far as to collect their apparel after use and have it recycled at a designated recycle plant. The fact that MUD Jeans leases out jeans and controls the collection process makes this easier.

Biodegradable apparel

In a truly circular economy products and materials do not lose their value during recycling and can be endlessly re-used. Some European buyers have developed a totally different approach to recycled fashion: biodegradability. They will use fabrics that decompose into natural elements. Circular fashion brand [A.BCH](#) for instance produces 99% compostable clothing. Outdoor sportswear brands [Houdini](#) (which also rents out clothes) and [Vaude](#) are experimenting with [PrimaLoft Bio](#): a 100% recycled biodegradable performance fabric.

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 recycled fashion to Europe.

Read the CBI study on [Organising Your Exports to Europe](#), for more (elaborate) tips on how to deal with payment terms, storing, packaging and shipping.

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

Check the [EU's Trade Helpdesk](#) 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.

Read [good practices](#) on the EU circular economy stakeholders platform.

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

Before you approach European recycled fashion buyers, you need to determine what market segment fits your company best and through what channel(s) you want to sell your product.

How is the end-market segmented?

European buyers of recycled fashion can best be distinguished by their price/quality level, because this determines the quality and price level of the materials they use in their fashion designs.

Table 1: Recycled fashion market segmentation

Consumer type	Price level	Fashionability	Material use	Functionality	Order Quantities
Luxury consumer	high - very high retail prices	Highly fashionable, unique designs	Use of luxury materials such as recycled wool and cashmere. High-quality recycled polyester	Very high requirements regarding product quality, design and innovation	Low order quantities
Practical consumer	Medium retail prices	Practical designs in line with latest fashion trends	Recycled cotton, wool, recycled polyester.	Medium requirements on design, good product quality is required	Medium - high order quantities

Price conscious consumer	Medium - low retail prices	Basic, functional styles	Medium quality materials made from cutting waste. Recycled polyester.	Medium - low requirements on design, quality	High order quantities
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The luxury consumer

European luxury consumers shop with European apparel brands in the luxury and upper middle market, such as [Filippa-K](#) or [Viktor & Rolf](#). These brands require top quality recycled materials and workmanship. Recycled cashmere and wool are popular fabrics in this segment, as is recycled cotton combined with a relatively expensive virgin yarn (Tencel™ for instance). Another common material is recycled polyester, because of its yarn stability, competitive price level and good sustainability story. This segment is growing.

The practical consumer

The middle market caters to the practical consumer. In this market segment recycled cotton (both cutting waste and post-consumer textile waste) and wool are popular materials. Check for instance [Mango](#) or [Bestseller](#). India is a large producer of these fabrics. In this market segment you will also find demand for recycled polyester (this is a popular fabric in all market segments: from luxury to budget). This segment is growing.

The price conscious consumer

The lower-middle and budget markets, with companies such as [Inditex](#) (parent company of retail formula's such as Zara and Massimo Dutti) and [JBC](#), cater to price conscious consumers. They are characterised by demand for recycled polyester and cheap yarns and fabrics made from cutting waste. Fabrics made from post-consumer waste are (still) rarely used in this segment, as most available fabrics of this type are more expensive than virgin materials. This is because the recycled content needs to be blended with high percentages of virgin fibres (cotton for instance), which cancels out the economy of scale that comes with the production of 100% cotton yarns.

Tips:

Check the [Cradle-to-cradle Certified Products Registry](#) for an overview of 50 innovative recycled fabrics.

Always make sure your buyer is aware of the advantages and limitations of recycled fabrics. Check this concise [overview of the pros and cons of recycled apparel](#) on the website of the Renewable Resources Coalition.

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

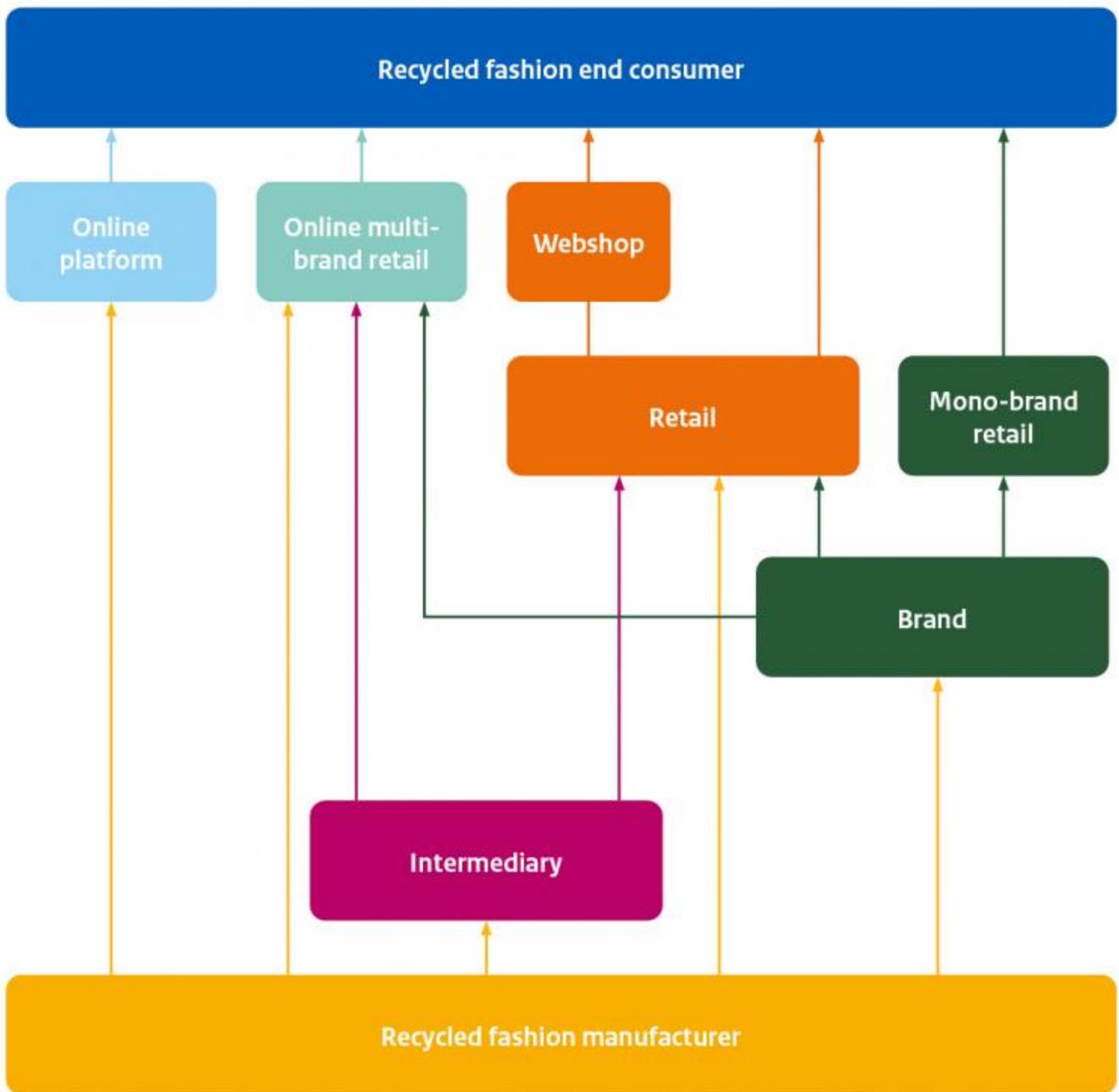
Their place up the value chain determines how buyers will do business with you. Each buyer requires a specific approach. Always try to find out in what part of the value chain your buyer is operating, what challenges they face in the market and how you can contribute to their sales strategy.

- 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 Northwest Europe. 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.

- Online multi-brand retailers such as [Zalando](#), [Asos](#) and [Yoox](#) sell brands and develop their own private collections of recycled apparel. Usually such platforms 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 fashion retailers, some of the biggest names in Europe selling recycled fashion are [Zara](#), [Mango](#) and [Jack and Jones](#) next to the many smaller fashion boutiques you will find there. Retailers are under pressure from online multi-brand-shops. They can place an order relatively easy as they only need one development sample for order confirmation. Order quantities range from large (for the big players) to very small. Price pressure is high.
- If you want to service fashion brands such as [G-Star](#), [Ruby Moon](#) or [Lyme Terrace](#), note that they typically develop a collection 6-12 months in advance, regardless of the price segment they operate in. You will need a large sample room as brands require salesman samples (SMS) of each collection style. Every sample needs to be 'actual': looking exactly like the product will in the shop, with branded hangtags and accessories. It may take many months before orders are placed.
- Intermediaries (agents or traders/ importers/ private label companies) sell your product on 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 [Broadway](#), [Cetex group](#) or the [Cookie company](#) work from Europe and also do market research, design and stock keeping. Their commission rate is determined by their service level.

Figure 3: Recycled fashion market value chain



Tips:

Find potential buyers on the exhibitor list of trade fairs such as [Neonyt](#) (Germany) or [Innatex](#) (Germany), even if you don't plan to attend. If you do plan to meet a (potential) buyer at a 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.

Do a thorough research of the market your ideal buyer is operating in and adjust your proposition to his or her requirements and ambitions.

What is the most interesting channel for you?

As you move higher up the value chain, your margin will increase, but the service level that buyers demand will

also increase. If you have little experience with exporting to Europe, intermediaries and brands are likely the best starting point for you.

Intermediaries

Intermediaries are the most adventurous types of buyers and are usually the first to explore new sourcing destinations (from their perspective) and factories. By doing business with these types of buyers, you will have access to many different buyers further up the value chain and you can learn how to service them by following their instructions. Your main challenge will be price pressure. Because intermediaries supply retailers and brands, they need to offer them a price very close to the factory price (your price) while still trying to make a profit.

Brands

European brands can be an interesting channel, as many are already using recycled fabrics in their collections or even expanding this product group. Your biggest challenge will be design, product development and compliance with social and sustainability standards. You will also need to be flexible in your MOQs.

Retailers

As is the case with brands, big European retail chains like Zara and H&M have very strict requirements regarding social and sustainability standards. This can make it difficult to do business with them. Smaller, local fashion retail chains such as [JBC](#), [WE](#) or [Varner](#) can be an interesting channel, as they often struggle to find suppliers that can meet their requirements for low order quantities.

Online multi-brand platforms

Manufacturing for online multi-brand retailers is an interesting option, as many are expanding with their private collections into the sustainable apparel market, including recycled fashion. Check out [Asos](#), for instance, with its sustainable collection called '[Responsible edit](#)' and [Yoox](#) (see sustainable collection [Yooxygen](#)) Also check out niche platforms such as [Rève en Vert](#), [Gather & See](#) and [almasanta](#).

Tips:

Read the CBI study [on Finding buyers](#) for an extensive overview of European fashion market segments, channels and requirements.

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

Check the online [Retail-Index](#), which contains profiles of major apparel retailers in Europe.

Before you approach any buyer, determine your USP's and define your ideal buyer. Note that selling your company is even more important than selling your product, so focus on certifications and CSR. For more information, read the CBI study on [trends in the European apparel market](#).

Check the [COVID-19 Retail Analysis Dashboard](#) by fashion intelligence platform Edited for the latest news about the effects of COVID-19 on European fashion retail.

3. What competition do you face on the European recycled fashion

market?

The European market for recycled fashion is small but growing and far from settled. Many buyers are still investigating the best way to set up an efficient supply chain that complies with their requirements. On the other end of the value chain, many manufacturers worldwide are entering the post-consumer recycled apparel market. If you want too, you need to find a secure supply of second-hand clothes or fabrics made thereof before prices increase due to shortages.

Which countries are you competing with?

The following apparel producing countries are known for manufacturing recycled apparel.

Table 2: Competing countries

Country	Strengths	Challenges
China	Market leader in recycled polyester from PET bottles and wool fabrics made from cutting waste. The local availability of fabrics, together with high efficiency and excellent customer service, gives Chinese manufacturers an advantage over competitors in developing countries.	High MOQs, rising labour, transport and production costs and China lacks General Scheme of Preferences (GSP) status that removes import duties to the EU.
India	Low-cost producer of apparel with a long history in textile recycling. Indian manufacturers have experience with recycling post-consumer apparel waste for use in carpets and curtains. More recently, India has developed recycled yarns that can be used to make flat knits, denims, T-shirts and socks. Has GSP status.	Manufacturers in India lack the service level that their competitors in China offer and struggle to comply with social standards.
Morocco	Close to Europe, which makes it easy and relatively cheap to import post-consumer apparel waste from Europe, process it into recycled apparel and ship it back to Europe. Good examples of this are Hallotex (originally from Spain) and Wolkat (a Dutch textile recycler with a production location in Morocco).	Morocco's challenges are its relatively high wages and production costs, but it benefits from having a free trade agreement with the EU .

Italy	With a long history of manufacturing flat knits, Italy has focused on recycling high quality post-consumer waste into new yarns and products. Italian manufacturers are renowned for their recycled, undyed wool and cashmere fabrics. Good examples are Filpucci and Reverso .	Italy benefits from being inside the EU, but that also results in high production costs. For this reason, Italy primarily produces high-end, high-price recycled yarns and fabrics.
Spain	With a long history of recycling apparel, Spanish manufacturers have developed a process of recycling post-consumer waste denim jeans into new yarns and fabrics. Although it is still not technically possible to manufacture a denim jeans made from 100% post-consumer waste, some companies come close to achieving this. A good example is Santanderina .	Spain benefits from being inside the EU, but that also results in high production costs.

Tips:

Focus on product development and sourcing. Offer buyers different qualities that are sourced from different countries. Be aware that transport and stock keeping adds extra cost to your proposal.

Investigate other apparel producing countries for their comparative advantage. 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](#).

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

Which companies are you competing with?

[Neo-Concept](#) is a company from China specialised in manufacturing flat knits using recycled post-consumer yarns from India and recycled polyester from China. The strength of this company is product development and design. However, as its focus is the middle market and upper middle market, Neo-Concept's main challenge is achieving a mainstream price level.

[Hallotex](#) from Spain is a highly flexible, design driven (recycled) apparel manufacturer mainly supplying [Inditex](#) (the parent company of fashion retail chains [Zara](#), [Massimo Dutti](#), [Pull & Bear](#) and more). Expanding their organisation by opening a factory in Morocco lowered their production cost and increased their flexibility. Hallotex's biggest challenge however is to search buyers beyond Inditex and expand into the rest of Europe.

Tips:

Check the free online database [Open Apparel Registry](#). This website lets you look up the suppliers of hundreds of European fashion brands. Study their websites, their product range and the way they present their company to European buyers. Determine their USP's and compare them to your own.

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 analyse your USP's and how to get practical help with understanding European business culture.

Investigating manufacturers that supply to European buyers will not only show you what they are manufacturing, but also what the buyer might be missing. This will help you to create a unique proposal.

Which products are you competing with?

As recycled yarns and fabrics can still be relatively expensive, have limited physical standards and offer less options in terms of design and product development, its primary appeal is its sustainability. For this reason, all materials that score high on sustainability are competitors to recycled yarns and fabrics, for instance:

- Organic cotton: cotton grown without the use of GMO's ('genetically modified organisms') and synthetic chemicals. Read more about organic cotton in [the CBI study on Sustainable cotton](#).
- Regenerated fibres such as Tencel® and Modal® by [Lenzing](#) or Viscose score high on sustainability and versatility, just as innovative bio-based polymer fibres such as PLA, milk, seaweed and soy (however their availability is still limited).
- Bio-based, biodegradable regenerated fibres. Check for instance [Pond](#) or [PrimaLoft Bio](#).
- Waterless dyed fabrics. New techniques using CO2 instead of water significantly reduce the impact on the environment during the dyeing process. Check for instance [Dyecoo](#).
- Naturally dyed fabrics. Check for instance [Rubia](#) or [Fibre Bio](#).
- Vintage and upcycled apparel. Several European companies don't recycle textile waste back to lint, but instead sell on post-consumer apparel as vintage, or cut it into pieces to remake it into new textile products. Check for instance [Re/done](#).
- Refurbished unsold stock. The Renewal Workshop is an American company that [refurbishes unsold items for European brands](#) (from their office and factory in Amsterdam, which opened in 2020).
- Finally, because of the limited worldwide supply of high-quality post-consumer textile waste, recycled apparel is its own competitor. As demand for post-consumer recycled apparel increases, so will the price of the input materials, especially the high-quality variety.

Tips:

In case you consider using recycled materials also investigate the availability of waste in your own country and investigate a purpose based on either recycle, upcycle or re-done.

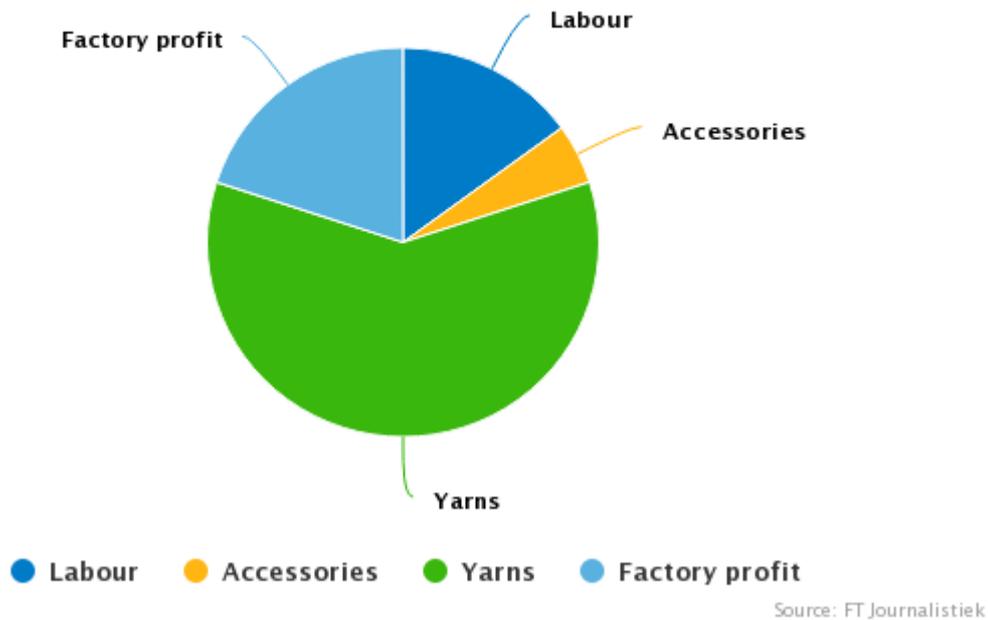
The best way to be successful in the use of recycled fabrics is to invest in product development. The ability of making beautiful new products from waste will be the biggest opportunity to create business and expand export.

4. What are the prices for recycled fashion?

The factory price of your product (in fashion industry jargon, your 'FOB price': [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 average cost breakdown of your FOB price should look like this:

Figure 4: typical breakdown of an FOB price



Note that these percentages may differ 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.

Material pricing

Collecting, selecting and processing post-consumer apparel waste is a labour intensive process. Among other things it involves selecting waste apparel items by quality (fibres, blends), colour, cleanliness and removing all trims and tags before shredding. In countries where wages are low, this can result in fabrics that can compete pricewise with fabrics made from virgin yarns. In countries with higher labour costs, this inevitably leads to yarns and fabrics that cannot yet compete with virgin fabrics.

Automated selecting could resolve this. See for instance [this Youtube-video on Fibersort](#), a new automated textile selecting machine.

Another major influence on the price of the fabric is the percentage and the price/quality level of the virgin yarn that is blended with the recycled yarn. Virgin yarns are mixed with recycled yarn to stabilise the final yarn. This can be done by any yarn, but for reasons of sustainability characteristics, buyers may choose relatively expensive yarns such as Tencel™ or organic cotton. In any case blending yarns cancels the economy of scale that the production of 100% cotton yarn has.

Retail pricing

The retail price of a recycled fashion item is on average 4-8 times the FOB price (this is called the 'retail markup'). It follows that the FOB-price is on average 12,5-25% of the retail price of the product. Exceptions do occur. In the budget market, some large European retail chains may only double the FOB price mark up. Retailers mark up the FOB-price by 4-8 times because they need to account for (among other things) import duties, transport, rent, marketing, overhead, stock keeping, markdowns, VAT (15-27% in EU-countries).

According to [Eurostat's 2020 comparison of retail prices for apparel](#), compared to the European average of 100, France had the highest price level among the top six European importers of apparel and footwear in 2020, with a price level index of 107.6, 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 price level index 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.

As a result of increasing demand (and thus higher volume production) and the development of increasingly efficient manufacturing techniques specifically for recycling post-consumer waste, prices for recycled yarns and fabrics will likely decrease. Demand for recycled fashion will grow substantially in the coming 5 years.

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

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