The European market potential for denim

Last updated:
30 August 2021

The value of the European denim imports is estimated at €7.4 billion, making it a strong apparel subsegment. Men's and women's denim products overall account for a very similar share of the market and grow very equally, making both segments interesting for denim manufacturers. Nevertheless, the share of women's denim and men's denim products might differ strongly when comparing different countries. For example, in Germany men's denim dominates the market, and in Spain, women's denim is significantly larger.

The best opportunities for the import of denim to the European Union are in Germany, Spain, and the Netherlands who are the biggest importers of denim in the EU, and also the biggest importers of denim from the developing countries. Furthermore, Western European countries show higher potential for market entries than Eastern European countries in terms of value and volume, although Poland stands out in Eastern Europe and belongs to the key markets of the region.

Sourcing denim trousers from developing countries is highly accepted by European countries, amounting to more than a third (32%) of the total EU imports in 2020. Developing country manufacturers should decide if they prefer to go for high-quality denim products, which are becoming increasingly popular, or prefer to offer lower-quality mass products for European clothing chains.

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1. Product description

Denim is mostly worn as long or short trousers during the daytime, in some cases also as a work uniform. The product category can be broken down into the following subsegments: Women's and girls' denim products and men's or boys' denim products.

The men's denim segment includes men's or boys' trousers and breeches of cotton denim, excluding knitted or crocheted, industrial and occupational clothes as well as bib and brace overalls and underpants (HS Code: 62034231).

Women's denim segment includes women's or girls' trousers and breeches of cotton denim, excluding knitted or crocheted, industrial and occupational clothes as well as bib and brace overalls and underpants (HS Code: 62046231).

Figure 1: Examples of denim wear

Source: Unsplash

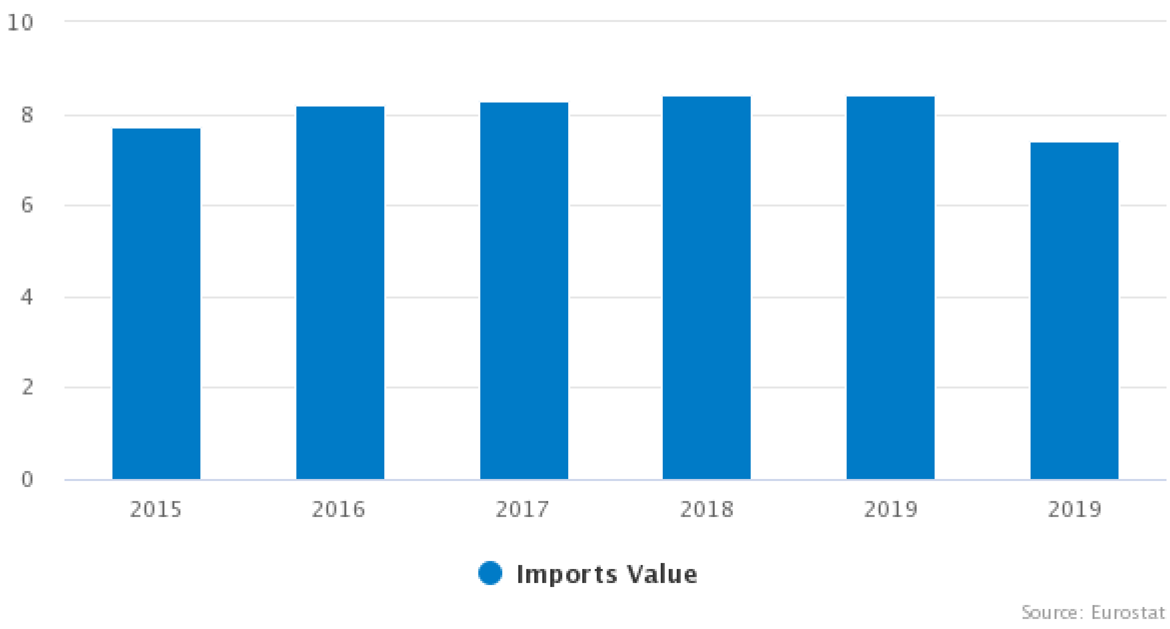
2. What makes Europe an interesting market for denim?

Europe is a significant importer of denim. In 2020, the value of denim imports to Europe, including Intra-EU imports, amounted to €7.4 billion, down from €7.7 billion in 2015. This corresponds to roughly 675 million units of clothing in 2020 (down from 718 million in 2015). Over the last five years, the value of Europe’s denim imports has decreased at an average of 0.8% annually.

After high growth rates from 2016 to 2019, the EU denim import market has stabilised at EUR 7.4 billion, due to the Covid-19 pandemic and the interrelated trade irregularities within the fashion industry. Nevertheless, the European Union will continue to be a big market for denim that fits the new trends, and the international trade is expected to regain market size once the pandemic has been overcome.

Figure 2: European Union Denim Imports

in € billion



Men's denim clothes are the larger product segment in denim, accounting for €4.2 billion, which is 57% of the segment's value. Women's denim clothes represent the remaining 43% of the segment, with a total value of €3.2 billion.

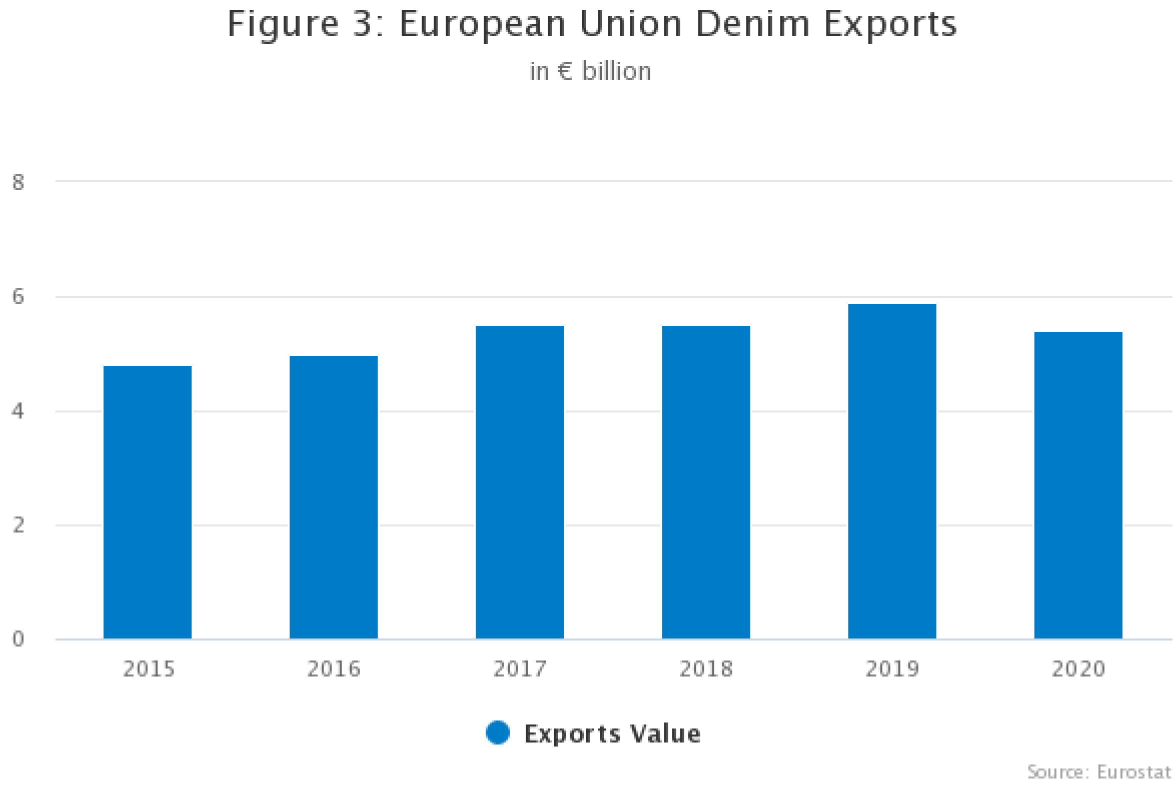
With an average annual decrease of 0.3% since 2015, the women's denim segment has decreased in value at a lower rate in the last five years than the men's denim segment, by 1.2%. Both segments are now decreasing slightly accordingly to the overall decrease of denim imports by 0.8% from 2015 to 2020.

Table 1: Denim imports to the European Union by segment, 2020 EUR value; % share of denim; average 5-year compound growth

Category	Value	% Share of Denim	5-yr growth average
Men's denim	€4,197 m	57%	-1.21%
Women's denim	€3,195 m	43%	-0.32%
All denim	€7,392 m	100%	-0.40%

Source: Eurostat

The European Union is also a large re-exporter of denim apparel. In 2020, it exported denim apparel worth €5.4 billion (up from €4.8 billion in 2015). The EU denim apparel exports increased at an average yearly rate of 2.7% between 2015 and 2020. The biggest exporters were Germany (€1.5 billion), Spain (€865 million), the Netherlands (€718 million), Italy (€620 million), Poland (€540 million) and Denmark (€255 million). Together, these six countries represent 77.1% of the EU's denim apparel exports within and outside of the selected 27 countries of the European Union. The biggest average annual denim exports growth can be seen in Malta (60.3%), followed by Hungary (51.1%), Estonia (17.6%), and Latvia (15.3%). On the other hand, the highest decreases have been experienced by Belgium (-22.7%), Ireland (-13.7%), and Portugal (-12.2%).



Currently, the value of EU denim product imports is quite evenly split between denim products originating from inside the EU and denim products originating from outside the EU, at 54.1% and 45.9% respectively. In 2020, developing country suppliers contributed 29.0% of all denim imports into the European Union in terms of value (down from 31.7% in 2015) and the suppliers from the rest of the world accounted for 16.9% of the total import value (down from 23.2% in 2015). The value of EU denim product imports originating from developing countries corresponded to €2.1 billion in 2020 and has decreased at an average yearly rate of 2.5% since 2015.

While the overall imports from outside the EU into the EU decreased at a rate of 4.3%, the denim product imports from within the EU increased at a rate of 2.8%. This demonstrates an increasing interest in intra-EU trade and a current stagnation for the trade with developing countries. Nevertheless, the market share of developing countries is still expected to grow in the future, creating new opportunities for these countries.

Figure 4: European Union Denim Imports by Origin

in € billion

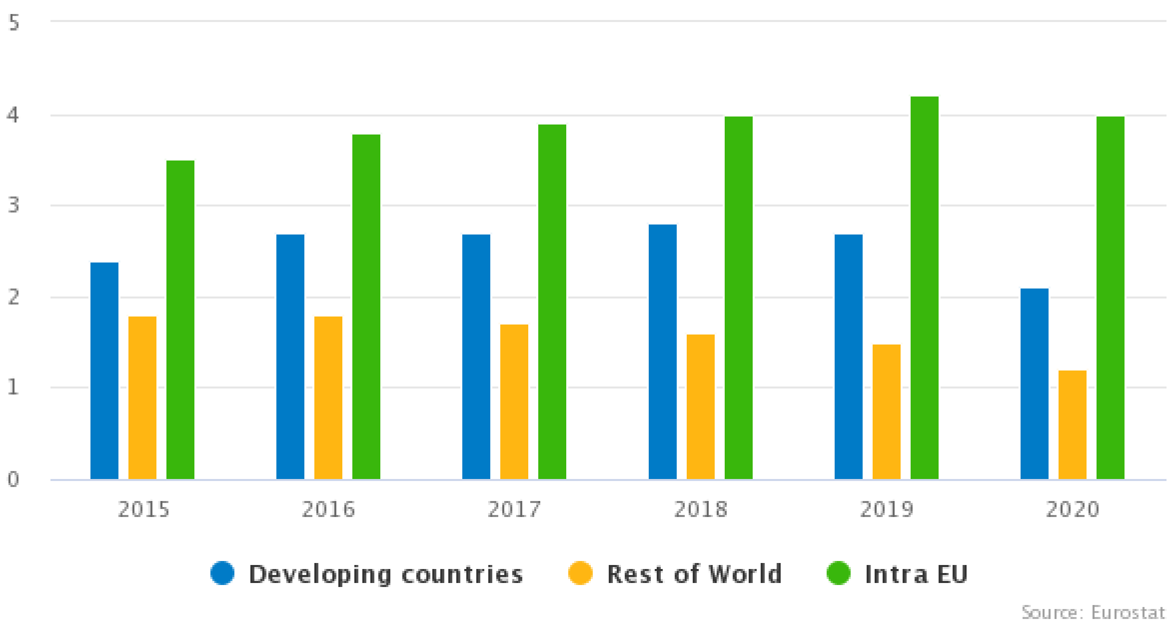
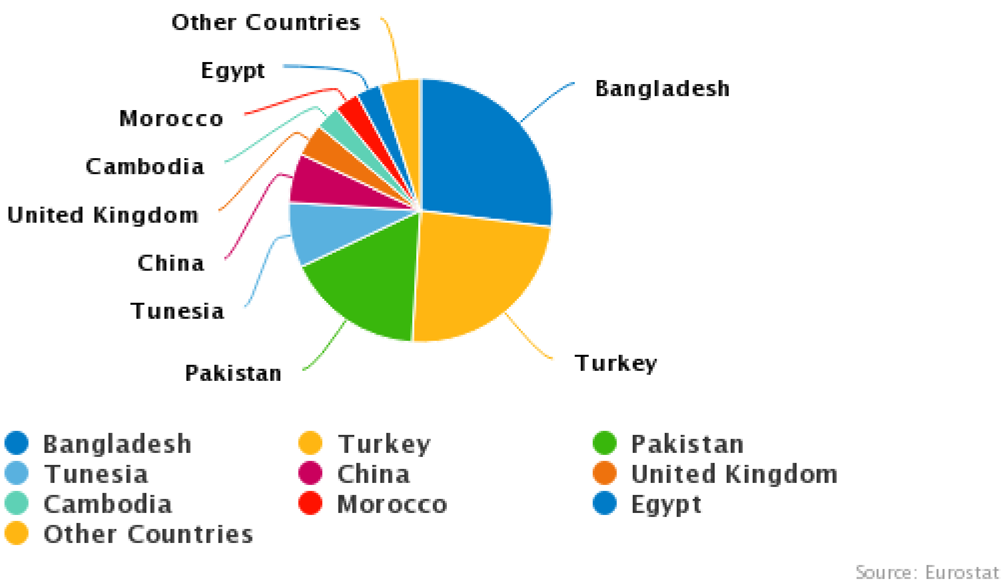


Figure 4 shows that Europe's Extra-EU denim product imports are dominated by the Asian countries, with Bangladesh, Turkey, and Pakistan being the top three denim exporters to the EU. Together, these three countries account for 67.1% of all denim imports into the EU. Bangladesh dramatically increased its market share of denim exports to the European Union going from 13.2% in 2015 to 26.9% to 2020. Other countries that increased their share of denim exports to the EU include Turkey (from 8.2% in 2015 to 16.6% in 2020) and Pakistan (from 8.2% in 2015 to 16.6% in 2020).

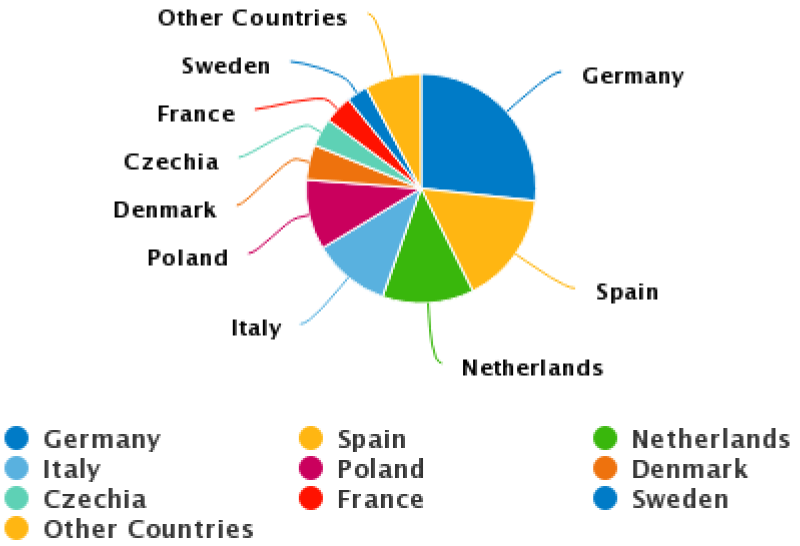
Figure 5: 2020 Extra-EU iImports of dDenim by market share of exporting countries



As shown in Figure 5, the Intra-EU exports of denim are dominated by Germany, followed by Spain, the

Netherlands, Italy and Poland. These five countries account for more than three-quarters of all Intra-EU denim exports. The rest of the market appears to be very fragmented between the different countries of the European Union.

Figure 6: 2020 Intra-EU Imports of Denim by market share of exporting countries



Source: Eurostat

Table 2 shows the top 10 Extra-EU exporters to the European Union and the top 10 Intra-EU exporters to other countries in the European Union. These countries act in direct competition to each other, fighting for the biggest market shares in denim products.

Intra-EU sales imports are led by Germany, Spain, and the Netherlands, which have grown further over the last 5 years. As the total share of Intra-EU imports continues to grow, sales in countries like Belgium, Portugal, Ireland, Denmark, Cyprus, and Lithuania are decreasing. At the same time, the involvement of developing countries was increasing before the pandemic, reducing the import value from the rest of the world.

China's exports to the EU decreased on average by 18.6% per year and India's by 10.4% per year in the last 5 years, while countries like Myanmar (24.1%), Switzerland (20.5%) Egypt (9.9%), and Vietnam (5.5%) have increased their exports to the European Union. These countries are expected to gain further market share in the near future, thus further challenging the dominating role of China and Bangladesh.

Table 2: Top 10 Extra-EU and Intra-EU Denim exporters to the European Union, 2020 EUR value; average yearly growth (since 2015)

Country	Value	5-yr growth		Country	Value	5-yr growth
Top Extra-EU Denim Exporters				Top Intra-EU Denim Exporters		
Bangladesh	€906 million	-2.2%		Germany	€1.4 billion	+11.5%

Turkey	€795 million	-0.8%		Spain	€865 million	+1.6%
Pakistan	€561 million	-2.3%		The Netherlands	€718 million	+7%
Tunisia	€282 million	-1.8%		Italy	€620 million	-1.5%
China	€204 million	-18.6%		Poland	€540 million	+10.8%
United Kingdom	€148 million	-8%		Denmark	€255 million	-3.5%
Cambodia	€93 million	-8.7%		Czechia	€217 million	+0.1%
Morocco	€84.2 million	-8.1%		France	€193 million	+1.4%
Egypt	€83.8 million	+9.9%		Sweden	€144 million	-1.1%
Vietnam	€58 million	+5.5%		Austria	€113 million	+11.6%

Source: Eurostat

Impact of COVID-19 on the European apparel market in 2020

The COVID-19 pandemic strongly influenced the sales and processes within all segments of the fashion industry in 2020. In most European countries, local shops had to close during lockdowns, depending heavily on the support payments from the governments. Most also offered heavy discounts and shifted their sales to digital channels. The denim trouser segment was specifically affected by the shift to working from home, which was mandated in multiple European countries and resulted in the growth in popularity of athleisure products (jogging pants, leggings).

As these products act as substitutes for jeans, they can be a direct threat to denim sales. At the same time, experts expect office dress code to become more relaxed once employees return to their offices, making denim more acceptable in the daily business environment. Still, demand for eco-friendly denim trousers in particular might decrease, since many sellers might look for cost-effective solutions to rebuild their everyday business after the COVID-19 pandemic.

During the first wave of the pandemic, China and Europe had been the most affected regions, performing better since the second half of the year. During the second wave and third wave of the pandemic, other countries in Asia have been heavily affected by trade restrictions and the local economic situation. Likewise, 350,000 workers in the garments industry in Bangladesh are thought to have lost their jobs since the beginning of the pandemic.

India, Laos, Vietnam and Nepal have also experienced heavy economic consequences, especially since the last quarter of the year and the beginning of the third wave in 2021. The reasons for these losses are mainly the cancellation of orders with the suppliers in the Asian countries, as well as the withdrawal in ordering volumes. Consequently, delivery times were also changed, affecting the overall reliability of the whole denim market worldwide.

Although many retailers focused on digital sales during the lockdowns, they could not fully compensate for the sales they would have had in physical stores. As such, the pandemic has led to a decrease in import orders. A total lockdown in important export countries, such as China and Bangladesh, did also influence the availability of orders until April 2021. Bangladesh is expected to experience a loss of roughly USD 6 billion due to major difficulties in delivering their products to the EU and the USA due to the coronavirus and import restrictions.

However, digital marketplaces like Zalando, AboutYou and others have benefited from the situation, as reported in the first quarter of 2020 financial report by Zalando. During the coronavirus crisis, fashion shows, festivals, summits and other events (for example the Bangladesh Denim Expo, the Denim Première Vision, Denimandjeans in Japan and Vietnam and the Gartex & Denim Show in Germany and India) have been cancelled or postponed due to government regulations.

According to industry experts, the pandemic can change all market dynamics on long-lasting terms. Asian countries are expected to lose stakes, while African companies or companies of other regions could use the opportunity to win market share by supplying the fashion brands quickly and more reliably. Additionally, the pandemic created new trends and demands within the consumers; for example some Chinese manufacturers have been observed providing buyers with bio-antibacterial fabrics.

Further tips and information on the impact of the coronavirus have been collected and can be found in the CBI news item 'Running an apparel factory in times of Coronavirus'. For 2021, several events for the denim industry have been announced after having been cancelled in 2020. However, many of these events are still performed digitally or only host a limited number of participants at a time.

Tips:

- Target men's denim, as this is the bigger product subsegment, it has continuously grown within the last five years and is steadier in terms of product trends. However, for some European countries, women's denim is the better segment to target. Do your research on this.
- Compete with intra-EU exporters by proving yourself to be a reliable partner who can cut costs and deliver quality products.
- Act right away, since countries in South-Eastern and Eastern Europe (Malta, Croatia, Cyprus, Estonia, Latvia) are currently gaining stake in export matters for the EU. Prove yourself to be an equally reliable partner as European countries.
- Profit from the pre-existing high level of involvement of developing countries in the business by developing local business networks with other companies from your country and region. Collaborate with locally situated associations and create synergies.
- Observe the changes and regulations concerning the coronavirus. Most regulations are made on a national and federal level and can become both a barrier and an opportunity for you. The market may need to be reorganised after the coronavirus crisis, which might be an interesting opportunity for you to enter.
- Take the opportunity of the high availability of digital events to participate at these events and develop industry contacts.
- The situation in the Asian countries, especially India as one of the major suppliers of denim to Europe, might offer opportunities for the market entry of African companies.

3. Which European countries offer most opportunities for Denim?

Western European markets are currently larger importers of denim products than the Central and Eastern European countries. Germany is the biggest importer, followed by Spain and the Netherlands. Poland is the only Eastern European country in the top 10, and its imports are growing faster than any other top 10 country. The top six countries together account for 75.1% of denim imports in the European Union and have grown at an average of 0.59% per year in the last 5 years, primarily driven by growth in Poland.

Table 3: Top 10 EU Importers of Denim, 2020 EUR value; average yearly growth

Country	Value	5-yr growth
Germany	€2.0 billion	-0.4%
Spain	€860 million	-2.7%
The Netherlands	€842 million	0.0%
France	€815 million	-2.4%
Poland	€519 million	+11.3%
Italy	€508 million	-2.4%
Belgium	€297 million	-5.2%
Austria	€286 million	+2.0%
Denmark	€260 million	-3.7%
Sweden	€235 million	+0.6%

Source: Eurostat

The top 10 EU importers of denim from developing countries are shown in Table 4. Spain stands out with a 52.5% share of imports from developing countries. Poland has experienced a 22.8% increase in the last five years. Mainly influenced by the circumstances in 2020, all countries except Denmark and Poland experienced an average yearly decline in total.

Table 4: Top 10 EU Importers of Denim from the Developing Countries, 2020 EUR value; average yearly growth; share of imports

Country	Value of Developing country imports	5-yr growth	Developing country share of imports

Germany	€663 million	-1.0%	33.1%
Spain	€451 million	-3.7%	52.5%
Netherlands	€246 million	-5.7%	29.1%
France	€234 million	-2.8%	28.8%
Italy	€201 million	-3.8%	39.5%
Denmark	€85 million	+4.3%	32.8%
Belgium	€65 million	-10.7%	22.0%
Czechia	€50.1 million	-1.9%	27.4%
Sweden	€50.0 million	-0.1%	21.2%
Poland	€33 million	22.8%	6.4%

Source: Eurostat

Germany

Table 5: 2020 Imports of denim to Germany by segment with five-year growth, average import unit price and five-year price evolution

GERMANY	2020 Value (€)	5-year growth	Average unit price	5-year price change
Men’s denim	1.287 billion	+0.1%	€11.70	+€0.25
Women’s denim	717 million	-1.2%	€11.41	-€0.46
TOTAL:	2.0 billion	-0.4%	€11.59	-€0.01

Germany is the largest denim import market in Europe. In 2020, the value of its denim imports amounted to €2.0 billion (reaching approximately the same value as in 2015), corresponding to approximately 173 million units of clothing. In the last five years, the value of Germany’s denim imports decreased at an average rate of 0.40% per year, while the import volume decreased at an equal rate. Popular denim brands from Germany include Mustang, Paddock’s, Jeans Fritz, Mac, Esmara and others.

Men’s denim constitutes the larger denim subsegment in Germany with a 64.2% share of the import value (up from 62.7% in 2015), followed by women’s denim with 35.8% in 2020 (down from 37.4% in 2015).

The men’s denim subsegment is the larger unit in Germany, but is also decreasing more quickly. In the last five years, denim import prices developed positively, and it has become the more interesting segment for manufacturers of developing countries. At the same time, women's denim accounts for the smaller part of the total denim imports, but currently is decreasing slower at a rate of -0.32% per year. In terms of prices per unit, men's denim products appear to be slightly higher in value (€11.70) than women's denim products (€11.41), with an increase of €0.25 of the price per unit since 2015. Due to the decrease in price per piece for women's denim, the total price development is nearly unchanged on average (+€0.01).

Spain

Table 6: 2020 Imports of denim to Spain by segment with five-year growth, average import unit price and five-year price evolution

SPAIN	2020 Value (€)	5-year growth	Average unit price	5-year price change
Men's denim	287 million	-6.8%	€7.94	-€0.19
Women's denim	573 million	-0.1%	€8.36	-€0.73
TOTAL:	860. million	-2.7%	€8.08	-€0.43

Spain is the second largest denim import market in Europe. In 2020, the value of its denim imports amounted to €860 million billion (down from €983 million in 2015), corresponding to approximately 107 million units of clothing. In the last five years, the value of Spain's denim import has decreased at an average rate of -2.7% per year, while the import volume has decreased by -1.6%. Popular brands from Spain include Pepe Jeans, Companion Denim, Zara, Garcia, Lois and others.

Women's denim products constitute the larger denim product segment in Spain, with a 66.7% share of the import value (up from 58.4% in 2015), followed by men's denim segment with a 33.4% share. Women's denim product imports decreased by -0.1% from 2015 to 2020, while men's denim decreased by -6.8%. At the same time, women's denim have the higher average unit price at €8.38, decreasing by €0.73 over the same period. Men's denim products had an average price of €7.94 in 2020, experiencing a decrease by €0.19 since 2015.

The women's denim product segment is the larger segment in Spain and is growing faster, while the price is decreasing faster. Men's denim products are the much weaker segment and have shown less potential than the women's segment. Nevertheless, both segments are expected to grow further in the future, due to the continuous demand for the product and the residence of local denim brands.

The Netherlands

Table 7: 2020 Imports of Denim to the Netherlands by segment with five-year growth, average import unit price and five-year price evolution

NETHERLANDS	2020 Value (€)	5-year growth	Average unit price	5-year price change
Men's denim	487 million	-1.1%	€13.91	+€0.25
Women's denim	355 million	+1.7%	€11.63	+€1.48

TOTAL:	842 million	0.00%	€12.85	+€2.77

The Netherlands is the third largest denim import market in Europe. In 2020, the value of its denim imports amounted to €842 billion (returning to its value in 2015), corresponding to approximately 66 million units of clothing. Over the last five years, the value of the denim imports to the Netherlands has remained the same, while the import volume has decreased by 4.7% over the same period. Popular denim brands from the Netherlands include G-Star Raw, Denham, Scotch & Soda, House of Holland, MUD Jeans, Tommy Hilfiger Denim and others. In terms of import, the country profits from its proximity to the sea and availability of harbours, which act as an inexpensive avenue for product import.

Men’s denim products constitute the slightly larger denim segment in the Netherlands, with a 57.9% share of the import value (down from 61.2% in 2015), while the women’s denim segment accounts for 42.1% (up from 38.8% in 2015). The men’s denim segment has decreased by an average of 1.1% every year since 2015, reaching an average price per unit increase of €0.25 per year, reaching €13.91 in 2020. Overall imports of women’s denim grew by 1.7%, while the average price per unit has increased annually by approximately €1.48, up to €11.63 in 2020.

As the men’s denim segment is the larger one in the Netherlands, there is big market potential in it. Nevertheless, women’s denim achieved growth despite the pandemic and might show growing potential in the close future.

France

Table 8: 2020 Imports of Denim to France by segment with five-year growth, average import unit price and five-year price evolution

FRANCE	2020 Value (€)	5-year growth	Average unit price	5-year price change
Men’s denim	440 million	-4.2%	€11.03	+€0,32
Women’s denim	375 million	+0.1%	€9.09	-€0.58
TOTAL:	815 million	-2.4%	€10.04	-€0.22

France is the fourth largest denim import market in Europe. In 2020, the value of its denim imports amounted to €815 million (down from €918 million in 2015), corresponding to approximately 81 million units of clothing. In the last five years, the value of France’s denim imports has decreased by 2.4% per year, while the import volume has decreased by 1.9% per year. Popular denim brands from France include Selvedge, Ateliers de Nîmes, Tuffery, A.P.C., Rouje, Sézane, 1083, Reiko and others.

Men’s denim product imports constitute the slightly larger denim segment in France, with a 53.9% share of the import value (down from 59.3% in 2015), followed by women’s denim with a 46.1% share in 2020. The women’s denim segment increased by 0.1% in value from 2015-2020, while men’s denim products decreased by 4.2% over the same period. The average price of men’s denim reached an average of €11.003 per unit (an increase of €0.32 since 2015), while women’s products reached an average price per unit of €9.09 (a decrease of €0.58 from 2015 to 2020).

Although the import of men’s denim products is still the larger segment in France, women’s denim has seen more growth, despite the pandemic and the overall decreasing performance of the market due to it. The price development of both segments does balance an increase in one segment and a decrease in the other. However, France remains an interesting and growing market for denim imports, which guarantees further growth for both segments in the future.

Poland

Table 9: 2020 Imports of Denim to Poland by segment with five-year growth, average import unit price and five-year price evolution

POLAND	2020 Value (€)	5-year growth	Average unit price	5-year price change
Men's denim	308 million	+21.1%	€15.27	+€3.06
Women's denim	211 million	+2.6%	€10.13	-€2.45
TOTAL:	519 million	+11.3%	€12.66	+€0.23

Poland is the fifth largest denim import market in Europe. In 2020, the value of its denim imports amounted to € 519 million (up from €304 million in 2015), corresponding to approximately 41 million units of clothing. In the last five years, the value of Poland's denim imports increased at a spectacular average rate of 11.3% per year, while the import volume increased by 10.9% over the same period. Popular denim brands from Poland include Kubis, Crown Jeans, Big Star Jeans, Mohito, Cropp, CCC, and others.

Men's denim products constitute the larger denim segment in Poland, with a 59.4% share of the import value (up from 39.1% in 2015), while the women's denim subsegment accounts for 40.6% (down from 61% in 2015). The men's denim subsegment has increased by an average of 21.1% every year since 2015, reaching a positive price increase of €3.06 to €15.27 in 2020. Women's denim overall imports increased by 2.6%, while the average price per unit has decreased by €0.23 since 2015, to €10.13 in 2020.

The men's denim segment is now the larger one in Poland, creating a lot of potential for developing countries, and women's denim products offer equally interesting opportunities. Both segments are expected to grow further as part of the overall European development in the future. Due to its very strong performance in recent years, Poland has managed to replace the United Kingdom in the top 6 list of denim importers and has surpassed the market potential of countries like Italy.

Italy

Table 10: 2020 Imports of Denim to Italy by segment with five-year growth, average import unit price and five-year price evolution

ITALY	2020 Value (€)	5-year growth	Average unit price	5-year price change
Men's denim	276 million	-3.9%	€12.95	+€0.69
Women's denim	232 million	-0.4%	€10.20	-€1.91

TOTAL:	508 million	-2.4%	€11.53	-€0.66

Italy is the sixth largest denim import market in Europe. In 2020, the value of its denim imports amounted to €508 million (down from €573 million in 2015), corresponding to approximately 44 million units of clothing. In the last five years, the value of Italy's denim imports has decreased at an average rate of -2.4% per year, while the import volume has decreased at -1.3% per year. Still, Italy remains a very interesting export destination for denim products. Popular denim brands from Italy include Diesel, Energy, Replay, Fiorucci, Gas, Meltin' Pot and others.

Men's denim products constitute the larger denim segment in Italy with a 54.4% share (down from 58.8% in 2015), followed by women's denim with 45.6% (up from 41.2% in 2015). The women's denim segment decreased less significantly than men's denim, at an average annual rate of 0.4%, compared to 3.9%. Men's denim products have the higher average unit price at €12.95 per unit, which increased by €0.69 from 2015 to 2020. The average price per unit of women's denim products decreased by -€1.91 from 2015 and reached €10.20 in 2020.

The men's denim import segment is slightly bigger than the women's product segment, but the women's denim segment is showing more strength and resilience to trade issues. In terms of prices, women's denim imports are currently losing stake. Nevertheless, the import of women's and men's denim products show potential for growth in the future.

Tips:

Focus your export efforts on the top six markets: Germany, Netherlands, Spain, France, the United Kingdom, and Italy because these the biggest importers of apparel and denim from the developing countries. The United Kingdom and The Netherlands might be explicitly interesting countries due to their strong markets and their (significantly) increasing import of denim products from developing countries.

Focus your export efforts on the top six markets: Germany, the Netherlands, Spain, France, Poland, and Italy, because these are the biggest importers of apparel and denim from developing countries. The United Kingdom and the Netherlands might be particularly interesting countries, due to their strong markets and their (significantly) increasing import of denim products from developing countries.

Consider getting involved in both the men's and women's denim segments at the same time. However, the designs of men's denim are currently evolving slower than women's denim, making it easier to get involved in men's denim first, rather than women's denim. Inform yourself about country-specific specifications in terms of the subsegments.

Prove yourself as a reliable partner for European countries to overcome the currently growing preference to keep denim imports Intra-EU. In this context, cost cutting, flexibility and product quality are considered the main gate opening buzzwords.

Visit websites, web shops and check fashion magazines (for example InTouch, Vogue, Glamour, GQ and Men's Health) from Europe to be up to date on current denim trends.

If you are interested in exporting to the UK, keep an eye on the developments in the United Kingdom (by getting up-to-date information through the European Commission and Department for International Trade of the United Kingdom for example), since the new trade agreements due to Brexit have not been finalised yet, which might significantly influence the import tariffs from developing countries.

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

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

Changes in the types of Women's denim

While it is still the major style sold by fashion brands, the trend of skinny and super skinny denim jeans is currently lessening, and it is turning into a trend for high-waist straight or slouch trousers that are embroidered, patched or in other ways "individualised". In 2020, companies like Levi's saw 40% of its sales of women's denim being traced back to looser fit denims. Correspondingly, the company's "balloon-leg" denim styles have been very successful.

The length of denim is furthermore kept short, to allow branded shoes to be seen (this trend is called "flanking"). In 2020, trendsetters are looking for denim with split trouser legs, legs cropped from the cuffs and very wide legs. The "Mom's jeans" high waist fit of denim trousers is currently becom3ing fashionable. In terms of colours, classic denim blue remains the most successful, but consumers still like denim jeans in the "used" or stone-washed style.

Men's fashion in denim trousers also undergoes changes, and skinny jeans for men still account for a significant part of denim sales. Nevertheless, the trends are not as dynamic and do not change as quickly as the women's denim segment.

Disappearing "middle market"

In denim, consumers do explicitly decide between the purchase of low-quality jeans at a lower price (for example H&M jeans), or high-quality trousers of specific brands (like Levis) that cost over EUR 100 per unit. The current trend tends towards branded and long-living classical denim jeans, whereas these are not affordable for everyone. Nevertheless, while these high-quality brands set the current fashion, low-cost alternatives are highly appreciated. Denim exporters need to decide clearly about the quality level they would like to export to the EU; either mass denim of lower quality or high-quality jeans for high-end brands such as Lee's and Pepe. Both segments show increasing opportunities but demand a different set of work ethics and production standards.

Rise of innovative online brands

The growing trend of fair and sustainable denim has inspired the creation of numerous small brands distributing their jeans products (mostly) through the internet. In many cases, denim products are produced within the own country and cotton is purchased under fair conditions from the closest countries possible (for example Turkey and Morocco or Tunisia). The fabrics that the companies use are intended to contain less or no chemical ingredients and allow for sustainable disposal. Some of these "micro brands" have developed successfully enough to open their first shops in European metropolitan areas (for example Armed Angels from Germany and MUD Jeans in the Netherlands).

Overall, the online distribution of denim jeans is expected to grow significantly within the next years. This means that successful companies may not just be the "traditional" denim product sellers, but also smaller companies in the market. Denim manufacturers could therefore try to collaborate with these smaller brands if they can offer pre-defined production standards. Also, companies from developing countries could distribute their products directly to the customer using digital channels. Additionally, the online distribution of denim jeans makes it easier to offer customised denim trousers, another trend that is currently on the rise, but shows no great potential to become a gamechanger in the industry yet.

Athleisure

Since the emergence of “athleisure” (a constructed term that combines clothing traditionally worn by athletes such as jogging pants, leggings and activewear with leisure purposes) in 2014, denim sales have been threatened (as reported here). Although denim remains the customers’ primary leg clothing for leisure, athleisure has become increasingly popular and saw a sales increase of up to 12% (in the case of jogging pants) from 2018 to 2019. In 2020, half of the people participating at a survey conducted by the Cotton Lifestyle Monitor revealed that they have replaced parts of their denim with athleisure and activewear products. Athleisure is currently seen as a trend, and it is uncertain how much this trend might influence denim imports in the future.

Jeans Leasing

The sustainable brand “Mud Jeans” from the Netherlands is the first known company to offer the leasing of one of their jeans. Therefore, customers are paying a membership fee of €29, as well as a monthly leasing fee of €7.50. After one year, the customer can decide to keep the denim, switch it with another model (again for the fee) or turn it back in for vintage use and recycle. For now, this remains a very niche approach, but if this system gains in popularity on the European market (for example due to the current sustainability movement), it might dramatically influence the imports from any country in the world.

Digital solutions for sourcing

The smartphone application “DE-Brands” is the first app for the management of denim and sportswear sourcing procedures. It brings together buyers and suppliers by working as a platform, including interaction tools and opportunities for suppliers to showcase their products. Buyers can search products worldwide, select numerous categories, and connect with suppliers and mills. In the future, similar solutions are expected to become more common and include a growing number of app participants.

Recycled fashion

As the consumers’ awareness on sustainability and eco-friendliness is growing, they are more interested in production procedures and sources for materials. This supports the positive development of the (current) niche market of denim products that have been produced based with recycled materials, discarded clothes, organic cotton, and materials that have been not treated by hazardous chemicals. Most of these products are sold by smaller brands that distribute their products mainly online, but larger fashion brands have also started to include “sustainable” products in their product lines. Other important factors that get considered when evaluating the sustainability of denim include the usage of water, the components of the colours, and the application of different buttons (like the removable and reusable jeans button “Dorlet Diablo”).

Tips:

Stay informed about the trends of denim products in Europe by visiting fashion websites and follow fashion experts online. These days, influencers and/or actors or singers have become the most important trendsetters. Additionally, denim brands like Levi’s and The Gap do set the denim trends of the seasons to come.

Observe trends threatening the denim market such as athleisure to be fully aware of upcoming market changes. If you are able to become part of such trends, use the circumstances to expand your capacities.

Consider opening an online shop to sell your denim directly to European consumers. If you choose this route, you should be confident enough to show full transparency, especially on the work conditions of your employees, as well as material origins and ingredients and your CO^2 footprint. Visit the online shop of Rags2Riches from the Philippines for inspiration.

Decide if you prefer to distribute high-quality jeans for selected brands or mass products to big European chains like C&A, H&M, Zara and others. Be aware of certifications needed and inform yourself about concrete contract conditions before you collaborate with either or both company types.

Keep an eye on the sustainability trend. Even known “old-school” brands are switching to sustainable materials to be able to advertise their eco-friendly approach. The demand for such products is expected to increase significantly in the future.

New developing global sourcing platforms might present an interesting way to promote and sell your products easily. Research the conditions to become part of such platforms and develop a strategy to use these platforms efficiently.

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