CBI
Ministry of Foreign Affairs

CBI Product Factsheet:

Jeans in the Netherlands

The Dutch market for jeans is a highly competitive but interesting export market:

- *Per capita consumption of jeans in the Netherlands is higher than in surrounding countries.*
- *Although the consumer confidence index remained very low and Dutch consumers limited their purchases, due to the prominent role of jeans in the wardrobe, it is assumed as improbable that jeans will be show strong fluctuations in consumption.*
- *The lower mid price segments, including large retail (clothing-) chains, offer medium-good fashion base quality materials and a variety of denim washes. Market share of this segment showed the strongest growth and reached 40%, and therefore an interesting segment for Developing Country exporters.*

Product definition

The following CN code numbers in the category jeans are specified by Customs and official statistics in the EU:
6203.42.31 Men or boys' trousers and breeches of denim
6204.62.31 Women or girls' trousers and breeches of denim

The following Prodcom code numbers are used:
1413.2442 Men or boys' trousers and breeches of denim
1413.3542 Women or girls' trousers and breeches of denim

In this fact sheet, jeans is defined as a man's, woman's or child's ankle length trouser, most probably, but not exclusively, with five pockets (the five-pocket Western jeans), made from cotton woven as a 3/1 warp-faced twill fabric, with a yarn dyed warp and an un-dyed weft yarn and traditionally (and still most usually), the warp is indigo dyed.
Farmers and workmen originally wore jeans. The pants were styled with topstitching, two patch pockets, two swing pockets, a V-shaped yoke in back and rivets reinforcing points of strain. In the 1960s, adapted as a general fashion with flared legs in same cut, but made of many fabrics including denim, bleached denim, printed fabrics, corduroy and even velvet. The introduction of the watch-pocket (on the right side in front) added to carry money led to the classical five pocket jeans. Denim jeggings (jeans+leggings) belong to the same (statistical) category of jeans.

Product specifications

Materials

The choice of the material plays a dominant role. The most common material used is 100% cotton, including threads. Although polyester blends are available, the majority of jeans sold are 100% cotton (or cotton/elastane: eg 98/2). However, shrinkage and, to a lesser degree, colourfastness is a problem. All cotton shrinks, so while making patterns, this should be carefully considered. Tolerances for shrinking are limited (max. 3%).
Denim with a weight of:

- 8-9.5 oz, lightweight denim is used for children's summer wear.
- 10-11.5 oz (350-420 gr/sq m), light or fine-weave denim is used for women's summer wear.
- 12-14.5 oz (500 gr/ sq. m), used for men's wear and women's heavy (winter) wear; most common is the 13.¾ oz.
- 14.5 oz is a heavy (winter) quality for men's wear and also used for special models.

More information can be found at RAWR Denim: http://www.rawrdenim.com

Jeans include the zipper, buttons, rivets and label. Rivets have been traditionally made of copper, but the zippers, snaps and buttons are usually steel.


Quality standards

As for other outerwear articles, there are no general (EU) standards for jeans. Most of the importers work with certain minimum requirements relating to materials and manufacturing. The minimum standard and the test method are described for fabrics and yarns. For example: a tolerance of +/- 5% in weight (according to ISO 6348), or a maximum shrinkage of 3% and maximum elongation of 3% for 100% cotton (ISO 3759, 5077 and 3175).
A description of manufacturing requirements for jeans can include, among others: minimum seam allowances for pressed open seams (1.0 cm), for closed seams (0.7 cm) and for waistbands (1.0 cm); leg, seat and yoke seams must be sewn with a lapped seam which is sewn with two needles producing double chain stitch, or a safety stitch which may be stitched flat with a double chain stitch. Criteria for sewing of fastenings, pockets, waistbands, usage of yarns (monofilament is not allowed) are part of the requirements.

Tips:

- Stitching: to avoid puckering, you must avoid blunt needles, apply the correct thread tension on the operating machines, avoid leakage of machinery.
- Layering of fabrics: make sure the patterns are laid in one direction, to avoid colour differences and all elements should come from the same lot to avoid colour differences after washing.
- Cutting: to avoid delay and quality decrease in production, make sure patterns are perfect.
- Precisely the exporter should follow buyers' instructions on sizes, colours and other specifications. A minor discrepancy could be fatal to the perceived product quality.

Colours

Dry denim can be identified by its lack of wash or 'fade'. It typically starts out as a dark blue colour. Denim was traditionally coloured blue with indigo dye to make blue jeans. Nowadays denim is available in different colours. Coloured jeans are one of the strong growth drivers in jeans, especially for women and children's jeans. Besides indigo, black and grey are popular colours for men's jeans. Other features are coated jeans (appears like leather at first glance) or printed jeans (floral prints, animal prints, polka dots etc.).

Manufacturing

Denim is a warp dyed and weft grey fabric with indigo, but in fashion a wide variety in washings and treatments are used to differentiate the product.
In the last decade(s), several varieties in finishing techniques have been used, to avoid (pre-washed) or to obtain (wash-out, fade-out) colour changes; destructive techniques like stone-washed and sand-washed; for bleaching, calium-permanganat or even more expensive enzymes were used, either or not combined with other techniques. The main purpose of washings is to make the denim appear worn, rugged, broken and used all over.
In many cases, besides the wet treatment, a mechanical treatment is applied to the jeans by using a grinder. After finishing, the pair of jeans is inspected and ready for transport to retail.

The latest trend is the vintage look with white marks in jeans, suggest the jeans is damaged and scratched on several places on the leg, more than previous years. Other new trends are waxed jeans, jeans with a shiny leather look or jeans with a metallic look.

Below an overview of main washings, which are used in denim collections:

Washings	
Enzyme wash	Organic washing, non harmful for environment. Destroys cellulose but keep the strength.
Sand Wash	Washing with sand to make the denim look more worn, less effective as stonewash
Stone Wash	Washing with stones to give damage effect, although it makes the fabric weaker
Bleach Wash	Bleached by strong oxidizing chemicals to make the denim looks lighter
Silicone Wash	Provides a smooth and slippery feel to the fabric, also environmental friendly
Distress and Ball wash	Highly faded and finished with holes, rips, tears and often fraying hems

The main purpose of treatments, other than washing, is to make the denim look damaged on specific places in the garment.

Treatments	
Whiskering	Treatment with sandpaper to shred fibres and gives a worn look
Crushing	Permanent crinkled or rumpled appearance
Chemical spray	To make sprayed effect to lighten up spots in the garment
Crosshatch	Adding stitchings to fix weak points, often for decoration

Examples of damaged and scratched denim as showed on the Premiere Vision in Paris for A/W 2015-16 collections:

Design

Jeans have very wide appeal. For some people jeans are considered as comfortable, durable and easy, for others they are more trendy and cool. Around 20 years ago jeans were a basic product, but nowadays it’s a fashion product that changes every season. Being a fashion product, jeans come in different varieties. The cut of jeans varies in width, rise and thigh. Most popular styles in width are illustrated below.

					
Skinny fit	Slim fit	Tapered fit	Straigth fit Basic Jeans	Loose fit	Engineered fit
Tight thigh Narrow hem	Slim thigh Narrow hem	Looser thigh and tapered calf	Classic fit and straight legs	Relaxed thigh and wide hem	Looser thigh and narrow hem
Women	Women	Women/men	Women/men	Men	Women/men
Denim with min. 2% elastane	Denim with min. 2% elastane	Denim 100% cotton or with elastane	Denim 100% cotton	Denim 100% cotton	Denim 100% cotton

Source: Fashion & Vision

Based on the height or rise (the length of fabric from the crotch seam to the top of the waistband) of jeans, the following types can be distinguished:

High rise	Mid rise	Low rise	Low crotch
			
A high-rise jeans will generally sit at or above the navel. The rise length will average 9 ½ inches or greater.	A mid-rise jeans will generally sit 1 to 2 fingers below the navel. The rise length will average between 8 ½ and 9 ½ inches.	A low-rise jeans will generally sit on or slightly above the hip bone or approximately 3 to 4 fingers below the navel. The rise length will average between 7 ½ and 8 ½ inches.	An ultra-low rise jeans (low crotch) will generally sit below the hip bone. The rise length will average 7 ½ inches or less.

The hem of the legs can vary in width, as follows:

Bell bottoms	Boot cut	Straight cut	Tapered	Tight
				

Other cuts of jeans can be found at the websites of manufacturers or retailers.
For further information refer to: CBI Fashion Forecast.

Packaging

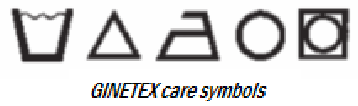
Jeans are normally purchased container-wise and are packed in boxes, depending on the buyer’s wishes, of 25-30 jeans in a box and 10-12 jeans in a recyclable or biodegradable plastic bag. Total weight per box may not exceed 25 kg. Other instructions from the importer on packaging must be followed accurately.
Additional information on packaging can be found at the website of ITC on export packaging.

Labelling

Textile products must be labelled with the fibre composition and using the fibre names in accordance with EU rules. The aim of this common set of labelling rules is to ensure that the consumer knows what he is buying.
The following information will generally be found on the label in clothes:

- Care symbols
- Composition (fibre content; percentages of fibres used))
- Size
- Country of origin (Made in)
- Further information, such as eco labels, labels for sustainable cotton

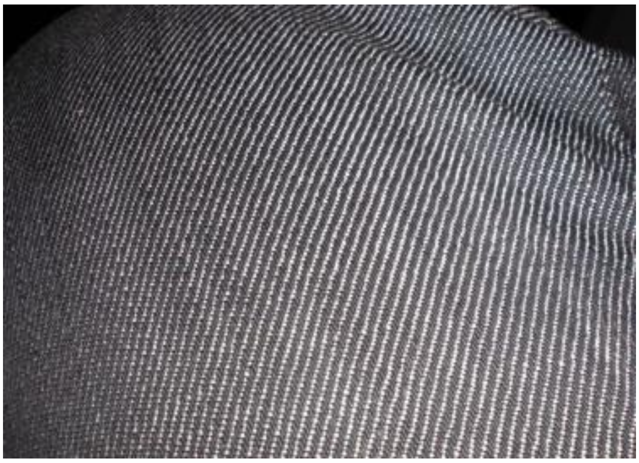
Care labels:
Most European countries, including the Netherlands, use the international care labelling code GINETEX. The European trademark GINETEX care labelling system is a voluntary service to consumers offered by the textile and apparel industry. To control the correct application, an international trademark protected the care labelling code. The ownership of this international trademark belongs to GINETEX.
According to GINETEX standards, labels should include: General care and warnings; Washing; Drying; Ironing; and, Professional textile care (dry-cleaning)



Most claims arise from the incorrect appliance of the wash & care instructions. It is advisable to indicate on your care label only 40ºC for washing and wash inside out (to avoid bleeding), both instructions serving to avoid claim discussions.

Considerations for action
It is important to note that the symbols are protected as trademarks in many countries and using them is only permitted by GINETEX under contract. For more information on GINETEX labels, see GINETEX website.

Images



Legislative requirements

When exporting to the EU you need to take into account various requirements regarding labelling, dangerous substances, product safety and liability. Products that fail to meet the legal requirements are not allowed into the EU market

Dangerous substances

The EU has restricted the use of several chemicals in textile products because they pose a health risk to consumers. Examples of restricted substances are: TRIS, TEPA and PBB (flame retardants), Azo dyes, Nonyl Phenol Ethoxylates, Dioctyltin (DOT) compounds and nickel (e.g. in zippers and buttons).
In addition to the harmonised EU legislation, the Netherlands has legislated additional requirements regarding Flammability of clothing and Formaldehyde in textiles.

Considerations for action
To avoid the risk of using restricted substances, it is advisable to keep an up-to- date inventory of the chemicals used in your products. Familiarize yourself with the full list of restricted substances in products marketed in the EU by checking out restriction on the use of certain chemical substances in textile and leather products.

Product safety and liability

Products placed on the EU market should be safe when used as intended. The EU has regulated product safety in the General Product Safety Directive (GSPD), which applies to all consumer products marketed in the EU.
The Directive on liability for defective products provides that companies placing products on the EU market can be held responsible for damage caused by defective products.

In principle, it is your EU buyer who can be held responsible for damage caused by defects in your products. However, possible claims may be passed on to suppliers.

Considerations for action
See the EU documents: Liability for defective products and Product safety (consumer products) for more information on these requirements.

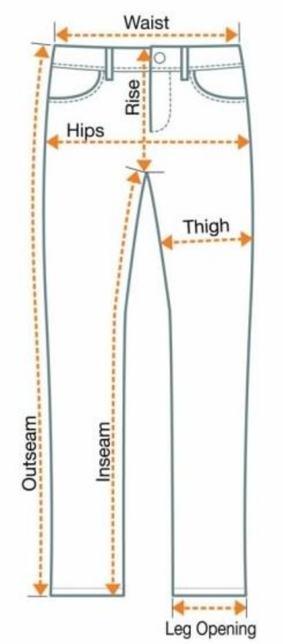
Labelling
In order to ensure that consumers are given accurate information regarding the fibre composition of the products they are buying, the EU has harmonised legislation regarding the names, composition and labelling of textile products.

Considerations for action
Make sure that your products comply with labelling requirements. This means that you need to indicate the fibre content using prescribed fibre names.
Refer to the document EU Legislation: Labelling of Textile Products (Including Garments) on the CBI website, for more information on the labelling requirements.

Non-legislative requirements

Sizing

Jeans sizes are internationally indicated in inches (25.4 mm) and are usually given in two figures, namely the waistband girth in inches and the inner-side length in inches. Usual EU sizes for trousers are seldom used because the fitting of jeans is very important. For example: the difference between waistband girth size 29 and 30 inch is 2.5 cm and in the usual outerwear women's sizes 38 and 40 the difference in waist is 4 cm.
Sizes for children's jeans are similar to the general outerwear sizes.



Size range for men:										
Size:	28	29	30	31	32	33	34	36	38	40
Waist in inch	28 ½ ″	29 ½	30 ½ ″	31 ½″	32 ½ ″	33 ½″	34 ½ ″	35 ½ ″	36 ½ ″	37 ½ ″
Hip in inch	34″	35″	36″	37″	38″	39″	40″	41″	42″	43″
Thigh in inch	21″	21 ½ ‶	22″	22 ½ ‶	23″	23 ½″	24″	25″	26″	27″
Inside length is measured from crotch till hem and is variable to all sizes										
Inseam length	30″	32″	34″	36″	38″					

Source: http://professionalbachelors.com/2013/how-jeans-should-fit

Size range for women:										
Size:	23	24	25	26	27	28	29	30	31	32
Waist in inch	22 ¼ ″	23 ¼ ‶	24 ¼ ‶	25 ¼ ‶	26 ¼ ‶	27 ¼ ‶	28 ¼ ‶	29 ¼ ‶	30 ¼ ‶	31 ¼ ‶
Hip in inch	33 ½ ″	34 ¼ ‶	35 ¼ ‶	36 ¼ ‶	37 ¼ ‶	38¼ ‶	39 ¼ ‶	40 ¼ ‶	41 ¼ ‶	42 ¼ ‶
Thigh in inch	19 3/8″	20 ‶	20 5/8″	21 ¼ ‶	21 7/8″	22 ½ ‶	23 1/8″	23 ¾ ‶	24 3/8″	25″
Inside length is measured from crotch till hem and is variable to all sizes										
Inseam length	28″	30″	32″	34″	36″					

Source: *www.7forall mankind.com*

Disclaimer: Sizes and measurements should be used as a guideline, but can be different and varies per brand

Sustainability

Consumers are increasingly aware of the social and environmental circumstances during production. As a consequence, requirements regarding sustainability and certification are increasingly important to buyers. In particular, social aspects such as basic labour rights are major issues in the garments industry.

Implementing a management system (e.g. ISO 14000 on environmental aspects, SA 8000 on social conditions or, OHSAS 18001 on occupational health and safety) or using sustainably produced (e.g. organic) materials is often required or may otherwise be a competitive advantage. Research or discuss with your buyer to determine whether this is of interest.

Considerations for action

Depending on your target market (segment) certification, or otherwise participating in an initiative addressing sustainability issues, can give you a competitive advantage. Assess what is actually interesting and feasible by asking yourself the following questions:

- What is my main market and who are my main clients?
- What is their demand with regard to my sustainability performance and how may this demand change in the future?
- What sustainability initiative is potentially the most suitable for me?
- What do I need to invest to become certified and what revenues can I expect in return?
- What support can I get to become certified (e.g. training)?

Codes of conduct

EU buyers may expect you to comply with their supplier codes of conduct. This can be the importer’s own code of conduct or a code of conduct as part of an initiative in which the importer is participating (e.g. BSCI, Fair Wear and the Clean Clothes Campaign).

Considerations for action
In case participating in a specific initiative is not desirable and/or feasible for your business, assess whether you can still benefit from the general trend towards sustainability. You may consider the following steps:
- Implement practical measures aimed at avoiding or minimising any negative sustainability impacts of your operations.
- Use the criteria of certification systems and your clients' codes of conduct as a source of information and inspiration.

Consumer labels
Consumer labels are labels used on the final product to show consumers that the products they are buying are produced in a socially responsible or environmentally friendly way. To be allowed to carry the label, producers must meet certain standards and are often audited by independent auditors.
Consumer labels can focus on one issue (e.g. Fair Trade for social conditions or the EU Ecolabel on environmental issues or on social and environmental issues, such as MADE-BY). Examples of consumer labels that could be relevant are: Fair Trade, EU Ecolabel and GOTS.
Another important label is OEKO-TEX. The OEKO-TEX Standard consists of three types of certification for textiles. These address the effects of textile production processes on humans and the environment, and the effects of the textiles themselves, including the chemicals, on the health and well-being of consumers.

Considerations for action
Refer to the documents Labels and Standards: Sustainability for Apparel and Management systems supporting sustainable development, for more information on relevant standards, labels and other initiatives.

Trade Developments

Jeans Market in The Netherlands

Consumption
Total market size in the Netherlands can be estimated at 20.7 million pairs of jeans, value € 930 million in 2013, against 21.2 million pairs of jeans, value € 1,046 million in 2009. Bought by a population of 16.8 million, it indicates that all men, women and children, living in the Netherlands, bought 1.2 pair of jeans in 2013. In Germany, per capita consumption accounts for 1.1 pairs of jeans per year.
The average consumer price (including sales tax) of a pair of jeans was € 45 in 2013 against € 49 in 2009. This fall was partly due to:
- Strong increased price-competition on retail level.
- Lower cost price because of increased imports from countries with lower production costs.
- Increased popularity of jeggings in 2013, which are much lower priced than jeans
- Low-priced jeans (including clearance sales and promotional offers) are attractive for the price-conscious Dutch consumer in a weak economy.

Mostly used criteria for market segmentation of jeans are demographic factors and attitude towards fashion.
Total jeans consumption in the Netherlands concerned for 38% men's jeans, 34% women's jeans and 28% children's jeans. During the period 2011-1013, sales of women and children's jeans increased slightly in volume, while sales of men's jeans stagnated. Experts expect increased sales of jeans for men, beginning from 2014.
In 2014, 30% of the Dutch population or 5.14 million people consisted of citizens aged 55+ and, over 17% (almost 3 million people) aged 65+. The percentage of elderly people in the Netherlands is high and will remain so. Elderly people, especially men, prefer private labels to brands and (basic) standard jeans to fashionable items.

Blue jeans are still an unchanged part of the leisure and casual wardrobe of the majority of the Dutch population. Even jeans in the classical function as workwear are still important.
Eurostat introduced a classification by product and distinguished economy, standard, premium and super premium jeans (see figure 3), while CBI in former reports combined fashion acceptance and price categories (see figure 10).

Figure 1: Sales of jeans in volume and value, 2009-2013

	2009		2011		2013	
	'000 units	million €	'000 units	million €	'000 units	million €
Type of jeans						
- Economy	11,774	357.6	10,938	339.6	11,194	345.3

- Standard	7,468	487.7	7,420	437.1	7,478	409.7
- Premium	1,923	190.7	1,908	173.0	1,928	161.4
- Super premium	40	9.5	55	12.6	57	13.5
Total jeans	**21,205**	**1,045.5**	**20,321**	**962.3**	**20,657**	**929.9**

Sources: Eurostat, Euromonitor and trade estimates, 2014

Production

According to Prodcom, production of jeans in the Netherlands is administrated as confidential. It can be assumed that production of jeans can be ignored. The manufacture of denim jeans has been moved out of the Netherland to low wage countries, partly through the growth of traditional imports and partly through the initiatives of manufacturers in transferring the location of their production in order to remain competitive.

Imports

The Netherlands imported 75.1 million pair of jeans at a value of almost € 700 million in 2013, indicating an average import price of € 9.32 per unit. The average import price fell by 7% in the period 2009-20013, caused by factors like intensified price competition among suppliers and fluctuations in exchange rates.

Intra-EU trade decreased from 54% of total imports in 2009 to 43% in 2011 and to 36% in 2013 and covers an important share of re-exports from other EU countries. A strongly increasing part came from DCs: 44% in 2009, 55% in 2011 and 63% in 2013.

Figure 2: Netherlands' imports of jeans by leading countries, 2009-2013 (in € million)

	2009	2011	2013	CAGR 2009-13	Change 2012-13
TOTAL EU-28	**472.0**	**625.6**	**699.6**	**10.3%**	**4.7%**
Intra-EU trade	**253.3**	**269.4**	**252.1**	**-0.1%**	**-3.5%**
Of which from:					
Germany	92.9	106.6	108.6	4.0%	5.1%
Italy	67.6	46.5	36.2	-14.5%	-10.0%
Spain	11.2	20.0	21.0	17.0%	-9.2%
Denmark	21.1	31.8	20.1	-1.1%	-37.1%
Poland	13.7	15.1	19.6	9.4%	25.9%
Extra-EU trade	**218.7**	**356.2**	**447.5**	**19.6%**	**4.7%**
Of which from:					
Bangladesh	26.2	61.2	123.7	47.4%	45.1%
Turkey	35.2	69.4	94.8	28.1%	9.8%
Tunisia	60.7	66.1	66.1	2.2%	-2.7%
China	20.6	52.8	42.1	19.5%	9.2%
Pakistan	4.4	29.5	42.0	75.4%	11.4%
India	41.1	35.7	27.4	-9.7%	0.0%
Vietnam	7.9	8.8	15.8	18.8%	5.7%
Cambodia	0.3	6.1	11.0	154.2%	-2.1%
Mauritius	2.1	3.8	6.3	31.7%	45.5%
Thailand	7.7	6.2	4.4	-13.1%	-15.1%

Source: ITC TradeMap and Eurostat, 2014

The most expensive jeans were imported from Tunisia, Vietnam and Turkey (€15 to €18), and the cheapest jeans from Bangladesh, Cambodia and China (€5).
China, Tunisia and Turkey are the largest suppliers of jeans to the European Union (two thirds of total jeans imports). Largest EU (re-) exporters of jeans into the Netherlands are Germany, followed by United Kingdom and Spain.

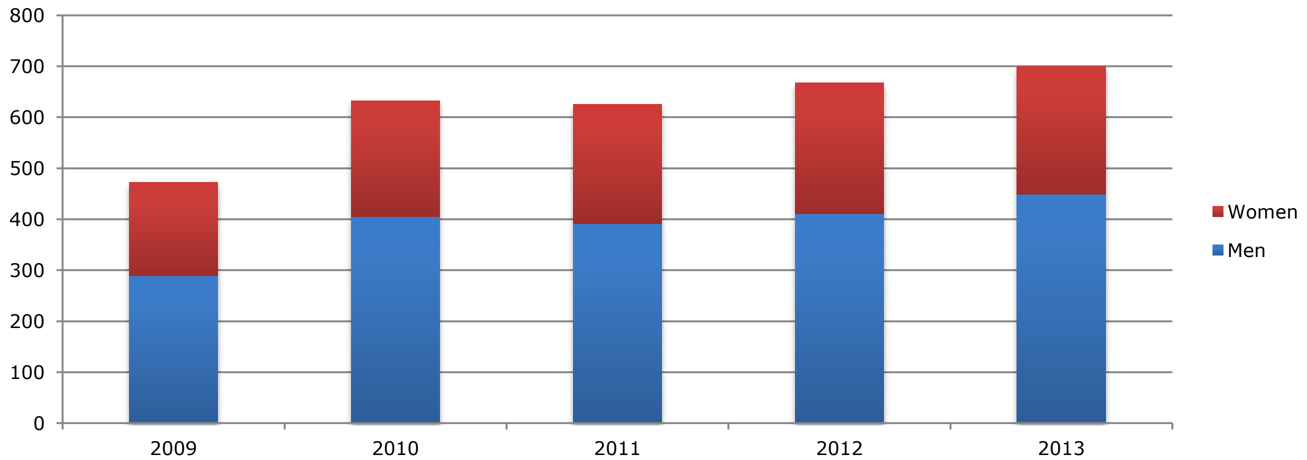
Figure 3: Netherlands' imports of jeans by leading countries, 2009-2013 (in volume and average import prices)

	2009		2013		CAGR in % 2009-2013	
	million units	Average price in €	million units	Average price in €	million units	Average price in €
TOTAL EU-28	**37.9**	**12.45**	**75.1**	**9.32**	**18.6%**	**-7.0%**
Intra-EU trade	15.6	16.27	18.1	13.95	3.8%	-3.8%
Extra-EU trade	22.3	9.78	57.0	7.85	26.4%	-5.4%
of which from DCs						
Bangladesh	7.5	3.52	25.0	4.95	35.3%	8.9%
Turkey	2.4	14.44	3.7	14.97	26.9%	0.9%
Tunisia	3.2	19.18	3.7	17.97	3.8%	-1.6%
China	3.8	5.46	8.2	5.13	21.5%	-1.6%
Pakistan	0.9	4.69	6.5	6.45	61.9%	8.3%
India	2.2	18.58	2.1	13.02	-1.3%	-8.5%
Vietnam	0.5	16.72	1.0	15.18	21.7%	-2.4%
Cambodia	0.0	5.90	2.2	4.95	165.6%	-4.3%
Mauritius	0.2	12.76	0.5	13.05	31.0%	0.6%
Thailand	0.9	8.40	0.5	9.43	-15.6%	2.9%

Source: Eurostat 2014

Short distance supplying countries are East-European countries, Turkey and Tunisia. The short lead-time (time between buying and selling) is the result of making design and purchase decisions as late as possible to avoid mark down prices.

Figure 4: Imports into the Netherlands of jeans by sexe, 2009-2013



Source: Eurostat 2014

Based on 9 months figures for 2014, imports of jeans by the Netherlands will increase 16% (in terms of volume).

Considerations for action
To satisfy the requirements of importing companies in the Netherlands, exporters in DCs will be faced with increased demands for higher quality and requirements concerning the environment and labour conditions.

Buyers' instructions on sizes, colours and other specifications should be followed precisely by the exporter. A minor discrepancy could be fatal to the perceived product quality.

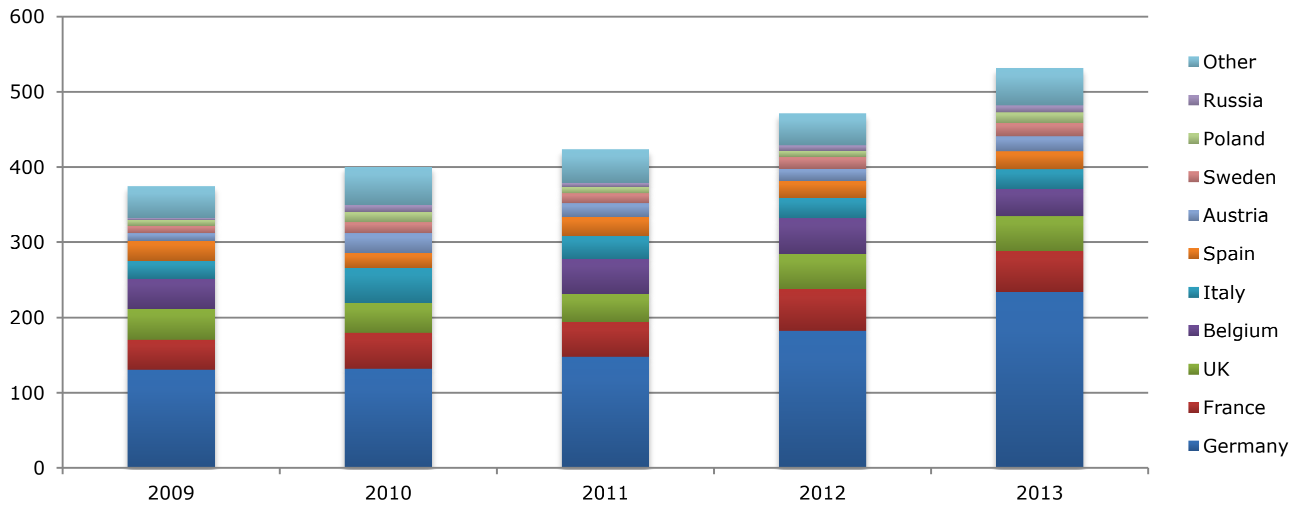
The logistic concepts aim at having the right goods at the right time, in the right volumes at the right place and all that with a minimum of costs. Particularly for fashion articles, that is of the upmost importance, just like regularity in deliveries and there certainly may not be any delays.

The best value is not necessarily created in countries where labour costs are lowest. Instead, it tends to be generated in factories where the management is best able to manage costs and productivity and where technology is used cost-effectively. In other words, the skill and circumstances, which contribute to achieving the best value, are factory-specific rather than country specific.

Exports

Exports of jeans by the Netherlands grew 16% (CAGR) during 2009-2013 to 34 million units, valued at € 531 million (+9% annually) in 2013, of which 95% concerned intra-EU trade.
Germany remained by far the most important destination (44% of total exported value), followed by France (10%), the UK (8%), Belgium (7%) and Italy (5%). Leading destinations outside the EU were Russia (1.7% of total exported value), Turkey and Switzerland (each 0.5%), followed by Norway, USA and Japan.

Figure 5: Total exports of jeans by the Netherlands, 2009-2013 (in € million)



Source: Eurostat, 2014

Exports include the so-called re-exports: products imported from outside of the EU, which are exported to other (mostly EU countries). During the period under review, the Netherlands registered a strong growth in exported volume but at much lower prices: € 21.71 per unit in 2010 against € 15.84 in 2013, mainly caused by decreased prices of re-exports to Germany (resp. € 16.80 and € 11.66).

Market trends

Most important developments

- A key trend in the apparel industry is that the value chain will need to become fully transparent in terms of sustainability. More and more buyers in the Netherlands will include sustainability issues in their purchasing policies. The main environmental issues are:
    1. Water use and pollution
    2. Energy use
    3. Chemical use

  This transparency is also high on the agenda of decision makers in the Netherlands. Following the Bangladesh incident, where a garment factory collapsed claiming over 1,100 lives, Dutch minister Ms Ploumen of Foreign Trade and Development announced a plan to invest € 9 million in the so-called Dutch Good Growth Fund to support the Bangladesh apparel industry. The minister, together with the Dutch trade associations Inretail, MODINT and VGT also presented a plan for more sustainability in the apparel industry.
- The environmental impact of jeans is high. At every stage of production there is quite a heavy environmental burden. Many jeans producers in the Netherlands have recognized this sustainability issue and actively use this in their

strategy. This can be done by producing jeans in a sustainable manner (e.g. Kings of Indigo and Kuyichi) or by innovative business models.
- The Clean Clothes Campaign has published a report about the continued use of sandblasting and other unsafe finishing processes in the manufacture of jeans. The report analyses conditions in six denim factories in the Chinese province of Guangdong, a region responsible for half of the world's entire production of denim jeans. The report, "Breathless for Blue Jeans: Health hazards in China's denim factories", finds that sandblasting is still widespread in China in order to give jeans a worn or 'distressed' look, despite most Western brands banning the practice three years ago because of its link to silicosis, a deadly lung disease that has already caused the deaths of many garment workers.
- An interesting trend in the higher jeans segment is the skipping of the washing process. As an example, Kings of Indigo (KOI) has developed a new sustainable wash concept, Kings of Laundry. The company claims to save 50-70% water by washing their jeans with ozone and laser. Other jeans producers such as Armani, Gucci, H&M and Levi's have announced, following the Clean Clothes campaign, that they will ban sandblasting in their production process and only apply rinse wash.

Considerations for action
Pay attention to your company's performance on responsible water use, energy consumption and chemicals. Communicate this to your (potential) buyers. This may give you a competitive advantage.

Commonly used in the jeans industry is the so-called L.O.C.K. principle: Labels Of Common Kin. These brands focus on high quality, sustainability and CSR in their production process and have a similar target group of conscious jeans customers. Doing business with these labels is only possible if you can live up to their standards.

As a result of several incidents, more and more attention is being paid to working conditions in Developing Countries. Although costs are still leading, Dutch buyers will be forced to be transparent about their buying policy including the working conditions of their suppliers. Make sure that you remain an interesting supplier.

As a DC exporter it is important to ensure that your jeans have been produced in an ethical manner, e.g. without using the sandblasting production method.

Consider adapting a sustainable wash concept when targeting the higher jeans segment.

Innovation and market growth

- The jeans market in the Netherlands has shown relatively little innovation in new models so far. Retailers and jeans companies have focused too long on skinny jeans. There is hardly any supply of jeans in larger sizes (32/33 for women and 38/40 for men) because the suppliers do not want their image being impacted by such an offer. This is remarkable, because according to statistics 45% of the Dutch population are overweight. Jeans sales in the Netherlands are predicted to grow from 2013 onwards.
- The collections for the coming seasons will show some innovations, such as experimental washings and a renewed focus on fit. These innovations will justify a somewhat higher retail price.
- Jeans sales are negatively impacted by the growing popularity of chinos and (jeans) leggings. The price per item of jeans is decreasing, due also to the competition of lower-priced jeans leggings (jeggings). Furthermore, large retail chains like Zara, H&M and Primark are becoming bigger in the low-priced jeans segment.
- Various jeans producers have introduced a specific concept for women, such as the recently opened Denham Women store in Amsterdam. Other examples of this segmentation are G-star women and Levi's Curve ID corner.

Considerations for action
Be able to offer new innovative products. Follow the trends in the Apparel market by exploring the CBI Fashion Forecast and show your (potential) buyer that you know what is important in the European Fashion industry and that you can adapt your techniques and products to these trends, as well as the needs and wishes of Dutch clients.

There are opportunities for jeans brands to target the growing segment of oversized clothes. Make sure that you are able to make products of different sizes.

Dutch consumers are very conscious of sustainable production methods. As a DC exporter you could consider partnering with a Dutch retailer and introducing a similar CSR initiative.

Various jeans producers have introduced a specific concept for women. DC exporters could consider targeting this women's segment.

For further information on market trends, see also the CBI Trendmapping Apparel.

Market Channels & Segments

Jeans are sold through the standard channels, which are common in the apparel industry. Interesting channels in the Netherlands for exporters in DCs may be:

- importing manufacturers and/or brand distributors (G-Star, Scotch & Soda, Denham, Kings of Indigo and Brams Paris).
- importing retail organisations, such as clothing multiples (C&A, We, Etam), specialised jeans or leisure wear multiples (Cool Cat, the Sting, Jeans Centre), department stores (Bijenkorf, V&D) and variety stores (Hema), buying organisations (Euretco, Deco), online web-shops (Wehkamp, Orange Bag, Perfectly Basics and most of the other distribution channels), textile discounters (Zeeman, Wibra).

Agents work mainly with brand names and capital investments are required. For these and other reasons, this channel is less interesting for most exporters in DCs.

Leading companies, which are active in the jeans retail market in the Netherlands are mentioned in figure 6. It should be noted that company and brand names are examples only and do not necessarily give a complete overview.

Considerations for action
See the CBI Market Channels and Segments Apparel to explore the standard route on the European market.

Pricing

Although the definition of a pair of jeans is relatively straightforward, pricing of jeans is anything but straightforward. One pair of jeans looking as though it has similar styling to another and made from similar can vary considerably. The effect of the market position, often indicated as low, medium and high, results in different margins on consumer end price, based on one CIF (cost, insurance and freight) price for the different market segments. A multiplier of between 2.0 and 4.0 on the manufacturer's price should be used to calculate an appropriate final consumer price.
Higher cost prices depend on quality of fabric (weight, composition etc.), country of origin of denim, country of manufacturing, finishing, accessories (label, zipper, buttons etc.), sizes etc.
An overview of consumer prices for the various segments is given in figure 6, while average import prices are given in figure 3. For further information, see the CBI Channels and Segments Apparel.

Considerations for action
Be aware that Dutch consumers are very price conscious and that this will have an effect on the buying behaviour and requirements of European buyers. Check CBI Buyers' Black Box Apparel for more information regarding buyer

Market Competitiveness

The Dutch apparel retail industry is rather fragmented and this, combined with moderate growth in recent years, has resulted in an increased level of competition. With regard to jeans:

- C&A and H&M have largest market shares in the ' low to middle price segment';
- Bestseller (Jack&Jones, Vero Moda) and Just Brands (PME Legend, Vanguard) in the 'middle price segment', and
- G-Star is leading in the 'upper middle price range'.

The different price ranges and related market shares for jeans in the Netherlands are illustrated below in figure 6.

Figure 6: Jeans segments and market shares in the Netherlands, 2013

SEGMENTS	PRODUCT CRITERIA	STORE CHOICES *	Examples of BRAND NAMES	CONSUMERPRICE IN €
High price luxury segment *Market share approx. 5%*	Limited collections, sometimes hand-made, exclusive luxury or high quality materials Designer/brand name stands for exclusivity and fashionable products	Exclusive retail stores Designer stores Special shops in department stores	Evisu, Cerruti, Drykorn, Aigle, Armani, True Religion, 7 for all mankind, NYDJ	> € 120 Price less important
Upper middle price segment *Market share approx. 15%*	Collections are produced after pre-sale. Extra attention to fitting and accessories. Branded products, good quality materials, broad range of designs.	Independent stores Shop in shops Brand stores Department stores	Superdry, Diesel, G-Star, Mavie, Denham, Levi's, Scotch & Soda, Kuyichi , Replay	€ 80-120 Acceptance of price for fashionable collections and consumer brands
Middle price segment	Collections are produced after	Independent stores	LTB jeans, River Island, Cars	€ 40-80

Market share approx. 25%	pre-sale. Good quality materials. Trend-following and large variety in assortment; branded products. Branding vitally important.	Department stores Clothing multiples	jeans, Fornarina, Miss Sixty, PME, Tripper, Vanguard, Wrangler, Jack & Jones	Price thresholds must be observed
Lower middle price segment *Market share approx. 40%*	Produced in larger quantities to lower the price. Fancy fashion styles, fewer changes to patterns, fitting inseam only 2 sizes. Medium-good fashion base quality materials; variety of denim washes.	Independent stores Clothing multiples Variety stores	Only, Brams Paris, CLP Private labels of C&A, WE, H&M, Zara, Etam Hema	€ 15-40 Price important
Lower price or discount segment *Market share approx. 15%*	Large quantities- fashion following standardised fitting. Standard most common denim washes.	Textile-discounters Food discounters Street market	Fancy brands No brands	Lower than € 15 Price is the deciding factor.

* including web-stores. Source: Fashion & Vision, 2014

Jeans have become a popular and mainstream product, a garment people put on for comfort and fit. Branding and advertising greatly influence market demand, which tends to weaken buyer power.
Individual buyers quickly change their demands. Suppliers try to maintain market share in this competitive market by attracting customers with strong brands and intensive marketing techniques. The market is characterised by relatively low barriers to entry due to low capital requirements. There are some substitutes for apparel retail, including homemade clothing, second hand clothing, bespoke tailoring and factory shops, although these only pose a limited threat to market players.

The buyers in this market vary in size, from individual customers to large, multinational incumbents such as, for example, Levi's. Many manufacturers sell their products directly to retailers. Other manufacturers also operate retail businesses, where products are sold directly to individual customers. These different buyers experience dissimilar levels of buyer power.

As a DC exporter it is important to realise that the competition in all price segments is intense.

Considerations for action
Low entry barriers and the high popularity of jeans offer potential for new suppliers.

Buyer power is quite strong since there are a lot of suppliers. Make sure that you stand out to increase your selling position.

Besides the traditional lower range market segment, the large middle range market segment may also offer good opportunities for exporters in DCs.

In order to differentiate oneself from competitors a DC exporter could consider offering:
- Excellent fit/model
- Newest washing and coatings
- Newest fabric compositions: warp weft broken twills, space denim, etc. (this is a very specialised and fashionable area)
- Focusing on a specific target group in particular can offer potential.
- behaviour.

For more insights on market competiveness and considerations for actions see the CBI Competitiveness Apparel.

Useful sources

- International Textile and Apparel Association, http://www.itaaonline.org
- MODINT - Ondernemersorganisatie voor mode, interieur en textiel, http://www.modint.nl
- InRetail, http://www.inretail.nl
- Dutch Textile Institute, http://www.nedtex.nl/english.html

- RAWR Denim, http://www.rawrdenim.com

Trade Fairs

- B&B Bread & Butter: Most important trade show, in Berlin, http://www.breadandbutter.com
- The Kingpins Denim Show: large Dutch trade show about Denim, Casual Wear and Jeans, http://www.kingpinsshow.com
- The Gallery: International fashion fair for fashion and accessories held twice a year, http://www.the-gallery-duesseldorf.com
- Premium Order Munich: International fashion trade show on women's wear, men's wear, denim, accessories and shoes, http://www.premiumexhibitions.com
- CIFF: Copenhagen International Fashion Fair, once a year, http://www.ciff.dk
- Vision Copenhagen: International Fashion Fair., http://www.cphvision.dk
- Modefabriek Amsterdam: Fashion Fair, twice a year, http://www.modefabriek.nl

This survey was compiled for CBI by Fashion Research & Trends in 2014.

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