

What is the demand for apparel on the European market?

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Europe is a strong apparel market and is home to some of the world's biggest apparel companies. The EU's apparel import market was valued at €191.4 billion in 2022 (up from €138 billion in 2017). Suppliers from developing countries contributed 49.5% of all clothing imported into the EU in terms of value, up from 48.8% in 2017. From 2017 to 2022, the market grew by an average of 6.75% per year. The biggest import markets in the EU are Germany, France, Spain, the Netherlands, Italy and Poland.

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1. What makes Europe an interesting market for apparel?

Europe is home to some of the world's biggest and most renowned apparel companies and has a large apparel sector that performs well. According to the World Trade Organisation's [2022 World Trade Statistical Review report](#), the EU is the world's largest importer of apparel and textiles. In 2021 the EU (population in 2022: 447 million) accounted for 34.1% of the world's apparel and textile imports in terms of value whilst the second top importer, the USA (population in 2022: 333 million), accounted for just 18.5%.

The European market has some key differences with the USA, the second most popular destination for apparel exports. It is more diverse than the USA market, and suppliers can offer a higher level of service and flexibility (design, materials sourcing, MOQ's). The US market, on the other hand, is relatively homogenous and follows more traditional, less direct retail and distribution models (wholesale and private label). As a result it is highly price-driven and volume-driven. Many US buyers have offices located in production countries, and source and nominate their own raw materials. Manufacturing is often done on a CMT (cut, make and trim) basis which leaves little room for suppliers to add value.

Table 1: Key differences in buying models between USA and EU

Europe	USA
OEM/ODM	CMT
Factory source RMs	Nominated RMs
Smaller Order Quantities	Large Order Quantities

Cost and speed-driven	Cost-driven
Faster fashion	Slower fashion
Development agents	Sourcing agents
Direct business	Wholesale and private label
One-stop shops	Specialist product manufacturers

The EU is the region with the highest market share of imports from developing countries, defined here as those on the OECD-DAC list. It is followed closely by the Americas (including Canada and Central and South America). The share of exports into the EU from developing countries increased by almost 2.5% in the period 2017 to 2022.

Table 2: Destination of apparel exported from developing countries, 2017-2022

Destination	Share of total exports 2017	Share of total exports 2022	5-year change
Africa	1.27%	1.44%	0.17%
Americas	24.74%	26.08%	1.34%
EU	24.76%	27.12%	2.36%
Asia	17.69%	15.25%	-2.44%

Source: ITC Trademap

Europe imported €191.4 billion of apparel in 2022 (up from €138 billion in 2017) which is equivalent to 32.2 billion units of clothing (up from 27.8 billion). Of this, 52.5% was trade in knitted or crocheted apparel (up from 49.8% in 2017) and 47.5% was in non-knitted/woven apparel. Between 2017 and 2022 the market grew by an average of 6.75% per year. By 2021, imports had recovered to pre-pandemic levels and 2022 saw growth of as much as 27%, year on year.

In its [State of Fashion 2023 report](#), McKinsey predicts global fashion sales growth of 5% to 10% for luxury, and negative 2% to positive 3% for the rest of the industry in 2023. The outlook is less positive in Europe, with soaring inflation and high interest rates associated with the energy and cost of living crises, caused in large part by the war in Ukraine. McKinsey predicts negative 4% to positive 1% growth for non-luxury and 3% to 8% growth for luxury in 2023.

However, the EU economy performed better than expected towards the end of 2022, and as a result the European Commission in May 2023 revised its GDP growth [forecast](#) for 2023 and 2024 up from 0.8% and 1.6% to 1% and 1.7% respectively. This was due mainly to lower energy prices and easing supply issues.

Figure 2: European apparel imports have grown in recent years, but high inflation may negatively affect

consumer spending on clothing



Source: [Who's Denilo ?](#) on [Unsplash](#)

Private consumption

When money is tight, end consumers are more likely to postpone buying non-essential items. According to [Eurostat](#), in 2021, an average of 4.2% of the total expenditure of the average European went on clothing and footwear. The post-pandemic peak in total European private consumption occurred in September 2021. After the first quarter of 2022, however, consumption decreased steadily before making a slight recovery at the end of the year. It is expected that the cost of living crisis will continue to negatively affect European consumption in the short to mid-term.

EU apparel export and intra-European trade

The EU is also a large exporter and re-exporter of apparel. According to [WTO statistics](#), the EU was the second largest exporter of apparel in 2021 with a 28.1% share, second only to China. Eurostat statistics show that in 2022, EU countries exported €140.2 billion worth of apparel (up from €102.6 billion in 2017), of which 72% was destined for other EU countries and 28% for the rest of the world.

EU apparel exports grew at an average yearly rate of 6.4% between 2017 and 2022. The biggest exporting countries in the EU in 2022 were Italy (€24.9 billion), Germany (€24.4 billion), Spain (€15.6 billion), the Netherlands (€15.2 billion), France (€13.3 billion) and Poland (€10.4 billion). Together, these six countries represented 74% of the EU's apparel exports. Poland and the Netherlands had the strongest export growth within this group, with an average annual increase in export value of over 10%. Poland's exports have grown by as much as 16.2% each year.

Currently, EU countries import apparel equally from other EU member states and from countries outside the EU, at 48.4% and 51.6% respectively. In 2022, developing countries were the origin of 49.5% of all EU clothing imports in terms of value (up from 48.8% in 2017) and suppliers from the rest of the world accounted for 2% of the value (down from 4.5% in 2017). The value of EU apparel imports originating from developing countries corresponded to €94.7 billion in 2022 and has increased at an average yearly rate of 7% since 2017.

During the same period, apparel imports from countries within the EU increased at a rate of 7.6. This indicates continued interest in intra-EU trade. These statistics mask the fact that a large portion of the EU's apparel imports from countries inside the EU are re-exports of apparel made in developing countries. These do not therefore represent direct competition with imports from developing countries.

Five of the top-6 intra-EU exporters are also among the top-6 importers of apparel, indicating that certain EU countries are becoming ever more important as regional distribution hubs. Notable amongst these is the Netherlands which is a top exporter that has no significant local apparel manufacturing industry but serves as a re-exporting hub due to the presence of a major port. Poland, whose exports to other EU countries increased by an average of 21% per year in the period 2017 to 2022, is becoming a regional hub for distribution to Eastern European countries.

Source: Eurostat

China, Bangladesh and Turkey are Europe's top suppliers

Apparel imports from outside of the EU are dominated by Asian countries. China, Bangladesh and Turkey are the top-3 exporters to the EU, together accounting for 32.5% of all apparel imports into the EU in 2022. China has long been the single largest apparel exporter to the EU, accounting for 15% of imports by value, although that

share has declined from almost 17% in 2017. It is followed by Bangladesh at 11.5% and Turkey at 6%. The other top-10 exporters from outside the EU have import shares of between 1.2% and 2.4% of the overall value.

Bangladesh, Turkey, Pakistan, Vietnam and Myanmar all increased their shares of the EU apparel import market between 2017 and 2022, with Bangladesh increasing its share by as much as 2%. Myanmar has seen its exports grow the fastest, with an average annual increase of 25.7% between 2017 and 2022, taking its exports from just under €1 billion in 2017 to €3.1 billion in 2022. Bangladesh, Vietnam and Pakistan grew their exports to the EU by double digits in the same period, well above the 6.75% overall EU import growth rate.

In the next few years, expect to see further growth in imports from emerging developing countries as China's share continues to decrease.

Table 3 :Top-10 Extra-EU exporters to EU, 2022 value, share %, 5-year average annual growth

Exporter	Value	Share 2022	Change in share 2017-2022	5-year average growth
China	€28.7 bn	15%	-1.6%	4.6%
Bangladesh	€21.9 bn	11.5%	2%	11.1%
Turkey	€11.4 bn	6.0%	0.1%	7.0%
India	€4.6 bn	2.4%	-0.4%	3.2%
Vietnam	€4.4 bn	2.3%	0.4%	11.1%
Pakistan	€3.7 bn	2.0%	0.4%	12%
Cambodia	€3.6 bn	1.9%	-0.2%	4.2%
Myanmar	€3.1 bn	1.6%	0.9%	25.7%
Morocco	€2.9 bn	1.5%	-0.2%	3.5%
Tunisia	€2.2bn	1.2%	-0.2%	3.5%

In China, costs are increasing and the number of available workers is falling. At the same time, soaring domestic demand and the allocation of capacity to domestic production are leading to a lack of capacity for exports, longer lead times and higher prices. According to [McKinsey](#), in 2005 China exported as much as 71% of the finished apparel goods it produced. By 2018, that figure was just 29%.

China is also increasing its focus on the production of more value-added products, both in the apparel sector and other sectors (for example electronics and machinery). EU apparel buyers have realised that they have been overly reliant on China and are therefore pushing to diversify their sourcing. Although China will, for now, remain one of the largest suppliers of fabrics, accessories, trims and high-value apparel, its fast-fashion volume business is expected to move to other developing countries.

The 2023 State of Fashion report identifies manufacturing locations with low labour costs, such as Bangladesh

and Pakistan, as are likely to increase their share and take advantage of the gradual exodus of production from China. With 65% of survey respondents considering nearshoring to address supply chain challenges, the report predicts that Turkey, Eastern Europe and North Africa will benefit.

Germany, Italy, Netherlands are top intra-European exporters

Europe's intra-EU trade in apparel is dominated by Germany, Italy and the Netherlands with these three countries accounting for the supply of almost 22% of all apparel imports (by value) into the EU in 2022. Poland, Spain and Belgium also play an important role. Together these six countries account for the supply of as much as 36% of all intra-EU apparel trade.

Table 4: Top-10 intra-EU exporters to EU, 2022 value, share %, 5-year average annual growth

Exporter	Value	Share	Change in share 2017-2022	5-year average growth
Germany	€20.4 bn	10.70%	-0.09%	6.60%
Italy	€10.4 bn	5.50%	-0.16%	6.10%
Netherlands	€10.3 bn	5.40%	0.72%	9.80%
Poland	€10.2 bn	5.37%	2.35%	19.80%
Spain	€9.8 bn	5.10%	0.35%	8.20%
Belgium	€6.8 bn	3.60%	-0.01%	6.70%
France	€6.1 bn	3.20%	-0.33%	4.70%
Denmark	€3.4 bn	1.80%	-0.01%	6.60%
Portugal	€2.13 bn	1.12%	-0.19%	3.50%
Czech Republic	€2.12 bn	1.10%	0.09%	8.60%

Source: Eurostat

Poland is expanding, others maintaining their position

Poland has the fourth-largest value of intra-EU trade and has experienced an average annual growth of 20% during 2017-2022. The country is expected to expand its positioning as a major exporter and regional distribution hub for Eastern European countries. The Netherlands' exports experienced average annual growth of almost 10% (well above the overall growth in EU imports of 6.75%), reflecting its continued importance as a distribution hub. Germany is expected to maintain its position as the leading exporting country because of its size.

2. Europe is an interesting market for sustainable and circular

apparel

Europe is one of the most interesting markets for sustainable apparel. Awareness of the importance of sustainability is high and new initiatives are constantly emerging, pushed by all types of actors, including consumers, retailers, brands, governments and non-governmental organisations (NGOs).

Figure 4: A growing number of younger Europeans are willing to pay more for sustainably produced items



Source: [Erik Mclean](#) on [Unsplash](#)

The EU Circular Economy Action Plan has singled out the textiles and clothing sector as a priority sector for the EU's move towards sustainability and circularity. There are regulatory initiatives at both the national and European levels to promote sustainability in textiles, such as the [EC Strategy for Sustainable and Circular Textiles](#), [Germany's Partnership for Sustainable Textiles](#) as well as ambitious targets for the future recycling of textiles in France and the Netherlands.

Brands that put sustainability at the centre of their brand and products are emerging. At the same time, larger established brands are increasingly being held to account for their actions across the supply chain. As a result, we are witnessing the increasing use of sustainable materials and/or sustainable business models, which include subscriptions, renting, recycling and upcycling. Examples include MUD jeans, C&A, Arc'teryx, H&M, A.P.C and Houdini. The Swedish brand Asket offers a permanent collection of seasonless designs. It sources the finest natural materials and only works with skilled, responsible mills and manufacturers.

A growing number of younger, premium consumers across lifestyle segments are willing to pay more for products that are more sustainably produced (according to [Forbes](#), 54% of Generation Z state that they are willing to pay an additional 10% or more on sustainable products compared with just 23% of Baby Boomers). More price-conscious consumers expect brands to improve the sustainability of their products without any impact on price, performance or ease of care.

Sustainable materials

Consumer awareness of the harmful effects of conventional fibre production is increasing. According to a 2020 survey of British and German consumers carried out by consulting company [McKinsey](#), 67% of respondents consider the use of sustainable materials to be an important factor when making a purchase. More sustainable alternatives are moving from niche to mainstream, creating opportunities for suppliers with the right network for sourcing raw materials.

For example, [Inditex's JoinLife](#), [Mango's Committed](#) and [H&M's Conscious](#) collections aim to offer their customers clothing that has been produced more ethically and using more sustainable fabrics. According to the [Fashion Transparency Index](#), 51% of the 250 leading brands globally disclose a sustainable materials strategy. Often, these include materials use pledges or targets – for example Inditex has committed to using only textile raw materials that have a lower impact on the environment (preferred fibres) by 2030.

China's increasingly strict environmental regulations have led to the temporary or permanent closure of tens of thousands of factories in recent years. Factories that operate within the textile and garment sector are most likely to be dyeing factories, which may create a bottleneck in terms of fabric lead times. This creates a further opportunity for other countries and suppliers with well-developed (sustainable) raw material supply routes.

Organic cotton

The demand for organic cotton is growing and is outstripping supply. A 2021 [survey](#) of brands already engaged in organic cotton sourcing forecast an 84% increase in the demand for organic cotton by 2030 compared to

2020. By supporting in-conversion cotton (produced by farmers in the process of moving towards organic practices and whose cotton has not yet been certified), an increasing number of European brands are helping to foster a new generation of organic farmers and resolve current supply issues.

Cotton accounts for around [a quarter](#) of total global fibre production, and 60% of womenswear and 75% of menswear apparel products [contain cotton](#). Organic cotton uses no chemical pesticides or fertilisers, produces lower greenhouse gas emissions and consumes less water than conventional cotton. Organic cotton also protects the environment where it is grown, while also providing a stable income with fair wages for those who produce it.

Organic cotton production grew by 37% year on year in 2021 with Turkey (the second-largest producer of organic cotton) the biggest contributor to this growth by far. However, in 2021, only 1.4% of all cotton grown was certified as organic. Global Google searches for organic cotton rose by as much as 82% between May 2017 and May 2023.

According to Textile Exchange, the number of facilities certified to GOTS (Global Organic Textiles Standard) and OCS (Organic Content Standard) standards in 2021 had increased by 19% and 37%, respectively, compared with the previous year.

Opportunities exist for developing-country suppliers to increase their market share through the development of organic cotton products: 19 of the 21 organic cotton-producing countries are developing countries from the OECD-DAC list. These include Benin, Burkina Faso, Ethiopia, Mali, Tanzania, Uganda, Argentina, Brazil, Peru, China, India, Pakistan, Egypt, Kazakhstan, Kyrgyzstan, Tajikistan, Turkey and Uzbekistan.

Figure 5: The demand for organic cotton is expected to increase by 84% by 2030 compared to 2020



Source: [Trisha Downing](#) on [Unsplash](#)

Recycled fibres

The [EU Strategy for Sustainable and Circular Textiles](#) aims to ensure that by 2030, textile products on the EU market are 'long-lived and recyclable and to a great extent made of recycled fibres'. In response, individual countries are starting to publish targets for the use of recycled fibre in apparel. The Netherlands, for example, has set the target that by 2030 all textile products should contain 50% sustainable materials, of which at least 30% is recycled content.

The European fashion industry is scaling up its use of synthetic materials made from recycled inputs. During 2021, H&M increased the share of recycled materials used in its garments from 5.8% to 17.9%. Swedish brand Haglöfs has set an ambitious target for the use of recycled or renewable materials in 100% of its main fabrics by 2025. The [number](#) of Global Recycled Standard (GRS) and Recycled Content Standard (RCS) certifications increased by 14% and 15%, respectively, between 2020 and 2022.

Polyester is the most popular material used in the fashion and textile industry and makes up [52% of all fibres](#) produced. The reliance on virgin, fossil-based materials is damaging to the environment, however. The 2025 Recycled Polyester Challenge – led by Textile Exchange, which has more than 800 member organisations – is appealing to the fashion and textile sectors to increase the market share of polyester that comes from recycled sources from 14% in 2019 to 45% by 2025.

Tip:

For background information and practical guidance, check the CBI-study on the [European market](#)

potential for recycled fashion.

Transparency

In March 2023 the European Commission adopted a proposal for a Green Claims Directive (GCD) aimed at preventing brands and retailers from presenting consumers with false sustainability claims. It will require companies to back up their environmental claims with data. Soon, textile products placed on the EU market will also need to have an individual Digital Product Passport (DPP) – a digital record of a unique product's complete life cycle. Brands are starting to assess their supply chains and capture impact-related data, but there is still room for improvement.

Fashion Revolution's [Fashion Transparency Index](#) tracks the performance of 250 leading brands with respect to the information they are able (and/or willing) to disclose. By 2023, 52% of major fashion brands in the index were disclosing their first-tier supplier lists, up from 32% in 2017. However, only 12% are publishing their raw material supplier lists. Some 64% of brands are able to disclose the annual carbon footprint in their own operations (e.g. head office and retail stores), but only 6% disclose the proportion of production that is powered by coal. There remains much to be done to improve transparency further up the supply chain. The ability to provide brands and retailers with credible, reliable data across the supply chain can be a valuable competitive advantage for a manufacturer.

Tips:

For background information and practical guidance on producing and exporting sustainable apparel to Europe, refer to the CBI studies on [Buyer requirements](#), [The sustainable transition in apparel](#) and [CBI's study on sustainable apparel](#).

Currently, the most effective method of providing transparency is through certification, either at the product level (e.g. OekoTex, GOTS, RCS) or the facility/producer level (e.g. WRAP, Sedex, Blue Sign, Fair Trade). See the CBI studies [Tips to go green](#) and [Tips to become more socially responsible](#) for information on how to get certified.

3. Which European markets offer most opportunities for apparel?

The EU's top-6 apparel import markets are Germany, France, Spain, the Netherlands, Italy and Poland. Together, these countries account for 73% of the entire EU apparel import market. Poland is the only Eastern European country in the top 10.

While some other Eastern European countries such as Latvia, Romania, Slovenia and Bulgaria are growing at much higher rates than countries in Western Europe (over 10%), they are still relatively small in market size (under 1.5% market share). Poland is a market to watch due to its rapidly increasing imports, including imports from developing countries, and because it is already a sizeable market. Poland is expected to play an important role in the future as a distribution hub for Eastern European markets.

Table 5: Top-10 EU importers of apparel, 2022; developing-country share of imports; developing-country imports average annual growth

	Value 2022	Imports (5-year average growth)	Imports from developing countries (% of total imports)	Growth in imports from developing countries (% change over 5 years)	Change in importance of developing countries as source country (change in share 2017-2022)
Germany	€41.83 bn	6%	54.1%	6.01%	0.04%
France	€25.7 bn	5%	48.6%	6.45%	3.21%
Spain	€21.17 bn	6%	68.4%	5.37%	-2.1%
Netherlands	€19.24 bn	6.90%	61.1%	6.74%	-0.57%
Italy	€18.28 bn	6.50%	51.3%	5.75%	-1.93%
Poland	€13.23 bn	17%	35%	22.3%	6.96%
Belgium	€9.3 bn	4.10%	55.9%	4.60%	1.2%
Austria	€6.64 bn	3.20%	17%	2.39%	-0.64%
Denmark	€5.54 bn	8.10%	65%	8.76%	1.89%
Sweden	€5.38 bn	7.80%	55.1%	8.74%	2.33%

Source: Eurostat

Imports from developing countries

Spain stands out with a 68.4% share of imports from developing countries. Poland increased its total value of apparel imports from developing countries by an annual average of more than 22% in the 2017-2022 period, outpacing the growth of its total apparel imports and increasing the share of imports coming from developing countries by almost 7% for the same time period. Apparel imports into France, Sweden and Denmark have also

increasingly originated from developing countries – with its shares over total apparel incomes increasing by 1.9% or more. For other countries in the top-10 importers of apparel, the proportion of imports sourced from developing countries is either stable or decreasing, indicating that nearshoring and regional distribution are playing an increasing role.

The primary exporter of apparel into the EU's top-6 apparel markets remains China, with an import market share ranging from 11.1% for Poland to 21.8% for the Netherlands. However, over the 2017-2022 period China's share of imports decreased by between 0.5% (France) and 2.9% (Spain). China and Bangladesh are the top-2 sources of apparel imports for all the markets.

Scandinavians pay more

Although Denmark has a population under 10m and Sweden's population is just over 10m, both countries (along with their neighbour, Norway) have a high GDP per capita and high average wages. In 2022, the highest retail prices for clothing and footwear within the EU were in Sweden and Denmark. Scandinavian consumers are willing to pay more for value-added (particularly sustainable) products, and standards are among the highest within Europe regarding CSR and quality.

Unit prices paid by all of the top-6 importing markets increased during the 2017-2022 period, with the highest price increases seen in intra-EU trade.

Impact of Brexit

The United Kingdom's apparel imports stagnated during the 2017-2022 period with very low growth and a reduced share of world imports. Whilst the overall apparel industry recovered well from COVID-19 in 2021, the UK's apparel imports and exports fell significantly in the same year, which coincided with Brexit. In 2022, imports recovered well, however, with higher-than-average growth, though exports continued to fall. Compared to 2017, the volume of UK exports to Germany, Italy, Spain and France declined whilst in the cases of Ireland and the Netherlands exports increased.

Prior to Brexit, the United Kingdom's sourcing of apparel was already quite widely dispersed. Since Brexit it has diversified further, moving away from imports from EU countries. In 2017, five European countries (Italy, Germany, the Netherlands, France and Spain) were ranked in the top-10 exporters to the UK. In 2022, only Italy remained on this list. Developing countries Vietnam, Pakistan, Sri Lanka and Myanmar all moved into the top 10 in 2022. Turkey has retained its position at number 3.

Table 6: Top-6 EU importers of apparel, 2022; average unit price comparison Intra EU and developing countries

	Apparel imported from within the EU		Apparel imported from developing countries		Price difference (premium paid for apparel imported from EU)
Country	Intra EU avg. price 2022	Intra EU 5-yr price change	DC avg. price	5-yr price change	
Germany	€9.51	+ €2.12	€4.68	+ €0.74	€4.83
France	€8.68	+ €2.03	€5.31	+ €0.71	€3.37
Spain	€9.18	+ €1.78	€5.61	+ €0.85	€3.57

Netherlands	€10.30	+ €2.33	€4.22	+ €0.72	€6.08
Italy	€9.53	+ €1.76	€5.38	+ €1.15	€4.15
Poland	€8.78	+ €2.62	€2.69	+ €0.57	€6.09

Calculated by dividing value by volume.

Germany is the largest apparel market in the European Union



Germany is Europe's largest importer of apparel with total imports worth of €41.8 billion in 2022, of which 44.8% were intra-EU imports and 55.1% are extra-EU imports. In the 2017-2022 5-year period, intra-EU imports grew by an average of 7.9% per year, while extra-EU imports increased by 4.6% (compared to an overall growth in imports of 6%). The significant increase in intra-EU imports highlights the growing trend of importing apparel from other European countries like Poland and the Netherlands.

Table 7: Apparel imports into Germany: value, volume, growth

2022 Imports in value (euro)	5-yr average annual growth (%)	2022 Imports in volume (units)	5-yr average annual growth (%)
€41.8 bn	6%	6.8 billion	2.14%

Source: Eurostat

Table 8: Apparel imports into Germany: major countries exporting into Germany

Major exporters (% share)
China (14.5%), Bangladesh (13.6%), Poland (12.5%), Netherlands (8.8%), Turkey (8%), Italy (5.3%)
Top developing countries exporting into Germany (% share)
China (14.5%), Bangladesh (13.6%), Turkey (8%), Vietnam (2.8%), Pakistan (2.6%), India (2.55%)

Source: Eurostat

Germany sources 54.1% of its imports from developing countries. China is the largest developing country exporting to Germany, although China's share decreased by 2.25% between 2017 and 2022. Poland has increased its share by 4.8% and is now the third-biggest exporter of apparel to Germany.

Germany is a country with strict and/or increasing sustainability and circularity requirements, driven by national

legislation and policies. Some German legislation regarding harmful chemicals goes beyond [EU REACH](#) legislation. It also has its own social and environmental standard, the [Grüner Knopf](#) label, which is displayed on garments at the point of sale. Although investment in chemicals management and certification is required, in the years to come this will create opportunities for higher-quality and sustainable products in line with the overall segment trends.

According to [Statista](#), the German apparel market is expected to grow annually by 0.88% over the next four years.

Leading apparel brands in Germany include [Hugo Boss](#), [Adidas](#), [Escada](#), [Tom Tailor](#), [Jil Sander](#), [Joop!](#) and [PUMA](#).

Leading apparel retailers in the country include [Zalando](#), [C&A](#), [H&M](#), [Peek & Cloppenburg](#), [KiK](#), [New Yorker](#), [Takko](#), [S.Oliver](#) and others.

France is a high-volume market with increasing sustainability requirements

France is Europe’s second-largest importer, and in 2022 it imported apparel with a total import value of €25.7 billion. Of that, 47.7% was made up of intra-EU imports and imports from outside the EU represented 52.3%. France sources 48.6% of its imports from developing countries, which is less than most other Western European markets. While intra-EU imports grew at an average annual rate lower than the overall rate of 5% in the 2017-2022 period, imports from outside the EU and from developing countries grew by 5.3% and 6.45%, respectively.

China is the largest exporter of apparel into France. However, China’s share of French imports decreased by 0.5% in the 2017-2022 period, while Bangladesh’s share increased by 3%.

Table 9: Apparel imports into France: value, volume, growth

2022 Imports in value (euro)	5-yr average annual growth	2022 Imports in volume (units)	5-yr average annual growth
€25.70	5%	3.7 billion	1.45%

Source: Eurostat

Table 10: Apparel imports into France: major countries exporting into France

Major exporters (% share)
China (16.9%), Bangladesh (10.5%), Italy (10.4%), Germany (8.7%), Spain (8.6%), Belgium (8.3%)
Top developing countries exporting into France (% share)
China (16.9%), Bangladesh (10.5%),Turkey (3.6%), Tunisia (3.2%), Vietnam (3%), India (2.9%)

Source: Eurostat

France can be described as a highly competitive volume market. Of the EU’s top-6 importers of apparel, France has the lowest price differential between intra EU imports and developing-country imports.

The country is stepping up its legislation regarding sustainability, in particular chemicals legislation. It is now a legal requirement in France to inform customers at the point of sale about products that contain one or more substances on the REACH Substances of Very High Concern (SVHC) list. It is also the first EU country to put in place specific regulations for MOSH/MOAH, mineral oils that are often used in printing inks and are therefore found in packaging materials made from recycled paper.

According to [Statista](#), the French apparel market is expected to grow by 1.04% annually over the next four years.

Leading apparel brands in France include [Louis Vuitton](#), [Chanel](#), [Dior](#), [Givenchy](#), [Yves Saint Laurent](#), [Balenciaga](#), [Hermès](#), [Balmain](#), and [Lacoste](#).

Leading apparel retailers in the country include [Amazon](#), [Decathlon](#), [Galeries Lafayette](#), [Kiabi](#), [La Halle](#), [Camaieu](#), [C&A](#), [H&M](#) and many more.

Spain is home to some of the largest international retailers in Europe

 Spain is Europe’s third-largest importer of apparel, with a 2022 total import value of €21.1 billion, of which intra-EU imports represented 30.7% and extra-EU imports represented 69.3%. Between 2017 and 2022, the value of extra-EU imports grew by almost 1 percentage point less than the overall average of 6%. Intra-EU imports, on the other hand, grew by almost 2.5% more than the overall average over the same time period. Spain recorded the highest decrease in its share of apparel sourced from developing countries of the top-10 importers (-2.1%).

Table 11: Apparel imports into Spain: value, volume, growth

2022 Imports in value (euro)	5-yr average annual growth	2022 Imports in volume (units)	5-yr average annual growth
€21.1 bn	6%	3.2 billion	2.22%

Source: Eurostat

Table 12: Apparel imports into Spain: major countries exporting into Spain

Major exporters (% share)
Bangladesh (16%), China (15.1%), Turkey (11.9%), Morocco (8.9%), Italy (6.4%), France (6.4%)
Top developing countries exporting into Spain (% share)

Bangladesh (16%), China (15.1%), Turkey (11.9%), Morocco (8.9%), Pakistan (3.8%), Cambodia (3.5%)

Source: Eurostat

Bangladesh is the largest exporter into Spain, followed by China. Bangladesh's share of Spanish imports increased by almost 3% between 2017 and 2022, whilst China's decreased by 2.9%. Much of Spain's import volume can be attributed to a few large budget-middle market international fast-fashion retailers. The import statistics do not reflect domestic consumption, which is relatively low, with Spain having a relatively low per capita [GDP](#) and [average wages](#).

According to [Statista](#), Spain's apparel market is expected to grow annually by 0.58% in the next four years.

Leading apparel brands in Spain include [LOEWE](#), [DELPOZO](#), [Adolfo Dominguez](#), [Desigual](#), [Bimba y Lola](#) and [Uterqüe](#).

Leading apparel retailers in the country include [El Corte Ingles Group](#), [Mango](#), [Tendam](#), [Stradivarius](#), [Bershka](#), [Massimo Dutti](#), [Pull and Bear](#), [Oysho](#), and many more.

The Netherlands is a key European distribution hub



The Netherlands is Europe's fourth-largest importer of apparel products and in 2022 imported apparel worth €19.2 billion. Of that, 35.5% were intra-EU imports and 64.5% were extra-EU imports. Between 2017 and 2022, while the overall Netherlands import market grew by almost 7%, the intra-EU market grew by 7.4% and the extra-EU market grew by 6.7%.

The Netherlands sources 61.1% of its imports from developing countries. China is the largest exporter into the Netherlands at as much as 21.8%. This presents an opportunity as the Netherlands, like other importers, is now diversifying its sourcing away from China. China and Bangladesh both lost market share between 2017 and 2022 (-1.3% and -1.6% respectively) as did Germany and Belgium (-1.9% and -1.6%). Turkey and Vietnam increased their market share (by 1.6% and 1.3%).

Of all the EU's main importers, the Netherlands pays the highest premium (alongside Poland) for intra-EU apparel imports compared to those from developing countries (€6.08 price differential). Its unit prices from developing countries is also the second highest in the group.

Table 13: Apparel imports into the Netherlands: value, volume, growth

2022 Imports in value (euro)	5-yr average annual growth	2022 Imports in volume (units)	5-yr average annual growth
€19.24 bn	7%	3.4 billion	2.5%%

Source: Eurostat

Table 14: Apparel imports into the Netherlands: major countries exporting into the Netherlands

Major exporters % share of exports
China (21.8%), Germany (16%), Bangladesh (12%), Turkey (8.1%), Belgium (12%), Vietnam (3.9%)
Top developing countries exporting into the Netherlands (% share)
China (21.8%), Bangladesh (12%), Turkey (8.1%), Vietnam (3.9%), India (3.1%), Myanmar (2.2%)

Source: Eurostat

The Netherlands benefits from a favourable business climate which facilitates imports and exports. This, combined with the presence of major seaports, means it is an ideal avenue for importing products into Europe. Many foreign established brands have their headquarters in the Dutch capital, including Nike, Karl Lagerfeld and Tommy Hilfiger.

The Netherlands is home to a strong community of industry support organisations focusing mainly on sustainability issues, including [Fashion for Good](#) (an innovation platform and accelerator for fashion start-ups), [MODINT](#) (trade association) and non-profit [Sustainable Apparel Coalition](#).

According to [Statista](#), the Netherlands' apparel market is expected to grow by 2.10% annually in the next four years, the highest rate of the top-6 importing countries with the exception of Poland.

Leading apparel brands in the Netherlands are [Scotch & Soda](#), [Laundry Industry](#), [Mexx](#), and [Viktor & Rolf](#).

Leading apparel retailers in the country are [G Star](#), [WE](#), [C&A](#), [H&M](#), [Zalando](#), and many more.

Italy is a large market for value-added products



Italy is Europe's fifth-largest importer of apparel, importing a total value of €18.2 billion in 2022. Of that, 45.3% were intra-EU imports, 54.7% were extra-EU imports and 51.4% were developing-country imports. Italy's intra-EU imports increased by 2.5% between 2017 and 2022. China is the largest exporter but its exports fell by 2.7% in the period 2017-2022. Imports from Germany, the Netherlands and Spain increased during the same period (1.1%, 2.4% and 1%, respectively).

Table 15: Apparel imports into Italy: value, volume, growth

2022 Imports in value (euro)	5-yr average annual growth	2022 Imports in volume (units)	5-yr average annual growth
€18.2 billion	6.5%	2.6 billion	1.50%

Source: Eurostat

Table 16: Apparel imports into Italy: major countries exporting into Italy

Major exporters (% share)
China (16.2%), Bangladesh (10.6%), Spain (9.3%), France (8.3%), Netherlands (5.8%), Germany (5.6%)
Top developing countries exporting into Italy (% share)
China (16.2%), Bangladesh (10.6%), Turkey (3.7%), Tunisia (3.2%), Sri Lanka (2.3%), India (2.1%)

Source: Eurostat

Apparel is a well-established industry in Italy, which has a long tradition of combining knowledge, technological research and creativity in the production of quality garments made with high-quality fabrics. Italian excellence in apparel manufacturing spans the entire supply chain, from spinners, knitters, weavers, laboratories, dyers and machine manufacturers.

Many high-end Italian brands choose to produce closer to home so that they can monitor and collaborate with their partners on design and fabric quality. Nevertheless, among all the exporters to Italy, China remains the largest (16.2%), followed by Bangladesh (10.6%). Bangladesh increased its market share by 1% between 2017 and 2022. This demonstrates that there is a healthy volume market for apparel products in Italy. Unit prices for developing-country imports are the highest amongst the EU's top-6 importers.

According to Statista, the Italian apparel market is expected to grow annually by 0.14% in the next four years.

Leading apparel brands in Italy include [Prada](#), [Zegna](#), [Dolce & Gabbana](#), [Valentino](#), [Salvatore Ferragamo](#), [Versace](#) and [Gucci](#).

Leading apparel retailers in the country include [Yoox](#), [Benetton](#), [Calzedonia](#), [H&M](#), [Max Mara](#), [Teddy](#), [Rinascente](#), and many more.

Poland is the fastest-growing economy in the EU



Poland has become Europe's sixth-largest importer of apparel, importing a total value of €13.2 billion in apparel in 2022. Of that, as much as 64.8% were intra-EU imports and only 35.2% were extra-EU imports. Between 2017-2022 Poland's imports experienced high average annual growth (17%), in line with the country's economic expansion.

The largest exporter of apparel into Poland by far is Germany with a 31.3% share. However, Germany's share decreased by as much as 8% per year in the 2017-2022 period. Poland is starting to develop its sourcing network and reducing its reliance on intra-EU imports. Poland's intra-EU imports fell by 5% in the same period while developing-country imports increased by 7%.

With lower [GDP/capita](#) and [wages](#), and lagging behind Western Europe in terms of sustainability, Poland is not yet a suitable market for more value-added or sustainable products. The average price paid for apparel products sourced from developing countries is extremely low at just €2.62 per unit. Importers to Poland pay a high premium for intra-EU imports compared to developing countries (€6.09 price differential). These statistics may reflect the fact that Poland's sourcing is not well-established and makes use of more indirect distribution channels for more complicated products.

In the future, as Poland's economy continues to expand and domestic brands establish themselves, Poland is expected to increase its imports from developing countries, which have already increased significantly (by 22.3%) annually over the past five years. With a 2022 share of just 35%, developing-country exporters will have many opportunities to increase exports to Poland in the short and medium term.

According to [Statista](#), the Polish apparel market is expected to grow by 6.05% annually over the next four years.

Poland's largest clothing manufacturer is LPP with its umbrella of brands including [Reserved](#), [Cropp](#), [House](#), [Mohito](#) and [Sinsay](#).

Table 15: Apparel imports into Poland: value, volume, growth

2022 Imports in value (euro)	5-yr average annual growth	2022 Imports in volume (units)	5-yr average annual growth
€13.2 bn	17%%	2.7 billion	12.30%

Source: Eurostat

Table 16: Apparel imports into Poland: major countries exporting into Poland

Major exporters (% share)
Germany (31.3%), Bangladesh (12.9%), China (11.1%), Spain (8.7%), Netherlands (4.7%), Italy (3.7%)
Top developing countries exporting into Poland (% share)
Bangladesh (12.9%), China (11.1%), Myanmar (3%), Turkey (2.3%), India (1.7%), Pakistan (1%)

Source: Eurostat

Tips:

Study business moral, end consumer preferences regarding design and fit, and price-level before investing in entering Poland as a new market.

When setting up an operation, start small and take the time to understand the buyers and market requirements.

4. Which products from developing countries have most potential on the European apparel market?

Trousers and shorts, knitwear, outerwear and T-shirts are the most common product categories that developing

countries export to the EU. Together, these four categories have a value of €55.3 billion (2022), which equates to almost 60% of all apparel exports to the EU.

- The fastest-growing categories exported by developing countries are sports and activewear, dresses and skirts and underwear and nightwear.
- The shirts and blouses category, on the other hand, is in decline.
- China's market share in European knitwear and outerwear imports decreased by as much as 9% and 10.2% respectively, which represents an opportunity for developing-country suppliers. These two categories are also growing at a rate significantly higher than the industry average of 6.75% per year.
- China's share of sports and activewear, babies wear and jackets and blazers also decreased by more than 5%.

Table 13: EU imports from developing countries by product category; price developments; top exporters

Product category	Value 2022	5-yr avg. growth	2022 avg. price	5-yr price change	Top developing-country exporters (market share change 5 yr)
Trousers and shorts	€21.8 bn	7.60%	€6.49	€0.74	Bangladesh (3.7%), China (-3%), Turkey (0.25%), Pakistan (0.65%), Cambodia (-1.2%), Vietnam (0.6%)
Knitwear	€13.1 bn	8.60%	€7.46	€1.55	China (-9%), Bangladesh (5%), Turkey (1%), Cambodia (-1.4%), Pakistan (2%), Vietnam (1.4%)
Outerwear	€10.8 bn	8.40%	€16.50	€3.17	China (-10.2%), Bangladesh (3%), Myanmar (5.8%), Vietnam (1.1%), Cambodia (1.1%), Turkey (0.6%)
T-shirts	€9.6 bn	5.00%	€2.84	€0.47	Bangladesh (8.%), Turkey (-4.7%), China (-1.6%), India (-1.9%), Vietnam (1.6%), Cambodia (-1.9%)

Shirts and blouses	€6.9 bn	-0.06%	€6.74	€1.37	Bangladesh (5.5%), China (-1.2%), Turkey (0.2%), Indonesia (-2.6%), Morocco (-0.2%), Vietnam (0.3%)
Dresses and skirts	€6.2 bn	9.40%	€8.11	€1.48	China (-2.8%), Turkey (0.6%), India (1.2%), Bangladesh (3.3%), Morocco (-0.6%), Cambodia (-0.9%)
Underwear and nightwear	€5.1 bn	9.40%	€1.99	€0.37	China (-3%), Bangladesh (7.5%), India (-2%), Sri Lanka (1.2%), Turkey (-0.07%), Cambodia (-0.6%)
Sports and activewear	€4.6 bn	10.30%	€15.82	€3.66	China (-5%), Bangladesh (4.5%), Turkey (4.8%), Tunisia (-3.8%), Vietnam (1.7%), Morocco (-0.9%)
Jackets and blazers	€2.8 bn	7.80%	€16.70	€3.01	China (-5%), Turkey (0.5%), Morocco (3.4%), Bangladesh (3%), Vietnam (-0.9%), Myanmar (3%)
Babywear	€2.4 bn	4.90%	No data	No data	China (-6.8%), Bangladesh (4.8%), India (0.05%), Turkey (1.3%), Morocco (0.07%), Cambodia (-0.4%)

Figure 6: Denim is a staple in European wardrobes and an important niche market



Source: [Jason Leung](#) on [Unsplash](#)

Trousers and shorts

The trousers category has grown on average by 7.6% each year between 2017 and 2022. It makes up 16% of all apparel imports into the EU from developing countries (significantly down from 32.4% in 2017). The average import unit price of trousers from developing countries is €6.49, and has increased by €0.74 over the past five years.

This is a volume category. It is no surprise that Bangladesh is the largest developing-country exporter with a 29.5% share which has grown by 3.7% over the same period. Within this segment, denim is an important niche market. In 2022, the value of denim imports to Europe, including intra-EU imports, was €10.02 billion, up from €8.33 billion in 2017. The European Union is at the centre of global industry efforts to make the production of denim (which is a very 'dirty' product category) more sustainable. From this point of view, denim is an interesting category to focus on.

For background information on trousers and practical guidance on exporting trousers to Europe, see the [CBI study on pants and trousers](#).

Knitwear

The knitwear category includes knitted or crocheted jerseys, pullovers, cardigans and waistcoats. Knitwear makes up 13.8% of all apparel imports into the EU from developing countries (up from just 12.8% in 2017), and grew by 8.6% each year between 2017 and 2022, on average. The average import unit price for knitwear from developing countries is €7.46, up by €1.55 compared to 5 years ago.

Figure 7: Knitwear imports into Europe have grown by almost 9% on average, over the last 5 years



Source: [Meg MacDonald](#) on [Unsplash](#)

China is still the largest developing-country exporter with a significant but declining share of 31.5% of European imports; its exports declined by as much as 9% in the 2017-2022 period. The second-largest exporter is Bangladesh with a 28.4% share, having increased by 5% since 2017.

Cotton knitwear is the largest subsegment followed by knitwear made from man-made fibres, with 47% and 40% market shares, respectively. The use of organic cotton is becoming standard among premium brands and retailers in the budget and middle segments are starting to introduce organic cotton in smaller percentages.

In addition to using more sustainable fibre types such as organic cotton, hemp, linen and responsible wool, sustainability efforts in the knitwear industry are focused on recycled materials (especially cotton and wool), increasing production efficiency, shortening the manufacturing process and reducing knitting waste.

For background information on knitwear and practical guidance on exporting to Europe, see the [CBI study on Knitwear](#).

Outerwear

The outerwear category includes overcoats, car-coats, cloaks, anoraks (including ski-jackets), wind jackets and similar articles. Outerwear makes up 11.4% of all European apparel imports from developing countries (up from 10.7% in 2017) and exports to the EU grew by 8.4% each year between 2017 and 2022, on average. The average import unit price for outerwear from developing countries is €16.50, which represents a five-year increase of as much as €3.17, the second-highest among the top-10 leading import categories from developing countries.

China is still the largest developing-country exporter with a 51% share, but this is declining, having decreased by 10.2% in the 2017-2022 period. The second-largest exporter is Bangladesh with an 11.5% share and an increase of 3% since 2017. The biggest increase in exports into the EU was for Myanmar (5.8%) which has become the third-largest exporter among developing countries. With production moving away from China and further potential for growth, outerwear offers opportunities for skilled manufacturers in other developing countries.

The outdoor segment (outerwear worn for outdoor activities) such as anoraks, ski jackets, wind jackets etc.) is an interesting niche. A passion for outdoor activities and protecting the environment are central, as well as brand interests. As a result, the outdoor segment has been at the forefront of campaigning for increased environmental sustainability in products and processes, along with innovations in this area, led mainly by Scandinavian brands.

Most outdoor jacket products make extensive use of synthetics to achieve higher performance functionality, but these have a significant negative environmental impact during production, use, and disposal. The sustainable outerwear market in particular has strong prospects for growth.

For more background information on outerwear and practical guidance on exporting to Europe, see the [CBI study on Coats, jackets and blazers](#).

T-shirts

T-shirts make up 10.2% of all apparel imports into the EU from developing countries (down from 11.2% in 2017), and imports of T-shirts grew by 5% each year between 2017 and 2022, on average. The average import unit price of a T-shirt from developing countries is €2.84, which represents a 5-year increase of €0.47.

Bangladesh is the largest developing-country exporter with a 44.5% share, which represents an increase of 8.5% since 2017. Turkey is the second largest with a 16% share, down from 20.7% in 2017. This segment is highly competitive. However, niches include T-shirts made with more sustainable fibres such as organic or recycled cotton as well as higher-end T-shirts that use alternative fibres (e.g. linen) and/or knitted with finer yarns.

Sports and activewear

The sports and activewear category includes tracksuits, ski suits and swimwear. This category makes up 4.9% of all European apparel imports from developing countries (up from 4.2% in 2017) and grew by 10.3% each year between 2017 and 2022, on average. This is the result of an increase in health and wellness priorities among consumers in Europe.

The average import unit price for sports and activewear from developing countries is €15.82, which represents a 5-year increase of €3.66. This high price is likely to be influenced by the inclusion of ski suits in this category. This indicates that opportunities are increasing for more value-added products within this segment. China is the largest developing-country exporter with a 37.2% share (down from 42.2% in 2017). Bangladesh and Turkey have both gained market share.

[McKinsey](#) predicts that sportswear will be the second-highest-ranking category in terms of growth potential in 2023. The global sportswear market is expected to [grow](#) from €295 billion in 2021 to €395 billion in 2025.

The promotion of sustainable and healthy lifestyles is a key part of the brand identity of sportswear and activewear brands in Europe. Petroleum-based synthetic materials and performance finishes are widely used in this segment, so there is plenty of potential to develop and use more sustainable high-tech performance fabrics.

For background information on sportswear and practical guidance on exporting to Europe, check the [CBI study on Sportswear](#).

Babywear

The babywear category makes up 2.6% of all apparel imports into the EU from developing countries (down slightly from 2.8% in 2017) and has grown on average by 4.9% each year between 2017 and 2022. China is still the largest developing-country exporter with a 31.8% share, but this represents a decrease of as much as 6.8% since 2017. Knitted babywear is a significantly larger sub-category than woven.

Birth rates have been declining in Europe, but the following countries have a birth rate higher than the EU average of 9.5 (per 1000 people) in 2022: France, Belgium, the Netherlands, Sweden, Denmark and Norway. Declining birth rates could put pressure on the babywear segment. However, as couples start families later in life, they may have a larger disposable income to spend on baby products. More and more households have a dual income which also feeds into the same trend. Consumers are increasingly willing to spend more money on premium brands for their children. The premiumisation of babywear is creating opportunities, with luxury brands starting to invest heavily in this market.

Cotton is the most widely used fibre for baby clothes as it is breathable, soft, durable, absorbent and has great washability. Increasingly, organic cotton is being used. This is grown and processed without chemicals or fertilisers, which is better for both environment and for the baby.

For background information on babywear and practical guidance on exporting to Europe, check the CBI study on [Babywear](#).

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

Please review our [market information disclaimer](#).