The European market potential for denim

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The value of European denim imports is estimated at €10.02 billion, making it a strong sub-segment of the apparel market. The best opportunities for importing denim into the European Union (EU) are in Germany, Spain, and the Netherlands. These countries are the biggest importers of denim into the EU and the biggest importers of denim from developing countries. Poland also stands out with high growth in recent years, and is among the key markets in Eastern Europe.

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1. Product description

Denim fabric is a strong, woven twill fabric usually made from cotton, with a characteristic diagonal ridge. In traditional denim (blue denim), the warp threads are dyed with indigo dye before weaving, and the weft threads are left bleached without the indigo dye. The 'warp-faced twill' shows more of the coloured yarns on the face of the fabric.

Originally, denim garments were sold as workwear due to their durability and practicality. Today, denim is one of the most fashionable and widely used fabrics globally. Stretch denim (which is made from cotton blended with Lycra/elastane) has become popular and denim fabric is now available in many colours. The traditional blue denim is made using indigo dye; other shades are created using sulphur dying processes.

The majority of value is added in the final stage of manufacturing, when various finishes, washes and distressing techniques are applied to enhance the product. These include sandblasting, stonewashing, enzyme washing, bleaching, acid washing, PP spray, grinding/scraping and whiskering.

The only denim products that are distinguished from other types of cotton garments by HS Code categorisation are denim trousers. When analysing denim imports and exports, therefore, this study refers to the following 2 sub-segments:

- HS Code 62034231 – Men's or boys' trousers and breeches made from cotton denim (excl. knitted or crocheted, industrial and occupational clothing, bib and brace overalls and underpants)
- HS Code 62046231 – Women's or girls' trousers and breeches of cotton denim (excl. knitted or crocheted, industrial and occupational clothing, bib and brace overalls and panties)

Figure 1: Baggy, loose-fitting denim styles are currently the most popular in Europe

Source: Charles Fair on Unsplash

2. What makes Europe an interesting market for denim?

Europe is a significant importer of denim. In 2022, the value of denim imports into Europe, including intra-EU imports, amounted to €10.02 billion, up from €8.33 billion in 2017. This corresponds to over 830 million units of clothing in 2022. Over the last 5 years, the value of Europe's denim imports has increased at an average rate of 3.76% annually.

Source: Eurostat

The EU denim import market experienced a 13% dip in 2020 (compared to a decrease of 10.7% in the apparel market as a whole), largely attributable to a 'comfort-first' mindset amongst consumers during the COVID-19 lockdowns. The market rebounded in 2021 to exceed its pre-pandemic size. Between 2021 and 2022, imports soared by over 16%. This growth can be attributed to continuous product innovation and increasing demand for different types of denims, including sustainably manufactured denim.

In line with increased demand for value-added products, the average import price for denim trousers imported into the EU in 2022 was €12.05, up from €10.36 in 2017, with the biggest year-on-year increase in 2022. According to Statista, the global denim jeans market is forecast to be worth around $95 billion by 2030, up from $64.5 billion in 2022.

Men's and boys' denim accounted for a larger share (57%) of the segment 'at €5.75 billion in 2022. Women's and girls' denim represents the remaining 43% with a total value of €4.27 in 2022. With an average annual increase of 4.2% since 2017, the women's and girls' sub-segment has been growing faster than the men's and boys' sub-segment, which achieved an average growth rate of 3.4% in the same period.

Table 1: Denim imports into the European Union by sub-segment, 2022 € value; % share of segment; average 5-year compound growth

Sub-segment	Value 2022	% share	5 year average growth
Men's and boys' denim trousers	€5.75 bn	57%	3.4%

Women's and girls' denim trousers	€4.27 bn	43%	4.2%
Denim trousers total	€10 bn	100%	3.7%

Source: Eurostat

The EU is also a large exporter (and re-exporter) of denim apparel. In 2022, it exported denim apparel worth €6.6 billion (up from €5.5 billion in 2017). The EU denim apparel exports increased at an average annual rate of 3.9% between 2017 and 2022. The biggest exporters in 2022 were Germany (€1.4 billion), Spain (€1.2 billion), the Netherlands (€983 million), Italy (€815 million), Poland (€703 million) and Denmark (€330 million).

Currently, the value of EU denim product imports is split fairly evenly between denim products traded within the EU (intra-EU imports) and denim products imported from outside the EU, at 51.5% and 48.5% respectively.

In 2022, developing-country suppliers accounted for 47.3% of all denim imports into the European Union in terms of value (down from 49.6% in 2017), while suppliers from the rest of the world accounted for just 1.2% of the total import value (down from 3.7% in 2017). The value of EU denim product imports originating from developing countries amounted to €4.7 billion in 2022, and has increased at an average annual rate of 2.77% since 2017 (1percentage point lower than the denim segment overall).

Over the same period, denim product imports from within the EU increased at a rate of 5.79%. This indicates increasing intra-EU trade. However, these statistics mask the fact that some intra-EU trade involves products that are originally manufactured in developing countries, exported into the EU, and subsequently re-exported. These products are not in direct competition with imports from developing countries.

Imports of 'denim products into the EU have been dominated by Bangladesh, Turkey and Pakistan in recent years. Together, these 3 countries accounted for 71% of all denim imports into the EU in 2022. While Bangladesh saw an annual export growth rate of 5.9% between 2017 and 2022 – China's denim exports decreased by an average of 8.6% per year. This reflects China's shift in focus away from apparel and towards higher-value manufacturing.

These developments indicate that the high volume/lower price market is strong for denim products. On the other hand, Turkey – 1 of the world's largest producers of high-quality cotton and a world leader in organic cotton production – is a major denim production hub, despite the country's higher production costs. This indicates the parallel demand for flexible production and sustainable, high-quality and innovative denim products.

Of the top-10 countries exporting denim to the EU, Egypt and Sri Lanka experienced annual growth rates above 10% between 2017 and 2022. As Bangladesh continues to invest in sustainable innovation, its position as the strongest global player in denim is unlikely to be challenged in the years to come.

Europe's intra-EU denim product trade is dominated by Germany, Spain, the Netherlands and Poland. These 4 countries make up almost 70% of all intra-EU denim exports. It is interesting to note that Italy (Europe's main producer of denim products) experienced negative growth between 2017 and 2022. Poland's staggering 20.5% annual intra-EU export growth rate between 2017 and 2022 is evidence of its continued growth as a manufacturing country and Europe's fastest-growing economy.

Europe is a driving force behind progress in sustainable denim

The EU is at the centre of global efforts to make denim more sustainable. European brands and retailers, start-ups, research centres and not-for-profit organisations are collaborating on research and innovation projects, and establishing sustainability-focused denim initiatives. Many of these directly involve or freely share knowledge and findings with various other stakeholders in the global value chain.

Examples include The Jeans Redesign (guidelines to encourage brands, mills and manufacturers to transform the way jeans are made) and the Denim Deal (an agreement among brands to work towards specific targets for the use of recycled post-consumer cotton).

Tips:

- Consider focusing on men’s denim initially, due to the slower pace of design innovation
- Europe is a well-established importer of denim from developing countries. To compete, suppliers should invest in sustainable and circular innovation in addition to offering low prices
- Visit denim trade events such as Kingpins Amsterdam, Amsterdam Denim Days and Denim Première vision to stay up-to-date with the latest in trends as well as new sustainable techniques and technologies.

3. Which European countries offer most opportunities for Denim?

Germany is the biggest importer of denim, followed by Spain and the Netherlands. Poland is the only Eastern European country in the top 10, and its imports are growing faster than any other top-10 country. Together, the top-6 countries account for 89% of denim imports into the European Union and have grown at an average of 4.4% per year over the last 5 years, primarily driven by growth in Poland.

Source: Eurostat

Table 2: Top-10 EU importers of denim products, 2022 value; average annual growth; developing-country share of imports; developing country imports average annual growth

	Value 2022	5 year growth	Dev.-Countryshare 2022	Dev.-countryimports 5 year growth	Dev.-country imports change in share 2017-2022
Germany	€2.58 bn	3.85%	52%	4.45%	2.90%
Spain	€1.3 bn	1.89%	75%	0.04%	-7.20%
Netherlands	€1.21 bn	4.42%	57%	2.87%	-1.20%

France	€1.04 bn	1.12%	43%	0.79%	-0.70%
Italy	€773 m	6.69%	50%	2.36%	-11.60%
Poland	€700 m	15.10%	11%	30.77%	5%
Austria	€356 m	4.90%	12%	13.70%	4.10%
Denmark	€334 m	2.48%	73%	2.57%	0.33%
Belgium	€298 m	-0.80%	23%	-10.70%	-15.60%
Sweden	€294 m	4.45%	43%	5.37%	1.83%
EU total	€10 bn	3.70%	47.30%	2.77%	-2.34%

Source: Eurostat

Spain stands out in terms of developing-country sourcing, with a 75% share of imports from developing countries. Poland has grown its imports from developing countries by an average of over 30% over the last 5 years, which is double the country's overall import growth rate. For all other countries in the top 10, the average annual growth in imports from developing countries is lower than overall import growth, indicating that developing-country sourcing is already well-established and that nearshoring as well as regional distribution are increasing.

Germany is Europe's largest importer of denim products

Germany is the largest denim import market in Europe. In 2022, its denim imports amounted to €2.58 billion, corresponding to approximately 198 million units of clothing. Over the last 5 years, the value of Germany's denim imports has increased at an average rate of 3.85% per year, just above the overall segment growth rate, while import volumes increased by 1.07%.

Popular denim brands from Germany include Mustang, Paddock's, Armedangels, Jeans Fritz, Mac and others.

Table 3: 2022 imports of denim products into Germany by segment with 5-year growth, average import unit price and 5-year price evolution

GERMANY	Value 2022	Share	5 year growth	Average unit price 2022	5 year price change

Men’s and boys’ denim	€1.72 bn	66.5%	4.59%	€13.50	€1.66
Women’s and girls’ denim	€866 m	33.5%	2.46%	€12.24	€1.82
All denim	€2.58 bn	100.0%	3.85%	€13.05	€1.32

Source: Eurostat

Men’s and boys’ denim is the stronger sub-segment with a two-thirds share in 2022. It is also growing faster. Average unit prices for women’s and girls’ denim products are over €1 higher than the European average, while unit prices for men’s and boy’s denim products are in line with the European average.

Germany is a country with relatively 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. The country also has its own social and environmental standard, the Grüner Knopf label, which is displayed on garments at the point of sale. This provides opportunities for higher quality and sustainable products.

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

Spain is the second-largest denim import market in Europe. In 2022, its denim imports amounted to €1.3 billion (up from €1.18 billion in 2017). This corresponded to approximately 138 million units of clothing. Over the last 5 years, the value of Spain’s denim imports has increased at an average rate of 1.89% per year. This was about half of the overall segment growth, while import volumes increased by 0.65%.

Table 4: 2022 imports of denim products into Spain by segment with 5-year growth, average import unit price and 5-year price evolution

SPAIN	Value 2022	Share	5 year growth	Average unit price 2022	5 year price change
Men’s and boys’ denim	€485 m	37.0%	-0.75%	€9.51	€0.65
Women’s and girls’ denim	€817 m	63.0%	3.69%	€8.89	€0.53
All denim	€1.3 bn	100.0%	1.89%	€9.11	€0.54

Source: Eurostat

Many of Spain’s imports can be attributed to a few large international fast fashion retailers. The import statistics do not reflect the country’s relatively low GDP, average wages and underperforming local market. Prices paid by Spain’s importers of denim products are the lowest among the leading importer countries, particularly in the women’s and girls’ sub-segment where prices were almost €1.20 below the European average of €10.08. This is also the biggest sub-segment, with a 63% share, and the only sub-segment out of the 2 that experienced positive growth between 2017 and 2022 (in line with the overall denim segment trend).

Popular brands from Spain include Pepe Jeans, Companion Denim, Zara, Garcia, Lois and others.

The Netherlands is a distribution hub and the denim capital of Europe

The Netherlands is the third-largest denim import market in Europe. In 2022, its denim imports amounted to €1.2 billion (up from €981 million in 2017). This corresponded to approximately 95 million units of clothing. Over the last 5 years, the value of denim imports into the Netherlands has increased by an average of 3.29% per year. This was just below the overall segment trend, while import volume decreased by 1.93%.

Table 5: 2022 imports of denim products into the Netherlands by segment, with 5-year growth, average import unit price and 5-year price evolution

THE NETHERLANDS	Value 2022	Share	5 year growth	Average unit price 2022	5 year price change
Men’s and boys’ denim	€730 m	60.0%	2.09%	€13.76	€3.05
Women’s and girls’ denim	€488 m	40.0%	5.26%	€11.60	€1.59
All denim	€1.2 bn	100.0%	3.29%	€12.80	€2.35

Source: Eurostat

Men’s and boys’ denim is the stronger sub segment with a 2022 share of 60%, but it is growing less quickly. Average unit prices for both segments are above the European average with the men’s and boy’s segment experiencing a 5-year price increase of over €3.

The country benefits from a favourable business climate which facilitates imports and exports. This, combined with its proximity to the sea and maritime trade routes, means it is an ideal avenue for importing products into Europe. For this reason, many foreign denim brands have established their headquarters in the Dutch capital, including Pepe jeans, Levi’s Vintage and Hilfiger Denim.

The Netherlands has positioned itself as a key player in the transition to sustainable denim. Two of the biggest denim trade fairs are hosted in Amsterdam and the city is also home to the only ‘Jeans School’ in the world run by the House of Denim – a not-for-profit dedicated to making denim more sustainable. The school offers a 3-year course that focuses on denim development. In 2018, mainstream fashion retailer C&A introduced the world’s first Gold level Cradle-to-Cradle Certified™ jeans.

Popular denim brands from the Netherlands include G-Star Raw, Denham, Scotch & Soda, MUD Jeans, Tommy Hilfiger Denim and others.

France is a volume market with increasing sustainability requirements

France is the fourth-largest denim import market in Europe. In 2022, its denim imports amounted to €1.04 billion (up from €989 million in 2017), corresponding to approximately 98 million units of clothing. Over the last 5 years, the value of France’s denim imports has increased by an average of 1.12% per year, while the import volume has decreased by 0.59% per year.

Popular denim brands from France include Selvedge, Ateliers de Nîmes, Tuffery, A.P.C., Rouje, Sézane, 1083, Reiko and others.

Table 6: 2022 imports of denim products into France by segment, with 5-year growth, average import unit price and 5-year price evolution

FRANCE	Value 2022	Share	5 year growth	Average unit price 2022	5 year price change
Men's and boys' denim	€558 m	53.5%	0.51%	€11.79	€1.31
Women's and girls' denim	€486 m	46.5%	1.84%	€9.45	€0.55
All denim	€1.04 bn	100.0%	1.12%	€10.57	€0.86

Source: Eurostat

France can be described as a highly competitive high-volume market. The men's and boys' sub-segment is slightly bigger than the women's and girls' sub-segment. In 2022, the men's and boys' sub-segment had a 53.5% share. Average unit prices are well below the European average of €13.17 (men's and boys' sub-segment) and €10.80 (women's and girls' sub-segment). In addition, price increases in the last 5 years have been lower than the European average of €1.21 (women's and girls' sub-segment) and €2.18 (men's and boys' sub-segment).

The country is tightening 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 into place specific regulation for MOSH/MOAH, mineral oils often used in printing inks, packaging materials and recycled paper. These oils contain substances that restrict the use of recycled materials because of the risk they pose to human health.

Italy is a leading denim innovator

Italy is the fifth-largest denim import market in Europe. In 2022, its denim imports amounted to €773 million (up from €559 million in 2017). This corresponded to approximately 56.8 million units of clothing. In the last 5 years, the value of Italy's denim imports has increased by an average of 6.69% per year (around 3 percentage points more than the European average), while the import volume increased by 2.83% per year.

Popular denim brands from Italy include Versace Jeans Couture, Diesel, Energy, Replay, Fiorucci, Gas, Roy Roger's, Re-HasH and others.

Table 7: 2022 imports of denim products into Italy by segment, with 5-year growth, average import unit price and 5-year price evolution

ITALY	Value 2022	Share	5 year growth	Average unit price 2022	5 year price change
Men’s and boys’ denim	€422 m	55.0%	6.41%	€14.98	€3.60
Women’s and girls’ denim	€350 m	45.0%	7.04%	€12.24	€1.01
All denim	€773 m	100.0%	6.69%	€13.60	€2.29

Source: Eurostat

The men’s and boys’ sub-segment is slightly bigger than the women’s and girls’ sub-segment. In 2022, the men’s and boys’ sub-segment represented 55% of the market. In the last 5 years, both sub-segments have experienced growth well above the European average. Prices in the men’s and boys’ segment rose by around €1.40 more than the European average.

Italy has a long tradition of combining knowledge, technology and creativity in the production of high-quality, innovative denim fabric and garments. The country has cutting-edge laundries and accessories suppliers which produce high-quality rivets, labels and jacrons (leather-like labels above the right back pocket of jeans).

Although Italy has fewer denim mills today, many of those which remain are industry leaders, including Candiani Denim which has been developing more sustainable denim for years. In 2020, it won an ‘Innovation of the Year’ award for Coreva, the world’s first biodegradable stretch denim fabric.

Tunisia is the largest developing-country exporter to Italy, followed by Bangladesh and Turkey. This demonstrates that while there is a healthy volume market for denim products in Italy, Italian brands and retailers continue to specialise in high value, innovative and (increasingly) sustainably produced denim. They choose production closer to home in order to monitor and collaborate with their partners on design, finishing and sustainability-focused innovation projects.

Poland is the fastest-growing economy in Europe

Poland is the sixth-largest denim import market in Europe. In 2022, its denim imports amounted to €700 million (up from €346 million in 2017), corresponding to approximately 50 million units of clothing. In the last 5 years, the Polish market has seen staggering growth which reflects its wider economic expansion. The value of its imports increased by an average of 15.1% per year. This was more than 4 times the average European increase. At the same time, its import volume increased by 12.8% per year.

Table 8: 2022 imports of denim products into Poland by segment, with 5-year growth, average import unit price and 5-year price evolution

POLAND	Value 2022	Share	5 year growth	Average unit price 2022	5 year price change

Men’s and boys’ denim	€381 m	54.5%	12.55%	€17.05	€3.59
Women’s and girls’ denim	€319 m	45.5%	18.68%	€11.16	-€0.26
All denim	€700 m	100.0%	15.10%	€13.91	€1.33

Source: Eurostat

Popular denim brands from Poland include Kubis, Crown Jeans, Big Star Jeans, Mohito and others.

With below average GDP/capita and wages, and lagging far behind its Western European counterparts in terms of sustainability awareness, Poland is not currently a suitable market for more complex, value-added or sustainable products. Current prices are high, particularly in the men’s and boys’ sub-segment. This is likely because of the use of more indirect distribution channels (such as wholesalers) and a high level of intra-EU imports from countries such as Germany, Spain and the Netherlands.

As Poland’s economy continues to expand and domestic brands establish themselves, it is expected that Poland will continue to increase its imports from developing countries. Imports from such countries have already increased significantly (30.7%) over the past 5 years. With a 2022 share of just 11% compared to the European average of 47.3%, developing-country exporters will have many opportunities to increase exports to Poland in the short and medium term.

Tips:

Countries in the European Union have different ways of doing business. If you do business in 1 market, it may be beneficial to target other markets that operate in a similar way. Read the CBI study Tips for doing business with European apparel buyers for background information on European business culture and practical guidance on how to approach European apparel buyers.

European buyers are always interested in considering new denim suppliers, but they will only do business with you if you can offer something better than their existing suppliers. Randomly approaching companies with a generic offer will result in failure. Read the CBI study Tips to find buyers about how you can best profile your company and how to find the most interesting potential buyers.

Stay updated on the denim market by reading industry media such as Sourcing Journal or Fashion United.

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

The European denim market follows wider trends and developments in the apparel sector relating to sustainability, circularity and corporate social responsibility. This is driven largely by policy initiatives under the EU Green Deal. As 1 of the apparel categories with the highest negative impact on human health and the environment, there has been a lot of pressure in recent years to ‘clean up denim’.

Almost 3,780 litres (PDF) of water are used to produce a single pair of jeans. The production of denim is also chemical-intensive, with large amounts of pesticide and fertiliser used to grow cotton. Harmful dyes (for example, indigo dye) and finishing agents are also involved, resulting in contaminated wastewater. Emissions from fertilisers during cotton cultivation is the main contributor to high levels of GHG-emissions. The sandblasting finishing technique (which is extremely harmful to workers' health) is now banned by most European brands.

- European denim brands are creating new business models around sustainability and circularity. MUD Jeans (the Netherlands) claims that producing 1 pair of MUD jeans emits 75% less CO2 than the industry standard and only 393 litres of water. The brand leases jeans and has a take-back scheme which enables denim garments to be recycled into new fabric.
- Armedangels (Germany) and HNST (Belgium) make extensive use of organic cotton. They have a growing number of styles with a high percentage of recycled cotton from their own collection programmes. NUDIE (Sweden) offers a lifetime repair service on its jeans.
- Other fashion brands in the budget and lower-middle segments are also starting to incorporate readily available sustainable materials, such as organic cotton, Tencel and recycled cotton, into their denim collections. They do this in smaller percentages and at prices that do not differ significantly from the core collection.

Trend 1: increasing use of more sustainable cotton

With its 2025 Sustainable Cotton Challenge, non-profit Textile Exchange is challenging brands to increase their use of sustainable cotton from 30% in 2020 to 50% by 2025. Global Google searches for organic cotton rose by as much as 82% between May 2017 and May 2023. According to the Better Cotton Initiative, the largest cotton sustainability programme in the world, 2.2 million licensed Better Cotton farmers produced 20% of the world's cotton, up from 14% in 2017.

Organic cotton uses no chemical pesticides or fertilisers. It also produces less greenhouse gas emissions and uses less water than conventional cotton. Organic cotton protects the environment where it is grown and also provides a stable income and fair wages for those who produce it. According to Textile Exchange (PDF), the number of facilities certified to GOTS (Global Organic Textiles Standard) and OCS (Organic Content Standard) standards in 2021 was up 19% and 37% respectively from the previous year.

- The growth in organic cotton reached 37% in 2021 compared to the previous year. Turkey was by far the biggest contributor, and is also the second-largest producer of organic cotton. However, in 2021, just 1.4% of all cotton grown globally was certified as organic. The demand for organic cotton is rising and outstripping supply. A 2021 survey (PDF) of brands already engaged in organic cotton sourcing forecasts an 84% increase in the demand for organic cotton by 2030 compared to 2020.
- 19 of the 21 organic cotton-producing countries are developing countries from the OECD-DAC list (PDF). These include Benin, Burkina Faso, Ethiopia, Mali, Tanzania, Uganda, Argentina, Brazil, Peru, China, India, Pakistan, Egypt, Kazakhstan, Kyrgyzstan, Tajikistan, Turkey and Uzbekistan.
- An increasing number of European brands selling denim, such as Hilfiger Jeans and Jack Jones, support in-conversion cotton. This cotton is produced by farmers who are in the process of moving towards organic practices but whose cotton has not yet been certified as organic. By doing this, these brands are helping to foster a new generation of organic farmers and solve current supply issues.

Figure 7: European denim brands clearly display information about sustainable production on their product

Source: Forward in Fashion

Trend 2: Designing for circularity

The EU Strategy for Sustainable and Circular Textiles aims to ensure that by 2030, textile products placed on the EU market will be 'long-lived and recyclable and to a great extent made of recycled fibres'. France and the Netherlands have enacted legislation which holds brands and the retailers that sell products in these markets responsible for their disposal (collection and recycling into new material) at end of life. These countries have set ambitious targets for both post-consumer textile waste recycling and recycled materials use in new products:

- France: collection of 50% of all textiles placed on the market; 95% reuse or recycling of the textiles collected.
- The Netherlands: by 2030, all textile products must contain 50% sustainable materials of which at least 30% is recycled content; 50% of post-consumer material is to be recycled.

Google searches for recycled cotton rose by 450% between May 2017 and May 2023, albeit from a relatively low base. According to McKinsey, less than 1 percent of textile waste is fibre-to-fibre recycled. However, with the current pace of research and innovation, McKinsey predicts that by 2030, this should increase to between 18 and 26 percent.

To achieve higher rates of post-consumer recycling of denim products, certain challenges need to be overcome, including:

- Complicated and costly garment disassembly due to a high number of trims
- Denim with stretch properties make recycling difficult
- Components from various suppliers makes it challenging for brands to know what is in their product
- Current recycling capabilities have a limited ability to handle fibre blends
- Lower-quality fabrics are challenging for mechanical cotton recycling into new fabrics
- Some toxic chemicals used in the dyeing and finishing of denim fabrics prevent viable recyclability

Designers are choosing to use less trims and embellishments and are focusing on high-quality fabric and finishing effects to differentiate their products, using the latest in more sustainable dyes and techniques. Skinny (stretch) jeans are giving way to different looser styles. This is allowing 'mono-materiality' to be a possibility. Global Google searches for 'baggy jeans' reached 673,000 in May 2023 compared to just 22,200 in May 2017. At the same time, searches for ‘wide leg jeans’ grew to 301,000 searches in May 2023 from just 18,100 in May 2017.

Other solutions on the market that are relevant to the denim segment include dyes produced by bacteria to replace synthetic indigo dyes, microwave-dissolvable threads (Wear2® Thread), recycled buttons, recycled zipper tapes and easy to disassemble screw jeans buttons.

Tunisian denim factory Yousstex has established a partnership with circular denim brand Mud Jeans to produce jeans. Sustainability is at the core of Yousstex’s philosophy. The company uses laser and ozone machines and ecological spraying stations to eliminate the use of chemicals. In addition, 95% of water is recycled and workers are paid a living wage.

Trend 3: Adding value closer to home

Much of the added (design) value of denim is in the finishing and washing. There is an incentive for these processes to be carried out closer to home. European technology manufacturers such as Jeanologia (Spain) and Tonello (Italy) are leading the way in developing more sustainable dyeing and finishing techniques, such as laser finishing and ozone washing. Some of these technologies also allow for digital or automatic management of the finishing cycle. This makes finishing closer to Europe more feasible from a cost point of view.

Niche trends (such as craft or artisanal denim) and emerging circular business models (such as upcycling and the collection and the recycling of textiles into new material) support the nearshoring of manufacturing processes. For example, garments collected by MUD Jeans are recycled into new fabrics in Spain. The Spanish company Hallotex has a factory in Morocco for recycling waste.

Despite all this, there are still plenty of opportunities for developing-country suppliers of quality, durable products in this market. The key factors for success are keeping up with the latest in sustainable technologies and materials and fostering close working relationships with customers.

Tips:

- Follow circular initiatives where brands and innovators share information and innovations, such as SAC, Fashion For Good (FFG) or the H&M Foundation Global Change Award.
- Check out the websites of your target buyers to learn how they are marketing themselves in terms of sustainability. This might include certifications, impact measurement, the traceability of raw materials, community projects in production locations and/or materials use pledges.
- Create a supplier database and collect data from your upstream supply chain partners (certifications, costs, audits etc). Summarise and present this information (as well as progress made over time) to your buyers.
- Many brands don’t have detailed plans for how to meet future organic cotton needs. Partner with your competitors to develop and market in-conversion cotton collectively.

Frans Tilstra and Giovanni Beatrice for FT Journalistiek carried out this study on behalf of CBI.