



AUTUMN REPORT

ECONOMIC ANALYSIS OF THE EU TEXTILE & CLOTHING
INDUSTRY **IN 2019 AND PROSPECTS FOR 2020
AND BEYOND.**

2020

EDITION





THE EUROPEAN APPAREL
AND TEXTILE CONFEDERATION



40 rue Belliard - Box 2
BE-1040, Brussels
E-mail: info@euratex.eu
www.euratex.eu

Follow us on:

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METHODOLOGICAL NOTES AND SOURCE:

Since 2020, EURATEX has reshaped the format, content and frequency of its annual traditional reports, formerly known as the “Bulletins”. The 4 annual issues have been merged into two reports:

- ▶ **The Spring Report**, an analysis of the EU textile & clothing external trade
- ▶ **The Autumn Report**, an economic analysis of the EU textile & clothing industry and short-term prospects

EU Data in this report refers to EU-27 (2020).

"T&C" mentioned in this report refers to products categories which are based on the NACE classification: Textiles (division 13) and clothing (division 14). Data used in Part A of the report are from Eurostat for the economic evolution analysis combined with data collected from DG ECFIN. Part B includes analysis and data from EURATEX Members.

Data source: EURATEX, based on EUROSTAT & Members data



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FOREWORD

This EURATEX Autumn Report presents a detailed analysis of the European Textiles and Clothing industry in 2019. It also offers an insight into more recent developments, caused by the Covid19-pandemic, and tries to make a careful assessment of prospects for 2021 and beyond.

Despite good retail sales and export performances, the textile and clothing manufacturing has been under pressure during 2019. Employment in the textile & clothing sector further declined, stemming from an accelerated drop in industrial production. EU27 turnover evolution turned negative in 2019.

However, such negative aggregate figures conceal important differences across member states and across different segments of the industry. Certain “Nordic” countries have performed quite well (Denmark, Finland, Lithuania) while other more traditional T&C countries suffered from important drops in production and turnover. Spinning and knitted fabrics had a difficult year, while non woven textiles were nearly able to maintain their 2018 performance.

The downward trend of the EU turnover continued to intensify since the beginning of 2020, reaching a -16.3% slump for textiles and a -22.6% for clothing during the first half of 2020, as entrepreneurs had to adjust to a sharp drop in demand due to the Coronavirus outbreak. EU exports to third countries plummeted during the first part of 2020, with even sharper declines than the ones observed during the 2008-2009 financial crisis (-20.4% on a year-on-year basis).

There is great uncertainty regarding expectations for the 2021-2022 period. Euratex preliminary forecasts reveal a production slump in 2021, though the rhythm would be much slower compared to 2020. Production trends in 2022 should improve further, though remaining on the negative side.

Faced with such dramatic forecasts, a recovery strategy is necessary. More than ever, an “**industrial reset**” is needed to ensure the **long term competitiveness of European T&C companies**. EURATEX calls for active engagement of policy makers and the industry itself, to work on 4 critical areas:

- Turn **sustainability** and circularity into an opportunity for business.
- Invest in **upskilling** the T&C labour market, developing new curricula which meet today’s needs around digital production or technical textiles.
- Promote access to external **markets** and ensure level playing field on the EU Internal market.
- Invest in **innovation**, to digitalise production chains and techniques and develop new sustainable materials.

The EU’s Industrial Strategy and the Next Generation EU recovery funds provide a good basis to build a new Textiles Strategy, offering long term prospects for 160,000 T&C companies and its 1,5 mln workers across Europe.

Dirk Vantghem
Director General

EUROPEAN ANALYSIS

PART A

T&C AT A GLANCE, 2019

€162 bln

Annual Turnover

€61 bln

Annual Exports (outside EU)

€5 bln

Investment per
year
(average)

160,000

Total number of
companies

5%

Share of T&C
Employment on EU
manufacturing

1.5 mln

Employees

70%

is a woman
employee

1. European macroeconomic forecast*

Rebound interrupted as resurgence of pandemic deepens uncertainty

The coronavirus pandemic represents a very large shock for the global and EU economies, with serious economic and social consequences. Economic activity in Europe suffered a severe shock in the first half of the year but rebounded strongly in the third quarter, as containment measures were gradually lifted. However, the resurgence of the pandemic in recent weeks is resulting in disruptions, as national authorities introduce new public health measures to limit its spread. The epidemiological situation means that growth projections are subject to an extremely high degree of uncertainty and risks.

An interrupted and incomplete recovery

The Autumn 2020 Economic Forecast projects that the euro area economy will contract by 7.8% in 2020, before growing 4.2% in 2021 and 3% in 2022. The broader EU economy is expected to contract by 7.4% in 2020, before recovering with growth of 4.1% in 2021 and 3% in 2022. Output in both the euro area and the EU is not expected to recover its pre-pandemic level in 2022.

The economic impact of the pandemic has differed widely across the EU and the same is true of recovery prospects. This reflects the spread of the virus, the stringency of public health measures taken to contain it, the sectoral composition of national economies and the strength of national policy responses.

Rise in unemployment contained compared to drop in economic activity

Job losses and the rise in unemployment have put severe strains on the livelihoods of many Europeans. Policy measures taken by Member States, together with initiatives at EU level have helped to cushion the impact of the pandemic on labour markets. The unprecedented scope of measures taken, particularly through short-time work schemes, have allowed the rise in the unemployment rate to remain muted compared to the drop in economic activity. Unemployment is set to continue rising in 2021 as Member States phase out emergency support measures and new people enter the labour market, but should improve in 2022 as the economy continues to recover. The unemployment rate in the EU is forecast to rise from 6.7% in 2019 to 7.7% in 2020 and 8.6% in 2021, before declining to 8.0% in 2022.

* European Commission: Autumn 2020 Economic Forecast, 5 Nov. 2020

Unless specified, EU refers to EU27

Data source: EURATEX, based on EUROSTAT

Deficits and public debt set to rise

The increase in government deficits is expected to be very significant across the EU this year as social spending rises and tax revenues fall, both as a result of the exceptional policy actions designed to support the economy and the effect of automatic stabilisers.

The forecast projects the aggregate government deficit of the euro area to increase from 0.6% of GDP in 2019 to around 8.8% in 2020, before decreasing to 6.4% in 2021 and 4.7% in 2022. This reflects the expected phasing out of emergency support measures in the course of 2021 as the economic situation improves.

Mirroring the spike in deficits, the forecast projects the aggregate euro area debt-to-GDP ratio will increase from 85.9% of GDP in 2019 to 101.7% in 2020, 102.3% in 2021 and 102.6% in 2022.

Inflation remains subdued

A steep fall in energy prices pushed headline inflation into negative territory in August and September. Core inflation, which includes all items except energy and unprocessed food, also fell substantially over the Summer due to lower demand for services, especially tourism-related services and industrial goods. Weak demand, labour market slack and a strong euro exchange rate will exert downward pressure on prices.

Inflation in the euro area, as measured by the Harmonised Index of Consumer Prices (HICP), is forecast to average 0.3% in 2020, before rising to 1.1% in 2021 and 1.3% in 2022, as oil prices stabilise. For the EU, inflation is forecast at 0.7% in 2020, 1.3% in 2021 and 1.5% in 2022.



2. General situation in the Textile & Clothing Sector

Despite good retail sales and export performances, the textile and clothing manufacturing remained under pressure during 2019. Employment in the textile & clothing sector further declined, stemming from accelerated drop in industrial production. EU27 turnover evolution turned negative in 2019, following a constant deterioration throughout the year. However, some positive signs were still coming from the retail sales and global trade, which was exceeding €170 bn.

2.1. Coronavirus: impact on the T&C industry

The coronavirus pandemic triggered the sharpest economic contraction since the 2008-2009 financial crisis. The outbreak has resulted in the shutdown of major economic activities across the EU, particularly the manufacturing and textile-using sectors as the clothing, furnishing and automotive industries. Lockdown measures across the globe to fight the spread of COVID-19 took a toll on global demand, production and trade. Both the textile and clothing sectors experienced a steep decline during the 1st half of the year with the steepest drop recorded during the 2nd quarter 2020.

The EU27 **production** fell severely during the first 7 months of 2020, a slump reaching -17.3% in textiles and -26.5% in clothing. This two-digit negative rates can be seen in almost all T&C subsectors with some exceptions. The manufacture of non-woven was more resilient, as the needs and capacities for nonwoven-based face masks and medical supplies were promptly increasing during the pandemic period.

Compared to other indicators, the **labour market** witnessed a limited setback over the first half of 2020 (textile: -2.1%; clothing: -5.6%), with even positive growth rates recorded in some EU Member States. This resilience in the labour market could be explained by the implementation of employment related measures at national and regional level (the COVID-19 emergency social safety nets, the state compensation schemes, training,...), as well as by the fact that a range of companies started to convert part of their production into the production of face masks, single-use gowns and other medical textile supplies.

However, it should be noted that while employment rates remain at relatively healthy levels, these mask the true effect of the crisis on labour markets as workers that have been furloughed, i.e. with the use of temporary layoff measures, are captured as being employed. The labour market is expected to continue to be under pressure during the next few quarters. Furthermore, the clothing sector, which is highly labour intensive, was more severely affected, in particular in the Central European countries.

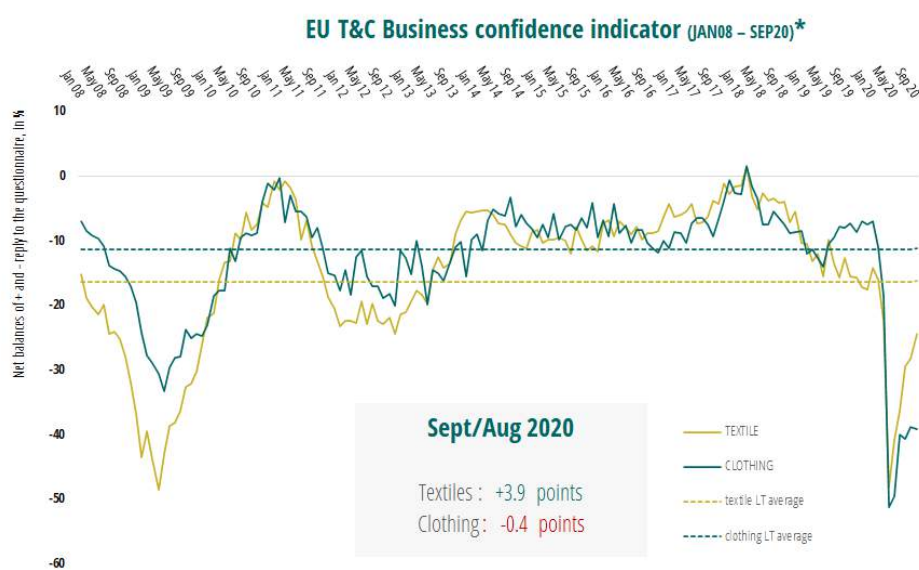
The downward trend of the EU **turnover** continued to intensify since the beginning of 2020, reaching a -16.3% slump for textiles and a -22.6% for clothing during the first half of 2020, as entrepreneurs in the T&C industry had to adjust to a sharp drop in demand due to the Coronavirus outbreak. EU **exports** to third countries plummeted, during the first part of 2020, with sharper declines than the ones observed during the 2008-2009 financial crisis (-20.4% on a year-on-year basis).

In the **retail market**, the “Retail sales of textiles, clothing, footwear and leather goods in specialised stores” was the most heavily affected by the COVID-19 outbreak. The turnover generated by the EU retailers was 30.6% down during the first 7 months of 2020. All Member States, with no exception, recorded negative rates. This trend is expected to continue because uncertainties and pandemic related job losses will weigh heavily on consumer spending. By contrast, “Retail sale via mail order houses or via Internet” had soared to an all-time high, following a sharp increase in particular during the 2nd quarter of 2020 (+32.4% , as compared with the same quarter of 2019).

2.2. The 2020-2022 prospects in the T&C sector

The outlook in the textile and clothing sector is still clouded by low *business confidence*, even if slightly improved in the textile industry, couple with uncertainties linked with the Covid-19 pandemic and Brexit outcome. However, the slight improvement in *consumer confidence*, registered just before the second wave of the pandemic, resulted in a marked pick-up in expectations about the general economic situation and a small improvement in households’ views on their financial conditions over the next 12 months. This trend was confirmed by the continued, although reduced, recovery in *retail trade confidence*, resulting from retailers’ more benign views on the past business situation and the adequacy of the volume of stocks.

In September 2020, the **EU industry confidence indicator*** for the months ahead improved in the textile industry, driven by managers’ improved business expectations, but slightly deteriorated in clothing.



*EU Commission's September 2020 survey: European Business Cycle indicators and Business Consumer Survey (subsector database)

The **textile** industry's confidence indicator for the months ahead continued to catch up with its pre-crisis level (by +3.9 points), reflecting managers' improvement in production expectations, in the appraisals of the adequacy of stocks of finished products and the current level of overall order books. By contrast, the assessments of export order books and employment expectations, which do not enter the calculation of the confidence indicator, were more pessimistic.

The slight deterioration of the EU industry confidence indicator in the **clothing** industry (-0.4 points) mainly resulted from managers' more negative views on their level of stocks of finished products, which partly offset the regain of optimism in the assessment of production expectations and of the current level of orders book. In September 2020, the assessments of export order books and production trends observed in recent months (which do not enter the calculation of the confidence indicator) largely improved, while employment expectations deteriorated markedly.

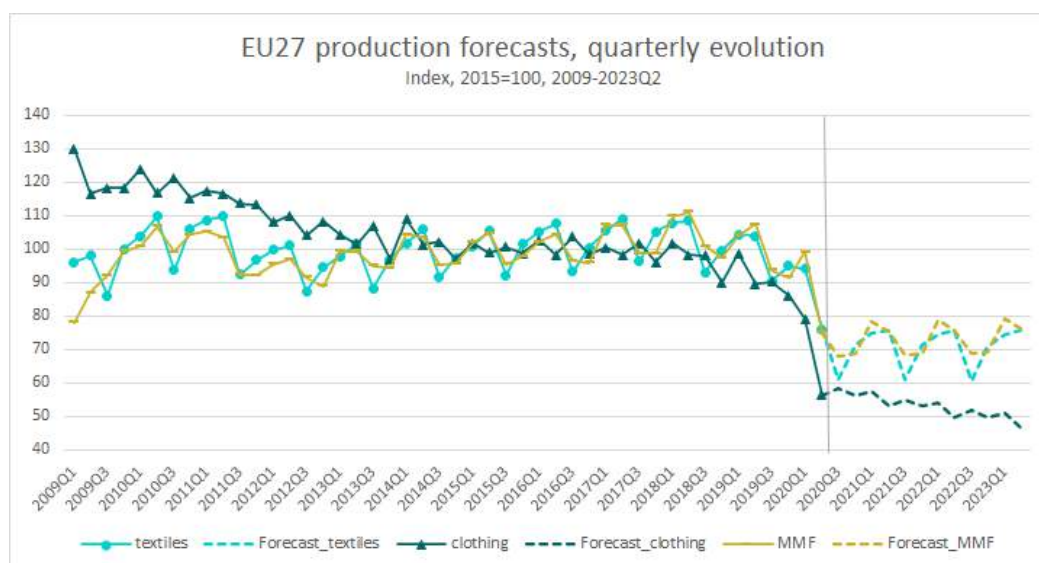
The magnitude of the drop in economic activity and its subsequent recovery depend on the evolution of the pandemic and the measures implemented. **Euratex estimates, relating to the EU production** activity during the second half of the year, remain poor with another drastic fall in all three subsectors (between -25% and -35%). As a result, the 2020 output in the textile and clothing industry should achieve unprecedented drops as compared with the previous year : -20% for man-made fibers, -22% for textiles and -31% for clothing.

PRODUCTION	Annual*, based on previous year %				Quarter, based on same quarter of previous year %				
	% Evolution	2019	2020e	2021 forecast	2022 forecast	2020Q1	2020Q2	2020Q3 (f)	2020Q4 (f)
Man-Made fibres	-5.2	-20.0	-8.2	0.5		-4.8	-30.1	-27.5	-25.1
Textile	-3.7	-21.9	-8.0	-0.2		-9.8	-26.9	-32.6	-24.8
Clothing	-6.1	-31.4	-12.6	-5.9		-19.8	-37.4	-35.4	-34.6

*Calendar adjusted data, not seasonally adjusted data (Eurostat).

(e) Euratex estimates, (f) Euratex forecasts

There is great uncertainty regarding **expectations for the 2021-2022 period**. Euratex preliminary forecasts based on historical production figures, reveal a production slump in 2021, though the rhythm would be much slower compared to 2020: -8% for textiles, including man-made fibers, and -12.6% for clothing. Production trends in 2022 should improve further though remaining on the negative side.



Unless specified, EU refers to EU27

Data source: EURATEX, based on EUROSTAT

3. Evolution of the EU Textile & Clothing Activity

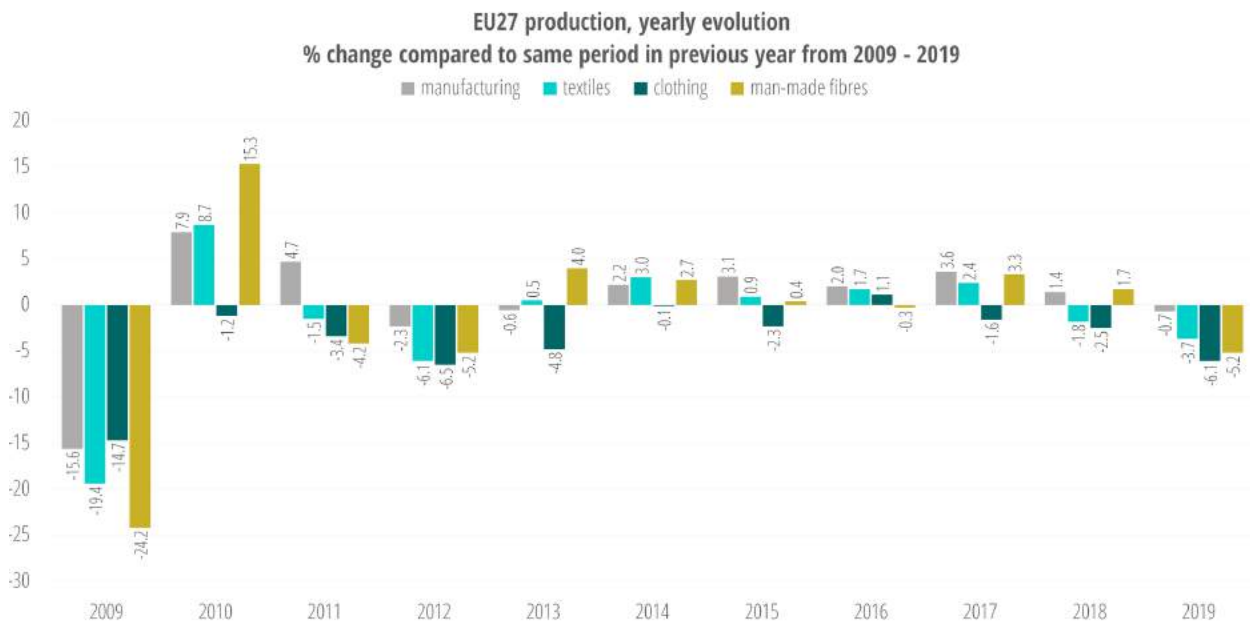
An analysis by sector, sub-sector and Member States

3.1. Production volumes

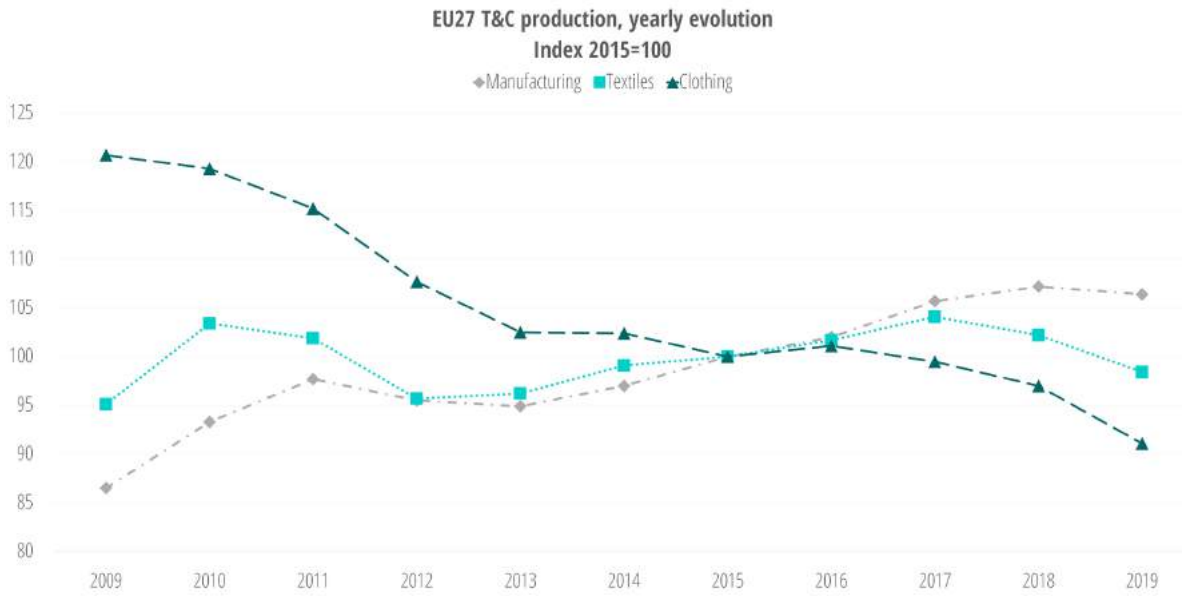
3.1.1. The Textile and Clothing Sector

- 2019 Yearly evolution

During 2019, EU production of synthetic and artificial fibres went down after five years of positive evolution (-5.2% compared with 2018). The EU textile production continued its downward trend which started in 2018 (-3.7%), as did the EU-27 clothing output (-6.1%). This situation was partially mitigated by a new robust progress of the European Extra-EU exports (see section 3.4 below).

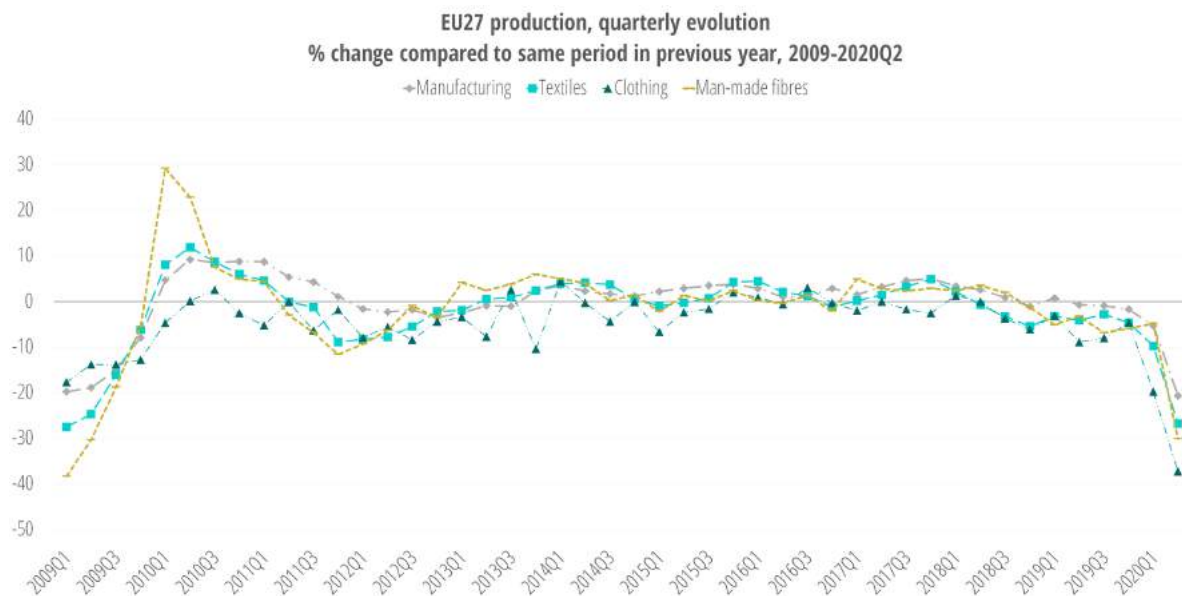


Unless specified, EU refers to EU27
 Data source: EURATEX, based on EUROSTAT



• 2020 Latest trends

According to the latest available data, the industrial activity in the T&C sector strongly contracted since the beginning of 2020, reflecting sharp decreases in household spending, retail sales and EU exports. The EU27 production hit a low during the 2nd quarter with a -30.1% drop in the man-made fibre industry, a -26.9% in textiles and a -37.4% in clothing. These performances are worse than the output trend of all manufacturing sectors which also deteriorated drastically (-20.7% as compared with the 2nd quarter of 2019).



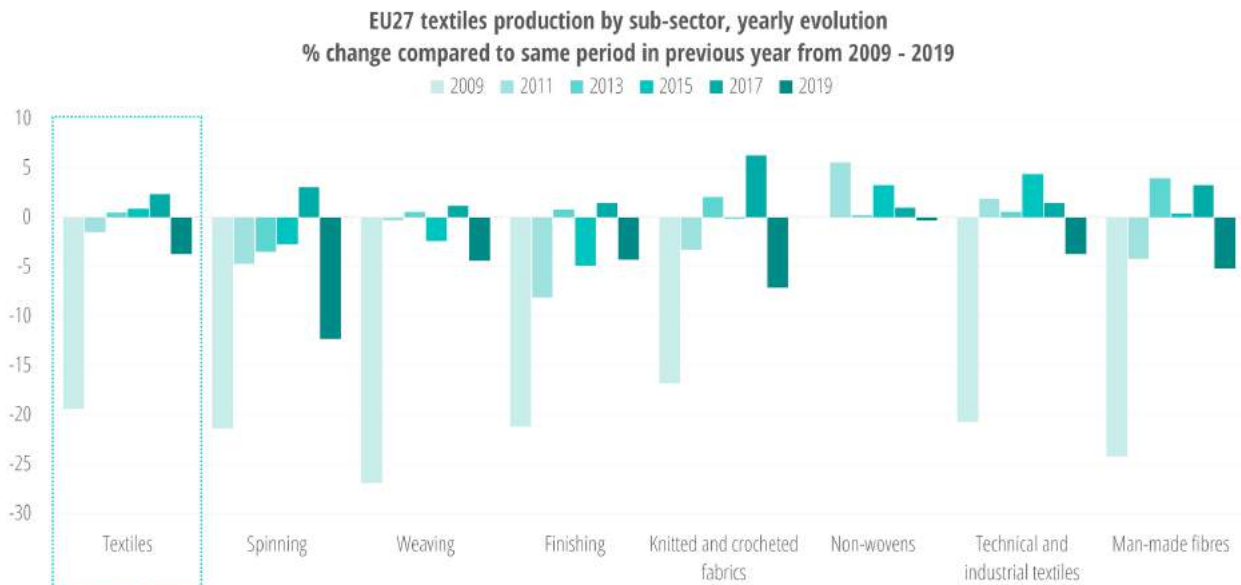
3.1.2. The Textile and Clothing Sub-Sectors

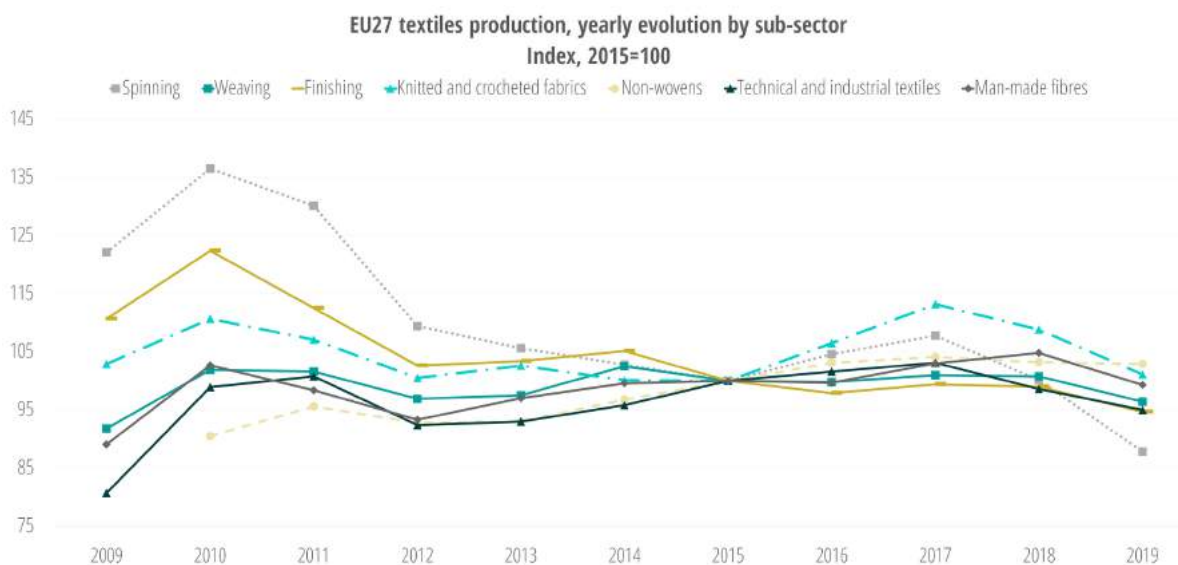
- 2019 Yearly evolution

In 2019, the EU27 production slipped back in all textile and clothing sub-sectors with the exception of knitted & crocheted hosiery (+13%) and “other apparel & accessories”, including babies’ wear and clothing accessories (+4%).

Production of **man-made fibres** showed a regular increase since 2012 driven by increasing consumption of man-made fibres in the downstream sectors (both domestic and industrial), due to limited natural fibres’ production and supply coupled with other factors such as lower prices of synthetic and artificial fibres. However, production in 2019 went in opposite direction with a -5% drop, mainly due to a -7% decrease of the EU external demand.

The EU **spinning** industry faced a quite difficult situation in 2019 ending the year with a -12% fall, as compared with 2018, the strongest contraction since the 2008-2009 financial crisis. Despite a significant rebound in 2016 and 2017, this sub-sector suffered the most drastic shrinkage of its production over the last ten years (-36%).





The **finishing** activity was confronted with a strong downsizing of the production capacities during the 2011-2012 and 2015-2016 periods. This sub-sector lost 23% of output since 2010, and -4.3% in 2019 (as compared with 2018), fostered by several challenges over the last years impacting negatively the competitiveness of the sector: environmental constraints, reduced availabilities and increase in prices of dyestuffs,...

Contrary to the upstream sub-sectors, the **weaving** industry proved to be more resilient over the years, reaching a peak in the output in 2014, and an increasing trend over the 2016 and 2017 period. However, during 2019 this industry followed the same decreasing trend of the textile production (-4.4%), coupled with a -1.6% decrease of woven fabrics' exports to extra-EU markets.

After a substantial increase of **knitted fabrics** in 2016 and 2017 (+6.4% on average) and a growing consumption of knitwear over the last years, the knitted and crocheted fabrics' output fell by -4% in 2018 and -7% in 2019.

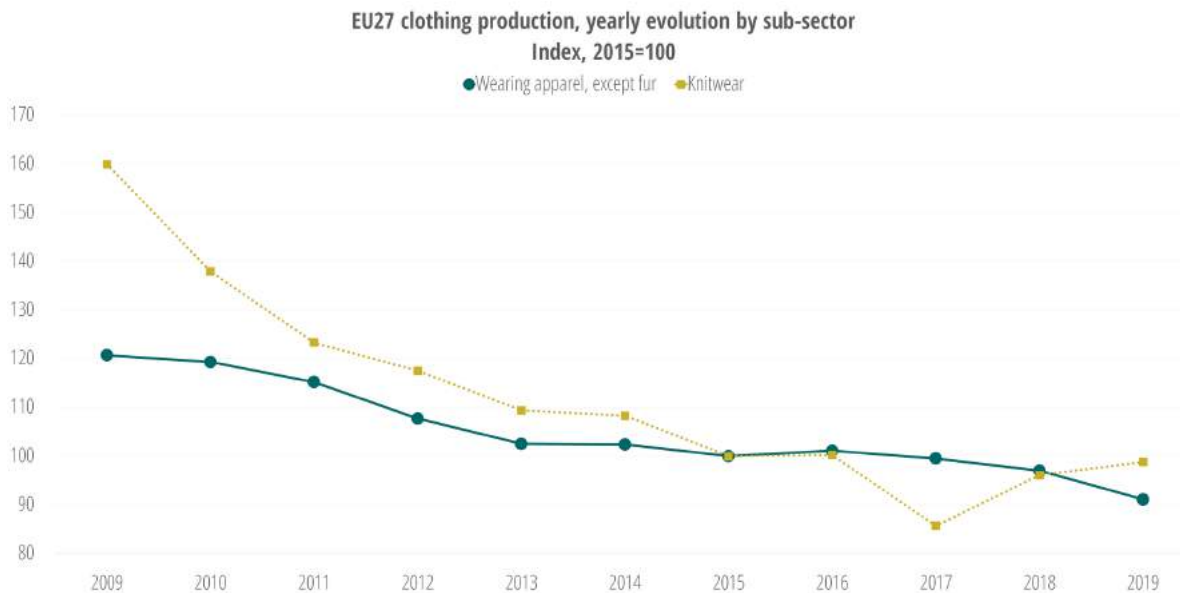
Technical textiles and nonwovens have expanded their share in the total textile production over the last 10 years, supported by an increasing domestic and foreign demand. Over the years, companies have improved their competitiveness by reducing or ceasing the mass production of more traditional products, concentrating instead on a wider variety of products with higher value-added.

The European production of nonwovens and nonwovens articles increased by +14% since 2010 following the growing applications in other sectors such as the automobile, agriculture, construction and healthcare. However, the production growth of other technical textiles has decelerated recently.

The **made-up textiles**' production (which covers bedlinen, table linen, toilet linen, curtains...) improved in recent years, nonetheless it is difficult to assess if this trend is continuing in 2019, as data have not been released due to confidentiality reasons.

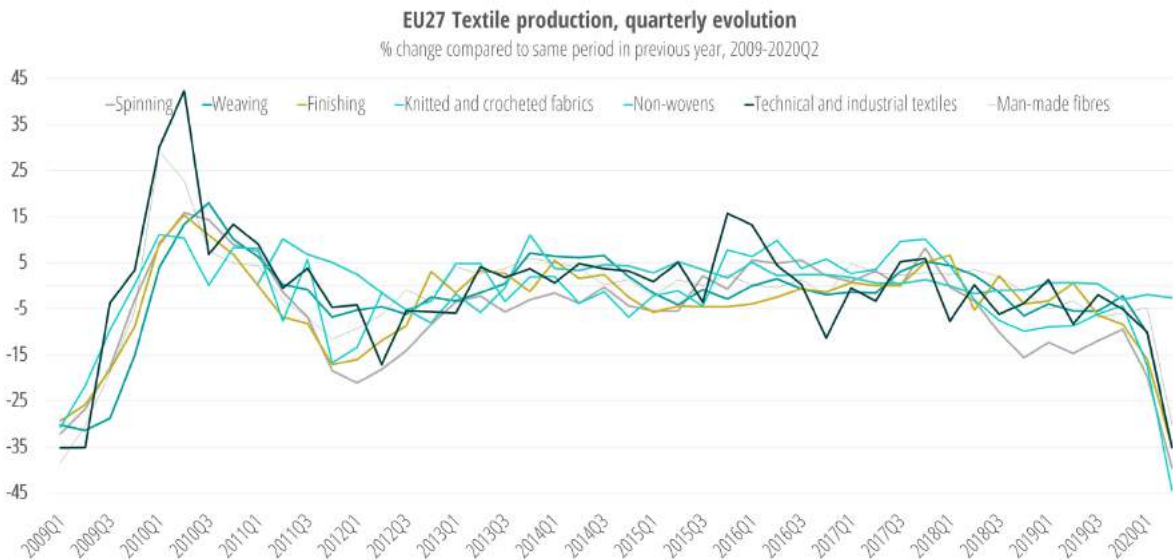


The general trends among the various clothing sub-sectors observed in 2019 were once more divergent. **Wearing apparel** production, which refers to products made from woven fabrics, showed a slump (-7.4%) similar to the one observed during the 2012 challenging year. By contrast, **knitwear** products went up by +2.8%, thanks to the hosiery segment (including pantyhose, tights, stockings and socks), which registered the second and substantial double-digit jump since 2008 (+13%).



• 2020 Latest trends

During the 2nd quarter 2020, the EU27 production fell severely in almost all textiles sub-sectors, with two-digit negative growth rates: yarns (-40%), man-made fibres (-30%), woven fabrics (-35%), knitted fabrics (-44%) and industrial & technical textiles (-35%). By contrast, the manufacture of non-woven was more resilient, as the needs and capacities for nonwoven-based face masks and medical supplies were promptly increasing during the pandemic period.



The decline in the **clothing** industry during the 2nd quarter 2020 was twice as bad compared to the worst quarter of the economic and financial crisis in 2009: -37% in 2Q2020 compared to -18% in 1Q2009. However, the monthly data shows a rapid recovery since May, after the gradual reopening of businesses, with positive growth rates as compared with previous months (i.e. +3.7% in July, as compared with June). The EU production in the knitwear segment, including the manufacture of knitted garments and hosiery, encountered serious difficulties over the period, with a fall of -44% during quarter 2, putting the level of this sub-sector at the lowest among the entire textile and clothing value-chain (index 55.9).



Unless specified, EU refers to EU27
Data source: EURATEX, based on EUROSTAT

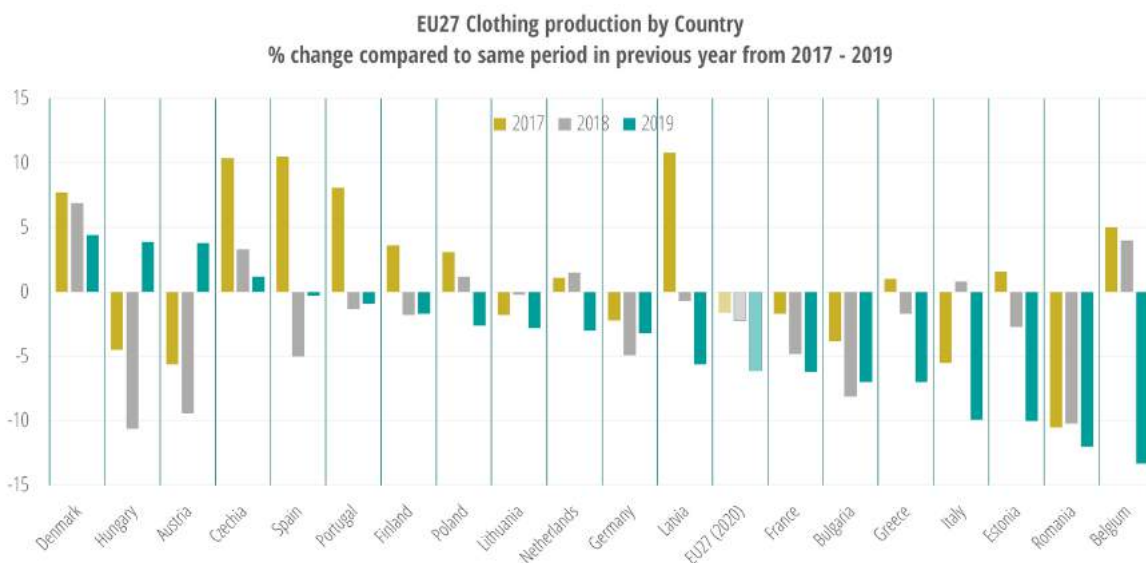
3.1.3. The EU-27 Member States

• 2019 Yearly evolution

The impact of economic changes on the EU Member States' production depends on the countries' industrial structures and specificities. For the third year in a row, the collapse was particularly strong in the low-cost countries such as Bulgaria and Romania, making up garments for- among others- German, French and Italian brands. After a positive 2018 year, clothing production trends in Belgium and Italy turned negative, with much higher drops compared to the other Member States.



The overall **textile** output across the EU27 countries recorded negative growth in 2019, in particular in Romania (-11.6%), Hungary (-10.6%), Italy (-7.8%), Spain and Portugal (-5%), Estonia (-4.1%) and France (-3.9%) with reductions above the EU27 average. By contrast, textile production in Nordic countries and some Eastern European countries performed better than the average with even positive growth rates as in Lithuania (+11.8%), Denmark (+9.6%), Finland (+5.2%), Poland (3.1%) and Latvia (+1%). However, the share of these countries only account for 8% of the total production value of the EU.



As in the textile industry, in 2019 the clothing sector recorded negative growth of the production across most of the EU27 countries, with double digit fall in Belgium (-13%), Romania (-12%) and Estonia (-10%). The production trend also deteriorated in Italy (-9.9%), Bulgaria and Greece (-7%), France (-6.2%), Latvia (-5.6%), Germany (-3.2%), the Netherlands (-3%), Lithuania (-2.8%), Poland (-2.6%) and Finland (-1.7%). Portugal and Spain managed to limit their losses with losses below -1%. The best performances in 2019 were achieved by Denmark (+4.4%), Hungary (+3.9%), Austria (+3.8%) and Czechia (+1.2%).

• 2020 latest trend

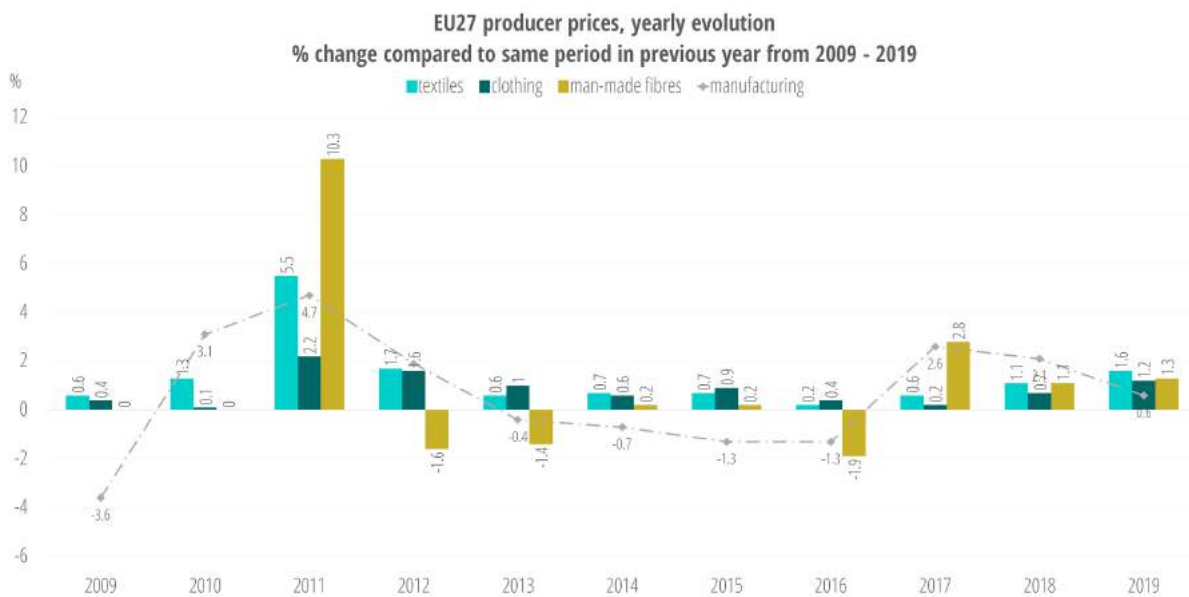
During the 2nd quarter of 2020, the Covid-19 pandemic had a devastating impact on Spain and Italy, which recorded the worst historical performances, with production drops reaching respectively -35% and -36% in textiles, and -66% and -43% in clothing. The United Kingdom and Portugal were also severely hit in both sectors.

3.2. Producer prices

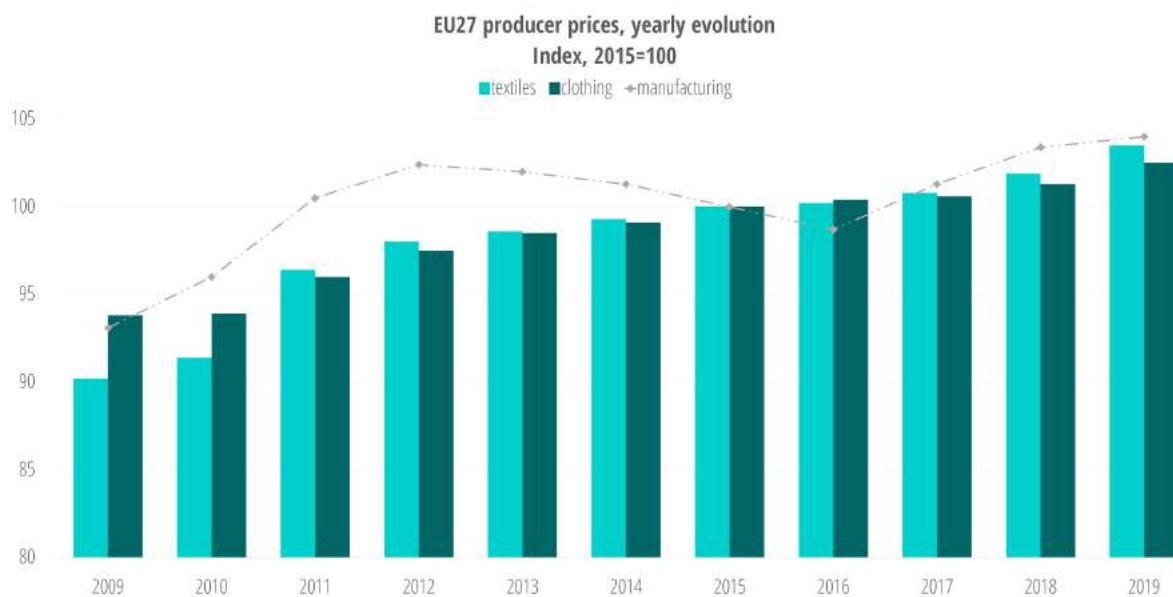
3.2.1. The Textile and Clothing Sector

Another interesting business-cycle indicator to analyse is the producer price index, showing the development of transaction prices of products from the seller's perspective.

After a rebound in 2017 (+2.6%), the EU-27 manufacturing industry's producer prices are showing a decreasing trend over the years. However, this deceleration in price rises was not observed in the textile and clothing industry, which witnessed a gradual increase in its prices. The 2019 output prices for the entire textile and clothing value chain increased at a higher pace than the rest of the manufacturing industry (+1.4% on average compared to 0.6%).

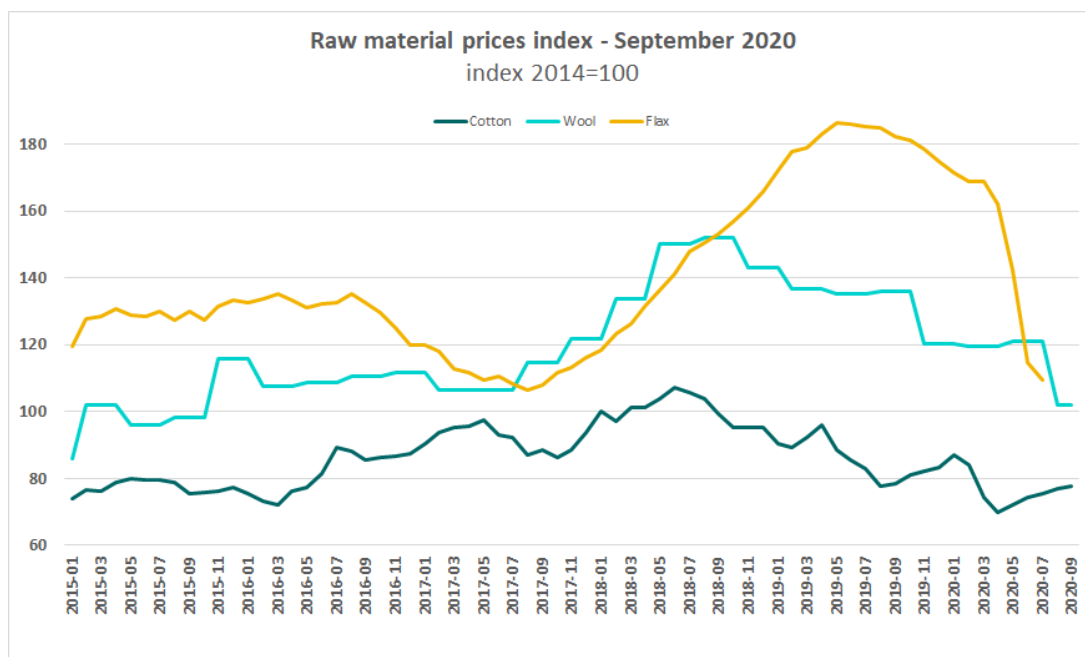


The increase of prices in 2019 were higher in the upper part of the pipeline: textile output prices went up by +1.6% while clothing prices went up by +1.2%, as compared with 2018. In both cases prices' hikes were the highest since 2012.



The main drivers of producer price developments are the change in price of intermediate inputs such as the cost of raw materials and imported semi-finished goods, the variations of the labour costs as well as production levels following a change in consumer demand.

- **Cost of raw materials.** Prices of imported natural fibres (flax, cotton and wool) recorded divergent trends in 2019. Wool and in particular cotton fell quite strongly (by -6% and -15% respectively), while flax fibres continued to benefit from an incredible strong price hike (+27%), despite a substantial decrease since the second semester of 2019.



Following the worsening of the economic situation of the European man-made fibres industry, prices of MMF decreased across the entire range of products. Prices of polyesters (filament and staples), polyamide and acrylic fibers reduced further during 2019, as demand for MMF remained weak. Indications for polypropylene and viscose/cellulosic are going in the same direction, as consuming industrial sectors (i.e. automobile, hygiene, home textiles, apparel etc.) are facing difficult times in Europe and across the world.

• Labour costs

Wages per employee are slightly increasing in the textile and clothing industry. The average annual growth (CAGR), during the 2011-2017 period, was 1.8%. However wages per employee in the sector evolved at a slower pace as compared with the total manufacturing sector (CAGR= 2.3%).

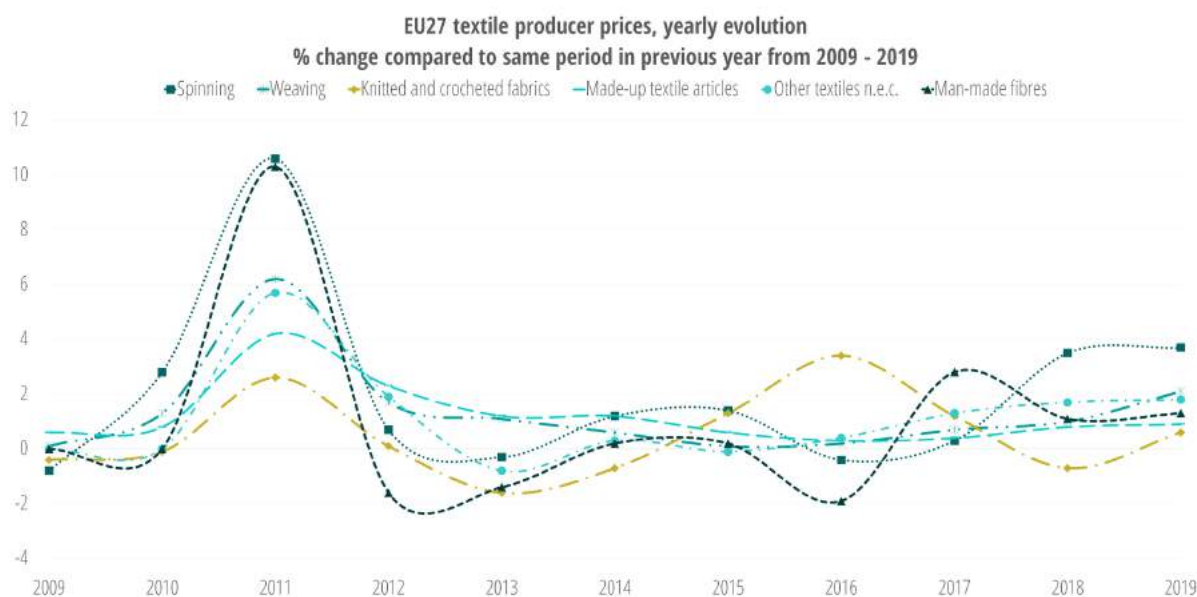


- **Consumer confidence.** Contrary to 2018, the confidence was relatively stable in the EU27 Member States during the entire 2019 though signs of slowing down started to be visible, thus impacting clothing and household textiles consumption. Throughout the first wave of the COVID-19 pandemic, which occurred between March and May 2020, the confidence turned to red in all EU countries. The collapse of confidence among consumers was fuelled by households' tumbling expectations concerning the general economic situation, but also their own financial situation. Intentions to make major purchases deteriorated markedly, too.

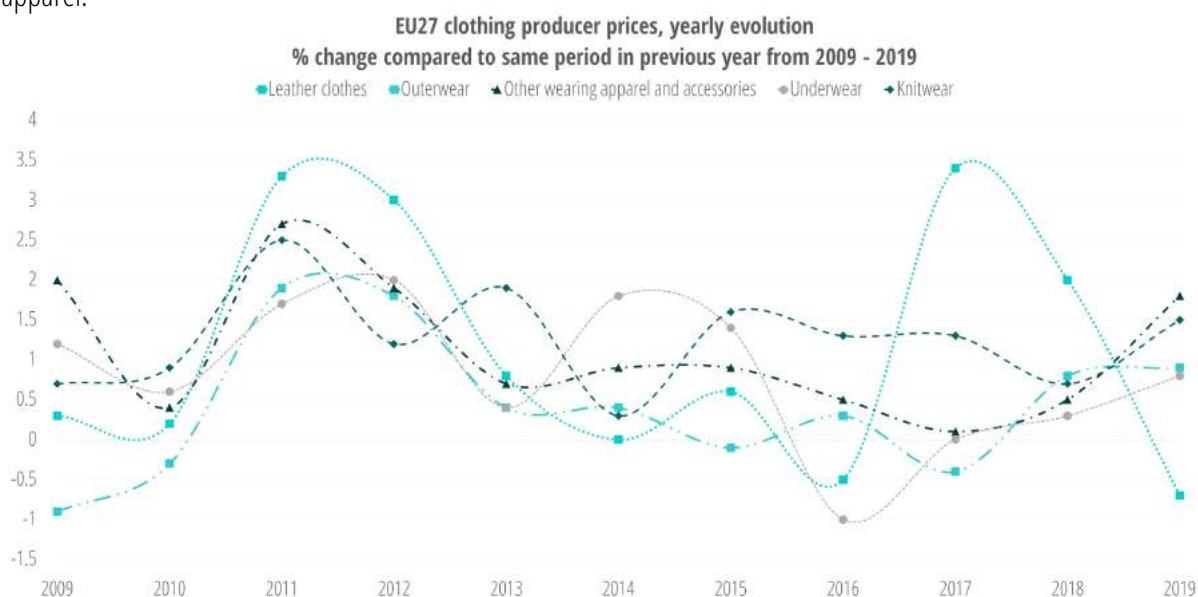
- **Import prices.** As in 2017 and 2018, imports values registered a sustained growth during 2019 in particular in the clothing industry (+4.2%). By contrast, import volumes progressed less markedly compared to the previous year (+0.8%), partially because demand for end products did slow down as consumers tend to favour more sustainable goods.

3.2.2. The Textile and Clothing Sub-Sectors

Looking at the various transformation stages within the **textiles** sector, three of them witnessed in 2019 a price increase higher than the entire textile industry (+1.6% as compared with 2018): Spinning (+3.7%), Weaving (+2.1%) and other textiles including felt and tulles (+1.8%). Production prices of woven fabrics are gradually increasing since 2015, while yarns' prices achieved, during the 2018-2019 period, their highest growth since 2011 (the record year with a +11% boom!). Output prices in the manufacturing of man-made fibers and technical textiles grew at a somewhat more moderate rhythm compared to the textile industry average, with respective growths of +1.3% and +1% over 2019. Finally, production prices' increases in the made-up and knitted & crocheted fabrics sectors stayed below +1%.



Over the years, output prices in the **knitwear** industry (manufacture of garments made of knitted and crocheted fabrics and hosiery) are generally growing at a higher pace than the rest of the **clothing** sector. This trend is also verified in 2019 with a +1.5% increase in knitwear and a +1% rise, as compared with 2018, in the other wearing apparel.

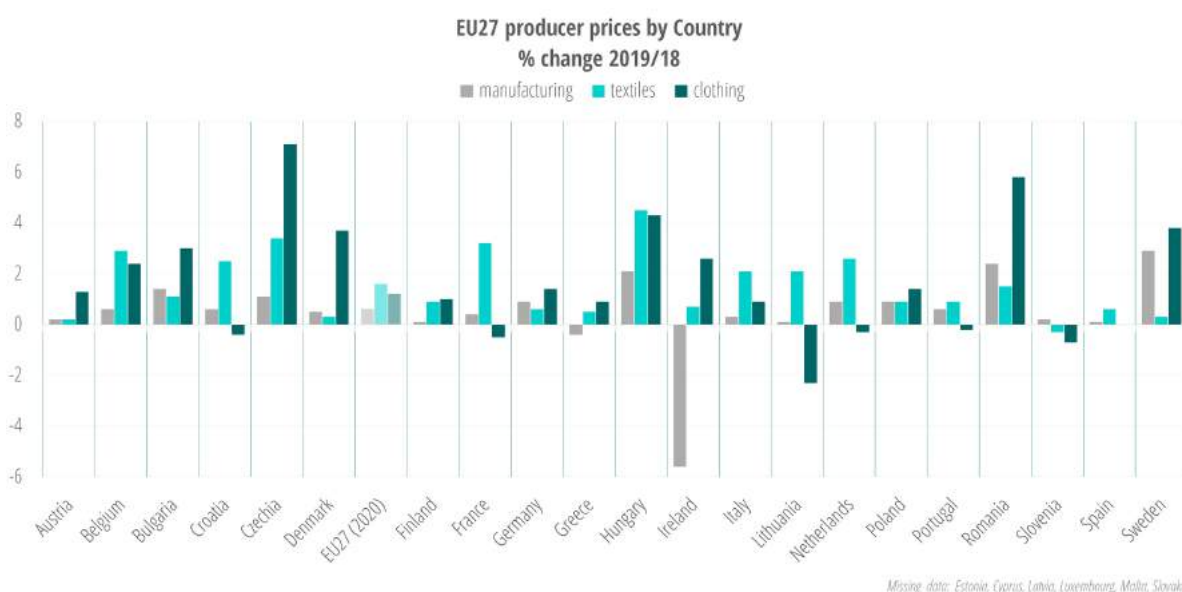


Unless specified, EU refers to EU27

Data source: EURATEX, based on EUROSTAT

3.2.3. The EU-27 Member States

When looking at Member States output prices' evolutions in 2019, we note that production prices for the manufacturing industries (+0.6%, expressed in local currency) increased across all EU-27 countries but Ireland (-5.6%) and Greece (-0.4%). Production prices evolved well above EU average (between +2% and +3%) in Hungary, Romania and Sweden.



Only three countries saw their production prices sharply increasing across both sectors in 2019, namely: Belgium (+2.9% for textiles, +2.4% for garments), Czechia (respectively: +3.4% and +7.1%) as well as Hungary (respectively: +4.5% and +4.3%).

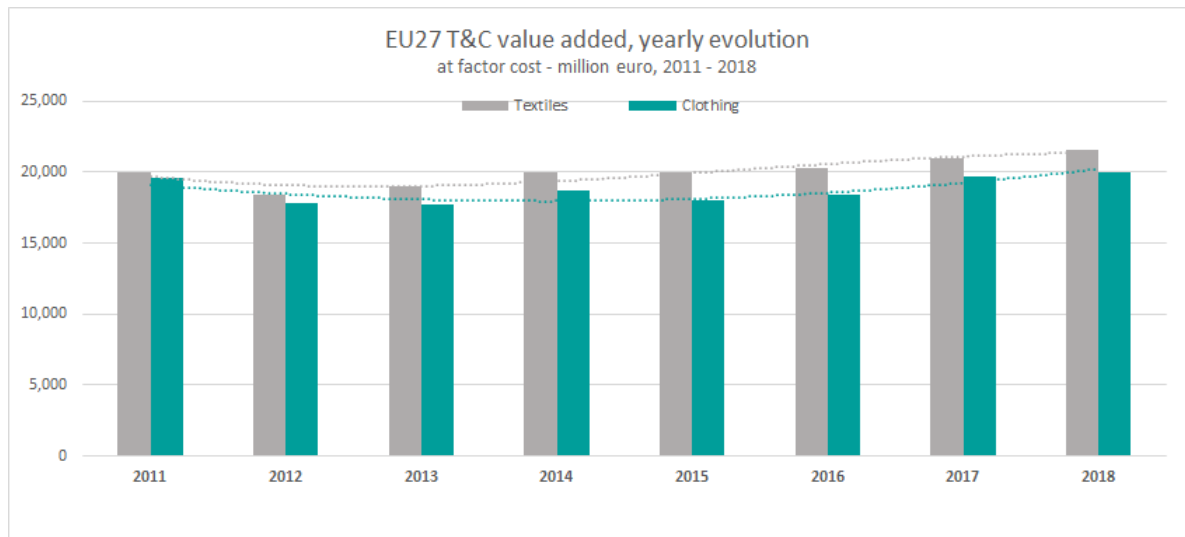
Among the other countries reporting increases higher than the EU27 average in one of the sectors, we noted, for the textile industry: Lithuania and Italy (+2.1%), Croatia (+2.5%), the Netherlands (+2.6%) and France (+3.2%); and for clothing: Germany and Poland (+1.4%), Ireland (+2.6%), Bulgaria (+3%), Denmark (+3.7%), Sweden (+3.8%) and Romania (+5.8%). Marginal increases or increases below the EU27 average were observed in the other EU Member States. This trend, that started in 2013 in some countries, could explain the declining competitiveness of such industries.

Finally, textile manufacturers in Slovenia faced a slight reduction in their production prices, while garment manufactures registered strong decreases in Lithuania (-2.3%) and slight drops (below 1%) in Slovenia, Croatia, France, Portugal and the Netherlands.

3.3. Value added

3.3.1. The Textile and Clothing Sector

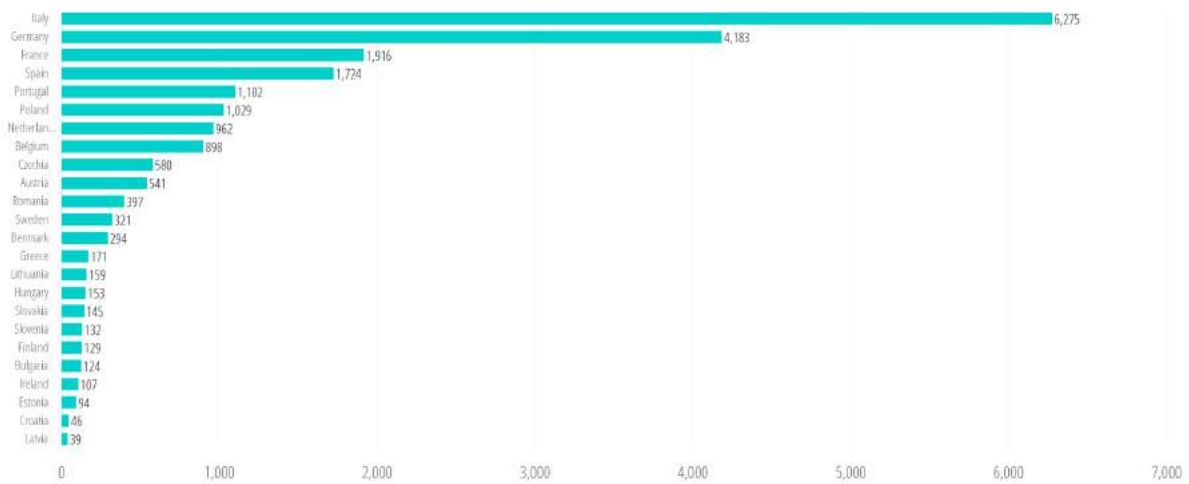
Between 2015 and 2018, the EU27 value added, which represents the wealth generated by the T&C enterprises, increased in the entire value chain. Over that period, the pace of growth was higher in the clothing sector: +11% compared with +8% in the textile industry. However, in absolute terms, the textile sector contributed more to the total value added of the sector (52% share), with nonetheless strong differences among the textile sub-sectors: the manufacture of weaving, made-up and technical textiles generated higher value added.



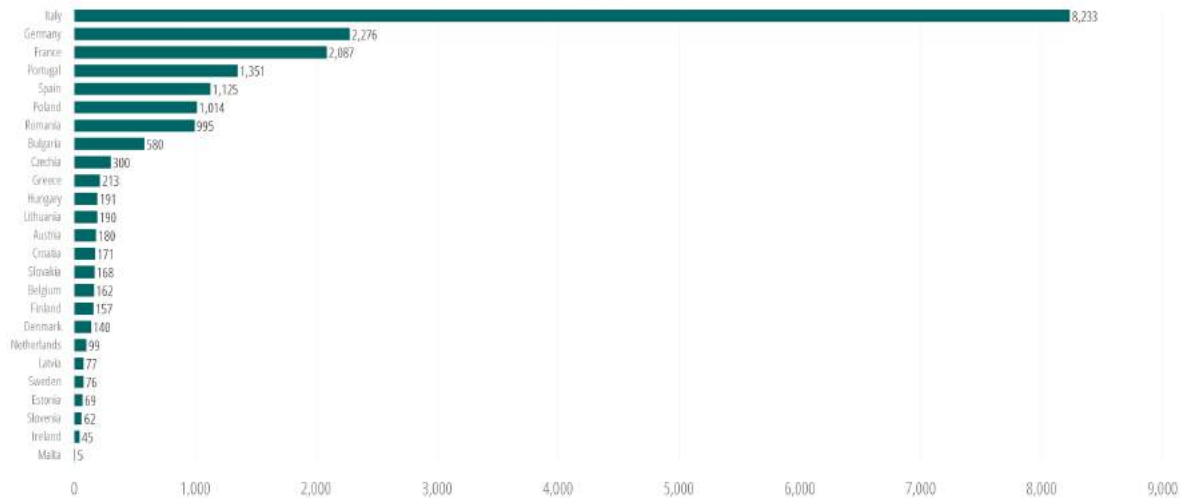
3.3.2. The EU-27 Member States

The value added differed also substantially across the EU27 Member States. Italy represents specific case where enterprises, mainly SMEs, play a more important role than anywhere else in Europe in terms of added value. Germany, France, Spain and Portugal are also major contributors in both textile and clothing sectors.

**EU27 textiles value added, at factor cost - million euro
In 2018**



**EU27 clothing value added, at factor cost - million euro
In 2018**



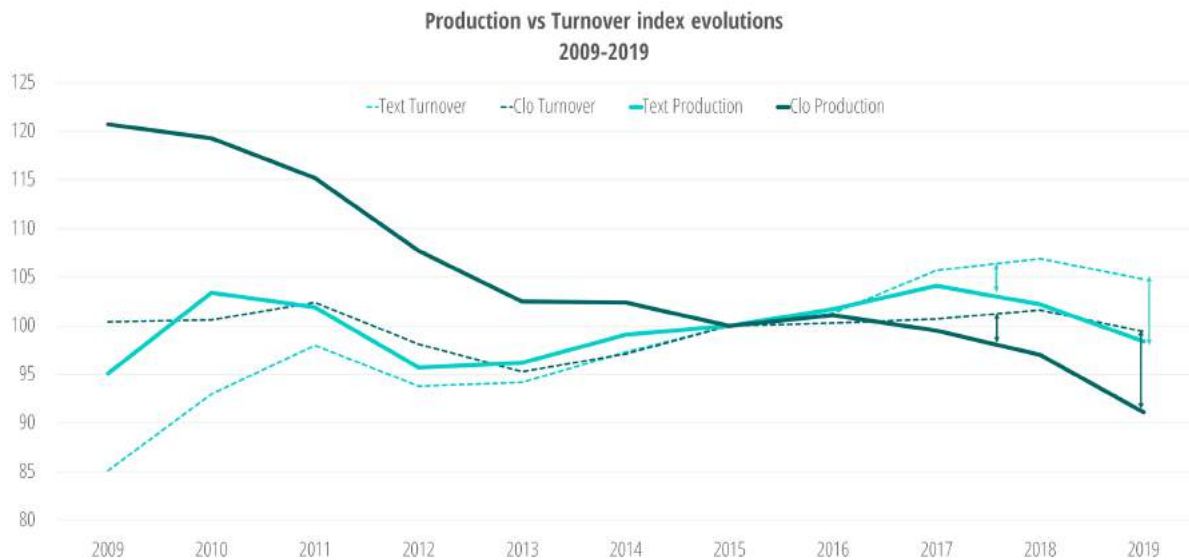
Unless specified, EU refers to EU27
Data source: EURATEX, based on EUROSTAT

3.4. Turnover and exports

3.4.1. The Textile and Clothing Sector

- 2019 Yearly evolution

Over the years, the EU turnover recorded diverging evolutions compared with the physical production trends. As a matter of fact, the T&C turnover recorded regular increases (with the exception of 2019) contrary to the EU production that is trending downward. Since 2017, the gap between both indicators is increasing in the entire textile and clothing value chain, proving the preservation of the EU competitiveness.



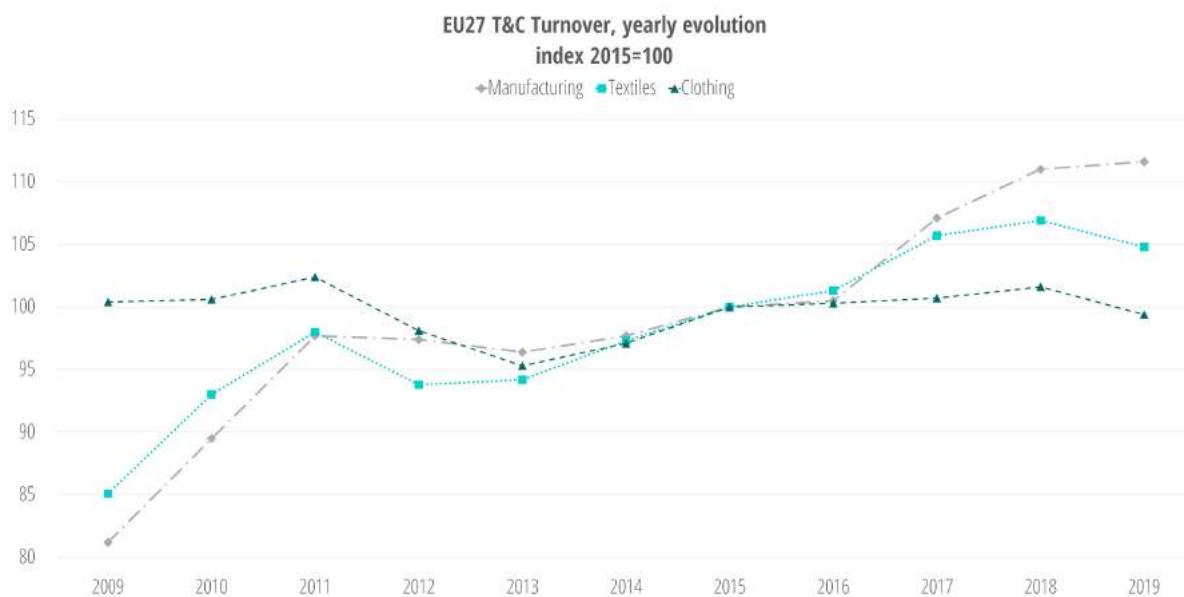
The industry's extra-EU27 exports which now stand at 38% of annual turnover, up from 28% 10 years ago, is the clearest proof of the increasing global competitiveness of Europe's textile and clothing companies. This trend is verified by the share of companies' exports in their turnover, which is constantly rising since 2012, showing the role played by exports in the turnover performances of the textile and clothing industries in the EU Member States. Since 2017, it is the international trade (Extra-EU27) that contributed more to the turnover evolution than the internal market trade (Intra-EU27).

In 2019, the extra-EU textile turnover index evolved more positively (+1%) than the results measured by the intra-EU turnover index (-1%). This is the tenth consecutive year of increase for the sales outside the EU and the first year of decline for the internal market turnover since 2012.

For the garment sector, both intra and extra-EU turnover indices recorded positive changes in 2019. The international market contributed most to the wealth of this sector, as EU exports to third countries were more dynamic (+8%) than sales to the internal EU markets (+5%).



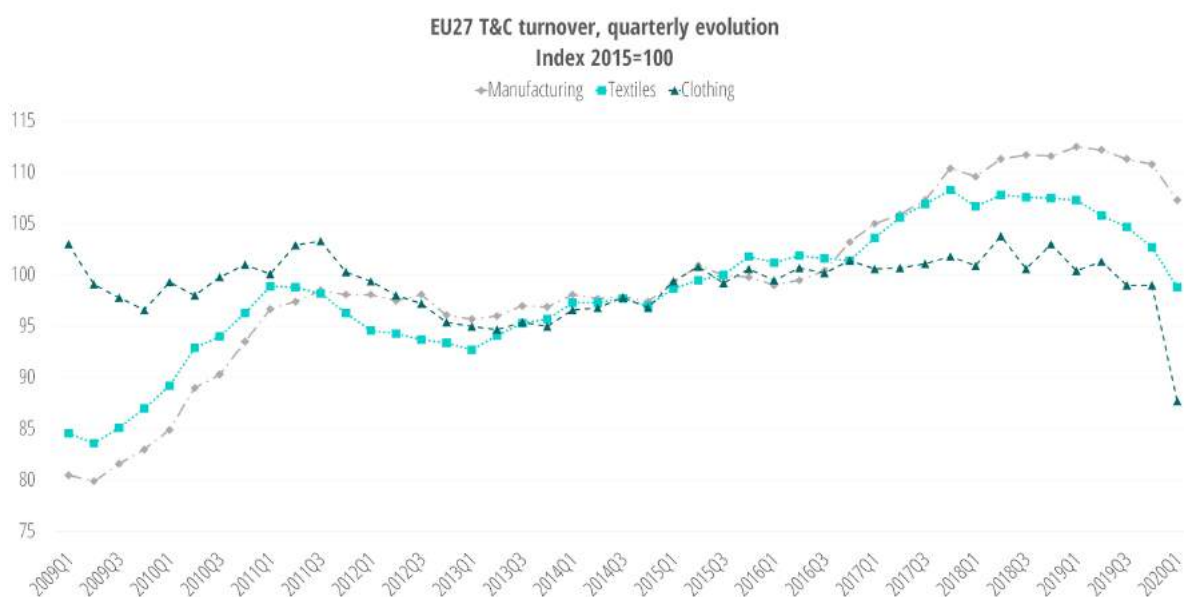
After the turnover record level reached in 2018, the EU **manufacturing** industry at large reached a new peak beginning of 2019 before starting to level-off. Despite this deceleration which resulted in a modest rise over the full year (+0.5% in 2019), the manufacturing turnover managed to stabilise at still high levels compared to the previous year.



This positive result did not materialize in the **textile and clothing** value chain. As a matter of fact, data relating to the evolution of the EU turnover continued to continuously weaken since the beginning of 2019. As a consequence, the yearly evolution turned negative for the first time since 2012-2013 with a -2% setback for textiles and a -2.2% for clothing, as compared with 2018.

• 2020 Latest trends

The downward trend of the EU turnover continued to intensify since the beginning of 2020, reaching a -24.7% slump for textiles and a -34.4% for clothing during the 2nd quarter of 2020, as compared with the same period of the previous year. This fall is almost 3 times higher than the one recorded during the previous quarter, as entrepreneurs in the textile and clothing industry had to adjust to a sharp drop in demand due to the Coronavirus outbreak.

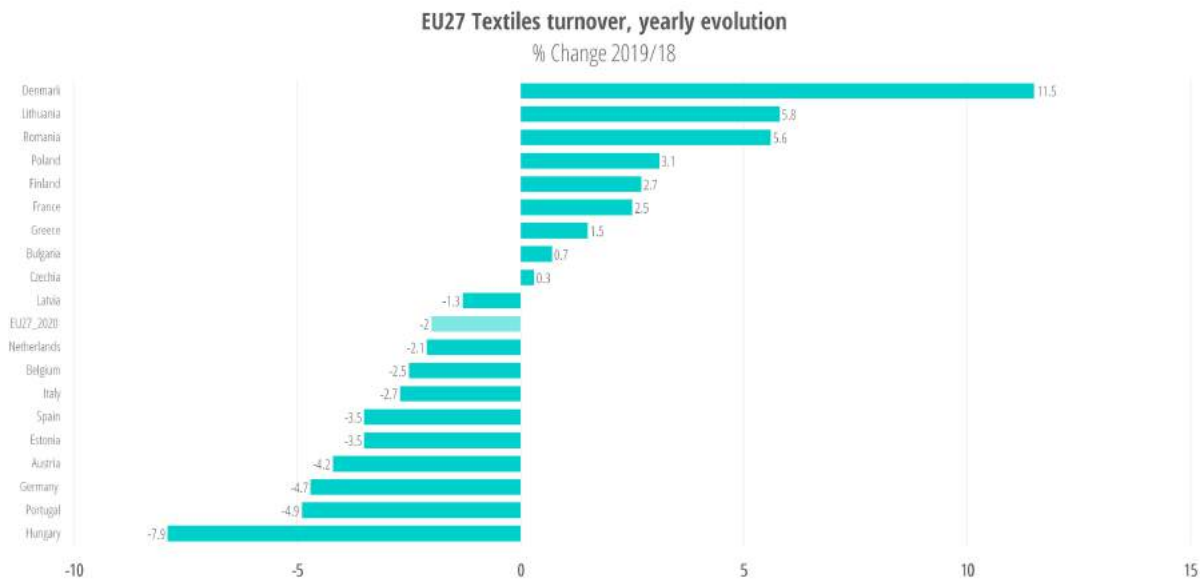


Unless specified, EU refers to EU27
 Data source: EURATEX, based on EUROSTAT

3.4.2. The EU-27 Member States

Looking at turnover evolution across EU Member states, important differences can be observed:

- Most of the EU Member states registered textile and clothing turnover evolutions below the manufacturing results with the exception of Denmark for the entire value chain, Greece, Lithuania and Romania for the textile industry, as well as Italy and Czechia for the apparel industry.
- As in 2018, Danish **textile** producers were the top performers witnessing strong yearly improvements in 2019 (+11.5%) while textile companies in France, Finland, Poland, Romania and Lithuania increased their activities well above the average (from +2.5% to +5.8% as compared with 2018). On the opposite the worst performers were to be found in Hungary, Portugal, Germany, Austria, Estonia and Spain (from -7.9% to -3.5%) while other Member States recorded growths ranging from -1.3 (Latvia) to +1.5% (Greece).



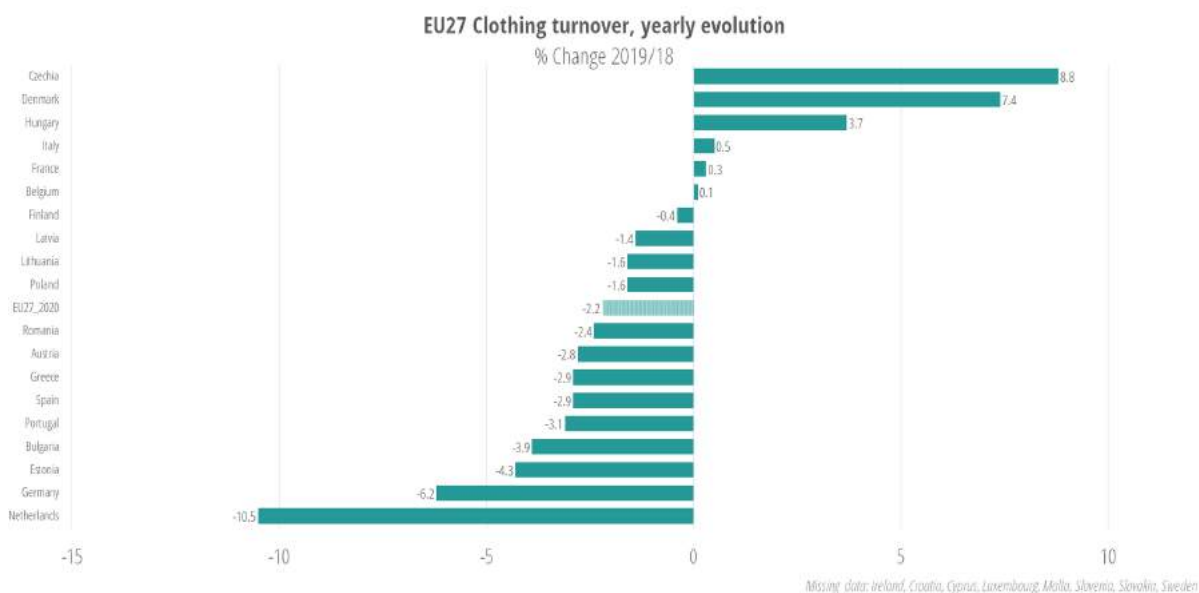
- Similar trends could be observed among Member States in the **clothing** industry with some divergences compared to textiles:

[a] a double digit decline was observed in the Netherlands, reporting a -10.5% cut in output;

[b] the situation was not easy either for Austrian, Bulgarian, Estonian, German, Greek, Portuguese, Romanian and Spanish producers as sales declined quicker than the EU average (from -2.4% to -6.2%);

[c] only Belgium, Finland, France and Italy were able to stabilize their turnover, with low percentage changes (from -0.4% to +0.5%).

Finally, garment manufacturers in Hungary, Denmark and Czechia benefitted from large increases (from +3.7% to +8.8%) in 2019.

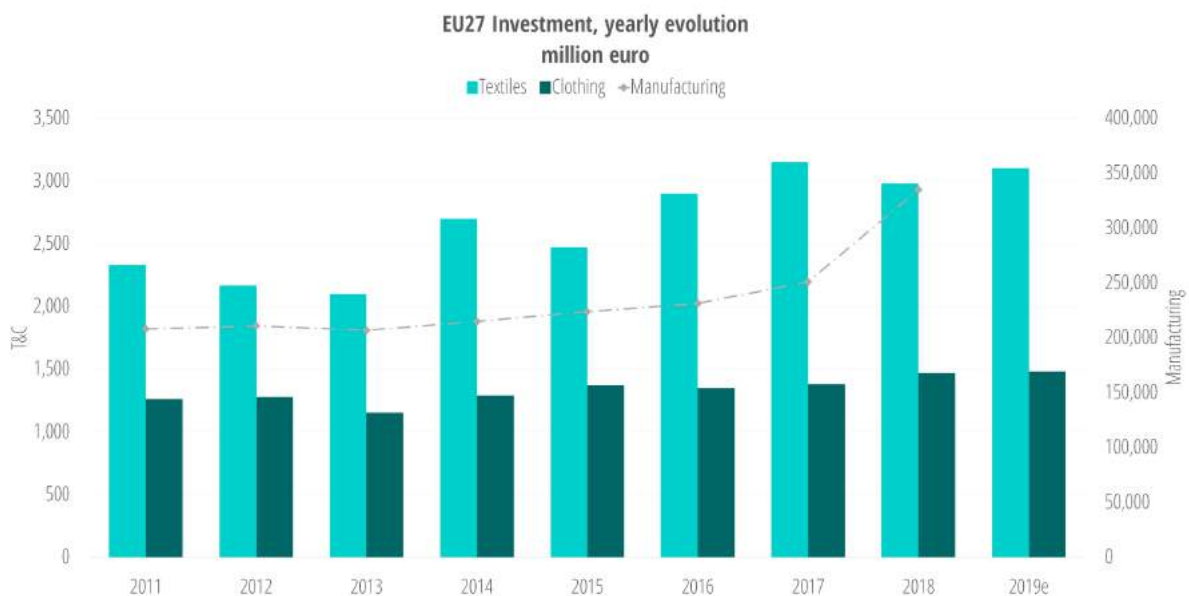


4. Factors influencing the EU Textile & Clothing industry

An analysis by sector, sub-sector and Member States

4.1. Investments

Despite the uncertain economic situation across the year for the EU, investments in the value chain grew by a satisfactory +2.7% as compared with 2018. Textile manufacturers were able to maintain a high level of investments (+4% in 2019), and investments in the garment sector expanded by +0.7%. It should be noted that these data only include tangible capital goods (such as machine tools, industrial machinery, process plant equipment, factories, lands...) and exclude intangible assets as the intellectual capital. Actually, a huge part of the investment which is realised to improve the logistics, the value-added content, etc. is not captured by the current measurement, undervaluing the importance of investments in certain sectors (i.e. clothing) or sub-sectors (i.e. technical textiles).

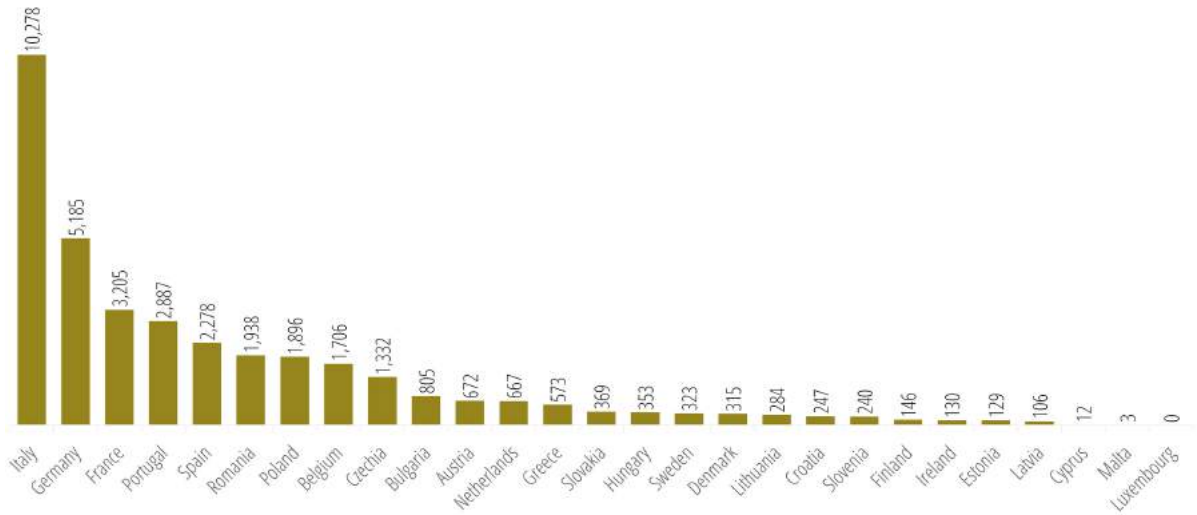


Unless specified, EU refers to EU27

Data source: EURATEX, based on EUROSTAT

Moreover, it is important to draw a distinction between capacity increases, modernisation of the production chain, new production and new plants. The latter are logically less frequent and do not necessarily occur annually, which does lead to variations (upward or downward) that are not directly related to the current economic situation. In that perspective, it is worth also looking to the cumulative investments. In the last five years, the textile and clothing sector invested 23 billion euro, which demonstrates that the industry continues investing in its future. In 2018, 66% of total investments were made by the top 5 EU Member States: Italy, Germany, France, Portugal and Spain.

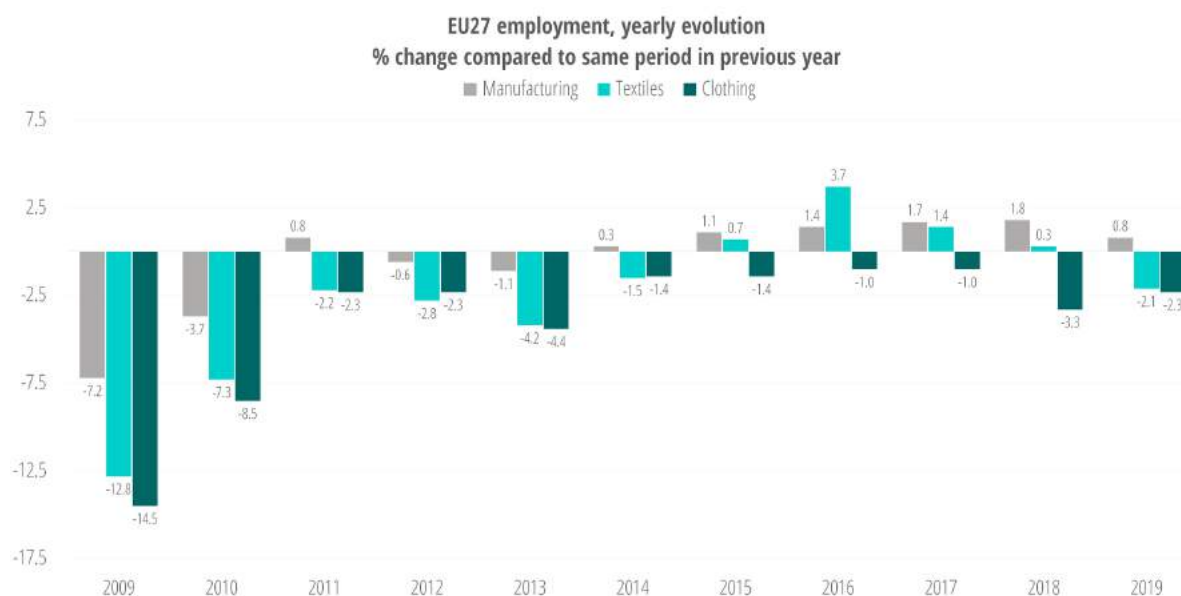
T&C cumulative investment, between 2009 and 2018
million euro



4.2. Employment

- 2019 Yearly evolution

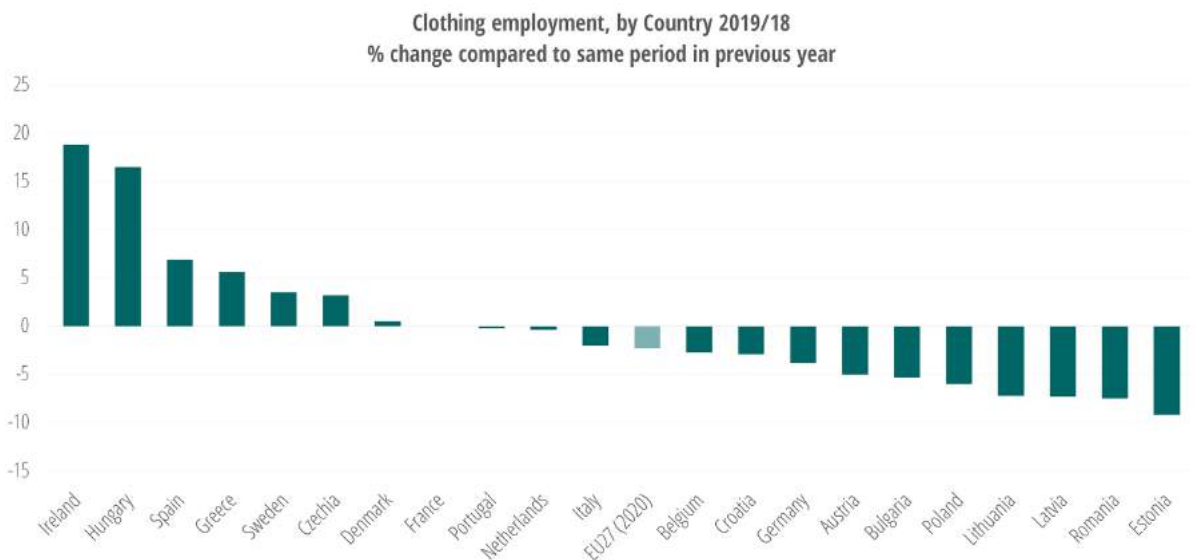
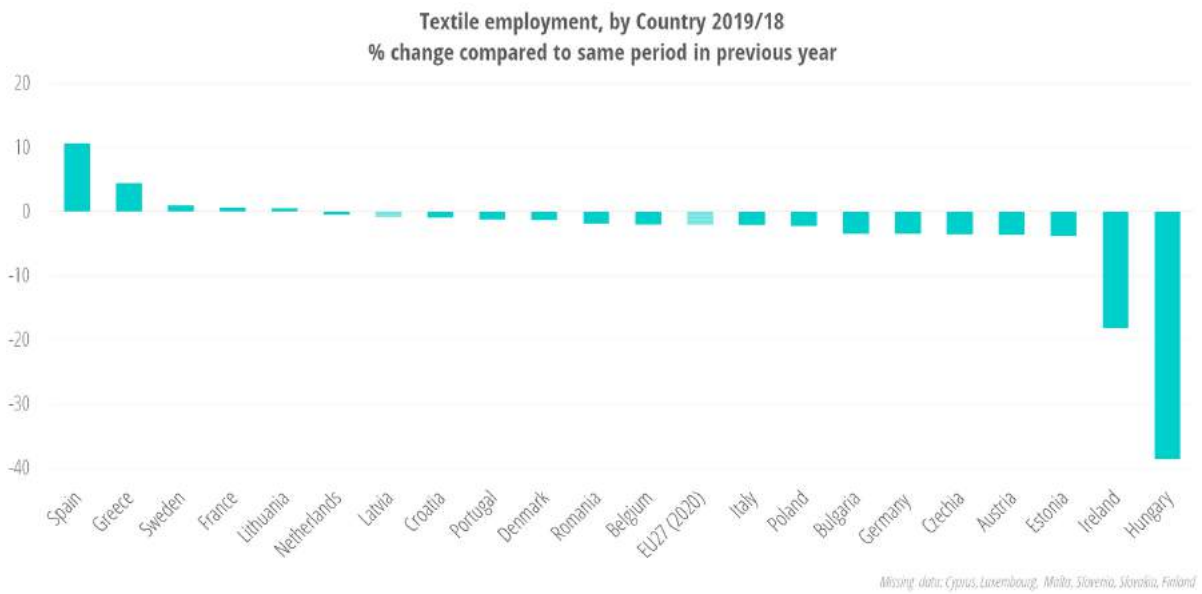
Between 2014 and 2018, the EU employment in the textile and clothing industry achieved satisfactory results for a sector that keeps realizing labour efficiencies. However, the slower economic growth and the accelerated drop in the EU textile and clothing production hampered labour market improvements observed in recent years. The job creation was negative since the beginning of the year in both sectors and resulted in a -2.1% decrease in textile and a -2.3% drop in clothing, as compared with 2018.



The main producing countries in values, which concentrate more than half of the total textile and clothing employment in the EU-27 (Italy, Germany, France, Spain and Portugal), witnessed divergent evolutions. Italy and Germany recorded a decrease of their overall 2019 workforce by respectively -2.1% and -3.4% in textiles and -2% and -3.8% in clothing; France and Portugal managed to stabilize their labour force or limit job losses in the entire textile value chain; while Spain recorded for the fourth year in a row a double-digit increase in textiles (+10.7%) and a very positive trend in clothing (+6.9%).

Still on an encouraging note, we can add the following Member States: Greece (+4.5%), Sweden (+1%), Lithuania (+0.5%), in the textile industry, and Ireland (+19%), Hungary (+16.5%), Greece (+5.6%), Sweden (+3.5%), Czechia (+3.2%) and Denmark (0.5%), in the clothing industry.

Unfortunately, these good performances were not able to offset shrinking employment in other Member States, which weighted negatively on the total EU labour force. The biggest deteriorations (above EU average) in textiles occurred in Hungary (-39%), Ireland (-18%), Estonia (-3.8%), Austria (-3.6%), Czechia (-3.5%), Bulgaria (-3.4%) and Poland (-2.2%); and in clothing in Estonia (-9.2%), Romania (-7.5%), Latvia (-7.3%), Lithuania (-7.2%), Poland (-6%), Bulgaria (-5.3%), Austria (-5%), Croatia (-2.9%) and Belgium (-2.7%).



- 2020 Latest trends

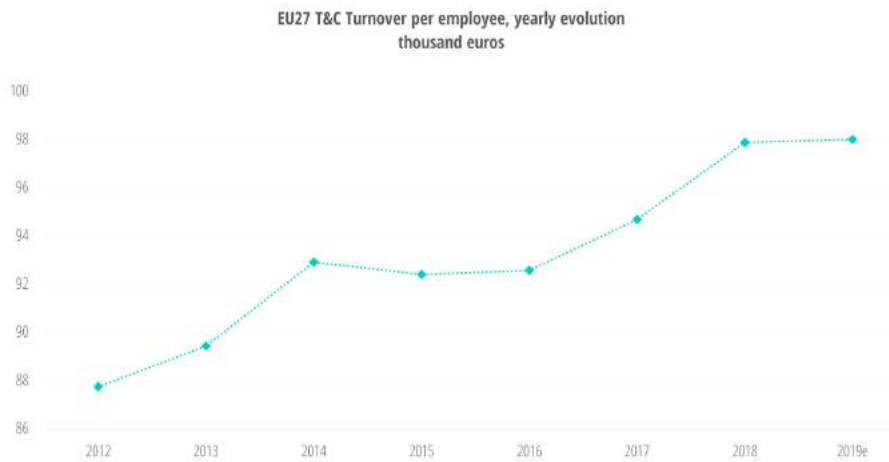
Compared to other indicators, the labour market witnessed a limited setback over the 2nd quarter of 2020 (textile: -2.1%; clothing: -5.6%), with even positive growth rates recorded in some EU Member States, as Italy, despite the strong impact of Covid-19: +7% in textiles and +1% in clothing. This resilience in the labour market could be explained by the implementation of employment related measures at national and regional level (the COVID-19 emergency social safety nets, the state compensation schemes, training,...), as well as by the fact that a range of companies started to convert part of their production into the production of face masks, single-use gowns and other medical textile supplies.

However, it should be noted that while employment rates remain at relatively healthy levels, these mask the true effect of the crisis on labour markets as workers that have been furloughed, i.e. with the use of temporary layoff measures, are captured as being employed. The labour market is expected to continue to be under pressure during the next few quarters. Furthermore, the clothing sector, which is highly labour intensive, was more severely affected, in particular in the Eastern European countries where two-digit drops were recorded during the 2nd quarter of the year.

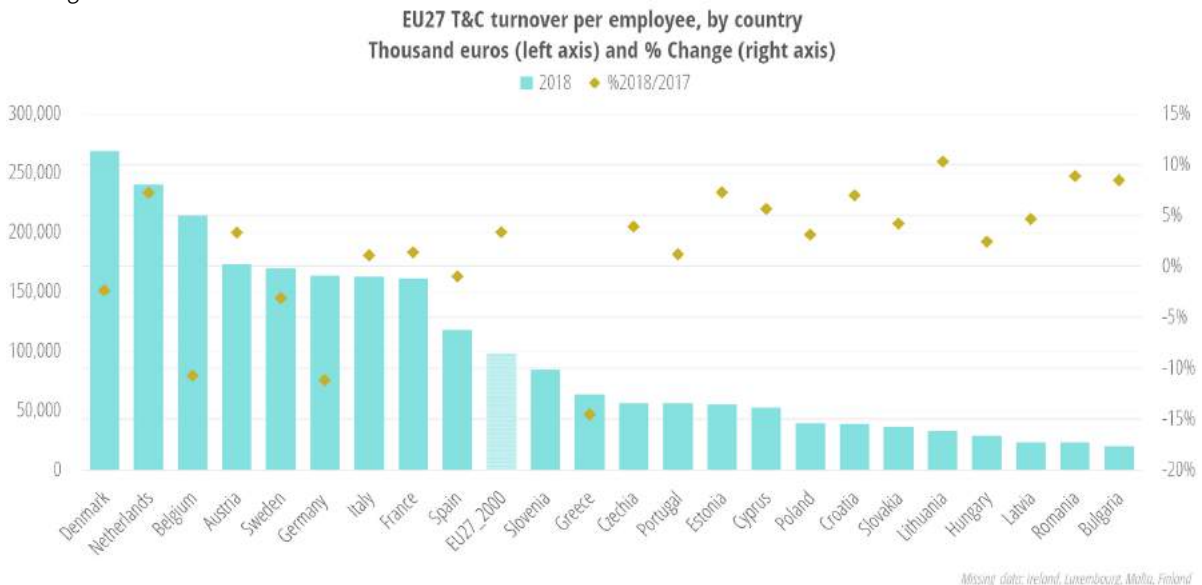


4.3. Labour productivity

While T&C labour force has been declining over the years, the average turnover per employee has increased from 88,000 € in 2012 to 98,000 € in 2019. Over the last 10 years, turnover and value-added per employee have increased by over 30%. On average, a worker in the EU textile industry generates a higher turnover than its counterpart in the clothing industry (130,000 € and 78,000 € respectively in 2019). Within the textile industry, labour productivity is much higher in the manufacture of technical textiles as turnover per employee stands at 215,000 €, more than twice the average textile and clothing industry rate. Achieving higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors, is one of the sustainable development targets of the industry.



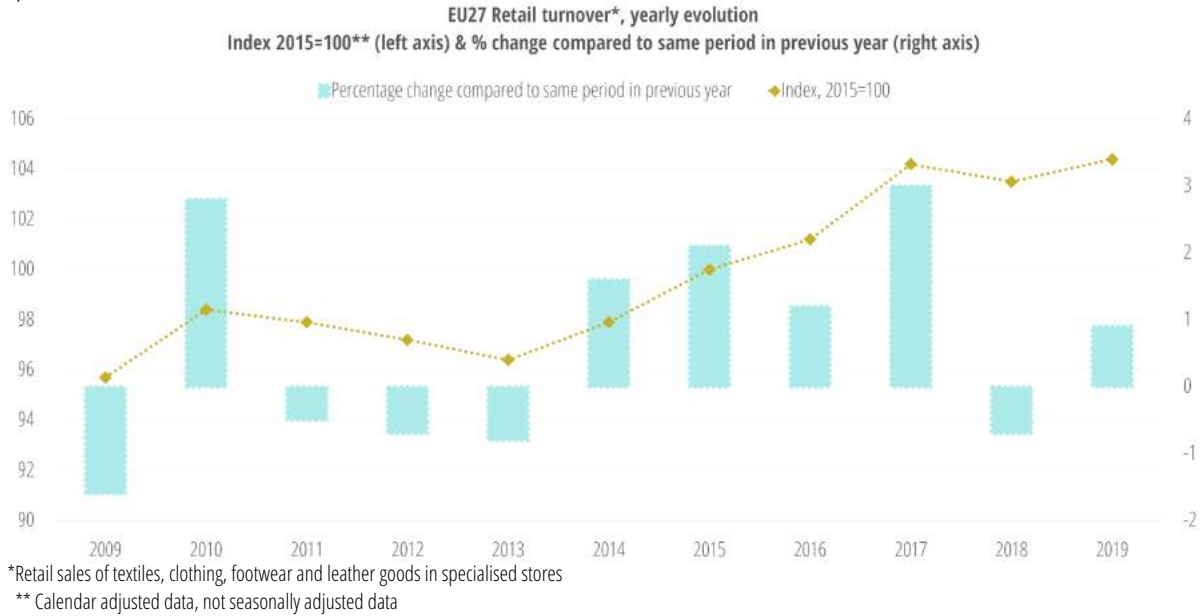
Labour productivity is a key driver of economic growth. Countries may generate long-term growth primarily by becoming more efficient and producing more goods with the available means. Significant disparities exist in productivity levels among the EU Member States. Turnover per employee in 2018 remains higher in the Western European countries, compared to the Central European countries with nonetheless higher productivity growth on average.



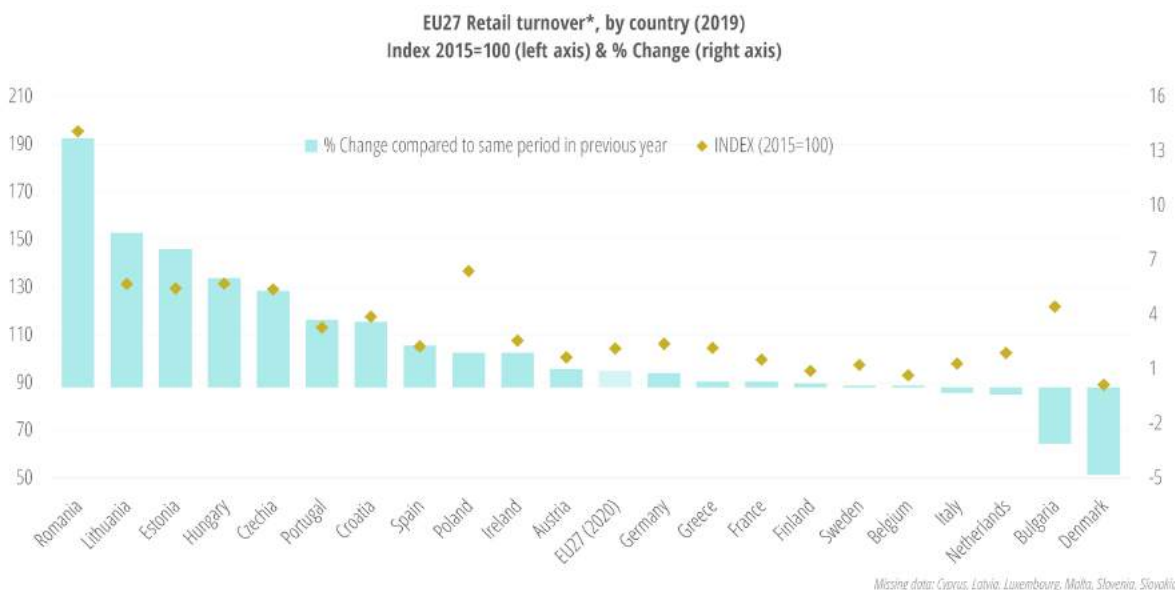
4.4. The EU retail turnover

- 2019 Yearly evolution

The consumer confidence was relatively stable in the EU27 Member States during the entire 2019 though signs of slowing down started to be visible. As a result, the growth rate in the retail sales of textiles, clothing, footwear and leather goods in specialised stores remained positive in 2019 (+0.9%), despite a slowdown during the last quarter.



The strongest increase of the retail turnover were noticed in Romania (+13.7%) as well as in some other Central European countries, while Denmark and Bulgaria registered significant drops of respectively -4.8% and -3.1% over the period. Sales in Greece, France, Finland, Sweden, Belgium, Italy and the Netherlands were almost stable.

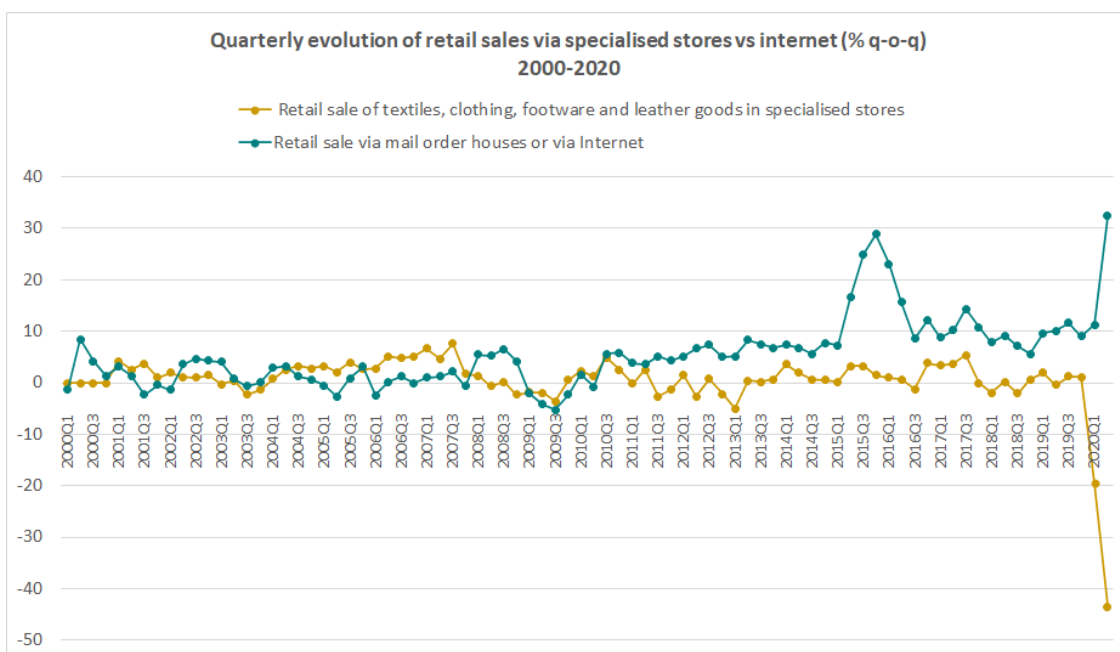


*Retail sales of textiles, clothing, footwear and leather goods in specialised stores

• 2020 Latest trends

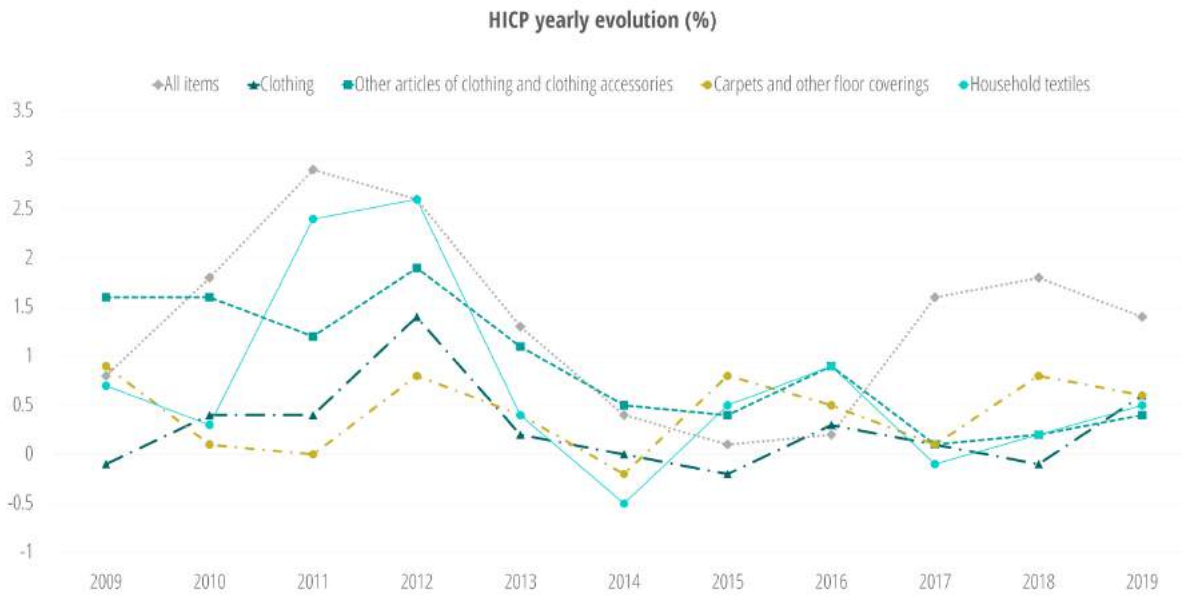
Among the retail market, the “Retail sales of textiles, clothing, footwear and leather goods in specialised stores” was the most heavily affected by the COVID-19 outbreak. The turnover generated by the EU retailers was 43.5% down during the 2nd quarter of 2020. This drop was far deeper as compared with the previous quarter (-19%). All Member States, with no exception, recorded a double-digit plunge with negative rates between -25% and -63%. The steepest drops were registered in Portugal, Ireland, Spain, the United Kingdom, Bulgaria and Italy with setbacks equal or above -50%. This trend is expected to continue, despite the end of the lockdown, because pandemic-related job losses will weigh heavily on consumer spending.

By contrast, “Retail sale via mail order houses or via Internet” had soared to an all-time high, following a sharp increase of +32.4% during the 2nd quarter of 2020, as compared with the same quarter of 2019.

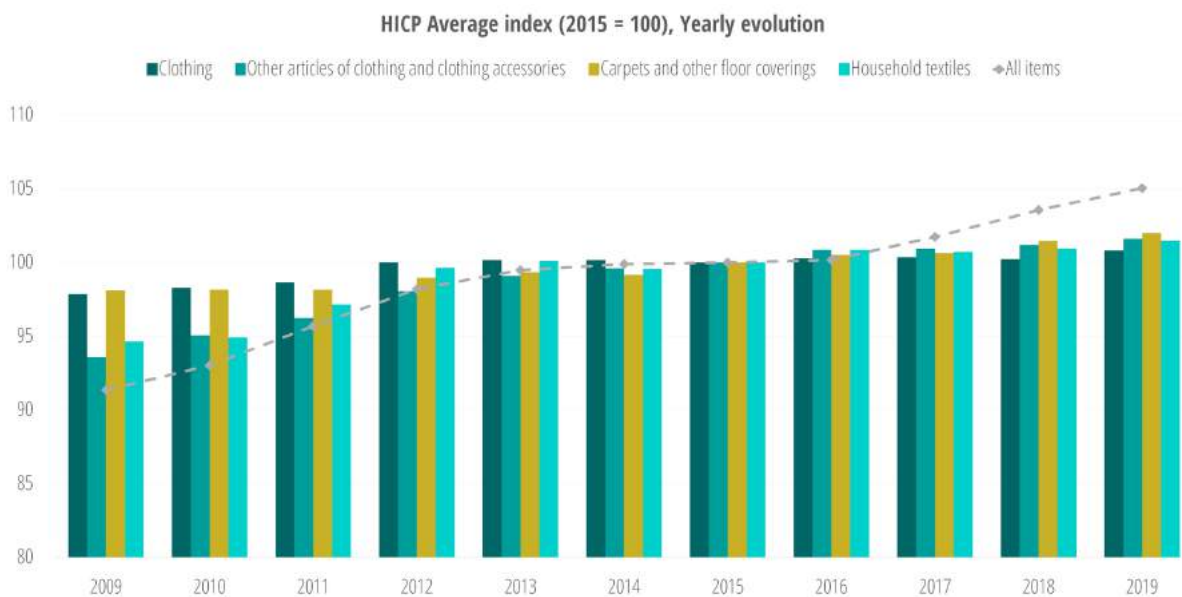


4.5. The EU consumer prices

For the third year in a row the EU recorded a strong growth of its global harmonised index of consumer prices (HICP - indices taking account of inflation), although at a slower pace compared to the previous years: +1.4% in 2019 vs +1.8% in 2018 and +1.6% in 2017.

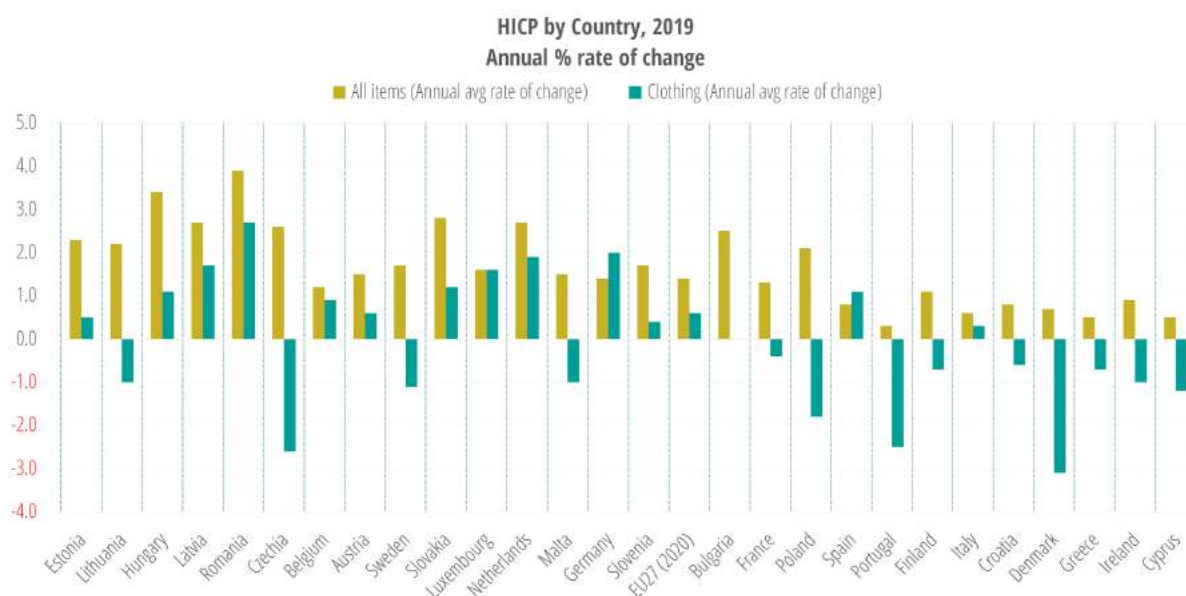


Once again, clothing and textile related consumer prices increased less rapidly than the overall HICP, contributing to reduce the inflationary pressure on consumers. Price increases of garments, carpets and home textiles grew by +0.6% on average in 2019, a higher growth rate compared to 2018 (except for carpets).



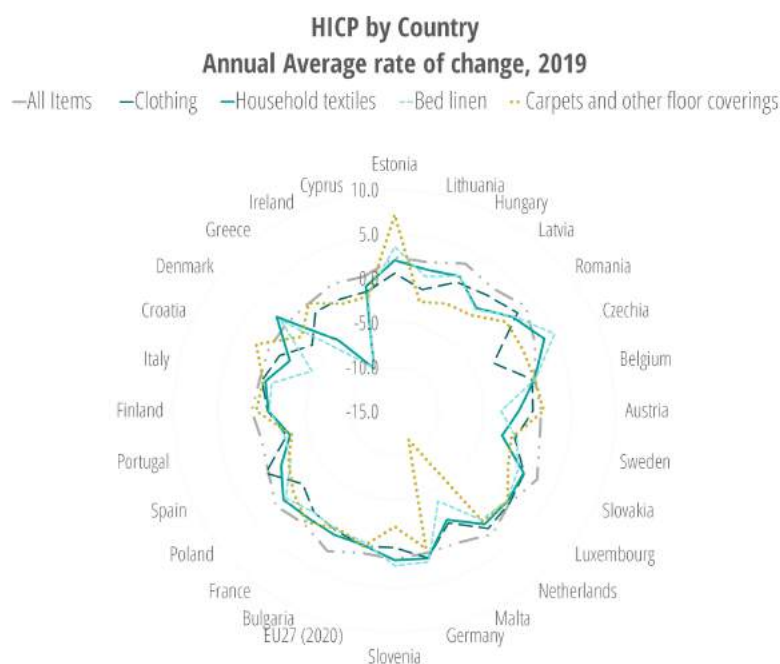
Looking to the 2019 evolution by **countries** and by **main product groups**, we note that:

- As in previous years, Romania recorded important increases of consumer prices in clothing products (+2.7%), followed by Germany (+2%), the Netherlands (+1.9%), Latvia (+1.7%), Luxembourg (+1.6%), as well as Belgium, Hungary, Slovakia and Spain (around +1%). On the other hand, several Member States were confronted with a noticeable decline in their clothing consumers' prices. This was the case in particular for Denmark (-3.1%), Czechia (-2.6%), Portugal (-2.5%) and Poland (-1.8%). Consumers in France, Croatia, Finland, Greece, Lithuania, Malta, Ireland and Sweden enjoyed a decline in prices too. Among the remaining Member States, prices grew marginally (below +0.6%) or remained stable.



- For **carpets** prices, the strongest increase was witnessed in Estonia (+7.1%), followed by Croatia (+2.3%) and Austria (+1.8%). Prices in Luxembourg, Belgium, Romania, Czechia, France, the Netherland and Germany recorded growth between +0.9% and +1.3%. While prices did change marginally (from -0.8% to +0.6%) for Finland, Greece, Italy, Bulgaria and Poland. By contrast, consumers saw carpets and rugs' prices declining quite strongly in the remaining Member States with the highest drops recorded in Slovenia (-2%), Lithuania (-2.4%), Portugal (-3.1%) and Malta (-11.4%).





- Finally, **household textiles** prices in Czechia (+3.7%) recorded the strongest growth together with Estonia, Romania, Germany and Denmark (+2%), as well as Hungary and Slovenia (+1.8%). This trend was partially offset by a relatively robust decrease in prices in Sweden (-2.6%), Portugal (-2.9%), Greece (-4.8%) and Ireland (-9.7%). The trend that was also favourable to buyers Italy, Latvia, Spain and Finland. In the remaining Member States, Bulgaria, France, Poland, Slovakia, Belgium, the Netherland, Luxembourg and Lithuania, prices registered slight rises (from +0.5% to +1.3%).



ANNEX - Summary Tables

Total EU27 and by Member States

EU27 (2020) figures																					
	Absolute figures			Share of Textiles			Share of Clothing			Textiles, % Change*			Clothing, % Change*			Textiles, Index 2015=100			Clothing, Index 2015=100		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017/16	2018/17	2019/18	2017/16	2018/17	2019/18	2017	2018	2019	2017	2018	2019
Production	134,118	135,505	-	52.2%	51.7%	-	47.8%	48.3%	-	2.5	-1.8	-3.7	-1.6	-2.2	-6.1	104.1	102.2	98.4	99.2	97.0	91.1
Investment (mio EUR)	4,530	4,362	-	70%	67%	-	30%	33%	-	8.6	-4.8	-	2.5	34.9	-	127.4	121.3	-	100.6	135.7	-
Turnover (mio EUR)	137,845	142,056	-	50.8%	51.6%	-	49.2%	48.4%	-	4.3	1.1	-2.0	0.4	0.9	-2.2	105.7	106.9	104.8	100.7	101.6	99.4
Employment (Thousand)	1,690	1,650	-	35%	36%	-	65%	64%	-	1.4	0.3	-2.1	-1.0	-3.3	-2.3	103.1	105.4	103.1	98.0	94.8	92.5
Average wages per employee (EUR)	17,349	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	103.1	-	-	110.2	-	-
Value Added (At factor cost - mio EUR)	40,658	41,501	-	52%	52%	-	48%	48%	-	2.5	2.5	-	6.8	1.6	-	105.0	107.7	-	109.4	111.1	-

* Percentage changes based: on indexes for production (volumes), turnover & employment; and on absolute values for investments, wages & value added.

EU27 (2020) figures															
HICP															
	All Items			Clothing			Household textiles			Bed linen			Carpets and other floor		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
INDEX (2015=100)	101.7	103.6	105.0	100.4	100.2	100.8	100.7	100.9	101.5	98.2	98.6	98.8	100.7	101.4	102.0
ANNUAL AVERAGE RATE OF CHANGE	1.6	1.8	1.4	0.1	-0.1	0.6	-0.1	0.2	0.5	-	0.3	0.2	0.1	0.8	0.6

EU27 (2020) figures						
Retail turnover, Retail sale of textiles, clothing, footwear and leather goods in specialised stores						
	INDEX (2015=100)*			% Change compared to same period in previous year*		
	2017	2018	2019	2017	2018	2019
	104.2	103.5	104.4	3.0	-0.7	0.9

*Calendar adjusted data, not seasonally adjusted data

Summary tables, by Country

EU27 (2020) figures, broken down by country

	T&C Absolute figures			Textiles - Country share			Clothing - Country share			Textiles, % Change*			Clothing, % Change*			Textiles, Index 2015=100			Clothing, Index 2015=100			
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017/16	2018/17	2019/18	2017/16	2018/17	2019/18	2017	2018	2019	2017	2018	2019	
Production																						
EU27 (2020)	134,118	135,505	-	100%	100%	-	100%	100%	-	2.5	-1.8	-3.7	-1.6	-2.2	-6.1	104.1	102.2	98.4	99.2	97.0	91.1	
Belgium	4,513	-	-	5.4%	-	-	1.1%	0.9%	-	-0.8	-2.8	-3.2	5.0	4.0	-13.3	95.6	92.9	89.9	94.4	98.2	85.1	
Bulgaria	1,883	1,892	-	0.7%	0.7%	-	2.1%	2.1%	-	-2.6	-3.0	-2.4	-3.8	-8.1	-7.0	100.6	97.6	95.3	98.4	90.4	84.1	
Czechia	2,602	2,710	-	2.8%	2.9%	-	1.0%	1.1%	-	3.5	-5.8	-3.4	10.4	3.3	1.2	108.3	102.0	98.5	114.5	118.3	119.7	
Denmark	1,341	1,396	-	1.2%	1.3%	-	0.7%	0.8%	-	-0.6	3.2	9.6	7.7	6.9	4.4	103.8	107.1	117.4	120.2	128.5	134.1	
Germany	20,277	19,269	-	18.0%	17.4%	-	11.9%	10.9%	-	3.5	-2.7	-1.3	-2.2	-4.9	-3.2	104.8	102.0	100.7	97.5	92.7	89.7	
Estonia	490	-	-	0.5%	-	-	0.2%	-	-	4.0	-7.3	-4.1	1.6	-2.7	-10.0	118.3	109.7	105.2	116.1	113.0	101.7	
Ireland	395	365	-	0.4%	0.4%	-	0.2%	0.1%	-	-	-	-	-	-	-	-	-	-	-	-	-	
Greece	1,471	1,482	-	0.9%	0.9%	-	1.3%	1.3%	-	3.6	-4.9	-1.7	1.0	-1.7	-7.0	110.6	105.2	103.4	95.6	94.0	87.4	
Spain	10,301	9,761	-	8.3%	7.9%	-	7.0%	6.4%	-	1.3	-2.5	-5.1	10.5	-5.0	-0.3	105.3	102.7	97.5	126.0	119.7	119.4	
France	12,034	-	-	9.6%	-	-	8.3%	9.5%	-	1.0	-0.3	-3.9	-1.7	-4.8	-6.2	99.6	99.3	95.4	98.2	93.5	87.7	
Croatia	622	657	-	0.2%	0.3%	-	0.7%	0.7%	-	-	-	-	-	-	-	-	-	-	-	-	-	
Italy	51,475	52,292	-	29.5%	30.0%	-	48.1%	47.7%	-	-0.2	-3.3	-7.8	-5.5	0.8	-9.9	101.0	97.7	90.1	92.9	93.6	84.3	
Cyprus	37	41	-	0.0%	0.0%	-	0.0%	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	
Latvia	267	277	-	0.2%	0.2%	-	0.2%	0.3%	-	1.9	0.3	1.0	10.8	-0.7	-5.6	105.0	105.3	106.4	106.7	106.0	100.1	
Lithuania	854	918	-	0.6%	0.7%	-	0.7%	0.7%	-	-0.7	2.8	11.8	-1.8	-0.2	-2.8	111.6	114.7	128.2	102.5	102.3	99.4	
Luxembourg	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hungary	855	868	-	0.8%	0.8%	-	0.5%	0.5%	-	25.3	-0.2	-10.6	-4.5	-10.6	3.9	110.5	110.3	98.6	100.3	89.7	93.2	
Malta	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	
Netherlands	3,336	3,439	-	4.1%	4.3%	-	0.7%	0.7%	-	7.8	1.0	-3.4	1.1	1.5	-3.0	105.6	106.7	103.1	104.7	106.3	103.1	
Austria	2,073	2,115	-	2.1%	2.2%	-	0.9%	0.9%	-	7.7	3.2	-0.8	-5.6	-9.4	3.8	106.8	110.2	109.3	104.1	94.3	97.9	
Poland	5,229	5,860	-	4.7%	5.0%	-	3.0%	3.6%	-	8.8	5.3	3.1	3.1	1.2	-2.6	124.4	131.0	135.0	107.0	108.3	105.5	
Portugal	7,425	7,612	-	5.2%	5.3%	-	5.9%	5.9%	-	2.5	-2.3	-5.0	8.1	-1.3	-0.9	102.2	99.8	94.8	112.9	111.4	110.4	
Romania	3,553	3,686	-	2.0%	2.1%	-	3.4%	3.4%	-	8.2	-0.1	-11.6	-10.5	-10.2	-12.0	108.5	108.4	95.8	89.9	80.7	71.0	
Slovenia	-	505	-	0.5%	0.5%	-	-	0.2%	-	-	-	-	-	-	-	-	-	-	-	-	-	
Slovakia	737	749	-	0.5%	0.5%	-	0.6%	0.6%	-	-	-	-	-	-	-	-	-	-	-	-	-	
Finland	856	-	-	0.6%	-	-	0.7%	0.7%	-	1.6	6.0	5.2	3.6	-1.8	-1.7	105.8	112.2	118.0	84.1	82.6	81.2	
Sweden	1,116	1,070	-	1.2%	1.2%	-	0.4%	0.4%	-	-	-	-	-	-	-	-	-	-	-	-	-	
Investment (mio EUR)																						
EU27 (2020)	4,530	4,862	-	100%	100%	-	100%	100%	-	8.6	-4.8	-	2.5	34.9	-	127	121	-	101	136	-	
Belgium	219	147	-	6.5%	4.6%	-	1.1%	0.6%	-	6.9	-33.3	-	-49.3	-28.3	-	97	64	-	80	57	-	
Bulgaria	94	92	-	1.4%	1.1%	-	3.7%	3.2%	-	-2.5	-26.5	-	1.0	17.8	-	134	99	-	90	106	-	
Czechia	150	142	-	3.9%	3.6%	-	1.9%	1.9%	-	2.7	-13.4	-	-18.7	33.7	-	102	88	-	107	144	-	
Denmark	50	61	-	1.1%	1.6%	-	1.1%	0.7%	-	0.6	34.8	-	43.8	-12.6	-	112	152	-	-	-	-	
Germany	547	583	-	13.7%	14.0%	-	8.3%	8.7%	-	-9.6	-2.8	-	-7.9	41.2	-	104	101	-	56	79	-	
Estonia	16	20	-	0.3%	0.5%	-	0.5%	0.2%	-	-20.8	94.0	-	72.1	-44.6	-	59	115	-	211	117	-	
Ireland	2	-	-	0.1%	-	-	0.0%	-	-	-68.8	-	-	-100.0	-	-	49	-	-	0	-	-	
Greece	52	24	-	1.1%	0.4%	-	1.3%	0.7%	-	-25.5	-69.7	-	18.8	-24.9	-	136	41	-	120	90	-	
Spain	263	252	-	5.7%	6.0%	-	5.9%	3.5%	-	1.3	-0.6	-	7.2	-11.6	-	107	107	-	111	98	-	
France	-	460	-	-	9.2%	-	11.4%	9.5%	-	-	-	-	19.7	16.6	-	-	123	-	120	140	-	
Croatia	17	20	-	0.3%	0.3%	-	0.6%	0.6%	-	-3.3	9.2	-	-3.6	29.6	-	102	112	-	58	76	-	
Italy	1,275	1,626	-	24.1%	24.4%	-	37.3%	48.0%	-	4.7	-3.6	-	9.8	73.4	-	144	139	-	109	189	-	
Cyprus	1	1	-	0.0%	0.1%	-	0.0%	0.0%	-	40.0	-28.6	-	100.0	-50.0	-	350	250	-	18	9	-	
Latvia	11	7	-	0.1%	0.1%	-	0.5%	0.2%	-	34.5	-7.7	-	21.7	-52.1	-	72	67	-	281	135	-	
Lithuania	35	33	-	0.7%	0.8%	-	0.9%	0.6%	-	5.3	2.3	-	-7.2	-15.5	-	104	106	-	68	57	-	
Luxembourg	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hungary	41	37	-	0.9%	0.8%	-	0.9%	0.7%	-	25.2	-14.1	-	8.5	-0.8	-	123	106	-	83	82	-	
Malta	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-	300.0	0.0	-	-	-	-	200	200	-	
Netherlands	80	93	-	2.1%	2.8%	-	1.1%	0.5%	-	22.8	30.1	-	-	-41.1	-	95	124	-	244	144	-	
Austria	71	70	-	2.0%	2.0%	-	0.5%	0.5%	-	-22.7	-5.9	-	-39.8	42.6	-	114	107	-	44	63	-	
Poland	269	278	-	7.0%	6.7%	-	3.6%	4.2%	-	21.0	-9.1	-	-6.1	59.8	-	167	151	-	95	152	-	
Portugal	452	417	-	9.4%	9.3%	-	11.2%	7.5%	-	17.1	-6.7	-	3.4	-8.8	-	153	143	-	137	123	-	
Romania	193	229	-	3.3%	4.0%	-	6.4%	5.9%	-	43.5	14.2	-	-21.2	24.1	-	115	131	-	94	117	-	
Slovenia	36	29	-	1.0%	0.8%	-	0.2%	0.2%	-	69.6	-22.5	-	6.7	34.4	-	134	104	-	145	195	-	
Slovakia	47	36	-	1.2%	0.8%	-	0.8%	0.6%	-	87.2	-34.3	-	-13.7	8.4	-	205	135	-	59	64	-	
Finland	17	-	-	0.3%	0.4%	-	0.6%	-	-	14.1	22.5	-	-	-	-	76	93	-	144	-	-	
Sweden	37	31	-	1.0%	0.9%	-	0.3%	0.3%	-	23.6	-22.1	-	-2.4	22.5	-	129	100	-	74	91	-	
Turnover (mio EUR)																						
EU27 (2020)	137,845	142,056	-	100%	100%	-	100%	100%	-	4.3	1.1	-2.0	0.4	0.9	-2.2	106	107	105	101	102	99	
Belgium	4,767	-	-	5.6%	-	-	1.2%	1.1%	-	1.7	-2.0	-2.5	1.3	-2.5	0.1	102	100	98	96	94	94	
Bulgaria	1,933	1,973	-	0.8%	0.7%	-	2.1%	2.1%	-	0.2	2.5	0.7	1.0	-6.1	-3.9	108	110	111	104	98	94	
Czechia	2,834	2,898	-	2.9%	2.9%	-	1.1%	1.1%	-	3.4	-5.3	0.3	7.9	2.0	8.8	107	101	101	113	115	125	
Denmark	1,446	1,510	-	1.4%	1.3%	-	0.7%	0.8%	-	2.3	3.8	11.5	12.2	5.8	7.4	102	106	118	126	134	144	
Germany	21,963	20,395	-	19.0%	17.4%	-	12.8%	11.1%	-	6.4	0.7	-4.7										

Summary tables, by Country

Employment (Thousand)																										
EU27 (2020)	1,690	1,650	1,656	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	1.4	0.3	-2.1	-1.0	-3.3	-2.3	105	105	103	98	95	93	
Belgium	22	19	17	2.9%	2.5%	2.1%	0.5%	0.4%	0.4%	-5.5	-1.4	-2.0	-4.5	-2.3	-2.7	92	91	89	92	90	87					
Bulgaria	138	131	128	2.0%	2.2%	1.8%	11.4%	11.2%	11.1%	-0.3	-3.4	-3.4	-3.7	-10.1	-5.3	104	100	97	93	83	79					
Czechia	56	59	59	5.3%	5.8%	5.8%	2.2%	2.3%	2.2%	0.7	-5.7	-3.5	-3.2	4.9	3.2	104	98	95	97	101	105					
Denmark	6	:	:	0.6%	0.7%	0.8%	0.2%	-	-	3.0	1.1	-1.3	4.4	1.0	0.5	103	104	103	106	107	107					
Germany	158	156	148	15.5%	15.6%	14.0%	6.1%	6.0%	6.0%	3.3	2.0	-3.4	1.2	-4.5	-3.8	105	107	103	99	94	91					
Estonia	11	11	11	0.8%	0.7%	0.6%	0.6%	0.6%	0.6%	-12.0	2.5	-3.8	-1.2	1.0	-9.2	98	101	97	101	102	93					
Ireland	:	:	:	-	-	-	0.2%	0.2%	-	3.3	24.9	-18.1	-20.1	-28.5	18.8	97	121	99	87	62	71					
Greece	26	22	23	1.5%	1.3%	1.3%	1.5%	1.3%	1.4%	-0.5	5.7	4.5	11.2	0.0	5.6	87	92	96	115	115	121					
Spain	106	101	110	8.2%	8.4%	9.1%	5.2%	4.9%	5.2%	12.2	4.0	10.7	7.5	-10.9	6.9	132	137	152	122	108	116					
France	82	85	91	6.3%	6.8%	8.1%	4.1%	4.3%	4.0%	-1.4	-0.8	0.6	-3.2	-1.8	0.0	97	97	97	92	91	91					
Croatia	21	19	28	0.4%	0.6%	0.9%	1.6%	1.5%	2.1%	-9.9	-0.9	-0.9	-1.1	-2.8	-2.9	86	85	84	93	90	88					
Italy	296	294	298	17.8%	16.2%	17.6%	17.3%	18.8%	18.2%	-3.4	-2.4	-2.1	2.1	0.0	-2.0	96	94	92	102	102	100					
Cyprus	:	:	:	0.1%	0.1%	-	-	-	-	:	:	:	:	:	:	:	:	:	:	:	:	:				
Latvia	14	14	13	0.5%	0.6%	0.6%	1.0%	0.9%	0.9%	2.2	1.3	-0.8	-1.1	2.2	-7.3	102	103	103	96	98	91					
Lithuania	27	28	24	1.7%	1.7%	1.3%	1.6%	1.7%	1.5%	3.3	0.9	0.5	-5.3	-5.2	-7.2	109	110	111	93	88	82					
Luxembourg	:	:	:	0.2%	0.1%	0.1%	-	-	-	:	:	:	:	:	:	:	:	:	:	:	:	:				
Hungary	40	40	39	2.1%	2.5%	1.7%	2.5%	2.4%	2.7%	-0.5	-1.5	-38.6	-10.8	0.1	16.5	148	146	90	100	100	117					
Malta	:	:	:	-	-	0.0%	0.0%	0.1%	-	:	:	:	:	:	:	:	:	:	:	:	:	:				
Netherlands	19	20	20	2.5%	2.7%	2.4%	0.3%	0.4%	0.5%	-0.5	5.5	-0.4	-4.5	5.5	-0.4	98	100	99	98	100	99					
Austria	11	14	15	1.0%	1.5%	1.5%	0.5%	0.5%	0.6%	-0.5	-0.7	-3.6	-18.9	-3.7	-5.0	95	95	91	75	72	69					
Poland	196	189	185	10.0%	9.6%	9.1%	12.5%	12.5%	12.3%	3.3	0.9	-2.2	-0.7	-2.7	-6.0	111	112	109	96	94	88					
Portugal	148	140	141	8.3%	8.6%	8.9%	9.0%	8.5%	8.3%	4.4	1.7	-1.2	2.2	0.5	-0.2	107	109	108	103	103	103					
Romania	261	249	249	8.8%	8.3%	8.4%	19.0%	19.0%	18.9%	3.8	3.8	-1.8	-5.8	-6.7	-7.5	108	112	110	91	85	78					
Slovenia	9	9	7	0.8%	0.7%	0.6%	0.4%	0.4%	0.3%	:	:	:	:	:	:	:	:	:	:	:	:	:				
Slovakia	25	22	24	0.9%	1.1%	1.2%	1.8%	1.5%	1.5%	:	:	:	:	:	:	:	:	:	:	:	:	:				
Finland	7	7	6	0.7%	0.5%	0.5%	0.3%	0.3%	0.3%	:	:	:	:	:	:	:	:	:	:	:	:	:				
Sweden	7	8	:	0.9%	1.0%	1.2%	0.2%	0.2%	-	-0.4	0.5	1.0	-0.5	1.5	3.5	99	100	101	103	104	108					
Average wages per employee (EUR)																										
EU27 (2020)	17,349	:	:	-	-	-	-	-	-	-	-	-	6.5%	-	-	103	-	-	110	-	-					
Belgium	30,592	:	:	-	-	-	-	-	-	1.3%	-	-	7.9%	-	-	101	-	-	110	-	-					
Bulgaria	4,430	:	:	-	-	-	-	-	-	7.9%	-	-	9.6%	-	-	117	-	-	122	-	-					
Czechia	9,324	:	:	-	-	-	-	-	-	9.9%	-	-	6.4%	-	-	115	-	-	118	-	-					
Denmark	50,247	:	:	-	-	-	-	-	-	3.9%	-	-	2.3%	-	-	123	-	-	-	-	-					
Germany	33,364	32,784	:	-	-	-	-	-	-	1.8%	0.6%	-	-2.2%	-4.6%	-	103	102	-	104	102	-					
Estonia	9,633	:	:	-	-	-	-	-	-	6.0%	-	-	8.0%	-	-	114	-	-	120	-	-					
Ireland	32,761	:	:	-	-	-	-	-	-	4.3%	-	-	10.6%	-	-	100	-	-	105	-	-					
Greece	13,574	:	:	-	-	-	-	-	-	3.2%	-	-	-3.9%	-	-	102	-	-	92	-	-					
Spain	20,219	:	:	-	-	-	-	-	-	2.2%	-	-	2.6%	-	-	100	-	-	100	-	-					
France	31,482	:	:	-	-	-	-	-	-	4.6%	-	-	5.0%	-	-	103	-	-	103	-	-					
Croatia	7,931	:	:	-	-	-	-	-	-	1.0%	-	-	5.9%	-	-	108	-	-	111	-	-					
Italy	24,536	:	:	-	-	-	-	-	-	1.3%	-	-	5.2%	-	-	103	-	-	106	-	-					
Cyprus	11,945	:	:	-	-	-	-	-	-	-1.9%	-	-	3.4%	-	-	105	-	-	111	-	-					
Latvia	6,121	:	:	-	-	-	-	-	-	4.9%	-	-	7.8%	-	-	115	-	-	117	-	-					
Lithuania	7,384	:	:	-	-	-	-	-	-	11.3%	-	-	7.9%	-	-	122	-	-	120	-	-					
Luxembourg	:	:	:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Hungary	6,495	:	:	-	-	-	-	-	-	19.0%	-	-	12.5%	-	-	122	-	-	116	-	-					
Malta	:	:	:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Netherlands	38,487	:	:	-	-	-	-	-	-	7.4%	-	-	15.9%	-	-	106	-	-	122	-	-					
Austria	32,513	:	:	-	-	-	-	-	-	1.0%	-	-	-0.7%	-	-	104	-	-	98	-	-					
Poland	7,462	:	:	-	-	-	-	-	-	9.6%	-	-	10.5%	-	-	112	-	-	112	-	-					
Portugal	10,760	:	:	-	-	-	-	-	-	3.6%	-	-	3.8%	-	-	106	-	-	108	-	-					
Romania	5,813	:	:	-	-	-	-	-	-	15.2%	-	-	11.1%	-	-	134	-	-	125	-	-					
Slovenia	:	:	:	-	-	-	-	-	-	3.5%	-	-	-	-	-	110	-	-	-	-	-					
Slovakia	8,160	:	:	-	-	-	-	-	-	3.5%	-	-	7.1%	-	-	105	-	-	111	-	-					
Finland	30,770	:	:	-	-	-	-	-	-	-0.3%	-	-	-	-	-	99	-	-	105	-	-					
Sweden	33,859	:	:	-	-	-	-	-	-	1.1%	-	-	8.2%	-	-	99	-	-	110	-	-					
Value Added (At factor cost - million EUR)																										
EU27 (2020)	40,658	41,501	-	100%	100%	100%	100%	100%	100%	3.7%	6.1%	-	6.8%	8.0%	-	105	108	-	109	111	-					
Belgium	1,216	1,061	-	4.9%	4.2%	-	1.0%	0.8%	-	-0.7%	-13.3%	-	0.7%	-13.2%	-	96	84	-	92	79	-					
Bulgaria	687	704	-	0.6%	0.6%	-	2.8%	2.9%	-	1.1%	-5.9%	-	2.2%	7.1%	-	113	105	-	107	112	-					
Czechia	846	880	-	2.7%	2.7%	-	1.4%	1.5%	-	4.6%	6.8%	-	10.1%	16.6%	-	108	111	-	117	125	-					
Denmark	412	434	-	1.3%	1.4%	-	0.7%	0.7%	-	8.0%	11.5%	-	3.3%	10.8%	-	109	113	-	-	-	-					
Germany	6,502	6,459	-	20.0%	19.4%	-	11.7%	11.4%	-	3.1%	2.8%	-	4.6%	3.0%	-	108	108	-	106	104	-					
Estonia	169	163	-	0.4%	0.4%	-	0.4%	0.3%	-	9.2%	7.9%	-	3.7%	-4.4%	-	113	112	-	111	102	-					
Ireland	152	152	-	0.5%	0.5%	-	0.2%	0.2%	-	31.5%	23.9%	-	27.8%	21.7%	-	128	128	-	127	127	-					
Greece	403	384	-	1.0%	0.8%	-	1.0%	1.1%	-	7.6%	-8.3%	-	8.1%	13.4%	-	109	92	-	117	124	-					
Spain	2,847	2,849	-	8.1%	8.0%	-	5.8%	5.6%	-	9.7%	10.2%	-	-2.0%	-3.9%	-	114	116	-	96	94	-					
France	3,704	4,003	-	9.3%	8.9%	-	8.9%	10.4%	-	-0.8%	-2.8%	-	1.2%	20.4%	-	99	97	-	86	103	-					
Croatia	218	218	-	0.3%	0.2%	-	0.8%	0.9%	-	-6.0%	-24.6%	-	4.1%	10.2%	-	76	62	-	108	114	-					
Italy	14,503	14,507	-	28.7%	29.1%	-	43.1%	41.2%	-	1.7%	5.8%	-	13.3%	8.9%	-	100	105	-	121	117	-					
Cyprus	15	17	-	0.0%	0.1%	-	0.0%	0.0%	-	15.3%	35.7%	-	8.7%	6.8%	-	127	156	-	114	111	-					
Latvia	104	116	-	0.2%	0.2%	-	0.3%	0.4%	-	3.9%	8.3%	-	7.7%	21.6%	-	125	131	-	113	129	-					
Lithuania	332	349	-	0.7%	0.7%	-	0.9%	1.0%	-	8.9%	17.4%	-	3.2%	5.2%	-	131	144									

Summary tables, by Country

HICP															
	All Items			Clothing			Household textiles			Bed linen			Carpets and other floor coverings		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
INDEX (2015=100)															
EU27 (2020)	102	104	105	100	100	101	101	101	101	98	99	99	101	101	102
Estonia	104	108	111	105	106	107	102	102	104	104	105	108	104	105	113
Lithuania	104	107	109	102	102	101	101	101	103	100	100	101	100	103	100
Hungary	103	106	109	101	101	103	100	100	102	100	100	102	100	100	98
Latvia	103	106	109	99	100	101	97	97	97	98	98	98	98	97	95
Romania	100	104	108	103	106	109	102	104	106	102	104	106	101	102	103
Czechia	103	105	108	100	98	95	100	103	107	100	103	108	98	97	98
Belgium	104	106	108	101	102	102	102	103	104	102	102	103	103	106	107
Austria	103	105	107	102	103	104	101	101	100	102	103	100	109	109	111
Sweden	103	105	107	104	103	102	104	108	105	107	113	112	100	104	102
Slovakia	101	103	106	100	102	103	99	100	101	99	99	99	98	99	98
Luxembourg	102	104	106	102	103	104	99	98	100	101	102	103	105	106	108
Netherlands	101	103	106	99	99	101	103	104	105	101	103	103	98	97	98
Malta	102	104	106	94	91	90	105	107	106	103	100	96	86	82	73
Germany	102	104	106	102	102	104	102	104	106	102	103	106	102	106	107
Slovenia	101	103	105	97	96	97	94	92	93	95	93	95	97	97	96
Bulgaria	100	102	105	99	99	99	101	102	103	100	101	101	103	101	101
France	101	104	105	101	101	100	102	102	103	101	101	101	102	102	103
Poland	101	103	105	90	87	85	102	103	104	101	102	103	100	98	98
Spain	102	103	104	102	103	104	99	98	97	98	96	94	99	97	95
Portugal	102	103	104	97	94	92	97	94	91	97	95	93	93	89	86
Finland	101	102	104	98	97	96	96	94	93	95	93	92	96	94	94
Italy	101	103	103	101	102	102	100	100	100	98	98	97	99	99	99
Croatia	101	102	103	101	100	100	98	97	95	94	93	89	98	98	100
Denmark	101	102	103	95	93	90	97	98	100	100	100	101	104	104	102
Greece	101	102	102	97	96	95	90	87	83	89	87	81	98	96	97
Ireland	100	101	102	94	93	92	87	81	73	90	84	76	100	100	98
Cyprus	99	100	101	100	97	96	95	91	91	95	89	87	92	89	88
ANNUAL AVERAGE RATE OF CHANGE															
EU27 (2020)	1,6	1,8	1,4	0,1	-0,1	0,6	-0,1	0,2	0,5	:	0,3	0,2	0,1	0,8	0,6
Estonia	3,7	3,4	2,3	1,8	0,7	0,5	1,1	-0,2	2,0	3,3	1,1	3,5	2,1	1,2	7,1
Lithuania	3,7	2,5	2,2	0,3	0,1	-1,0	0,9	0,2	1,3	-1,0	0,9	0,5	0,1	2,7	-2,4
Hungary	2,4	2,9	3,4	0,7	0,4	1,1	-0,5	-0,1	1,8	-0,8	-0,7	1,9	-0,9	0,0	-1,6
Latvia	2,9	2,6	2,7	-0,8	0,4	1,7	-0,9	-0,3	-0,2	0,3	0,1	-0,4	-1,8	-1,2	-1,2
Romania	1,1	4,1	3,9	1,8	2,5	2,7	1,1	1,6	2,0	:	1,7	2,1	0,7	1,0	1,1
Czechia	2,4	2,0	2,6	-0,8	-2,3	-2,6	-0,3	2,7	3,7	-1,1	2,7	5,0	0,1	-1,3	1,0
Belgium	2,2	2,3	1,2	0,4	0,3	0,9	0,8	0,3	1,2	1,4	-0,1	1,3	1,3	2,5	1,2
Austria	2,2	2,1	1,5	1,4	0,6	0,6	1,0	-0,3	-1,0	1,4	1,6	-3,0	3,0	-0,2	1,8
Sweden	1,9	2,0	1,7	0,0	-0,3	-1,1	-1,8	3,1	-2,6	-1,8	5,6	-0,9	0,4	3,5	-1,5
Slovakia	1,4	2,5	2,8	0,1	1,3	1,2	-0,5	0,6	1,1	-1,2	0,1	0,4	-1,0	0,6	-0,8
Luxembourg	2,1	2,0	1,6	1,1	0,6	1,6	-2,2	-0,9	1,3	-0,1	0,3	1,2	2,5	1,5	1,3
Netherlands	1,3	1,6	2,7	-1,4	-0,1	1,9	1,1	0,7	1,3	-0,3	1,6	0,7	0,0	-0,2	0,9
Malta	1,3	1,7	1,5	-3,5	-3,7	-1,0	3,9	2,1	-1,4	1,6	-3,6	-3,7	-13,3	-4,0	-11,4
Germany	1,7	1,9	1,4	1,3	0,1	2,0	0,7	1,1	2,0	1,1	1,5	2,4	0,6	3,7	0,9
Slovenia	1,6	1,9	1,7	-1,3	-1,2	0,4	-2,1	-2,9	1,8	-3,1	-1,7	2,4	-1,2	0,4	-2,0
Bulgaria	1,2	2,6	2,5	-1,4	-0,3	0,0	0,0	1,4	0,5	-0,1	1,1	-0,1	1,4	-1,3	-0,3
France	1,2	2,1	1,3	0,1	0,0	-0,4	0,9	0,1	0,5	1,0	-0,3	-0,4	0,4	0,2	1,0
Poland	1,6	1,2	2,1	-5,4	-4,0	-1,8	1,4	1,1	1,0	0,9	0,8	0,7	-0,9	-1,6	-0,4
Spain	2,0	1,7	0,8	0,8	1,3	1,1	-0,8	-1,4	-0,8	-1,3	-1,9	-2,0	-0,8	-2,8	-1,7
Portugal	1,6	1,2	0,3	-2,3	-2,9	-2,5	-2,3	-3,2	-2,9	-2,4	-2,1	-2,3	-4,7	-4,3	-3,1
Finland	0,8	1,2	1,1	-1,3	-1,2	-0,7	-2,9	-2,5	-0,8	:	-2,7	-0,9	0,6	-2,9	0,6
Italy	1,3	1,2	0,6	0,6	0,4	0,3	-0,7	0,1	-0,1	-1,6	-0,4	-0,8	-0,8	-0,3	0,2
Croatia	1,3	1,6	0,8	0,6	-1,0	-0,6	-2,0	-1,1	-1,9	-3,8	-1,0	-4,7	-1,4	-0,2	2,3
Denmark	1,1	0,7	0,7	-1,5	-1,3	-3,1	-3,8	1,1	2,0	-2,4	0,4	1,4	2,7	-0,1	-1,6
Greece	1,1	0,8	0,5	-0,8	-0,8	-0,7	-6,4	-3,4	-4,8	-7,3	-2,5	-7,0	-3,9	-1,3	0,5
Ireland	0,3	0,7	0,9	-4,0	-0,8	-1,0	-8,1	-7,3	-9,7	:	-6,8	-9,6	0,0	-0,6	-1,6
Cyprus	0,7	0,8	0,5	-1,0	-2,5	-1,2	-0,9	-3,5	-0,6	-0,5	-6,6	-1,5	-2,8	-2,6	-1,7

Unless specified, EU refers to EU27

Data source: EURATEX, based on EUROSTAT

Summary tables, by Country

Retail turnover						
	INDEX (2015=100)*			% Change compared to same period in previous year*		
	2017	2018	2019	2017	2018	2019
Retail sale of textiles, clothing, footwear and leather goods in specialised stores						
EU27 (2020)	104,2	103,5	104,4	3,0	-0,7	0,9
Belgium	96,4	93,0	93,1	-0,3	-3,5	0,1
Bulgaria	117,6	125,8	121,9	7,8	7,0	-3,1
Czechia	117,6	122,7	129,2	10,8	4,3	5,3
Denmark	96,0	93,7	89,2	-2,3	-2,4	-4,8
Germany	108,1	105,6	106,4	7,1	-2,3	0,8
Estonia	117,8	120,4	129,6	9,0	2,2	7,6
Ireland	105,2	105,7	107,7	2,1	0,5	1,9
Greece	104,0	104,3	104,6	2,1	0,3	0,3
Spain	103,4	102,9	105,3	1,4	-0,5	2,3
France	100,0	99,4	99,7	1,9	-0,6	0,3
Croatia	112,3	113,6	117,7	1,6	1,2	3,6
Italy	100,5	98,3	98,0	0,2	-2,2	-0,3
Cyprus	:	:	:	:	:	:
Latvia	:	:	:	:	:	:
Lithuania	112,2	121,1	131,4	7,8	7,9	8,5
Luxembourg	:	:	:	:	:	:
Hungary	119,3	124,2	131,6	8,9	4,1	6,0
Malta	:	:	:	:	:	:
Netherlands	103,0	102,9	102,5	1,3	-0,1	-0,4
Austria	101,0	99,6	100,6	0,1	-1,4	1,0
Poland	121,6	134,4	136,9	5,2	10,5	1,9
Portugal	107,2	109,2	113,2	4,0	1,9	3,7
Romania	156,7	171,9	195,4	21,9	9,7	13,7
Slovenia	:	:	:	:	:	:
Slovakia	:	:	:	:	:	:
Finland	97,1	94,8	95,0	0,0	-2,4	0,2
Sweden	99,4	97,4	97,5	-1,3	-2,0	0,1

*Calendar adjusted data, not seasonally adjusted data

EUROSTAT GLOSSARY

Production value

The production value measure the amount actually produced by the unit, based on sales, including changes in stocks and the resale of goods and services. The production value is defined as turnover, plus or minus the changes in stocks of finished products, work in progress and goods and services purchased for resale, minus the purchases of goods and services for resale, plus capitalised production, plus other operating income (excluding subsidies). Income and expenditure classified as financial or extra-ordinary in company accounts is excluded from production value. Included in purchases of goods and services for resale are the purchases of services purchased in order to be rendered to third parties in the same condition.

Note: Capitalised production includes the own-account production of all goods that are retained by their producers as investment. The latter includes the production of fixed tangible assets (buildings, etc.) as well as intangible assets (development of software, etc.). Capitalised production is unsold production and is valued at production cost. Note that these capital goods are also to be included in investment.

Production index

The **production index** is a business cycle indicator which aims to measure changes in value added at factor cost of industry over a given reference period. It does this by measuring changes in the volume of output and activity at close and regular intervals, usually monthly. In order to calculate a genuine value added indicator data would be needed for an industry's gross output as well as for the inputs used in the production of these outputs. Such data are generally not available on a monthly (or quarterly) basis. In practice, suitable proxy values for the calculation of the production index are needed.

The production index should also take into account:

- changes in type and quality of the commodities and of the input materials;
- Changes in stocks of finished goods and services, and work in progress;
- Changes in technical input-output relations (processing techniques);
- services, such as assembly of production units, repairs or planning.

Within industry, these may include:

- gross production values (deflated);
- production volumes (physical quantities data);
- turnover (deflated);
- work input;
- raw material input;
- energy input.

Producer price index (PPI)

The (industrial) producer price index, abbreviated as PPI and also called output price index, is a business-cycle indicator showing the development of transaction prices for the monthly industrial output of economic activities. The PPI does not only serve as an early indicator of inflationary pressures in the economy before it reaches the consumer, but it can also record the evolution of prices over longer time periods.

The PPI for a specific economic activity measures the monthly change in the trading price of products and related services. The PPI is an output index – it measures price changes from the seller's perspective. The prices collected in period t should refer to orders booked during period t (at the moment of the order) and not the moment when the commodities leave the factory gates. Price indices are calculated as a weighted average of the relevant products.

The appropriate price for calculating the PPI is the basic price that excludes VAT and similar deductible taxes which are directly linked to turnover, as well as all duties and taxes on the goods and services invoiced. However, subsidies on products received by the producer, if there are any, should be added to the basic price. All price-determining characteristics should be taken into account, including the:

- quantity of units sold;
- transport provided;
- rebates;
- service conditions;
- guarantee conditions;
- destination.

EUROSTAT GLOSSARY

Turnover

Turnover comprises the totals invoiced by the observation unit during the reference period: this corresponds to the total value of market sales of goods and services to third parties. Turnover includes:

- all duties and taxes on the goods or services invoiced by the unit with the exception of the value-added tax (VAT) invoiced by the unit vis-à-vis its customer and other similar deductible taxes directly linked to turnover;
- all other charges (transport, packaging, etc.) passed on to the customer, even if these charges are listed separately on the invoice.

Excluded are:

- income classified as other operating income, financial income and extraordinary income in company accounts;
- operating subsidies received from public authorities or the EU institutions.

Enterprise

An **enterprise** is the smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole legal unit.

Value added at factor cost

Value added at factor cost is the gross income from operating activities after adjusting for operating subsidies and indirect taxes. It can be calculated as the total sum of items to be added (+) or subtracted (-):

turnover (+);

- capitalized production (+);
- other operating income (+);
- increases (+) or decreases (-) of stocks;
- purchases of goods and services (-);
- other taxes on products which are linked to
- turnover but not deductible (-);
- duties and taxes linked to production (-).

Alternatively, it can be calculated from the gross operating surplus by adding personnel costs.

Gross investment in tangible goods

Gross investment in tangible goods is defined as investment during the reference period in all tangible goods. Included are new and existing tangible capital goods, whether bought from third parties or produced for own use (i.e. capitalised production of tangible capital goods), having a useful life of more than one year including non-produced tangible goods such as land. Investments in intangible and financial assets are excluded.

Persons employed

The number of **persons employed** is defined as the total number of persons who work in the observation unit (inclusive of working proprietors, partners working regularly in the unit and unpaid family workers), as well as persons who work outside the unit who belong to it and are paid by it (e.g. sales representatives, delivery personnel, repair and maintenance teams). It excludes manpower supplied to the unit by other enterprises, persons carrying out repair and maintenance work in the enquiry unit on behalf of other enterprises, as well as those on compulsory military service.

Index of gross wages and salaries - SBS

The **index of gross wages and salaries** is defined as the total remuneration, in cash or in kind, payable to all persons counted on the payroll (excluding agency workers), regardless of whether it is paid on the basis of working time, output or piecework and whether it is paid regularly. Included are social contributions, income taxes, etc. payable by the employee even if they are withheld by the employer and paid on behalf of the employee. Not included are social contributions payable by the employer, reimbursed expenses, training and other labour-related costs.

EUROSTAT GLOSSARY

Personnel costs

Personnel costs are defined as the total remuneration, in cash or in kind, payable by an employer to an employee (regular and temporary employees, as well as home-workers) in return for work done by the latter during the reference period. Personnel costs are made up of wages, salaries and employers' social security costs. They include taxes and employees' social security contributions retained by the employer, as well as the employer's compulsory and voluntary social contributions.

Average personnel costs (or unit labour costs) equal personnel costs divided by the number of employees (persons who are paid and have an employment contract).

Volume of sales index

The **volume of sales index**, more commonly called the index of the volume of (retail) sales, is the value of retail sales in terms of its volume. The volume of sales index is a volume measure of the retail trade turnover index. In order to eliminate the price effect on turnover in the retail trade, a deflator of sales is used.

This sales deflator is an index with a similar methodology to that of an output price index but it is adapted specifically for the retail trade. It reflects price changes in the goods sold rather than the sales service provided.

Consumer price index (CPI)

The **consumer price index**, abbreviated as CPI, measures the change over time in the prices of consumer goods and services acquired, used or paid for by households. It is an important measure of inflation in the European Union (EU).

CPIs aim to cover the whole set of goods and services consumed within the territory of a country by the population. To do this, a representative set is selected; the so-called "consumer basket". Consumer goods and services include, for example, food and beverages, products for personal hygiene, newspapers and periodicals, expenditure on housing, water, electricity, gas and other fuels, health, transport, communications, education, restaurants and hotels.

Many of these goods and services are bought frequently or consumed on a daily basis.

Harmonised index of consumer prices (HICP)

The **harmonised index of consumer prices**, abbreviated as HICP, is the consumer price index as it is calculated in the EU, according to a harmonised approach and a single set of definitions. It is mainly used to measure inflation.

Confidence indicator

A **confidence indicator** is a statistical indicator based on the results from business surveys interrogating enterprises on their current economic situation and their expectations about future developments. Five separate confidence indicators are produced, for industry, construction, services, retail trade and consumers. Each confidence indicator is calculated as the simple arithmetic average of the (seasonally adjusted) balances of positive and negative answers to specific questions, e.g. regarding economic expectations. In order to be able to track overall economic activity, a broader economic sentiment indicator (ESI) is calculated as a composite indicator of these confidence indicators.



COUNTRY REPORTS

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Note

Reports for Lithuania, Spain and UK: not available.

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Fachverband der Textil-, Bekleidungs-, Schuh- und Lederindustrie – TBSL

Textile industry

General economic environment and evolution of the textile industry in 2019

Global as well as Austrian macroeconomic development was characterised by a slowdown in 2019. In Austria, GDP growth was mainly driven by private consumption, the services sector and the construction industry, while the weakness of industry and foreign trade dampened overall economic development. The looming recovery of the industrial economy was abruptly ended by the measures taken to combat the COVID-19 pandemic in mid-March 2020.

Evolution of textile activity

In 2019 the value of production of textiles (including knitting) rose up by 0,5% (corresponds to OENACE code 13) compared to 2018.

The turnover of the textile industry decreased by 2,7% (to €2.409 Mio) compared to the previous year. Technical textiles turnover decreased by 0,4% and the sectors of apparel and home textiles fell by 4,6%.

Factors Influencing Textiles and their Evolution

External Trade: The exports of textiles increased by 4,1%, the imports by 2,1%:

	Import	+/- %	Export	+/- %
EU	2.113	-1,5	2.068	4,7
EFTA	84	-7,3	124	-5,8
Rest of Europe	306	2,8	86	-0,3
Asia	1.54	8,4	66	-5,3
Africa	55	-11,7	251	4,8
America	33	14,6	79	24,5
Australia	0,5	-20,6	5	30,4
Total	4.131	2,1	2.679	4,1

Jan. - Dec. 2019 (Mio €)
Source: Statistik Austria

Employment: By the end of 2019 the textile industry had 10.793 employees in 114 companies. This is a reduction of 4,4% in comparison to the previous year.

Investments: The Austrian textile industry invested €53 Mio in 2019 (*Estimation of the Austrian Institute of Economic Research*).

Evolution of textile activity during the first months of 2020 and prospects

The textile companies expect further losses in orders and their own production due to the Corona virus.

In some cases, the short-term production of protective masks can cushion the decline in production somewhat.

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Clothing industry

General economic environment

In 2019, the growth of the Austrian gross national product was 1.6%. A sharp decline from -5% to -10% is expected for 2020 due to the corona crisis.

Evolution of clothing activity

Our companies resumed that the earnings of the year 2019 turned out to be better than expected.

Production: Due to downsizing of production by concentrating on their core competencies, the production of clothing within Austria declined by -2.8% in 2019.

The major subcontracting partners are located within the new EU-member states as well as to a smaller degree in Bosnia and Herzegovina, Serbia, Macedonia and Albania.

Turnover: In 2019 the turnover of the Austrian clothing industry remained at the previous year's level, approximately €970 Mio (+/- 0%).

Exports/Imports: In 2019 the exports were increasing by +9.4% (including transit products and cuts). Imports increased by +3.7 %.

The main market was, once again, Germany with €1.211 billion (+15.5%).

Employment: The number of employees within the Austrian clothing industry remained at the level of 2018, approximately 6,900.

However, we hardly expect loss of companies and employees during the year 2020.

Wages: Salaries and wages increased by approximately +2.13%.

Evolution of Clothing Industry during the first months of 2020 and prospects

Factors influencing clothing and their evolution

The effects of the shutdown in retail, the stoppage in tourism, have also hit our companies hard. Most companies took advantage of the possibility of short-time work. The extension of short-time work must be prolonged until 2021. Depending on the product group, the order situation for 2020 is declining between 0% and -50% compared to the same period in the previous year. Due to bankruptcies because of the COVID-19 crisis, the number of employees in Austria has decreased. It is currently not possible to estimate how the fall / winter season 2020/21 will develop. The expected decline in production / sales for 2020 is between 0 and -25%. The production of Community masks helped our companies to cut the losses from the shutdown.

Austria's foreign trade in clothing products already suffered in the first quarter of 2020 from the effects of the corona pandemic

Foreign trade statistics for the first quarter of 2020 already clearly indicates the beginning of the COVID-19 crisis. For the first time in many years, both, total imports(-7.7%) and total exports (-4.5%) of clothing products in Austria show a decline (*source: Statistik Austria, customized analysis of the Austrian Clothing Industry Group within TBSL Association, including bedding, mattresses, hats, etc.*).

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While imports from China (ranking: 2nd) recorded a +3.4% increase in the first quarter of 2019, they declined by -10.3% in the first quarter of 2020. With the exception of Pakistan (ranking 8/ + 11.8%), Myanmar (ranking 10 / + 23.1%) and Sri Lanka (ranking 18 / +15.8%), imports from other Asian supplying countries stagnated, Bangladesh (3rd rank / -8.2%), Vietnam (6th rank / -1.3%), India (7th rank / -10.4%), Indonesia (17th rank / -29.7%).

Austrian imports from the EU 27 also declined by -7.5%.

The high growth in exports within China is remarkable with + 254% (ranking 20). This increase is primarily due to CN 63079098 (including facemasks). Compared to the same quarter of the previous year there was an export growth of around 2.4 million euros (+13370%). Chinese imports of this item almost doubled in the first quarter 2020 (in comparison to 1Q 2019) to a value around EUR 16.7 million (+90.8%). It is therefore reasonable to assume that the exports involved return exports to China of facemasks that were previously delivered to Austria.

Although exports to the EU 27 decreased by -3.9% in the first quarter of 2020, whereas exports to Poland recorded +32 million euros (2nd rank / + 52.1%) and to the Czech Republic +10.8 million euros (rank 3/ + 33.2%) showed a strong plus. The strong increase in Norway exports (rank 29 / + 40.6%) is due to an increase in exports in the underwear segment (brassiere). Exports to Germany (rank 1 / -15.8%), Italy (rank 4 / -12.3%), Switzerland (rank 7 / -16%), France (rank 10 / -16, 4%) as well as the United Kingdom (ranking 14 / -20.5%) and the USA (ranking 15th /-24.3%).

Val. of domestic production 2019 appr. € 289.7 million

Turnover 2019 (total) appr. € 970 million (incl. Knitwear).

Number of enterprises 2019 (total) 128

Number of employees (total) appr. 6,900.

BELGIUM

Fédération Belge de l'Industrie Textile, du Bois et de l'Ameublement – FEDUSTRIA

Situation of the Belgian textile industry in 2019 and outlook for 2020

1. General economic environment 2019

Uncertainty about international trade mainly affects the euro zone, which is much more open than the US and the Chinese economy. GDP growth in the euro zone fell back from 1.9 % in 2018 to 1.2 % in 2019.

The Belgian economy performed better than expected in 2019, with growth of 1.4%. The international economic slowdown tempered export growth and the loss of consumer confidence weighed on the dynamism of private consumption, but the growth contribution of net exports were less negative than in 2018.

The real disposable income of private individuals rose by 2.5 % in 2019. The purchasing power in 2019 was supported by the indexation of the wages and social benefits and the reductions in personal income tax (in the context of the final stage of the tax shift) and by a significant increase of employment. The volume growth of private consumption last year was limited to 1.1 % due to weakened consumer confidence, which led to a sharp increase in the savings rate. Investments by private individuals were in 2019 supported by low interest rates.

The downturn in the international economic climate eroded Belgian business confidence in 2018 and 2019. Business investment nevertheless remained relatively dynamic, with a volume growth of 3.9 % and 3.1 % in 2018 and 2019 respectively.

Domestic employment continued to rise last year (+73 000 persons). Since 2014 is the overall increase 313 000 persons. Weak productivity growth (0.3 % a year on average since 2014; -0.2 % in 2019) shall be accounted for by the measures to reduce labour costs since 2015, which encourage labour-intensive growth.

Inflation decreased to 1.4 % in 2019.

(Source : Federal Planning Bureau February 2020).

2. Evolution of textile activity

In 2019, the total turnover of the Belgian textile industry amounted to EUR 3.9 billion, roughly the same as in 2018 (+0.8%). However, given an average price effect of +3 %, production fell by about 2 % in volume.

The most striking developments in the textile industry are, on the one hand, the 4.4% increase in turnover in carpet production and, on the other hand, the almost equally significant decline in technical textiles (3.1%). Woven fabrics (for both clothing and interior textiles) fell by 1.7%. Textile finishing showed a limited increase of 1.3%. The notable increase in yarn production of 11.7% is mainly due to fibre preparation, in which flax fibre accounts for a very important share.

3. Factors influencing textiles and their evolution

3.1. Foreign trade : textile (excluding textile fibers and woven clothing, including knitted clothing and transit trade)

Global textile exports dropped by 6.2%, while imports decreased by 5.2%. The surplus on the textile trade balance reached 2.3 billion euros.

BELGIUM

Fédération Belge de l'Industrie Textile, du Bois et de l'Ameublement – FEDUSTRIA

Belgian foreign trade in textile products, exclusive of textile fibers: breakdown per main areas.

Trade (mio EUR)	Exports (1)			Imports (2)		
	2019	2018	'19/'18 %	2019	2018	'19/'18 %
Total EU – 28	8,979.3	9,701.9	-7.4	3,989.7	4,153.0	-3.9
Western Europe	254.0	251.5	+1.0	527.0	558.2	-5.6
Extra EU-28 of which:						
- Turkey	117.9	105.8	+11.4	471.8	491.5	-4.0
Eastern Europe	138.5	138.5	+0.0	44.2	44.2	+0.0
Extra EU-28 of which:						
- Russia	85.8	84.7	+1.3	7.4	7.9	-6.3
North America of which:	248.2	223.7	+11.0	264.4	305.4	-13.4
- USA	222.8	204.2	+9.1	254.3	296.3	-14.2
Latin America of which:	72.5	77.4	-6.3	91.1	91.6	-0.5
Mexico	13.7	11.5	+19.1	32.9	36.8	-10.6
Africa	285.3	274.6	+3.9	79.3	95.5	-17.0
Near and Middle-East	102.5	103.6	-1.1	64.0	70.5	-9.2
Far East of which:	237.1	228.1	+3.9	3,033.6	3,223.2	-5.9
- China	82.4	67.3	+22.4	1,142.5	1,303.5	-12.4
- South Korea	23.2	24.1	-3.7	41.3	45.4	-9.0
- Japan	29.0	32.3	-10.2	32.4	30.7	+5.5
- Vietnam	5.5	5.2	+5.8	161.1	116.6	+38.2
- Pakistan	5.5	6.0	-8.3	226.5	248.0	-8.7
Oceania	72.8	76.2	-4.5	1.9	1.7	+11.8
Total extra EU-28 :	1,410.9	1,373.7	+2.7	4,105.5	4,390.4	-6.5
Total intra + extra EU-28 :	10,390.2	11,075.6	-6.2	8,095.2	8,543.4	-5.2

Source: Institut des Comptes Nationaux

(1): country of destination

(2): country of provenance (INTRASTAT); country of origin (EXTRASTAT)

BELGIUM

Fédération Belge de l'Industrie Textile, du Bois et de l'Ameublement – FEDUSTRIA

Some 24 % of total textile exports are made up of technical textiles, which experienced a 2,2 % fall in exports. Interior textiles, the second most important product group with a 21 % share of exports, decreased by 4,1 %. Carpets (66 % of exports of interior textiles) were able to limit the fall in exports to 1,7 %. Strangely enough, this contrasts with the overall increase in turnover for carpets of 4 %. Furniture, decorative and mattress coverings, which account for some 17 % of exports of interior textiles, experienced a slight fall of 2,8 %. Household textiles (such as bed, bath, kitchen and table linen) also accounted for 17 % of interior textiles exports and declined by 12.6 %.

Yarn exports increased by 2,2 %. Woven fabrics mainly for clothing increased by 4.6% and knitted fabrics decreased by 4.5%. Exports of knitted clothing, mainly transit, decreased by 12.4%.

EU MARKET LOST GROUND

Some 86 % of textile exports are destined for the EU market. It declined by 7.4 % in 2019. Exports to France (first market; -13.3%) and the UK (third market; -6.4%) dropped. The UK is the main export market for interior textiles. The Brexit issues clearly affected our exports to the UK. Exports to Germany, the second most important market, slightly increased (+0.7%).

EXPORTS OUTSIDE THE EU PARTLY OFFSET THE FALL IN THE INTERNAL MARKET

Textile exports outside the EU increased by 2.7 %. There are large differences between regions. Markets where textile exports increased are Western Europe outside the EU (+1.0 %; with a notable increase to Turkey +11.4 %), North America (+11.0 %; USA +9.1%), Far East (+3.9%; however Japan -10.2% but to China +22.4%) and Africa (+3.9%). Exports to Eastern Europe remained stable (Russia +1.3%). A fall was recorded in Latin America (-6.3%; to Mexico however +19.1%), Near and Middle East (-1.1%) and Oceania (-4.5%).

China remains the most important supplier of textiles on our market with a share of 14.1%. Nevertheless, imports of Chinese textiles decreased by 12.4% in value in 2019.

3.2. Employment trends

In 2019, the textile industry lost about 350 employees, a decrease of 1.9% compared to 2018. As a result, employment in 2019 comes to a total of 18,036 employees.

3.3. Wage trends

According to provisional figures from the FPS Economy the average hourly wage in textile for 2018 was 16,32€. For 2019 there is not yet any provisional figure available. As there was no indexation in 2019, but only a conventional wage increase from 1/9/2019 the average hourly wage can be estimated 16,37€.

Fedustria estimates that the average hourly wage cost in textile amounted to 28,77 € in 2019.

3.4. Importance of investment

After two years of decline, investment in the textile industry increased by as much as 28.3% in 2019, reflecting confidence in the future. Capacity utilisation remained at the same level as in 2018, averaging 73.6 % in 2019. In 2017, the capacity utilisation rate was still 77.9 %.

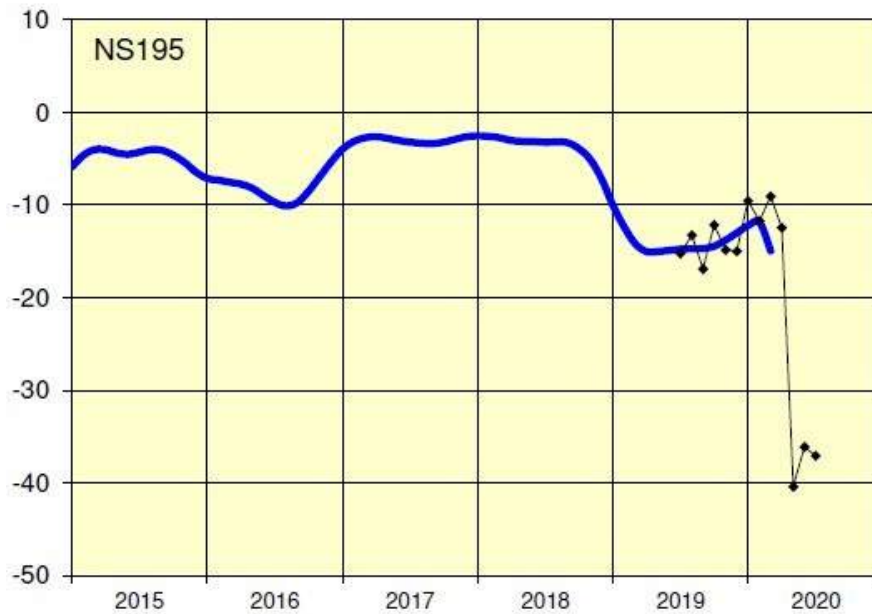
4. Evolution of textile activity during the first months of 2020 and prospects

The synthetic business cycle curve in the textile industry, which measures business confidence, collapsed in April 2020, after the lockdown introduced in mid-March as a result of the COVID-19 pandemic, and reached an unprecedented low.

BELGIUM

Fédération Belge de l'Industrie Textile, du Bois et de l'Ameublement – FEDUSTRIA

Synthetic economic curve in the textile industry
(excluding the clothing industry)
(up to June 2020)



Source : NBB

During the first quarter of 2020 the turnover in the textile industry decreased by 5.5%. For the whole year 2020 the drop of the turnover can be estimated at 20 to 25%.



BULGARIA

Bulgarian Association of Apparel and Textile Producers and Exporters – BAATPE

General economic environment and evolution of the textile/clothing industry in 2019

In 2019 Bulgarian T&C industry continued the pace from the previous years, as the level of demand remained stable amidst the ongoing workforce outflow from the industry. The process of workers leaving the industry in direction other sectors or countries continued, despite the industry's attempts to propose regulatory measures to reduce "fake" unemployment among a large number of people, which undermines the growth perspectives of the T&C sector. Nevertheless, the industry registered a slight growth (0,4% in absolute numbers) of exports compared to 2018, which is due to the increased production prices.

Evolution of textile/clothing activity

The production turnover index dropped significantly in the clothing sector, while there was an increase in the textile subsector:

		PRODUCTION TURNOVER INDEX 2018/2017 (2015 = 100)												
	Month	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Yearly average
C13 (Textiles)	2019	113,0	114,2	120,1	109,6	122,1	117,7	123,7	78,4	104,5	124,5	114,6	93,8	111,4
	2018	102,3	105,5	123,0	127,2	125,1	117,2	117,8	93,3	93,6	115,9	118,3	87,5	110,6
C14 (Clothing)	2019	101,7	92,1	96,5	84,8	90,5	94,3	110,0	93,9	88,2	96,7	96,3	83,3	94,0
	2018	103,2	96,1	102,3	84,6	90,1	108,6	113,1	101,2	88,8	95,8	104,9	86,2	97,9

The production price index rose in both subsectors whereas the increase was higher in the clothing subsector:

		PRODUCTION PRICES INDEX 2019/2018 (2015 = 100)												
	Month	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Yearly average
C13 (Textiles)	2019	104,2	104,2	104,4	104,5	104,7	104,7	104,8	105,1	105,2	105,1	105,1	105,0	104,7
	2018	102,9	102,9	103,1	103,3	103,4	103,5	103,7	103,9	103,8	104,1	104,2	104,2	103,6
C14 (Clothing)	2019	108,3	108,6	108,7	109,2	109,9	110,1	110,2	110,5	110,4	110,0	110,5	111,0	109,8
	2018	104,5	104,4	105,4	105,8	106,2	106,8	106,5	106,8	107,9	108,3	108,1	108,2	106,6

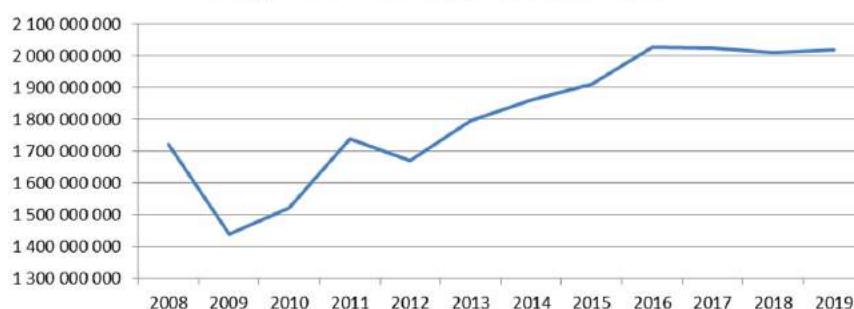
The retail turnover index showed some slowdown in comparison to 2018.

		RETAIL TURNOVER INDEX 2018/2017 (2015 = 100)												
	Month	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Yearly average
Textiles, clothing, shoes, leather	2019	112,07	113,55	117,78	111,54	116,72	119,31	121,13	124,72	125,56	128,83	131,65	130,46	121,11
	2018	114,26	117,03	120,40	124,59	122,14	126,13	126,62	122,91	128,88	127,44	135,34	133,59	124,94

Factors influencing textiles/clothing and their evolution

In 2019 Bulgarian T&C exports reached 2,018 billion Euros which represents a 0,4% increase compared to the previous year. The EU remains to be by far the most important trade partner for Bulgarian companies while the exports to non-EU countries amount to only 11% of the overall exports.

Bulgaria's T&C exports 2008-2019

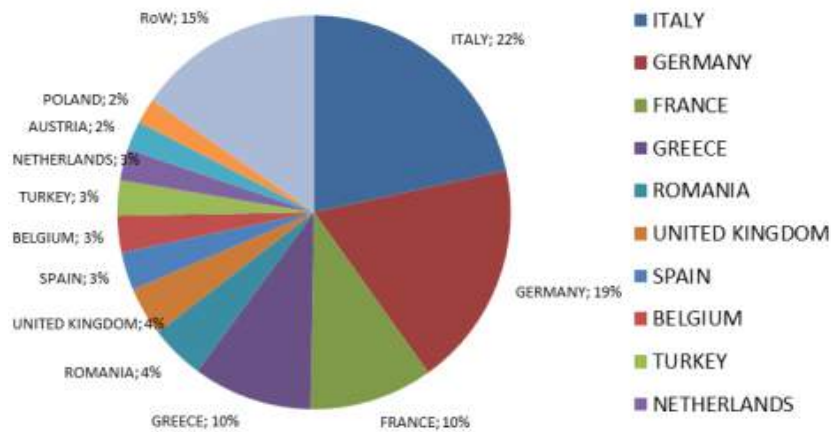




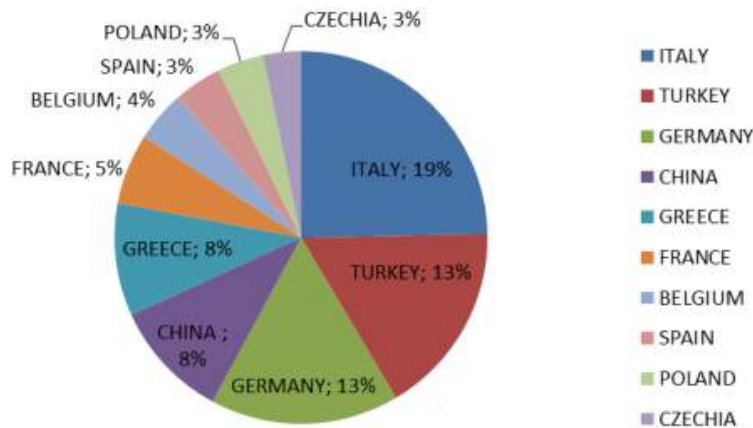
BULGARIA

Bulgarian Association of Apparel and Textile Producers and Exporters – BAATPE

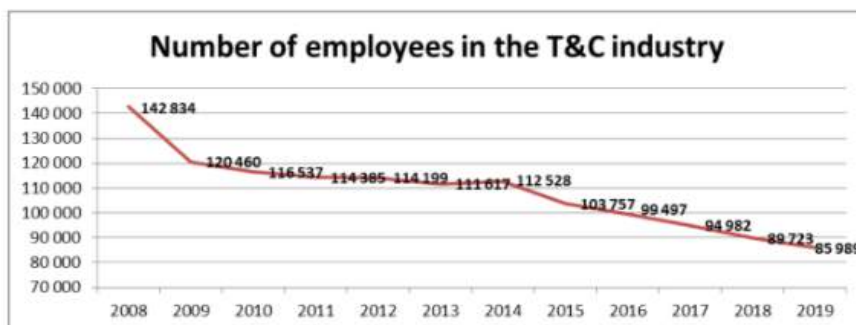
The clothing-related chapters 61 (33%) and 62 (37%) amount for 70% of the total T&C exports, as the remaining 29% are distributed between the other chapters related to textiles. Italy was the leading market for Bulgarian T&C exports amounting to 22% of the total exports, followed by Germany (19%), France (10%) and Greece (10%).



The import structure also experienced no major changes with Italy (19%), Turkey (13%) and Germany (13%) remaining the main countries of import for Bulgaria. One third (33%) of the T&C imports represented clothing articles (Chapters 61 and 62), while the rest was textiles.



The T&C industry in Bulgaria continued to suffer from the loss of workforce in 2019 as nearly 4000 people left the sector during the year. This is particularly valid for the Clothing subsector which represents the major part of the industry in the country, while the employment in the Textiles subsector remains relatively stable.

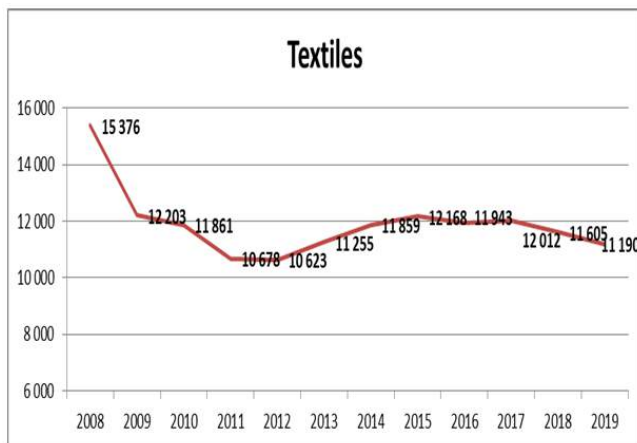
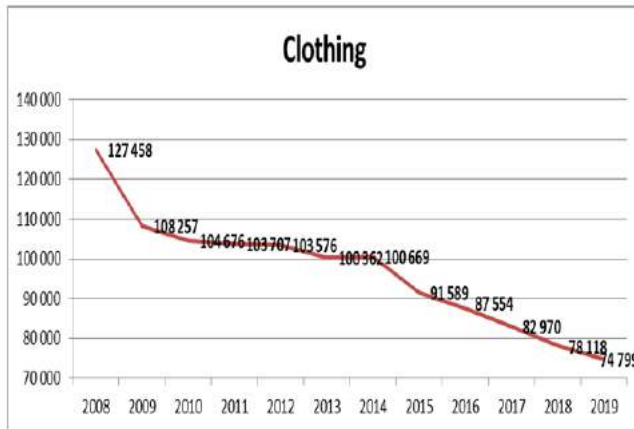


Data source: Country report



BULGARIA

Bulgarian Association of Apparel and Textile Producers and Exporters – BAATPE



Evolution of Textile/Clothing Industry during the first months of 2020 and prospects

The first months of 2020 were completely influenced by the Covid-19 crisis which led to cancellation of orders and even forced many factories to temporarily close down or to release partially their personnel. Many companies re-structured their production in order to respond to the high demand for protective wear (mostly masks), but this was only a temporary solution. The perspectives for 2020 are quite negative as the expectations of the industry are that the corona crisis might lead to a dropdown in orders of 40-60%.



CROATIA

Croatian Chamber of Economy – HGK, Croatian Employers' Association, CEA Textile and Leather Industry Association

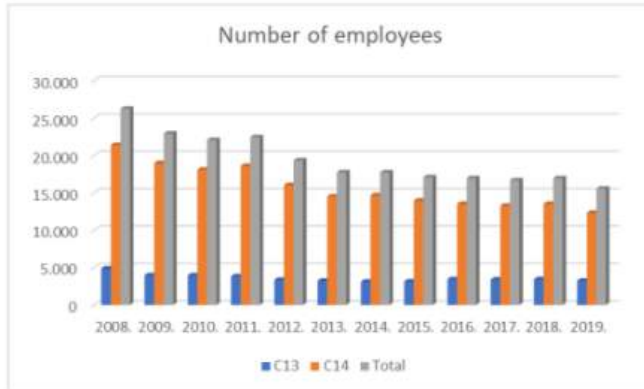
GENERAL ECONOMIC ENVIRONMENT AND EVOLUTION OF THE TEXTILE/CLOTHING INDUSTRY IN 2019

Currently, the situation is insufficiently introduced in development and research, as well as products made in high-tech processes, production improvement, both due to lack of investment funds, and due to the burden of everyday problems that the company deals with. The Croatian textile and clothing industry in the situation in which it finds itself in relation to market movements in the near and wider environment needs an urgent transformation. When we talk about the textile and clothing industry in Croatia in general, there is a chance for domestic producers it is certainly not in the low business or in the low segment of clothing retailers, which is one of the reasons for the closure of some of our large textile factories. It is in the precise analysis of the current market situation and according to the needs of the market both in the country and abroad, development of own brand, designed marketing campaigns, excellence, and in the growing field of protective textiles and clothing that we can conclude that the most stable companies are the ones that go in that direction of development.

EVOLUTION OF TEXTILE/CLOTHING ACTIVITY

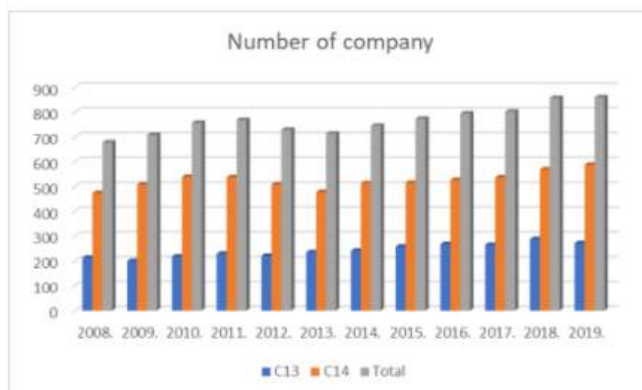
Number of employees

C13, C14	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
C13	4.886	3.970	3.968	3.840	3.352	3.239	3.112	3.140	3.433	3.409	3.442	3.247
C14	21.385	18.961	18.102	18.611	16.027	14.501	14.671	13.963	13.526	13.279	13.530	12.318
Total	26.271	22.931	22.070	22.451	19.352	17.740	17.738	17.103	16.959	16.688	16.972	15.565



Number of Company

C13/C14	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
C13	213	200	218	229	221	235	241	258	268	265	289	272
C14	474	308	539	538	508	478	513	515	527	537	569	568
Total	678	508	757	768	729	713	745	773	795	802	857	860

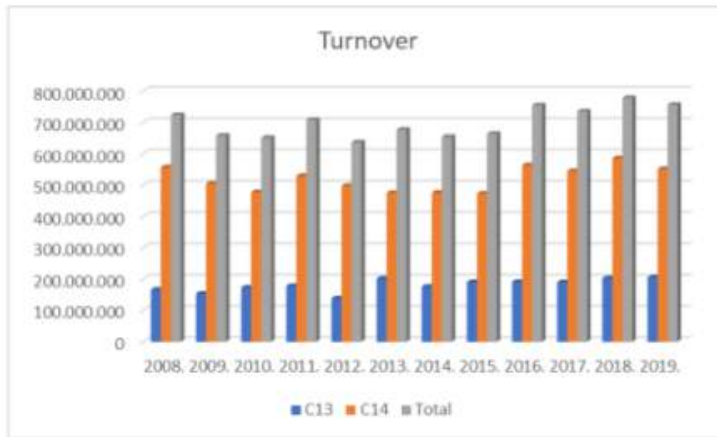


CROATIA

Croatian Chamber of Economy – HGK, Croatian Employers' Association, CEA Textile and Leather Industry Association

Turnover

C13/C14	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
C13	166.357.549	153.626.319	173.051.747	178.281.565	138.701.002	201.570.268	175.885.927	190.719.546	191.168.784	190.268.889	202.776.792	206.370.123
C14	557.040.297	504.588.720	477.787.869	529.754.472	497.658.141	475.179.108	476.206.927	473.301.351	563.685.884	544.960.197	585.601.184	551.533.151
Total	723.398.297	658.215.039	650.839.616	708.037.037	636.359.143	676.749.377	654.492.899	664.020.897	754.854.670	735.229.086	778.377.983	756.903.275



FACTORS INFLUENCING TEXTILES/CLOTHING AND THEIR EVOLUTION

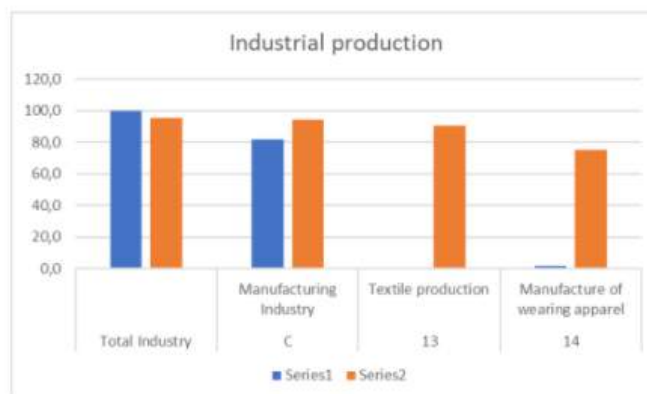
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EVOLUTION OF TEXTILE/CLOTHING ACTIVITY DURING THE FIRST MONTHS OF 2020 AND PROSPECTS

Industrial production - Original indices of production volume total, according to MIGs 2009 and NKD 2007. Sections and division, August 2020

	Structure	Index I-VIII. 2020/I-VIII. 2019
Total Industry	100,0	95,3
C Manufacturing Industry	81,9	94,6
13 Textile production	1,0	90,7
14 Manufacture of wearing apparel	2,0	75,2

Source: DZS



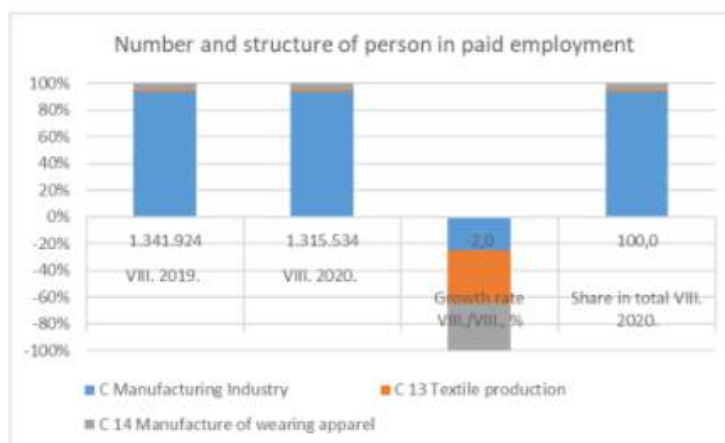
CROATIA

Croatian Chamber of Economy – HGK, Croatian Employers' Association,
CEA Textile and Leather Industry Association

Number and structure of persons in paid employment in legal entities, according to NKD 2007.1) and by sex, processing according to JOPPD form - Provisional DATA

			VIII. 2019.	VIII. 2020.	Growth rate VIII./VIII., %	Share in total VIII. 2020.
Total			1.341.924	1.315.534	-2,0	100,0
C		Manufacturing Industry	228.521	225.036	-1,5	17,1
	13	Textile production	3.226	3.147	-2,4	0,2
	14	Manufacture of wearing apparel	11.715	11.452	-2,2	0,9

Source: DZS



EXPORTS AND IMPORTS, ACCORDING TO NKD 2007.

		export				import				000. eura
		I-XII 2019.	I – VII 2019.	I – VII 2020.	indeksi I-VII 2020 I-VII 2019	I-XII 2019.	I – VII 2019.	I – VII 2020.	indeks I-VII 2020 I-VII 2019	
	Total	15.226.703	8.991.900	8.245.499	91,7	2.488.090	15.057.699	13.144.513	87,3	
	C Manufacturing Industry	13.735.056	8.178.160	7.230.799	88,4	22.276.319	13.573.433	11.904.653	87,7	
	13 Proizvodnja tekstila	173.492	107.490	108.653	101,1	438.378	278.196	276.570	99,4	
	14 Proizvodnja odjeće	713.924	399.946	325.327	81,3	1.119.036	616.616	579.748	94,0	

Source: DZS

AVERAGE MONTHLY PAID OFF NET EARNING PER PERSON IN PAID EMPLOYMENT IN LEGAL ENTITIES, ACCORDING TO NKD 2007. DIVISIONS

		VII. 2019.	VII. 2020.	Growth rate VIII./VIII., %	INDEX, RH VIII 2020=100
	Ukupno	6.420	6.722	4,7	100,0
	C PreManufacturing Industry	6.007	6.230	3,7	92,7
	13 Textile production	4.661	4.923	5,6	73,2
	14 Manufacture of wearing apparel	4.388	4.436	1,1	66,0

Izvor: DZS

FINLAND

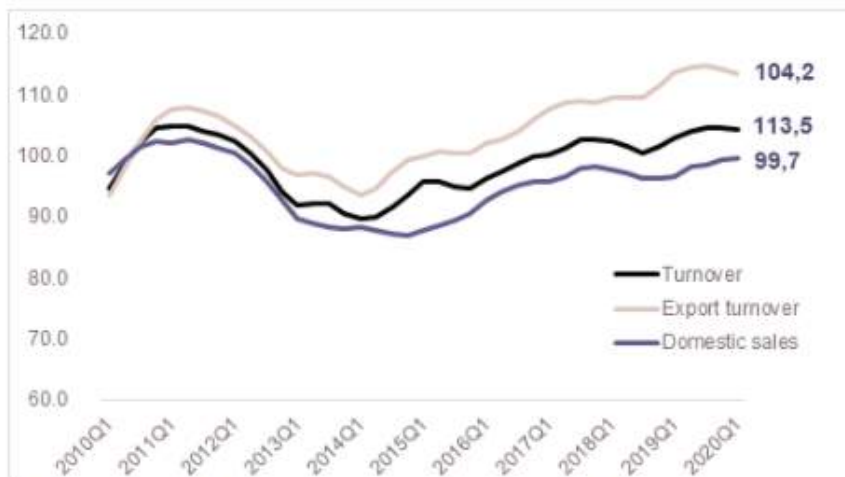
Finnish Textile & Fashion – STJM

Evolution of Textile/Clothing Industry during the first months of 2020 and prospects

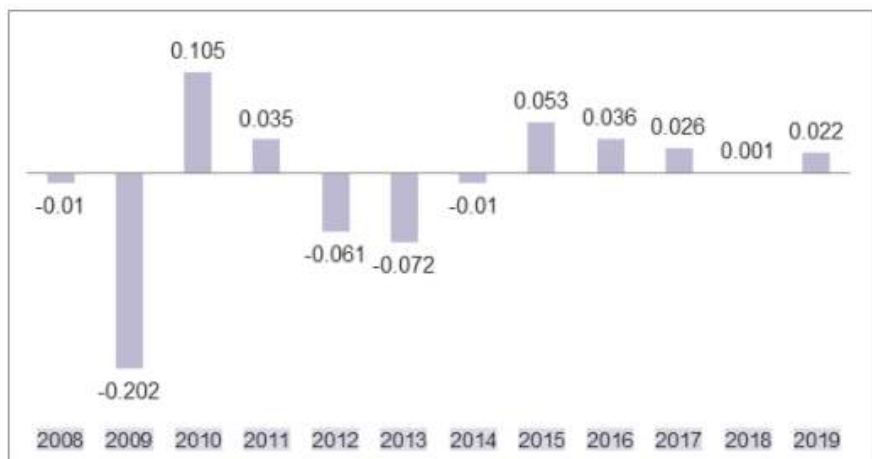
- Finnish economic growth slowed down in 2019 even though export sales were strong.
- The growth of consumption prices was moderate. Export prices declined a little.
- Private consumption is the most important source of demand in Finland. It grew by 1.0% in 2019.

TURNOVER OF TEXTILE INDUSTRY GREW BY 2.2% IN 2019

Textile industry in Finland consists of 340 companies which make a turnover of EUR 414 million and employ 2 100 persons. Turnover of textile industry grew by 2.2% in 2019. Growth came mainly from export turnover which grew by 2.2%. Domestic sales grew by 0.6%. Export turnover makes up almost one third of the textile industry turnover.



Development of the textile industry, index 2010 = 100. Source: Statistics Finland.



Annual change of turnover in textile industry 2010-2019. Source: Statistics Finland.

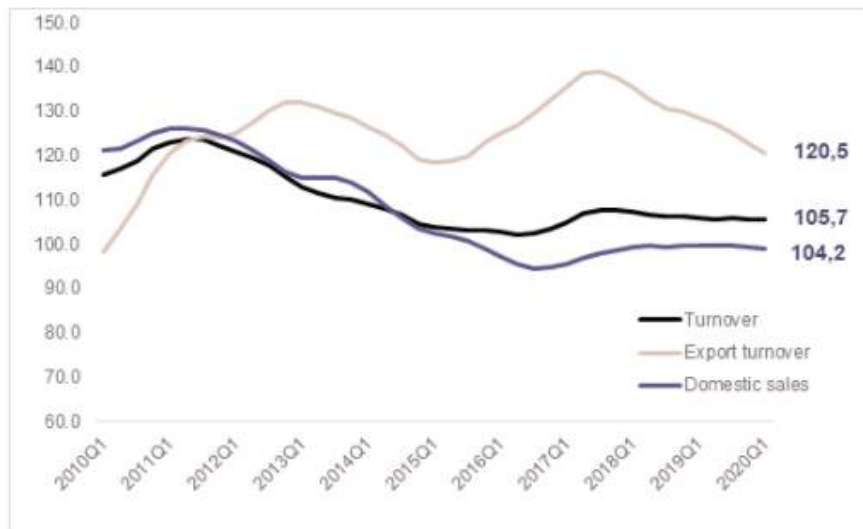
FINLAND

Finnish Textile & Fashion – STJM

TURNOVER OF CLOTHING INDUSTRY DECLINED

Clothing industry in Finland consists of 320 companies, which make a turnover of EUR 635 million. Clothing companies employ 2 600 persons.

Turnover of clothing industry declined by 1,0% in 2019. Export turnover declined by 1.2% and domestic sales declined by 0.7%. Export turnover makes up approximately one third of the clothing industry turnover.



Development of clothing industry, index 2010 = 100. Source: Statistics Finland.



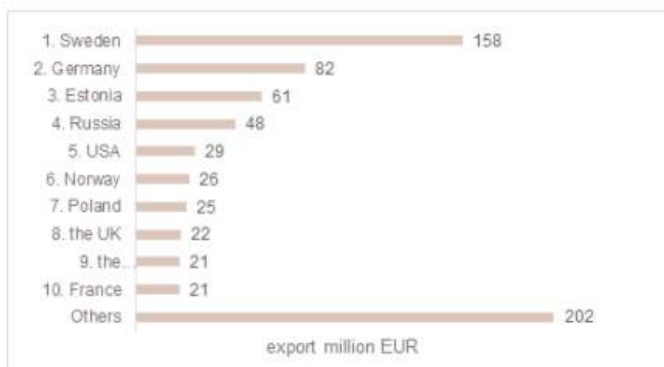
Annual change of turnover in clothing industry 2010-2019. Source: Statistics Finland.

EXPORT AND IMPORT OF TEXTILE AND FASHION GOODS

The export of textile and fashion goods from Finland declined last year by 0.4%, and the value of exports was EUR 700 million. The three biggest export partners of Finland are Sweden, Germany and Estonia. During the last years export has increased especially to Sweden, the Netherlands, Norway, France and the UK. EU countries are important partners in textile and fashion export.

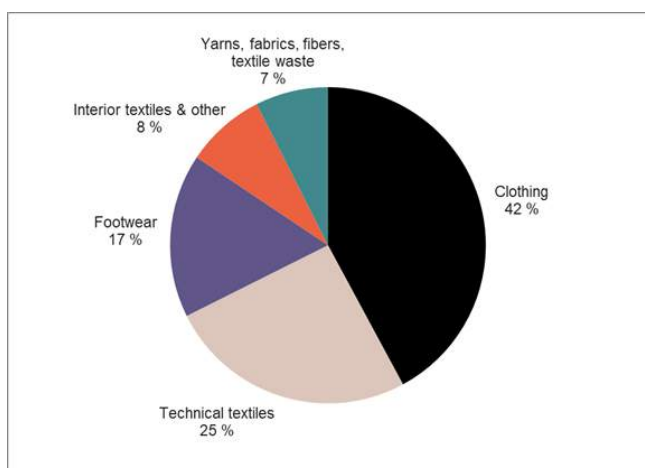
FINLAND

Finnish Textile & Fashion – STJM



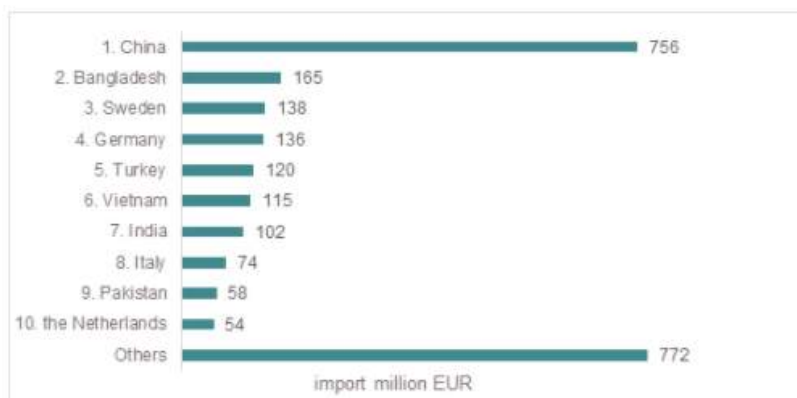
The biggest export partners of Finland for textile and fashion goods. Source: Customs Finland.

The main products in textile and fashion export are clothing and technical textiles. The share of clothing was EUR 277 million which is 40 % of the textile and clothing export. The value of the technical textiles exports was EUR 182 million (25 %) and the value of footwear exports EUR 126 million (17 %).



Exports of textile and fashion goods in 2019, total EUR 700 million. Source: Customs Finland.

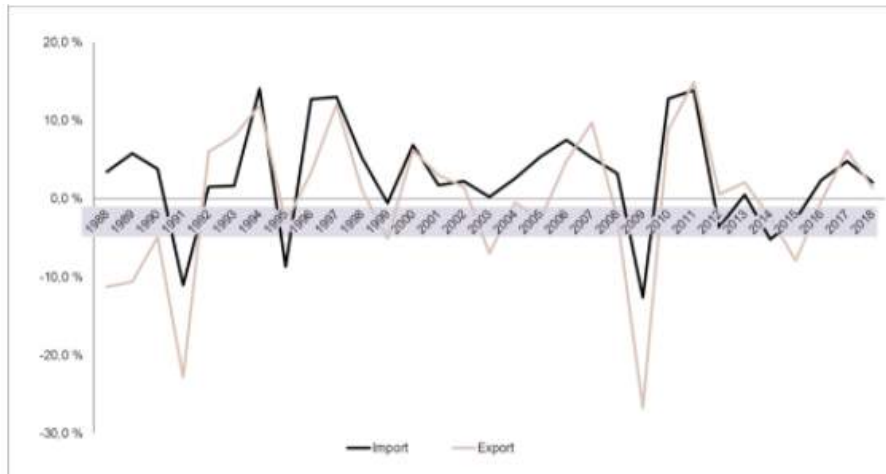
The import of textile and fashion goods from Finland grew last year by 1.4 % and the value of imports was EUR 2.5 billion. The three biggest import partners of Finland are China, Bangladesh and Sweden. Clothing is the main import product segment and over a half of the total textile and fashion import is clothing items. The import of clothing was EUR 1 482 million which is 60 % of the textile and clothing import. The value of footwear imports was EUR 337 million (14 %) and the value of the technical textile imports EUR 288 million (12 %).



FINLAND

Finnish Textile & Fashion – STJM

The biggest import partners of Finland for textile and fashion goods. Source: Customs Finland. NB: If the country of origin is not known, then the country of origin is replaced by the country of dispatch. Because of this Sweden, for example, seems to be one of the main countries of origin even though it is only the country of dispatch.



Annual change of export and import in textile and clothing industry. Source: Customs Finland

EVOLUTION OF TEXTILE AND CLOTHING ACTIVITY DURING THE FIRST MONTHS OF 2020

COVID-19 pandemic hit textile and clothing industry badly and hamstrung demand. 70% of companies in the industry laid their personnel off temporarily. Turnover declined in 80% of companies. Due to private demand, domestic sales were better than expected in summer. After the summer the Finnish textile and clothing companies were cautiously optimistic. While the COVID-19 pandemic goes on, the operational environment remains uncertain.

FRANCE



Union des Industries Textiles – UIT

Union Française des Industries Mode & Habillement – UFIMH

Situation of the textile-clothing industries in France in 2019 and outlook for 2020

1. General economic climate

- 1.1. Over the whole of 2019 GDP grew on average by 1.5% in France.
- 1.2. For the same year household consumption expenditure increased by 1.5% (all products combined).
- 1.3. Unemployment rate reached 8.2% in 2019, against 10.1% in 2015 (Source: ILO).

2. Activity evolution

2.1. Production index (source INSEE)

Over the whole of 2019 the production of textiles compared to 2018 (NACE 13) fell by - 4.1% in volume. In the clothing sector (NACE 14) production suffered a more pronounced decline of 6.6% in 2019.

2.2. Turnover Evolution (Source INSEE)

The turnover of the textile industries (NACE 13) recorded an increase of 2.4% in 2019 while that of the clothing industries (NACE 14) gained 0.1%.

3. Activity influencing factors

3.1. Domestic demand (Source IFM Panel)

The sales of clothing and textiles distributors in 2019 recorded a decline of 1% in value for the same retail space. In clothing, the decline was more pronounced (-1.2%) while the home textiles business activity improved by 0.6%.

3.2. Foreign trade (source French Customs, IFM calculations)

Textile: Harmonised System (HS) Chapters 50 to 60 + 63

Clothing: chapters 61 and 62

While the product classification applied by IFM complies with that used by Euratex, it does not fully reflect the definition used by UIT and UFIMH members.

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UNION FRANÇAISE DES INDUSTRIES
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IMPORTATIONS FRANÇAISES SUR LA PERIODE JANVIER - DECEMBRE 2019
 EN MILLIERS D'EUROS

	Habillement (Vêtements maille et chaîne et trame)		Textile	
		% de Variation 2019 / 2018		% de Variation 2019 / 2018
Total	21 353 504	4%	6 476 897	1%
UE à 28	4 813 330	3%	3 374 398	0%
Extra UE	16 540 174	3%	3 102 499	2%
PPM (1)	3 031 711	0%	523 207	-2%
Balkans (2)	96 018	0%	23 740	8%
Asie	12 662 093	5%	2 116 629	2%
Autres pays	750 351	-2%	438 923	8%

(1) Pays du Pourtour Méditerranéen

(2) Balkans occidentaux

	Habillement (Vêtements maille et chaîne et trame)		Textile		
		% de Variation 2019 / 2018		% de Variation 2019 / 2018	
Chine	5 632 536	-1%	Chine	1 115 234	3%
Bangladesh	2 750 282	14%	Italie	791 133	2%
Italie	1 710 122	6%	Allemagne	543 982	-4%
Turquie	1 266 060	7%	Belgique	435 082	-5%
Vietnam	997 277	7%	Pakistan	322 348	-2%
Inde	989 382	1%	Pays-Bas	307 562	4%
Tunisie	846 127	-4%	Espagne	303 583	2%
Maroc	822 135	-4%	Turquie	272 299	-1%
Cambodge	787 832	8%	Inde	266 602	-2%
Allemagne	437 133	6%	Portugal	223 194	1%
Pakistan	416 101	10%	Tunisie	170 911	8%
Portugal	364 984	-5%	Pologne	168 333	13%
Myanmar	337 160	57%	Royaume Uni	151 081	0%
Roumanie	274 939	-9%	États-Unis	118 069	26%
Royaume Uni	271 523	2%	Corée du Sud	107 576	1%
Pays-Bas	270 408	16%	Japon	93 462	5%
Bulgarie	224 936	-1%	Suisse	89 768	9%
Indonésie	211 689	5%	Autriche	85 939	3%
Belgique	185 266	-7%	Tchèque Rép.	85 865	11%
Sri Lanka	173 708	3%	Roumanie	72 046	-5%

FRANCE

UNION FRANÇAISE DES INDUSTRIES
MODE & HABILLEMENT

Union des Industries Textiles – UIT

Union Française des Industries Mode & Habillement – UFIMH

EXPORTATIONS FRANÇAISES SUR LA PERIODE JANVIER - DECEMBRE 2019
 EN MILLIERS D'EUROS

	Habillement (Vêtements maille et chaîne et trame)		Textile	
		% de Variation 2019 / 2018		% de Variation 2019 / 2018
Total	10 706 375	5%	4 758 380	2%
UE à 28	6 243 702	3%	2 398 558	1%
Extra UE	4 462 673	8%	2 359 822	3%
PPM (1)	230 367	-2%	713 128	-3%
Balkans (2)	7 810	3%	26 308	3%
Asie	1 472 316	14%	627 616	16%
Autres pays	2 752 179	7%	621 017	-5%

(1) Pays du Pourtour Méditerranéen
(2) Balkans occidentaux

	Habillement (Vêtements maille et chaîne et trame)		Textile		
		% de Variation 2019 / 2018		% de Variation 2019 / 2018	
Espagne	1 386 706	12%	Belgique	452 931	6%
Italie	1 337 399	2%	Allemagne	450 011	-5%
Allemagne	1 161 306	3%	Tunisie	403 314	-3%
Royaume Uni	997 329	3%	Chine	377 493	26%
Belgique	793 097	-1%	Italie	362 860	0%
États-Unis	592 089	14%	Espagne	291 071	3%
Hong Kong	489 612	17%	États-Unis	214 981	14%
Suisse	457 514	12%	Maroc	209 613	-4%
Pays-Bas	346 570	-5%	Royaume Uni	203 554	-2%
Chine	281 471	8%	Suisse	177 825	9%
Japon	241 221	9%	Pologne	163 549	8%
Pologne	228 018	3%	Pays-Bas	129 659	5%
Portugal	188 602	-3%	Roumanie	106 934	-6%
Singapour	180 119	15%	Portugal	89 905	2%
Corée du Sud	158 403	23%	Madagascar	80 702	3%
Autriche	112 589	26%	Turquie	61 460	18%
Émir. arabes unis	111 589	-8%	Tchèque Rép.	55 175	2%
Russie	105 174	-4%	Inde	43 981	22%
Canada	90 657	16%	Autriche	42 866	-7%
Grèce	89 733	3%	Japon	40 517	8%

FRANCE



Union des Industries Textiles – UIT

Union Française des Industries Mode & Habillement – UFIMH

4. Further distinctive data

WORKFORCE IN THE TEXTILE-CLOTHING INDUSTRIES

(Source INSEE)

	1998	2017	Change%
Textile (Activity sector 13)	105,950	36,223	-66%
Clothing (Activity sector 14)	133 322	36 319	-73%

The textile-clothing sector lost 70% of its workforce between 1998 and 2017.

5. Prospects for 2020

The outlook for the consumption of fashion and textiles is not favorable. The impact of the health crisis has been unparalleled. During the first eight months of 2020, the distributors turnover in France fell by 20% in value compared to the same period of 2019 (interim results, Source IFM Panel). Department stores in particular have suffered from the absence of foreign tourists. In this context e-commerce sales have intensified and they could gain 15% in value over the whole of 2020.

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Gesamtverband der deutschen Textil- und Modeindustrie – Textil + Mode



ECONOMIC REPORT 2019



Revenues fell significantly last year in 2019 with a total of -3.2 %. Textile was particularly affected, with a 4.4 % drop in sales across all segments. Exports to the most important EU markets declined across the board. Clothing also suffered a decline of -1.2 %, but there were certainly rays of hope in the export trend and in individual segments. Moreover, the short-term outlook seems to be brightening up to some extent.

Employment in Germany declined by -4.9 % at the end of 2019. However, the annual average was only -2.2 %. This means that in Germany there are about 116,000 people employed in the textile and fashion industry, which is about 2,000 fewer than in the previous year. As a lagging indicator, employment in the sub-sectors tends to develop like sales: Textiles had to report a decline of -5.37 % in 2019 as of the cut-off date at the end of December, while the figure for clothing was -3.1 % lower.

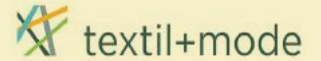
Exports continued to develop positively, with the export volume of clothing in particular rising again by +2.5 %, with textile exports down by -2.9 % and clothing exports up by 5.6 %. Imports rose moderately by 1.2 %. In 2019, unlike in 2018, the clothing **retail** trade was able to benefit at least moderately from the good domestic economy and rising consumer sentiment in 2019, but with a plus of 0.7 % it lagged behind the overall retail trade (+3.5 %).

The year 2019 in detail:

Revenue

As in the previous year, 2019 will close with a drop in sales. Overall, the decline was -3.2 %. In contrast to the previous year, however, the textile segment will close 2019 worse than clothing. Textiles have been in the red since the end of 2018, and since hardly a month has ended with a sales increase, sales are down -4.4% year-on-year. An end to the trend is not in sight at this time. Clothing was also unable to increase sales despite the lower targets from the previous year. However, the decline was relatively moderate at -1.2 %. On the other hand, there are first signs of an imminent trend reversal in clothing.

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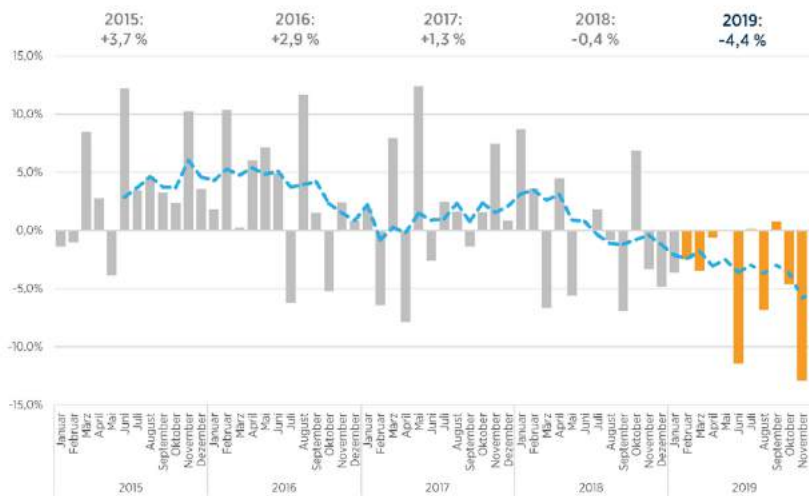


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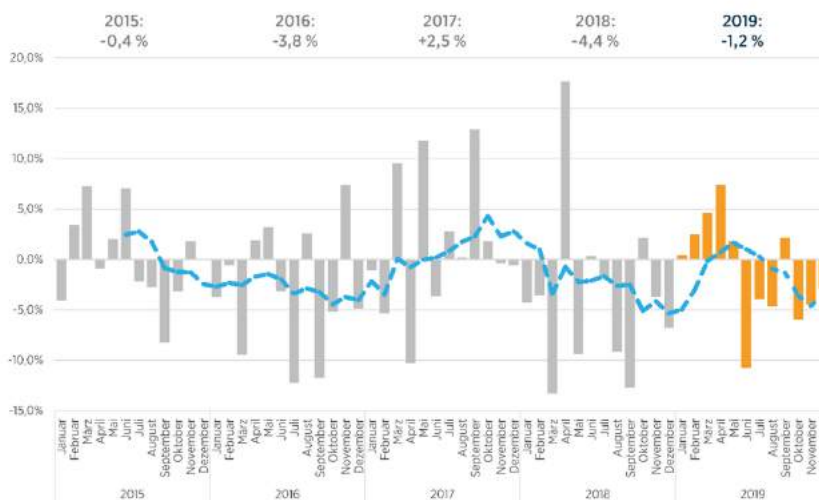
Development of Revenue **Textile**

Change compared to same month of previous year (pillar), 6-month average (line)



Development of Revenue **Fashion**

Change compared to same month of previous year (pillar), 6-month average (line)

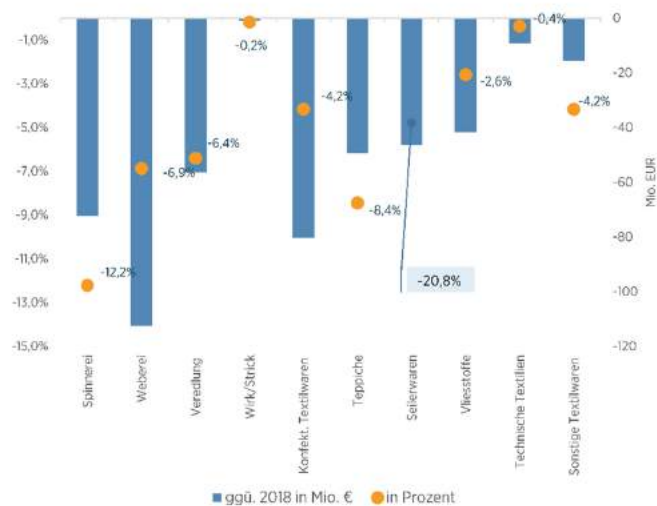




The Segment Development

In the past year 2019, every single sub-segment of the textile industry suffered a drop in sales. This affected the prepress segments of spinning, weaving and finishing in particular, but also the growth segments of recent years such as nonwovens and, to a somewhat lesser extent, technical textiles. This is where the current cooling of the industrial economy is having an impact, as textile manufacturers are increasingly active as suppliers, e.g. to the automotive industry.

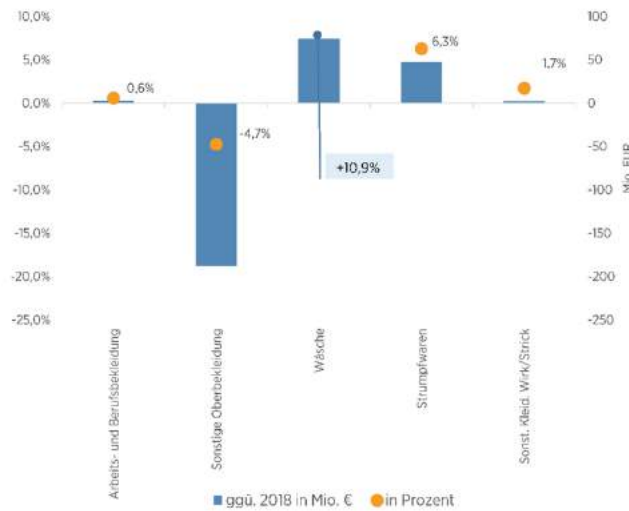
Change in Revenue of the Textile Segments in 2019



As in 2019, the **apparel segment** was characterised last year by a marked decline in the largest sub-segment, other outerwear. However, the other segments were able to record growth, although this was not sufficient to increase overall clothing sales compared to the previous year.

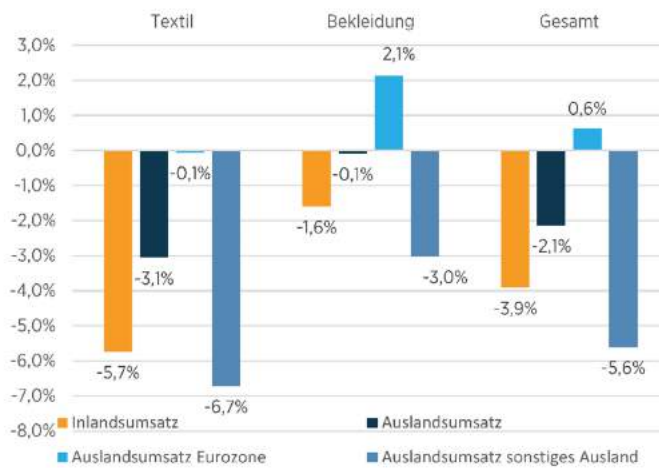


Change in Revenue of the Fashion Segments in 2019



Looking at the development of sales by target region of sales, the great importance of the euro zone for German textile and clothing manufacturers is also evident in the past year 2019. In contrast, sales with the rest of the world declined sharply across the board. Domestic sales also continued to depress corporate sales, especially since domestic consumption also only increased slightly last year.

Change in Revenue 2019 vs 2018

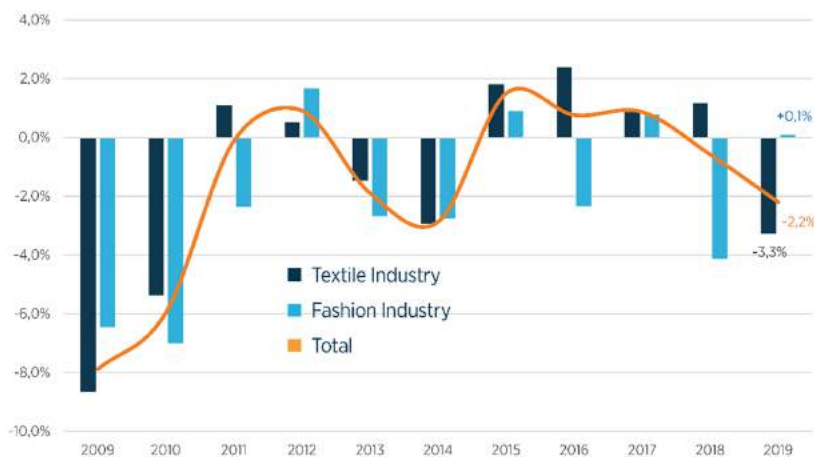


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Employment (Annual average)



After several years of personnel expansion, the economic downturn, which lasted for several months, also left a clear mark on **employment** towards the end of the year. The decline at the end of December 2019 is the sharpest since the financial crisis. The decline for textiles is -5.7%, for clothing -3.1%. For the sector as a whole the decline is -4.9 %. It should be noted, however, that in recent years the number of employees in Germany has increased against the long-term trend.

The number of **hours worked** is falling in line with the decline in sales, with the same number of working days as in the previous year: For textiles by -3.9%, for clothing by -0.8%, the overall figure is -2.9%. **Wage and salary** totals develop slightly differently due to wage increases: in the case of textiles they fall by -0.3 % year-on-year, while in the case of clothing the sum of gross wages and salaries rose by 2.3 %.

Production

Domestic **production** of textiles will fall by -1.6 % in 2019 in the course of the year. The decline is particularly marked towards the end of the year: in the last three months it was -5.0 %. At +0.3%, the production volume for clothing is roughly at the previous year's level. However, due to its narrow statistical definition, especially in the clothing sector, the production index is only of limited use for companies based and producing in Germany, which is also evident from the very high growth rates at the end of the year.

Prices

The **producer price indices** (sales prices domestic sales) for textiles and clothing have been rising only slowly for years, last year in 2019 they were +0.8 % (textiles) and +1.2 % (clothing).

With regard to **procurement prices** for raw materials, the situation is easing somewhat following the significant price increases since 2016. However, the high electricity price, which rose by another 2.4 % in 2019, is a particular burden.

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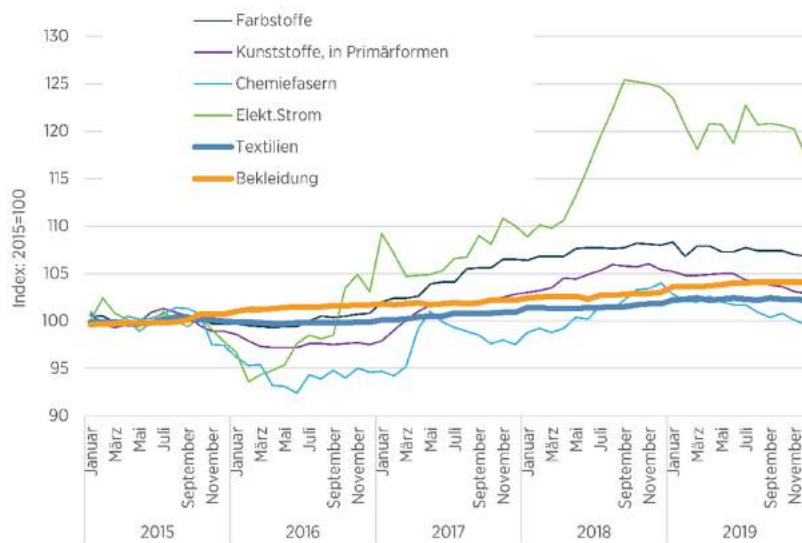
Selling prices

Textiles	+0,8 %
Apparel	+1,2 %

Purchasing prices

Dyestuffs	0,0 %
Plastics, in primary forms	-0,5 %
Man-made fibres	+0,4 %
Electricity	+2,4 %

Price indices*: Sales prices textile/clothing and important procurement prices



*Erzeugerpreise für den Inlandsabsatz

Change in retail sales 2019

Clothing retail trade	+0,3 %
Total retail trade	+3,5 %

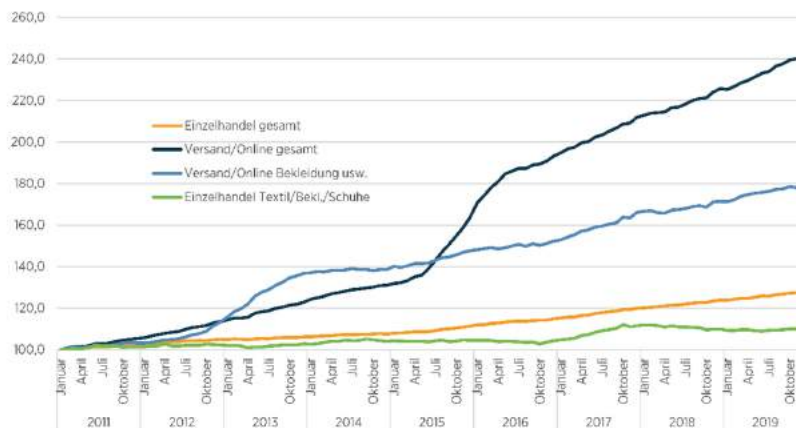


Retail sale of textiles, clothing and leather goods in 2019
online and total (Change compared to the same month of the previous year)



Sales in the **textile retail trade** (incl. shoes) may increase slightly by +0.7% in 2019. Stationary retailing, in particular, is once again lagging behind the good development in the retail sector as a whole: while the overall retail sector was able to grow by +3.5 %, clothing retailing was not able to fully benefit from the still good consumer sentiment. However, the Internet and mail-order trade in textiles, clothing and shoes again grew significantly by 5.3 %.

Retail sales development | Index: 2015=100



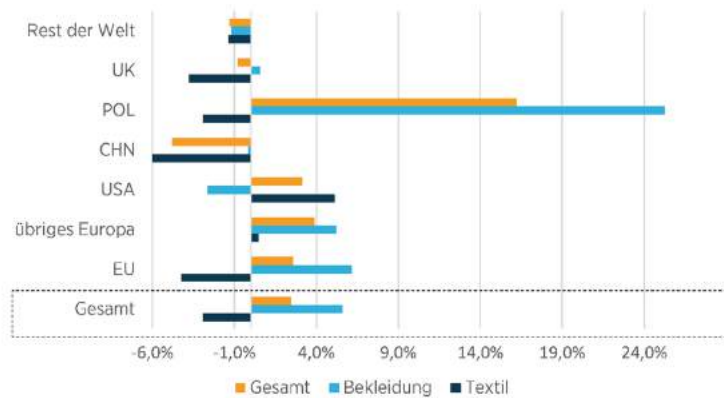
The long-term comparison of stationary and online trade shows that significant increases in sales have been resulting from the online and mail order business for several years. Even if the structural break in 2015 (one-off special effect) is not taken into account, the growth rates of online trade have exceeded those of the overall trade for many years.



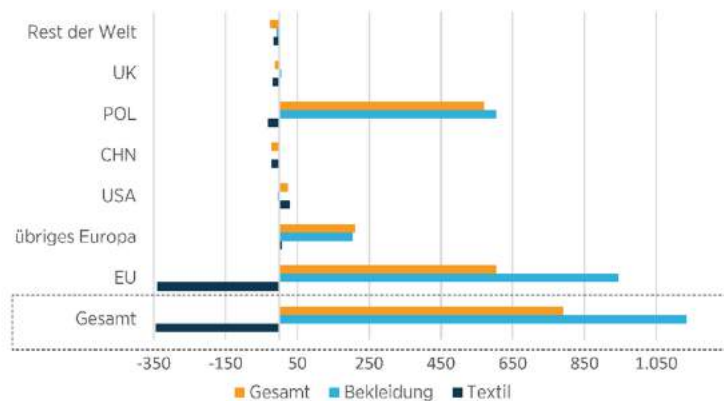
Foreign Trade

In terms of **exports**, 2019 again saw a sharp increase in the volume of trade in clothing within the EU, in part certainly a shift in value chains, which also suggests the high growth rates with countries such as Poland. However, the total volume of exports has also risen. In contrast to the increases in clothing, the volume of exports of textiles is declining, especially to almost all the important EU countries; only the USA, the target country, was able to increase its exports significantly. The volume of trade with Great Britain continues to decline after the significant declines in 2018. Nevertheless, the EU remains by far the most important export market for German textile and clothing companies. Outside the EU, the US remains the most important export partner, while China's importance as a destination for German exports declined last year.

Change Exports 2018 to 2019 in percent



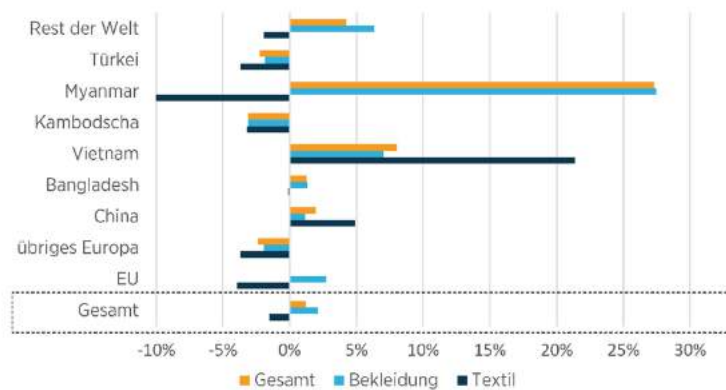
Change Exports 2018 to 2019 in EUR million



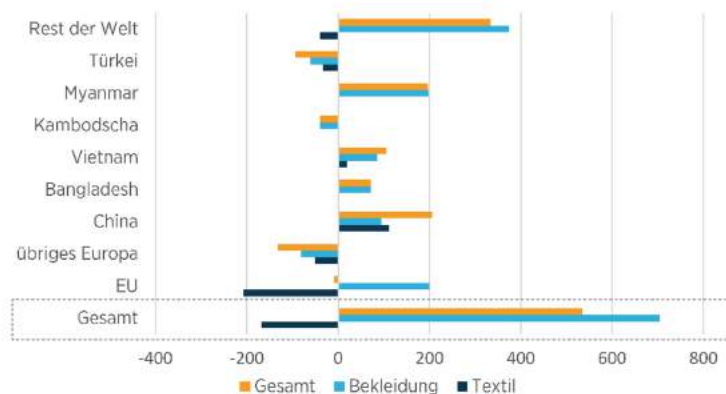


In terms of **imports**, China remains the most important trading partner and can increase its exports to Germany, as can Bangladesh. Other countries in East Asia such as Vietnam or Myanmar are gaining in importance, while Turkey continues to lose ground as an importing country for German companies.

Change Imports 2018 to 2019 in percent



Change Imports 2018 to 2019 in EUR million



Short-term prospects

If, on the other hand, the order backlog and (subsequent) sales are considered in context, the following picture emerges: The recovery phase at the end of 2018 was only short-lived in the case of **textiles**. Hopes of an upswing were not fulfilled; on the contrary, 2019 was marked by a downturn, which was announced by a clear and steady decline in orders on hand. To this extent, the further decline in order backlogs is not a sign of hope for a

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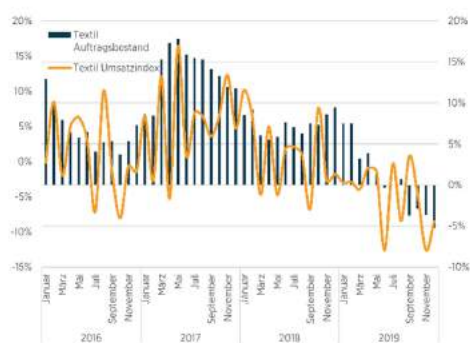


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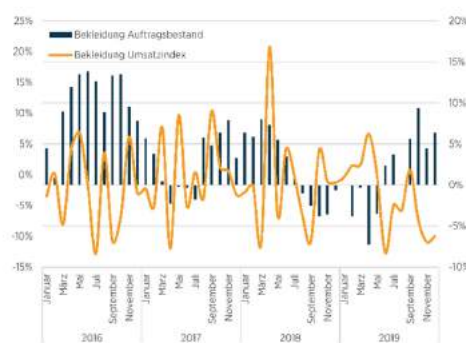


turnaround in the near future. On the other hand, the current situation for **clothing** is somewhat more positive: although 2019 was marked by a downturn in the first half of the year, orders on hand have been built up since then, giving rise to hopes of a subsequent recovery in sales.

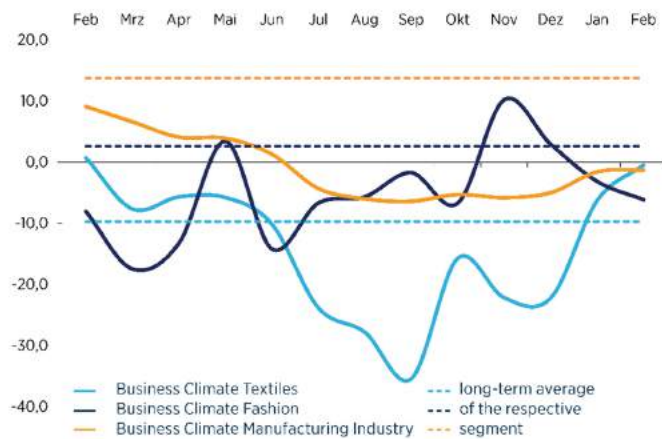
Order book **Textiles**



Order book **Fashion**



The Ifo economic climate index shows a slight stabilisation for the entire manufacturing industry in recent months. Textiles and clothing are developing more volatile overall. A stable development can also be seen in the clothing sector over the past few months, although the more pessimistic mood seems to be dominating at the moment. By contrast, the past few months have been characterized by more optimistic assessments by companies in the textile sector, albeit from a very low level. All in all, the findings for textiles and clothing seem to be somewhat surprising at first glance, especially since the economic figures for clothing rather than textiles are currently showing slight signs of recovery. However, if one looks only at the expectations of the companies and ignores the current business assessment, it can be seen that both the textile and the companies have been looking more optimistically into the future again since the turn of the year. However, all data do not yet include the latest external economic developments, especially the effects of corona infections. There are therefore no signs of a turnaround yet.



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KEY FIGURES FOR THE TEXTILE AND CLOTHING TRADE

All indicators only for enterprises with 50 and more employees, unless otherwise stated.

	TEXTILE		FASHION		TEXTILE + FASHION	
		in % to the previous year		in % to the previous year		in % to the previous year
1 Employees						
December 2019	51 528	-5,7	24 969	-3,1	76 497	-4,9
January - December 2019	52 821	-3,3	25 691	0,1	78 512	-2,2
Untern. ab 1 Besch. (Hochrechnung)	77 783		37 832		115 615	
2 Gross wages (in million Euro)						
December 2019	161	-2,2	80	0,6	241	-1,3
January - December 2019	2 008	-0,4	1 005	2,7	3 014	0,6
3 Hours worked (in 1 000)						
December 2019	5 469	-3,4	2 709	-3,3	8 178	-3,3
January - December 2019	79 155	-4,1	36 883	-0,7	116 038	-3,1
4 Revenue (in million Euro)						
December 2019	633	-7,2	388	-1,7	1 021	-5,2
January - December 2019	10 431	-4,4	6 407	-1,2	16 838	-3,2
Untern. ab 1 Besch. (Hochrechnung)	16 924		10 808		27 732	
5 Production (Index: 2015=100)						
November 2019	98,8	-8,2	91,4	11,1	-	-
December 2019	74,6	-4,6	96,7	42,8	-	-
October - December 2019	-	-5,0	-	17,8	-	-
January - December 2019	-	-1,6	-	0,3	-	-
6 a) Order Entry (Index: 2015=100)						
November 2019	99,6	-15,0	71,7	-10,7	-	-
December 2019	77,5	-10,9	55,3	-7,4	-	-
October - December 2019	-	-9,3	-	-5,9	-	-
January - December 2019	-	-6,1	-	-4,3	-	-
6 b) Order Book						
November 2019	124,2	-3,2	114,7	7,1	-	-
December 2019	126,3	-4,9	112,3	6,0	-	-
October - December 2019	-	-3,5	-	7,6	-	-
January - December 2019	-	1,5	-	0,5	-	-
7 Prices (Producer price index Domestic sales, 2015=100)						
November 2019	102,3	0,5	104,1	1,2	-	-
December 2019	102,2	0,4	104,1	1,1	-	-
October - December 2019	-	0,5	-	1,1	-	-
January - December 2019	-	0,8	-	1,2	-	-

continued →

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8 Retail	SALES BASE YEAR 2015			PRICES BASE YEAR 2015		
	December 2019	Oct-Dec 2019	Jan-Dec 2019	December 2019	Oct-Dec 2019	Jan-Dec 2019
Change from previous year in percent						
Clothing retail trade	-2,2	0,6	0,3	2,6	1,7	1,5
Total retail trade	2,6	2,7	3,5	1,1	0,6	0,7

9 Foreign trade in textiles	DECEMBER			CHANGE	JANUARY - DECEMBER		CHANGE
	2019	2018	in % to prev. yr	2019	2018	in % to prev. yr	
Export							
Textiles	739	765	-3,4	11 446	11 790	-2,9	
Fashion	1 557	1 416	10,0	21 442	20 306	5,6	
Total	2 297	2 181	5,3	32 888	32 096	2,5	
Import							
Textiles	721	732	-1,4	10 929	11 097	-1,5	
Fashion	2 436	2 233	9,1	34 228	33 524	2,1	
Total	3 158	2 965	6,5	45 157	44 621	1,2	
Import Surplus	861	784	9,8	12 269	12 525	-2,0	
Raw Materials							
Export	71	74	-2,9	1 107	1 240	-10,8	
Import	54	65	-17,5	1 018	1 086	-6,3	

10 New orders and production indices by selected economic sectors

TEXTILE INDUSTRY

	Order Entry (2015=100)	in % to prev. yr	Production (2015=100)	in % to prev. yr	Revenue in million Euro	in % to prev. yr
Preparation and spinning						
December 2019	51,4	-32,6	59,8	-20,9	24	-28,6
November 2019	83,3	-45,8	83,3	-25,1	34	-30,8
January - December 2019	87,7	-26,3	91,6	-11,1	519	-12,2
Weaving						
December 2019	75,1	-17,7	67,0	-8,7	82	-14,5
November 2019	100,2	-17,3	92,4	-7,9	123	-18,3
January - December 2019	98,3	-8,0	94,5	-2,8	1525	-6,9
Finishing of textiles and clothing						
December 2019	80,9	-10,4	86,6	7,6	53	-6,2
November 2019	97,0	-23,1	119,0	5,5	71	-9,6
January - December 2019	101,1	-16,2	113,5	9,3	826	-6,4
Manufacture of knitted and crocheted fabric						
December 2019	90,4	-9,8	68,3	12,0	30	2,6
November 2019	94,6	-29,9	86,3	-5,8	41	-6,3
January - December 2019	102,8	-12,8	84,4	-11,5	543	-0,2
Manufacture of made-up textile articles (excluding apparel)						
December 2019	80,1	-7,5	73,2	-5,1	125	-7,5
November 2019	104,4	-8,7	92,8	-6,3	151	-13,6
January - December 2019	107,6	0,3	95,7	1,7	1854	-4,2

continued →



TEXTILE INDUSTRY

	Order Entry (2015=100)	in % to prev. yr	Production (2015=100)	in % to prev. yr	Revenue in million Euro	in % to prev. yr
Production of carpets						
December 2019	53,4	-18,5	57,4	-6,4	30	-19,5
November 2019	77,6	-18,8	74,7	-18,1	44	-17,6
January - December 2019	78,4	-15,4	79,2	-12,1	535	-8,4
Manufacture of rope goods						
December 2019	75,6	-18,4	68,0	5,6	10	-20,6
November 2019	96,7	-4,6	108,8	0,0	14	-25,7
January - December 2019	100,6	-5,8	107,5	1,1	177	-20,8
Manufacture of non-wovens and articles thereof (excluding apparel)						
December 2019	81,5	2,4	79,4	-1,1	93	-1,1
November 2019	105,1	-3,6	105,8	-3,6	130	-5,5
January - December 2019	104,3	0,6	107,5	-0,5	1569	-2,6
Production of technical textiles						
December 2019	83,5	-12,2	80,2	-8,7	166	-0,6
November 2019	102,9	-10,8	102,7	-13,6	206	-8,9
January - December 2019	106,8	-1,0	105,4	-3,2	2523	-0,4
Manufacture of other textile products n.e.c.						
December 2019	79,6	-2,7	66,8	-11,1	20	-5,3
November 2019	107,7	-5,9	94,4	-17,8	31	-8,6
January - December 2019	99,2	-6,0	93,2	-11,6	360	-4,2

APPAREL INDUSTRY

	Order Entry (2015=100)	in % to prev. yr	Production (2015=100)	in % to prev. yr	Revenue in million Euro	in % to prev. yr
Production of leather clothing						
December 2019	33,4	-47,6	35,1	-19,1	3)	3)
November 2019	28,8	-44,3	28,7	-21,6	3)	3)
January - December 2019	86,1	-32,1	78,7	-14,4	3)	3)
Production of workwear and working clothes						
December 2019	94,4	-6,1	130,6	13,4	35	6,4
November 2019	136,0	0,1	120,3	-32,7	47	-4,5
January - December 2019	121,4	-1,4	134,2	3,0	519	0,6
Herstellung von sonstiger Oberbekleidung						
December 2019	40,4	-19,7	110,5	83,6	209	-8,6
November 2019	56,4	-13,5	88,6	37,4	249	-10,7
January - December 2019	80,9	-6,8	91,2	2,1	3770	-4,7
Production of underwear						
December 2019	50,6	-7,3	62,4	7,2	50	13,9
November 2019	66,4	-0,3	72,2	5,2	62	9,5
January - December 2019	84,7	-4,1	71,0	-4,5	755	10,9
Manufacture of other wearing apparel and accessories n.e.c.						
December 2019	82,2	13,7	67,7	-5,8	3)	3)
November 2019	90,6	-24,9	86,3	-5,5	3)	3)
January - December 2019	103,4	-4,6	88,8	-8,0	3)	3)

continued →

GERMANY

Gesamtverband der deutschen Textil- und Modeindustrie – Textil + Mode



APPAREL INDUSTRY

	Order Entry (2015=100)	in % to prev. yr	Production (2015=100)	in % to prev. yr	Revenue in million Euro	in % to prev. yr
Production of fur products						
December 2019	3)	3)	-	-	-	-
November 2019	3)	3)	-	-	-	-
January - December 2019	3)	3)	-	-	-	-
Production of hosiery						
December 2019	107,2	9,2	94,1	6,9	62	6,3
November 2019	121,5	-2,0	125,2	2,4	79	4,4
January - December 2019	117,6	7,4	114,1	5,7	806	6,3
Manufacture of other knitted and crocheted apparel						
December 2019	27,2	47,8	45,8	-2,1	10	9,6
November 2019	57,6	21,0	66,1	-8,2	9	21,1
January - December 2019	88,1	-5,1	73,1	-12,2	153	1,7

As a result of the SME Relief Act which came into force on 01.01.07, since 2007 only companies with more than 50 employees have been reporting. This means that approx. 15 % of the employees covered were in the sector. At the beginning of 2009, the figures were converted to an adjusted classification of economic sectors (WZ 2008). On balance, this led to a „migration“ from the textile and clothing industry. Many former textile and clothing companies are now assigned to other sectors, especially trade. This alone means that the absolute figures show a total of about 5% fewer employees and companies and up to 10% less turnover. However, this effect has been adjusted in the above-mentioned prior-year deviations.

As a result of the annual structural adjustments in statistics, about EUR 150 million in turnover in WZ 14 (clothing) was eliminated from official statistics at the beginning of 2018, for example because the size-dependent reporting thresholds were not met. The majority of the monthly key figures are affected by this effect.

¹⁾ Domestic production development contains a strong structural component, especially in the clothing segment. The high level of foreign trade interdependence also distorts the volume, so that the production figures can only provide limited information on the economic situation. A further indication of this is the obvious lack of correlation between domestic production and domestic employment.

²⁾ The values for foreign trade have been reorganized as of May. The figures for textile end products as well as for clothing according to GP 09-13 (textiles) and GP 09-14 (clothing) are documented in order to ensure the greatest possible comparability with other publications..

³⁾ Data are available but are not published for data protection reasons.

Source: Federal Statistical Office, Wiesbaden

GREECE



Hellenic Fashion Industry Association – SEPEE

1. General economic environment

2019 was a year of recovery for the Greek economy.

- The **GNP** increased by 1.9%.
- **Exports** of goods and services increased by 1% and **imports** increased also by 1.9%.
- **Private consumption** increased by 1.4%.
- The **production index** decreased in 2019 by an average annual rate of 0.6%.
- **Unemployment** rate at the end of 2019 decreased to 16.3% from 18.5% the year before.

2. Evolution of textile/clothing activity in 2019

- The **production index** in the Greek clothing sector decreased by -6.7% in 2019. In the textile industry the production index decreased by -2.2%.
- **Employment**: During 2019 the total number of employees in the textile and clothing sector increased by 0.4%. At the end of 2019 the number of employees in textiles and clothing was 22.348 (16.213 in clothing and 6.135 in textiles).

- The **wages** remained stable.

3. Trade (exports - imports)

2019 has been the best year after 2008 for the textile & clothing exports and especially for the clothing sector.

The total exports value in clothing & textiles increased by 30.4%. Exports increased by 33% in the clothing sector, by 10.6% in textiles and by 45% in cotton, silk, wool & other fibres.

Total imports in textile and clothing increased by 20.9%.

Imports in clothing increased by 25.2% compared to 2018. Imports in the textiles sector increased by 9.2% and imports of cotton, silk, wool & other fibres increased by 1,3%.

External trade			
	2019	2018	D%
Exports			
Clothing	918	690	33.0%
Textile	421	380	10.6%
Cotton, silk, wool & other fibres	571	394	45.0%
Total	1,909	1,464	30.4%
Imports			
Clothing	2,321	1,853.8	25.2%
Textile	578	529	9.2%
Cotton, silk, wool & other fibres	89	88	1.3%
Total	2,988	2,470	20.9%

(amounts in million €)

HUNGARY

Association of Hungarian Light Industry – AHLI

General economic environment and evolution of textile/clothing activity in 2019

The volume of gross domestic product grew by 4.9% in 2019. Industrial production rose by 5.4%, following the previous year's 3.6% increase. Industrial export sales grew year-on-year by 6.3% (2018: only 1.6%) Export accounted for 63% of total industrial sales. Industrial domestic sales grew by 5.3%, and within it domestic sales of manufacturing rose by 6.7%. From the expenditure approach, the actual final consumption of households was up by 4.1%,

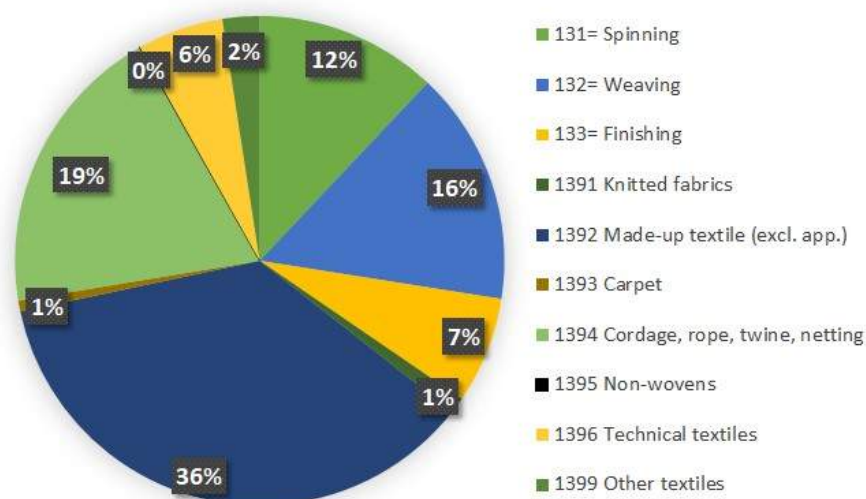
The performance of the Hungarian T/C industry was slightly better (100.8%) than in 2018, although manufacturing industry as a whole rose by 6.3%.

1. Evolution of textile/clothing activity in 2019

The following table shows the production value (MHUF) and the volume indices of the various sectors and their subsectors:

		Production value MHUF		Volume index Prev. year =100	
		2019	2018	2019	2018
13	Manufacture of textiles	142 298	149 882	92.4	102.2
13.1	Preparation and spinning of textile fibres	15 077	17 250	83.1	98.9
13.2	Weaving of textiles	19 368	19 556	98.6	108.7
13.3	Finishing of textiles	8 840	7 503	76.5	111.1
13.9	Manufacture of other textiles	99 013	105 573	94.6	100.8
14	Manufacture of apparel	98 839	90 138	104.2	91.3
14.1	Manufacture of apparel, excl. fur apparel	90 085	82 611	104.0	91.6
14.12	Manufacture of work wear	15 599	12 155	125.8	110.7
14.13	Manufacture of other outerwear	41 404	38 783	99.5	88.9
14.14	Manufacture of underwear	18 460	20 954	85.6	89.9
14.3	Manufacture of knitted and crocheted apparel	8 374	7 234	106.3	87.3

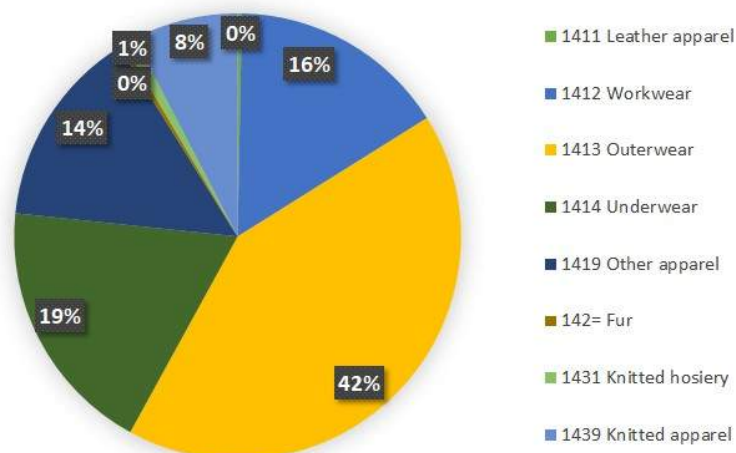
The breakdown of the production into subsectors by value - textile industry 2019:



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The breakdown of the production into subsectors by value - clothing industry 2019:



The sales figures and the breakdown of total turnover are as follows:

	Domestic sales			Export sales			Total sales		
	MHUF	MEUR	%*	MHUF	MEUR	%*	MHUF	MEUR	%*
Textile	26 932	82.7	71.9	116 753	358.9	98.8	143 685	441.6	92.4
Clothing	39 200	120.5	116.0	59 136	181.8	97.6	98 336	303.8	104.2

*year on year

The share of export sales in clothing industry has declined from 64.4% to 60.1%, while in textiles the share of export sales amounted to 81.5% (2018: 75.0%).

The number of companies in staff categories

Branch	Year						Total
		0 or unknown	1-9	10-49	50-249	> 250	
Textiles	2018	877	1490	121	33	6	2527
	2019	797	1679	118	31	4	2629
Clothing	2018	985	2790	246	57	11	4089
	2019	712	2979	246	60	10	4007

2. Factors influencing the textiles/clothing sectors and their evolution

2.1 Domestic demand

The actual final consumption of households was up by 4.1% in 2019. In terms of volume, retail sales in shops increased by 9.2% in 2019 year-on-year. Retail sales of clothing and home textiles increased less than retail sales overall, as it follows:

Év	Retail sales (without cars)		Sales for apparel		Sales for home textiles	
	Value MHUF	Index %	Value MHUF	Index %	Value MHUF	Index %
2018	11 002 448	109.8	653 236	113.7	93 620	117.5
2019	12 018 462	109.2	707 597	108.3	98 660	105.4

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Association of Hungarian Light Industry – AHLI

The share of textiles (incl. domestic textiles) and clothing slightly decreased in overall retail sales after continuous increase in the last six years:

Year	2008	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Share	4.75	4.77	4.77	4.44	4.63	5.30	5.98	6.28	6.53	6.79	6.71

2.2 Exports-Imports

The following table gives data for foreign trade in value at frontier:

Product according to CN	2019			2018		
	Export MEUR	Import MEUR	Balance MEUR	Export MEUR	Import MEUR	Balance MEUR
XI. Textiles and textile goods	1520	2694	-1174	1413	2670	-1257
61 Apparel knitted	384	830	-446	367	842	-475
62 Apparel not knitted	271	583	-312	249	604	-355
63 Other made-up* (home) textile articles	133	204	-71	106	183	-77

* exl. second hand apparel and waste

There was only a slight change in both import and export. In Hungary, the trade balance of the T/C industry was a bit better than in 2018.

2.3 Prices

At an annual level, industrial producer prices (measured in HUF) were 2.3% higher than in 2018, the producer prices in the T/C industry rose a significantly more. There are only slight differences by sub-sectors.

	Manufacturing	13 Textiles	14 Clothing
Export sales	101.7	104.7	104.1
Domestic sales	103.7	103.5	104.8
Total sales	102.2	104.5	104.3

Consumer prices went up by 4.0% on average, and, within this, only 0.4% more was paid for clothing and footwear.

3. Other elements characterizing the textile/clothing activity in 2019

3.1 Employment trends

In 2018, again slightly less people were employed by T/C enterprises with at least 5 employees. The figures both in textiles and clothing are by over 3% lower than in the last year.

	2013	2014	2015	2016	2017	2018	2019	Index 19/18
Textile industry	13 459	13 185	12 848	12 158	12 287	11 915	7 316	61.4
Clothing industry	18 944	18 785	17 968	20 213	18 760	18 047	20 439	113.2
Total T/C	32 403	31 970	30 816	32 371	31 048	29 961	27 755	92.6

No precise data is available on companies with fewer than five employees. Based on the Labour Force Survey, employment in the T/C industry was about 25% higher than these figures.

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3.2 Wage trends

In 2019, average gross earnings amounted to 367 833 HUF (1130.5 EUR) at corporations employing at least five persons. It is an increase of 11.5 % compared to the previous year. The average earnings in our industry were much lower: The average earnings in the textile industry were 242 054 HUF/month (744 EUR) It is 19.1 % increase in HUF compared to 2018. The average pay in the clothing sector was – as usual – even lower: 214 665 HUF/month (660 EUR). It is an increase of 13.8 % compared to 2018.

4. Evolution in textile/clothing activity during the first months of 2020 and future prospects

Branch	Indices (100: Jan-Feb of previous year)							
	Domestic sales		Export sales		Total sales		Production	
	jan-febr.	jan-apr.	jan-febr.	jan-apr.	jan-febr.	jan-apr.	jan-febr.	jan-apr.
Industry as a whole	97.7	94.6	105.1	89.4	102.5	91.2	103.5	90.9
Manufacturing	97.8	91.8	105.4	89.4	103.4	90.0	103.8	90.6
Textiles	107.3	102.1	89.4	87.6	92.2	89.9	96.1	91.8
Clothing	86.7	91.0	92.5	85.2	90.4	87.3	88.8	87.6

The figures of this table show the slowdown of production and sales due to coronavirus outbreak. AHLI (and other organizations separately) conducted a poll in the end of March. The answers arrived mainly from smaller companies. 92% of these companies are concerned seriously or very seriously about corona crisis. 74% announced a drop in production by over 50%. Half of respondents do not expect to reach the earlier level of turnover within a year. It is probable that many of micro- and small companies will close their businesses.

ITALIAN TEXTILE-FASHION IN 2019-2020

According to the sectoral budget prepared by the Studies Centre of Confindustria Moda for Sistema Moda Italia, the Italian textile-fashion industry closes 2019 with a turnover of 1,8% compared to the figures recorded in 2018. Sector turnover is therefore 55.946 million euros, earning just over 970 million compared to the previous year. The dynamics highlighted in terms of turnover are therefore slightly lower than the pre-results data previously released by SMI, when a change of 2,1% was expected. The sector *performance* has had an impact on the fairly confirmed tone of exports, while the domestic market is falling back to a non-marginal extent as indicated by the estimates on apparent consumption.

Regarding employment, there is a decline at a worse rate than in 2018 (-1,1%): the total number of employees is falling below 394,000 units. Companies are still falling by -1.9%.

Table 1.1 - The Italian Textile- Clothing & Fashion Industry (2013-2019)
(Current Million Euros)

	2013	2014	2015	2016	2017	2018	2019
Turnover	50 726	52 065	52 398	52 846	54 069	54 972	55 946
Var. %		2,6	0,6	0,9	2,3	1,7	1,8
Value of Production	35 438	35 134	34 500	34 528	35 142	35 008	34 501
Var. %		-0,9	-1,8	0,1	1,8	-0,4	-1,4
Exports	27 414	28 467	29 056	29 555	30 595	31 458	32 753
Var. %		3,8	2,1	1,7	3,5	2,8	4,1
Imports	17 868	19 299	20 344	20 617	21 007	21 694	22 211
Var. %		8,0	5,4	1,3	1,9	3,3	2,4
Trade Balance	9 545	9 168	8 712	8 938	9 587	9 764	10 542
Var. %		-3,9	-5,0	2,6	7,3	1,8	8,0
Apparent Consumption	25 893	25 965	25 788	25 590	25 555	25 243	23 959
Var. %		0,3	-0,7	-0,8	-0,1	-1,2	-5,1
Number of Companies	48 589	47 619	47 079	46 608	46 073	45 558	44 688
Var. %		-2,0	-1,1	-1,0	-1,1	-1,1	-1,9
Employees (k)	412,3	406,4	402,9	399,6	400,1	398,1	393,7
Var. %		-1,4	-0,9	-0,8	0,1	-0,5	-1,1
Structural Indicators (%)							
Export/Turnover	54,0	54,7	55,5	55,9	56,6	57,2	58,5
Import Trend (based on Turnover)	43,4	45,0	46,6	47,0	47,2	48,0	48,9

Source: Confindustria Moda based on ISTAT, Movimprese, Sita Ricerca and Indagini interne data

Federazione Tessile Moda – SMI



While looking more closely at the Turnover, the average supply chain results summarize the dichotomic performance of the two main macro-sectors: the overall *Turnover* of Textile is down by -3.9% while for Clothing & Fashion grows by 4.8%. Clothing & Fashion in this Report includes clothing in fabric, outer and intimate knitwear, knitted fabric, hosiery and buttons. Therefore, the upstream Turnover goes just under 19.7 billion euros, while the downstream Turnover exceeds 36,1 billion. In 2019 foreign textile sales decreased by -2.6% while those generated downstream accelerated the rate of increase by 7.4% each year. As detailed further in the analysis, internal market in terms of the supply chain intermediate demand has proven unfavorable for both macro-sector as well as in terms of the of Italian households' final consumption.

The value of variable production which estimates the value of Italian production net of marketed imported products, experienced a decline during 2019 leading to a change of -1,4% compared to 2018. More specifically, the value of production for the upstream supply chain industry shows a negative dynamic of -3.8% while the downstream recovers positively moving up to 0.6%.

As mentioned above, the industry loss of companies and employees have not stopped in 2019. In particular, based on the study carried out for SMI by the Centre for Industrial Fashion Studies (originated by data from the Italian Chamber of Commerce) companies show an average annual contraction of -1.9% corresponding to about 870 units being discontinued which leads to an estimate of almost 44.688 industrial and non-industrial companies being currently active. On the labor market front, employment counts about 393.700 units following an average decrease of -1.1% which corresponds to an employment loss of almost 4,400 workers. Company closure happened both upstream (-2,3%) and downstream (-1,8%) of the supply chain. Manpower was also reduced in both sectors albeit at different rates: the clothing industry contains the downturn at -0.2% alike in 2018 while the textile industry closed at -3.2%.

In order to complete the overview on the labor market this paper presents an update on authorizations for cash intervention on salaries. Following 5 years of decrease, in 2019 the total hours of redundancy hours authorized raised by 21.4%. The authorized interventions amounted to about 15,2 million hours. See Table 1.2. Such increase is in line with that recorded at National level for all sectors or at about +20.2%.

Table 1.2 – Redundancy funds interventions (2013-2019)

(Thousands of authorized hours)

	2013	2014	2015	2016	2017	2018	2019
Textile-Clothing and Fashion	82,684	64,419	43,411	37,218	22,200	12,496	15,176
<i>Var. %</i>		-22.1	-32.6	-14.3	-40.4	-43.7	21.4
Textile	46,234	35,071	23,978	18,374	11,120	7,367	10,641
<i>Var. %</i>		-24.1	-31.6	-23.4	-39.5	-33.8	44.5
Clothing & Fashion	36,450	29,348	19,433	18,844	11,080	5,130	4,535
<i>Var. %</i>		-19.5	-33.8	-3.0	-41.2	-53.7	-11.6

Source: Confindustria Moda on INPS data

While the change in permits for textile companies grew by 44.5% variation compared to the previous year, the number of redundancy hours allowed in clothing was down by -11.6%. In

Federazione Tessile Moda – SMI



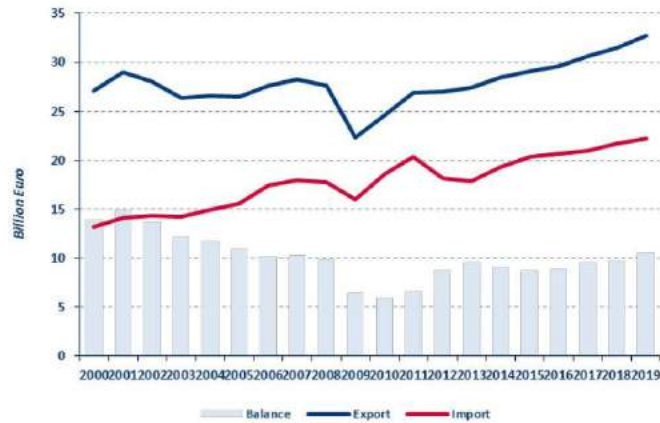
addition, 70.1% of the hours allowed concerned textile companies while the remaining 29.9% regarded clothing-fashion companies. Moreover, almost 80% involved labor manpower. Both the ordinary and the extraordinary components have increased respectively up to 31.1% and 10.6% although the latter suffers from the depletion of the waiver fund by -72,5% following its dissolution.

Looking at the apparent consumption which captures both the intermediate supply chain demand as well as the final consumption of Italian households for 2019 the Centre for Fashion Confindustria Studies analysis still indicates a negative dynamic equal to -5.1%. Looking at the national market, the *sell-out* of Textile-Clothing related to Italian resident families remains since more than a decade on a negative trend. The analyses conducted by Sita Research indicate a specific change of -2.5% in the current calendar year. However, as most widely illustrated in Chapter 4 there are some positive dynamics both at the level of certain types of products and in terms of distribution which go beyond the sector average. For example, regarding distribution channels *e-commerce* has moved up, experiencing an increase in the intermediate *sell-out* of 7.3% for the period including P/E 2019 to A/I 2019-20. In fact following the overtaking of independent detail in 2012, distribution chains held a growth of 1.7% as well as a share of 44.5% of the national market.

The foreign trade analysis shows that import and exports in 2019 have remained overall positive, despite the dichotomic trend within the two-supply chain macro-sectors. Imports grew by +2.4% for a total of 22.2 billion euros. However, in the case of textile production alone, there was a decrease of -2.1% compared to the levels of 2018, while for finished garments there was a lively growth of + 4.5%. Thanks to an increase of 4.1% foreign sales exceeded 32.7 billion euros therefore ensuring a 58.5% impact on the total *turnover*. However, upstream exports fell by - 2.4% while downstream exports marked a more than discreet 7.4%.

The combined effect of outbound and inbound trade flows from our country led to a new improvement in the foreign *surplus* in 2019. The balance exceeded the threshold of 10.5 billion earning 778 million in the twelve months. Therefore, the sector surplus contributed to 10.1% of the national manufacturing industry balance. Despite this, the two macro-sectors have once again opposite results: Textiles record a contraction of the trade surplus with foreign countries by -133 million while the Clothing & Fashion sees an increase in the *surplus* of 911 million.

Figure 1.1 - Italian Textile-Clothing & Fashion Foreign Trade (2000-2019)
 (Billions of current euros)



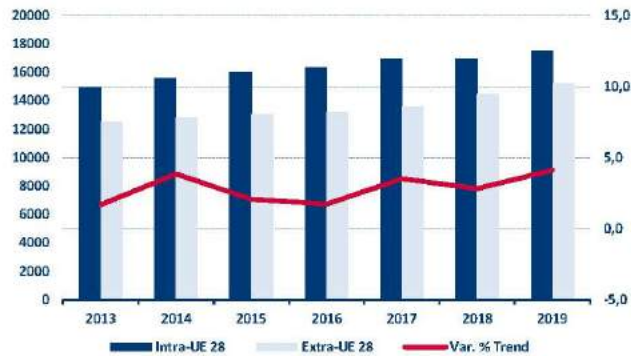
Source: Confindustria Fashion on ISTAT data

With regard to the “geography” of Foreign Trade for Textile-Clothing & Fashion, in 2019 direct exports to the EU which were 53,6% of the world total grew by 3.3% while exports to non-EU areas (46,4%) were on a rate of 5,1%. On the import side the EU area increased by 3.3% while flows from non-EU areas which accounted for 54.8% of the total, rose by 1.6%.

Now looking at the analysis of foreign sales by destination country it is worth mentioning that Germany and France confirm to be the primary two markets of the Italian Textile & Clothing & Fashion in 2019, marking an increase of sales by 1,4% and 6.2% respectively. Switzerland, the main hub for subsequent re-export to other markets rose to third place and it grew at a double-digit pace (+33,3%) witnessing the appreciation of Italian productions received across the border, where they are re-directed. The favorable *trend* in the United Kingdom continued rising by 10.9%. Compared to 2018 Spain also returned positive scoring a 2.0%. Regarding non-European markets, exports to the United States which is the fifth largest market and the second non-EU market after Switzerland, closed the year up by an increase of 5.9%. Looking at the Far East, Hong Kong and China recorded respectively a dynamic of -6.9% and 2.8% worth almost 3 billion euros which if combined would move them into third place behind only Germany and France. Still in the *Far East*, exports to Japan remained on a positive *trend* registering an increase of direct exports of 9.8%. On the other hand, South Korea experienced a change of 11.7% which was in line with 2018 records. Following 2017 resumption (+10.9%) and 2018 settling (-0.4%) Russia is down to tenth place with a reduction -4.2% bringing the total to 990 million.

Fig. 1.2 - Italian foreign trade of the Textile Clothing & Fashion (2013-2019): intra and non-EU exports
(current euro billions; var. % trends)

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Source: Confindustria Fashion from ISTAT data source

With regards to supply partners China remains firmly in the first place even in 2019 as it has been now for a decade with a *share* of 19.2% of the total supply although marking a weak 0,7%. Following an increase in 2018, Imports from France flex by -8.6%. On the opposite, Spain is back positive - with a dynamic of 17.3% and therefore it surpasses Bangladesh which is still growing by + 5.7%. Germany and Turkey respectively follow up by + 2.6% and + 1.3%. Romania on the other hand records -0.6%. With regard to nations transiting Asian goods such as the Netherlands and Belgium, they both grow respectively by 14.2% and by 7.6%. On the other hand, supply from India moved down to -6.1%.

If you compare the Textile-Clothing & Fashion industry with the total Italian manufacturing sector for 2019, you can confirm its key role played within the country's economy (cf. Tab. 1.3.1 and Tab. 1.3.2). In 2019 the enlarged Textile- Clothing & Fashion sector (which according to the ISTAT classification introduced in 2011 includes leather goods and footwear) has in fact contributed to 9.4% of the product value of the national manufacturing industry and to 12.5% of its employment. In addition, the impact of Textile- Clothing & Fashion's foreign sales on total manufacturing exports was 7.2%.

Table 1.3 - The role of Textile Clothing & Fashion in Italian industry: weight on manufacturing (2019)

	Weight(%)
Added Value (*)	9.4
Employment (*)	12.5
Exports	7.2
Trade Balance	10.1

^(*) including Leather & Footwear
 Source: Confindustria Moda on ISTAT data

With regard to the trade balance, the Textile-Clothing & Fashion industry remains among the manufacturing sectors with trade *surpluses* in foreign markets: beyond the data on Machinery which generates alone a surplus of 50.7 billion euros the Textile-Clothing& Fashion has a balance of 10.5 billion in front of other strategic *Made in Italy* sectors such as food and drinks (8.1 billion), furniture-furnishing (7.6 billion), goldsmith- jewelry (5.0 billion) or eyewear (2.5

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billion). Besides Textile-Clothing & Fashion contributes 10.1% of Italy's manufacturing trade balance.

Tab. 1.4 - The role of Textile- Clothing& Fashion in Italian industry: Trade Balance (2019)¹

Manufacture Industry Sectors	Billion Euro
Machinery & Equipment n.e.c.	50.7
Leather	13.8
Metal products, excluding machinery and equipment	11.3
Textile-Clothing & Fashion	10.5
Food & Drinks	8.1
Furniture & Decoration	7.6
Other means of Transport	6.7
Other non-metallic mineral processing products	6.1
Rubber & Plastics	6.0
Electrical equipment and non-electrical household appliances	5.4
Goldsmith-silverware-jewellery	5.0
Coke and petroleum refining products	4.2
Pharmaceutical	3.6
Eyewear	2.5
Publishing	0.0
Tobacco	-0.6
Paper	-0.6
Timber	-1.5
Other Industries	-3.3
Metallurgy	-4.8
Motor vehicles, trailers and semi-trailers	-6.5
Chemical products	-7.6
Computer, electronic and optical products; electro-medical apparatus,	-12.4
Manufacture Industry	104.2

Source: Confindustria Fashion. ON ISTAT data

Shifting the focus to the European level, according to Euratex's estimates the Textile-Clothing & Fashion industry in 2019 generated a turnover of around ²161.6 billion euros showing a slight decrease on an annual basis by -1.8%. In this context Italy continues to boast a record: 28.0% of the companies operating in the sector are located in our country and they are able to generate 34, 6% of the total turnover (Fig. 1.3).

Fig. 1.3 - Italy's role in the EU's Textile-Clothing & Fashion ³(2019)

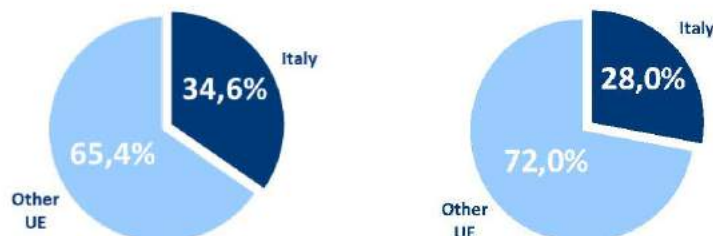
Fig. 1.3.1 – Turnover (% of total)

Fig. 1.3.2 - Enterprises (% of total)

¹ Excluding the sectors represented by Confindustria Moda (leather, goldsmith, eyewear and textile-moda itself) the calculation of the trade balance is based on the ATECO classification of manufacturing activities ("C").

² As of 2019, Euratex aggregated figure for the EU no longer includes the UK.

³ See Note 2.



Source: Confindustria Fashion on EURATEX data

When analyzing the latest data available on an international scale for worldwide comparison among nations, in 2018 Italy confirms to be at current value the fifth largest exporter of Textile-Fashion & Clothing after China, Bangladesh, Vietnam and Germany ahead of India and Turkey. The Italian share accounted an average of 4.4% of the world's exports for the sector divided by 3.7% in Textiles and 4.9% in Clothing & Fashion.

Table 1. 5 - The positioning of Italian Textile-Clothing & Fashion sectors on foreign markets (2018)

Sector	Italy - Share of world exports		Italy -World ranking	
	2018 (%)	Var. 14-18	2018	2014
Wool yarns and fabrics	30.5	1.7	1	1
Cotton yarns and fabrics	3.2	-0.5	7	6
Silk Fabrics	18.0	1.6	2	2
Home Textile Products	1.1	0.0	16	14
Clothing	5.8	-0.3	4	2
Knitwear	4.0	0.3	5	6
Hosiery	6.2	-1.5	3	3

Source: Confindustria Moda on ITC - Trade Map data

More in details, Italy has kept being the world's largest exporter of yarns and wool fabrics with a 30.5% share of world sector exports (see Table 1.5) recording as well in 2014-18 an increase of 1.7 percentage points. Even in additional sectors where international competition has been more aggressive and direct, Italy remains a main *player*. Italy is the second largest exporter of pure silk fabrics with an 18.0% share of the world *trade* sector and third in the case of hosiery with a share of 6.2%.

The manufacture of fabric clothing where Italy holds a share of 5.8% records the fourth place. With regard to knitwear production, Italy holds the fifth place with a *share* of 4.0% while the cotton industry holds the seventh place while covering only 3.2% of its global *trade as a segment*. Finally, regarding home textiles Italy takes the 16th place with a share of 1.1%.

In addition to growth in the wool sector, during the monitored period of 2014-2018 there were also increases of shares respectively in silk fabrics by 1.6 percentage points and knitwear by 0.3

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percentage points. The percentage for home textiles was stable, while fabric clothing and hosiery have lost -0,33 and -1,5 points respectively. In the same period, the cotton mill industry fell by -0,5 points.

Another analysis that confirms Italy's strategic role in the international scene concerns its privileged position as a supplier of Textile-Clothing & Fashion to important partners in the world's major economies. Looking at the structure of the Textile- Clothing & Fashion imports that characterizes these nations, it emerges the importance of business relations with Italian companies which always occupy leading positions (See Table 1.6).

Regarding its main EU partners, in 2018 Italy is also the second largest supplier of Portugal, the third for France, the fourth for Germany and the United Kingdom and the fifth for Spain. Italy covers a share of 11.3% of Portuguese Textile-Fashion & Clothing imports, of 8.8% in the case of France, of 7.3% for Spain and finally of 6.2% for the United Kingdom and Germany.

In the case of the USA, in tenth place, Italy provides only 1.8% of sector imports, but it remains the European partner of choice given the wide gap compared to other European nations whose imports to the USA are much lower than the Italian one (e.g. Germany has an incidence of 0.7%, Portugal and France by 0.4%). For Switzerland, Italy is the third largest partner behind China and Germany with a share of 11.4%. Russia's fifth supplier, it accounts for 6.1% of the sector's imports while for the United Arab Emirates the share is 4.8%.

Table 1. 6 - Italy's positioning as a Textile-Fashion & Clothing supplier to its main commercial partners (2018-2014)

Country	Italy -Import Share of Textile-Clothing & Fashion		Italian Ranking in Textile-Clothing and Fashion Suppliers	
	2018 (%)	Var. 14-18	2018	2014
France	8.8	-1.1	3	2
Spain	7.3	-0.1	5	6
Portugal	11.3	-0.7	2	2
Germany	6.2	-0.2	4	4
United Kingdom	6.2	0.7	4	5
USA	1.8	-0.1	10	10
Turkey	5.5	-0.1	4	6
Switzerland	11.4	-0.9	3	3
Russia	6.1	1.2	5	4
United Arab Emirates	4.8	0.2	5	3
Hong Kong	8.7	1.9	2	2
China	5.8	1.4	7	10
Japan	2.8	0.2	6	4
South Korea	4.4	0.7	4	5

Source: Confindustria Moda on ITC data - Trade Map

Looking at the Asian markets, Italy is the second largest supplier of Textile-Fashion in Hong Kong with an impact of 8.7% of the total import share. In the case of China, it holds the seventh place with a share of 5.8%. It should be noted that from 2014 to 2018 Italy gained three positions in this market. Japan has a 2.8% share while South Korea takes 4.4%. In those two countries Italy is respectively sixth and fourth partner. However, Italy is the first undisputed European partner

for the aforementioned Asian markets as well as for the USA surpassing by a wide margin other competitor from the Old Continent.

In order to complete the export values analysis, this paper looks at the Compound Competitiveness Index developed by the *International Trade Centre* that is, the *Trade Performance Index* which combines the value of exports with other variables (i.e. exports per *capita*, diversification/concentration of product, diversification/concentration of the market, share on national exports, share of world exports). In 2016 Italy was the first nation out of 127 in the ranking prepared for Clothing&Fashion and the second out of 131 in the ranking prepared for the Textile sector ⁴, which was the latest available year at the closing date of this Report.

Before concluding the overview of the sectoral budget of Italian Textile-Clothing&Fashion drawn up for SMI by the Centre for Industrial Fashion Studies in collaboration with the University of Cattaneo-LIUC, the final part of this chapter would usually give an overview of the forecasts for the current year. However, due to the Covid-19 health emergency outbreak such predictions which were drawn up only a few weeks before the “*D-day*” are no longer current nor would they make any more sense as being based on a completely disrupted scenario. Although already reckoning for the first half of the year a⁵decline linked to the slowdown that emerged in the second part of 2019, the extend of the estimate is far from what has occurred in Italy and the rest of the world.

Therefore it is more useful to present some data relating to Sample Survey on covid 19 impact on the sector carried out in April by the Study Centre of Confindustria Moda with the participation of the federated associations member companies and which focused particularly on the first quarter. This analysis aimed to provide a first timely assessment of the problems faced by companies and the immediate economic damage they suffered. The Textile-Clothing companies which participated accounted for 28% of the total “Textile, Fashion and Accessory” ⁶: in 65.0% of cases they were from textiles while the remaining 35.0% are active in the the supply chain downstream.

Regarding the organization of work, in the midst of a health emergency, about 95.0% the Textile-Clothing companies in the sample provided for the use of social shocks involving in 65.0% of cases more than 80.0% of workers. Anywhere the type of activity allowed it, 80.0% of the sample companies activated smart-working.

In the first quarter of 2020, 42.0% of respondents reported a fall in turnover of between -20% and -50%. 28.0% registered a fall of between -10% and -20% while another 7.0% fell by more than -50%. The average decline in turnover was -25.4% compared to -36.2% on average for Textiles, Fashion and Accessories.

⁴ For more information, see <https://tradecompetitivenessmap.intracen.org/tpic.aspx>

⁵ In the light of the international macroeconomic framework developed by the International Monetary Fund and the ECB. The econometric model envisaged a turnaround for the sector. According to the simulations SMI-LIUC in January-June 2020 turnover sector was expected to be down -0.3% compared to the first six months of 2019. More in detail, with reference to the two macro-sectors of the supply chain, the Textile should have experienced an evolution of -1.9%. Clothing&Fashion was instead expected Equal to +1.5%. Export ed import although in deceleration compared to 2019 were expected to keep in the positive area. Against a slight decrease in the number of companies, the number of employees was considered substantially stable.

⁶ This aggregate is composed of the following sectors: tanning, footwear, leather goods, goldsmithing, eyewear.

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Concerning orders, 49.0% of respondents reported a fall in the collection orders of between -20% and -50% compared to the same period of the last year while 29.0% recorded a bending between -10% and -20%. By weighing individual responses with the company size, the average decline in orders recorded is -29.2% compared to -40.5% of the overall Textile Fashion and Accessories.

Figure 1.4 – The Italian Textile-Fashion& Clothing industry: impact of the Covid-19 emergency in the first quarter of 2020 (Var. % trend, January-March 2020/January-March 2019)

Figure 1.4.1 – Invoiced

- Below -10%
- Between -10% and -20%
- Between -20% and -50%
- Above -50%

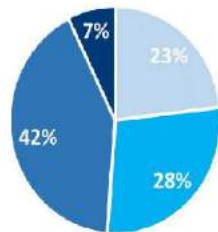
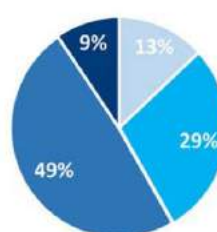


Fig. 1.4.2 – Orders

- Below -10%
- Between -10% and -20%
- Between -20% and -50%
- Above -50%



Finally, on the closing date of this Report, ISTAT data on foreign trade limited to the first three months of the year indicate a decrease of -6.2% and an import falling by -9.3%. These dynamics translate into -7.6% export side and -11.5% import side for Textiles while for Fashion & Clothing the decline in sales is by -5.6% and for imports it is of -8.3%. Looking at the outlet markets, while the EU (excluding UK) falls by -4.3%, the non-EU loses -8.0%. Hong Kong and China were among the most difficult markets, down to -24.2% and to -25.9% respectively. The same import from China suffers a loss of -11.7% which is associated with a loss of -6.1% from the Netherlands and -15.5% from Belgium.

Last piece on which we want to spend a few words is about redundancy fund authorisations. Following a January-March period during which the average hours authorized were about 1,224,000 in April alone they jumped to 47,024,611 therefore more than tripling compared to 2019 and confirming what emerged in the Survey.

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The economic situation in the sector in 2019 and 2020 in the Netherlands

Sales in 2019

In 2019, the number of items sold in the fashion retail trade according to the INretail / Gfk FashionScan remained stable compared to 2018. The average price did fall by 2%. The 2% decrease in turnover can therefore mainly be explained by a lower average price. If we take a closer look at the type of sales channel, we see that the online channel has completed 2019 with a plus of 12%. The offline channel, on the other hand, has dropped by 7.5%. When we look at the specialist retailer opposite to the chains, we see that the chain stores showed a sales decline of 1.2% in 2019. The turnover of specialty stores fell by 9.4%.

The home textiles and furnishing sector achieved an average revenue growth of 5.3% compared to 2018, according to the INretail Woonwinkel monitor. If we look at the high / middle, middle and middle / low segment, we see clear differences. The medium / high segment managed to achieve a revenue growth of 8% in 2019. The mid / low segment also performed well with a 7% increase in sales. The turnover increase was the least in the middle segment (+ 3%).

The investments of companies are important for the business to business branches such as industrial textiles and industrial clothing. These grew by 6% in 2019. Many companies affiliated with Modint fall under the wholesalers in the CBS classification. The clothing and shoe wholesalers posted an estimated 4% revenue growth in 2019. Several companies fall under the textile industry. These companies were faced with a 3.2% drop in turnover in 2019 (CBS).

In 2019, the Netherlands imported some 4.4 billion in yarns and textiles and exported more, 5.3 billion. This includes carpet. Since 2012, imports and exports have increased by 43% and 28% respectively in 7 years. The share of imports from the EU did fall, from 57% in 2012 to 54% in 2019 and the share from outside the EU naturally increased accordingly. Yarn and fabric exports have started to focus more on the EU, with their share increasing from 73% in 2012 to 77% in 2019. Every year, up to 13 billion euros worth of clothing is spent in our country, and 10 billion euros is spent again. Despite the fact that the market in the Netherlands is growing little or not at all, these trade flows in clothing grow on average by 10% annually, by more than 70%, both import and export in 7 years. 95% of exports are aimed at the EU.

2020 started with a positive outlook, but...

Wages had not risen as fast in ten years as in January 2020. At the same time, prices rose much less quickly, leaving working people more money to spend on balance. The purchasing power of most workers was expected to increase this year, and people on benefits and retirees would also improve slightly. Corporate and government investments are expected to grow, despite housing investment lagging behind 2019.

BUT. The outbreak of the Corona virus has spoiled everything. Turnover of many companies dropped by tens of percentages, stocks piled up with the debt because there is a great lack of liquidity, people lose jobs, rents and other fixed costs are difficult to pay and pension funds get into problems. The clothing and textile companies are hit very hard, although shops remained open and a number of sectors such as construction are still continuing.

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However, impulses to buy clothing and textiles are often lacking. Although the government quickly came up with substantial aid packages, there was and still is no concrete prospect of when the bad situation will turn for the better for the affected companies. Retail sales of clothing were down 19% in 7 months. But the substantial losses in sales of the clothing stores and the shops selling shoes and leather goods came to an end in July. Although these stores were still struggling with a loss of turnover, that was a lot smaller than in the previous months, only around 1.5% in value. Clothing stores also contracted slightly in August. In September, both experienced a significant drop in sales, comparable to that in June, with shops selling DIY, kitchens and floors and shops selling furniture and home furnishings achieving the highest sales growth in September. These sectors are little affected by the crisis.

Online sales were 35 percent higher in September than in the same month a year earlier. This is exemplary for the development throughout the year. Online shopping has become more widely accepted in the Netherlands than in many other countries, but it does not compensate for the loss in the brick and mortar stores.

According to CBS, the total Dutch wholesaler suffered a loss of -9% in the second quarter of 2020 compared to 2019. However, the wholesaler in clothing and shoes scored -19% in the second quarter. This wholesale figure is the most representative of the many members of Modint in the clothing sector. If we look at the textile industry, we see a decline in turnover of even 34% at CBS in the second quarter of 2020 compared to the same quarter in 2019. Domestic turnover fell by 22%, exports even by 39%.

How will this develop towards 2021?

There is great uncertainty when we must describe the expectations for the Modint branches for the rest of the year. The picture we get is very diverse. Where suppliers to chain stores are still fighting over canceled orders and several fashion brands have run into problems, there are others who open stores or report that they sell less, but at better margins and thus stand out. But with the new restrictive measures introduced since mid-October, the weather is bad in many of the textile and clothing sectors.

The data below is based on the second Modint Corona member poll that closed at the end of September. In the sounds around us we notice that the mood is changing. It is urgently necessary to look at the needs of companies with partners such as VNO-NCW nationally and Euratex internationally and to lobby for specific measures.

The largest groups of companies report sales declines of up to 20% and from 20% to 40%. These groups together make up 60% of the answers, so that an average fall in turnover of 20% in 2020 is easy to imagine. Of course there are outliers downwards, but also upwards.

The answers to the revenue forecast for 2020 have shifted from the poll in June: fewer companies report sales declining 40-60%, more companies expect a decline to 20% and from 20-40%.

Fortunately, 25% of companies expect a recovery in 2021, while almost half of companies expect to remain at the same level of sales in 2020 in 2021, still significantly lower than in 2019. Almost 30% of companies have already intervened in employment this past 3rd quarter of 2020. Others expect to have to let people go later this year or 2021. More than 50% intervenes in the "flexible shell".

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Problems and opportunities?

Obtaining new orders, but also the supply of products, are experienced as the biggest problems. In addition, compliance with the 1.5 meter rules in the company and problems caused by the health of employees are often mentioned. The number of times that the problem "Payment by customers" was filled in is not that bad, compared to the results of the poll conducted by Modint in June. Back then, the stagnation of the flow of money was one of the biggest problems, but with the decline in turnover in the retail trade this threatens to happen again.

Entrepreneurs are not entrepreneurs if they do not see opportunities in this crisis situation. Investments in new business models, on other products / markets, on sustainability and on innovation are frequently mentioned. At the same time, training is mentioned remarkably little, while the government and Modint also insist on it.

In commenting on the above figures, companies say they postpone letting off people as long as possible: you need your professionals again in future. But how long is this possible? "It is mainly the uncertainty that makes it so hard ..."



POLAND

Federation of Apparel and Textiles Industry Employers – PIOT



GENERAL ECONOMIC ENVIRONMENT AND EVOLUTION OF THE TEXTILE/CLOTHING INDUSTRY IN 2019

The year 2019 is the first in four years in which we have observed a tendency to slow down the development of the clothing and textile sector in Poland. The production of the entire industry reached PLN 22.6 billion, of which textiles accounted for PLN 14.7 billion (a 2.7% increase) and clothing - PLN 7.8 billion (a 2.6% decrease). The increase in the sector's production is only 0.1% compared to 2018, when the Polish industry recorded a growth of 4%.

The average employment in the sector was 111.1 thousand people, of which 46.8 thousand worked in the textile industry (down 2.7%), and in clothing was 64.3 thousand people (down 5.3%). In the industry in Poland in 2019 employment increased by 2%.

The average salary has increased. In the textile sector it amounted to PLN 3,818.23 gross (increase by 8.50%) and in the clothing sector to PLN 3,000.15 (increase by 7.6%). In the whole Polish industry the remuneration increased by 6.6% and amounted to PLN 4 940.99 gross.

In the clothing industry investment outlays amounted to 74.7 million PLN, the decrease was as much as 25.7%, in the textile industry investment outlays reached 524.1 million PLN and increased in comparison to 2018 by 6.8%.

The pro-export character of the sector remains, however, it no longer has the dynamics of recent years. According to data summarizing the results of foreign trade for 2018, clothing and textiles are on 7th place from 21 export sections, however, export growth rate dropped from 15% in 2018 to 6.9%. In 2019, our sector accounted for 3.8% of total Polish exports. Export production is still directed mainly to the European Union markets. The largest recipient is invariably Germany. The developing markets include the USA, Canada and Japan.





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PRICE INDICES OF SOLD PRODUCTION OF INDUSTRY BY SECTIONS, DIVISIONS AND QUARTERS

SECTIONS AND DIVISIONS	2018	2019				
	quarters					
	I-IV	I	I-II	I-III	I-IV	
	corresponding period of previous year = 100					
Manufacture of textiles	101,3	103,2	102,7	101,7	101,0	
Manufacture of wearing apparel	102,5	101,9	101,7	101,5	101,4	

VOLUME INDEX OF SOLD PRODUCTION OF INDUSTRY BY SECTIONS AND DIVISIONS

YEARS, SECTIONS AND DIVISIONS		Months												
		I-XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
		monthly average of 2018 = 100												
Manufacture of textiles	2018	132,4	128,5	129,5	145,3	133,2	130,9	133,1	122,4	126,2	126,0	145,1	139,5	110,4
	2019	136,1	138,4	135,9	151,9	142,2	142,6	128,5	134,6	121,3	137,3	150,8	127,5	104,0
Manufacture of wearing apparel	2018	108,9	101,1	99,2	109,0	113,9	99,2	114,4	95,0	98,2	114,6	115,4	120,9	118,0
	2019	106,1	93,2	104,0	113,5	101,8	108,8	98,9	90,9	98,0	110,0	121,0	115,7	109,0

NEW ORDERS IN INDUSTRY^a BY DIVISIONS (current prices)

YEARS AND DIVISIONS		Months											
		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
		monthly average of 2015 = 100											
Manufacture of textiles	2018	538,5	197,3	241,2	184,2	207,0	473,6	245,4	257,6	238,7	288,8	256,8	270,9
	2019	620,1	461,7	314,9	260,0	401,4	238,8	247,9	228,8	247,1	385,0	256,4	249,5
Manufacture of wearing apparel	2018	111,8	136,8	152,1	181,8	131,6	162,0	277,0	158,5	168,8	131,2	134,8	128,3
	2019	157,0	120,7	273,3	141,3	120,2	122,1	146,8	149,1	149,9	188,5	206,7	145,7

REVENUES COSTS AND FINANCIAL RESULT FROM THE SALE OF PRODUCTS, GOODS AND MATERIALS IN INDUSTRY BY SECTIONS AND DIVISIONS IN 2019

	Net sales revenues of products, goods and materials	Cost of products sold goods and materials	Financial result from the sale of products, goods and materials	Cost level indicator from the sale of products, goods and materials	Sales profitability rate
	in mln PLN			in %	
Manufacture of textiles	11345,8	10980,8	365,1	96,8	3,6
Manufacture of wearing apparel	3747,5	3510,5	237,0	93,7	6,3



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EVOLUTION OF TEXTILE/CLOTHING ACTIVITY DURING THE FIRST MONTHS OF 2020 AND PROSPECTS

Informations on the production and order book levels during the first month of the year and indications on economic elements influencing the prospects for the textile/clothing sector.



The first two months of 2020 had a developmental trend in both the clothing and textile sectors, where companies reported 79% capacity fill and order backlogs for the next 4 months, the traditional trade was experiencing a slight downturn of - 10%, with the dynamism of Internet trade development + 17%. Unfortunately, at the beginning of March the situation changed dramatically because of Covid -19.

Losses related to the closure of shopping centres and suspension of trade in goods on a mass scale, both in domestic and foreign trade, reach hundreds of millions of PLN. Moreover, the stocks of finished products, which remain in the producers' warehouses, are growing dramatically, and the spring-summer clothing collection prepared for sale for 2020 is so de facto lost. A small increase in Internet sales does not compensate for the daily losses. Certain costs have already been incurred, financial liquidity is frozen, and orders both domestic and foreign are still cancelled. This phenomenon also extends to public procurement, which was supposed to be the engine of sustaining the economy. The paralysis of financial liquidity implies the inability to pay liabilities to employees and suppliers, as well as public and legal receivables. The sector, working on very low margins, does not have a cash supply that guarantees its survival even in a few months' perspective. The continuity of already limited production has been interrupted or significantly disrupted, inter alia due to the absenteeism of workers, mainly women who are caring for children. The supply and distribution chain of finished products was equally disrupted. The management chain is exacerbated by late and very complicated rules for the practical application in small businesses.

To illustrate the current dramatic situation in the clothing and textile industry, we present the results of the current entrepreneurs' survey, conducted by PIOT Association of Clothing and Textile Industry Employers in the last days of March this year on a sample of 400 entities. 31% of micro, 27% of small, 38% of medium and 4% of large enterprises participated in the survey.



POLAND

Federation of Apparel and Textiles Industry Employers – PIOT

Among the surveyed companies, 27% of companies indicate 100% cancellation of domestic and foreign orders, 50% indicate their decrease at the level of from 50% to 99%, 23% for a decrease of 20% to 49%. In the surveyed group, there are no companies whose order book fell by less than 20% or the current level of orders was maintained. The surveyed companies also estimated the level of production capacity utilisation for the next quarter. No decrease in production capacity utilization is declared by only 4% of the surveyed, 35% of enterprises indicate an estimated decrease in capacity utilization up to 50%, while a decrease between 50% and 99% is declared by 44% of the surveyed. As many as 16.5% of the surveyed enterprises declare a 100% decrease in capacity utilization, which means a complete suspension of production.

The enterprises also indicated actions taken towards employees in relation to with the restriction or cessation of production. 27% of the surveyed group sent employees on compulsory holidays, 71% of enterprises introduced a stoppage, the declared period of which is between 14 days and the end of an epidemic hazard or state of epidemics, with as many as 27% of enterprises that implemented a stoppage for the date of its termination indicating the date of the end of an epidemic hazard or state of epidemics. In turn, 45% of the surveyed enterprises declared employment reduction. 13% of them declare to lay off all employees, 66% of enterprises declare to reduce employment by 50%, while 21% declare to lay off below 50% of employees. Only 2% of the surveyed enterprises in the group do not declare any actions towards employees.

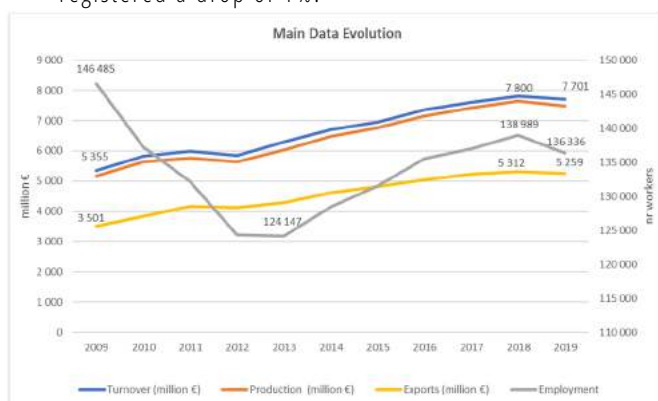
PORTUGAL



Associação Têxtil e Vestuário de Portugal – ATP

1. General economic environment and evolution of the textile industry in 2019

The year 2019 broke a 10-year cycle of growth for textile and clothing industry in Portugal. According to INE provisional data, the production of the textile and clothing industry fell by 2%, turnover fell by 1,3%, employment also decreased by 1,9% and exports registered a drop of 1%.



2. Evolution of textile/clothing activity

According to provisional data from INE, in 2019, textile industry production decreased by 2,5% and turnover by 3,3%. Clothing industry was less affected, decreasing its production by 0,7% and its turnover by 0,1%.

Turnover (million €)				
	2017	2018	2019	Evol. 19/18
Textile Industry	3 719,3	3 801,2	3 706,6	-2,5%
Clothing Industry	3 877,8	3 998,8	3 994,3	-0,1%
Total T&C	7 597,1	7 800,0	7 700,9	-1,3%

Production (million €)				
	2017	2018	2019	Evol. 19/18
Textile Industry	3 636,3	3 722,5	3 600,9	-3,3%
Clothing Industry	3 788,5	3 915,5	3 886,5	-0,7%
Total T&C	7 424,8	7 638,0	7 487,4	-2,0%



According to provisional data from INE, in 2019, textile industry production decreased by 2,5% and turnover by 3,3%. Clothing industry was less affected, decreasing its production by 0,7% and its turnover by 0,1%.

Apparent Labour Productivity (thousand €)				
	2017	2018	2019	Evol. 19/18
Textile Industry	23,2	23,1	23,3	1,1%
Clothing Industry	14,2	14,8	15,0	1,5%

The provisional data on gross value added also points a slight drop of 0.5% in the sector.

Gross Value Added (million €)				
	2017	2018	2019	Evol. 19/18
Textile Industry	1074,2	1102,0	1098,1	-0,3%
Clothing Industry	1278,9	1347,1	1338,4	-0,6%
Total T&C	2 353,1	2 449,0	2 436,6	-0,5%

3. General economic environment and evolution of the textile industry in 2019

Exports and Imports

According to provisional data provided by INE, 2019 ended with a slight drop in exports of textiles and clothing of around -1%.

In total, we exported 5,3 million euros, of which 60% represent clothing items, 26% are textile raw materials, including yarns, fabrics and technical textiles, while 14% is related to home textiles and other made-up textile articles.

T&C Exports			
million euros	2019	Evol.	Share
Textiles (except Home Textiles)	1 372	-0,6%	26%
Clothing	3 161	-0,8%	60%
Home Textiles and other made up articles	727	-2,4%	14%
TOTAL	5 259	-1,0%	100%

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Associação Têxtil e Vestuário de Portugal – ATP



Main Clients

<i>million euros</i>	2019	Evol.	Share
Spain	1 622	-4,3%	31%
France	679	2,6%	13%
Germany	438	-3,0%	8%
UK	394	-1,4%	7%
USA	340	5,4%	6%
Italy	328	-0,7%	6%
Netherlands	230	4,2%	4%
Sweden	105	-4,6%	2%
Belgium	99	-3,9%	2%
Denmark	77	-3,1%	1%
Intra UE (28)	4 373	-1,9%	82%
Extra UE (28)	939	3,3%	18%
TOTAL	5 259	-1,0%	100%

Spain continues to be the main export destination (representing 31% of total exports) but it was also the one that registered the biggest breakdown (less 73 million euros (-4,3%)).

In opposite terms and with a great positive prominence, exports to the USA (+5,4%) and to France (+2,6%) increased 17 million euros, as well as to Turkey, to which we exported more 11 million euros (+ 47.4%).

Canada has also been importing more Portuguese products marking an increase of 6 million euros (+12%).

Destinations with the greatest growth in absolute terms

<i>(growth in million euros)</i>		<i>Evol.</i>
USA	17,3	5,4%
France	17,1	2,6%
Turkey	11,0	47,4%
Netherlands	9,3	4,2%
Canada	5,5	11,6%

Imports of textiles and clothing increased by 3,6% in 2019, mainly due to the import of clothing, which represents 53% of the imported value and which increased by 7,6%.

The total value of imports of textiles and clothing was 4.476 million euros.

T&C Imports

<i>million euros</i>	2019	Evol.	Share
Textiles (except Home Textiles)	1 834	-1,2%	41%
Clothing	2 370	7,6%	53%
Home Textiles and other made up articles	272	4,3%	6%
TOTAL	4 476	3,6%	100%

Spain represents around 36% of Portuguese textiles and clothing imports, having been one of the suppliers to register the highest growth in absolute terms (more 43 million euros; + 2.8%).

Main Suppliers

<i>million euros</i>	2019	Evol.	Share
Spain	1 590	2,8%	36%
Italy	544	11,1%	12%
China	354	12,4%	8%
Germany	323	3,1%	7%
France	271	-3,3%	6%
India	232	-4,8%	5%
Netherlands	160	-1,5%	4%
Turkey	144	-3,5%	3%
Pakistan	141	1,2%	3%
Belgium	117	11,8%	3%
Intra UE (28)	3 253	0,4%	73%
Extra UE (28)	1 223	16,3%	27%
TOTAL	4 476	4,3%	100%

Imports from Italy registered the highest increase in total: more 54,4, million euros (+11,1%), ranking second in the list of main suppliers.

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Associação Têxtil e Vestuário de Portugal – ATP

China became the third largest supplier of textiles and clothing in Portugal, being also one of the origins with highest absolute increase (39 million euros more, + 12.4%).

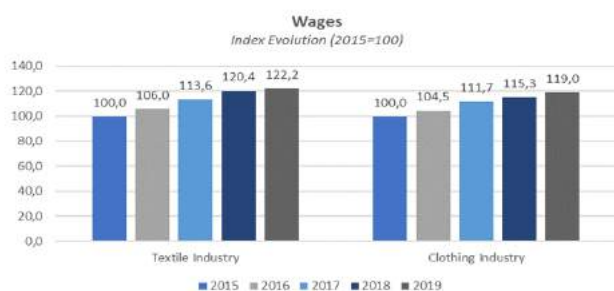
Origins with the greatest growth in absolute terms		
	(growth in million euros)	Evol.
Italy	54,4	11,1%
Spain	42,9	2,8%
China	39,0	12,4%
Morocco	14,6	42,8%
Belgium	12,4	11,8%

The balance of trade in textiles and clothing stood at 784 million euros in 2019, with a coverage rate of 118%.

Employment and wages

According to INE provisional data, employment fell by 1,5 % in the textile industry and by 2,1%% in the clothing industry. Thus, 2019 ended with 136 thousand direct jobs in the textile and clothing industry.

Employment				
	2017	2018	2019	Evol. 19/18
Textile Industry	46 466	47 738	47 041	-1,5%
Clothing Industry	90 547	91 251	89 295	-2,1%
Total T&C	137 013	138 989	136 336	-1,9%



According to INE Wages index, in 2019 wages grew by 1,5% in the textile industry and 3,3% in the clothing industry.

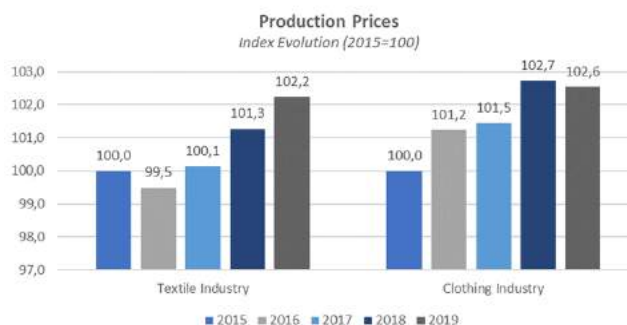
Gross fixed capital formation

According to INE data in 2019, investment (measured by the gross fixed capital formation) in the sector fell by 27,1% in textiles and by 16,7% in the clothing industry.

Gross Fixed Capital Formation (million €)				
	2017	2018	2019	Evol. 19/18
Textile Industry	243,4	235,6	171,7	-27,1%
Clothing Industry	125,3	120,8	100,7	-16,7%
Total T&C	368,7	356,4	272,3	-23,6%

Prices

In 2019 production prices registered a small increase (0,9%) for textiles and a slight decrease (-0,2%) for clothing product industry.



4. Evolution of textile/clothing activity in the first months of 2020 and prospects

The year of 2020 is being profoundly marked by the effects of the pandemic right away on the consumption of textiles and clothing and consequently on the industry. Although some companies had started to produce individual protective equipment and textile masks to protect from COVID, the truth is that until August, main indicators reveal a breakdown of 20% in turnover,

PORTUGAL



Associação Têxtil e Vestuário de Portugal – ATP

31% in production and 4% in employment in the clothing industry, while in the textile industry production fell by 13%, turnover fell by 17% and employment by 2%.

Index Evolution

Textiles	Jan.-July 20/19	July 20/19
Turnover	-17%	-4%
	Jan.-Aug. 20/19	August 20/19
Production	-13%	21%
	Jan.-Aug. 20/19	August 20/19
Employment	-2%	-3%

Index Evolution

Clothing	Jan.-Aug. 20/19	August 20/19
Turnover	-20%	-22%
	Jan.-Aug. 20/19	August 20/19
Production	-31%	4%
	Jan.-Aug. 20/19	August 20/19
Employment	-4%	-4%

In the first eight months of 2020, textile and clothing exports fell by 13,5% and imports by 15,6%.

T&C Industry Exports

	million euros	Jan.-Aug. 2020	Evol.	Share
Textiles (except Home Textiles)		823	-13,2%	27%
Clothing		1 723	-19,0%	56%
Home Textiles and other made up articles		517	11,2%	17%
TOTAL		3 063	-13,5%	100%

T&C Industry Imports

	million euros	Jan.-Aug. 2020	Evol.	Share
Textiles (except Home Textiles)		940	-21,7%	39%
Clothing		1 093	-26,7%	45%
Home Textiles and other made up articles		389	117,4%	16%
TOTAL		2 422	-15,6%	100%

In general terms, there is great uncertainty for the coming months, and it is not possible to estimate when and in what conditions the resumption of activity will take place.

SWITZERLAND

swiss TEXTILES

Swiss Textiles

Textile industry

General economic environment and evolution of the textile industry in 2019

Switzerland's competence centre for textile solutions is facing the ongoing uncertain times by remaining calm and adopting an attitude of flexibility and patience.

Week after week, threats of punitive tariffs on Twitter alternated with reconciliation posts, the UK's exit from the EU was postponed several times at the last minute, Germany's industry sector began to falter and the relationship between Switzerland and the EU weakened somewhat. 2019 was full of uncertainties for Switzerland's globally oriented textiles and clothing industry. An economic slowdown was unavoidable in the first half of the year. The evaluations of the capacity utilisation, general business situation and order volume were significantly decreasing and exports of textiles and clothing were negative.

But the situation improved towards the end of the summer and the indicators pointed to a period of recovery. Exports of technical textiles increased again in the second half of the year, while clothing exports remained more or less unchanged.

The value-added forecasts for the textiles and clothing segments (plus 1.4 percent and minus 0.2 percent respectively) indicate that the industry ended the year on a relatively mild note.

In 2017, the wholesale clothing segment, which is driven by online trade and shopping tourism, experienced something of a respite and recorded a pleasing plus of 2.8 percent. The wholesale textiles segment also fared well in 2017, posting extremely strong growth in excess of 15 percent. With an average euro/Swiss franc exchange rate of 1.11, it is likely that positive currency effects played a central role here. At the same time, the number of employees as well as companies fell during 2017.

Thus the pie grew larger, but there were fewer consumers. The market correction is still in progress in both the textiles and the clothing segment. However, the most recent unemployment figures (as of December 2019) present grounds for optimism after improving significantly versus the prior year.

Factors influencing textiles & clothing and their Evolution

Exports and Imports

Textile exports fell by 6.6 percent as a result of lower global demand and the repeated devaluation of the euro versus the Swiss franc. Nonetheless, there were some success stories: for example, exports of nonwovens – a subcategory of technical textiles – increased by 3.4 percent. Swiss nonwovens are frequently used as filters in industrial manufacture. Overall, exports of technical textiles were down in the first half of the year, but picked up again in the second half and ended the year under review with a minus of 1.7 percent. With one exception, there were no positive demand impulses from the ten principal export destinations. Surprisingly, that exception was none other than the UK. The increase in demand here cannot be attributed to the weak pound, but perhaps it can be explained through precautionary buying because of Brexit.

Textile imports fell by 3.4 percent in terms of value. On the one hand this can be attributed to the renewed strengthening of the Swiss franc versus the euro, which led to lower import prices. And on the other hand, the reduced export activity resulted in weaker demand for preliminary products. Among the ten principal sourcing countries, only the USA countered the trend: here, textile imports rose by 8.8 percent, thanks to increased demand for chemical yarns (+ 38 percent) and knitted fabrics (+ 16 percent). In a continental comparison with a share of 75 percent of Switzerland's textile imports, Europe is still well ahead of Asia (21 percent).

SWITZERLAND

SWISS TEXTILES

Swiss Textiles

Clothing exports closed out the difficult year with a minus of 3.0 percent. Meanwhile, the European markets proved to be reliable: the share of clothing exports to Europe rose to 64.6 percent, while the share of exports to Asia fell from 29 percent in the previous year to around 25 percent.

Demand from the most important Asian overseas countries fell sharply. Without adjustments (i.e. including re-exports), clothing exports increased by 6.0 percent. Re-exports increased again (by 11.3 percent), though at a slower rate. The proportion of re-exports in comparison with total clothing exports was higher again (66.1 percent) in 2019. The value of re-exports to Germany alone reached a total of 1.7 billion Swiss francs.

As expected, China still heads the list of principal sourcing countries for clothing, with imports amounting to 1.9 billion Swiss francs. However, it is uncertain whether it will be able to retain this position in the medium to long term. In the year under review, clothing imports from China increased by just one percent. Meanwhile, clothing imports from countries of Southeast Asia are posting double-digit growth rates (Vietnam, 15.9 percent; Cambodia, 12.6 percent; Myanmar, 46.2 percent). A shift towards Europe and North Africa is also possible. The strong increase in imports of Turkish clothing into Switzerland is an indicator of a possible shift in this direction. Overall, the adjusted clothing imports increased by 1.9 percent. The growth rate including re-exports was 4.0 percent.

Business Indicators

In the year under review the degree of capacity utilisation fell below the very high level recorded in 2018, and occasionally dropped below the 80 percent mark. However, the negative trend was halted in the last three months of 2019.

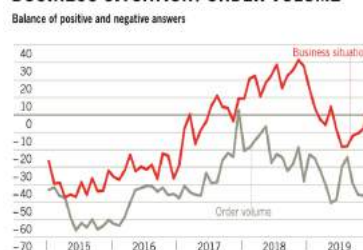
CAPACITY UTILISATION



In the year under review the degree of capacity utilisation fell below the very high level recorded in 2018, and occasionally dropped below the 80 percent mark. However, the negative trend was halted in the last three months of the year.

In the first half of 2019 the assessment of the overall business situation and order volume was increasingly negative. The downturn bottomed out in the summer and a recovery period set in.

BUSINESS SITUATION / ORDER VOLUME



In the first half of 2019 the assessment of the overall business situation and order volume was increasingly negative. The downturn bottomed out in the summer and a recovery period set in.

Foreign direct investment

In 2018, which was a favourable year for the economy, the direct foreign investment stock increased by a total of 51.9 percent, thanks to increased investments in Europe and Africa.

Unemployment rate

At the end of the year, the unemployment read of the manufacturing textile and clothing sector was 3.1 percent. Compared to the same month of the previous year, the unemployment rate rose slightly (by 0.4 percentage points). In the textile wholesale, the unemployment rate was 3.6 percent, whereas in the clothing sector it was 4.1 percent. In both sectors, the labour market situation eased slightly versus the same month the previous year.

SWITZERLAND

swiss **TEXTILES**

Swiss Textiles

Evolution of textiles and clothing activity during the first months of 2020 and prospects

The various measures that were taken, together with the promising results of the business situation, the capacity utilisation and the order volume in the fourth quarter of 2019, were reflected in the January 2020 export figures. Whereas a 4.1 percent decline in textile exports was reported in December, the sector achieved stagnation in the first quarter of 2020. The outlook was positive until the outbreak of the corona crisis. In the meantime, the industry finds itself facing a struggle for survival. The crisis was also already reflected in the figures for March regarding the business situation, order volume and unemployment rate. Especially, the assessment of the business situation fell sharply in March and there was already a reaction on the employment market. The unemployment rate rose by twelve percent in March 2020 versus the prior year. Textile and clothing exports fell by 3.9 percent and 4.9 percent respectively. The figures for the first quarter of 2020 only reflect the early stages of the crisis. According to surveys conducted by Swiss Textiles with its members, the impact on the Swiss textiles and clothing industry is severe. The main difficulties they face are the decline in orders and sales figures, and the drop in exports. Around 44 percent of the companies report procurement difficulties and 31 percent say they are experiencing liquidity problems. For the full year, over 70 percent of the companies anticipate a decline in exports by more than 20 percent. Around 40 percent of them anticipate a fall in both sales and orders by between 21 and 40 percent. Two-thirds of the companies were operating on the basis of short-time work in the second quarter. More than half have introduced savings measures and around 20 percent have cut jobs to date. Approximately half the questioned companies do not anticipate a recovery until the autumn – at least 9 months after the lockdown was imposed.

In the first half of 2019 the assessment of the overall business situation and order volume was increasingly negative. The downturn bottomed out in the summer and a recovery period set in.

TURKEY

Turkish Clothing Manufacturers' Association – TGSD , Turkish Textile Employers' Association – TTSIS
 Turkish Apparel Exporters' Association – İHKİB , Turkish Textile & Raw Material Exporters' Association – İTHİB

General economic environment and evolution of the textile/clothing industry in 2019

The global textile and apparel trade in 2019 were remarkable with the rise of protectionist trade policies pursued especially by the US towards China. Although trade talks between the US and China started in October and reached an agreement in January 2020, the so-called trade wars between the US and China influenced the oil prices and production in China which in turn created uncertainty in general.

Turkish economy registered 0.9% increase in GDP in 2019, but the 6% of increase especially in the final quarter of the year was remarkable.

Total exports continued to increase, as well as textile and apparel industry exports also recorded increase levels in Euro terms.

The production index and turnover in apparel and textile industry also recorded high increases, especially in the apparel sector, the increase rates in production, capacity utilization rates and employment were remarkable.

Evolution of Textile/Clothing activity

2019 was a year that Turkish apparel and textile industry recorded an increasing performance in many indicators, more importantly in terms of production and employment. Textile and apparel industries contribute to GDP by 6.0%, manufacturing production by 14.1%, manufacturing labor force by 24.9% and export earnings by 15.5%.

Production Index

In 2019, Turkish apparel and textile industry recorded a much higher production index increase compare to manufacturing and total industry.

	2015=100	Total Industry	Manufacturing Industry	Textile Industry	Apparel Industry
Production Index		113.6	113.3	112.8	120.6
Index Change		-0.5	-0.7	2.1	6.9

Business trends - total turnover

Textile and apparel industries have a bigger increase in total turnover compare to total and manufacturing industry averages.

	2015=100	Total Industry	Manufacturing Industry	Textile Industry	Apparel Industry
Turnover Index		196.9	207.3	212.1	201.8
Index Change		13.3%	12.7%	17.2%	18.8%

Business trends – productivity per person

The productivity per person employed is close to average of manufacturing industry in value terms.

	2015=100	Total Industry	Manufacturing Industry	Textile Industry	Apparel Industry
Productivity per person employed Index		109.9	108.5	109.3	107.8
Index Change		0.7%	0.2%	2.4%	-0.1%

Business trends – capacity utilization rates

Textile and apparel industries have a bigger increase in total turnover compare to total and manufacturing industry averages.

	2015=100	Manufacturing Industry	Textile Industry	Apparel Industry
Capacity Utilization Rates		75.90	78.65	83.78

TURKEY

Turkish Clothing Manufacturers' Association – TGSD , Turkish Textile Employers' Association – TTSIS
 Turkish Apparel Exporters' Association – İHKİB , Turkish Textile & Raw Material Exporters' Association – İTHİB

Investments

The utilization of investment promotion regime by textile and apparel industry continued to increase in 2019 in Turkish Lira terms, however with a slower increase rate compare to 2018, in which investments within the industry registered an increase ratio of 46%. In 2019, investments within the textile and apparel industry increased by 30% and registered a value of 2.1 billion Euros.

Evolution of textile/clothing activity during the first months of 2020 and prospects

The good and increasing performance of textile and apparel industries adversely affected by COVID-19 pandemic that was felt in almost all the countries.

The global economic crises caused by the pandemic led to significant decreases in many figures from production to capacity utilization rates and exports.

However, with the opening of the economies from June onwards, slight recovery and increase in trade, production, and other economic indicators.

Production Index - Monthly

Production Index Change	Total Industry	Manufacturing Industry	Textile Industry	Apparel Industry
<i>(2015=100)</i>				
January	7.7%	8.0%	13.8%	10.8%
February	8.4%	9.0%	12.1%	7.0%
March	-1.7%	-1.5%	-6.8%	-14.2%
April	-31,4	-33,3	-60,3%	-60,3%

Turnover Index - Monthly

Turnover Index Change	Total Industry	Manufacturing Industry	Textile Industry	Apparel Industry
<i>(2015=100)</i>				
January	20.8%	19.5%	20.2%	16.7%
February	21.5%	17.3%	21.5%	16.8%
March	4,6%	5,1%	0,9%	-18,2%
April	-21,0%	-25,1%	-55,5%	-46,9%

Capacity Utilization Rate - Monthly

Capacity Utilization Rate	Manufacturing Industry	Textile Industry	Apparel Industry
<i>(2015=100)</i>			
January	75,5	78,98	84,65
February	76,0	79,27	84,90
March	75,3	78,14	83,43
April	61,6	44,35	47,13
May	62,6	46,16	38,33
June	66,0	57,54	47,74

Export - Import Figures - Monthly

Export to World - Euros	2018 Jan. May	2019 Jan. May	Change	Share
All products	67.922.826.743	56.072.389.753	-17,45%	100%
Textile (50-60, excl. Fibers)	2.195.705.918	1.678.065.133	-23,58%	3,0%
Apparel (61+62+63)	6.933.024.554	5.258.870.987	-24,15%	9,4%

Export to EU 28 - Euros	2018 Jan. May	2019 Jan. May	Change	Share in Export to World
All products	33.506.968.204	26.138.325.515	-21,99%	46,6%
Textile (50-60, excl. Fibers)	1.132.661.666	808.967.201	-28,58%	48,2%
Apparel (61+62+63)	4.758.807.928	3.659.268.079	-23,11%	69,6%

Import from World - Euros	2018 Jan. May	2019 Jan. May	Change	Share
All products	77.035.169.162	75.181.798.239	-2,41%	100%
Textile (50-60, excl. Fibers)	1.282.175.784	1.177.467.697	-8,17%	1,6%
Apparel (61+62+63)	571.932.125	494.402.371	-13,56%	0,7%

Import from EU 28 - Euros	2018 Jan. May	2019 Jan. May	Change	Share in Import from World
All products	26.659.455.118	25.417.619.479	-17,45%	33,8%
Textile (50-60, excl. Fibers)	353.035.206	295.733.857	-23,58%	25,1%
Apparel (61+62+63)	159.451.535	116.245.095	-24,15%	23,5%

List of contacts

Austria

Fachverband der Textil-, Bekleidungs-, Schuh- und Lederindustrie – TBSL

Wiedner Hauptstraße 63 - 1045 Wien

[Website](#)

Belgium

Fédération Belge de l'Industrie Textile, du Bois et de l'Ameublement – FEDUSTRIA

Hof-ter-Vleestdreef, 5/1 - 1070 Brussel

[Website](#)

Bulgaria

Bulgarian Association of Apparel and Textile Producers and Exporters – BAATPE

36, Dragan Tsankov Blvd. - 1057 Sofia

[Website](#)

Croatia

Croatian Chamber of Economy – HGK

Rooseveltovo Trg 2 - 10000 Zagreb

[Website](#)

Finland

Finnish Textile & Fashion – STJM

Eteläranta 10 - 00130 Helsinki

[Website](#)

France

Union des Industries Textiles – UIT

37 Rue de Neuilly - 92110 Clichy

[Website](#)

Union Française des Industries Mode & Habillement – UFIMH

8 rue Montesquieu - 75001 Paris

[Website](#)

Germany

Gesamtverband der deutschen Textil- und Modeindustrie – T+M

Reinhardtstr. 14-16 - 10117 Berlin

[Website](#)

Greece

Hellenic Fashion Industry Association – SEPEE

Ermou 18A - 54624 Thessaloniki

[Website](#)

Hungary

Association of Hungarian Light Industry – AHLI

Gyomroi ut 86 (INNOVATEX Zrt.) - 1103 Budapest

[Website](#)

Italy

Federazione Tessile Moda – SMI – Sistema Moda Italia

Via A. Riva Villasanta 3 - Milano

[Website](#)

Netherlands

Modint

Arnhemse Bovenweg 100 - 3708 AG Zeist

[Website](#)

Poland

Federation of Apparel and Textiles Industry Employers – PIOT

108, Sterlinga St. - PL 90-212 Lodz

[Website](#)

Portugal

Associação Têxtil e Vestuário de Portugal – ATP

Rua Fernando Mesquita 2785 - PT 4760-034 Vila Nova de Famalicão

[Website](#)

Switzerland

Swiss Textiles

Beethovenstrasse 20, Postfach - CH – 8022 Zürich

[Website](#)

Turkey

Turkish Clothing Manufacturers' Association – TGSD

Adnan Kahveci Bulvarı Sirinevler Mahallesi no: 208 Haydar Akın Is Merkezi-2 K:5, D:19 - 34188 Bahçelievler

[Website](#)

Turkish Textile Employers' Association – TTSIS

Metrocity A Ofis Blok Büyükdere cad. No: 171 kat:19 - 1. Levent, Istanbul

[Website](#)

Turkish Apparel Exporters' Association – IHKIB

Çobançesme Mevkii, Sanayi Cad. Dis Ticaret Kompleksi B Blok P.K.34196 Yenibosna - Istanbul

[Website](#)

Turkish Textile & Raw Material Exporters' Association – ITHIB

Çobançesme mevkii, Sanayi Cad. Dis Ticaret Kompleksi B Blok P.K.34196 - Yenibosna/Bahçelievler/Istanbul

[Website](#)

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40 rue Belliard - Box 2
BE-1040, Brussels
E-mail: info@euratex.eu
www.euratex.eu

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