

Trends in global and major apparel markets of USA, EU and Japan

by A.H.H. Saheed

Global apparel trends

The total global clothing exports accounted for share of 2.6% of world merchandise trade and 3.8% share in manufactures during 2006 as against 2.7% and 3.8% during 2005. However the total export has risen to US\$ 311 bn. in 2006 as against US\$ 276 bn. in 2005, which indicate as increase of 12.7% in 2006 over 2005.

China with exports of US\$ 95 bn. was the leading exporter of clothing during 2006 replacing EU (25) which was the leading exporter during 2005 who became second largest exporter with US\$ 83 bn. followed by Hong Kong with US\$ 28 bn. Turkey - US\$ 11.9 bn., India - US\$ 10.2 bn. and Bangladesh US\$ 7.8 bn. The other change which reflected during 2006 was Bangladesh became the 6th largest exporter replacing Mexico to 7th position.

European Union (25) continued to become the leading importer of clothing with US\$ 141 bn. in 2006 as against US\$ 129 bn. during 2005 followed by USA with US\$ 83 bn., Japan US\$ 24 bn., Hong Kong - US\$ 19 bn., Russian Federation - US\$ 8 bn. and Canada - US\$ 6.8 bn. The country positions was same as in 2005.

In Global Scenario manufacturers and buyers of apparel has to adapted changes in recent years. The global elimination of quota's at end of 2004 has led to greater competition. At the same time, the manufacturers are faced with rising and fluctuating raw material costs and are being subjected to greater demands by retail buyers. However, quota elimination has provided manufacturers an opportunity to rationalize their supplier portfolio. Some have changed to different type of suppliers, while others have begun to develop strategic relationships with buyers in order to gain competitive advantage.

Today there is a current demand for high quality and environmentally friendly products. A tendency is seen towards more natural fibres.

USA apparel trends

Despite some populist concerns over the state of the USA economy. People still like to buy their clothes. USA consumption of apparel indicated a record 20.8 bn. garments in 2006, an increase of 1.8 percent over 2005. USA consumption of a number

of products - such as cotton knit shirts, cotton trousers, women's MMF shirts and trousers and pyjamas - surged in 2006.

USA production of apparel totaled 2bn. garments in 2006, a decline of 6.5 percent from 2005 when 2.1 bn. garments were produced. The production of Men's and Boys' apparel declined by 13.1 percent during 2006. With the largest decline coming in athletic shorts, swimwear, work shirts and overcoats & top coats. The Women's and Girls apparel production declined by 6.5 percent and largest declines occurred in slips, nightwear, vests.

Import penetration to the USA market once again reached record levels in 2006. Despite the re-imposition of quotas on a broad range of apparel imports from China, the percentage of the USA apparel market supplied by imports continued to grow in 2006 reaching almost 91 percent. Import penetration exceeds 80 percent in 30 of the 35 major individual apparel categories. Import penetration is highest in men's and boys MMF knit shirts, cotton nightwear and pyjamas, women's and girls cotton coats and jackets and men's and boy's MMF suits.

The imports of apparel totaled 22.5 bn. square meter equivalents (SME's) in 2006, an increase of 2.4% over 2005. Despite the re-imposition of quota's on USA imports from China, it increased its supplies by 10.6% to 6.5 bn. SME and accounted for 28.9% of all imports in 2006. Mexico followed next with 1.47 bn. SME accounting for a share of 6.6%, followed by Bangladesh with 1.31 bn. SME, with an increase of 16.2% and accounted for a share of 5.8% The USA supplies from all large Western Hemisphere supplier declined. Mexico the second largest supplier continued its long-term decline falling by 13.3%. The other regional suppliers like Honduras (-18.4%), El Salvador (-16.7%) and Dominican Republic (-18.4%) also declined in 2006.

The suppliers exhibiting largest growth during 2006 were countries outside the Western Hemisphere, namely Bangladesh (+16.2%), Indonesia (+18.2%), Vietnam (+18.2%) and Cambodia (+18.7%).

The imports from USA increased by 4.2% in terms of value from US\$ 68.7 bn. in 2005 to US\$ 71.6 bn. in 2006.

USA apparel exports fell by 3.4% US\$ 4.31 bn. in 2006 from US\$ 4.47 bn. in

2005. USA major apparel export market was Canada accounting for US\$ 1.10 bn. accounting for a share of 25.4% followed by Mexico with US\$ 0.964 bn. with a share of 22.3% followed by Dominican Republic US\$ 0.36 bn. with a share of 8.2%.

The recent fall of the USA Dollar may not depress USA apparel imports from a series of low-cost countries, as many other currencies are following the same trend. Compared with Vietnam, Indonesia and Sri Lanka, China is losing some competitive advantage as the Yuan rises. By contrast exports from Turkey, Brazil and India are being weakened by stronger increases in their currencies.

EU apparel trends

The EU performed better than expected in 2006, mainly due to brisk global growth and favourable domestic conditions. Moreover the import of high oil prices and slowdown of the USA economy were relatively muted.

The year 2006 was the first relatively positive year since the beginning of this century and this was result of an improved EU economic climate and of the China quota management.

EU's total consumption of apparel during 2006 were Euro 288 bn. of which Outerwear Euro 251 bn. and Bodywear Euro 37 bn.

Production dropped in a limited manner while EU turnover, investments and exports improved slightly despite the negative impact of a strong Euro.

The positive economic situation and a regained optimism translated into a strong growth of the EU consumption. EURATEX estimates that final consumption in the EU 25 have increased in 2006 by +4.7%, the best results since the beginning of the century.

Compared to the upstream sector, the investment in machines in the clothing industry is seems less. As EU population are becoming more multi-ethnic and the average age is rising, consumer behaviour is very dynamic. However, there is a constant demand for high quality and environmentally friendly products.

EU clothing imports during 2006 has reached Euro 102 bn. as against Euro 94 bn. during 2005. This reflects an increase of 8.6%.

During 2006, China is ranked as the No.1 supplier to EU with a share of 37.3% quantity wise and 31.4% quantity wise. The other major suppliers are Turkey, Bangladesh, India, Rumania and Hong Kong.

During end of 2007, current quantitative restriction on China's textiles and clothing to EU market will be abolished. However China and EU has agreed to set up a bilateral surveillance system to monitor trade between the two countries. The system will cover eight categories namely, T-Shirts, Pullovers, Men's Trousers, Blouses, Suits, Brassieres, Bedding and Flax products. The system will begin on 1st January 2008 and will be in force for a period of one year.

Japan apparel trends

The Japan 's economy in the year 2006 , continued to show a moderate growth (the real GDP growth rate 2.2%). The moderate growth was supported by increase in Capital, Investment and improved Corporate profits, although consumer spending did not pick very much due to slow improvement in employment situation.

In the Japan's clothing sector in 2006, there are 62,708 persons in employment

However the number employed are gradually declining. During year 1990 there were 215,275 persons were in employment.

Apparel production during 2006 were 644 mn pieces, of which hosiery accounted for 402 mn pieces, followed by outerwear-142 mn pieces , underwear and foundation garments 90mn pieces and others 10 mn pieces.

The Japan's apparel exports during 2006 recorded US\$485 mn as against US\$ 495 mn during 2005, a decrease of 2.1 percent. The apparel exports during first-half 2007 were US\$ 170mn.

The apparel imports during year 2006 recorded US\$ 23,870 mn as against US\$ 22,541mn during year 2005, which reflects an increase of 5.9 percent.

Asian countries accounted for 90.9% of Japan's apparel imports and of which China accounted for 82%, followed by Vietnam-2.75, Korea Republic-1.5% and Thailand 1.2%. Japan's apparel imports during first-half 2007 were US\$9,500 mn. ♦

INVISTA delivers new global campaign for LYCRA® fibre brand

Leading fibre producer INVISTA has introduced a new global campaign for its flagship LYCRA® fibre brand, titled as 'Some Clothes Love You Back'. The launch of this exciting new campaign marks the culmination of a year long process for INVISTA and London based advertising agency, Fallon. A single trade and consumer campaign has been developed to build on the unique understanding the LYCRA® brand fibre has of how consumers want their clothes to move, look and feel. The campaign will feature across an extensive range of media around the world as well as online.

The "Some Clothes Love You Back" campaign follows previous successful LYCRA® fibre brand activities including "LYCRA® Sensations" in 1990, "Nothing Moves Like LYCRA®" in 1996, "Enjoy the Difference" in 2000 and "Has It" in 2002. The new campaign builds on consumer insights collated by THINKTANK Research, which demonstrated the consumer understanding of LYCRA® fibre as a trusted brand with a strong emotional connection to consumers that has led to its preference by more than 60% of consumers polled over plain 'stretch' options and recognised by 90% of consumers globally. The LYCRA® fibre brand campaign differentiates LYCRA® fibre through particular emphasis on the way clothes make women look and feel. Consumer testing of the campaign across four continents has shown that the campaign taps into a strong consumer love for their favourite clothes and the way those clothes make them feel. Consumers reacted strongly when shown the campaign during testing "You do feel as if they're talking to you...and it's a real conversation" said a London consumer, another in Milan reacted with, "I feel like I'm being understood" and a Sao Paulo consumer stated "This is very emotional, very romantic, it talks about the love affair women have with their wardrobe."

The campaign also demonstrates that LYCRA® fibre remains a fibre of choice among leading names within the fashion and textile industry. Zac Posen, denim brands True Religion and JBrand and lingerie icons La Perla and Chantelle,

are all featured in the initial images for the 'Some Clothes Love You Back' campaign. The twelve signature images feature a range of LYCRA® fibre innovations in Intimate Apparel, Swimwear, Legwear, Sweaters, Denim, Dresses and Active Wear. LYCRA® fibre is unique and continues to differentiate itself from all other fibres through ongoing innovation. Recent developments include, XFIT LYCRA® fabric, LYCRA® Black fibre and Xtra Life LYCRA® fibre.

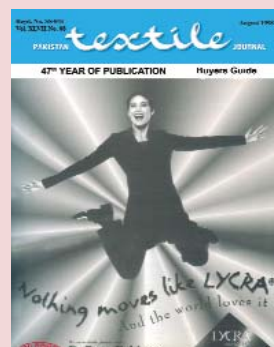
The campaign was shot in Southern Italy by leading fashion photographer, Laura Sciacovelli in November 2007. Following previous editorial work for British fashion and style publications The Face, Dazed and Confused and The Fashion, Sciacovelli was specifically chosen for the campaign for her ability to create a luxurious, sensual and natural feel in her work; perfectly demonstrating the benefits of LYCRA® fibre in a single photograph. Images highlight the versatility of LYCRA® fibre's innovations and the intimate portraits reinforce the "Love You Back" ethos of the campaign.

INVISTA Global Brand and Communications Director, Bruce Rowley said, "The campaign we developed is built on the LYCRA® fibre brand's unique understanding of how women are shaped, how they move and how they want their clothing to look and feel." He went on to add, "With this very honest and personal new campaign we are further differentiating our customers' garments in the crowded market place."

A completely rebuilt www.lycra.com Website in 10 languages will launch later this Spring, ensuring ease of access key product and brand information as well as help in finding LYCRA® fibre customers with the 'Clothes that love you back.' Furthermore, INVISTA will be supporting their brand, mill and retail partners with this brand campaign providing materials such as dedicated hang tags and POS.

INVISTA will hold further launch events at India's Images Fashion Forum, New York Fashion Week as well as events in Brazil, Columbia, Mexico, Hong Kong and Shanghai to showcase this campaign, which first appears in trade print across Europe.

Courtesy:www Lycra.com ♦



PTJ title cover of August 1998.