



US and EU Apparel Imports by Country: Winners and Losers in 2015

Overview

The US imported US\$85.2 billion worth of apparel in 2015, representing a faster year-on-year increase of 4.1% than the 2.5% growth recorded in 2014, according to the Office of Textile and Apparel (OTEXA). For the 28-member EU market, data from the European Apparel and Textile Confederation (EURATEX) shows that apparel products imported by the region amounted to 80.8 billion euros in 2015, up by 10.0% over the previous year, supported by buoyant private consumption. Such a growth rate was higher than the 8.8% annual increase posted in 2014.

China continues to predominate the US and the EU apparel import markets

China continued to be the largest source of apparel imports for both the US and the EU in 2015, with overwhelming shares of 35.9% and 37.1%, respectively. Nevertheless, with more and more Chinese garment manufacturers reportedly relocating to other countries due to rising labour costs and a strong yuan, China saw its shares in the US and the EU apparel import markets dwindle by 0.6 percentage point (ppt) and 1.7 ppts in 2015, respectively, compared to the previous year.

Vietnam and Bangladesh are clear winners in both markets

Both the US and the EU apparel imports from Vietnam registered double-digit growth rates in 2015, which stood at 14% yoy and 26% yoy, respectively. In fact, among all countries, Vietnam recorded the biggest gain in market share in the US apparel import market in 2015: its market share expanded by 1.1 ppts year-on-year to 12.4% in 2015. Both domestic and foreign manufacturers are eyeing expectantly Vietnam's textile and garment sector as a key beneficiary of the recently concluded EU-Vietnam Free Trade Agreement and the Trans-Pacific Partnership.

Buoyed by improvement in safety standards and the stable political situation, Bangladesh's garment sector was also a clear winner in the year of 2015, during which its apparel exports to the



US and the EU increased by 11.7% yoy and 24% yoy, respectively. Its market share in these two markets rose by 0.4 ppt and 1.9 ppts, compared to the previous year, to 6.3% and 17.0% in 2015, respectively.

Myanmar becomes a sourcing bright spot

Progressive economic and political reforms, vibrant foreign investment and various capacity building programmes funded by international organisations have all helped Myanmar re-embrace the global apparel supply chain.

In 2015, the EU imported 419.9 million euros worth of apparel from Myanmar, representing a year-on-year growth of 79%. Myanmar became the 17th largest apparel supplier to the EU, accounting for 0.5% of all apparel imports by the region in 2015. Being a least-developed country, Myanmar was reinstated into the EU's Everything but Arms (EBA) trade scheme in July 2013. With duty-free access for all exports to the EU, Myanmar has been benefiting from the most favourable regime under the EU's Generalised Scheme of Preferences (GSP).

The US apparel imports from Myanmar also witnessed a tremendous increase of 160.5% yoy to US\$41.0 million in 2015, but the country still accounted for a tiny market share of 0.05% in US apparel imports.

Cambodia and Pakistan post mixed performance

Amid persistent labour unrest and surging wages, Cambodia continued to be the 8th largest apparel supplier to the US in 2015, with apparel imports amounting to US\$2.5 billion and a marginal growth of 0.1% yoy. The country accounted for 2.9% of total apparel imports by the US in 2015, shrinking by 0.1 ppt compared to the previous year. In contrast, Cambodia's clothing exports to the EU increased sharply in 2015, thanks to the duty-free preferences under the EU Everything but Arms (EBA) scheme, the most 'generous' sub-scheme under the GSP. Apparel imports by the EU from Cambodia rose by 31% yoy in 2015. The country ranked the 5th among all EU's apparel importing countries.

Pakistan also posted mixed performance in the two major apparel importing economies. While apparel products imported by the US from Pakistan fell 1.8% yoy in 2015, apparel products imported from Pakistan by the EU jumped 25% yoy. The impressive performance in the EU market was mainly attributed to the duty preferences under the EU's GSP+ scheme.

India and Sri Lanka gain larger shares in the US market

The US imported US\$3.7 billion worth of apparel from India in 2015, up by 7.8% yoy. India's share in the US total apparel imports rose by 0.1 ppt to 4.3%, making it the 5th largest source of imported apparel in the US.



Sri Lanka, the 9th largest supplier to the US apparel market, saw its clothing shipments to the US jump by 15.8% yoy to US\$2.0 billion in 2015. It accounted for 2.4% of total apparel imported by the US in the year, with a 0.2 ppt gain in market share.

Other highlights

The US also witnessed rapid year-on-year growth in apparel imports from other countries, including Jordan (+9.8% to US\$1.2 billion), Turkey (+11.9% to US\$457.6 million), Madagascar (+162.4% to US\$49.0 million), Tanzania (+56.3% to US\$27.3 million) and Ethiopia (+46.7% to US\$17.6 million), according to the OTEXA. On the other hand, some countries saw their market share in US apparel imports shrink in 2015, including Indonesia (-0.1 ppt), Mexico (-0.4 ppt), Nicaragua (-0.1 ppt), Italy (-0.2 ppt), the Philippines (-0.05 ppt) and Thailand (-0.1 ppt).

In the EU market, apparel imports from India grew by 11% yoy to 5.1 billion euros in 2015, making it the 4th largest apparel supplier to the EU. Turkey, the 3rd largest source of apparel imports in the EU market, saw its clothing shipments to the EU rise by 2% yoy in 2015 and its market share shrink by 0.9 ppt. Other countries that posted year-on-year declines in apparel imports by the EU in 2015 included Tunisia (-4% to 2.0 billion euros), Thailand (-5% to 510.1 million euros) and Macedonia (-3% to 459.6 million euros), according to the EURATEX.

Exhibit 1 | US apparel imports by country, 2015

	Import origins	Import value (million US\$)	Change over 2014
1	China	30,541.02	2.5%
2	Vietnam	10,563.85	14.0%
3	Bangladesh	5,401.44	11.7%
4	Indonesia	4,937.51	2.2%
5	India	3,665.40	7.8%
6	Mexico	3,556.80	-4.7%
7	Hondura	2,673.53	3.5%
8	Cambodia	2,481.98	0.1%
9	Sri Lanka	2,037.45	15.8%
10	El Salvador	1,950.01	2.4%
11	Nicaragua	1,466.99	-3.0%
12	Pakistan	1,433.39	-1.8%
13	Guatemala	1,426.49	6.6%
14	Jordan	1,246.07	9.8%
15	Italy	1,245.94	-5.8%
16	Philippines	1,109.84	0.6%
17	Thailand	1,017.78	-0.1%
18	Haiti	895.28	4.8%
19	Egypt	849.65	3.1%
20	Dominican Republic	793.46	6.8%
Top 20: sub-total		79,293.84	4.5%
Total US clothing imports		85,164.73	4.1%

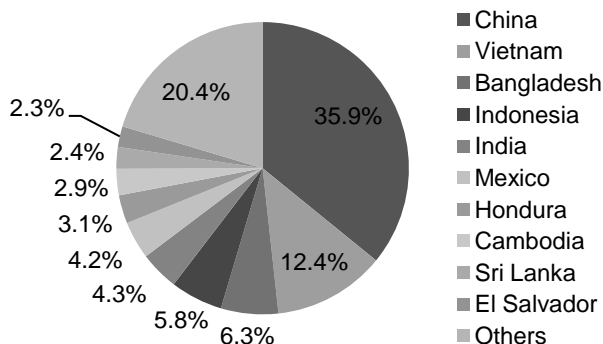
Source: Office of Textile and Apparel (OTEXA), US Department of Commerce

Exhibit 2 | EU apparel imports by country, 2015

	Import origins	Import value (million euros)	Change over 2014
1	China	29,968.78	6%
2	Bangladesh	13,716.10	24%
3	Turkey	9,437.22	2%
4	India	5,138.59	11%
5	Cambodia	2,954.13	31%
6	Vietnam	2,804.47	26%
7	Morocco	2,315.45	0%
8	Pakistan	2,280.74	25%
9	Tunisia	1,996.23	-4%
10	Sri Lanka	1,587.83	8%
11	Indonesia	1,286.21	5%
12	Switzerland	680.79	12%
13	Hong Kong	672.57	25%
14	US	560.34	26%
15	Thailand	510.10	-5%
16	Macedonia	459.61	-3%
17	Myanmar	419.90	79%
18	Egypt	405.28	4%
19	Serbia	349.16	8%
20	Madagascar	303.19	9%
Top 20: sub-total		77,846.70	-
Total EU clothing imports		80,765.62	10%

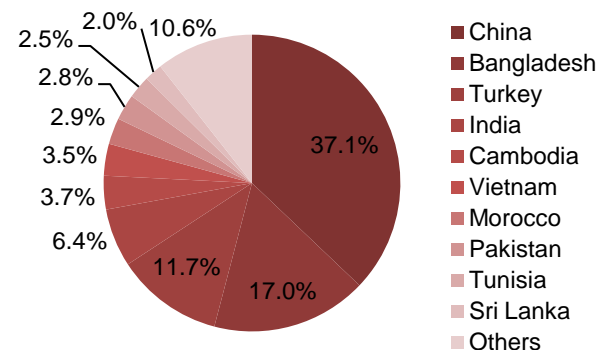
Source: European Apparel and Textile Confederation (EURATEX), based on data from the Textile and Clothing Information Centre (CITH)

Exhibit 3 | US apparel imports by country (share %), 2015



Source: Office of Textile and Apparel (OTEXA), US Department of Commerce

Exhibit 4 | EU apparel imports by country (share %), 2015



Source: European Apparel and Textile Confederation (EURATEX), based on data from the Textile and Clothing Information Centre (CITH)

THE FUNG BUSINESS INTELLIGENCE CENTRE

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