



SUMMARY – ECONOMIC NOTE

In 2019, Italian fabrics posted a negative sales performance (-4.7%), Resulting from reduced exports (-3.8%) And lower domestic spending. However, the trade surplus totals over euro 2.25 Billion. All segments contributed to the result, with wool at the top, which – instead – in the past years had contributed to the overall positive performance of Italian fabrics. The positive results of USA (+3.1%), France (+2.2%), Portugal (+10.4%), Spain (+5.1%), Bulgaria (+11.5%) and Japan (+8.5%) were not enough to reverse the negative trend recorded in important markets like Germany (-15.3%), China (-6.5%) and Hong Kong (-19.2%), Romania (-9.3%) Tunisia (-11.8%) and Turkey (-15.3%).

According to Confindustria Moda's Research Center estimates, Made-in-Italy textiles (including wool, cotton and silk fabrics and knits) closed 2019 with overall sales of approximately euro 7.6 billion (-4.7% on a year-on-year basis).

The most important segment, both in terms of overall sales and exports is still wool, making up 41.0% of total sales, followed by silk at 18.6%, which surpassed in percentage weight cotton at 18.1%, knits weighing 17.9% and linen with a 4.4% share. Wool fabrics, which interrupted the positive trend of the last five years, and cotton fabrics were the segments that registered the largest downtrend, which was only partially mitigated by the positive trend of silk and linen.

As to exports and imports in the year, overall exports accounted for slightly more than euro 4.14 billion, down -3.8% on a year-on-year basis. Concurrently, imports slightly dropped (-0.5%) to approximately euro 1.9 billion.

As a result of the sales performance described above, the trade surplus for the industry decreased, posting a euro 154 million reduction compared to 2018, to approximately euro 2.26 billion. The surplus of the weaving sector makes for approximately one fourth of the comprehensive Textiles/Fashion trade balance, weighing slightly less than 15% on total sales for the Textiles/Apparel sector.



However, the trend was not homogenous both in terms of outlet markets and product segments.

For instance, exports to France were up +2.2%, USA +3.1%, Spain +5.1%, Portugal +10.4%, Japan +8.5% and Bulgaria +11.5%, while strategic markets like Germany, China and Hong Kong, Turkey and Tunisia recorded reductions by -15.3%, -6.5%, -19.2%, -15.3% and -11.8%, respectively. Despite this, China+Hong Kong and Germany confirm to be the most important export markets for Italy, weighing 9.9% and 8.3%, respectively, on the total.

As for imports, China and Turkey, the first and second ranking suppliers, recorded +3.8% and -6.2%, respectively. Chinese exports to Italy account for 27.4% and Turkey 19.1%. The third position, even if significantly detached, is held by Pakistan with a market share of 8.1%.

The first 10 months of 2019 showed divergent trends in the various product categories. Exports of worsted wool fabrics were down -4.3% and exports of combed wool fabrics decreased by -8.3%. Cotton fabrics and knits dropped -5.8% and -2.9%, respectively, while in 2019, exports of pure silk fabrics increased by +3% and linen was up +7%.

The complete economic note – in Italian and in English – is available for download in the Media section of Milano Unica's website at www.milanounica.it

Data processed by Confindustria Moda's Research Center