



## SUMMARY - ECONOMIC NOTE

**In 2021, the Italian textiles industry tries to recover after the *annus horribilis* characterized by suspended production and a slowdown in global trade due to the pandemic. In March and April the industry saw the first positive signs of a turnaround, with knits even growing by +25% compared to the same period in 2019. In Q1 2021, imports decreased by -8.7%, while exports were down -21.6% overall. However, exports of knits, cotton and linen fabrics recorded a marked reduction in the fall rate, which bodes well for a change of pace soon. In the same quarter, the trade balance for the sector remains positive at around Euro 242 million.**

According to ISTAT data on industrial manufacturing (adjusted for calendar effects), in April both woven fabrics and knits showed a very strong growth rate compared to April 2020 (when most of production activities had been put on hold), namely +189.4% for woven fabrics and +723.9% for knits. Compared to April 2019 data, knits were up +24.8%, while the performance of woven fabrics was still negative at -21.7%.

In Q1 2021, woven fabric manufacturing was down -16.3% compared to the first quarter of 2020, still negative even if at a slower pace, if we consider the much worse variations recorded in the second, third and fourth quarter of 2020.

More specifically, the months of January and February closed at -13.8% and -34.9%, respectively, while March marks a turnaround in the trend with a finally positive sign equal to +6.4% compared to March 2020. However, if compared to March 2019, the index is down by -30.1%.

In the case of knits, the January-March 2021 time span shows a recovery of production activities, with a +22% performance; in January the drop was -0.6% and in February -3.6%, but the index jumped back to positive in March, growing by +109.9%.

In the January-March 2021 period (the most recent data available), exports of textiles were down by -21.6%, while imports dropped by -8.7%.

Based on the results described above, in the January-March 2021 time span the sector's trade balance remained positive at Euro 241.9 million, even if declining against the corresponding period in 2020.

The average figures of textiles exports show an overall negative performance with



different levels of intensity in terms of individual product categories, i.e. knits and woven fabrics with a prevalence of natural fibers. Exports of woolen fabrics recorded the greatest reduction (-49.3%) in the first three months of the year; more specifically, worsted fabrics were down -30.5%, while combed fabrics fell -56.7%. In terms of volume, exports of woolen fabrics fell by -43.4% (-28.8% for worsted fabrics and -55.5% for combed fabrics). Exports of pure silk fabrics also recorded a marked decrease, on the order of -28.5%.

In the same period, exports of cotton and linen fabrics also decreased, but at a slower rate than woolen fabrics. Exports of cotton fabrics dropped by -12.3% (-0.1% in volume) and linen was down by -11.4% (-7.5% in volume). Finally, knits recorded the most satisfactory performance, with a -3.7% reduction across borders (+3.8% in terms of volume).

With reference to the main export markets, most of which are still characterized by reductions in purchases of Italian fabrics, positive signs of recovery seem to emerge from some countries. For instance, France limited the fall to -6.2%, but Spain, which is the fourth largest market for exports of Italian fabrics, is particularly noteworthy, as it is bucking the trend with a +18.7% growth rate. This is evidence of a new dynamism that is pushing towards returning to the levels of January-March 2019 (-0.9%). In the ranking of the first 15 markets by value for exported fabrics, there are two additional destinations going against the general downturn: Bulgaria (+4.0%) and Sri Lanka (+5.7%).

**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](http://www.milanounica.it)**

**Data processed by Confindustria Moda's Research Center**