



## SUMMARY – ECONOMIC NOTE 35TH EDITION OF MILANO UNICA

**SPRINT START FOR ITALIAN TEXTILES IN Q1 2022, DESPITE RAW MATERIAL PRICE INCREASES SINCE 2021 AND SOARING ENERGY COSTS ALONG WITH INFLATION CAUSED BY THE WAR AGAINST UKRAINE. ACCORDING TO ISTAT INDUSTRIAL PRODUCTION INDEX, WOVEN FABRICS WERE UP +34.3%, EXPORTS RECORDED A DOUBLE-DIGIT GROWTH RATE (+46.2%), DRIVEN BY WOOL FABRICS (CARDED AND WORSTED (+85.1%)), CHINA AND HONG-KONG RANKED THIRD AS EXPORT MARKETS AFTER FRANCE AND GERMANY, BUT WOULD SURPRISINGLY COME AFTER THE IBERIAN PENSINSULA IF SPAIN AND PORTUGAL ARE CONSIDERED AS AN AGGREGATE VALUE. THE TRADE BALANCE AMOUNTED TO EURO 292.3 MILLION, UP EURO 50.4 MILLION**

According to the estimates published by Confindustria Moda Research Center, in Q1 2022, the overall performance of Made-in-Italy textiles (including wool, cotton, linen, silk and knits) was good in comparison with 2021, which was entirely uphill, and comprehensively in line with the same period of 2019.

The ISTAT industrial production index shows that woven fabrics were up +34.3%, definitely far from the -16.3% reduction recorded in the first quarter of 2021.

In addition, based on the latest data, in April 2022, both woven fabrics and knits grew in line with the performance recorded in the first quarter: woven fabrics rose +30.3% and knits +2.6%.

Also, compared to April 2019, woven fabrics were up +7.3% and knits rose by over +28.1%.

Concerning the analysis of foreign trade, in the January-March 2022, foreign sales show a double-digit +46.2% growth rate (-21.6% in the January-March 2021 period). Concurrently, imports were up +65.7% (in Q1 2021 imports dropped by -8.7%).

France and Germany are the top export markets, followed by Romania, the United States and China. However, the aggregate result of China and Hong Kong was exceeded by the aggregate result of the Iberian peninsula (Spain + Portugal), which rank third,



giving indication of a possible reshoring process of apparel manufacturing in favor of areas geographically closer to the final markets.

China, Turkey and Pakistan confirmed their position as the top import markets for Italy, accounting for 60%.

Based on the aforementioned results, in the January-March 2022 period, the trade surplus amounted to euro 292.3 million, up approximately euro 50.4 million against the value recorded in the corresponding period of 2021.

As might be expected, however, the average positive values regarding the performance of textiles show varying intensity in the segments examined and, in particular, knits and natural fiber-dominated woven fabrics. Exports of wool fabrics (carded and worsted), which last year recorded a sharp decline, have in this quarter recorded a very brisk growth rate equal to +85.1%. Similarly, pure silk fabrics, whose recovery started later, also closed the January-March period with a +50.8% increase. Exports of cotton and linen fabrics were up +33.6% and +47.3%, respectively. Finally, exports to extra-EU countries rose by +36.2% in the quarter. Compared with pre-Covid Q1 2019 values, it is possible to say that exports of knits were +27.7% higher than pre-Covid results, and linen +18.5% higher. Conversely, despite the significant recovery, wool remained -21.4% below the 2019 results, pure silk -4.8%, and cotton -1.5%.

Made-in-Italy textiles, after being hit hard in 2020 (-29.7%), turned things around in 2021, targeting an annual growth rate of +15.2%. Overall sales slightly exceeded euro 6.1 billion, with a euro 808 million positive difference against 2020.

The trade surplus for the industry amounted to euro 1,768 million, up euro 160 million against the previous year, yet still far short of the trade surplus recorded in 2019. It should be noted that the trade balance of textiles accounts for 16.5% of the entire textiles-apparel industry (slightly over euro 10.7 billion).

To complete the analysis, despite the recovery in demand both at the domestic and international level, in 2021, the textiles-apparel industry as a whole recorded a -2.1% fall in employment, while the textiles sector alone posted -5.2%.

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