

## ITALIAN MEN'S FASHION IN 2019-2020

Notes by Centro Studi of Confindustria Moda for



### The Italian men's fashion industry balance for 2019

As shown by the sector balance reported in Table 1, Italian men's fashion (an aggregate, as you will remember, comprising fabric and knit outerwear, shirts, ties, and leather apparel) closed the year 2019 in the positive numbers, with an overall growth rate of +6.6% and therefore with an industry turnover that broke the 10 billion euro barrier. The cautious forecasts (in view of a slowing economic situation) published on occasion of the last edition of Pitti Uomo (January, 2020), when estimates were for a +4-0% increase, were amply exceeded at year's end thanks above all to the lively dynamism shown by men's fashion on the international markets. Exports performed much better than had been foreseen by the prudent estimates based on third-quarter trends in world commerce; at the same time, imports continued at the expected good rhythms. The domestic market sell-out instead remained aligned with the downward trend that has characterized recent seasons.

Italian men's fashion closed the year 2019 with a +6.6% growth rate.

**Table 1 – The Italian Men's Fashion Industry (2014-2019)**

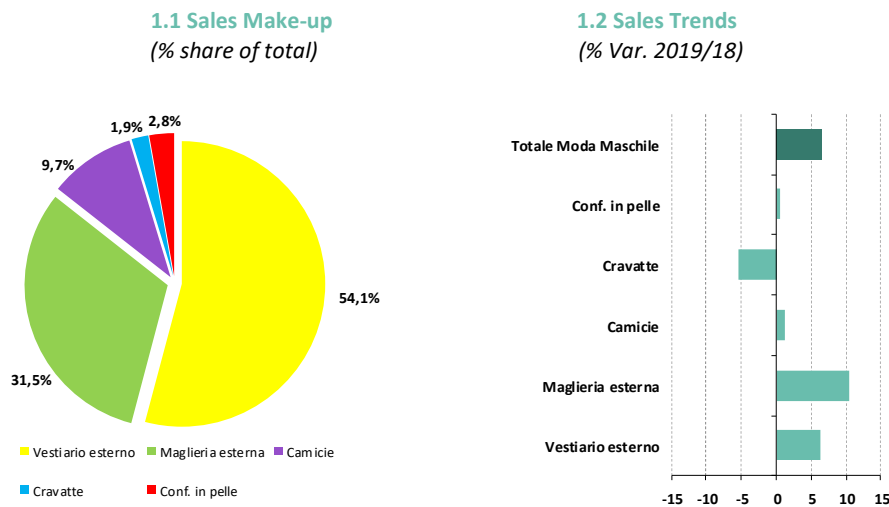
(Millions euro at current value)

	2014	2015	2016	2017	2018	2019
<b>Fatturato</b>	8 767	8 881	8 981	9 291	9 516	10 147
Var. %		1,3	1,1	3,4	2,4	6,6
<b>Valore della produzione</b>	4 834	4 656	4 643	4 727	4 648	4 681
Var. %		-3,7	-0,3	1,8	-1,7	0,7
<b>Esportazioni</b>	5 535	5 660	5 796	6 100	6 396	7 029
Var. %		2,3	2,4	5,2	4,9	9,9
<b>Importazioni</b>	3 718	4 009	4 010	3 977	4 317	4 652
Var. %		7,8	0,0	-0,8	8,6	7,8
<b>Saldo commerciale</b>	1 817	1 651	1 786	2 123	2 079	2 377
<b>Consumi finali</b>	7 415	7 145	6 993	6 890	6 556	6 285
Var. %		-3,6	-2,1	-1,5	-4,8	-4,1
<b>Indicatori Strutturali (%)</b>						
Esportazioni/Fatturato	63,1	63,7	64,5	65,7	67,2	69,3

Fonte: Confindustria Moda su dati ISTAT, Sita Ricerca e Indagini Interne

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**Figure 1 – Italian Men's Fashion: Sub-Sector Structure and Trends, 2019**


Source: Confindustria Moda

With performance at these levels, men's fashion accounted for 18.1% of the overall turnover generated by the domestic Textile-Fashion industries and for 28.0% of the portion of turnover generated by Fashion alone.

In terms of menswear turnover, knitwear was the best performer (with an increase in excess of +10%); fabric outerwear instead grew by ca. +6.0% and therefore showed an acceleration with respect to 2018. Shirts returned to the positive numbers. Ties were still backpedaling, but leather apparel showed a weak positive sign.

Over the course of 2019, the value of production (a variable that estimates the value of production activity carried on in Italy net sales of imported products) experienced a new positive variation, recovering +0.7%.

With reference to foreign trade, exports continued to play a fundamental role in supporting the growth of the Italian men's fashion industry. Thanks to +9.9% growth, Italy's exports of sector goods climbed to a little more than 7 billion euro (for an increase of +633 million in one year), bringing the incidence of exports on total sales to 69.3%. In the case of imports, we saw a continuance of last year's growth, on the order of +7.8%, for a total of 4.7 billion euro.

Thanks to these export and import dynamics, in 2019 the sector trade balance increased to almost 2.4 billion euro for a gain of 298 million in twelve months.

The value of production was positive again, closing with a +0.7% increase.

In 2019, menswear exports grew by +9.9% and imports were up by +7.8%.

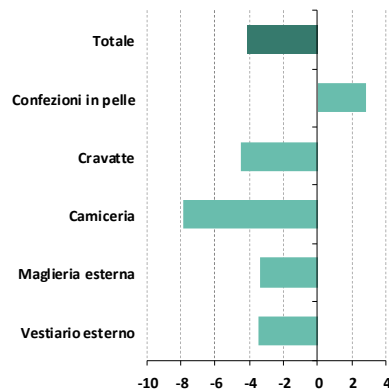
The sector trade surplus rose to almost 2.4 billion for a ca. 300 increase in the 12 months of 2019.

If we consider the Italian domestic market alone during the 2019 solar year, we note that purchases of men's fashion by families residing in Italy were once again down, this time by -4.1% according to surveys conducted by Sita Ricerca for SMI.

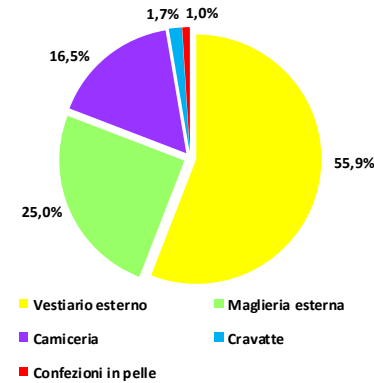
The men's fashion sell-out in Italy was down by -4.1% in the 2019 solar year.

**Figure 2 – Men's Fashion: Consumption and Distribution on the Italian Market (\*)**  
(2019\*\*)

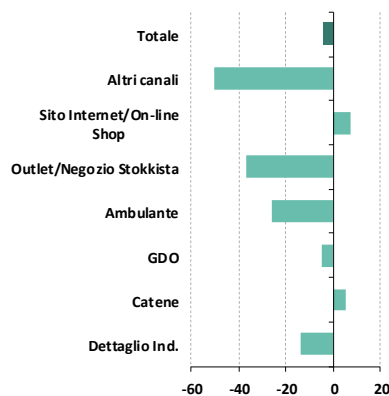
**Fig. 2.1 – Sell-out Trends: Product-by-Product**  
(tendential % variation)



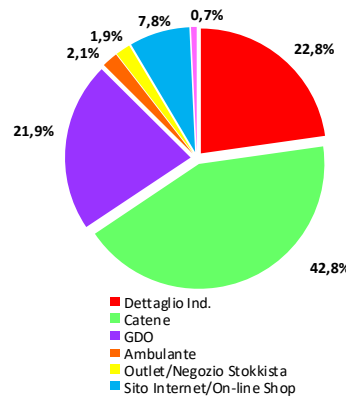
**Fig. 2.2 – Sell-out Structure**  
(% total consumption)



**Fig. 2.3 – Sell-out Trends**  
**Channel-by-Channel Analysis**  
(tendential % variation)



**Fig. 2.4 – The Distribution Structure:**  
**Channel-by-Channel Analysis**  
(% total consumption)



Source: Sita Ricerca data processed by Confindustria Moda

Differently from Table 1, these data refer only to Italian family expenditure, inventories and out-of-family consumption excluded.

(\*\*) The channels were calculated from seasonal data and therefore as the sum of S/S 2019 and F/W 2019-20.

Spring/Summer closed down by -5.5%, worsening in comparison to the S/S 2018 datum (-2.9%). In the second half of the year, however, the entity of the drop in menswear consumption attenuated somewhat: the September-October 2019 two-month period was the best for the year, with a loss of only -2.3%. The sell-out in the last two months of 2019 was down (-3.5%), but at a rate decidedly better than that seen during the S/S months.

S/S closed down by -5.5% but the rate of fall slowed in the second half of the year.



Nor did the beginning of the new year bring a change: 2020 opened with a decrease, in the first two-month period, of -4.6% with respect to January-February 2019.

Returning to performance during the last solar year, the preponderant sub-sector (fabric outerwear, accounting for 55.9% of the men's fashion sell-out) and knit outerwear (25.0%) both lost ground at a rate that was slower than the men's fashion average; that is, -3.4%. Ties were down by -4.5%; trailing by a few lengths, shirts lost -7.9%. Leather apparel, after a two-figure loss in 2018, changed pace and closed up by +2.9%.

At the distribution channel level (the data for which is available season by season and is therefore relative, for our purposes here, to the period from March 2019 through February 2020), the menswear market in Italy was dominated by the chain stores. In the period, the channel accounted for a 42.8% market share, leading traditional retailing, whose share shrank to 22.8%, and large-scale distribution, whose incidence weighed in at 21.9%. The growth trends in the period confirmed these figures. Running counter to the sector average, the sell-out mediated by the chain stores gained +5.4% while that handled by traditional retailing lost -13.6%. Large-scale distribution saw contractions in intermediated sales, as did the outlets and the licensed street vendors – with particularly heavy losses in these latter two categories. Like the chain stores, e-commerce gained ground, with a +7.1% increase in sales and accounted for 7.8% of the domestic men's fashion market.

In the 12 months of 2019, men's fabric and knit outerwear both lost -3.4%, ties lost -4.5%, and shirts were down by -7.9%. **Manca su vs. italiano**

In terms of distribution channels, from March 2019 through February 2020, the chain stores were up (+1.1%) . . .

. . . and sales by the online channels grew by +7.1%, for a 7.8% market share.

## 2. Performance on the foreign markets in 2019

As we anticipated in the comment on the men's fashion industry balance (from which, however, Junior products are excluded), during the year 2019 the positive trend continued on the men's fashion export front, with a +10.2% increase on an annual basis, while imports grew at an average annual rate of +8.0%.

For the most part, the goods segments examined here recorded positive trends. In 2019, fabric outerwear enjoyed an increase in foreign sales of +8.1% and knit outerwear even more so, with more than double the increase at 16.6%. Foreign sales of men's shirts inverted the negative trend of 2018 to record a +2.7% increment, but leather apparel failed to rise beyond +0.3%. Exports of ties were still down, with a -5.9% loss.

With reference to Italy's foreign markets, of note the fact that both the EU and the extra-EU areas were favorable to the industry, with growth of ca. +10.0% on both fronts. The EU confirmed its position as Italy's principal customer market cluster, absorbing a 52.0% share of Italy's total sector exports.

Analogously to 2018, in 2019 the leading market for *Made in Italy* menswear was the United Kingdom, which expanded by +22.8% for a total of more than 840 million euro in purchases.

In 2019, EU and extra-EU sales both grew by upwards of +10%.

In first place, the United Kingdom, up by +22.8%.

Second place was taken by Switzerland, the logistics-commercial platform for a number of *griffes* in menswear as in other fashion industries, which was up by a similar figure: +26.3%. Germany, which took third place from France, enjoyed +7.9% growth; France grew by +10.2%. Still in Europe, Spain managed no better than a +0.8% increase.

Going on to the extra-European areas, the United States market was up by +8.0% and Hong Kong and China showed variations of +3.9% and +7.5%, respectively. Again in the Far East, increases in exports to Japan were in the double digits – by +17.9% – as they were for South Korea, which showed a lesser, though close, +17.0% jump.

Further down the rankings of the top 15 customer markets, the Netherlands was up by +1.8% and Austria and Belgium grew by +21.5% and +9.9%, respectively; Russia, instead, fell off by -3.7%. Exports to Canada, a new entry in the grouping, were up by +11.0%.

The dynamics for Switzerland, Germany, and France were also favorable.

In the extra-EU area, exports to the U.S. grew by +8.0% and to Hong Kong and China by +3.9% and +7.5%, respectively. Japan and South Korea enjoyed double-digit increases.

**Table 2 – Italian Men's Fashion: Foreign Trade by Country (\*)**  
(January - December 2019)

1) Imports				2) Exports			
Paesi di origine	Mil. di Euro	Var. %	Quota %	Paesi di destinazione	Mil. di Euro	Var. %	Quota %
<b>TOTALE</b>	<b>5 648</b>	<b>8,0</b>	<b>100,0</b>	<b>TOTALE</b>	<b>7 576</b>	<b>10,2</b>	<b>100,0</b>
<i>di cui:</i>				<i>di cui:</i>			
Intra UE 28	2 403	13,8	42,5	Intra UE 28	3 941	10,0	52,0
Extra UE 28	3 245	4,0	57,5	Extra UE 28	3 635	10,4	48,0
<i>I primi 15 fornitori</i>				<i>I primi 15 clienti</i>			
Cina	888	0,0	15,7	Regno Unito	844	22,8	11,1
Bangladesh	716	3,2	12,7	Svizzera**	821	26,3	10,8
Romania	392	4,2	6,9	Germania	731	7,9	9,7
Francia	373	-0,2	6,6	Francia	718	10,2	9,5
Spagna	319	57,4	5,7	Stati Uniti	637	8,0	8,4
Tunisia	293	-4,4	5,2	Spagna	436	0,8	5,8
Paesi Bassi	270	31,4	4,8	Hong Kong	359	3,9	4,7
Germania	223	6,4	4,0	Cina	349	7,5	4,6
Belgio	203	10,7	3,6	Giappone	327	17,9	4,3
Turchia	190	7,5	3,4	Paesi Bassi	221	1,8	2,9
Vietnam	137	21,9	2,4	Corea del Sud	196	17,0	2,6
Bulgaria	134	5,3	2,4	Russia	175	-3,7	2,3
Cambogia	123	14,8	2,2	Austria	156	21,5	2,1
Albania	123	-1,7	2,2	Belgio	119	9,9	1,6
Pakistan	109	34,2	1,9	Canada	101	11,0	1,3

Fonte: Confindustria Moda su ISTAT

(\*) A differenza dei dati riportati in tabella 1, qui ci si

(\*\*) Da ritenersi in primis piattaforma logistico-comm



As concerns imports, men's fashion coming into Italy from abroad (in this case, including Junior products as shown in Table 2), increased by +8.0% overall in 2019.

More specifically, a look at the single goods categories considered here shows that imports of fabric and knit outerwear both increased by more than 8.0%; imports of men's shirts also increased, by +5.7%. Ties were down again, by -7.6%, but imports of leather apparel were up by +1.7%.

A breakdown of performance by supplier market puts China at 2018 levels, accounting for a 15.7% share of total imports. Bangladesh, Italy's second supplier with a 12.7% share, confirmed its growth trend with a +3.2% variation. Both the datum for China and that for Bangladesh must, however, be cross-referenced with the figures for the Netherlands (up by +31.4%) and for Belgium (+10.7%), since the two countries are traditional ports of entry to Europe for Asian goods. Romania, in third place, gained +4.2%; imports from Spain enjoyed a mini-boom with a +57.4% increase. Imports from France and Tunisia were down by -0.2% and -4.4%, respectively.

In 2019, imports from China settled at 2018 levels and accounted for a 15.7% share of the total. At the same time, Bangladesh advanced, with a +3.2% increase and a 12.7% market share.

### 3. Men's fashion in the early months of 2020

A few weeks from the start of 2020, the outbreak of Covid-19 in China and its spread as a pandemic to Italy, Europe, and the rest of the world projected men's fashion into a scenario that was not only completely unexpected but also completely different from anything ever seen before.

Based on the data available to date, we can develop a photograph of the evolution of the sub-sector in the first three months of the year – a snapshot that takes into account the early impact of the health emergency.

In January and February, foreign trade proceeded at a good clip: Italy's men's fashion exports closed up by +3.3%; imports by +3.2%. As shown in the table, however, the dynamic for the first quarter as a whole was negative: in the period, imports fell off by -7.4% and exports were down by -6.0%. In more detail, the contraction in imports in the month of March alone was -31.0% (135 million euro less than in March 2019); in the same month, exports were down by -26.7% (147.7 million euro less than in March 2019).

In the period from January to March 2020, Italian menswear exports fell off by -6.0% overall but in the month of March alone plummeted by -26.7%, for a loss of almost 150 million euro.

Analysis of the export markets reveals first-quarter 2020 drop-offs of -4.1%, -1.3%, and -8.0% for the United Kingdom, Germany, and France, respectively; Spain was also down, though less so: by -2.5%. Flows to Switzerland instead continued to grow, on the order of +8.5%. Much more marked backslides than those seen on Old World markets were instead all too evident in

The principal EU markets were down . . .

**Table 3 – Italian Men's Fashion: Foreign Trade by Country**  
(January-March 2020)

1) Imports				2) Exports			
Paesi di origine	Mil. di Euro	Var. %	Quota %	Paesi di destinazione	Mil. di Euro	Var. %	Quota %
<b>TOTALE</b>	<b>1 305</b>	<b>-7,4</b>	<b>100,0</b>	<b>TOTALE</b>	<b>1 681</b>	<b>-6,0</b>	<b>100,0</b>
<i>di cui:</i>				<i>di cui:</i>			
Intra UE 28	500	-6,8	38,3	Intra UE 28	744	-3,2	44,2
Extra UE 28	805	-7,7	61,7	Extra UE 28	938	-8,2	55,8
<i>I primi 15 fornitori</i>				<i>I primi 15 clienti</i>			
Bangladesh	212	-5,0	16,2	Regno Unito	185	-4,1	11,0
Cina	185	-9,7	14,2	Germania	178	-1,3	10,6
Francia	87	-2,8	6,7	Svizzera*	161	8,5	9,6
Romania	77	-14,7	5,9	Francia	156	-8,0	9,3
Paesi Bassi	68	21,2	5,2	Stati Uniti	133	-11,4	7,9
Tunisia	68	-8,1	5,2	Spagna	108	-2,5	6,4
Spagna	60	-15,0	4,6	Giappone	70	-8,1	4,2
Germania	54	-10,2	4,2	Hong Kong	69	-24,7	4,1
Turchia	53	-1,2	4,1	Paesi Bassi	61	7,9	3,7
Belgio	48	-4,2	3,6	Corea del Sud	51	15,8	3,1
Vietnam	30	-1,8	2,3	Cina	49	-36,8	2,9
Cambogia	30	-3,9	2,3	Russia	42	-5,5	2,5
Pakistan	29	-2,1	2,2	Belgio	36	8,3	2,1
India	29	-11,5	2,2	Austria	35	0,1	2,1
Portogallo	27	44,5	2,1	Canada	25	4,4	1,5

Fonte: Confindustria Moda su ISTAT

(\*) Primarily as a logistic-commercial platform.

Italy's exports of men's fashion to America and Asia. Exports to the U.S. fell by -11.4%; in the Far East, exports to Japan were down by -8.1%, but the worst results came in from Hong Kong and China, where the drop-offs in absorbance capacity were -24.7% and -36.8%, respectively. South Korea was the glaring exception, with an increase of +15.8%.

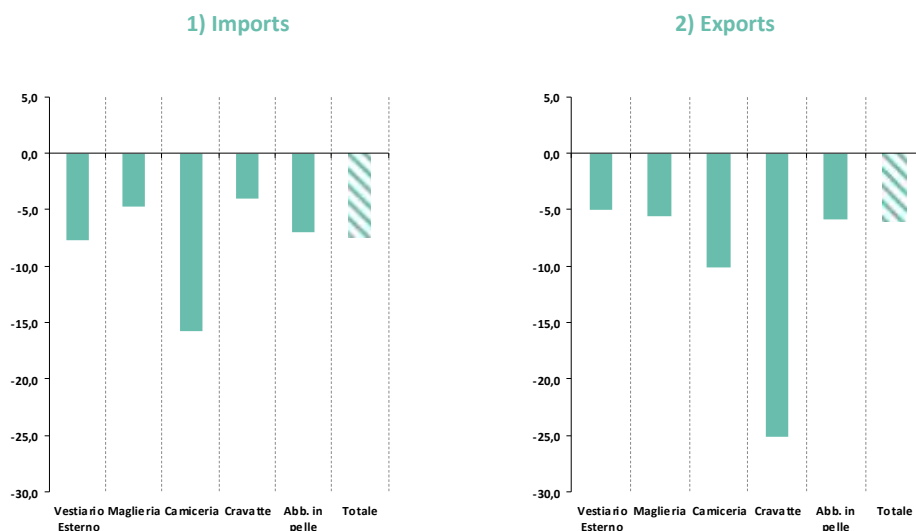
Turning to the major supplier countries, in January-March 2020 we saw Bangladesh top China for the first time: be that as it may, imports from both countries showed decreases, to the tune of -5.0% the former and -9.7% the latter. On the other hand, flows incoming from the Netherlands grew by +21.2%: this gateway was the only one of Italy's top 15 supplier partners to show a positive variation. Imports from France and Romania fell by -2.8% and -14.7%, respectively.

The drop-offs in imports and exports cut across all goods category lines. Foreign sales of Italian ties were down by a huge -25.1%; exports of Italian shirtwear by -10.1%. Exports of fabric outerwear, knitwear and leather apparel also showed losses in excess of -5.0%. Like exports, imports also closed the first quarter with losses that varied from the -4.0% experienced by ties to the -15.8% suffered by shirts.

... but the worst results were had in Hong Kong and China, with -24.7% and -36.8%.



**Figure 3 – Italian Men's Fashion: Foreign Trade by Product**  
(January-March 2020)



And now to the Italian market. According to data processed by Sita Ricerca for SMI, the men's fashion sell-out in the period from January through April all collapsed, losing -34.0%; "nothing" in comparison to the inevitable nosedives in the March-April two-month period which, on account of the store closures, spiked downward by more than -70.0% (and more precisely, touched -75.4%). E-commerce moved against the tide, with sales of Textiles-Clothing-Footwear growing by +14% in the first four months of the year. The online channels advanced month by month: after a favorable January and February (when sales were up by +4.2% and +6.1%, respectively), sales reeled with the shock in March, showing only +1.8% growth, but then accelerated by +40.8% in April and skyrocketed by +152.3% in May. The forecast for June is for channel performance aligned with April's.

In Italy, the menswear sell-out left -34.0% by the wayside in the January-April period, but e-commerce grew by +14.0%.

**Florence, 16 July 2020**

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