ITALIAN MEN'S FASHION IN 2023-24

Notes by Centro Studi di Sistema Moda Italia

1. The sectorial balance in 2023

From the sectorial balance shown in Table 1 it emerges that Italian men's fashion (an aggregate which, it should be remembered, includes fabric clothing, outdoor knitwear, shirtwear, ties and leatherwear) closed 2023 with an increase of +4.7%, experiencing a more modest variation compared to recent years. The turnover for Italian menswear reached 11.9 billion euros, thus accounting for 18.5% of the Italian Textiles-Clothing production chain. The forecasts made on the occasion of the last edition of Pitti Uomo (January 2024), when a dynamic of +4.9% was estimated, were, therefore, more or less confirmed.

For Italian men's fashion,
2023 closed with an increase of + 4,7%

With reference to each micro-sectors examined here, they all closed 2023 with positive variations, except for leather manufacturing which recorded a drop of -0.6%. The greatest growth was registered by ties which increased by +7.6%, followed by shirtwear which signaled a recovery of +7.4%.

Table 1 - Italian Men's Fashion industry (2018-2023)
(Current millions of Euros)

	2018	2019	2020	2021	2022	2023
Fatturato	9.516	10.147	8.169	9.410	11.316	11.852
Var. %		*6,6*	*-19,5*	*15,2*	*20,3*	*4,7*
Valore della produzione	4.648	4.681	3.686	4.363	4.729	4.883
Var. %		*0,7*	*-21,3*	*18,4*	*8,4*	*3,3*
Esportazioni	6.396	7.029	5.858	6.641	8.286	8.830
Var. %		*9,9*	*-16,7*	*13,4*	*24,8*	*6,6*
Importazioni	4.294	4.631	3.699	3.994	5.763	5.632
Var. %		*7,8*	*-20,1*	*8,0*	*44,3*	*-2,3*
Saldo commerciale	2.102	2.398	2.160	2.647	2.523	3.198
Consumi finali	6.556	6.285	4.395	5.363	5.878	5.899
Var. %		*-4,1*	*-30,1*	*22,0*	*9,6*	*0,4*
Indicatori Strutturali (%)						
Esportazioni/Fatturato	67,2	69,3	71,7	70,6	73,2	74,5

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

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Figure 1 - Italian men's fashion: structure and trend of the individual sectors, 2023

Fig. 1.1 – Composition of turnover
(% quota of the total)

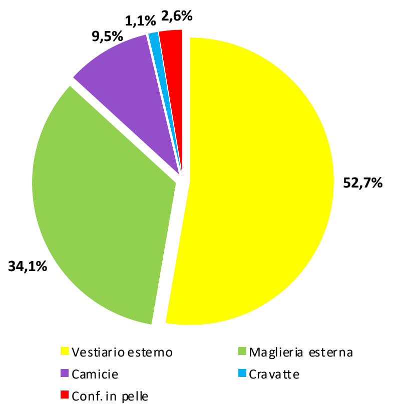
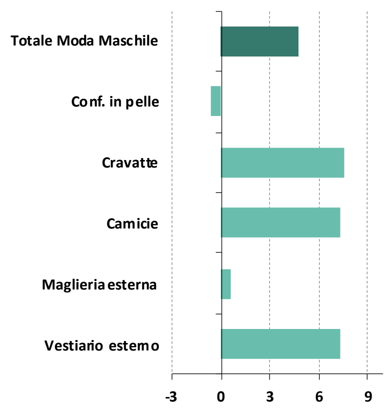


Fig. 1.2 – Turnover trend
(% var. 2023/22)



Source: Sistema Moda Italia

The value of production (it should be remembered that this variable aims to estimate the value of the production activities carried out in Italy, net of the marketing of imported products) closed 2023 with growth of +3.3%.

The value of production grew by +3.3%

With regard to import-export trade, exports maintained their leading role for Italian men's fashion, making up 74.5% of the turnover. On an annual basis, sector exports registered a positive variation of +6.6%, exceeding 8.8 billion euros. Conversely, imports experienced a fall of -2.3%, dropping to around 5.6 billion.

In 2023 menswear exports registered a positive variation of +6.6%, conversely imports experienced a drop of -2.3%

In the light of the above export-import dynamics, in 2023 the men's fashion experienced an increase in the trade balance, with a surplus of 3.2 billion euros.

The sector surplus was 3.2 billion euros

If we move on to analyze the Italian market, the picture that emerges is also characterized by a positive dynamic, but with values that are still a long way away from the pre-pandemic period. With reference to the 2023 calendar year, men's fashion purchases by resident families showed a timid rise compared to the previous year (+0.4%); so the studies carried out by Sita Ricerca on behalf of SMI indicate a slowdown of the pace of growth.

In Italy the sell-out of men's fashion showed timid growth (+0.4%)

Again, analyzing the 2023 calendar year, manufacturing accounted for 55.4% of the sell-out of men's fashion, thus turning out to be the predominant sector, followed by knitwear with a quota of 26.1%. Shirtwear represented 16.5% of the men's fashion market; finally, the quotas for ties (1.2%) and leatherwear (0.8%) were more modest.

Looking at the performances according to season, in Spring/Summer 2023 menswear expenditure recorded a drop of -1.1%. This result was mainly due to the negative dynamic registered by knitwear and shirtwear, important sectors for men's fashion: the former showed a drop of -1.9% and the latter of -4.2%. Leatherwear also showed a decrease (-2.1%). Manufacturing, however, grew (+0.1%) and above all, ties, which recorded an increase of

S/S 2023 recorded a drop of -1.1%

+5.6%, although they were unable to condition the trend for the season. In Fall/Winter 2023-24 consumption also recorded a negative trend with an average drop of -4.9%: in this season all sectors manifested losses with -6.1% for shirtwear and leather wear and -3.8% for knitwear.

Figure 2 – Men's Fashion: consumption and distribution on the Italian market (*)
*(2023**)*

Fig. 2.1 - Sell-out trend by product
(% tend. var.)

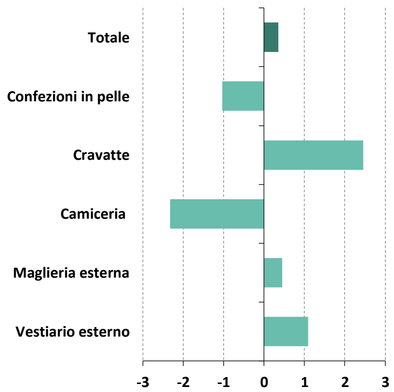


Fig. 2.2 – The sell-out structure
(% on total consumption)

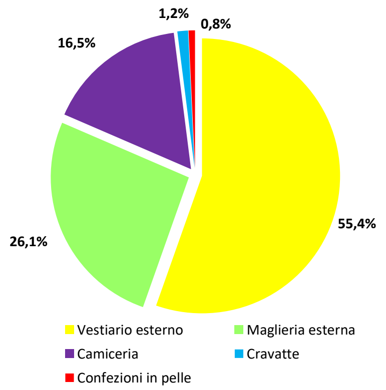


Fig. 2.3 - 1 - Sell-out trend by distribution channel
(% tend. var.)

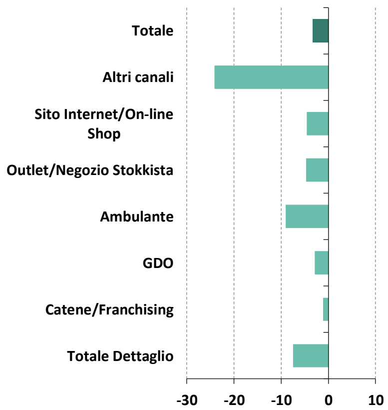
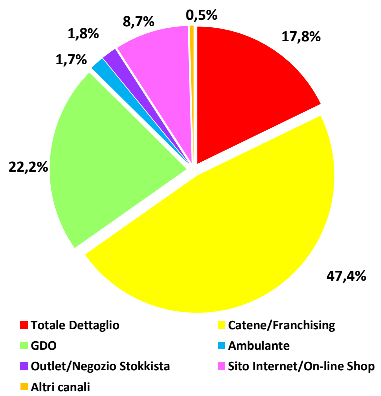


Fig. 2.4 – The distribution structure: analysis by channel
(% on total consumption)



Source: Sistema Moda Italia on Sita Ricerca data

(*) Unlike Table 1, here the data refer only to the purchases of Italian families, excluding extra-family stocks and consumption
(**) The channels are processed starting from seasonal data, so this is the sum of S/S 2023 and F/W 2023-24

With regard to distribution channels (it should be remembered that this data, being available by season, relates to the period between March 2023 and February 2024), the men's domestic market was confirmed as being dominated by chains, the incidence of which was 47.4% (+1.0 quota points with respect to the corresponding period 2022-23); despite this we experienced a value reduction of -1.1%. Large scale distribution, with a drop of -2.9%, was in second place

In the period from March 2023 to February 2024, the various distribution channels were affected by a negative dynamic

(22.2% of the share): among the various channels studied, the biggest fall was in the food channel (-10.6%). Independent retail continued to lose ground, down to 17.8% following a decrease of -7.5%. After the +7.1% rise recorded in 2022, even on-line sales returned to negative territory and were down by -4.6%; this was translated into a quota of 8.7%. During the period in question, the other two physical retailers, i.e., mobile stores and outlets, which each account for around 1.7% of Italian men's fashion sales, were affected by a negative trend: the former lost -9.1%, and the latter -4.7%.

2. The performances on foreign markets in 2023

There was a slowdown in 2023, as mentioned in the sectorial balance comment (from which, however, it should be remembered that junior products are excluded). The ISTAT [Italian National Institute of Statistics] data indicate that exports for the period January-December 2023 showed an increase of +6.5% on 2022, for a total of around 9.5 billion euros; while imports manifested a drop of -2.6%, falling to 6.9 billion euros.

In January-December 2023 menswear exports were up by +6.5%, while imports were down by -2.6%

With regard to commercial outlets, it should be emphasized that both EU and non-EU areas were favorable for the men's fashion industry, growing respectively by +7.2% and +6.0%. The EU market covers 45.7% of total sector exports, while the non-EU area was the biggest "purchaser", absorbing 54.3%. Similarly, in the case of imports, 48.2% of men's fashion entering our country comes from the EU, while the non-EU area guaranteed 51.8%, despite registering a loss of -13.8% compared to the previous year.

During the period examined, the top destination for *Made in Italy* menswear was France, up by +16.8%, reaching 1.2 billion euros, equal to 12.2% of the sector total. Next came Germany (10.3%) and the United States (with a share of 9.3%), both affected by a positive dynamic, respectively equal to +0.4% and +3.0%. Following the good performance in the previous year (+14.1%), in 2023 Switzerland - a strategic logistical-commercial hub for the main sector designer labels – slipped to fourth place in the face of a negative variation of -26.5%, which led it to represent 7.7% of foreign sales. China, up by +13.9%, reached 647 million euros (6.8% of the total); in parallel, Hong Kong, in eleventh position, also showed a double figure increase in Italian sector exports of +28.8%.

In 2023 the top destination was France, followed by Germany and the United States

Spain, in sixth position, recorded an increase of +9.9%; this was followed by the United Kingdom which, conversely, presented a drop of -3.4%. Next came South Korea and Japan which experienced lively positive variations, equal respectively to +18.1% and +19.8% followed by the Netherlands which, vice versa, fell by -1.5%, ensuring 3.3% of sector exports.

The main outlet markets were characterized by a positive performance. Only Switzerland, United Kingdom and the Netherlands bucked the trend.

Table 2 – Italian Men's Fashion (*): foreign trade by country
(January-December 2023)

1) Imports

Paesi di origine	Mil. di Euro	*Var. %*	Quota %
TOTALE	6.862	*-2,6*	*100,0*
di cui:			
Intra UE27 post-Brexit	*3.305*	*13,3*	*48,2*
Extra UE27 post-Brexit	*3.557*	*-13,8*	*51,8*
I primi 15 fornitori			
Cina	837	*-25,0*	*12,2*
Bangladesh	771	*-22,1*	*11,2*
Francia	585	*15,1*	*8,5*
Paesi Bassi	507	*18,2*	*7,4*
Romania	459	*19,2*	*6,7*
Spagna	435	*3,2*	*6,3*
Belgio	364	*20,5*	*5,3*
Germania	359	*15,3*	*5,2*
Tunisia	306	*1,9*	*4,5*
Turchia	280	*-6,3*	*4,1*
Pakistan	161	*-12,3*	*2,3*
Svizzera**	149	*51,6*	*2,2*
Albania	141	*0,4*	*2,1*
Bulgaria	138	*12,2*	*2,0*
Vietnam	132	*-16,1*	*1,9*

2) Exports

Paesi di destinazione	Mil. di Euro	*Var. %*	Quota %
TOTALE	9.527	*6,5*	*100,0*
di cui:			
Intra UE27 post-Brexit	*4.354*	*7,2*	*45,7*
Extra UE27 post-Brexit	*5.173*	*6,0*	*54,3*
I primi 15 clienti			
Francia	1161	*16,8*	*12,2*
Germania	980	*0,4*	*10,3*
Stati Uniti	884	*3,0*	*9,3*
Svizzera**	735	*-26,5*	*7,7*
Cina	647	*13,9*	*6,8*
Spagna	520	*9,9*	*5,5*
Regno Unito	489	*-3,4*	*5,1*
Corea del Sud	430	*18,1*	*4,5*
Giappone	347	*19,8*	*3,6*
Paesi Bassi	318	*-1,5*	*3,3*
Hong Kong	303	*28,8*	*3,2*
Polonia	230	*21,2*	*2,4*
Russia	189	*44,0*	*2,0*
Austria	170	*0,7*	*1,8*
Emirati Arabi Uniti	145	*45,3*	*1,5*

Fonte: Sistema Moda Italia su ISTAT

(*) The aggregate includes Junior products
*(**) Considered primarily as a logistic-commercial platform*

Finally, four destinations that had an incidence of between 2.4% and 1.5% of the sector total highlighted the important growth of Italian men's fashion exports: they were Poland (up by +21.2%), Russia (+44.0%), Austria (+0.7%) and United Arab Emirates (+45.3%).

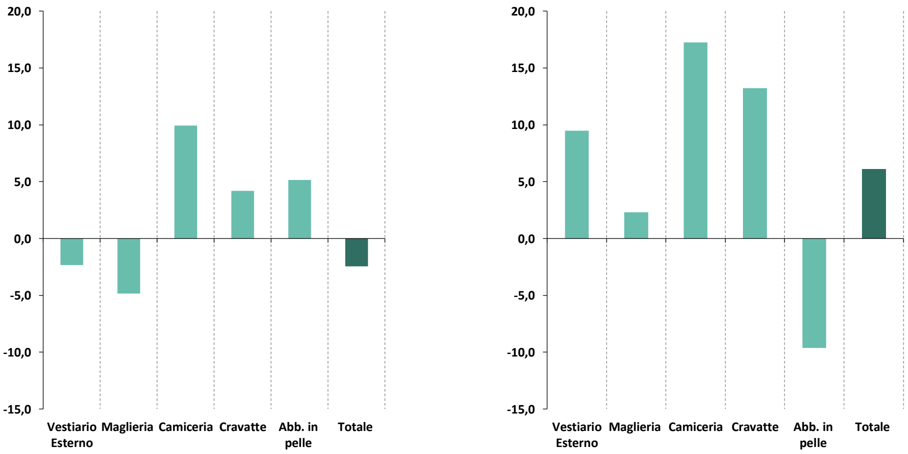
In 2023 despite experiencing a drop, China was confirmed as the top supplier with a quota of 12.2% of the total, followed by Bangladesh and France.

With regard to imports, from January to December 2023, China was confirmed as the top supplier of men's fashion with an incidence of 12.2% despite having undergone a considerable decrease (-25.0%). Bangladesh - in second position – also registered a negative dynamic of -22.1%; followed by France which conversely presented growth of +15.1%.

The import data for China and Bangladesh should, in any case, be cross-referenced with that for the Netherlands, the traditional point of entry for goods of Asian origin, which recorded an increase of +18.2%, as well as that for Belgium which was also affected by a positive dynamic (+20,5%). Romania, in fifth place, increased by +19.2%, followed by Spain which kept growth to +3.2%.

Figure 3 – Italian Men's Fashion: foreign trade by product line
(January-December 2023, tendential % variation)

1) Imports **2) Exports**



Source: Sistema Moda Italia on ISTAT data
(*) The aggregate includes Junior products

Looking at the import-export trade figures no longer by country but by merchandising category, there were positive performances with regard to exports for all products, except for leatherwear which fell by -9.6%. In detail, shirtwear registered an increase of +17.2%; this was followed by ties with +13.2%; manufacturing and knitwear recorded respectively +9.5% and +2.3%.

In terms of product, the best performer was shirtwear, with an increase in exports of +17.2%

With regard to supplies originating from abroad, imports of men's manufacturing and knitwear fell by respectively -2.3% and -4.8%. Conversely tie imports presented an increase of +4.2%, while leather wear and shirtwear grew by +5.1% and +9.9%.

3. Men's fashion in early 2024

In the first two months of 2024 Italian men's fashion saw exports continue along a favorable path, while imports underwent a slowdown. Based on the latest ISTAT data which has just been released, January-February actually saw sector exports increase by +13.0%, making a total of around 1.8 million euros, while imports fell by -13.3% to just over 1 million euros.

In the first two months of 2024 Italian fashion saw exports continue along a favorable path (+13,0%), while imports fell by - 13.3%

Focusing the analysis on exports first, with regard to commercial outlets it should be emphasized that both EU and non-EU areas continued to be favorable for men's fashion, growing respectively by +5.8% and +19.6% in the period monitored. The EU market covers 44.6% of total sector exports, while the non-EU area was the major "purchaser" absorbing 55.4%.

Table 3 - Italian Men's Fashion: foreign trade by country (*)
(January-February 2024)

3.1 - Imports **3.2 - Exports**

Paesi di origine	Mil. di Euro	Var. %	Quota %	Paesi di destinazione	Mil. di Euro	Var. %	Quota %
TOTALE	1.049	*-13,3*	*100,0*	TOTALE	1.766	*13,0*	*100,0*
di cui:				*di cui:*			
Intra UE27 post-Brexit	*527*	*-2,8*	*50,3*	*Intra UE27 post-Brexit*	*787*	*5,8*	*44,6*
Extra UE27 post-Brexit	*522*	*-21,8*	*49,7*	*Extra UE27 post-Brexit*	*979*	*19,6*	*55,4*
I primi 15 fornitori				*I primi 15 clienti*			
Cina	120	*-18,3*	*11,5*	Francia	209	*15,3*	*11,8*
Bangladesh	107	*-39,5*	*10,2*	Germania	175	*0,2*	*9,9*
Francia	106	*-1,6*	*10,1*	Stati Uniti	156	*7,9*	*8,8*
Paesi Bassi	81	*-2,2*	*7,7*	Cina	133	*62,9*	*7,5*
Germania	74	*11,5*	*7,0*	Spagna	99	*6,5*	*5,6*
Spagna	71	*7,3*	*6,7*	Svizzera**	95	*-35,6*	*5,4*
Romania	60	*-6,6*	*5,7*	Regno Unito	82	*-6,8*	*4,6*
Tunisia	45	*-18,5*	*4,3*	Corea del Sud	75	*16,1*	*4,2*
Belgio	45	*-27,3*	*4,2*	Hong Kong	68	*56,8*	*3,9*
Turchia	44	*-22,7*	*4,2*	Giappone	68	*22,0*	*3,8*
Pakistan	23	*-32,9*	*2,2*	Paesi Bassi	64	*8,6*	*3,6*
Svizzera	23	*0,7*	*2,2*	Emirati Arabi Uniti	43	*100,7*	*2,4*
Albania	21	*-5,7*	*2,0*	Polonia	38	*25,5*	*2,2*
Bulgaria	20	*-4,1*	*1,9*	Russia	38	*49,4*	*2,2*
Vietnam	19	*-9,7*	*1,8*	Belgio	30	*-10,2*	*1,7*

Fonte: Sistema Moda Italia su ISTAT

(*) Unlike the data in table 1, here we are also referring to Junior products
(**))Considered primarily as a logistic-commercial platform

In the period studied, the top destination of *Made in Italy* menswear was France which registered growth of +15.3%. Followed by Germany which recorded a timid +0.2%, and the United States with +7.9%. China was in fourth place with a strong increase (+62.9%). Hong Kong, in ninth position, also presented a double digit rise of +56.8%.

In the period studied, France passed to first place among the destination countries followed by Germany and the United States

The negative dynamic registered by Switzerland (-35.6%) should be emphasized resulting in it slipping down to sixth position.

Regarding imports, 50.3% of men's fashion entering our country comes from the EU, while the non-EU area guarantees 49.7%. Both areas saw a decrease: the EU market closed January-February 2024 with a negative dynamic of-2.8% while the non-EU area recorded a worse variation (-21.8%). In the same period, China was positioned in first place, despite a drop of -18.3%, surpassing Bangladesh - down by -39.5% - by almost 20 million euros. Among the other suppliers, the only ones recording a positive dynamic were Germany (+11.5%), Spain (+7.3%) and Switzerland (+0.7%), although they all presented absolute values that were a lot more modest (below 7% of incidence on the total).

Looking at men's fashion import-export trade figures no longer by country but by product, with reference to exports, the performance was excellent for outerwear, which was up by +23.3% compared to the first two months of 2023, as well as shirtwear (+18.1%), knitwear (+15.7%) and leatherwear (+14.6%). The results were more modest for tie exports which were up by +3.0%.

In merchandising terms, in the first two months of 2024 foreign sales grew for all the various men's fashion products

Figure 4 - Italian Men's Fashion: foreign trade by product(*)
(January-February 2024, tendential % variation)

Fig. 4.- Imports

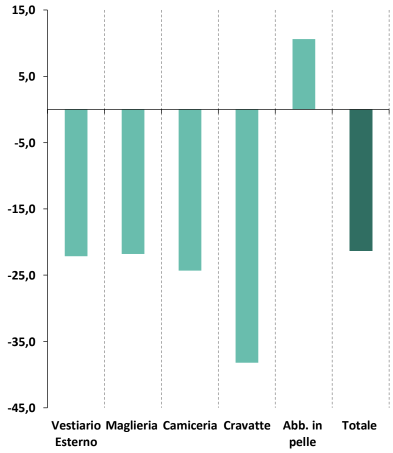
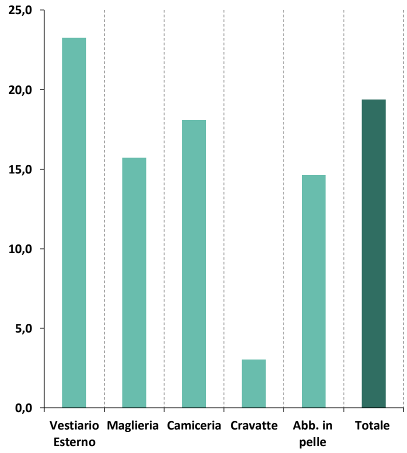


Fig. 4.2 - Exports



Source: Sistema Moda Italia on ISTAT data
(*) The aggregate includes Junior products

In terms of product, the fall in imports was generalized. Foreign sales of ties actually dropped by -38.2% and those of shirtwear by -24.3%. Manufacturing and knitwear were also down by respectively -22.1% and -21.8%. Conversely, leatherwear imports closed the first two months with double figure growth (+10.6%).

Looking at the Italian market, according to data processed by Sita Ricerca for SMI, the sell-out of men's fashion, in the period January-February 2024, was down -2.3% compared to the corresponding period the previous year. This negative dynamic was seen in all sectors of Italian men's fashion. The biggest drop was recorded for leather manufacturing which was down by -4.9%, followed by men's shirtwear (-4.0%). The smallest variation referred to men's knitwear (-0.8%).

Based on the Sample Collection Survey carried out by Centro Studi on the SMI panel of companies operating in men's fashion, the majority (50%) expected a stable turnover for the first six months of 2024 compared to the same period the previous year. 38% expected a decline in the first six months compared to 2023, while 13% envisaged an improvement. With regard to production, 57% of the panel feared a worsening in the first six months of the current year compared to the same period in 2023, 29% expected stability, while the remaining 14% predicted an improvement.

Beyond these early indications, the Pitti Uomo fair rendezvous will once again be a particularly significant barometer for understanding market trends, allowing members of the trade to better shape their expectations for the coming months and, as a consequence, direct their own business strategies.

Florence, 11 June 2024