

JUNIOR FASHION IN 2023-2024

Notes by Centro Studi di Sistema Moda Italia

The sectorial balance sheet for 2023

In 2023, childrenswear (understood as fabric and knit clothing for children in the 0 to 14 age range, including intimate apparel and accessories), whilst remaining in positive territory, recorded a slowdown in the pace of growth. For junior fashion the year closed with a rise of +0.7%, a variation which led to the sector turnover stabilizing at 3.2 billion euros.

The value of production (which, it should be remembered, attempts to estimate the value of Italian production activities net of the commercialization of imported products) reported a drop of -0.6% compared to the previous year.

Once again, Junior fashion mainly took advantage of its favorable situation on international markets; following the growth registered over the previous two-year period, the domestic market, which continues to be predominant for the sector, was down by -3.7%.

In 2023 junior fashion recorded a slowdown in the pace of growth (+0.7%) and the sector turnover stabilized at 3.2 billion euros

Table 1 - The Italian Junior fashion industry (2018-2023) (*)
(Millions of Euros at current value)

	2018	2019	2020	2021	2022	2023
Fatturato	2.980	3.100	2.643	3.051	3.184	3.207
Var. %		4,0	-14,7	15,5	4,3	0,7
Valore della produzione	943	930	795	929	950	944
Var. %		-1,4	-14,5	16,8	2,2	-0,6
Esportazioni	1.196	1.275	1.100	1.305	1.465	1.532
Var. %		6,6	-13,7	18,6	12,2	4,6
Importazioni	1.974	2.117	1.780	1.977	2.720	2.656
Var. %		7,2	-15,9	11,1	37,5	-2,4
Saldo commerciale	-777	-842	-679	-672	-1.255	-1.124
Consumi finali	4.155	4.105	3.361	3.853	4.030	3.881
Var. %		-1,2	-18,1	14,6	4,6	-3,7
Indicatori Strutturali (%)						
Esportazioni/Fatturato	40,1	41,1	41,6	42,8	46,0	47,8

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

(*) *Abbigliamento ragazzo/a in maglia e tessuto 0-14 anni, intimo ed accessori inclusi*



Looking at foreign trade, sector exports recorded an increase of +4.6% on an annual basis, a dynamic which resulted in overseas sales of just over 1.5 billion euros. The average incidence of foreign sales on the overall turnover therefore rose to 47.8%. Sector imports underwent a negative variation of -2.4%, for a total of around 2.7 billion euros.

Sector exports recorded growth of +4.6%, while imports were down by -2.4%

Considering the aforementioned trend of foreign trade, the commercial sector balance sheet showed a deficit of -1.124 million euros.

In 2023 infant fashion exports fell by -1.8%

In 2023, exports of infant clothing alone (for which it is possible to isolate the pertinent customs data and, therefore, foreign trade flows on a country-by-country basis) fell by -1.8% to around 156.8 million euros.

The sector data was affected by the negative dynamics of the main European partners

With regard to the macro geographical areas, the trend of foreign sales for both EU and non-EU areas was a dichotomy: the former, with an incidence of 49.5%, dropped by -11.5%, whereas the latter grew by +10.0%. The sector data was affected by the dynamics of the main European partners which, in 2023 recorded a negative trend. Spain, France and Switzerland, the top three destination countries for infant fashion, all recorded double figure drops of, respectively, -16.0%, -10.4% and -41.4%. The United States, in fourth position, contrasted with the average figures and registered significant growth (+64.5%), absorbing 6.5% of foreign sector sales. It was followed by the United Kingdom and Germany which were both down: the former by -3.4% and the latter by -4.8%. Strongly bucking the general trend in addition to the aforementioned United States, was China, which recorded an important positive variation, bouncing to seventh position, and the United Arab Emirates which returned to growth (+23.6%). There were also significant rises for Poland and Hungary which were up by, respectively, +35.3% and +5.3%, although they both represented less than 3% of sector exports.

Infant fashion imports fell by -7.3%

Russia reported a negative dynamic (-9.7%): it should be remembered that, for years, the Russian market was the top outlet for Italian childrenswear.

In 2023 the sell-out levels of junior fashion on the national market fell by -3.7%

Regarding the flow of foreign imports, again with reference to infant clothing alone, 2023 saw a fall of -7.3%, making a total of 348.5 million euros. During the period analyzed, Spain took first place, with an incidence on the total imported of 24.4%, recording a positive variation of +16.4%. China, faced with a decrease of -27.7%, passed into second position, followed by Bangladesh, down by -28.4%. The flows from the Netherlands increased by +37.2%, making it the fourth sector supplier with an incidence of 9.1%; it was followed by France which reported growth of +19.9%. Conversely, there were negative variations for India (-21.6%), Turkey (-25.4%), Germany (-4.0%) and Tunisia (-25.3%); it should be emphasized that the quota of imports held by these countries is less than 5.5%.

S/S 2023 alone was down by -4.7%

The first bimester of 2024 closed with a negative result (-3.1%)

Chains were confirmed as the leaders (48.9% of the market) despite a drop of -5.1%



Looking at the Italian market, in the 2023 calendar year, the sell-out levels of junior fashion, according to data collected by Sita Ricerca on behalf of SMI, showed a fall of -3.7% in value and of -4.0% in volume. With regard to the product profile, in particular, in terms of expenditure, the 'boy' segment was down -3.7%, the 'girl' segment, structurally predominant, was -2.8% and, finally, the infant segment recorded the worst dynamic, down by -6.1%.

From a temporal viewpoint, 2023 began favorably with the first bimester growing by +6.7%; however, this was followed by S/S 2023 (March-August 2023) which was down by -4.7%: in that period, 'boys' reported a variation of -4.4%, 'girls' of -4.0%, while 'infants' recorded -7.2%. Mainly contributing to this seasonal result was the double digit drop registered in the May-June period (calculated at -11.3%), as well as that in the months of March-April (down by -2.7%). The only bimester in the season to show an increase was the final one (July-August), with a timid +0.8% which, obviously, was unable to turn around the seasonal trend. September-October also continued the negative trend with a significant fall (-11.6%), as did the final bimester of 2023 (-3.3%). The unfavorable dynamic was also evident at the beginning of the current year which, in fact, opened with a drop in the first bimester of -3.1%. F/W 2023-24 (September 2023 – February 2024) therefore closed with an average decrease of -5.6% in value (-5.2% in volume). On a segment level, in the fall season, similar to the S/S, the worst dynamic involved 'infants' (-6.6%), followed by 'boys', down by -5.9% and 'girls' (-5.0%).

Analysis of sell-out levels according to channel highlighted the evolution of the purchasing choices of consumers with reference to junior fashion. Based on the statistics collected by Sita Ricerca for SMI (in this case referred to the period from Spring/Summer 2023 to Fall/Winter 2023-24), chain stores were confirmed as the top channel with an incidence of 48.9% of the total, despite closing the period analyzed with a decrease (-5.1%).

Large-scale distribution fell overall by -5.8% and accounted for 29.7% of the market. All three "actors" experienced negative performances: large department stores, with a quota of 15.3%, were down by -5.5%; large commercial areas, with 11.0% of the share, dropped by -3.8%; while the food channel (3.3% of the sell-out) experienced a double-digit fall (-13.1%). In the season analyzed, only independent retail recorded a positive variation of +3.1%, rising to a quota of 12.6%. Contributing to this result were the 'boy' and, above all, the 'infant' segments: respectively up by +5.5% and +11.2% in this channel.

The digital channel sell-out, equal to 6.0% of the market, remained in negative territory, as already seen in previous seasons: in the months analyzed here, e-commerce recorded a double-digit drop of -12.0%. Looking in more depth at the analysis of this data, there was a

Independent retail was the only channel to record a positive variation (+3.1%)

On-line sales fell by -12.0%, but still had an incidence of 6.0% on the total



strong drop for the ‘boy’ segment (-14.7%); the ‘girl’ segment also fell significantly (-11.7%); conversely, the ‘infant’ segment grew by +7.3%.

After the strong growth experienced in 2021, outlets returned to negative territory registering a tendential double-digit drop of -3.8%.

Figure 1 –Junior Fashion: sell-out trends by channel (S/S 2023 - F/W 2023-24)
 ((% var. of consumption in value)

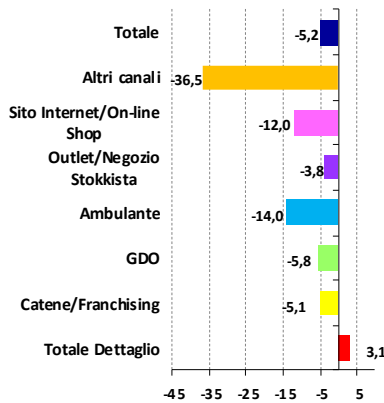
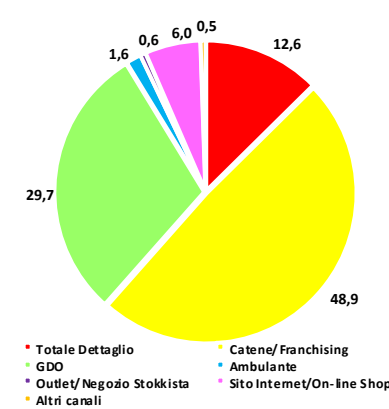


Figure 2 –Junior Fashion: distribution structure (S/S 2023 - F/W 2023-24)
 (% on consumption in value)



Source: Sistema Moda Italia on Sita Ricerca data

Coming to the current year, according to the ISTAT data available today with reference to the infant segment only, in the first two months of 2024 exports remained in negative territory with a double-digit drop of -11.3%. The main markets presented contrasting trends: the United Arab Emirates jumped to first position thanks to three figure growth; it was followed by the United States which also registered an important increase (+57.6%), while Spain recorded a drop of -27.3% and went down to third position. There were decreases for the other main destination countries like France (-19.0%) and the United Kingdom (-31.4%). However, sales were lively in Russia (+13.6%, with an export quota of 3.3%), Saudi Arabia (+81.0%, 3.0% of sales) and Hong Kong (+193.9%, 2.5% of exports).

Passing on to an analysis of incoming flows, 0–3-year clothing imports also recorded a negative dynamic of -18.8%. The top four suppliers alone represented over 65% of sector imports. Goods from Spain, the top procurement market, decreased by -11.4%. China, in second place, also reported a consistent decrease (-23.4%), while France grew by +0.7%, ensuring an incidence of 10.7%. There was a negative variation in imports from Bangladesh (-36.2%); conversely, the Netherlands, the traditional entrance point for goods mainly originating from Asia, recorded a recovery of +18.2%.

2024 opened with a negative trade performance: from January to February, infant fashion exports fell by -11.3% ...

... and imports by -18.8%

Florence, 19 June 2024



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