

## THE ITALIAN YARN INDUSTRY IN 2023-2024

Notes by Centro Studi - Sistema Moda Italia

### 1. The sectorial balance sheet for 2023

In 2023 the sector balance sheet for the Italian yarn industry (understood to include the production of wool, cotton and linen yarns) registered a reversal of the growth trend reported over the previous two-year period which was partly due to the national and international macro-economic downturn and partly “physiological” after two years of fast paced recovery which was always going to be difficult to sustain in the medium term.

As already announced in the preliminary notes circulated last February on the occasion of the previous edition of Pitti Filati, the yarn industry recorded a drop in 2023: while at that time the decrease was estimated to be in the order of -4.2%, in the final balance, sector turnover showed a more marked contraction, equal to -11.0% on an annual basis, losing around 357 million euros in twelve months. Turnover therefore fell to 2.9 billion euros. The sector still exceeded pre-Covid levels, registering growth of +4.0% compared to 2019.

In 2023 the turnover of the Italian yarn industry registered a reversal of the growth trend recording a drop of -11.0%, dropping to 2.9 billion euros

**Table 1 -- The Italian Yarn Industry<sup>(1)</sup> (2020-2023)**

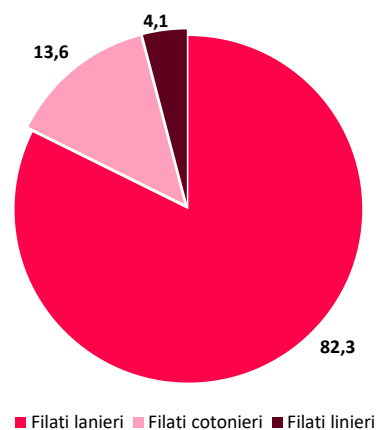
Millions of Euros at current value

	2020	2021	2022	2023
<b>Fatturato</b>	2.020	2.600	3.243	2.886
Var. %		28,7	24,7	-11,0
<b>Valore della produzione</b>	1.243	1.603	1.993	1.770
Var. %		28,9	24,3	-11,1
<b>Esportazioni</b>	651	837	986	868
Var. %		28,6	17,8	-12,0
<b>Importazioni</b>	594	807	1.134	938
Var. %		35,8	40,6	-17,2
<b>Saldo commerciale</b>	57	31	-148	-70
<b>Consumo apparente</b>	1.187	1.572	2.140	1.841
Var. %		32,5	36,1	-14,0
<b>Indicatori Strutturali (%)</b>				
Esportazioni/Fatturato	32,2	32,2	30,4	30,1

Fonte: Sistema Moda Italia su dati ISTAT e Indagini interne

<sup>(1)</sup> Filati lanieri, cotonieri e linieri

**Figure 1 -- The Italian Yarn Industry Turnover ((% quotas by sector)**



All the product categories considered here recorded a fall in 2023

In 2023 yarn manufacturing exports were down by -12.0% and imports by -17.3%

All the different types of yarns saw a fall in foreign sales, except for needlework yarns ...

...with regard to imports the only exceptions were woolen yarns (both carded and worsted)

Returning to our examination of the sectorial balance sheet, wool yarn manufacturing was

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confirmed as the predominant sector accounting for 82.3% of the overall turnover, while cotton yarns covered 13.6%, followed by linen yarns which were limited to 4.1%. Looking at the performances of each sector, these were all affected by a negative dynamic: wool yarns experienced a fall in sector turnover of -9.8% on an annual basis; cotton yarns showed a decrease of -18.6%, while linen yarns recorded -6.4%.

The value of production (a variable intended to estimate the value of Italian production alone net of the commercialization of imported yarns), ended 2023 with a loss of -11.1%, therefore similar to the turnover.

On the foreign trade front, both entry and exit flows experienced a negative dynamic: exports were down by -12.0%, falling to 868 million euros; at the same time, imports reported a negative variation of -17.2%, amounting to 938 million.

Looking in more detail, as indicated in Table 2, in 2023 all the sectors displayed a contraction of foreign sales except for needlework yarns which recorded weak growth (+0.8%). Cotton yarns registered the biggest drop (-21.1%), followed by mixed chemical fiber-wool yarns (-19.9%) and carded wool yarns (-13.3%). Finally, worsted wool yarns and linen yarns reported a negative variation close to -6.0%.

The trade balance continued to show a deficit (-70 million euros)

In the course of 2023 apparent consumption presented a negative dynamic of -14.0%

For Italian yarn manufacturing 2024 opened in negative territory again

**Table 2 - Italian Yarn Industry Foreign Trade in 2023: Analysis by Sub-Sector**

	Import		Export		Saldo
	Mil. Euro	Var. %	Mil. Euro	Var. %	Mil. Euro
Filati cardati di lana	69	37,1	181	-13,3	112
Filati pettinati di lana	324	2,9	276	-6,0	-48
Filati chimici/lana	93	-20,1	71	-19,9	-22,3
Filati per aguglieria	9	-9,7	90	0,8	81
Filati di cotone	330	-34,1	195	-21,1	-134
Filati di lino	114	-20,2	56	-5,7	-58
<b>Totale Filati</b>	<b>938</b>	<b>-17,2</b>	<b>868</b>	<b>-12,0</b>	<b>-70</b>

Fonte: Sistema Moda Italia su dati ISTAT

In the period January - March 2024, the ISTAT production index for the yarn industry recorded a tendential contraction of -5.7%

In the first trimester of 2024, yarn exports reported a drop of -13.3%, while imports were down by -28.3%.

Foreign yarn imports showed a similarly negative evolution, but in this case woolen yarns were the exception and registered growth, in particular worsted woolen yarns were up by +2.9% while carded yarns reported double digit growth of +37.1%. The other types of yarns were down: cotton yarns reported the biggest drop (-34.1%), followed by mixed chemical fiber-wool yarns and linen yarns which both recorded a decrease of around -20.2%. Finally, imports of needlework yarns were down by -9.7%.

Due to the effects of the import and export trends, in 2023 the Italian yarn industry trade balance continued to show a deficit of -70 million euros. The foreign surplus was limited to carded yarns (112 million euros) and needlework yarns (81 million euros). Conversely, all the other types saw imports exceed exports: cotton yarns displayed a deficit of -134 million



euros, linen yarns (-58), worsted woolen yarns (-48) and, finally, mixed chemical fiber-wool yarns (-22.3 million).

In conclusion, analyzing the national market, as indicated in Table 1, apparent consumption, gross of stocks, presented a negative dynamic of -14.0% in value. In any case, domestic demand remained above pre-pandemic levels (+6.1%).

## 2. The situation in the first trimester of 2024

For the Italian yarn industry 2024 opened still in negative territory. The results of the annual study carried out by SMI on a sample of companies associated with the Federation and operating in the yarn manufacturing sector reported decreases in turnover and, above all, production, in the first trimester of the year.

Also, the ISTAT industrial production index for the yarn industry (ATECO Code CB 13.1) showed a drop of -5.7% in the first three months of 2024, thus confirming the findings of the sample study carried out by SMI. This result was mainly determined by the -7.8% decrease in production activities in January and the only slightly less negative trend in February and March (both of which were down by around -4.7% compared to the corresponding period the previous year).

Analyzing the trade performance on foreign markets, the first quarter of 2024 was poor: in fact, it was affected in value by a clear contraction in imports, equal to -28.3%, as well as in yarn manufacturing exports which were down by -13.3%, falling to 227 million euros.

However, the average figures showed different performances according to the type of yarns. On the export side, the most serious losses were suffered by mixed chemical fiber-wool yarns (-23.8%), followed by cotton, linen and worsted wool yarns which all registered double figure negative variations of above -10%. Carded wool and needlework yarns experienced more modest decreases and were down by respectively -6.5% and -3.5%.

Also related to imports, there was a negative dynamic for all types of yarns, except for needlework yarns which were up by +21.3%. Linen yarns contained the loss at -6.4%, followed by carded wool yarns (-13.7%). The other types of yarns reported greater contractions (cotton yarns -25.5%, mixed chemical fiber-wool yarns -30.2% and worsted wool yarns -39.6%).

The trade balance for the period showed a surplus of 24.3 million euros (the first trimester of 2023 showed a deficit of -9.3 million). Contributing to the sector surplus were worsted wool yarns (8.8 million), needlework yarns (18.4 million) but, mainly, carded wool yarns

The trade balance for the period showed a surplus of 24.3 million euros

In the first trimester of 2024 the volumes exported showed an average contraction of -12.1%



(35.6 million). The sum of these surpluses more than compensated for the deficit of the other product categories.

**Table 3 - Italian Yarn Industry Foreign Trade: Analysis by Sub-Sector**  
(period: January-March 2024)

	Import				Export				Saldo
	Tonn.	Var. %	Mln. Euro	Var. %	Tonn.	Var. %	Mln. Euro	Var. %	Mln. Euro
Filati cardati di lana	469	-22,2	20	-13,7	1.987	-8,1	56	-6,5	35,6
Filati pettinati di lana	3.378	-34,1	65	-39,6	2.125	-15,2	74	-13,8	8,8
Filati chimici/lana	3.378	-18,0	21	-30,2	1.535	-17,7	17	-23,8	-4,2
Filati per aguglieria	246	47,8	2	21,3	776	-4,9	20	-3,5	18,4
Filati di cotone	15.056	-4,4	69	-25,5	5.244	-8,9	48	-18,5	-21,2
Filati di lino	1.423	-28,5	25	-6,4	629	-29,0	12	-15,6	-13,1
<b>Totale Filati</b>	<b>23.950</b>	<b>-13,7</b>	<b>203</b>	<b>-28,3</b>	<b>12.296</b>	<b>-12,1</b>	<b>227</b>	<b>-13,3</b>	<b>24,3</b>

Fonte: Sistema Moda Italia su dati ISTAT

Observing instead the performances in terms of quantity, from January to March 2024 exports showed an average contraction of -12.1%, in line with the ISTAT data referred to physical production. Woolen yarns were down by -8.1% in the case of carded yarns and -15.2% for worsteds; there was a dynamic of -17.7% for mixed chemical fiber-wool yarns, while needlework yarns kept the loss to -4.9%. Exports in tons of cotton yarns dropped by -8.9% and -29.0% for linen yarns.

Volume imports also displayed a negative variation, equal to -13.7%; only needlework yarns grew, actually registering an important variation (+47.8%). Conversely there was a decrease in cotton yarns (-4.4%) and mixed chemical fiber-wool yarns (-18.0%). The other product categories reported significant decreases in volumes: -34.1% for worsted wool yarns, -22.2% for carded wool yarns and, finally, -28.5% for linen yarns.

Now we will analyze the trend according to outlet market with reference to the individual types of yarn examined here. In the first three months of 2024, Hong Kong was confirmed as the top destination for carded wool yarns with a quota equal to 26.6% following an increase of +9.0% compared to January-March 2023. The United Kingdom, steady in second place despite a drop of -15.2%, accounted for 11.7% of the total sector exports. Turkey remained in third position, down by -4.1%. It was followed by Croatia and Tunisia, which were down, respectively by -10.8% and -31.6%.

With reference to worsted yarns, France came out on top, with an incidence of 14.4% of total sector exports, rising by +9.7%. The second destination was Turkey, thanks to an increase of +12.5%. Exports of worsted yarns to Romania dropped by -17.8%. Finally, sales to Germany and Portugal were down by, respectively, -17.1% and -8.4%.

The top foreign market for worsted wool yarns was France (+9.7%); exports to Turkey also rose

France jumped up to become the top client for mixed chemical fiber-wool yarns, followed by Turkey and Croatia

Germany remained the top exporter of cotton yarns, despite a drop of -4.8%



France jumped up to become the top destination for mixed chemical fiber-wool yarns, capable of absorbing 15.5% of the sector exports. It was followed by Turkey and Croatia: the former was down by -32.0% and the latter by -36.2%. With regard to Germany, a negative dynamic of -15.3% was reported, while Romania fell to fifth position due to a drop of -33.3%.

**Table 4 - Exports of Yarns for Industry: Country-by-Country Analysis**  
(period: January-March 2024)

**Tab. 4.1 - Carded wool and fine-hair yarns**

Paesi di destinazione	Milioni di Euro	Var. %	Quota %
<b>TOTALE</b>	<b>55,7</b>	<b>-6,5</b>	<b>100,0</b>
<i>di cui:</i>			
Hong Kong	14,8	9,0	26,6
Regno Unito	6,5	-15,2	11,7
Turchia	4,5	-4,1	8,2
Croazia	3,6	-10,8	6,5
Tunisia	2,7	-31,6	4,8

**Tab. 4.2 - Worsted wool and fine-hair yarns**

Paesi di destinazione	Milioni di Euro	Var. %	Quota %
<b>TOTALE</b>	<b>73,6</b>	<b>-13,8</b>	<b>100,0</b>
<i>di cui:</i>			
Francia	10,6	9,7	14,4
Turchia	8,2	12,5	11,2
Romania	7,6	-17,8	10,3
Germania	6,0	-17,1	8,2
Portogallo	5,6	-8,4	7,6

**Tab. 4.3 - Cotton yarns**

Paesi di destinazione	Milioni di Euro	Var. %	Quota %
<b>TOTALE</b>	<b>48,2</b>	<b>-18,5</b>	<b>100,0</b>
<i>di cui:</i>			
Germania	9,4	-4,8	19,5
Repubblica Ceca	4,0	-19,6	8,2
Francia	3,5	-26,8	7,2
Ungheria	3,4	-18,1	7,0
Spagna	2,7	7,8	5,7

**Tab. 4.4 - Mixed chemical fiber-wool yarns**

Paesi di destinazione	Milioni di Euro	Var. %	Quota %
<b>TOTALE</b>	<b>16,8</b>	<b>-23,8</b>	<b>100,0</b>
<i>di cui:</i>			
Francia	2,6	30,3	15,5
Turchia	1,7	-32,0	10,0
Croazia	1,6	-36,2	9,7
Germania	1,3	-15,3	7,6
Romania	1,2	-33,3	7,3

Source: ISTAT data processed by Sistema Moda Italia

In the period monitored, Germany remained the first outlet market for cotton yarns, despite a contraction of -4.8%: its quota of the sector total fell to 19.5%. The other three main markets all displayed a favorable evolution: exports of cotton yarns to the Czech Republic fell by -19.6%, those destined for France by -26.8% and the flows towards Hungary were down by -18.1%. Spain, on the other hand, recorded a rise of +7.8%, rising to fifth position. Considering foreign procurement, again in the period January-March 2024, there was a dichotomy with regard to the top two suppliers which accounted for 66.4% of carded yarn imports to Italy: China maintained first place despite a fall of -29.4% while the United Kingdom, steady in second position, rose by +21.1%. Lithuania dropped to third place following a loss of -8.9%. The flow of carded yarns from Poland was down by -13.3%.

Imports of carded wool yarns fell from China (-29.4%), but grew from the United Kingdom (+21.1%)

Flows of worsted wool yarns to the main procurement countries were down

Turkey, the main supplier of cotton yarns (share of 39.1%), registered a drop of -2.6%. Flows also fell from India, Egypt, China and Pakistan



With reference to worsted yarns, Romania and the Czech Republic, first and second place suppliers, reported decreases of respectively -36.5% and -28.3%, managing to ensure 36.8% of sector imports. Poland witnessed a loss of -31.3%, and the flows of worsteds also dropped from Bulgaria (-42.3%) and China (-55.0%).

In the January-March 2024 period, 48.0% of the mixed chemical fiber-wool yarns imported came from Romania and 16.3% from Turkey, both of which presented a negative dynamic; however, while for the former this was around -14.3%, for the latter it was a decisive -41.1%. Bulgaria recorded an increase of +26.2%, while Spain was down by -9.6%. Finally, imports from Serbia grew by +39.7%.

Lastly, in the period under examination, Turkey, with a quota of 39.1%, remained the main supplier of cotton yarns to Italy, despite a drop of -2.6%. The supplier in second place was India, which fell by -40.9%, providing 14.8% of national supplies of this product category. Similarly, the other main partners displayed negative dynamics: Egypt -6.2%, China -49.0% and Pakistan -42.3%.

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