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Director General
ITMF



Global Textile Value Chain
-
Economic Situation and Outlook

ATP's 26th Textil Industry Forum 2024

Vila Nova de Famalicao, Portugal, November 26, 2024

- 1) ITMF's Global Textile Industry Survey – November 2024
World & Regionen & Segments
- 2) ITMF's Textile Machinery Shipment Statistics 2002-2023
- 3) Trends Shaping the Global Textile Value Chain

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World

2024.11

Latest results



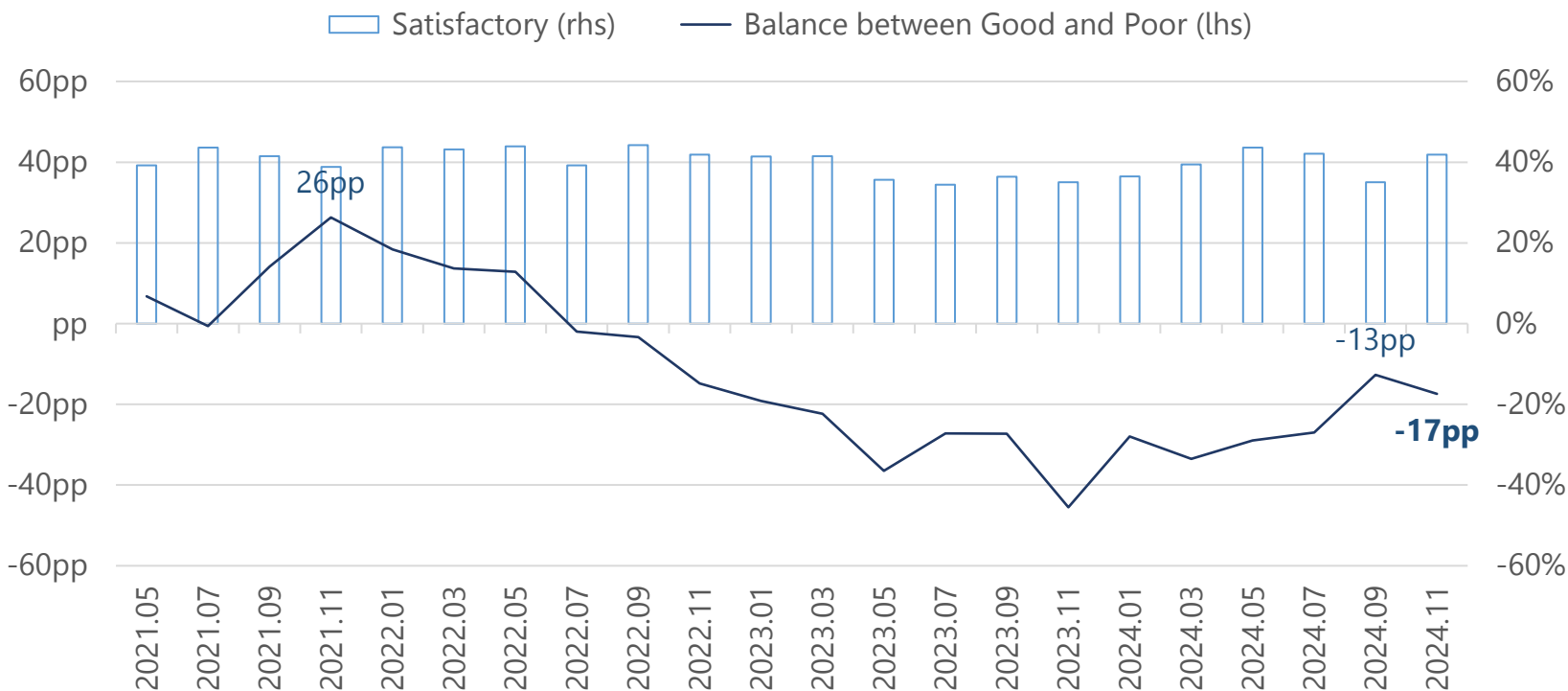
Good
20%



Satisfactory
42%



Poor
38%

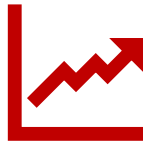


Note: The balance is the difference between the share of respondents describing their business situation as "Good" vs. "Poor", region average

World

2024.11

Latest results



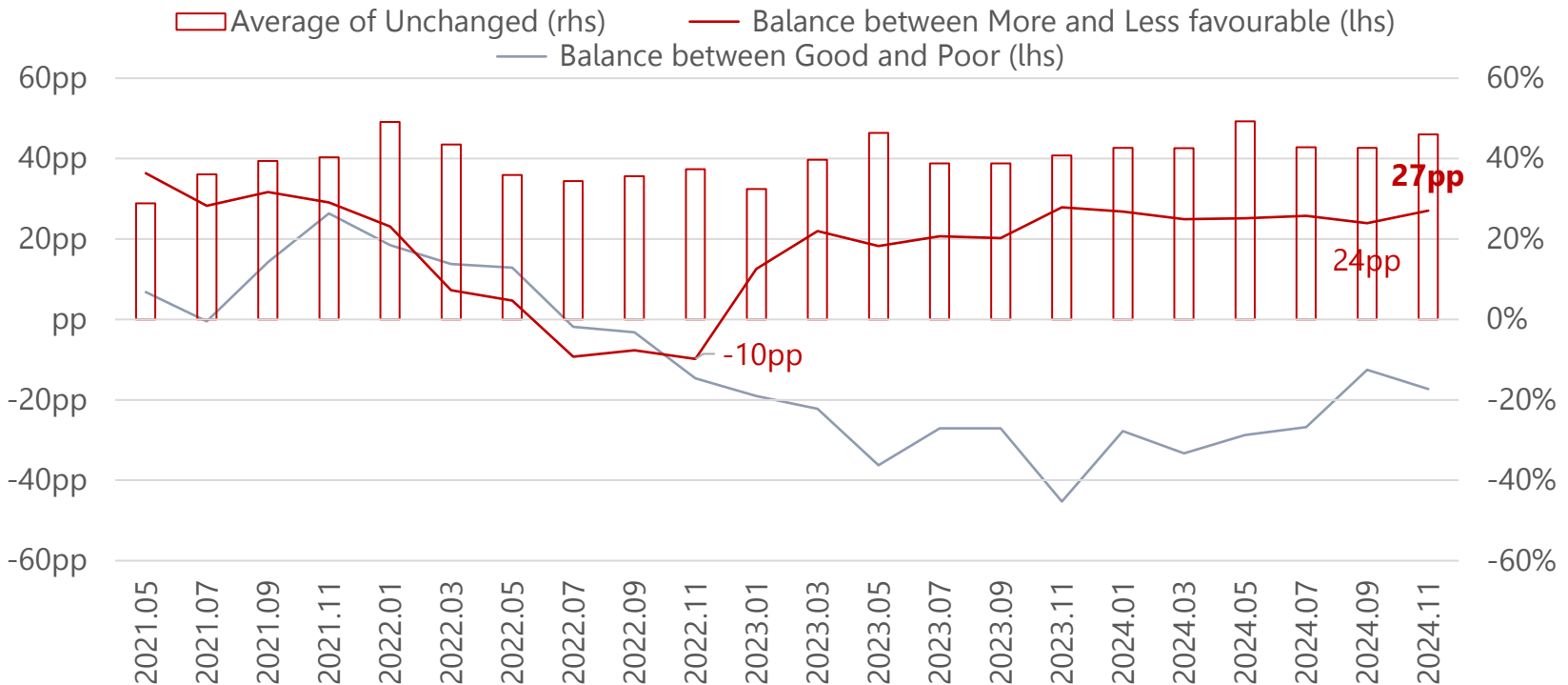
More fav.
41%



Unchanged
46%



Less fav.
13%



Note: The balance is the difference between the share of respondents describing their business situation as "More" vs. "Less" favorable, region average

World

2024.11

Latest results



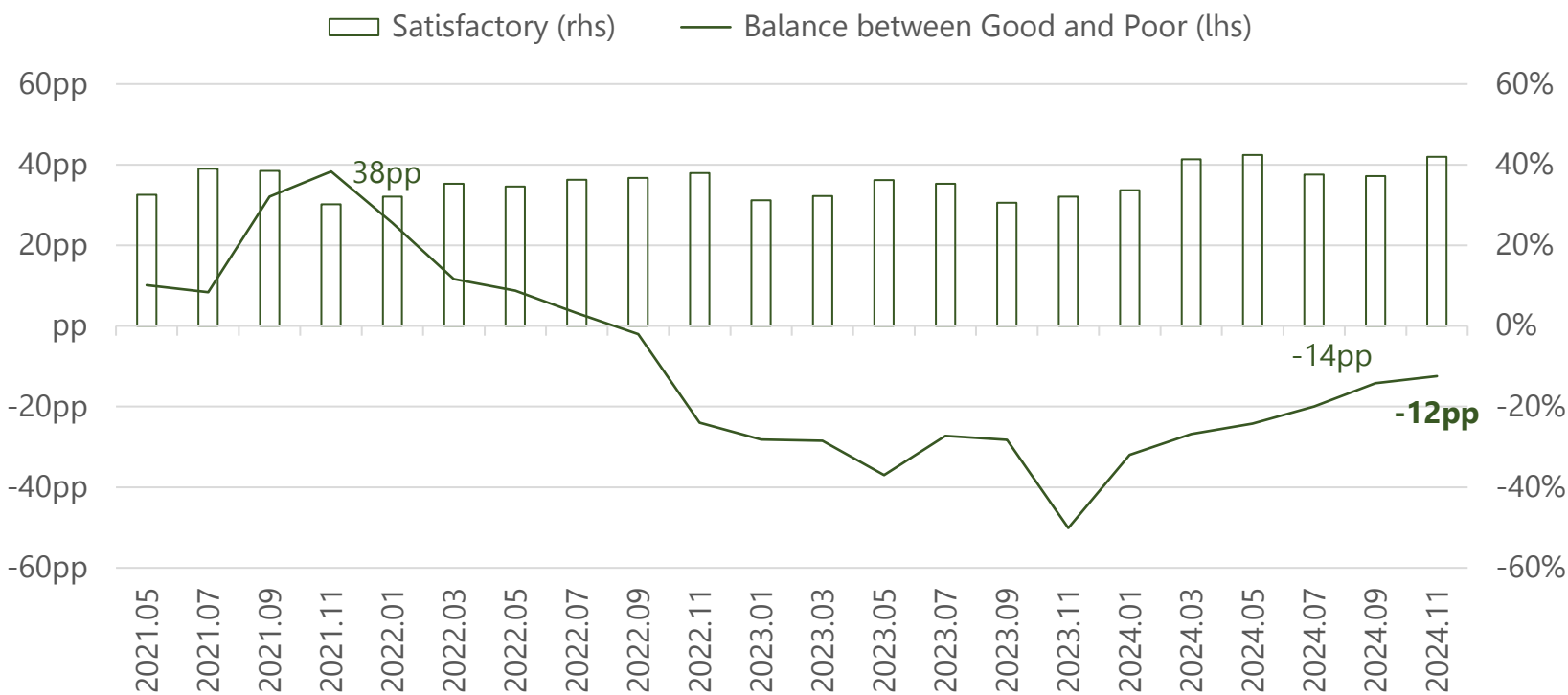
Good
23%



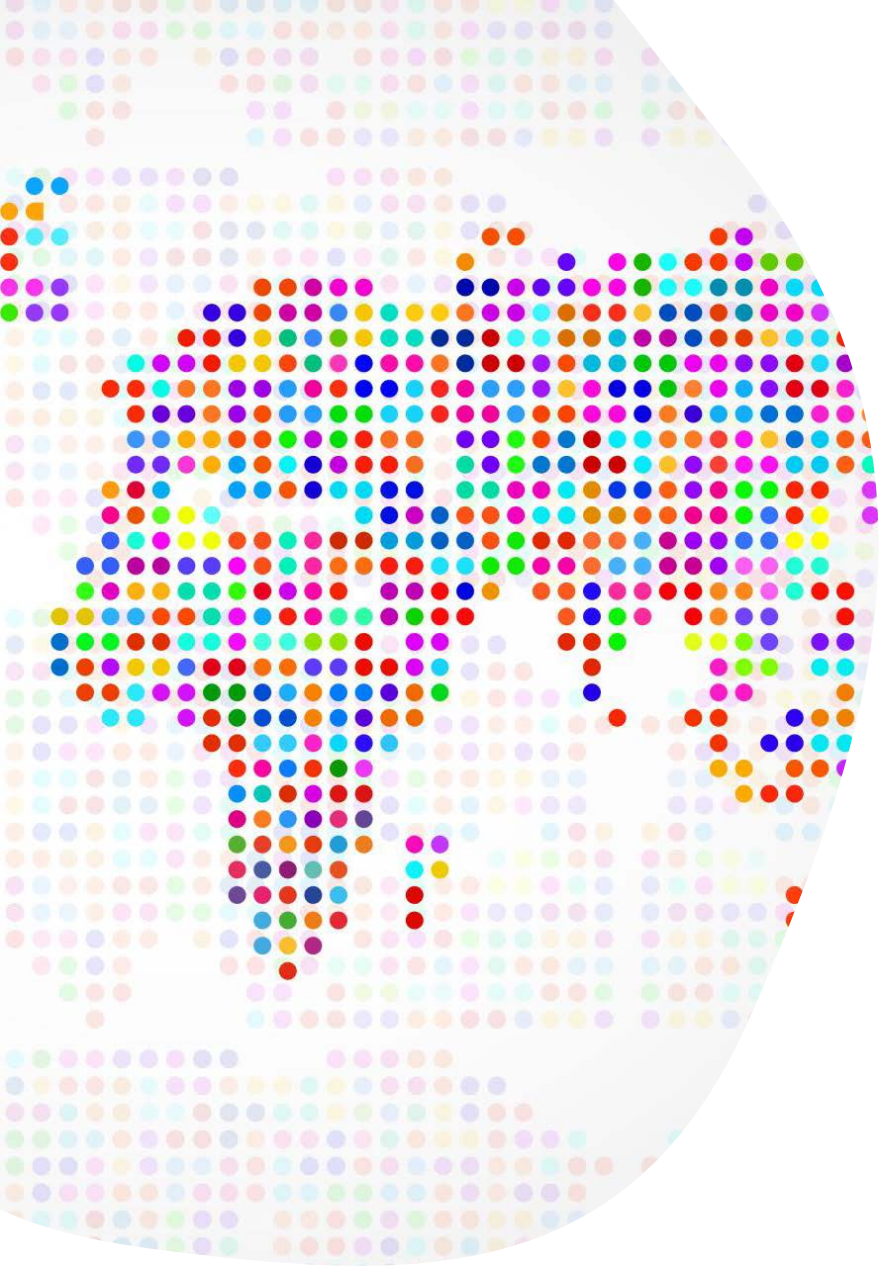
Satisfactory
42%



Poor
35%



Note: The balance is the difference between the share of respondents describing their business situation as "Good" vs. "Poor", region average

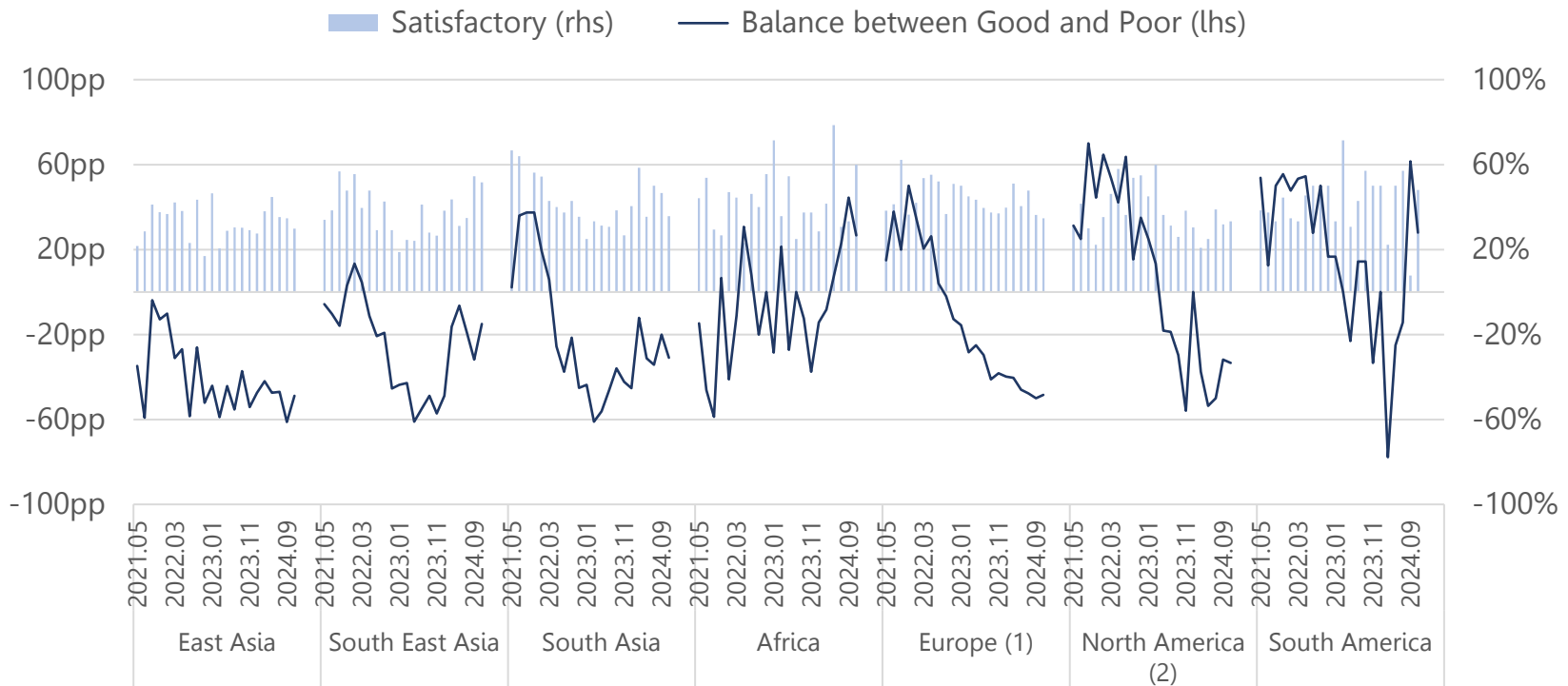
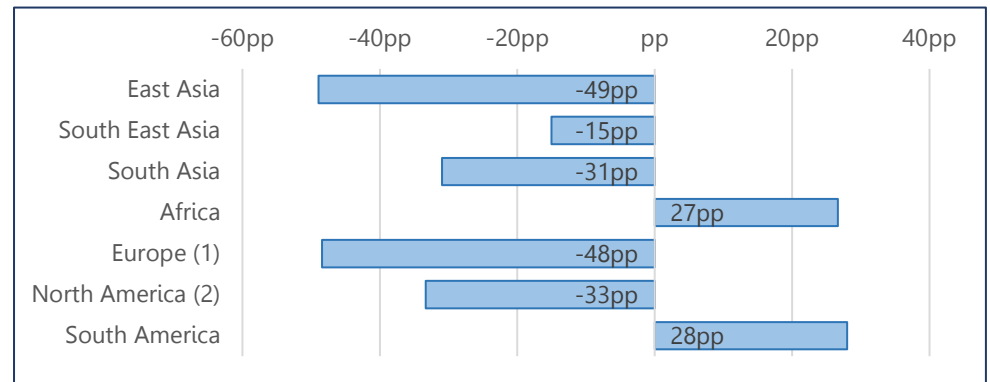


Regions

Regions

2024.11

Latest results

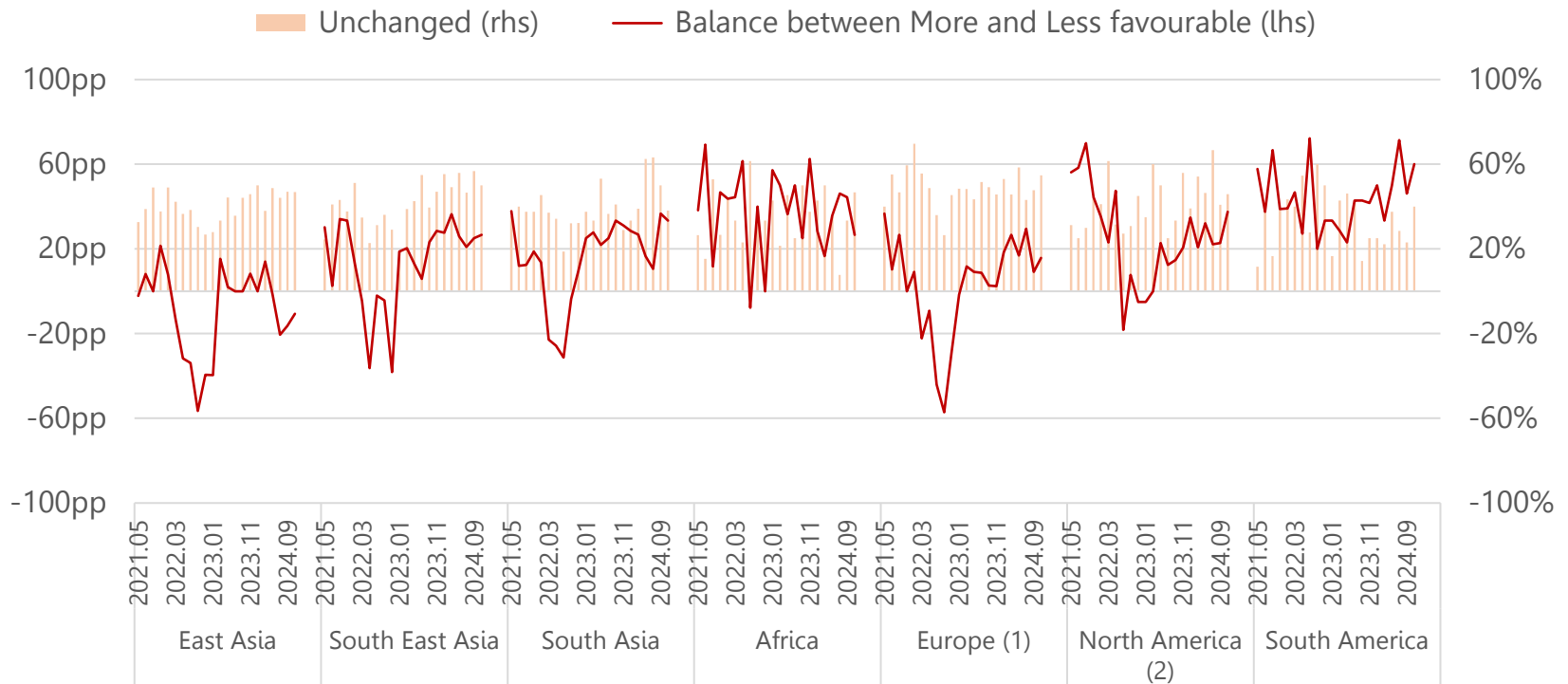
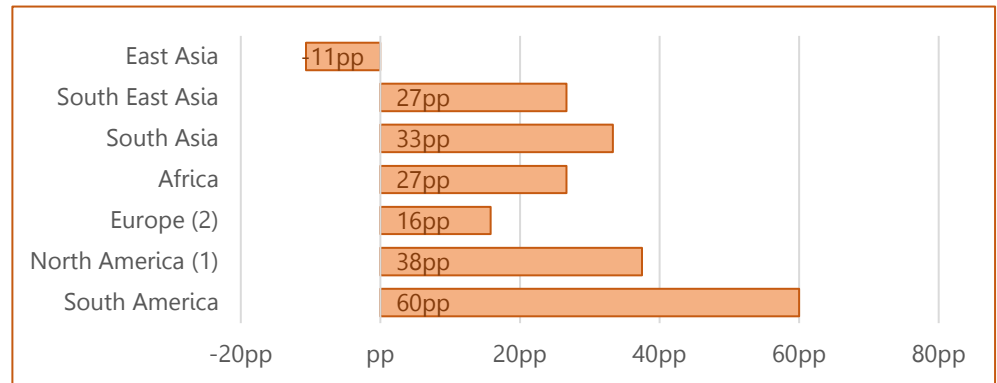


(1) incl. Türkiye and Central Asia | (2) incl. Central America

Regions

2024.11

Latest results

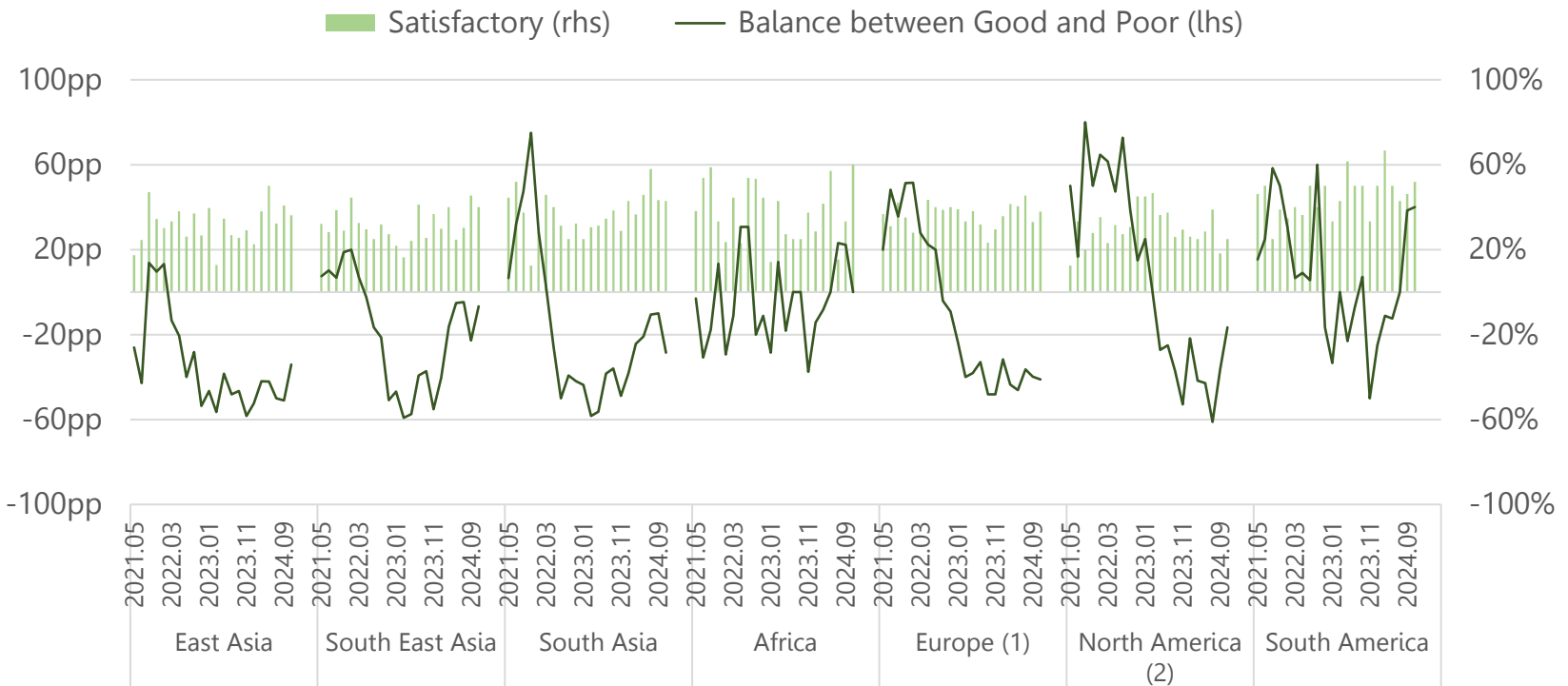
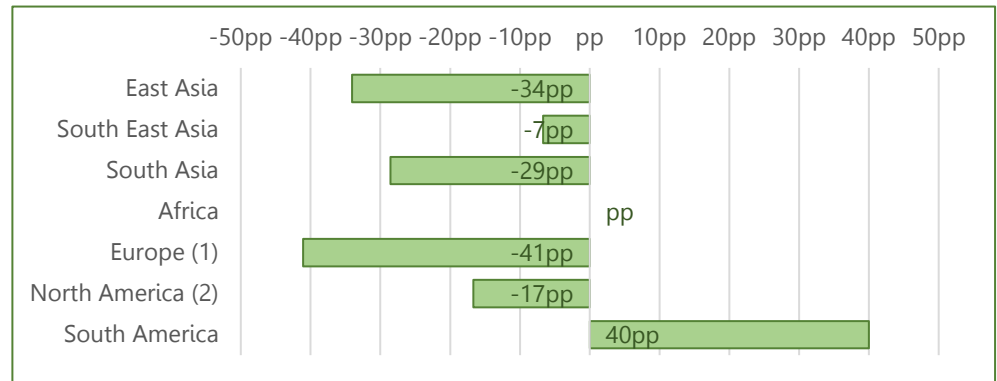


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Regions

2024.11

Latest results



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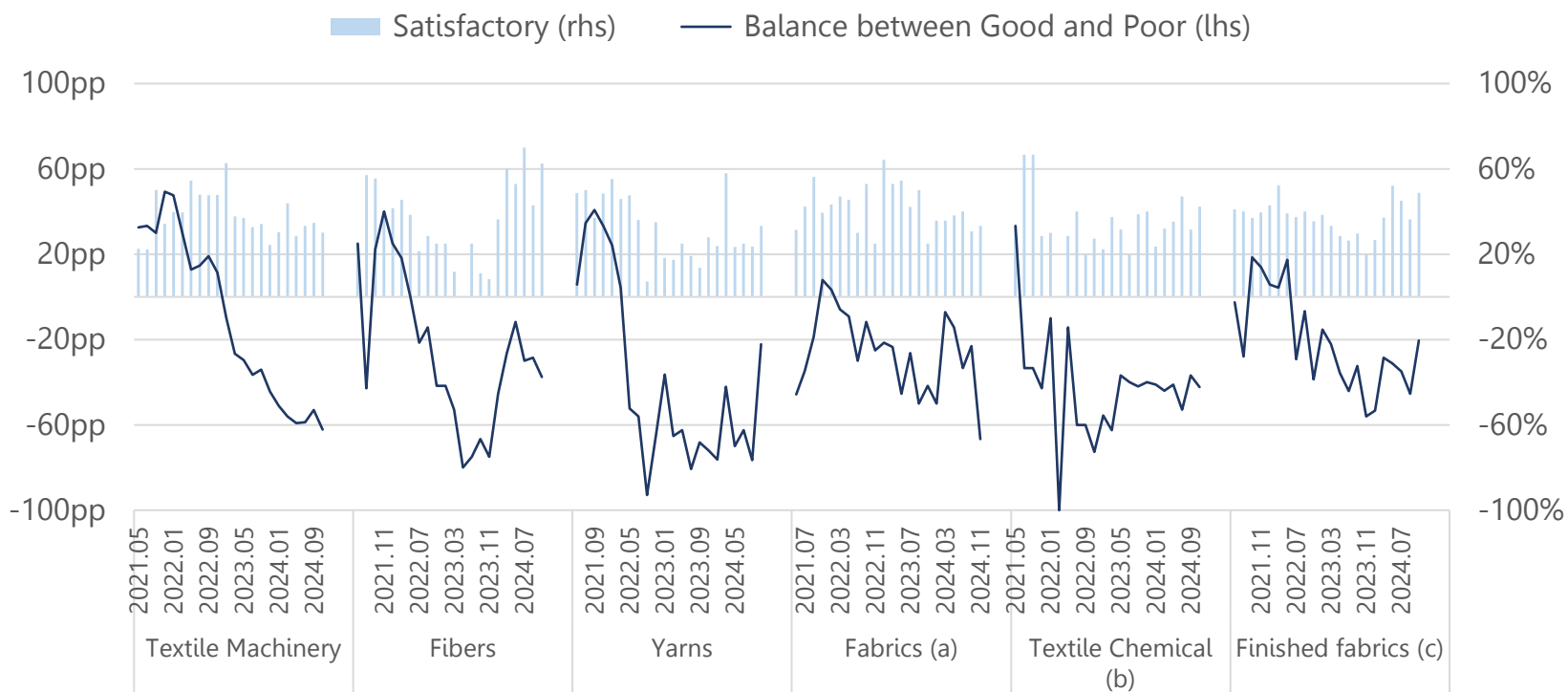
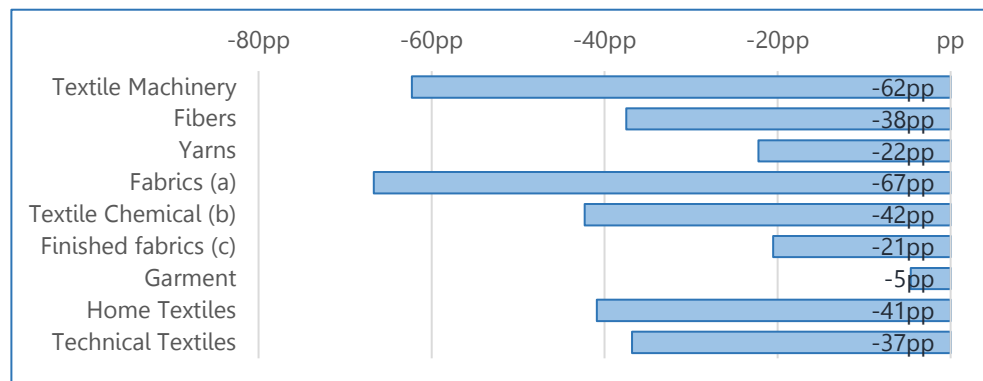


Segments

Segments

2024.11

Latest results

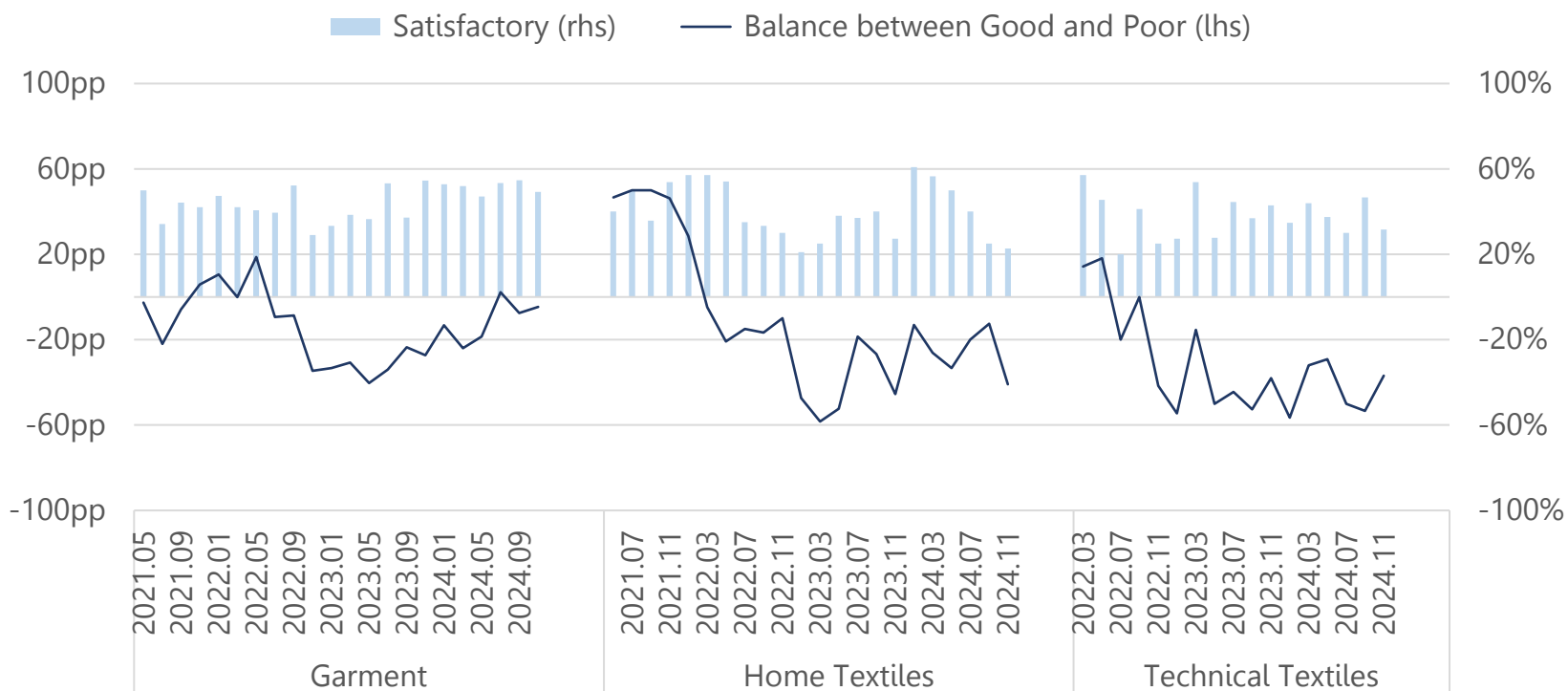
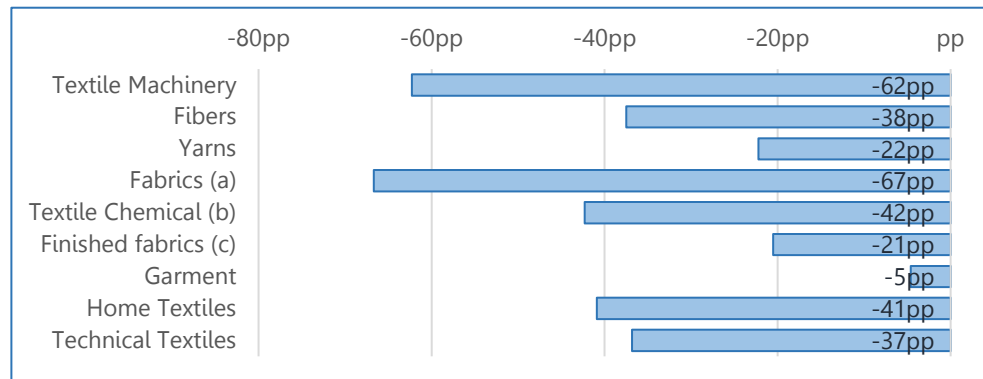


(a) incl. woven and knits | (b) incl. dyes and auxiliary products | (c) incl. dyed, finished, and printed fabrics

Segments

2024.11

Latest results

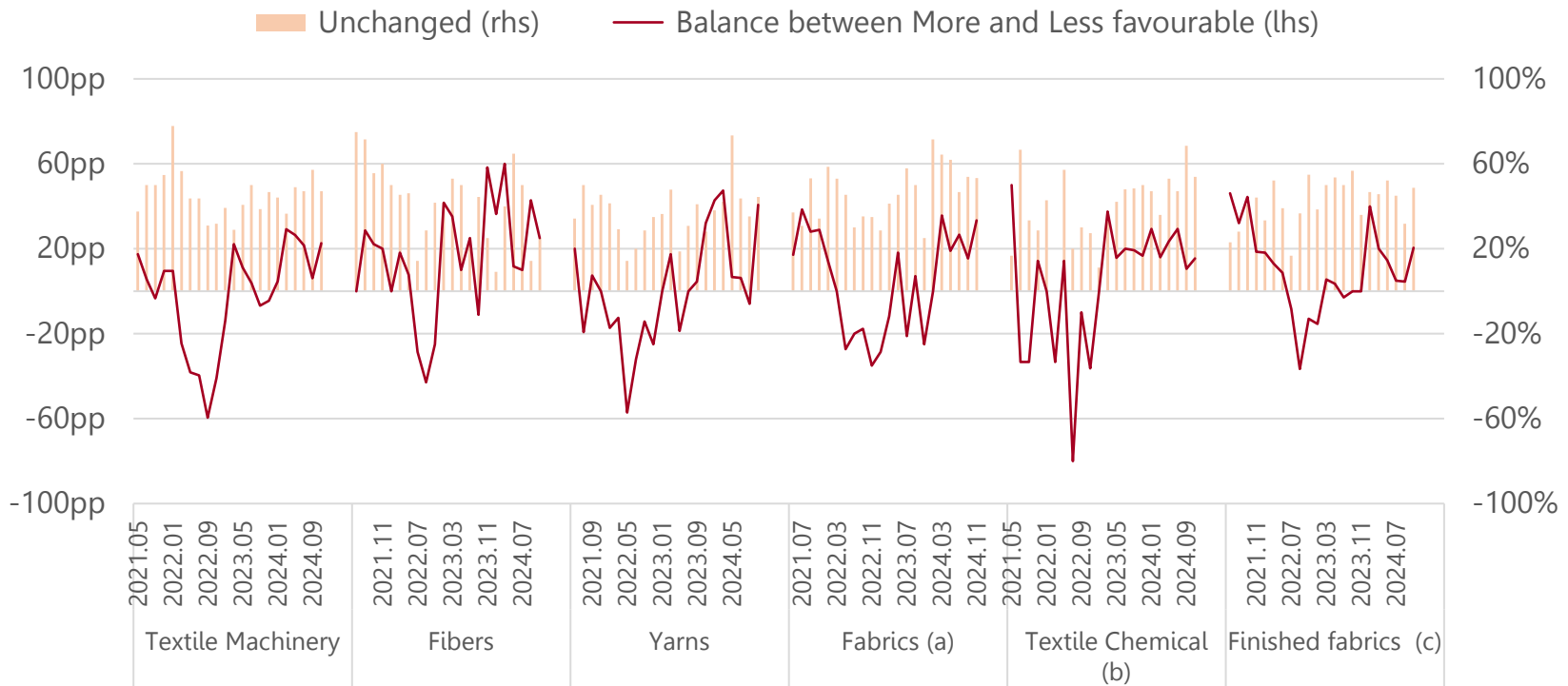
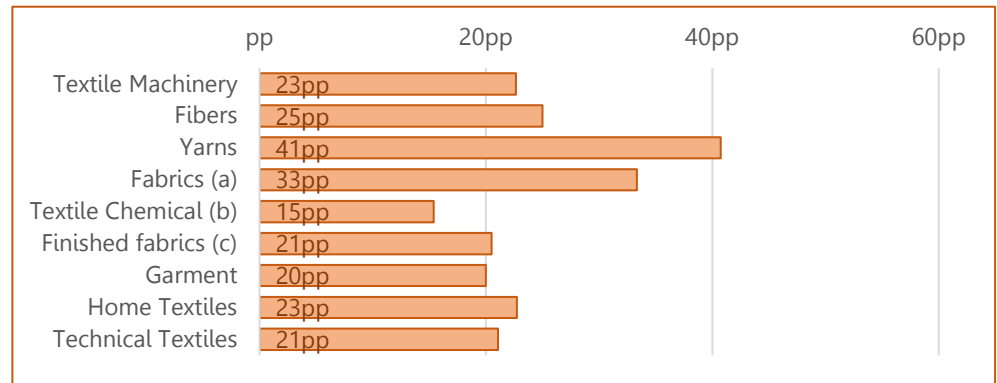


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Segments

2024.11

Latest results

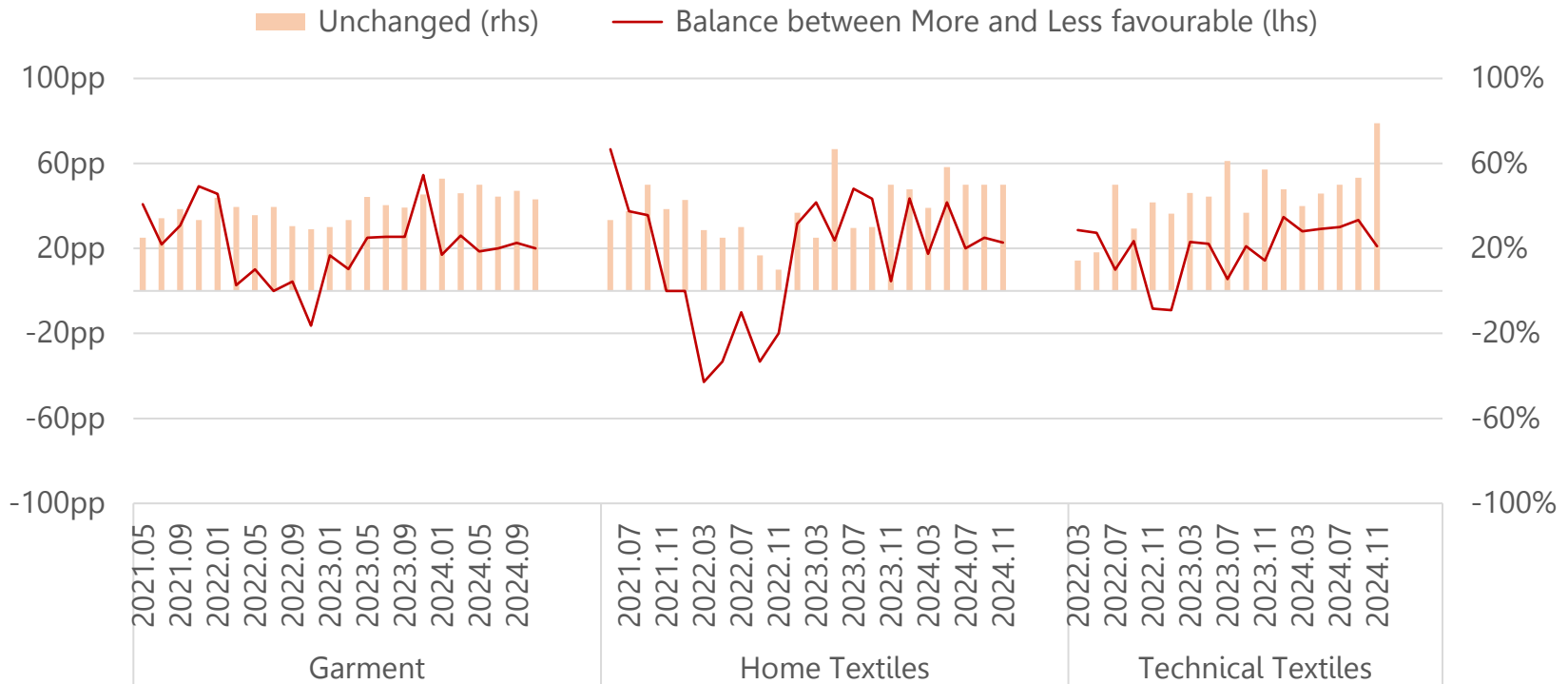
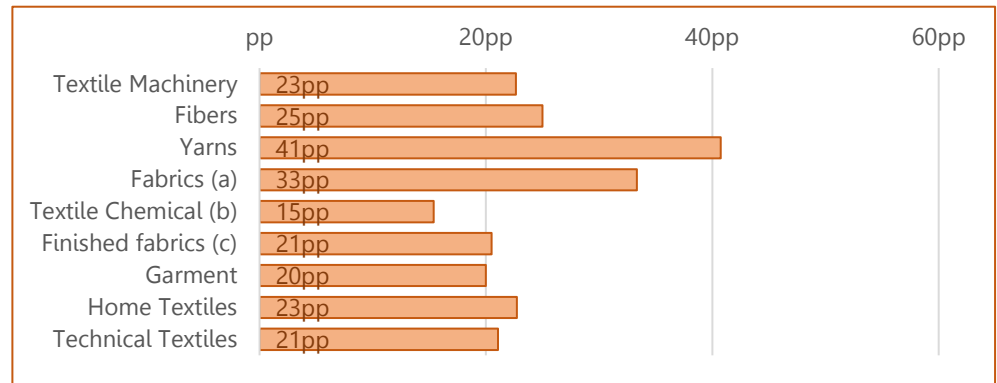


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Segments

2024.11

Latest results

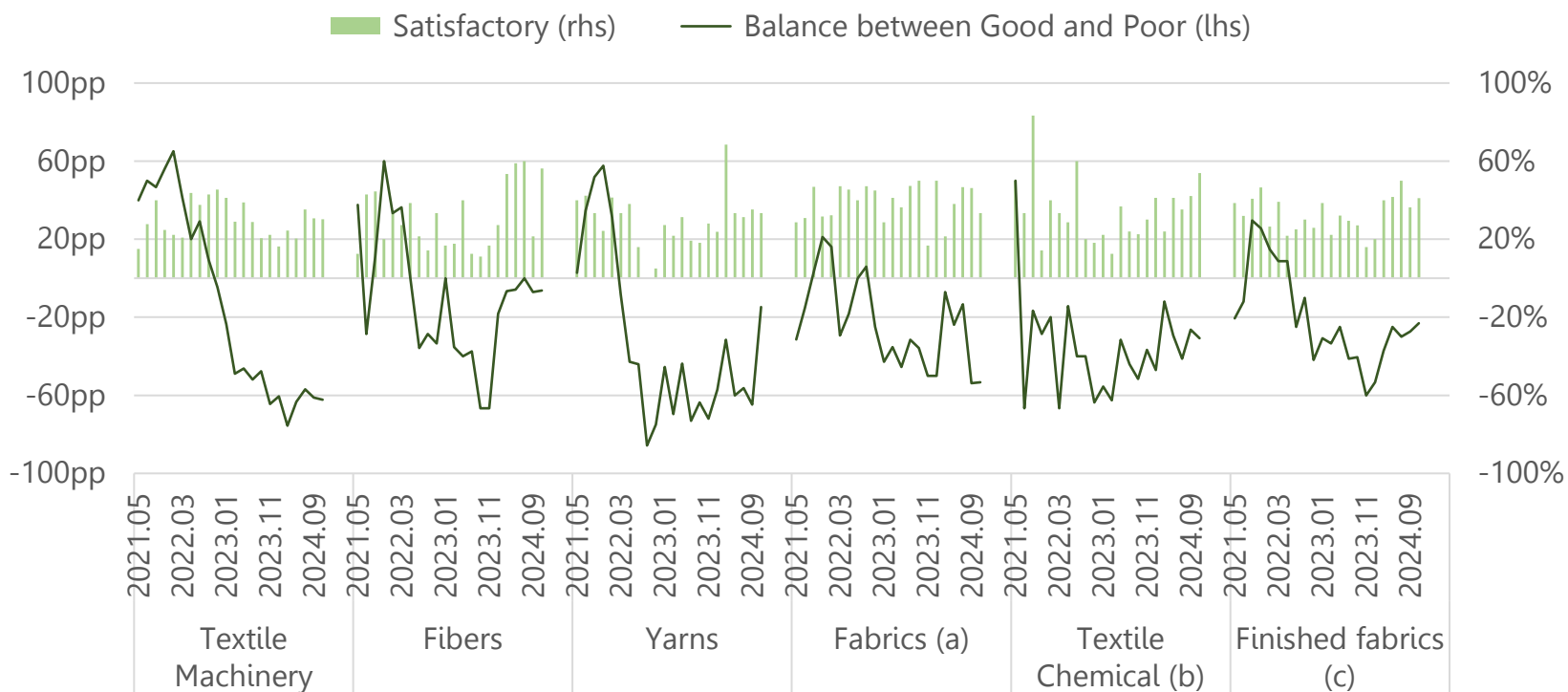
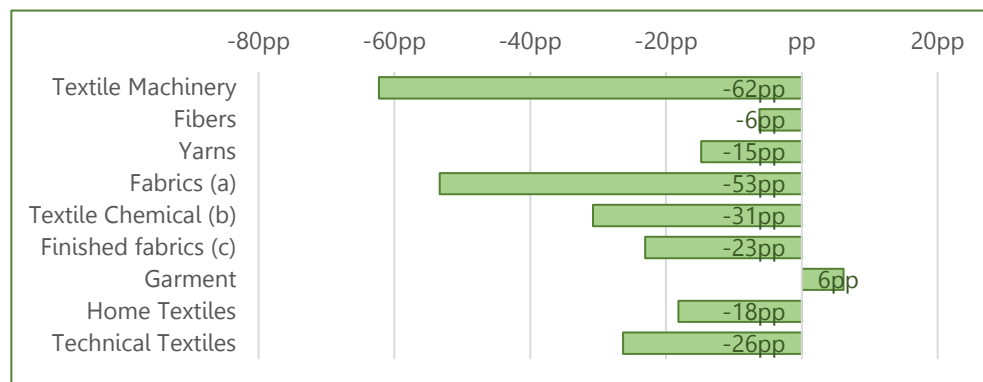


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Segments

2024.11

Latest results

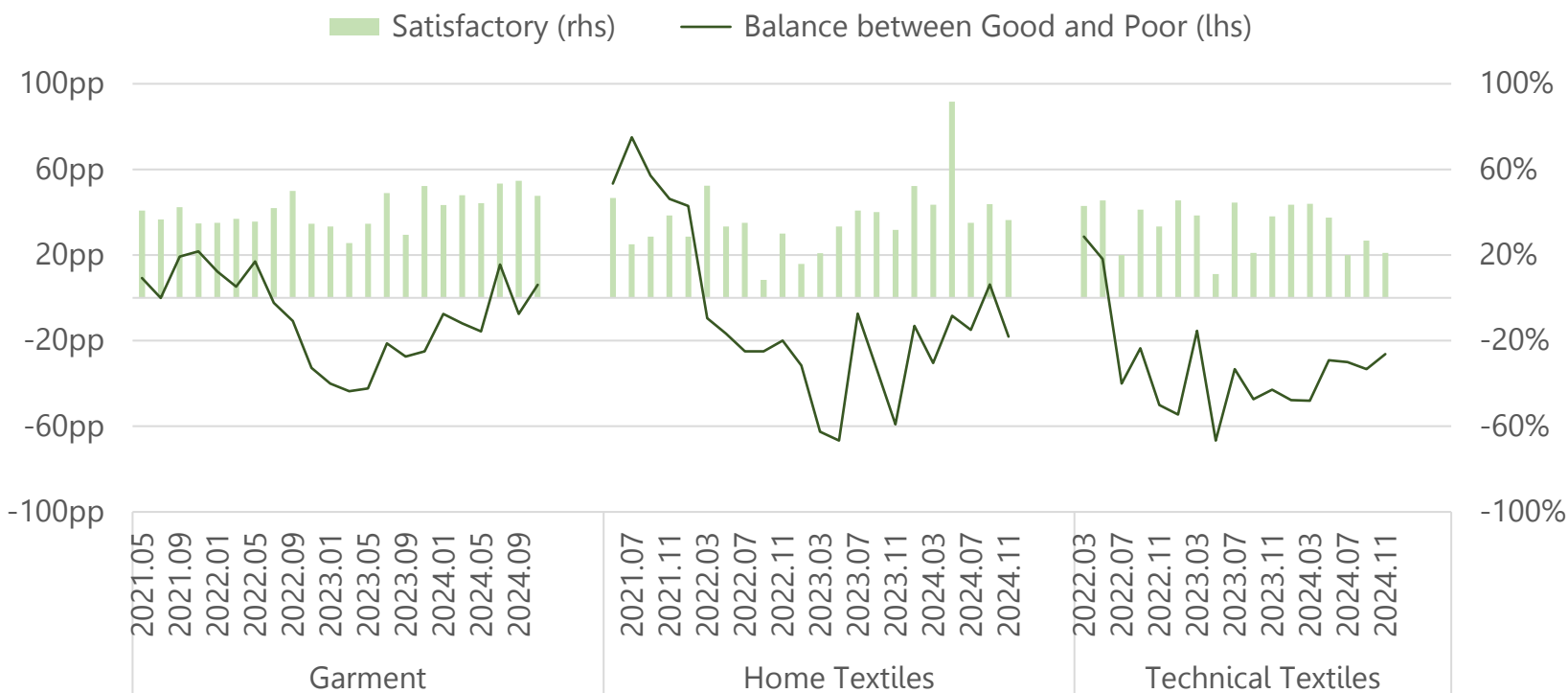
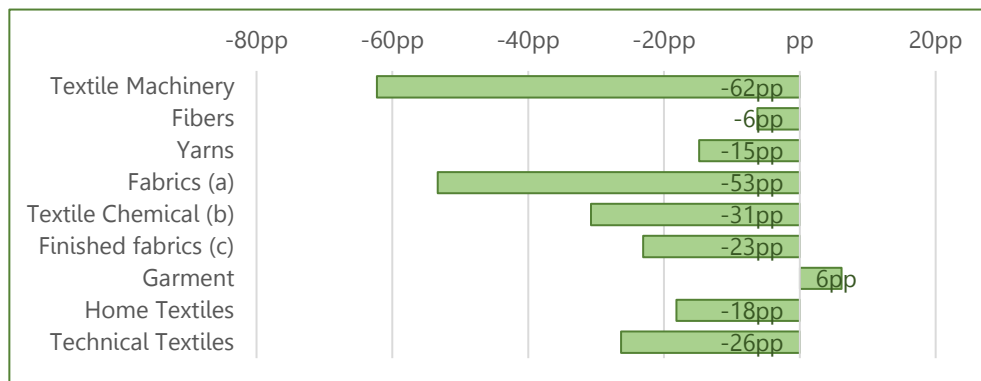


(a) incl. woven and knits | (b) incl. dyes and auxiliary products | (c) incl. dyed, finished, and printed fabrics

Segments

2024.11

Latest results

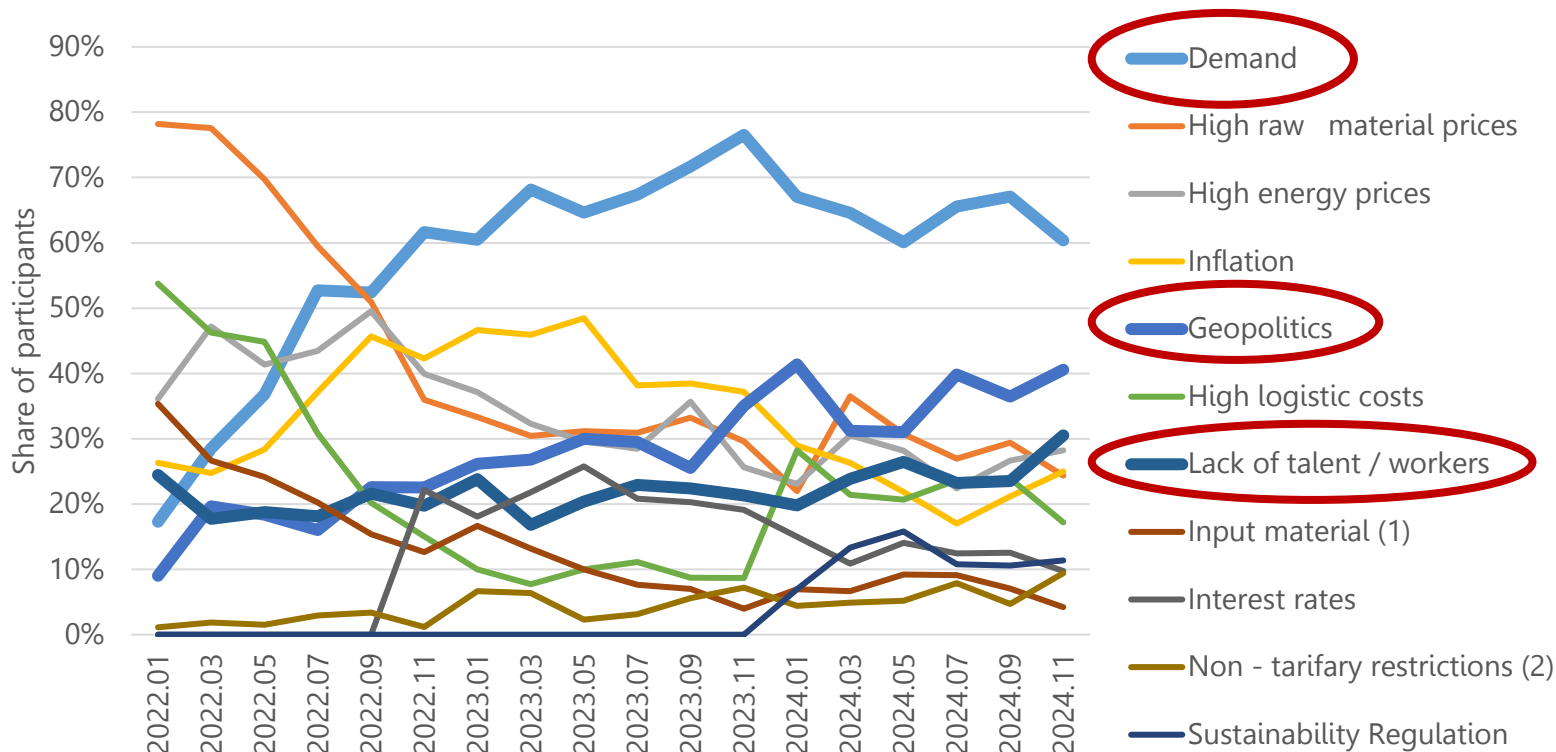
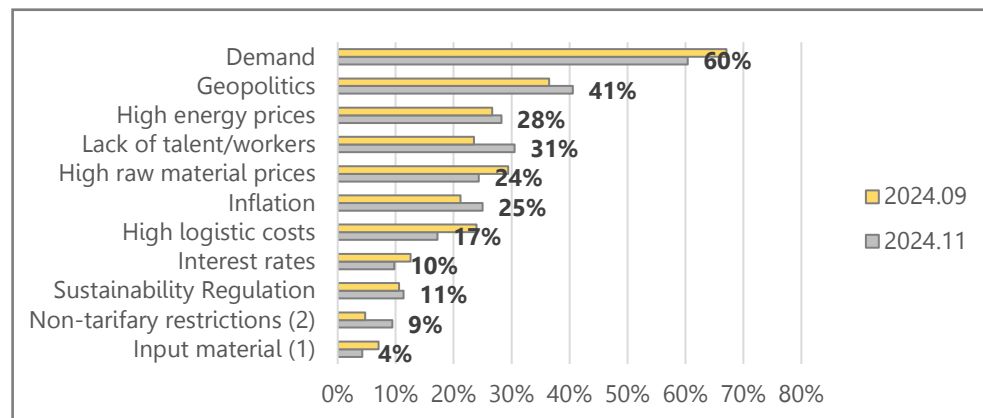


(a) incl. woven and knits | (b) incl. dyes and auxiliary products | (c) incl. dyed, finished, and printed fabrics

Bonus

2024.11

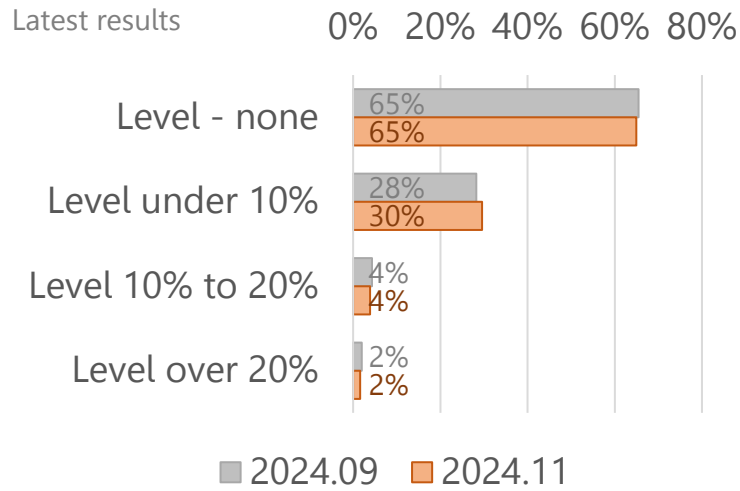
Latest results (share of participants)



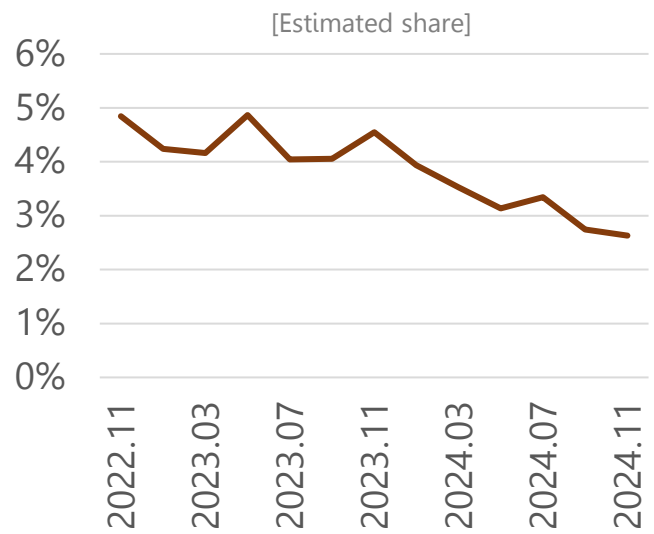
(1) Lack or delayed receipt of | (2) introduction of non-tariff restriction in commerce

Bonus

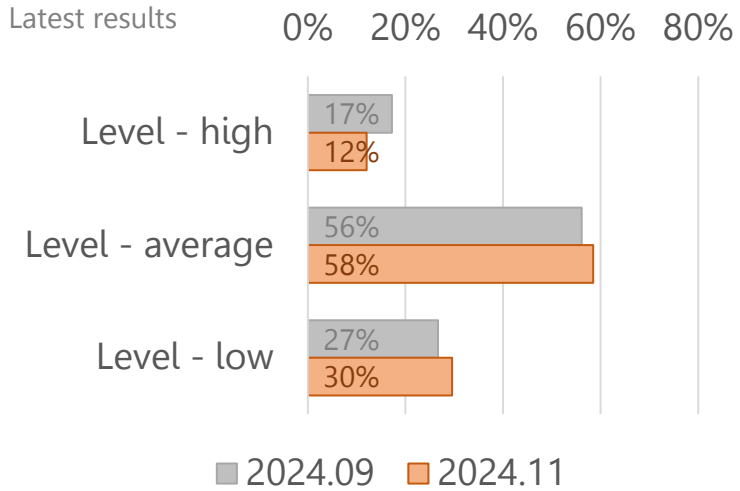
Order cancellation



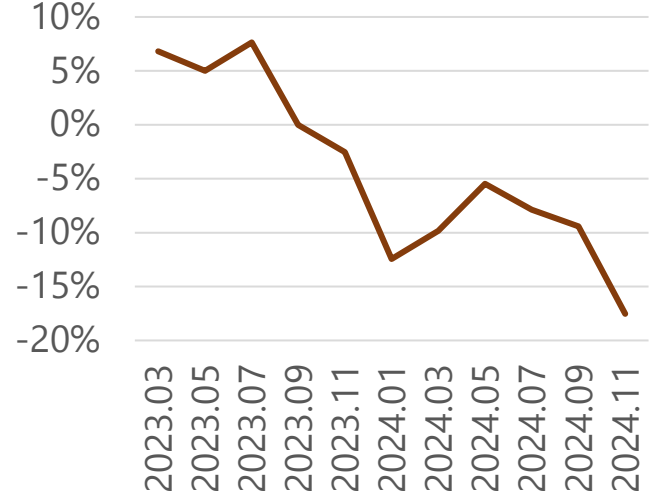
2024.11



Inventory level

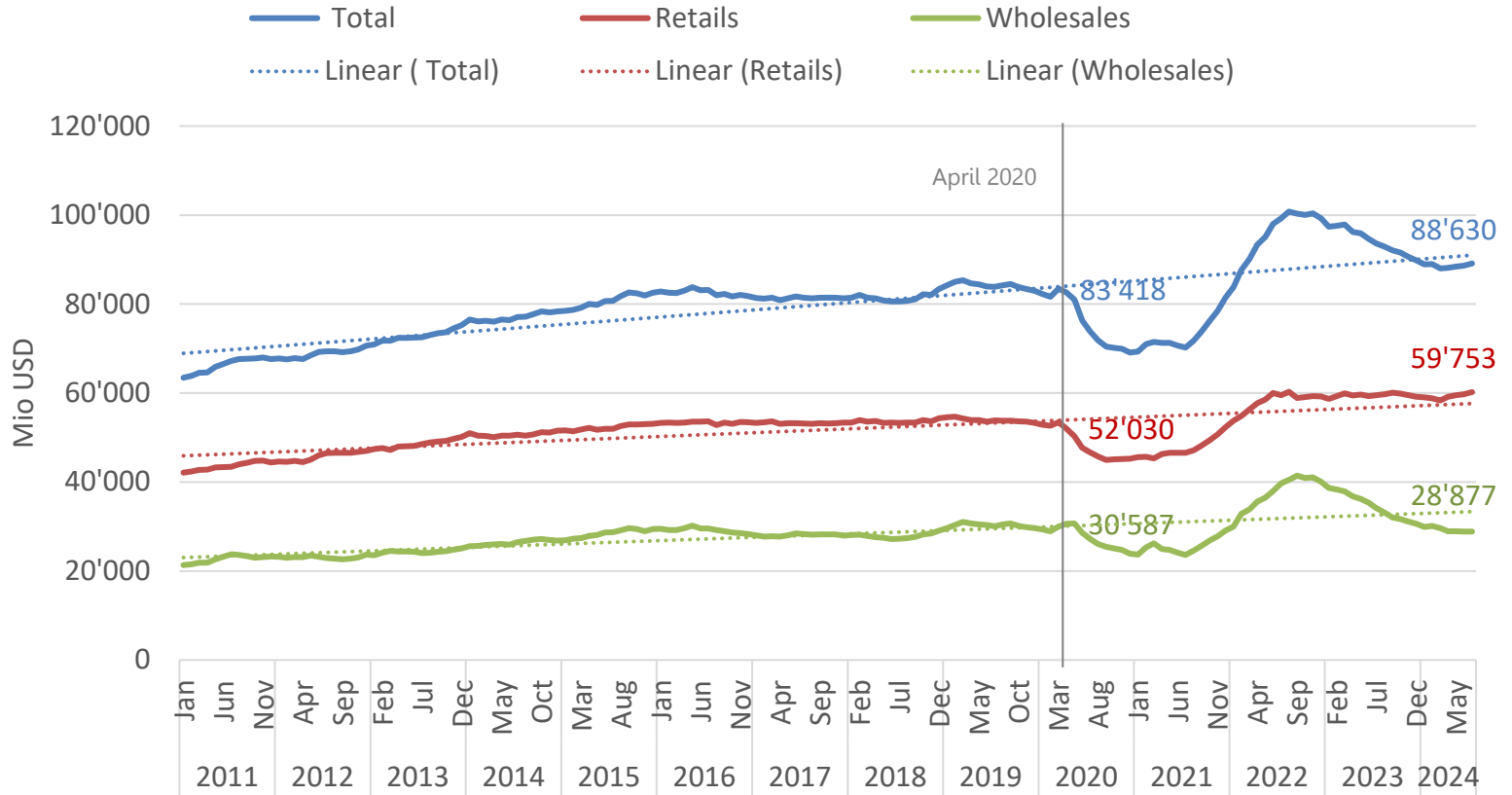


[Index, High = 100, Average = 0, Low = -100]



Bonus

Sept. 2024



* Retail Estimates of End-of-Month Retail Inventories, Clothing and clothing accessories stores, US census | Wholesales: Adjusted estimates of Monthly Sales of Merchant Wholesalers, Except Manufacturers' Sales Branches and Offices, Apparel, Piece Goods, & Notions, US census | Source: US Census, illustration: ITMF

Y-o-Y Growth of Retail Sales by Region & Segment (in %)

Europe

	2021	2022	2023	2024 (H1)	2024 (H2) E
Non-luxury	9	13	4	1	1-3
Luxury	15	12	8	1	1-2

USA

	2021	2022	2023	2024 (H1)	2024 (H2) E
Non-luxury	24	2	-1	2	2-3
Luxury	49	10	5	2	2-3

China

	2021	2022	2023	2024 (H1)	2025 (H2) E
Non-luxury	12	-3	9	4	3-4
Luxury	40	-6	12	-3	-10 to -7

Y-o-Y Economic Profit (EP) Change, Brands/Retailers, (indexed to 2010 EP=100, in%)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
100	102	110	104	91	78	64	83	102	89	-76	219	205	238	249
YoY EP Change in %	2	7	-5	-12	-14	-21	36	23	-13	-186	387	-6	16	5

Concerns of Fashion Industry Executives

	<u>2023</u>	<u>2024</u>	<u>2025</u>
#1 Concern	Inflation	Geopolitics	Consumer spending
#2 Concern	Geopolitics	Economic volatility	Geopolitics
#3 Concern	Supply-chain disruptions	Inflation	Economic volatility

Outlook of Fashion Industry Executives * (in %, for the years 2023-2025)

	<u>2023</u>	<u>2024</u>	<u>2025</u>
Better	16	26	20
Same	28	37	41
Worse	56	38	39

Source: BoF-McKinsey State of Fashion Executive Survey 2023-2025

* % of respondents that rated industry conditions next year as better, same, or worse.

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Global Shipments of New Textile Machinery (2002-2023)

1. Spinning Machines
2. Texturing Machines
3. Weaving Machines
4. Circular Knitting Machines
5. Flat Knitting Machines
6. Finishing Machines

Spinning Machines

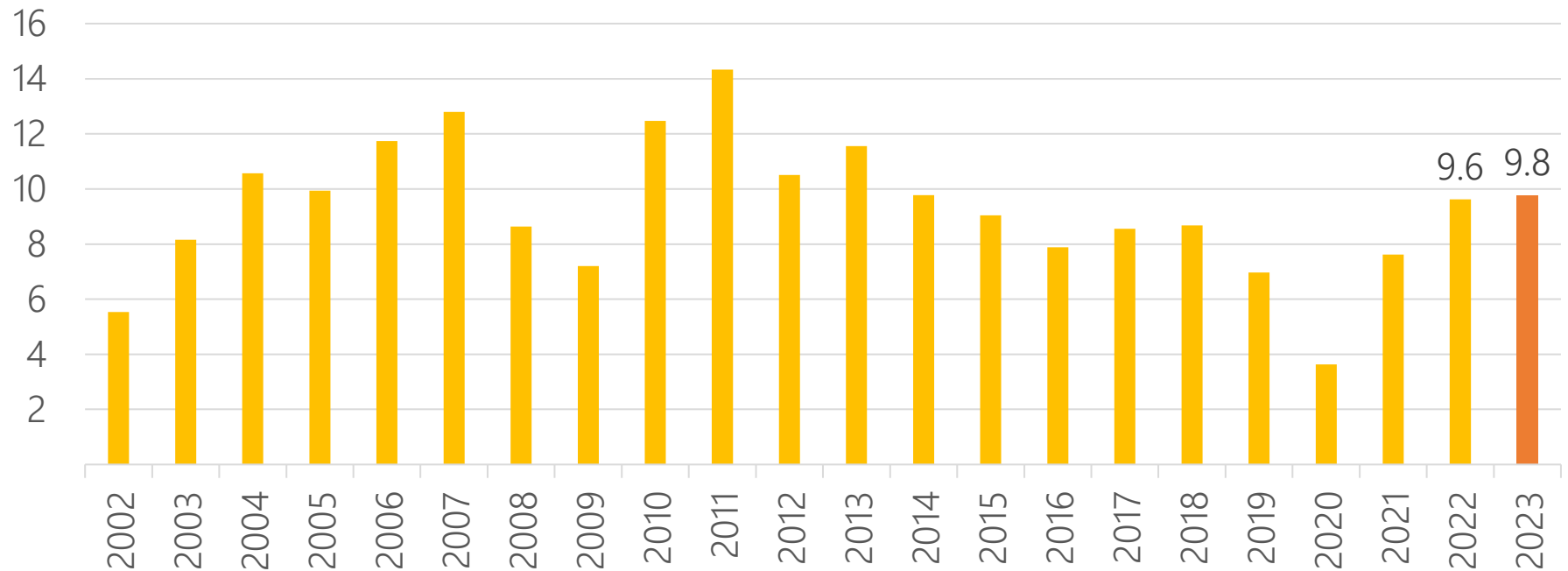
Short-Staple Spindles

Global Shipment of New Textile Machinery (2002-2023)

Shipped Short-Staple Spindles

World

(million units)

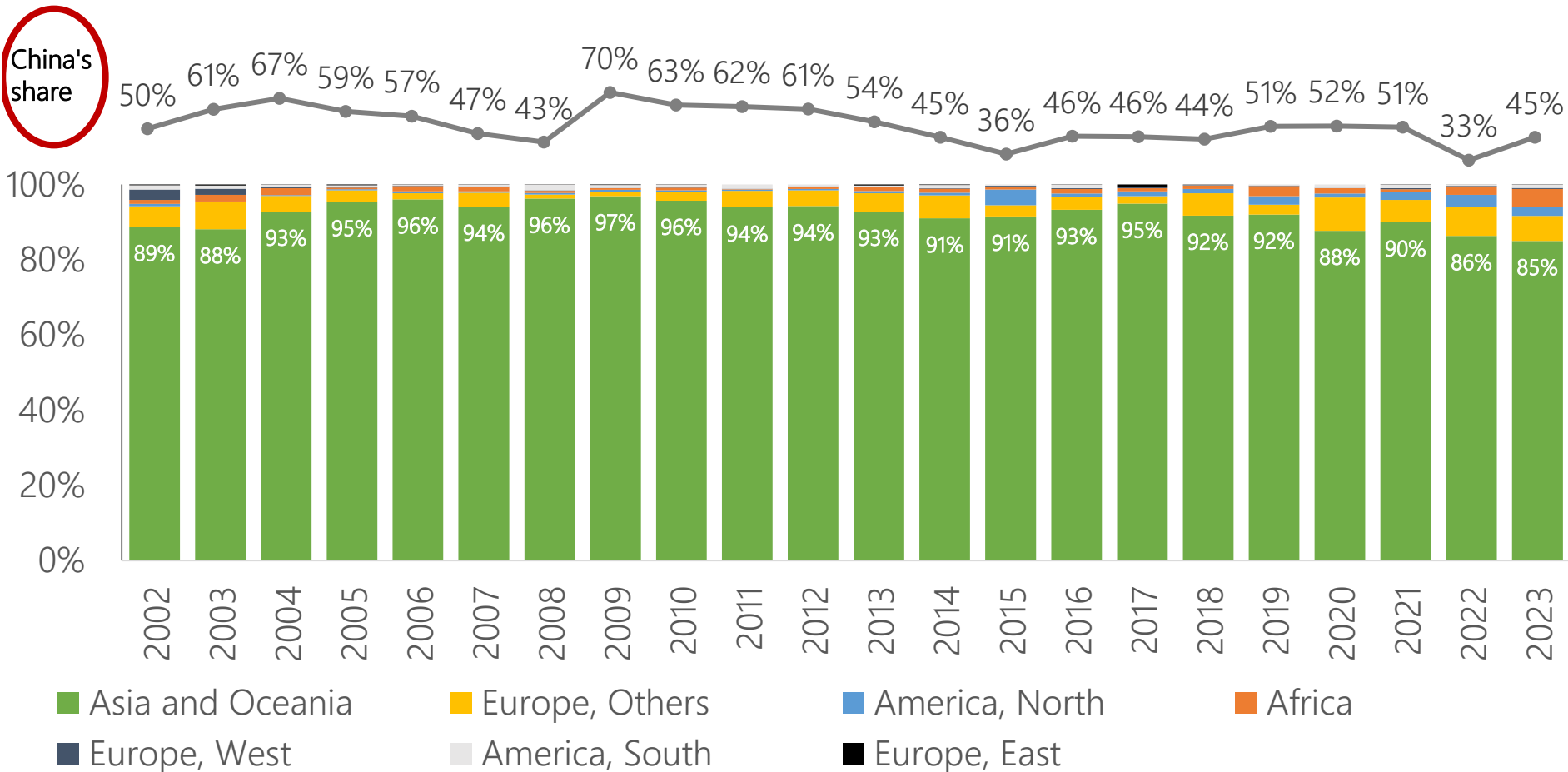


2%

YoY% (2023)

Shipped Short-Staple Spindles

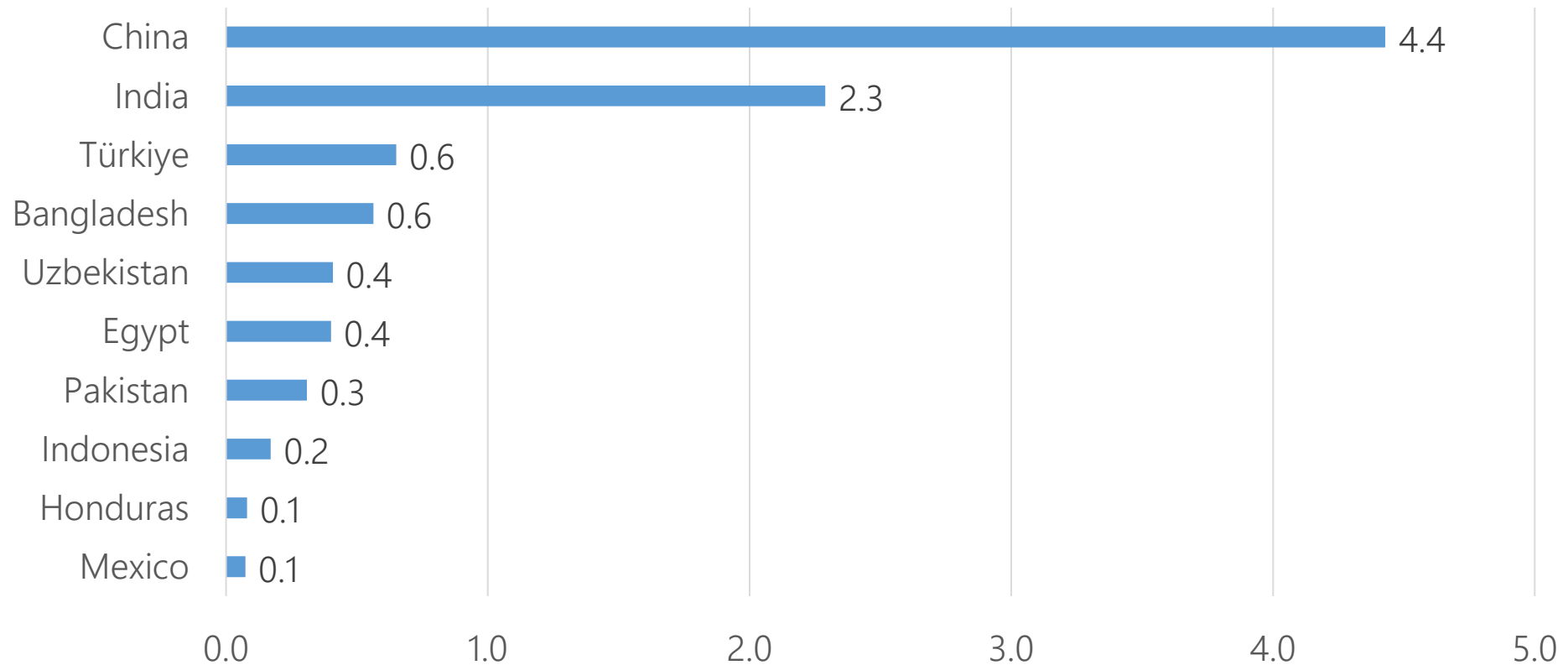
By Regions (Share to World Total)



Shipped Short-Staple Spindles

10 Biggest Investors (2023)

(million units)

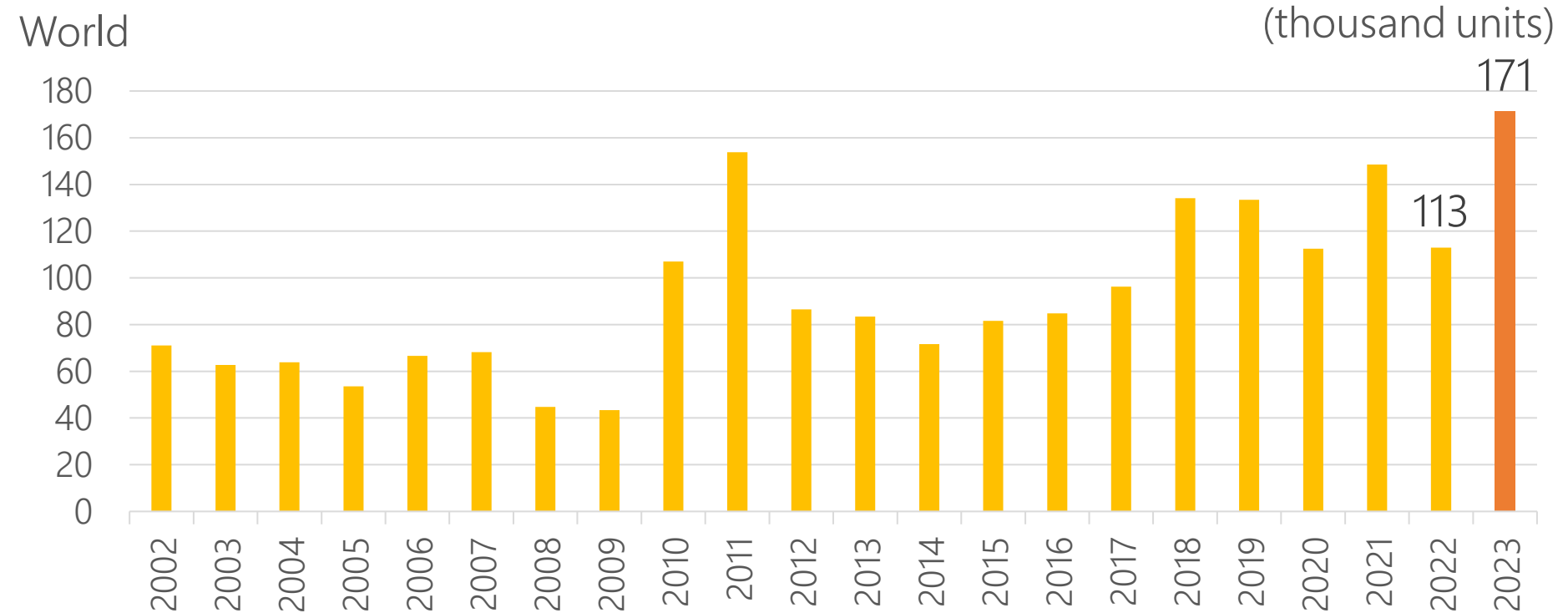


Weaving Machines

Air-Jet, Rapier and Projectile, Water-Jet

Global Shipment of New Textile Machinery (2002-2023)

Shipped Shuttle-Less Looms

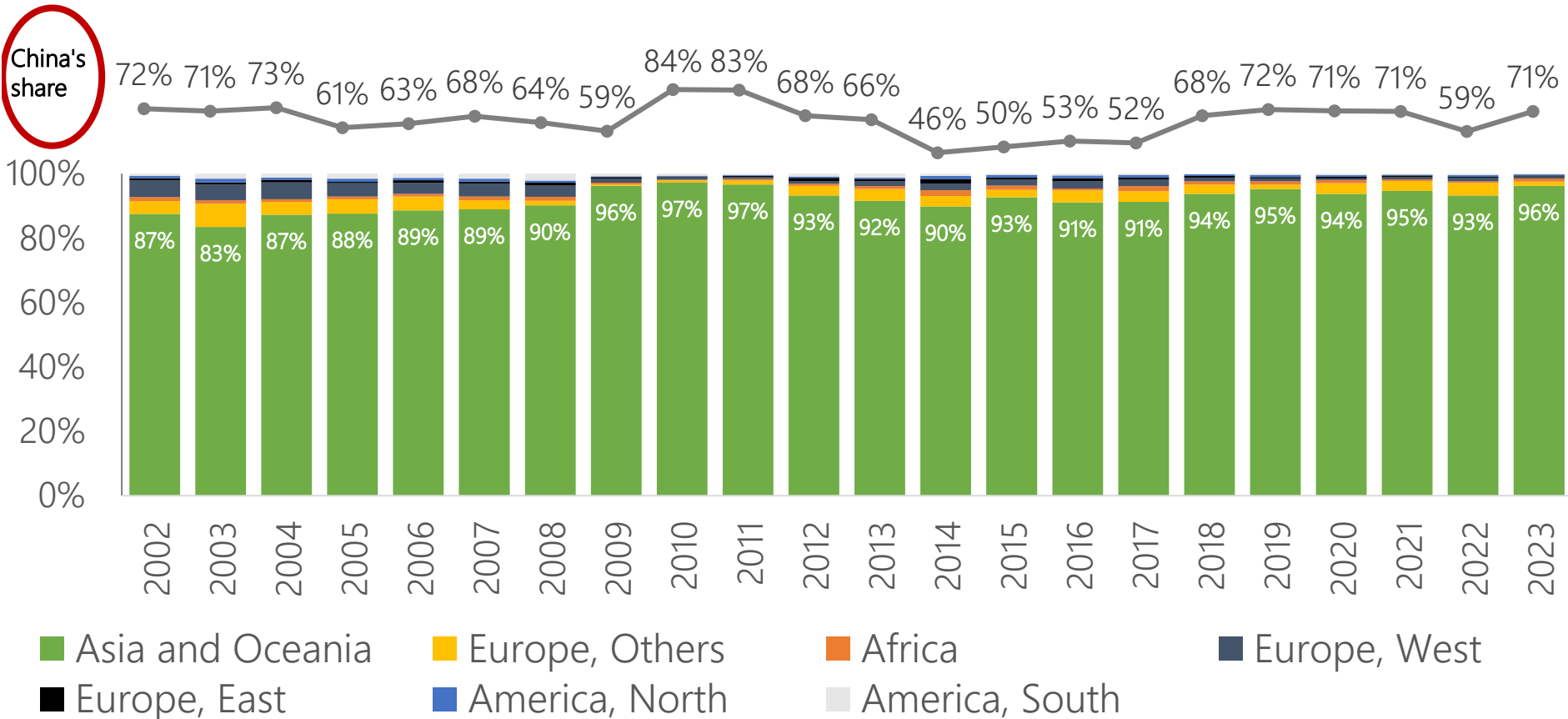


52%

YoY% (2023)

Shipped Shuttle-Less Looms

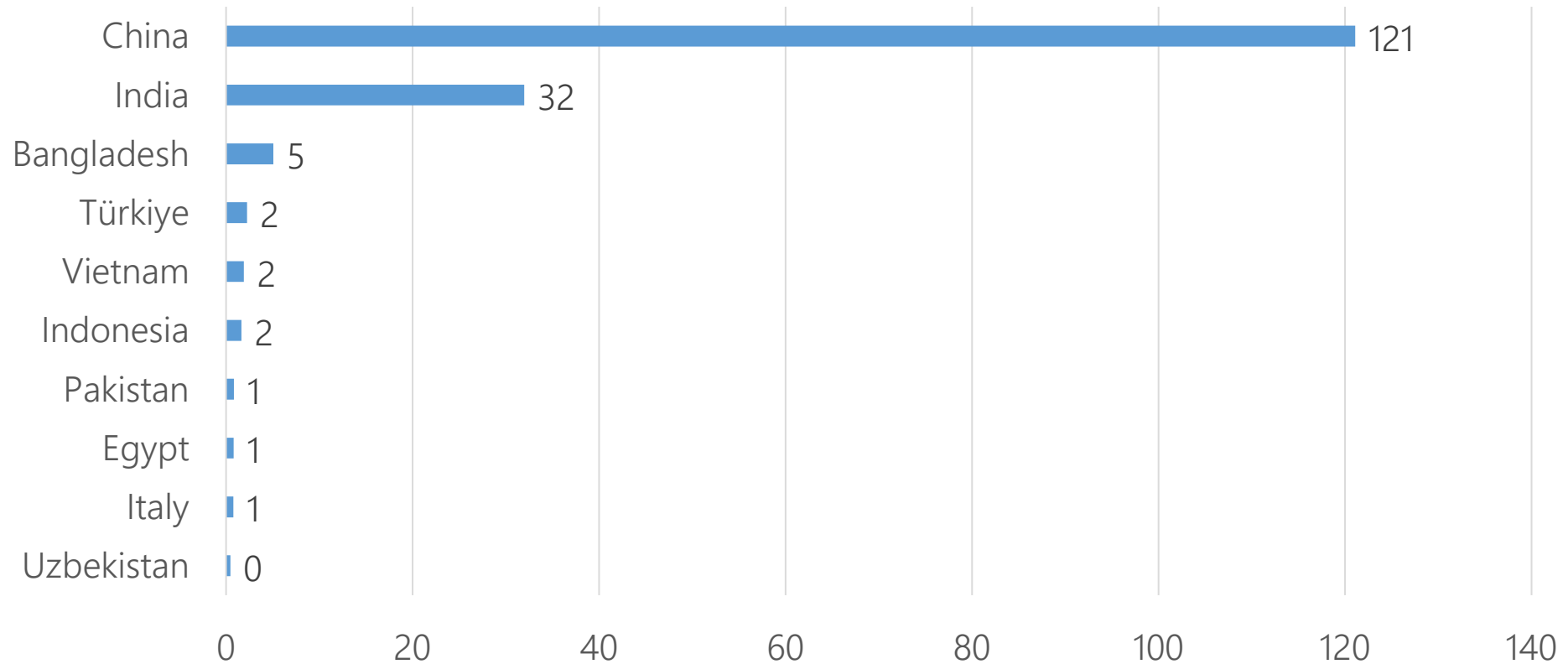
By Regions (Share to World Total)



Shipped Shuttle-Less Looms

10 Biggest Investors (2023)

(thousand units)



The main take-aways from the ITMSS (2022-2023) are:

- New investments were heavily concentrated in Asia.
- China is by far the biggest investor since 20 years.
- India is the second biggest investor since 20 years.
- Türkiye (here listed under Europe) has been the only large investor outside Asia in the last 20 years.
- Bangladesh and Vietnam have invested also significantly, especially in spinning machinery.
- Lately, Uzbekistan has become a relative big investor, especially in spinning machinery.
- Outside Asia there were investments in new textile machinery, but they were not significant.

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- a) Sourcing Shifts
- b) Sustainability & Circularity
- c) Regulation
- d) Second-Hand Markets
- e) Instant-Fashion (Shein, Temu, etc.)
- f) Global Demand vs. Consumption Share
- g) Digitalisation of the Industry & Supply Chain

3) Trends Shaping the Global Textile Value Chain

a) Sourcing Shifts

- China's share in global apparel markets is shrinking.
- Other countries (Bangladesh, Vietnam, Cambodia, etc.) are benefitting from this.
- But China's textile exports remain high based on strong investments.
- Re-shoring is not happening and near-shoring only very slowly and mainly in apparel.
- Major sourcing shifts only visible within Asia.

3) Trends Shaping the Global Textile Value Chain

b) Sustainability & Circularity

Sustainability is and will remain very important for brands and retailers (Corporate Responsibility) and therefore for the entire textile value chain.

According to McKinsey's latest State of Fashion Report 2025, „63% of fashion brands have a gap to close between their annual reduction in Scope 3 emissions achieved vs. the pace required to meet their 2030 targets.“

3) Trends Shaping the Global Textile Value Chain

c) Regulation

The EU's Vision for Textiles is based on 5 pillars:

- 1) All textile products placed on the EU market must be durable, repairable, recyclable, and made largely of recycled fibres.
- 2) Fast fashion is out of fashion
- 3) Re-use and re-pair services are available
- 4) Circular clothes become the norm
- 5) Textile waste collection becomes mandatory by 2025

3) Trends Shaping the Global Textile Value Chain

c) Regulation – cont'd

Regulation will happen in all major regions (EU, USA, China, etc.) and will concern many different fields like

- **Waste regulation**
- **Social compliance**
- **Transparency & Traceability (Digital Product Passport (DPP))**
- **Environmental regulation**
- **Etc.**

3) Trends Shaping the Global Textile Value Chain

d) Instant-Fashion

- Brick & mortar Fast-Fashion in the 1990s (Inditex, H&M, etc.)
- Online Fast-Fashion in the 2000s (Asos, Zalando, Amazon, etc.)
- Cross-border online on demand Instant-Fashion in 2020s (Shein, Temu, etc.).
 - **Shein's revenues in 2023: USD 32 bn**
 - **Temu's revenues in 2023: USD 18 bn**

Their revenues are expected to double in 2024.

This is possible due to digital on-demand models that help reduce the waste of unwanted / -sold merchandise.

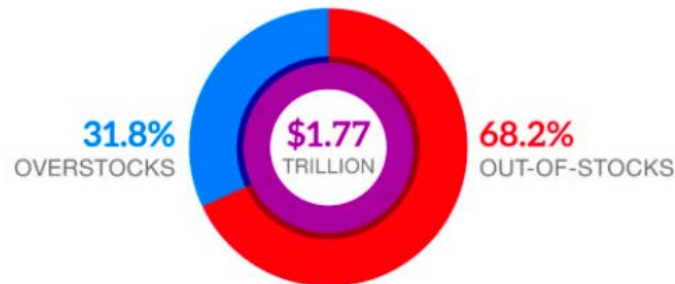
3) Trends Shaping the Global Textile Value Chain

d) Instant-Fashion – cont'd

Answer to the Overstock and Out-of-Stock (year 2023)

Inventory Distortion Worldwide

Source: IHL Group



Overstock: USD 0.57 trillion

Out-of-Stock: USD 1.20 trillion

TOTAL: USD 1.77 trillion

3) Trends Shaping the Global Textile Value Chain

d) Instant-Fashion – cont'd

Yesterday, in an interview with the German newspaper «Handelsblatt», H&M-CEO, Mr. Daniel Erver, said that H&M want to

- **to cut the time from idea to shelf from several months to 6 weeks**
- **by sourcing more from nearby countries (like Inditex that sources approx. 40% in Europe and North Africa, H&M only 15%)**
- **by evaluating the behaviour of customers in social networks and in their online-shops (like Shein).**

3) Trends Shaping the Global Textile Value Chain

e) Second-hand Clothing Market

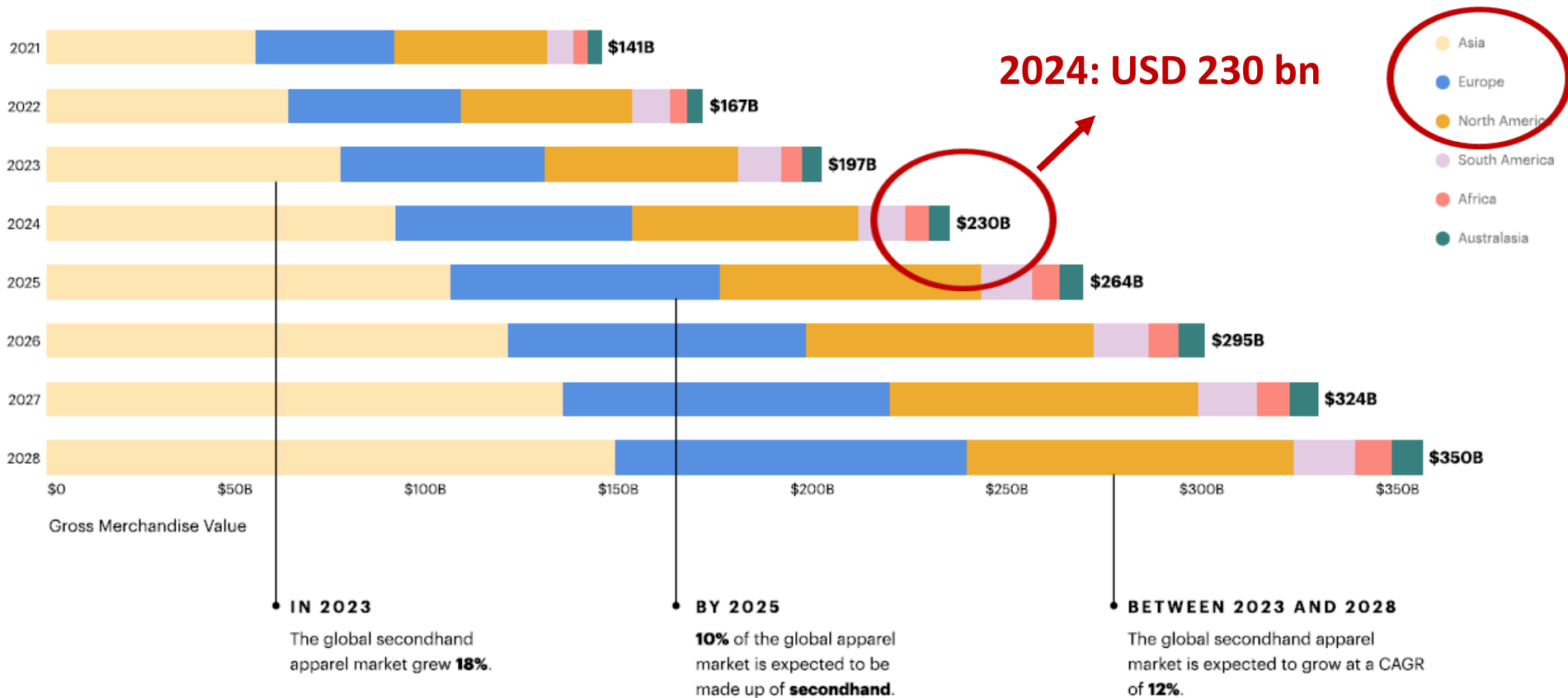
It has become a trend that used clothing and accessory products, especially luxury ones, are resold both on- and offline.

The global second-hand apparel market is valued at almost **USD 200 billion** in **2023** and expected to grow to USD 350 billion by 2028.



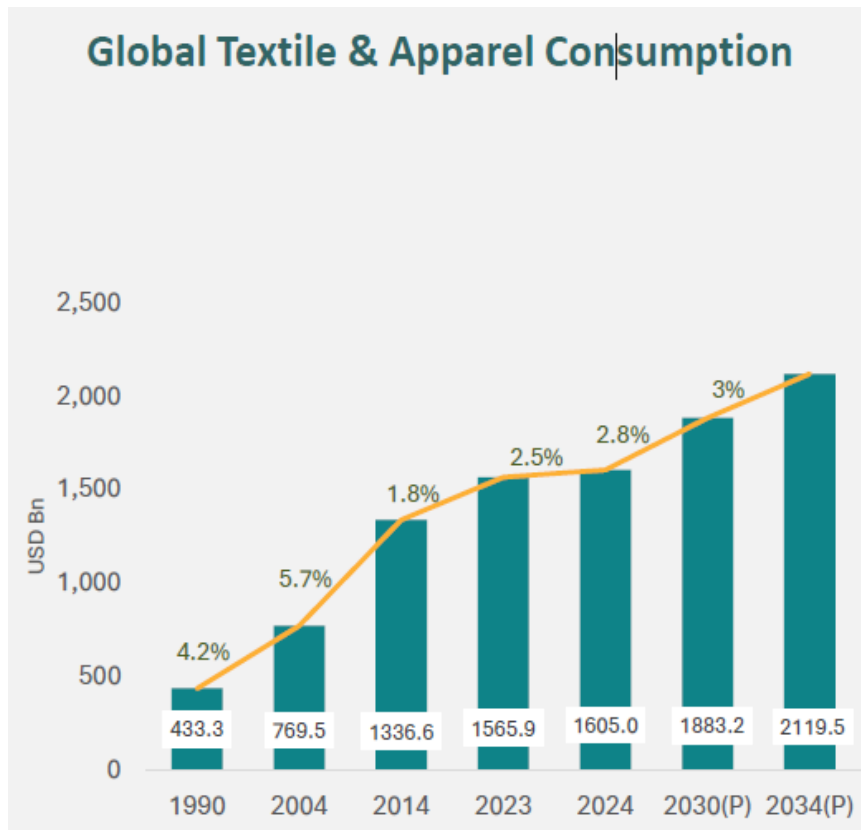
3) Trends Shaping the Global Textile Value Chain

e) Second-hand Clothing Market – cont'd



3) Trends Shaping the Global Textile Value Chain

f) Global Demand vs. Consumption Share



3) Trends Shaping the Global Textile Value Chain

f) Global Demand vs. Consumption Share – cont'd

Global fibre demand is driven by

- Growing global population

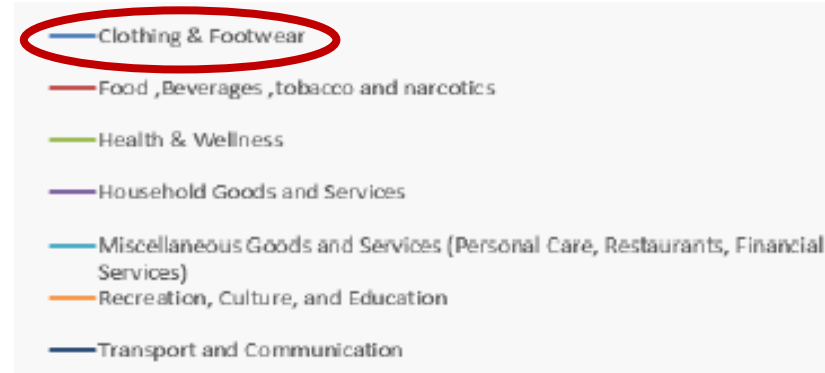
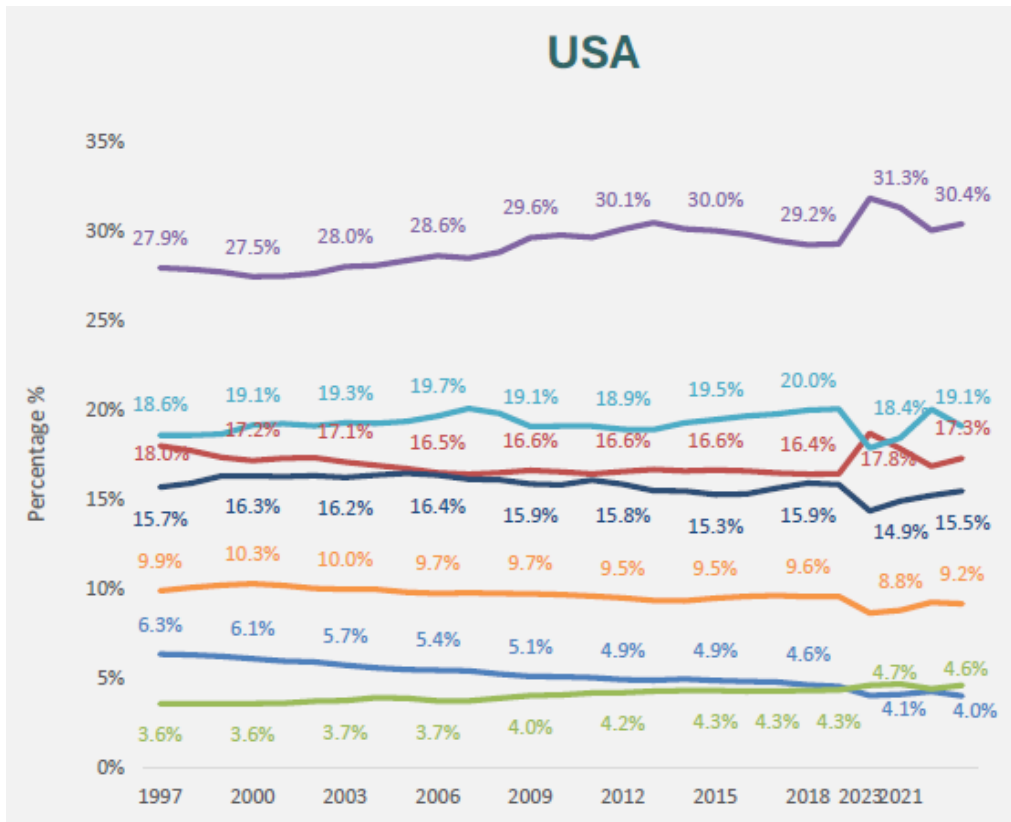
Peak expected at around 10.4 billion in the 2080s from currently 8.2 billion)

- Growing middle classes, especially in China & India

From 4 billion in 2023 to around 5 billion by 2031

3) Trends Shaping the Global Textile Value Chain

f) Global Demand vs. Consumption Share – cont'd



Share of Clothing & Footwear dropped from 6.3% in 1997 to 4.0% in 2021!!

3) Trends Shaping the Global Textile Value Chain

g) Digitalisation of the Industry & Supply Chain

- 1) Traceability (digital tools like blockchain)
- 2) Sustainability (data is required to measure emissions)
- 3) Regulation (Digital Product Passport, DPP)
- 4) Production (AI applications like defect recognition)
- 5) Consumption (virtual try-on technologies)
- 6) Improved Matching of Demand & Supply
- 7) Design (using AI tools)
- 8) Logistics (optimising processes with AI)
- 9) Etc.

Thank you for your attention!!!



ITMF Annual Conference & IAF Fashion Convention 2025

October 23-25, 2025 | Yogyakarta, Indonesia

