

Marketing Study on Apparel Market In Spain



- **Spanish market:**

An Overview on the economy of Spain with a review of the most important geographical, economic and demographic indicators.

The following table shows the most important geographical, economic and demographic indicators of Spain:

Geographical Indicators	
Indicator	Value
Land Area	505,370 Km ²
Location	Located in southwestern Europe, and bordered to the south and east by the Mediterranean Sea; to the north and northeast by France and the Bay of Biscay; and to the west and northwest by the Atlantic Ocean.
Economical Indicators	
Indicator	Value
GDP	\$ 1.769 Trillion (2017)
Annual growth of GDP (%)	3.1% (2017)
GDP by Sector (2017)	Agriculture 2.6%, Industry 23.2%, and Services 74.2%
Inflation rate	1.6% (2017)
Unemployment rate	18.3% (2017)
Total Exports	\$301.5 Billion (2017)
Main Exported Commodities	Machinery, motor vehicles; foodstuffs, pharmaceuticals, medicines, other consumer goods
Exports - Partners	France 15.1%, Germany 11.3%, Italy 7.8%, Portugal 7.1%, UK 6.9%, and US 4.4% (2017)
Total Imports	\$333.4 Billion (2017)
Main Imported Commodities	Machinery and equipment, fuels, chemicals, semi-finished goods, foodstuffs, consumer goods, measuring and medical control instruments
Imports - Partners	Germany 14.2%, France 11.9%, China 6.9%, Italy 6.8%, Netherlands 5.1%, US 4%, (2017)
Demographical Indicators	
Indicator	Value
Population	46,354,000 (2017) Female: 50.7% Male: 49.3%
Demographics	0-14 years: 15.3% 15-64 years: 67.5% Above 65 years: 17.2%
Population growth rate	-0.2% (2017)
Average income	25,865 Euro per year (2017)

per capita	
Source: 1. The World FactBook https://www.cia.gov/library/publications/the-world-factbook/geos/gm.html 2. UNdata http://data.un.org/en/iso/de.html	

- Production

The apparel industry is a traditional industry in Spain. The apparel market in Spain in 2017 was about 20.5 billion Euros. This sector contributes to the national income of Spain by 3%, while the number of textile producers in Spain in 2015 reached out 7645 producers with 4.2% a decrease compared to 8005 producers in 2014. The number of workers in this sector in 2015 reached out 131 thousand workers, 2.3% an increase compared to 2014.

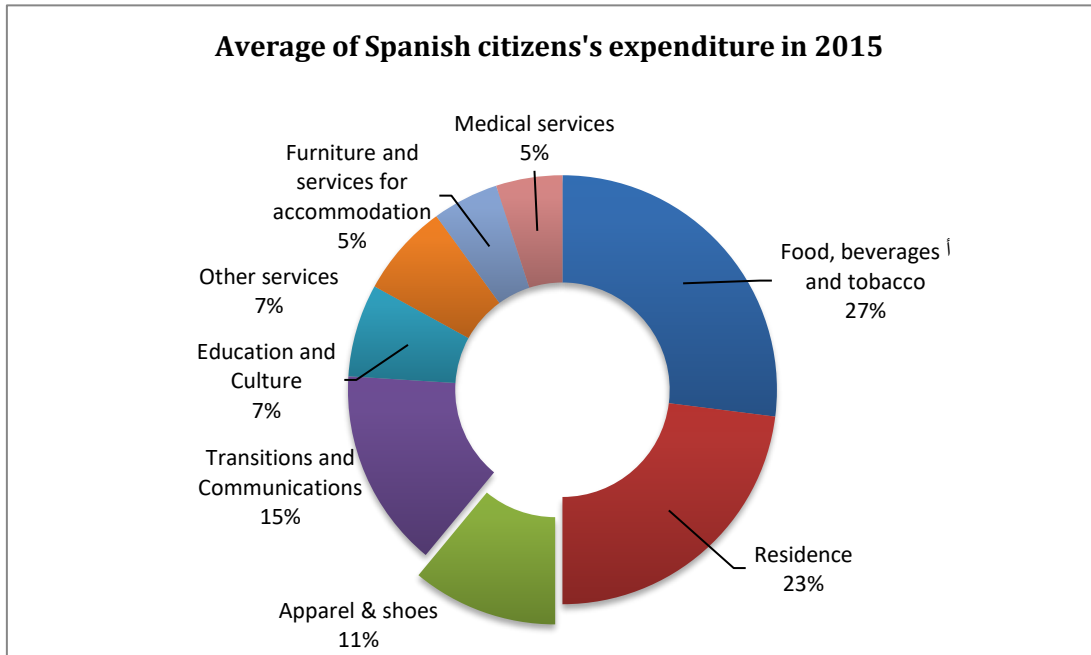
It should be noted that there is a general trend among small and medium-sized companies that were previously looking to establish factories in the developing countries to reduce the production costs in Spain because it has become competitive for several reasons like: salaries freeze in this sector inside Spain, Many apparel-producing countries, such as Turkey and China, have pegged to the dollar, leading to higher production costs due to the Dollar rise against the Euro.

<https://texforformacion.files.wordpress.com/2016/09/c3baltimos-datos-sector-09-2016.pdf>

- Consumption

Spain's average household spending on textiles was 1,223 Euros/ a year, up 7.2% compared to 2014, while Spanish average spending on apparel in 2015 was 577 Euros for women, 351 Euros for men and 534 Euros for children per year. Spain's economic crisis during the last period influenced on spending rates and raised the unemployment rate in an unprecedented manner, which significantly affected on the consumption pattern of the Spanish citizen. The total sales of women's apparel was 42%, followed by men's apparel was 39% and children's clothing was 19%.

The following figure shows the spending distribution by Spanish citizens during 2015, which shows that the total expenditure spent by Spanish citizens on clothing and footwear represents 11% of total annual expenditure:



Trade Movement in Spain for Textile & Apparel

1- With Countries all over the world:

Spanish exports of textiles during 2017 amounted to 16.550 billion Euros, increased by 9.5% compared to 15.106 billion Euros in 2016. Spanish imports of textiles during 2017 amounted to 20.557 billion Euros compared to 19.849 billion Euros in 2016; its trade balance is estimated at 4 billion Euros in 2017.

Within the increase of Spain's general textile exports during this period, its exports of apparel (including knitting products) rose to 12.296 billion Euros in 2017 increased by 10% compared to 11.214 billion Euros in 2016. In addition, its imports rose to 16.050 billion Euros in 2017 compared to 15.440 billion Euros in 2016.

The following table shows the top ten destinations for the export and import for apparel to / from Spain in 2017:

Spanish Imports		Spanish Exports	
Country	The value "One million" Euros	Country	The value "One million" Euros
Total Imports	16,050,893	Total Exports	12,296,005
China	3,436,465	France	1,508,228
Bangladesh	2,299,881	Italy	1,402,940
Turkey	2,102,743	Portugal	1,082,511
Morocco	1,663,359	United Kingdom	724,742
Italy	911,400	Germany	712,587

India	742,618	Poland	584,755
Portugal	677,511	China	382,463
Cambodia	641,602	US	379,863
Pakistan	559,357	Mexico	364,182
France	519,836	Netherland	339,304

Source: ITC

2- Trade Movement for Knits between Spain and other countries from all over the world in 2015-2017:

The following table shows the most important imported/exported apparel (knitted) from /to Spain. The table shows that the most important Spanish exports of this chapter are the Pullovers and Saints, whose exports amounted to 1.380 billion Euros compared to the imports, which amounted to 1.694 billion Euros in 2017.

Unit : Euro thousand

Code	Product label	Exported values (2015-2017)			Imported value (2015-2017)		
		Exported value in 2015	Exported value in 2016	Exported value in 2017	Imported value in 2015	Imported value in 2016	Imported value in 2017
'6110	Jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or crocheted (excluding ...	1,116,864	1,234,656	1,380,234	1,551,920	1,665,204	1,694,930
'6109	T-shirts, singlets and other vests, knitted or crocheted	1,020,817	1,127,118	1,229,476	1,538,997	1,682,328	1,682,190
'6104	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, ...	680,814	702,719	726,108	887,197	965,583	966,428
'6103	Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches ...	139,409	170,532	205,037	214,915	251,236	313,746
'6114	Special garments for professional, sporting or other purposes, n.e.s., knitted or crocheted	117,137	187,365	191,295	176,090	228,327	241,827
'6111	Babies' garments and clothing accessories, knitted or crocheted (excluding hats)	123,892	151,410	169,701	288,716	336,003	321,979
'6102	Women's or girls' overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, ...	91,704	110,362	162,843	124,944	148,722	193,289
'6105	Men's or boys' shirts, knitted or crocheted (excluding nightshirts, T-shirts, singlets and ...	111,332	137,015	160,761	247,664	268,887	276,749
'6115	Pantyhose, tights, stockings, socks and other hosiery, incl. graduated compression hosiery ...	89,398	99,197	118,061	262,265	278,795	296,418
'6106	Women's or girls' blouses, shirts and shirt-blouses, knitted or crocheted (excluding T-shirts ...	167,209	114,059	95,600	187,741	162,598	138,017
'6101	Men's or boys' overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, ...	71,248	78,036	86,835	94,364	102,301	101,435
'6108	Women's or girls' slips, petticoats, briefs, panties, nightdresses, pyjamas, negligés, bathrobes, ...	73,988	87,764	80,413	240,037	252,245	247,861
'6117	Made-up clothing accessories, knitted or crocheted; knitted or crocheted parts of garments ...	46,538	50,664	56,400	58,697	56,829	59,479
'6112	Track-suits, ski-suits and swimwear, knitted or crocheted	47,372	48,026	50,796	185,159	184,057	183,561
'6107	Men's or boys' underpants, briefs, nightshirts, pyjamas, bathrobes, dressing gowns and similar ...	27,898	36,473	41,046	138,340	145,754	156,668
'6113	Garments, knitted or crocheted, rubberised or impregnated, coated or covered with plastics ...	20,295	23,616	29,120	26,651	33,331	39,927
'6116	Gloves, mittens and mitts, knitted or crocheted (excluding for babies)	15,956	14,957	15,322	52,504	51,853	52,691

3- Trade Movement for Woven between Spain and other countries from all over the world in 2015-2017:

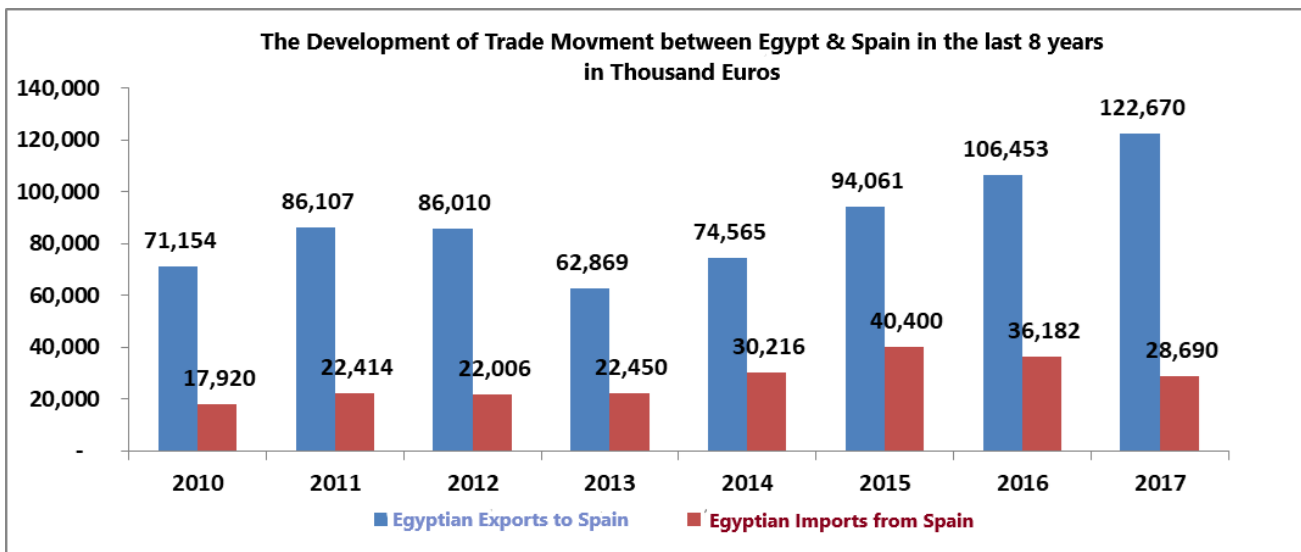
The following table shows Spain's exports and imports for apparel (woven), Women's suits, crews and jackets showed the highest value of Spain's exports which amounted to 2.75 billion Euros in 2017, at the same year it showed the highest value of Spain's imports which amounted to 2.892 billion Euros.

Unit : Euro thousand

Code	Product label	Exported values (2015-2017)			Imported value (2015-2017)		
		Exported value in 2015	Exported value in 2016	Exported value in 2017	Imported value in 2015	Imported value in 2016	Imported value in 2017
'6204	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, ...	2,477,714	2,376,533	2,750,863	2,630,416	2,606,094	2,892,794
'6203	Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches ...	1,068,446	1,116,184	1,191,641	1,649,368	1,607,700	1,685,877
'6206	Women's or girls' blouses, shirts and shirt-blouses (excluding knitted or crocheted and vests)	859,928	866,292	924,709	861,819	904,453	913,777
'6202	Women's or girls' overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, ...	714,436	745,881	794,747	856,646	880,212	914,389
'6205	Men's or boys' shirts (excluding knitted or crocheted, nightshirts, singlets and other vests)	389,337	395,324	404,470	602,147	569,932	548,752
'6201	Men's or boys' overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, ...	308,013	320,751	375,030	488,996	484,840	535,813
'6211	Tracksuits, ski suits, swimwear and other garments, n.e.s. (excluding knitted or crocheted)	302,084	294,187	304,191	384,123	377,263	360,770
'6210	Garments made up of felt or nonwovens, whether or not impregnated, coated, covered or laminated; ...	188,229	163,610	183,182	272,945	263,245	295,520
'6217	Made-up clothing accessories and parts of garments or clothing accessories, of all types of ...	113,028	139,250	153,282	36,140	36,129	40,499
'6209	Babies' garments and clothing accessories of textile materials (excluding knitted or crocheted ...)	91,852	91,965	97,970	160,031	155,141	160,130
'6212	Brassieres, girdles, corsets, braces, suspenders, garters and similar articles and parts thereof, ...	76,599	79,884	71,642	255,662	240,501	249,999
'6214	Shawls, scarves, mufflers, mantillas, veils and similar articles (excluding knitted or crocheted)	93,458	82,278	64,734	146,916	133,281	112,192
'6208	Women's or girls' singlets and other vests, slips, petticoats, briefs, panties, nightdresses, ...	20,213	22,503	23,452	57,078	85,310	73,639
'6215	Ties, bow ties and cravats of textile materials (excluding knitted or crocheted)	12,523	12,172	13,092	26,872	23,757	18,038
'6207	Men's or boys' singlets and other vests, underpants, briefs, nightshirts, pyjamas, bathrobes, ...	11,007	10,208	11,575	34,742	31,141	32,155
'6216	Gloves, mittens and mitts, of all types of textile materials (excluding knitted or crocheted ...)	7,132	5,008	5,163	16,646	15,594	17,186
'6213	Handkerchiefs, of which no side exceeds 60 cm (excluding knitted or crocheted)	1,367	2,571	3,567	3,124	3,204	4,171

4- Trade Movement for Apparel between Spain and Egypt in 2015-2017:

Egyptian exports for apparel to Spain in 2017 amounted to 122.6 million Euros, increased by 15% compared to 106.4 million Euros in 2016, while Egyptian imports from Spain in 2017 amounted to 28.6 million Euros, decreased by 21% compared to 36 million Euros in 2016. As a sign of the development of the trade movement between Egypt and Spain of this item, it should be noted that the total Egyptian exports to Spain from this chapter during the last eight years amounted to 703.889 million Euros while the imports during the same period amounted to 220 million Euros only. Egyptian exports to Spain in 2017 reached the highest value of 122.670 million Euros. The following figure shows the evolution of trade between Egypt and Spain for apparel during the last eight years:



a- Trade Movement for Knits between Spain and Egypt in 2015-2017 :

The following table shows the trade movement for knits between Egypt and Spain, it noted that the Egyptian exports of this chapter amounted to 35 million Euros during 2017, topped by HS Code 6109 (T-shirts and Under shirts) with 15.933 million Euros, representing more than 56% of Total exports of this chapter.

Unit : Euro thousand		Spain's exports to Egypt			Spain's imports from Egypt		
Product code	Product label	2015	2016	2017	2015	2016	2017
'6110	Jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or crocheted (excluding ...	5,525	4,760	3,356	1,910	3,062	4,727
'6109	T-shirts, singlets and other vests, knitted or crocheted	4,096	3,895	2,836	13,728	17,515	15,933
'6104	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, ...	2,366	2,023	1,611	3,006	3,471	3,131
'6103	Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches ...	1,159	872	736	1,878	1,547	2,324
'6105	Men's or boys' shirts, knitted or crocheted (excluding nightshirts, T-shirts, singlets and ...	568	733	636	268	348	627
'6114	Special garments for professional, sporting or other purposes, n.e.s., knitted or crocheted	520	595	618	149	71	2,073
'6101	Men's or boys' overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, ...	226	234	240	33	20	19
'6102	Women's or girls' overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, ...	210	164	204	284	2	11
'6111	Babies' garments and clothing accessories, knitted or crocheted (excluding hats)	205	230	189	136	106	1,248
'6106	Women's or girls' blouses, shirts and shirt-blouses, knitted or crocheted (excluding T-shirts ...	611	336	161	563	373	73
'6115	Pantyhose, tights, stockings, socks and other hosiery, incl. graduated compression hosiery ...	70	98	77	973	1,460	1,486
'6112	Track-suits, ski-suits and swimwear, knitted or crocheted	81	67	46	86	70	45
'6108	Women's or girls' slips, petticoats, briefs, panties, nightdresses, pyjamas, negligés, bathrobes, ...	59	42	41	125	54	64
'6113	Garments, knitted or crocheted, rubberised or impregnated, coated or covered with plastics ...	13	15	32	1	2	1
'6107	Men's or boys' underpants, briefs, nightshirts, pyjamas, bathrobes, dressing gowns and similar ...	45	35	27	1,332	1,429	3,277
'6117	Made-up clothing accessories, knitted or crocheted; knitted or crocheted parts of garments ...	23	27	15	42	44	35
Total		15,777	14,126	10,825	24,514	29,574	35,074

b- Trade Movement for Woven between Spain and Egypt in 2015-2017:

The following table shows the Spain's exports and imports for Woven amounted to 87.5 million Euros. HS Code 6203 (Men's suits and jackets) is the largest item of the Egyptian apparel exports to Spain, with a total of 48.7 million Euros. Almost half of Egypt's apparel exports to Spain during 2017.

Unit : Euro thousand		Spain's exports to Egypt			Spain's Imports From Egypt		
Product code	Product label	2015	2016	2017	2015	2016	2017
'6204	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, ...	9,214	7,152	5,888	21,305	28,019	29,794
'6203	Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches ...	6,545	6,075	4,451	44,570	44,152	48,711
'6206	Women's or girls' blouses, shirts and shirt-blouses (excluding knitted or crocheted and vests)	2,721	2,443	1,981	12	14	198
'6202	Women's or girls' overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, ...	917	990	1,316	1	1,390	1,241
'6205	Men's or boys' shirts (excluding knitted or crocheted, nightshirts, singlets and other vests)	1,670	1,797	1,291	918	520	3,835
'6211	Tracksuits, ski suits, swimwear and other garments, n.e.s. (excluding knitted or crocheted)	1,087	1,020	796	553	511	220
'6217	Made-up clothing accessories and parts of garments or clothing accessories, of all types of ...	937	951	657	2	1	5
'6201	Men's or boys' overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, ...	447	483	650	1,405	1,883	3,151
'6210	Garments made up of felt or nonwovens, whether or not impregnated, coated, covered or laminated: ...	31	58	129	-	-	-
'6209	Babies' garments and clothing accessories of textile materials (excluding knitted or crocheted ...	179	187	109	8	1	3
'6215	Ties, bow ties and cravats of textile materials (excluding knitted or crocheted)	74	87	88	-	-	-
'6214	Shawls, scarves, mufflers, mantillas, veils and similar articles (excluding knitted or crocheted)	97	52	51	-	10	1
'6208	Women's or girls' singlets and other vests, slips, petticoats, briefs, panties, nightdresses, ...	41	171	34	203	188	199
'6212	Brassieres, girdles, corsets, braces, suspenders, garters and similar articles and parts thereof, ...	18	22	21	4	-	2
'6213	Handkerchiefs, of which no side exceeds 60 cm (excluding knitted or crocheted)	5	13	13	-	-	-
'6207	Men's or boys' singlets and other vests, underpants, briefs, nightshirts, pyjamas, bathrobes, ...	7	5	4	533	186	227
Total		23,990	21,506	17,479	69,514	76,875	87,587

5- Distribution Channels:

In Spain, the distribution channels for textiles and apparel in 2015 reached to 61,387 channels, increased by 2.3% compared to 2014, on the other hand there is a significant decrease from 2007, where sales reached to 71.1 thousand outlets. In the same context, it should be noted that the share of the distribution channels in the Spanish market of total sales during 2015 was as follows:

Ranking	Outlets	Value %
1	International brands outlets	19.9
2	Malls	8.9
3	Hypermarkets	24.3
4	Discounted Outlets	15.1
5	Retail chains	31.8

6- Textile Machinery:

The textile machinery industry in Spain is based on 84 companies operating in this area, 70 of them are in the province of Catalonia. 85% of these companies are small companies with fewer than 30 workers. In 2010, their sales amounted to 250 million Euros with 2250 workers. 83% of these companies are located in Catalonia, which contributes more than half of sales in this sector throughout Spain. The largest importers of Spanish textile machinery are China, India, Pakistan, Bangladesh and Vietnam, as well as emerging markets such as Brazil, Mexico, Colombia, Turkey, the United States and Iran.

7- Technical requirements:

The European Union has established Regulation No. 1007/2011, for Apparel and Textiles, which can be accessed through the following link:

http://exporthelp.europa.eu/thdapp/taxes/show2Files.htm?dir=/requirements&reporterId1=EU&file1=ehir_eu14_01v001/eu/main/req_lbltexti_eu_010_0612.htm&reporterLabel1=EU&reporterId2=ES&file2=ehir_es14_01v001/es/main/req_lbltexti_es_010_0612.htm&reporterLabel2=Spain+%28excluding+X+C+XL%29&label=Labelling+for+textiles&languageId=en&status=PROD

Regulation No. 907/2006 also regulates the used banned chemicals in textile and apparel industries, which can be accessed through the following link:

http://exporthelp.europa.eu/thdapp/taxes/show2Files.htm?dir=/requirements&reporterId1=EU&file1=chir_eu14_01v001/eu/main/req_chetext_eu_010_1303.htm&reporterLabel1=EU&reporterId2=ES&file2=chir_es14_01v001/es/main/req_chetext_es_010_1306.htm&reporterLabel2=Spain+%28excluding+X+C+XL%29&label=Restriction+on+the+use+of+certain+chemical+substances+in+textile+and+leather+products&languageId=en&status=PROD

8-Tariffs on Egyptian Exports:

No Tariffs imposed on Egyptian apparels according to the EU Agreement.

9-Tariffs imposed by Spain:

Internal tax (value added): 21%

10-The most important Spanish ports:

- ↳ Valencia Port <http://www.valenciaport.com>
- ↳ Barcelona Port <http://www.portdebarcelona.cat/en>
- ↳ Bilbao Port <http://www.bilbaoport.es/aPBW/web/es/index.jsp>

11-The most important Spanish newspapers:

- El País : www.elpais.es
- El Mundo : www.elmundo.es
- ABC : www.abc.es

12-The most important specialized exhibitions:

MOMAD

http://www.ifema.es/momadmetropolis_01/

13-Affiliates:

- ↳ FEDECON
www.fedekon.es
- ↳ Asociacion Empresarial del Comercio Textil, Complementos y Piel (ACOTEX)
www.acotex.org
- ↳ Asociacion Creadores De Moda De Espana (ACME)
www.creadores.org

14- Comments and Recommendations:

The Spanish apparel market has been affected by the Spanish economic crisis during the last few years, as evidenced by the previous years' indicators mentioned in this study due to the contraction of per capita income and the increase of unemployment, which led to a decrease in the average expenditure of individuals on apparel products, But the indicators for the current year show the resumption of this sector, as Spain's imports increased by 7% during 2017.

Spain's average household expenditure on textiles was 1,223 Euros/ a year, up to 7.2% from 2014, while Spanish expenditure on apparel in 2015 was about 577 Euros for women, 351 Euros for men and about 534 Euros for children per year.

The best way to enter the Spanish market for apparel is to manufacture one of the famous Spanish brands such as Inditex, GrupoCortefiel, Mango and El Corte Ingles. Due to the market's competitiveness, especially from countries such as China, India, Bangladesh and Turkey, the added value of Egyptian products must be increased by introducing new product designs, so that our main reliance is not only on price competition.