

# The European market potential for babywear

Babywear is a €4.0 billion market in Europe, with France, Germany and the UK being the biggest local importers. In the past 5 years, the market has grown on average at 5.3% per year, stagnating in the last two years. It is expected that the market will continue to stagnate for the next couple of years, after which it is expected to grow. The segment already imports a large share from the developing countries, and the growth of those imports is further fueled by the growing costs of import from China. Producers from developing countries can capitalise on this shift and develop a strong Babywear offering.

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## 1. Product description

Babywear includes clothing designed for and worn by babies and toddlers from 0 to 2 years of age. This segment includes the following categories: Babies' garments, clothing and accessories knitted or crocheted and non-knitted and non-crocheted, of wool or fine animal hair, cotton, synthetic fibres and of other textile materials (HS Codes include: 6111, 61111000, 61111010, 61111090, 61112000, 61112010, 61112090, 61113000, 61113010, 61113090, 61119000, 6209, 62091000, 62092000, 62093000, 62099000).

Sizing in babywear is based on height of the child and in some markets on age, or on both. Up to the age of 2 years, sizes in Europe are expressed in months (e.g. 0-3 months, 3-6 months, etc.). Babywear sizes vary across European countries, especially between Northern and Southern Europe, with the Northern European sizes being larger.

Special requirements for babywear include washability and increasingly natural materials. Washability in high temperatures without the risk of shrinking and fading is important, as babies' clothes tend to become quite dirty. Natural materials are preferred for their level of comfort and hypoallergenic qualities. Babywear in Europe is manufactured primarily with cotton. Organic cotton is becoming an especially popular material as it is perceived to be better for young children and for the environment.

## 2. What makes Europe an interesting market for babywear?

The babywear market is one of the most lucrative markets in the garment industry, with department stores and supermarkets giving it more and more floor space. Europe is a significant world importer of babywear. In 2018, the value of babywear imports to Europe accounted for €4.0 billion, up from €3.1 billion in 2013. During the last five years, the value of EU babywear imports has been growing on average by 5.3% annually. This is slightly lower than the overall 5.8% imports growth for the entire apparel market, as reported in [the CBI Market Statistics and Outlook Study](#). It is expected that in the short term, the demand for babywear will continue to develop at a similar rate as in the last two years, meaning that it will stagnate or slightly decline. This is because the segment grows cyclically and has undergone high value growth between 2013 and 2017. In the last three years, three of the largest babywear markets: France, the United Kingdom and Italy have all reported declining imports.



The EU is also a large re-exporter of apparel for babies. In 2018, it exported €1.9 billion worth of babywear (up from €1.4 billion in 2013). EU baby apparel exports have been growing at an average yearly rate of 7.0%

between 2013 and 2018. The biggest EU exporters in 2018 were Spain (€319 million), France (€248 million), Germany (€231 million), Poland (€197 million), the Netherlands (€193 million) and Italy (€183 million). Together, these six countries represent over 72% of the EU's baby apparel exports. Poland, the Netherlands and Spain have seen the strongest export growth within this group, with an average yearly increase for Poland of 23.6% and between 12.8% and 13.1% for Spain and the Netherlands. In comparison, France has been growing at a much lower rate of only 0.5% per year in the last five years. Poland, which is currently the fourth largest babywear exporter in Europe has been growing on average by 23.6% per year. If its growth continues at the same speed going forward, within the next two years it will become the second largest exporter and within the next six years it will become the largest exporter of babywear in Europe.



Currently, 60% of the value of EU babywear imports originates from outside the EU, while the remaining 40% originates from inside the EU. Although the import value of babywear has stagnated over the last 3 years, there is a strong movement in the composition of those imports. In the last 5 years, the intra-EU imports have gained 5% share due to Germany, Spain, the Netherlands and Poland strongly increasing their European re-exports of babywear. Producers from developing countries have also gained a market share of approx. 6%, driven by the growth of imports from Bangladesh, Cambodia, Morocco and Pakistan. In total, in 2018, developing countries contributed 21.8% to all babywear imports into the EU in terms of value, up from 15.8% in 2013. Producers from the rest of the world accounted for 38% of the import value, down from 49% in 2013, mainly reflecting the decline in imports from China.

The growing share of babywear imports from developing countries shows that there is increasing demand for this product segment from developing countries. The value of EU babywear imports originating from developing countries corresponded to €865 million in 2018 and has grown at an average yearly rate of 12.3% since 2013, more than double the overall babywear import growth rate. This is partly a result of declining imports from China, which are becoming progressively more expensive, thus creating a gap that can be filled by other qualified suppliers from developing countries.



Europe's extra-EU babywear imports are dominated by Asian countries with China, Bangladesh and India being the top three exporters. Together, these three countries account for 44.8% of all EU babywear imports. China is the single largest exporter of babywear to the EU, with a 20.4% share of the EU import value in 2018. It is followed by Bangladesh with 14.7% and India with 9%. Other extra-EU babywear exporters have market shares between 0.7% and 3.1% of the overall babywear import value. Bangladesh, India, Sri Lanka, Cambodia, Morocco, Pakistan, Vietnam and Myanmar increased their share of babywear imports in the last five years due to an above average growth. Bangladesh, India and Cambodia saw the biggest growth, with Bangladesh increasing its share by around 3.6%. During the same period, China experienced a strong net decline of 4.3% per year and Turkey's growth was outpaced by the overall babywear import growth, resulting in a decline in market share.

Intra-EU babywear imports are dominated by Germany with a market value of €294 million (equivalent to 7.4% market share). It is followed by France with 5.2%, Spain with 5.1% and Poland with 4.8%. Germany, Spain, Poland, the Netherlands, and Italy have each increased their market shares. Germany and Poland saw the most significant growth, each increasing their market share by 2.6% to 2.8% between 2013 and 2018. France, the UK, Belgium and Portugal lost market share during that same period.

Table 1: Top 10 extra-EU and intra-EU babywear exporters to EU, 2018 EUR value; average yearly growth

Country	Value	5-yr growth
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Top Extra-EU Babywear Exporters		
China	€811 m	↓ 4.3%
Bangladesh	€584 m	↑ 11.5%
India	€387 m	↑ 9.0%
Turkey	€122 m	↑ 4.7%
Sri Lanka	€97 m	↑ 7.8%
Cambodia	€89 m	↑ 21.3%
Morocco	€62 m	↑ 18.7%
Pakistan	€44 m	↑ 20.1%
Vietnam	€30 m	↑ 10.1%
Myanmar	€29 m	↑ 73.3%
Top Intra-EU Babywear Exporters		
Germany	€294 m	↑ 14.7%
France	€206 m	↑ 1.9%
Spain	€201 m	↑ 15.4%
Poland	€192 m	↑ 25.6%
Netherlands	€182 m	↑ 11.7%
Italy	€121 m	↑ 6.7%
United Kingdom	€89 m	↑ 1.5%
Belgium	€63 m	↓ 3.7%
Portugal	€55 m	↑ 0.5%
Slovakia	€37 m	↑ 9.2%

Source: Eurostat

### 3. Which European countries offer the most opportunities for Babywear?

Western European markets are much larger and better developed than the Central and Eastern European markets. The top babywear import markets in the EU are France, Germany, the United Kingdom, Spain, Italy and the Netherlands. These top six countries together account for 72.8% of EU babywear imports and have been growing at an average rate of 4.5% per year for the last five years. While imports to Eastern European countries are growing at higher rates than those in the West, the numbers are still relatively small in comparison. Poland is a market to watch due to its fast imports of babywear and an already relatively large market. If its growth continues at the same level, it will become the sixth largest EU market for babywear next year.

Table 2: Top 10 EU importers of babywear, 2018 EUR value; average yearly growth

Country	Value	5-yr growth
France	€628 m	↑ 1.3%
Germany	€594 m	↑ 9.4%
United Kingdom	€547 m	↑ 2.5%
Spain	€494 m	↑ 8.6%
Italy	€335 m	↑ 1.8%
Netherlands	€294 m	↑ 4.3%
Poland	€236 m	↑ 32.0%
Belgium	€147 m	↓ 0.6%
Austria	€104 m	↑ 11.6%
Portugal	€73 m	↑ 6.0%

Source: Eurostat

Table 3: Top 10 EU importers of babywear from developing countries, 2018 EUR value; average yearly growth

Country	Value of Developing country imports	5-yr growth	Developing country share of imports
Spain	€181 m	↑ 24.4%	36.6%
France	€151 m	↑ 9.8%	24.0%

Germany	€123 m	↑ 11.7%	20.7%
Netherlands	€99 m	↑ 3.5%	33.5%
United Kingdom	€97 m	↑ 7.9%	17.7%
Italy	€71 m	↑ 8.5%	21.1%
Belgium	€40 m	↑ 6.1%	27.1%
Poland	€38 m	↑ 73.8%	16.1%
Sweden	€23 m	↑ 9.4%	34.7%
Austria	€12 m	↑ 127.4%	11.9%

Source: Eurostat

## France

France is the largest babywear market in Europe with a value of €628 million in 2018 (up from €590 million in 2013). This corresponds with the fact that France has the highest fertility rate in Europe. Its fertility rate stood at 1.96 children per woman in 2016 with approx. 767,000 children born in 2017. France's fertility rate has been growing steadily since 1995, although it has seen a slight drop in the last few years, which was reflected in the slowdown in the growth of France's Babywear imports. The most popular French babywear brands include Jacadi, Petit Bateau, Louise Misha, Tartine & Chocolat, Bonpoint, Carrement Beau.

In the last five years, imports of babywear to France have grown at an average rate of 1.3% per year, making it the slowest growth market in the top six. Specifically, imports from China have declined at 5.1% per year, creating a strong opportunity for producers from developing countries and resulting in a 9.8% yearly growth of imports from developing countries. Bangladesh and Cambodia have been capitalising on China's trade decline, with Bangladesh increasing its share by 6% over the last 5 years and Cambodia growing by 3%. Other countries that saw strong growth on this market are the Netherlands and India with 3% market share growth each. Besides China, these are the main countries that developing country exporters are competing with on the French market. Currently, 24% of French babywear imports originate in developing countries, 28% in other European countries and 52% in other Extra-EU countries, mainly China and India. As China's prices continue to rise, producers from developing countries should use this opportunity to take over the production needs.

## Germany

Germany is the second largest babywear market in Europe with a value of €594 million in 2018 (up from €380 million in 2013). Germany's fertility rate has grown consistently over the last 25 years. In 2016, at 1.5 child per woman, the German fertility rate reached its highest point in 40 years, and it seems that this growth trend will continue in the foreseeable future due to general social subsidies and Germany's pro-fertility policies. In 2016, approx. 792,000 children were born in Germany. The most popular German babywear brands include Carolina Zapf, Ernsting Family.

In the last five years, the value of Germany's babywear imports has grown at an average rate of 9.4% per year, making it the fastest growing babywear market in the top six European countries and a strong opportunity for producers from developing countries. The value of its imports from developing countries has grown at 11.7% per year. The makeup of Germany's babywear imports has been very dynamic in the last five years. China has

lost 15% in market share due to its increasing prices. This void has been filled largely by Poland and Bangladesh, which are now the top two babywear exporters to Germany. The Czech Republic, India and Spain have also marked a very strong growth in the last five-year period. Currently, 21% of German babywear imports originate in developing countries, 51% in other European countries and 28% in other extra-EU countries, mainly in China and India.

As China's prices continue to rise, producers from developing countries should use this opportunity to take over these production needs. Currently, their strongest competitor will be Poland, which is in a very strong commercial and production position due to its growing apparel industry and proximity to Germany. It is worth noting that Polish imports from developing countries are also growing at very high rates of 74% per year. Producers from developing countries should consider becoming strategic suppliers to the industry that is forming in Poland, instead of competing with it.

## **United Kingdom**

United Kingdom is the third largest babywear market in Europe with a value of €547 million in 2018 (up from €485 million in 2013). The UK has the second highest fertility rate in the top six with 1.8 children per woman in 2016, although that number is down from 1.92 in 2012. In 2016, there were approx. 775,000 children born in the UK. The most popular British babywear brands include Oliver Baby and Kids, Caramel Baby and Child, Tootsa, Indikidual.

In the last five years, the value of the United Kingdom's babywear imports has grown at an average rate of 2.5% per year and the composition of the market has changed significantly as Chinese imports have declined at almost 8% per year. The opportunity this created has been seized by India, Cambodia and Italy. In the past 5 years, the value of the UK's babywear imports originating from developing countries has grown at 7.9% per year. Currently, only 18% of the UK's babywear imports originate in developing countries, 17% in other European countries and 65% in other extra-EU countries, mainly China and India.

The United Kingdom is scheduled to leave the EU this year. Brexit has been postponed till 31 January 2020 and it is currently generating a lot of uncertainty. It is uncertain whether the UK will continue to provide preferential trade conditions for developing countries and how the United Kingdom's exit from the EU will impact the apparel sector and trade.

## **Spain**

Spain is the fourth largest babywear market in Europe with a value of €494 million in 2018 (up from €328 million in 2013). The Spanish fertility rate is currently the lowest from the top six markets with an average 1.33 children per woman and with approx. 411,000 children born in 2016. Spain is one of the major exporters of babywear via its popular brands that include Zara Kids, Mango Kids, Mayoral, Pepito by Chus, and Tiny Cottons.

In the last five years, the value of Spain's babywear imports has grown at an average rate of 8.6% per year, making it the second fastest growth market for babywear in the top six after Germany. More importantly, the value of its imports from developing country in this product segment has been growing by an average 24.4% per year in the last five years, making it the fastest growth market in the top six and the highest value market overall for imports from developing countries. In the last five years, China has lost market share due to low growth, as have Spain's other traditional partners like France, Portugal and Italy. Countries that successfully increased their exports to Spain in this segment in the past five years include Bangladesh, Morocco, Pakistan and Cambodia. Currently, 37% of Spain's babywear imports originate in developing countries, 24% in other European countries and 39% in other extra-EU countries, mainly in China, Turkey and India.

## **Italy**

Italy is the fifth largest babywear market in Europe with a value of €335 million in 2018 (up from €307 million in 2013). In the last five years, the value of Italy's babywear imports has grown at an average rate of 1.8% per year, making it the second slowest market for babywear in the top six markets in terms of growth. This is in part

caused by the fact that Italy has the second lowest fertility rate in the top six markets with 1.35 children per woman in 2016. In 2017, there were only 464,000 children born in Italy, almost 100,000 fewer than ten years before. The most popular Italian babywear brands include Prenatal, Susie and Toto.

Its average annual growth of imports from developing countries, however, has been at a strong 8.5%. Much like it was the case in the other markets, China has lost market share in Italy due to negative growth over the last five years. Countries that successfully increased their exports to Italy in this segment in the past five years include Bangladesh, France and Spain. Currently, 21% of Italy's babywear imports originate in the developing countries, 42% in other European countries and 37% in other extra-EU countries, mainly in China and India.

## Netherlands

The Netherlands is the sixth largest babywear market in Europe with a value of €294 million in 2018 (up from €238 million in 2013). The Netherlands' fertility rate was at 1.66 children per woman in 2016, with approx. 170,000 babies born in 2017. The most popular Dutch babywear brands include Donsje and Scotch & Soda.

In the last five years, the value of the Netherlands' babywear imports has grown at an average rate of 4.3% per year, while the average annual rate of growth of babywear imports from developing countries was at 3.5%. Although, just like in other European markets, China has lost market share due to negative growth, the gap has been mostly filled by India, Germany and Spain. The two developing countries that were successful at increasing their exports to the Netherlands were Sri Lanka and Myanmar. Currently, 34% of the Netherlands' babywear imports originate in the developing countries, 20% in other European countries and 46% in other extra-EU countries, mainly in China and India.

### Tips:

Focus your export efforts on the top six markets: France, Germany, the United Kingdom, Spain, Italy and the Netherlands because they are both the biggest baby apparel consumers in Europe and the biggest importers of apparel from developing countries. All of these countries have a high acceptance of extra-EU suppliers. France, Germany and Spain may be particularly interesting due to the high market size, imports growth and growth of sourcing from the developing countries.

Visit the websites of the most popular babywear brands in Europe such as [H&M](#), [Zara Kids](#) and [Petit Bateaux](#) to understand the aesthetic of European babywear.

Keep an eye on the development of Brexit especially if you are an exporter to the UK. Check how the free trade agreements are impacted and whether you will be subject to new tariffs or other procedural export difficulties. [Visit the website 'get ready for Brexit'](#) for more information on Brexit and its potential impact on your business.

Consider exporting to Poland, as it is currently Europe's fastest growing importer of baby apparel and apparel from the developing countries. At the moment, the penetration of its babywear imports by producers from developing countries is low so there is a lot of room to grow.

## 4. What trends offer opportunities or pose threats for the European Babywear market?

The European Babywear market follows the general apparel trends related to sustainability, technological innovation and increased emphasis on corporate social responsibility. For more information, see the [CBI study on Trends in the Apparel market](#). Aside from these general trends, the babywear market has its own, segment-specific trends:

## Declining birth rates coupled with increasing purchasing power

While Europe continues to be one of the largest markets for babywear, it has been overtaken by Asia-Pacific in terms of size. For a number of years, the birth rates have been declining in Europe, placing pressure on the babywear segment. Couples are starting families later in life, meaning that they can allocate a larger share of their disposable income to baby products. At the higher-end, premiumisation of babywear is creating opportunities with luxury brands also investing heavily in this market. Consumers are increasingly willing to spend serious money on premium brands for their children.

## Kids are fashion conscious

European babywear market has become a fashion market. The influence of social media and influencers has caused this market to evolve into a trend leader, with kids aware of trends more than ever. Instagram has become awash with both “mummy bloggers” and “kid-fluencers” who are paving the way for a new outlet for kids’ fashion. Leading children’s clothing retailers have significant “kids-oriented” presence on the social media especially Instagram, e.g. [H&M Kids Instagram](#), [Zara Kids Instagram](#), [Petit Bateau Instagram](#) or [Mayoral Instagram](#). On the Harper’s Bazaar website, you can find an [overview of the top 15 kid fashion influencers on Instagram](#).

## Organic clothing is becoming more important

European parents, especially those who can afford upmarket prices, are increasingly interested in buying organic clothes. Large retail chains are setting the trend in organic clothing for children, with smaller designers and retailers following. Some examples are [H&M’s Conscious-Sustainable Style for Kids](#) and [Zara’s Join Life sustainable collection](#), Britain’s [Frugi](#), Piupia, Toby Tiger, Peacheyboo or Sweden’s Mini Rodini. Organic clothes are more expensive than non-organic clothes, which means that consumers also expect outstanding quality and design.

### Tips:

Consider entering the premium babywear segment based on the demand for higher quality children’s clothes in Europe. Design and quality will be the most important aspects in this segment as they cover both the trend of rising fashion-consciousness among children and parents and the higher disposable incomes available for children’s clothing. Some examples of premium segment brands include [Kenzo Kids](#), [Stella McCartney Kids](#), or [Burberry Kids](#).


Think about your sustainability strategy and consider using organic materials in your babywear production as this is increasingly demanded and eventually will become the standard in the European market. Organic clothing should have [Global Organic Textile Standard certificate](#). For more information and information on sustainable materials, see the CBI Study on Sustainable Cotton.

Follow top kid’s apparel brands social media accounts as well as the accounts of top kid fashion influencers to keep on top of the trends and to see what is popular in Europe.

This study has been carried out on behalf of CBI by [M-Brain GmbH](#).


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