



Apparel Industry Overview

Birgitta Gardelius/Sofia Olsson
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Summary

Sweden is the second largest exporter of clothes among the Scandinavian countries and a number of Swedish fashion designers have entered the international market. Some of these are Anna Holtblad, Acne, Whyred, Filippa K, and Odd Molly. The Swedish apparel industry also excels at retailing and creating mid-priced clothing. High-spending Swedish consumers often look to foreign brands for luxury goods and high fashion for both adults and children. There is also an increasing interest among Swedes for organic clothes, especially for children's wear.

Market Demand

The consumption decreased in 2008, despite the fact that the disposable income of Swedish households has increased. This shows that Swedes are saving their money in a greater extent than before. A probable reason for this is that people are worried about recent job cut warnings. Despite that, the National Institute of Economic research reports that Swedish households have during the last three months been more positive about their current economic situation and about making major purchases. This should make people more likely to spend a greater amount of their income on both brand-name fashion and on lower priced fashion items.

Scandinavian children's wear tends to be more trendy or innovative than in other European countries. According to Statistics Sweden, a household with two children spends about USD 2500 every year on clothes. The average Swedish woman spends USD 845 on clothes every year and the average Swedish man spends about half of that amount.

There is an increasing interest among Swedes for organic clothes, especially for children's wear. Some of the bigger chain stores are planning to sell organic clothes, but there is not much available in stores at the moment. Swedes are concerned with corporate social responsibility and poor labor conditions get a lot of media attention.

Production Data

In the past few years, Sweden, like many other countries, has outsourced some of its production to low wage countries in Eastern Europe and Asia. Kina is the largest producer of clothes sold in Sweden. A lot of Swedish clothes are also produced in Bangladesh, India and Cambodia.

Market Data

Sweden is the second largest exporter of clothes among the Scandinavian countries. The biggest export markets for Swedish clothes are Finland, Denmark, Norway, Germany, The Netherlands, United

Kingdom, and Poland. The export of work wear has increased in recent years. Fristad is the largest producer of work wear in Sweden followed by Blåkläder.

A lot of clothes that are available in Swedish stores are imported, most of them from Asia. Major supplier countries in 2008 were China, Denmark, Turkey, Bangladesh, Germany, and Italy. The import of clothes from USA to Sweden was worth USD 8.5 million.

The US has a negative trade balance with Sweden. See details below.

HS 61 - APPAREL ARTICLES AND ACCESSORIES, KNIT - Balance with Sweden in 1,000 (USD)				
		2005	2006	2007
Total		-2115	-2677	-2663
6110	Sweaters, Pullovers, Vests Etc, Knit or Crocheted	-446	-140	408
6115	Pantyhose, Socks & Other Hosiery, Knit or Crochet	-341	35	404
6104	Women's or Girls' Suits, Ensemb Etc, Knit or Crochet	811	-54	229
6111	Babies' Garments & Accessories, Knit or Crocheted	212	62	187
6113	Garments, Knit Etc, Coated Etc, Rubber, Plastic Etc	44	52	2
6117	Made-Up Clothing Access Nesoi, Parts etc, Knit etc	-31	-7	-2
6103	Men's or Boys' Suits, Ensembles Etc, Knit or Crocheted	-21	-33	-7
6116	Gloves, Mittens and Mitts, Knit or Crocheted	-36	-47	-30
6105	Men's or Boys' Shirts, Knitted or Crocheted	19	-5	-39
6107	Men's or Boys' Underpants, Pjs Etc, Knit or Crocheted	50	59	-39
6106	Women's or Girls' Shirts & Blouses, Knit or Crocheted	-29	-31	-47
6102	Women's or Girls' Overcoats Etc, Knit or Crocheted	-42	-58	-78
6112	Track Suits, Ski-Suits & Swimwear, Knit or Crocheted	-99	-81	-133
6108	Women's or Girls' Slip,Pjs, Knit or Crocheted	-261	-210	-144
6101	Men's or Boys' Overcoats Etc, Knit or Crocheted	-44	-29	-155
6114	Garments Nesoi, Knit or Crocheted	-41	-86	-209
6109	T-Shirts, Singlets, Tank Tops Etc, Knit or Crocheted	-1860	-2106	-3011

Best Prospects

A number of Swedish fashion designers have entered the international market. Some of these are HOPE Anna Holtblad, Acne, Whyred, Filippa K, and Odd Molly. The Swedish apparel industry also excels at retailing and creating mid-priced clothing. High-spending Swedish consumers often look to foreign brands for luxury goods and high fashion for both adults and children. The market for organic clothing is growing quickly and has a high demand in women's, men's and children's fashion.

Key Suppliers

The Swedish retailer H&M dominates the market in women's clothing and the company sells clothes both in stores, through catalogs and Internet. Gina Tricot is another popular Swedish retail store. It is the fastest growing fashion chain in Scandinavia and has over 120 stores in the Nordic countries. Other popular chains include Lindex, Vero Moda, KappAhl and Zara.

For menswear, the largest retailers are H&M, MQ and Dressmann. Sporting goods stores are also popular for both men's and women's fashion.

Prospective Buyers

In the last few years, expenditure on clothing has increased in Sweden. Swedes are known for being quite fashionable and purchase new clothes frequently. For everyday wear, Swedes dress casually, but they dress up for special occasions and for going out to restaurants and bars. The average Swedish woman in her twenties spends about USD1200 a year on clothes while men the same age spend about USD400 a year on clothes.

Market Entry

Establishing a business contact with a company familiar with the Swedish clothing and textile industry is recommended. Swedish importers and agents are interested in having long-term relationships with committed suppliers to ensure precise deliveries and products of high quality. Being a relatively small country, Sweden is a good test market for an American exporter wishing to do business in Northern Europe. To meet the demand for short delivery time, it is a good idea to establish a presence in Sweden. This can be done by appointing a Swedish distributor or agent. There is also the possibility of a joint venture with a Swedish company, or an American company with the same product range, in order to share distribution channels.

Visiting fashion fairs and exhibits in Sweden is recommended in order to gain knowledge about the market. Trade fairs are also used as a venue for direct sales. The Swedish Fashion Council is a collaborative forum for the Swedish textile and fashion markets. They analyze and supply information about the changes in fashion and they also give lectures and seminars. The Council also coordinates the "Stockholm Fashion Week" which takes place four times a year.

Market Issues & Obstacles

When exporting to any EU country, including Sweden, suppliers from non-preferential countries must pay the following tariff rates:

- Raw material: 0 percent
- Fibers and yarn: 4 percent
- Fabrics and made-up products: 8 percent
- Garments: 12 percent

In Sweden, the value added tax is fixed on all clothing and textile products at 25 percent. There are different EU quotas on the amount of clothes and garments that can be imported, but it is rare for these quotas to be reached.

There is special legislation regarding the import of garments into Sweden and the EU:

- The amount of nickel in buttons, zippers etc. is regulated.
- Chemicals that are dangerous to health are not allowed in the manufacture of garments.
- The materials/fibers used for the product must be declared on the garment in Swedish.

For more information go to <http://europa.eu/scadplus/leg/en/s25002.htm>

Trade Events

Stockholm Fashion Week

Web: www.stockholmfashionweek.com

May 11-17 2009 and August 10-16 2009

Precollection

Web: www.modecenter.se

June 1-2 2009

Resources & Contacts

Modecenter

Address: Gustaf de Laval's Torg 8
SE-131 59 NACKA
Phone: +46-8-6810100
Web: www.modecenter.se

Svensk Handel STIL

Address: Regeringsgatan 60
SE-103 29 Stockholm
Phone: 010-47 18 500
Web: www.svenskhandel.se

Svenska moderådet

Address: Drottninggatan 81 A
SE-111 60 Stockholm
Phone: +46-8-411 17 44
E-mail: info@moderadet.se
Web: www.moderadet.se

Svenska Tekoindustriföreningen

Address: Klara Norra Kyrkogata 31
Box 22307
SE-104 22 Stockholm
Phone: +46-8-440 11 70
E-mail: info@sinf.se
Web: www.sinf.se

TEKO, Sveriges Textil- och Modeföretag

Address: Box 5510
SE-114 85 Stockholm
Phone: 08-762 68 80
E-mail: teko@teko.se
Web: www.teko.se

For more information: Contact: [Birgitta.Gardelius@ mail.doc.gov](mailto:Birgitta.Gardelius@mail.doc.gov); Phone: 46.8.483.5347 Fax: 46.8.660.9181; or visit our website: www.usemb.se

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